

**ARANETA PROPERTIES  
INCORPORATED**

**DEFINITIVE  
INFORMATION STATEMENT  
(SEC FORM 20-IS)**

**December 15, 2025  
at 10:30 a.m.**

virtually via link to be provided at <https://aranetaproperties.com>

**ARANETA PROPERTIES INCORPORATED**  
**21st Floor BDO Towers Valero, Paseo de Roxas, Makati City Phone: (02)-8848-1501 to 04**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**TO OUR STOCKHOLDERS**

**NOTICE IS HEREBY GIVEN** that the Annual Meeting of Stockholders of **Araneta Properties Incorporated** (the “Company”) will be conducted virtually at <https://aranetaproperties.com2096/webmaillogout.cgi> on **Monday, December 15, 2025**, at **10:30 in the morning**. Information about said virtual meeting can be accessed at the link provided on ARA’s website at <https://aranetaproperties.com> with the following agenda:

1. Call to order;
2. Proof of notice and due calling of meeting; Determination of a quorum;
3. Approval of Minutes of the Annual Stockholders’ Meeting held on December 12, 2024;
4. Report of the President;
5. Presentation and approval of the Financial Statements as of December 31, 2024;
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.

Only stockholders of record at the close of business on 20 October 2025 are entitled to notice of, and to vote at this meeting.

Due to the new normal after the COVID-19 pandemic, the Corporation will dispense with the physical attendance of stockholders at the meeting. Thus, the stockholders may attend only by remote communication or appoint the Chairman as proxy.

Proxies must be filed with and received by the Office of the Corporate Secretary at the 8<sup>th</sup> Floor Chatham House Building, Valero corner Rufino Sts. Salcedo Village, Makati City, Philippines, or sent to [corpsecara@aranetaproperties.com](mailto:corpsecara@aranetaproperties.com) not later than 12 December 2025 at 5:00 p.m. Validation of proxies shall be made on 11 December 2025 at 2:00 p.m. at the 8<sup>th</sup> Floor Chatham House Building, Valero corner Rufino Sts. Salcedo Village, Makati City, Philippines.

**Participation by Remote Communication**

The 2025 Annual Stockholders’ Meeting will be conducted by remote communication via Zoom. The stockholders may attend and participate in the meeting by following the instructions below:

1. Stockholders should notify the Corporation by sending an email to [corpsecara@aranetaproperties.com](mailto:corpsecara@aranetaproperties.com) on or before 11 December 2025.
2. All successfully registered stockholders will receive an invitation by email containing the link to the meeting, together with the password and the meeting procedures.
3. Stockholders who have notified the Corporation within the given date and were registered will be included in the determination of the existence of a quorum.
4. The meeting shall be recorded in audio and video formats, and copies thereof shall be retained by the Corporation.

SECURITIES AND EXCHANGE COMMISSION SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20 OF THE SECURITIES  
REGULATION CODE

1. Check the appropriate box:  
 Preliminary Information Statement  
 Definitive Information Statement
2. Name of Registrant as specified in its charter: **ARANETA PROPERTIES, INC.**
3. **21st Floor, BDO Towers Valero, Paseo de Roxas, Makati City, Philippines**  
Province, country, or other jurisdiction of incorporation or organization
4. SEC Identification Number: **152249**
5. BIR Tax Identification Code: **050-000-840-355**
6. **21st Floor, BDO Towers Valero, Paseo de Roxas, Makati City, Philippines 1228**  
Address of principal office Postal Code
7. Registrant's telephone number, including area code **(02) 8848-1501 to 04**
8. Date, time, and place of the meeting of security holders  
**December 15, 2025; 10:30 a.m.; virtually via link provided at**  
**https://aranetaproperties.com**
9. Approximate date on which the Information Sheet is first to be sent or given to security holders on November 24, 2025
10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on the number of shares and the amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding
Common Stock, Php1.00 par value	1,951,387,570 shares

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

Yes  No

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:  
Philippine Stock Exchange, common shares

**Philippine Stock Exchange Common shares**

## ARANETA PROPERTIES INCORPORATED INFORMATION STATEMENT

### A. GENERAL INFORMATION

#### ITEM 1: DATE, TIME, AND PLACE OF MEETING OF SECURITY HOLDERS

**Date:** December 15, 2025

**Time:** 10:30 a.m.

**Place:** virtually via a link provided at <https://aranetaproperties.com>

**Principal Office:** 21st Floor, BDO Towers Valero, Paseo de Roxas, Makati City

**Approximate Date of Distribution to Security Holders: November 24, 2025**

The distribution of the Notice of Meeting and Information Statement will be made through publication in accordance with the procedures provided under the SEC Notice dated March 13, 2025.

ALTERNATIVE MODE FOR DISTRIBUTING AND PROVIDING COPIES OF THE NOTICE OF MEETING, INFORMATION STATEMENT, AND OTHER DOCUMENTS IN CONNECTION WITH THE HOLDING OF ANNUAL STOCKHOLDERS' MEETING ("ASM") FOR 2025.

The Definitive Information Statement shall also be made available on the Company's website at <https://aranetaproperties.com>

**WE ARE NOT ASKING YOU FOR A PROXY, AND YOU ARE REQUESTED NOT TO SEND US A PROXY**

#### ITEM 2. DISSENTER'S RIGHT OF APPRAISAL

There are no matters to be acted upon at the meeting involving instances set forth in the Revised Corporation Code of the Philippines for which a stockholder may exercise the right of appraisal.

Pursuant to *Section 80 Title X, Appraisal Right, Revised Corporation Code of the Philippines*, any stockholder of a corporation shall have the right to dissent and demand payment of the fair value of his shares in the following instances: (a) in case of any amendment to the articles of incorporation that has the effect of changing or restricting the rights of any stockholder or class of shares, or authorizing preferences in any respect superior to those of outstanding shares of any class, or extending or shortening the term of corporate existence; (b) in case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets, and (c) in case of merger.

*Section 81 of the Revised Corporation Code* also provides that, this appraisal right may be exercised by any stockholder who shall have voted against the proposed action, by making a written demand on the corporation within thirty (30) days after the date on which the vote was taken for payment of the fair

value of his shares. Failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed action is implemented or affected, the corporation shall pay to such stockholder, upon surrender of the certificate or certificates of stock representing his shares, the value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

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

From the time of demand for payment of the fair value of a stockholder's shares until either the abandonment of the corporate action involved or the purchase of the said shares by the corporation, all rights accruing to such shares, including voting and dividend right, shall be suspended, except the right of such stockholder to receive payment of the fair value thereof: Provided, that if the dissenting stockholder is not paid the value of his shares within 30 days after the award, his voting right and dividend rights shall immediately be restored (*Section 82 of the Revised Corporation Code*).

Within ten (10) days after demanding payment of his shares, a dissenting stockholder shall submit the certificate(s) of stock representing his shares to the Corporation for notation thereon that such shares are dissenting shares. His failure to do so shall, at the option of the Corporation, terminate his appraisal right (*Section 85, Revised Corporation Code*). No demand for payment as aforesaid may be withdrawn by the dissenting stockholder unless the Corporation consents thereto (*Section 83, Revised Corporation Code*).

The appraisal right shall be exercised in accordance with Title X of the Revised Corporation Code.

### **ITEM 3. INTEREST OF CERTAIN PERSONS IN OR OPPOSITION TO MATTERS TO BE ACTED UPON**

Other than the election to office, there is no matter to be acted upon during the Annual Stockholders' Meeting in which a beneficial owner, director, or officer has any substantial interest.

No director has informed the Company in writing of his intentions to oppose any action to be taken during the proposed Annual Stockholders' Meeting.

## **B. CONTROL AND COMPENSATION INFORMATION**

### **ITEM 4. VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF**

As of June 30, 2025, there are 1,951,387,570 shares subscribed, issued, and outstanding common shares entitled to vote at the meeting, with each share entitled to one vote. Out of the said issued and outstanding common shares, 35,272,417 common shares are owned by foreigners.

All stockholders of record at the close of business hours of October 20, 2025, shall be entitled to cumulative voting rights with respect to the election of directors. A stockholder may vote such number of shares for as many persons as there are directors to be elected or he may cumulate said shares and give

one candidate as many votes as the number of directors to be elected multiplied by the number of his shares, or he may distribute them on the same principle among as many candidates as he shall see fit: Provided, that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the Company as of October 20, 2025 multiplied by the whole number of directors to be elected.

## Security Ownership of Certain Records & Beneficial Owners and Management

### (1) Security Ownership of Certain Records and Beneficial Owners

There were no delinquent stocks, and the direct and indirect record and beneficial owners of more than five percent (5%) of the Company's voting securities as of September 30, 2025, 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	Number of Share	Nature of Ownership	% Held
Common	PCD Nominee Corporation	Various clients & Philippine Depository & Trust Corp. (PDTC)	Filipino	734,757,444	Direct	37.65%
Common	Carmel Development, Inc. 21/F BDO Towers Valero Paseo de Roxas, Makati City	Nominee: Gregorio Ma. Araneta III	Filipino	499,999,997	Direct	25.62%
Common	Gregorio Araneta, Inc. 6/F Adamson Center Suite A, 121 LP Leviste St., Makati City	Nominee: Gregorio Ma. Araneta III	Filipino	390,277,500	Direct	20.00%
Common	Gamma Properties, Inc., 21/F BDO Towers Valero Paseo de Roxas, Makati City	Nominee: Gregorio Ma. Araneta III	Filipino	136,000,000	Direct	6.97%
Common	Olongapo Mabuhay Express Corp LBC Compound Aviation Center, Airport Road, Pasay City	Nominee: Gregorio Ma Araneta III	Filipino	124,855,422	Direct	6.40%

### (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 September 30, 2025:

Title of Class	Name and Address of Beneficial Owner	No. of shares & Nature of Beneficial Ownership	Citizenship	Nature of Ownership	Percent of Class (%)
Common	<b>Gregorio Ma. Araneta</b> 21/F BDO Towers Valero Paseo de Roxas, Makati City	120,060	Filipino	Direct	0.0096
		390,277,500 Gregorio Araneta, Inc.		Indirect	
		499,999,997 Carmel Development Inc.		Indirect	
		136,000,000 Gamma Properties, Inc.			

		124,855,422 Olongapo Mabuhay Express Corp			
Common	<b>Cesar Zalamea</b> 21/F BDO Towers Valero Paseo de Roxas, Makati City	1	Filipino	R&BDirect	0.0000
Common	<b>Alfonso Araneta</b> 21/F BDO Towers Valero, Paseo de Roxas, Makati City	500,001	Filipino	R&BDirect	0.02
Common	<b>Luis Araneta</b> 21/F BDO Towers Valero, Paseo de Roxas, Makati City	500,001	Filipino	R&BDirect	0.02
Common	<b>Lazaro Dellas Llagas Madara</b> 326 Tamarind St., Ayala Alabang Village Muntinlupa City	1	Filipino	R&BDirect	0.0000
Common	<b>Crisanto Roy B. Alcid</b> 21/F BDO Towers Valero, Paseo de Roxas, Makati City	1	Filipino	R&BDirect	0.0000
Common	<b>Alfredo D. Roa III</b> 119 Avocado Dr., Ayala Alabang, Muntinlupa	1	Filipino	R&BDirect	0.0000
Common	<b>Francisco Araneta Segovia</b> FIFASCI GrpUnit 104-105 Metrostar Bldg Barangay Sta. Cruz, Makati City	1,000	Filipino	R&BDirect	0.0000
Common	<b>Tarcisio M. Medalla</b> Unit 1F Arbor Lanes Willow, Nexus Street, Arca South, Western Bicutan, Taguig City	1,000	Filipino	R&BDirect	0.0000
Common	<b>Antonio O. Cojuangco</b> 2335 Makopa St., Brgy. Dasmariñas, Dasmariñas Village, Makati City	1,000	Filipino	R&BDirect	0.0000
<b>TOTAL FOR THE GROUP</b>					<b>0.0100</b>

*b – beneficial ownership*

*r – record ownership*

### (3) Voting Trust Holders of 5% or More

There is no voting trust or similar arrangement involving the shares of stock of the Company.

### (4) Security ownership of certain beneficial owners and management:

Name of Company	Class	Number of Shares	Nature	Percentage
<b>Gregorio Araneta, Inc.</b> (of which 12.24% held by Gregorio Ma. Araneta III)	Common	390,277,500	Direct	20.00%

<b>Carmel Development, Inc.</b> (of which 99% held by Gregorio Ma. Araneta III)	Common	499,999,997	Direct	25.62%
<b>Gamma Properties, Inc.</b> (of which 50% held by Gregorio Ma. Araneta III)	Common	136,000,000	Direct	6.97%
<b>Olongapo Mabuhay Express Corp.</b> (of which 80% held by Ma. Joy A. Cruz)	Common	124,855,422	Direct	6.40%

**(5) Description of any arrangement which may result in a change in control of registrant**

There is no arrangement which may give rise, nor result in a change in the control of registrant.

**ITEM 5. DIRECTORS AND EXECUTIVE OFFICERS**

Except in cases where voting by ballot is applicable, voting and counting shall be viva voce. If by ballot, the counting shall be supervised by the external auditors and transfer agent of the Company.

All stockholders of record at the close of business hours of October 20, 2025, shall be entitled to cumulative voting rights with respect to the election of directors. A stockholder may vote such number of shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares, or he may distribute them on the same principle among as many candidates as he shall see fit: Provided, that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the Company as of June 30, 2025 multiplied by the whole number of directors to be elected.

**(1) Board of Directors and Executive Officers**

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

Office	Name	Citizenship	Age	Year of assumption of office	No. of years/ Months
Chairman/CEO/Director	Gregorio Ma. Araneta III	Filipino	77	1997	29 years
Director/Treasurer	Crisanto Roy B. Alcid	Filipino	55	1997	29 years
Director	Cesar Zalamea	Filipino	81	2015	9 years
Director/President	Luis M. Araneta	Filipino	40	2012	12 years
Director	Alfonso M. Araneta	Filipino	41	2013	11 years
Director	Lazaro Delas Llagas Madara	Filipino	75	2021	3 years
Director	Francisco Araneta Segovia	Filipino	70	2017	8 years
Director	Tarcisio Medalla	Filipino	76	2024	1 year
Director	Antonio Cojuangco	Filipino	75	2024	1 year
Corporate Secretary	Christine P. Base	Filipino	55	2007	17 years
Chief Finance Officer	Jose O. Eustaquio III	Filipino	78	2012	12 years

For the period January 1, 2024, to December 31, 2024, the Board of Directors of the Corporation held a total of eleven (11) regular meetings on the following dates:

<b>Date of Meeting</b>	<b>Type of Meeting</b>	<b>Meeting of</b>
January 19, 2024	Regular	Board of Directors
February 21, 2024	Regular	Board of Directors
March 11, 2024	Regular	Board of Directors
April 1, 2024	Regular	Board of Directors
April 8, 2024	Regular	Board of Directors
May 15, 2024	Regular	Board of Directors
July 16, 2024	Regular	Board of Directors
August 13, 2024	Regular	Board of Directors
September 30, 2024	Regular	Board of Directors
November 8, 2024	Regular	Board of Directors
December 12, 2024	Annual	Annual Stockholders' Meeting and Organizational Meeting of the Board of Directors

During the reporting period, the following is the board attendance:

<b>DIRECTOR</b>	<b><i>% of attendance (11 board meetings)</i></b>
Gregorio Ma. Araneta III	100%
Crisanto Roy Alcid	100%
Cesar Zalamea	100%
Luis Araneta	100%
Alfonso Araneta	100%
Francisco Segovia	100%
Lazaro Madara	100%
Tarcisio M. Medalla	100%
Antonio O. Cojuangco	100%

The above incumbent directors are all nominated for re-election in this year's Annual Stockholders' Meeting per SEC Memorandum Circular No. 2, Series of 2002.

For the term 2024-2025, Carmel Development, Inc. and Gamma Properties, Inc., through Mr. Gregorio Ma. Araneta III nominated Luis M. Araneta, Alfonso Araneta, Crisanto Alcid, and Lazaro Delas Llagas

Madara; Olongapo Mabuhay Express Corp., through Mr. Carlos R. Araneta, nominated Francisco Segovia, Antonio O. Cojuangco, and Tarcisio M. Medalla.

The amended by-laws of the Company include the guidelines and procedures for the nomination and election of independent directors.

The following are the rules for the nomination and election of independent directors:

- a. The Nomination Committee shall have at least three members (3), one of whom is the independent director.
- b. Nomination of independent director/s shall be conducted by the committee prior to a stockholders' meeting. All recommendations shall be signed by the nominating stockholders together with the acceptance and conformity of the would-be nominees.

b1) The Committee shall pre-screen the qualifications and prepare a final list of candidates, and put in place screening policies and parameters to enable it to effectively review the qualifications of the nominees for independent director/s.

b2) After the nomination, the committee shall prepare a final list of candidates which shall contain all the information about the nominees for independent directors, as required under SRC Rule 12, which list shall be made available to the commission and to all stockholders through the filing and distribution of the Information Statement, in accordance with SRC Rule 20, or in such other reports the company is required to submit to the Commission. The name of the person or group of persons who recommended the nomination of the independent director shall be identified in such report, including any relationship with the nominee.

The nomination committee is composed of the following:

Chairman: Lazaro Delas Llagas Madara  
Members: Gregorio Ma. Araneta III, and  
Crisanto Roy B. Alcid

## **DIRECTORS AND EXECUTIVE OFFICERS**

The following are the business experience and positions held by the Directors, Nominees, and Executive Officers for the past five (5) years:

**GREGORIO MA. ARANETA III**, Filipino, 77 years old, Filipino, is the Chairman and Chief Executive Officer of Araneta Properties, Inc. 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 President and Chairman of Alluma Energy Mgt., Solution, Inc., Hermosa Solar Energy, Inc., and Pontus LNG Power Corporation. He is the President and Chairman of GALA Expert, Inc. He is the Chairman of Philweb Corporation. He is also a director of ISM Telecommunications, Inc. 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**, Filipino, 55 years old, is currently the Treasurer of Araneta Properties, Inc. He is a director of Philweb Corporation. He is also the President of Envirotest Inc. and Roycomm Holdings, Inc. He holds directorship in various companies, namely: Carmel Development Corporation, Gregorio Araneta, Inc., ARAZA Resources, Inc., HE. Heacock Resources Corporation, Gamma Holdings, Midrac Realty, Inc., and Philippine Coastal Storage & Pipeline Corporation. He is a Director of Alluma Energy Mgt., Solution, Inc., Hermosa Solar Energy, Inc., Pontus LNG Power Corporation, and GALA Expert, Inc. Formerly, he was connected with Ayala Land, Asiatrust 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.

**LUIS M. ARANETA**, Filipino, 40 years old, is currently the President and 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., He is a Director of Alluma Energy Mgt., Solution, Inc., Hermosa Solar Energy, Inc., Pontus LNG Power Corporation and GALA Expert, Inc., and He is Corporate Secretary of Gamma Properties, Inc. Mr. Araneta studied at the Pace University in New York City where he earned his degree in Business Administration in Management.

**ALFONSO M. ARANETA**, 41 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 a Director of Alluma Energy Mgt., Solution, Inc., Hermosa Solar Energy, Inc., Pontus LNG Power Corporation and GALA Expert, 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.

**CESAR ZALAMEA**, 81 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 to 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 DELAS LLAGAS MADARA**, 75 years old, Filipino, is one of the Directors of the Company. He is a member of the Integrated Bar of the Philippines, a former member of the 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 1<sup>st</sup> Client Advisory Board of Citibank Private Investment Group. New York City, USA.

**ANTONIO O. COJUANGCO**, 75 years old, Filipino, is one of the Directors of the Company. He is currently the President & Chief Executive Officer of Associated Broadcasting Co., Chairman of Radio Veritas-Global Broadcasting System, Inc., Chairman of CAP Life Insurance Corp., Chairman of the National Museum of The Philippines, Chairman of Mantrade Development Corp., Chairman of Ballet Philippines Foundation, Inc., Chairman of Tanghalang Pilipino Foundation, Inc., Chairman of Cinemalaya Foundation, Inc., Chairman of Nabasan Subic Development Corp., Chairman of Philippine Trade Foundation, Inc., Chairman of Manila Symphony Orchestra Foundation, Inc., Independent Director of Shang Properties, Inc., President & Director of Canlubang Golf & Country Club, Director of Bancommerce Investment Corp., and President of Calatagan Bay Realty, Inc. Mr. Cojuangco's former positions include Chairman of Bank of Commerce (Philippines), Chairman of AirAsia Philippines, Inc., Director of PLDT, Inc., President & Director of Calatagan Golf Club, Inc., and Director of Tiger Resort, Leisure & Entertainment, Inc. holds an MBA from Stanford University and an undergraduate degree from the University of Ateneo de Manila.

**TARCISIO M. MEDALLA**, 76 years old, currently Chairman and Chief Executive Officer of Paxys, Inc., has been a Director and President of the company since 30 December 2003. He is concurrently a Director of UT Global Services Limited, a privately held company with an RHQ in Manila and affiliated with All Asia Customer Services Holdings Ltd., an investment holding company that owns the controlling equity interest in Paxys. He has been connected with the Group since 1983. He is also a director of Pacific Online Systems Corporation, a company listed on the Philippine Stock Exchange. He is also the Chairman at Advanced Contact Solutions, Inc. Additionally, he holds positions as a Non-Executive Director at Pacific Online Systems Corp., Director at NGL Pacific Ltd., and Non-Executive Director at Total Gaming Technologies, Inc. He graduated with a BSC degree, majoring in Accounting from De La Salle University. He attended the Advanced Management Program (AMP) at the Harvard Business School. He is a Certified Public Accountant.

**FRANCISCO ARANETA SEGOVIA**, 70 years old, Filipino, graduate from Ateneo de Manila University College - Business Management, 1979. He holds directorship in Segovia & Co., Inc., S&A Industrial Corporation, and 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

**CHRISTINE P. BASE**, Filipino, 55 years old, has been the Corporate Secretary of Araneta Properties, Inc. since 2007. She is a Managing Partner of Base & Nazal, Attorneys, and is a lawyer and Certified Public Accountant (CPA) by profession. She was a Corporate and Tax Lawyer at Pacis and Reyes, Attorneys, and is the Managing Director of Legisforum, Inc. She concurrently serves as the Corporate Secretary of SBS Philippines Corporation, Anchor Land Holdings, Inc., Itaipinas Development Corporation (also as a director), Araneta Properties, Inc., SL Agritech Corporation, Asiasec Equities, Inc., and Ever-Gotesco Resources and Holdings, Inc. She was the Compliance Officer of Bloomberry Resorts Corporation. She is a director and/or corporate secretary of several private corporations. She was an Auditor and then a Tax Lawyer of Sycip, Gorres, Velayo & Co. She is a graduate of Ateneo De Manila University School of Law with a Juris Doctor degree. She passed the Bar Examination in 1997. She graduated from De La Salle University with a degree of Bachelor of Science in Commerce major in Accounting.

**JOSE O. EUSTAQUIO, III**, Filipino, 78 years old, is presently the Chief Financial Officer of Araneta Properties, Inc. He was a consultant for 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 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 the Philippine School of Business Administration with a Bachelor of Science Degree in Commerce, majoring in Accounting.

## **(2) Independent Directors**

Three (3) incumbent Directors, namely Lazaro Delas Llagas Madara, Tarcisio Medalla, and Antonio Cojuangco, were independent directors of the Company for the year 2025-2026. They are not employees of the Company and have no relationship with the Company that would interfere with the exercise of independent judgment in carrying out the responsibilities of an independent director.

The following are nominated for election to the Board of Directors during this year's Annual Stockholders' meeting:

- |                               |                      |
|-------------------------------|----------------------|
| 1. Gregorio Maria Araneta III | Director             |
| 2. Cesar Zalamea              | Director             |
| 3. Crisanto Roy B. Alcid      | Director             |
| 4. Luis M. Araneta            | Director             |
| 5. Alfonso M. Araneta         | Director             |
| 6. Francisco Araneta Segovia  | Director             |
| 7. Antonio O. Cojuangco       | Independent Director |
| 8. Lazaro Delas Llagas Madara | Independent Director |
| 9. Tarcisio M. Medalla        | Independent Director |

For the term 2025-2026, Carmel Development, Inc. and Gamma Properties, Inc., through Mr. Gregorio Ma. Araneta III nominated Lazaro Delas Llagas Madara, Olongapo Mabuhay Express Corp., through Mr. Carlos D. Araneta, nominated Antonio O. Cojuangco and Tarcisio M. Medalla. The independent directors are not related to the persons nominating them by consanguinity or affinity and have no professional or business dealings with any of them.

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

## **(3) Family Relationships**

Mr. Luis M. Araneta and Mr. Alfonso M. Araneta are the sons of Mr. Gregorio Ma. Araneta III., while Francisco Araneta Segovia is the first cousin of Mr. Gregorio Ma. Araneta III. 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.

## **(4) Involvement in Certain Legal Proceedings**

To the knowledge of the Company, there has been no occurrence of any of the following events during the past five (5) years up to the present, which are material to an evaluation of the ability and integrity of any director, any person nominated to become director, executive officer, or control person of the Company:

1. Any insolvency or bankruptcy petition filed by or against any business of which such person was a general partner or executive officer, whether at the time of insolvency or within two (2) years prior to that time;
2. Any conviction by final judgment in a criminal proceeding, domestic or foreign, in criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses.
3. Any final and executory order, judgment, or decree of any court of competent jurisdiction, domestic or foreign, permanently or temporarily, enjoining, barring, suspending or otherwise limiting involvement in any type of business, securities, commodities, or banking activities; and
4. Any final and executory judgment by a domestic or foreign court or competent jurisdiction (in a civil action), the SEC, or comparable foreign body, or domestic or foreign exchange or electronic marketplace or self-regulatory organization, for violation of a securities or commodities law.

There are no legal proceedings to which the Company or its subsidiary or any of their properties are involved in or subject to any legal proceedings which would have a material effect or adverse effect on the business or financial position of the Company or its subsidiary.

### **(5) Significant Employees**

The Company currently has no significant employees.

### **(6) Certain Relationships and Related Transactions**

Mr. Luis M. Araneta and Alfonso M. Araneta are the sons of Mr. Gregorio Ma. Araneta III, while Mr. Francisco Araneta Segovia is the first cousin of Mr. Gregorio Ma. Araneta III. 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.

As of June 30, 2025, there are no directors or officers who own ten percent (10%) or more of the outstanding shares of the parent company.

ARAs accounts payable as of June 30, 2025, includes liability from land acquisition in 2018, there were no business arrangements and related party transactions and/or ongoing contractual or other commitments as a result of the arrangement pursuant to disclosure requirement of SFAS/IAS 24.

## **ITEM 6. COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS**

### **(1) Compensation Table**

The following is a summary of the aggregate compensation paid or accrued during the years 2023, 2024 and 2025 to the Company’s Chief Executive Officer and the next most highly compensated officers who are individually named below and to all other officers and directors of the Company as a group:

<b>Name and Principal Function</b>	<b>Fiscal Year</b>	<b>Salary</b>	<b>Bonus</b>	<b>Other Compensation</b>
------------------------------------	--------------------	---------------	--------------	---------------------------

Gregorio Ma. Araneta III * Chairman and CEO	2023 2024 2025			
Luis M. Araneta * President	2023 2024 2025			
Crisanto Roy B. Alcid * Treasurer	2023 2024 2025			
Jose O. Eustaquio III * Chief Finance Officer	2023 2024 2025			
TOTAL FOR THE GROUP	2023 2024 2024**	10,126,800.00 10,126,800.00 10,126,800.00		
Other Officers as a group unnamed	2023 2024 2025**	5,624,000.00 5,624,000.00 5,624,000.00		

\* Key officers, \*\* Figures in Year 2025 were based on estimates

## (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 2025, 2024, and 2023. All other directors of the Company assumed their positions and served the Company without any compensation. The Company also does not provide any per diem to its directors.

### (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-and-file employees are standard.

The remuneration committee is composed of the following:

Chairman: Lazaro Delas Llagas Madara

Members: Luis Araneta; and

Gregorio Ma. Araneta III

## ITEM 7. INDEPENDENT PUBLIC ACCOUNTANTS

Reyes Tacandong and Co. was the Independent Public Accountant for the year 2024-2025. The reappointment of the said accounting firm as an Independent Public Accountant for the incoming year will

be submitted to the stockholders for their confirmation and approval. The Partner-in-charge, Ms. Michelle Mendoza-Cruz, has been appointed as the Partner-in-charge for the audit year 2024-2025. Ms. Michelle Mendoza-Cruz has served the Company for 2 years, during the years 2023 and 2024. The duly authorized representatives of Reyes Tacandong and Co., are expected to be present at the Annual Meeting of Stockholders, and they will have the opportunity to make statements if they desire to do so, and are expected to be available to respond to appropriate questions

Pursuant to the existing regulation of the Securities and Exchange Commission, the registrant shall change its external auditor or rotate the engagement partner every five years. This is in compliance with the rotation requirement of its external auditor's certifying partner as required under SRC Rule 68(3) (b) (iv). Considering that the assigned partner of Reyes Tacandong & Co. has been the Company's independent public accountant started in the year 2024, rotation is not necessary for the years 2024-2025.

The audit committee is composed of the following:

Chairman: Lazaro Delas Llagas Madara  
Members: Tarcisio M. Medalla; and  
Crisanto Roy B. Alcid

## **COMPENSATION PLANS**

No action with respect to any plan pursuant to which cash or non-cash compensation may be paid or distributed for the year shall be discussed during the meeting.

## **C. ISSUANCE AND EXCHANGE OF SECURITIES**

### **ITEM 8. NO AUTHORIZATION OR ISSUANCE OF SECURITIES OTHER THAN FOR EXCHANGE**

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

### **ITEM 9. MODIFICATION OR EXCHANGE OF SECURITIES**

There are no matters or actions to be taken up in the meeting with respect to the modification of any class of the Company's securities or the issuance of authorization for the issuance of one class of the Company's securities in exchange for outstanding securities of another class.

### **ITEM 10. FINANCIAL AND OTHER INFORMATION**

The audited financial statements as of December 31, 2024, Management's Discussion and Analysis, Market Price of Shares and Dividends, and other data related to the Company's financial information are attached hereto as Annex "A".

**ITEM 11. MERGERS, CONSOLIDATIONS, ACQUISITIONS & SIMILAR MATTERS**

There are no matters or actions to be taken up in the meeting with respect to merger, consolidation, acquisition by, sale, or liquidation of the Company.

**ITEM 12. ACQUISITION OR DISPOSITION OF PROPERTY**

There are no matters or actions to be taken up in the meeting with respect to the acquisition or disposition of any property by the Company.

**ITEM 13. RESTATEMENT OF ACCOUNTS**

The Company is not taking any action, which involves the restatement of any of its assets, capital, or surplus account.

**D. OTHER MATTERS**

**ITEM 14. ACTIONS WITH RESPECT TO REPORTS**

**(1) Approval of the Annual Stockholders Meeting held on December 12, 2024.**

The minutes of the previous Stockholders' Meeting held last December 12, 2024, shall be presented to the stockholders for approval. Items are as follows:

1. Approval of Minutes of the Annual Stockholders' Meeting held on December 12, 2024;
2. Report of the President;
3. Presentation and approval of the Financial Statements as of December 31, 2024
4. Ratification of the acts of the Board of Directors and Officers;
5. Election of members of the Board of Directors;
6. Appointment of External Auditors;

**ITEM 15. MATTERS NOT REQUIRED TO BE SUBMITTED**

Other than election to office, there is no matter to be acted upon during the Annual Stockholders' Meeting in which a beneficial owner, director, or officer has any substantial interest.

No director has informed in writing of his intentions to oppose any action to be taken during the proposed Annual Stockholders' meeting.

**ITEM 16. AMENDMENT OF CHARTER, BY-LAWS, OR OTHER DOCUMENTS**

There are no proposed amendments to the Company's charter, bylaws, and other documents.

## **ITEM 17. OTHER PROPOSED ACTIONS**

The following matters are to be proposed for approval at this year's annual shareholders' meeting:

- (a) Ratification of all acts and resolutions of the Board and management in implementing the resolutions since the annual stockholders' meeting on December 12, 2024, until this year's annual stockholders' meeting on November 12, 2025, involving:
  - i. Approval of the 2024 Annual Report (SEC Form 17-A)
  - ii. Approval of the 2024 Audited Financial Statements for the period ending December 31, 2024
  - iii. Approval of the financial statement of the Corporation for the First Quarter ending March 31, 2025.
  - iv. Approval of the financial statement of the Corporation for the 2nd Quarter ending June 30, 2025

## **ITEM 18. VOTING PROCEDURES**

Except in cases where a higher vote is required under the Corporation Code, the approval of any corporate action shall require the majority vote of all the stockholders present in the meeting, if constituting a quorum.

Except in cases where voting by ballot is applicable, voting and counting shall be viva voce. If by ballot, the counting shall be supervised by the external auditors and transfer agent of the Company.

All stockholders of record at the close of business hours on October 20, 2025, shall be entitled to cumulative voting rights with respect to the election of directors. A stockholder may vote such number of shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares, or he may distribute them on the same principle among as many candidates as he shall see fit: Provided, that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the Company as of October 18, 2025 multiplied by the whole number of directors to be elected.

All proxies must be in the hands of the Secretary at least ten (10) days before the time set for the meeting. Such proxies filed with the Secretary may be revoked by the stockholders either in an instrument in writing duly presented and recorded with the Secretary prior to a scheduled meeting or by their personal attendance at the meeting. (*Par. 2 Section 7, By-Laws*).

A forum for validation of proxies, chaired by the Corporate Secretary or Assistant Corporate Secretary and attended by the Stock and Transfer Agent, shall be convened seven (7) days before any meeting. Any questions and issues relating to the validity and sufficiency, both as to form and substance, of proxies shall only be raised during said forum and resolved by the Corporate Secretary. The Corporate Secretary's decision shall be final and binding upon the shareholders. Any such question or issue decided upon by the Corporate Secretary shall be deemed settled, and those not brought before said forum shall be deemed waived and may no longer be raised during the stockholder's meeting. (*Par. 3 section 7, By-Laws*)

Except in cases where a higher vote is required under the Corporation Code, the approval of any corporate action shall require the majority vote of all the stockholders present in the meeting, if constituting a quorum.

Except in cases where voting by ballot is applicable, voting and counting shall be viva voce. If by ballot, the counting shall be supervised by the external auditors and transfer agent of the Company.

## **EXHIBIT**

Exhibit I – The Management Report, which includes, among others, A Statement of Management’s Responsibility for the Financial Statements, the Audited Financial Statements ending December 31, 2024 & Interim Financial Statements ending June 30, 2025, is hereby attached and incorporated as Exhibit A.

**A COPY OF THE COMPANY'S ANNUAL REPORT ON SEC FORM 17-A WILL BE PROVIDED WITHOUT CHARGE TO EACH PERSON UPON WRITTEN REQUEST OF ANY SUCH PERSON ADDRESSED TO:**

**THE OFFICE OF THE CHIEF FINANCE OFFICER ARANETA PROPERTIES  
21<sup>st</sup> Floor, BDO Towers Valero, Paseo de Roxas, Makati City**

**SIGNATURE**

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

**ARANETA PROPERTIES INCORPORATED**

**By:**

  
**CHRISTINE P. BASE**  
Corporate Secretary

# MANAGEMENT REPORT

## BUSINESS *and* FINANCIAL INFORMATION

### BRIEF DESCRIPTION OF GENERAL NATURE AND SCOPE OF BUSINESS

#### OVERVIEW

Araneta Properties, Inc. (the “Company” or “ARA”), is a publicly listed corporation on the Philippine Stock Exchange with real estate development as its primary purpose of business. The Company was formerly known as Integrated Chrome Corporation (INCHROME), organized on June 15, 1988, and its principal business was to mine chrome ore and produce ferro silicon metal or commonly known as ferrochrome. Inchrome stopped its smelting 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:

- a.1) Changed the corporate name from INCHROME to Araneta Properties, Inc.
- a.2) Amended the primary purpose of business to land and property development *and* maintained the smelting operations as a secondary purpose;
- a.3) Removal of stockholders’ pre-emptive right;
- a.4) Changed the par value from P0.30 to P1 per share;
- a.5) Increased the 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
- a.6) Removed the 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.

The newly elected President, Mr. Luis M. Araneta, revisited the status of operation, specifically the sales performance of the Company for the past three (3) years, following the effect of economic uncertainties brought about by the CoVid-19 pandemic, and the Ukraine and Hamas war incorporated with the domestic economy, as well as local competition, made a significant determining factor in sales performance.

The management, through the stewardship of the newly elected president of the company, had come up new strategy, specifically a “Sales Promo”, for a certain number of lots with a promo period of 30 days, which ends March 30, 2024. The promo is described as follows:

- 1) 38.91% discount (*from the original of P22,000 per sqm to P13,440 per sqm*)
- 2) Seven (7) days’ reservation period (*normally the reservation period is 30 days*), and
- 3) 25% full down payment (FDP) payable in six (6) months (*normally the FDP is 12months to pay*)

The performance of the Company in terms of revenue for the six (6) months period ended June 30, 2025 decreased by 50.277%, Total revenue during the period is P153.886 million as compared to P296.212 million in the same period of Year 2024, This performance is directly attributed to *Sales re-launching coupled with Sales Promo* implement by the Company to be able to redeemed from economic uncertainties brought about by the CoVid-19 pandemic

The sales promo started January 29, 2024 and ends April 15, 2024

The “*Re-Launching and Sales Promo*” mentioned above, the Company booked two hundred seventy-three (273) buyers with a total lot area of 58,248 square meters of subdivided lot with average “Promo selling price of ranging from P13,440.00 to P13,500.00 per square meter (inclusive of 12% VAT), the strategy has created a good marketing scenario

Project Percentage of Completion (PPOC), the residential area of Phase 1, Phase 2 & Phase 3 are 100%, 100% &100% respectively complete, while the Country Club is 98.00% complete as of June 30, 2024. The Company uses the project percentage of completion (**PPOC for brevity**) in determining sales during the period.

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, and 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 =P115.31 million, on behalf of the Company. They 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 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 November 17, 2015 Gregorio Araneta, Inc., a corporation duly registered with Securities and Commission and with business address located at 6<sup>th</sup> 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).

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

Araneta Properties, Inc. (ARA), is listed on the Philippine Stock Exchange. It is now primarily engaged in the fine-tuning of a master plan for the development of approximately 248.113 hectares of prime real estate located in San Jose del Monte, Bulacan.

The major components of the master plan consist of upper-middle to high-end residential lots and townhouses complemented by a leisure center, the principal of which is a country club, a commercial

center, and a university center. Additional components of the plan include a nature park, corporate business center, and mass housing.

The aforesaid project is the first big property development project in the northern portion of Metro Manila. Thus, there is no major industry or geographic competition.

The distribution method of the products or real property is being handled by Orchard Property Marketing.

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

An integral part of the master plan is the planned joint venture project, which would enable the Company to work together with foreign and local companies with expertise in land development projects.

There are no other transactions with and/or dependence on related parties, except for the advances made from stockholders for the Company’s land banking requirements.

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

- (1) Locational Clearance Certificate (LCC-Issued and Approved)
- (2) License to Sell (HLURB-Issued and Approved)

As the Company’s master plan is almost complete, the amount or the actual value of the research and actual development cost shall be determined in the final phase of the master plan. As of June 30, 2025, the engineering department reported percentage completion detailed below:

Percentage of Completion	As of December 31, 2024	As of June 30, 2025
Phase I	100.00%	100.00%
Phase II	100.00%	100.00%
Phase III	98.00%	98.00%
Club House / Sports Center	99.00%	99.00%

Costs and effects of compliance with environmental laws:

- a) Total project cost shall be accounted for upon completion of the master plan.
- b) Locational Clearance has already been approved/issued by the local government.

Recent Sales of unregistered securities

- (a) Securities sold—No unregistered securities have been sold during the fiscal year last ended.
- (b) Underwriter and other purchases – Not applicable
- (c) Exemption from registration claimed – None/not applicable

The total number of officers, managers, consultants, and regular employees as of June 30, 2025, is as follows:

Officers & Managers ----- 7  
 Consultants ----- 5

Supervisors, Rank and File - - - - - 18  
Total number of employees - - - - - 30

*Employees & consultants described above do not include the stock-transfer agent.*

## **FINANCIAL *and* OTHER INFORMATION**

### **Management’s Discussion *and* Analysis of the Plan of Operation**

#### **Basis of Presentation**

The financial statement of Araneta Properties, Inc. has been prepared using the historical cost basis and is presented in Philippine Peso (₱).

#### **Statement of Compliance**

The financial statements have been prepared in compliance with the Philippine Financial Reporting Standards (PFRS).

#### ***Financial Condition 2023-2024***

The Company’s total assets increased posted at =P2,404,112,601 in the year 2024, as compared with P1,973,206,970 in 2023. The movement in the cost of total assets is attributable to the cost of trade receivables net of the cost of the lot inventory sold during the year.

The cash balance of =P192.873 million as at the end of December 31, 2024, as compared with =P1.990 million in 2023. The cash in banks earns interest on the respective bank deposits. Short-term investments are made for varying periods up to three (3) months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates. Interest income earned from cash in bank amounted to P0.0002 million P=0.0002 million, P=0.0003 million for the years ended December 31, 2024, 2023, and 2022, respectively. The movement of cash is attributable to the net cash flows generated by the Company in its operating activities.

The receivables increased by 108.416% from =P334.727 million in 2023 as compared to P697.625 million in 2024. Trade receivables mainly represent the Company’s outstanding balance in its share from the sale of a real estate project with a joint venture with SLRDI as well as Collections of interests and penalties arising from late payment of these receivables are recognized as part of “Others” in the “Revenue and Other Income” section in the statements in comprehensive income.

Installment receivables were discounted using the credit-adjusted risk-free rates prevailing at the time of the sale, which resulted in an effective interest rate of 9.45%. Interest income from accretion recognized in 2024, 2023, and 2022 amounted to =P5.574 million, P=4.843 million, and =P4.541 million, respectively.

The real estate inventory decreased from P=893.298 in 2023 as compared with P=826.553 in 2024; the movement in real estate inventory is attributable to the cost of land inventory sold during the year.

No movement in investments property amounting =P674.056 in 2024, 2023 and 2022

An increased in the property and equipment account pertains to the recognition of depreciation expense by the Company, amounting to =P0.363 million, partially offset by the acquisition of additional property and equipment in the amount of =P7.046 million.

The company's liability posted at =P261.259 million in 2024, as compared with =P250.337 million in 2023. The increase in liabilities accounts is brought about by the normal movement of payables, accruals, and deferrals

The movement of the output VAT account represents normal recording of Input and Output VAT from =P85.796 million in 2024, as compared with =P57.770 million in 2023.

The Company has recorded a Net Gain (Loss) before income tax of =P506.198 million in 2024, (=P24.858) million in 2023, and (=P2.798) million in 2022.

There is no movement in the number of issued shares as at end of June 30, 2025.

### ***Status of Operation***

#### *The impact of the Coronavirus (COVID-19)*

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. As of reporting date, the latest COVID-19 risk classification made by the National Government was to classify the National Capital Region under "Alert Level 1" and this provided businesses opportunity to operate under the "New Normal" condition, which the management are optimistic that this scenario will somehow help the Company to implement the plan of action that have been established during the COVID-19 pandemic to more or less put into and re-position the Company as follows:

- a. To intensify cost-cutting measures to combat the effect of economic changes, such as price increases in operating costs;
- b. To expand its 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 attract new/improved sales.

The Company will continue to monitor the COVID-19 pandemic situation and will take further action as necessary in response to the economic disruption.

On January 29, 2024, the management, through the stewardship of the newly elected president of the company, had come up new strategy, specifically a "Sales Promo", for a certain number of lots with a promo period of 30 days, which ends March 30, 2024. The promo is described as follows:

- 1) 38.91% discount (*from the original of P22,000 per sqm to P13,440 per sqm*)
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**Table I** – The comparative figures of the results of operations for the three (3) months period ending June 30, 2025, with comparative figures of years 2024 and 2023 for the same period

	For three (3) months Period Ended June 30			% Change	% Change
	Year 2023	Year 2024	Year 2025	2023 vs 2024	2024 vs 2025
<i>In millions (Php)</i>					
Revenue	24.437	61.229	76.386	150.552%	24.755%
Less: Expenses	17.149	28.346	29.137	65.283%	2.793%
Net before other income	7.288	32.883	47.249	82.269%	43.687%
Add :Other Income	1.109	1.195	5.027	(38.846%)	320.656%
Net Income	8.397	34.078	52.276	46.423%	53.399%

**Table II** – The comparative figures of the results of operations for the six (6) months period ending June 30, 2025, with comparative figures of years 2024 and 2023 for the same period

	For six (6) months Period Ended June 30			% Change	% Change
	Year 2023	Year 2024	Year 2025	2023 vs 2024	2024 vs 2025
<i>In millions (Php)</i>					
Revenue	27.451	295.114	146.739	975.063%	(50.277%)
Less: Expenses	31.335	92.012	64.664	193.637%	(29.723%)
Net before other income	(3.885)	203.102	82.075	781.426%	(20.554%)
Add : Other Income	2.640	1.097	7.148	(58.445%)	551.438%
Net Income	(1.244)	204.199	89.223	722.981%	530.884%

**Table III** – The comparative figures of revenues consist of: (1) Sales from real estate business and (2) Interest Income from installment sales for the quarters ending June 30, 2025, with comparative figures of the year 2024 for the same period

	For the quarter ending June 30	% Change

In Millions (Php)	Year 2024	Year 2025	2024 vs 2025
Income from Real Estate Business	61.229	76.386	24.755%
Accretion of Interest from Installment Sales	1.195	5.027	320.656%
Total Revenue	62.424	81.412	30.418%

**Table IV** – The comparative figures of revenues consist of: (1) Sales from real estate business and (2) Interest Income from installment sales for the six (6) months ending June 30, 2025, with comparative figures of the year 2024 for the same period

In Millions (Php)	For the six (6) months ending June 30		% Change
	Year 2024	Year 2025	2024 vs 2025
Income from Real Estate Business	295.114	146.739	(50.277%)
Accretion of Interest from Installment Sales	1.097	7.148	551.438%
Total Revenue	296.212	153.887	(48.048%)

Originally, it was allocated for a Golf Course but was realigned and reclassified as Phase 2, Phase 3a, and Phase 3b residential subdivisions to be complemented by a country club.

The regular cash flow requirements of the Company for the next twelve (12) months shall be funded mainly from the collection of its regular monthly sales and the collection of receivables from installment sales.

#### Top Key Performance Indicator

The company operates in one (1) business segment the real estate. The following key performance indicators were adopted by the corporation in order to measure the profitability and performance of the company and to provide management with a measure of the financial strength, liquidity, and ability to maximize the value of its stockholders' investments.

For the quarter ended June 30,

Particulars	Year 2023	Year 2024	Year 2025
Current Ratio (1)	5.469 : 1	5.880 : 1	7.2166 : 1
Debt to Equity Ratio (2)	1 : 0.01544	1 : 0.01417	1 : 0.1231
Earnings per Share (3)	1 : (0.00090)	1 : 0.10464	1 : 0.04572
Earnings before interest & Income Tax (4)	(P1.244 million)	P204.199 million	P89.223 million
Return on Equity (5)	1 : (0.00102)	1 : 0.08974	1 : 0.03939

- 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 Stockholders' Equity

#### **Financial Condition 2022-2023**

The Company's total assets increased posted at =P1,973,206,970 in the year 2023, as compared with P1,972,829,708 in 2022. The movement in the cost of total assets is attributable to the cost of trade receivables net of the cost of the lot inventory sold during the year.

The cash balance of ₱1.990 million as at the end of December 31, 2023, as compared with ₱3.494 million in 2022. The cash in banks earns interest on the respective bank deposits. Short-term investments are made for varying periods up to three (3) months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates. Interest income earned from cash in bank amounted to ₱0.0002 million, ₱0.0002 million, ₱0.0003 million for the years ended December 31, 2023, 2022, and 2021, respectively. The movement of cash is attributable to the net cash flows generated by the Company in its operating activities.

The receivables decreased by 0.866% from ₱331.854 million in 2022 as compared to ₱334.727 million in 2023. Trade receivables mainly represent the Company's outstanding balance in its share from the sale of a real estate project with a joint venture with SLRDI as well as Collections of interests and penalties arising from late payment of these receivables are recognized as part of "Others" in the "Revenue and Other Income" section in the statements in comprehensive income.

Installment receivables were discounted using the credit-adjusted risk-free rates prevailing at the time of the sale, which resulted in an effective interest rate of 9.45%. Interest income from accretion recognized in 2023, 2022, and 2021 amounted to ₱4.843 million, ₱6.541 million, and ₱6.536 million, respectively.

The real estate inventory decreased from ₱894.772 in 2022 as compared with ₱893.298 in 2023; the movement in real estate inventory is attributable to the cost of land inventory sold during the year.

No movement in investments property amounting ₱674.056 in 2023, 2022 and 2021

A decrease in the property and equipment account pertains to the recognition of depreciation expense by the Company, amounting to ₱0.455 million, partially offset by the acquisition of additional property and equipment in the amount of ₱0.004 million.

The company's liability posted at ₱250.336 million in 2023, as compared with ₱241.128 million in 2022. The increase in liabilities accounts is brought about by the normal movement of payables, accruals, and deferrals

The movement of the output VAT account represents normal recording of Input and Output VAT from ₱57.770 million in 2023, as compared with ₱60.418 million in 2022.

The Company has recorded a Net Gain (Loss) before income tax of (₱8.831) million in 2023, (₱3.984) million in 2022, and (₱14.356) million in 2021.

There is no movement in the number of issued shares as at end of June 30, 2024.

## ***Status of Operation***

### *The impact of the Coronavirus (COVID-19)*

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. As of reporting date, the latest COVID-19 risk classification made by the National Government was to classify the National Capital Region under "Alert Level 1" and this provided businesses opportunity to operate under the "New Normal" condition, which the management are optimistic that this scenario will somehow help the Company to implement the plan of action that have been established during the COVID-19 pandemic to more or less put into and re-position the Company as follows:

- d. To intensify cost-cutting measures to combat the effect of economic changes, such as price increases in operating costs;

- e. To expand its land banking activities, and
- f. 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 attract new/improved sales.

The Company will continue to monitor the COVID-19 pandemic situation and will take further action as necessary in response to the economic disruption.

On January 29, 2024, the management, through the stewardship of the newly elected president of the company, had come up new strategy, specifically a “Sales Promo”, for a certain number of lots with a promo period of 30 days, which ends March 30, 2024. The promo is described as follows:

- 1) 38.91% discount (*from the original of P22,000 per sqm to P13,440 per sqm*)
- 2) Seven (7) days’ reservation period (*normally the reservation period is 30 days*), and
- 3) 25% full down payment (FDP) payable in six (6) months (*normally the FDP is 12months to pay*)

The above strategy has concluded two hundred forty-eight (248) buyers with a total of 52,007 square meters of lot sold with various payment terms. The performance of the Company in terms of revenue increased by 7661.54%, total revenue for the quarter is P233.886 million as compared to P3.013 million of the same period of the year 2023.

The performance of the Company in terms of revenue for the six (6) months period ended June 30, 2024 increased by 916.618%, Total revenue during the period is P296.212 million as compared to P30.091 million in the same period of Year 2023, This performance is directly attributed to the Sales Promo implement by the Company to be able to redeemed from economic uncertainties brought about by the CoVid-19 pandemic. The Sales Promo started January 29, 2024, and ends on April 15, 2024. In the abovementioned “Sales Promo”, the Company booked two hundred seventy-three (273) buyers with a total lot area of 58,248 square meters of subdivided lot with an average “Promo selling price of ranging from P13,440.00 to P13,500.00 per square meter (inclusive of 12% VAT).

Project Percentage of Completion (PPOC), the residential area of Phase 1, Phase 2 & Phase 3 are 100%, 100% &100% respectively, complete, while the Country Club is 98.00% complete as of June 30, 2023. The Company uses the project percentage of completion (**PPOC for brevity**) in determining sales during the period.

**Table I** – The comparative figures of the results of operations for the three (3) months period ending June 30, 2024, with comparative figures of years 2023 and 2022 for the same period

<i>In millions (Php)</i>	For three (3) months Period Ended June 30			% Change	% Change
	Year 2022	Year 2023	Year 2024	2022 vs 2023	2023 vs 2024
Revenue	31.002	24.437	61.229	(21.175%)	150.522%
Less: Expenses	19.769	17.149	28.345	(13.250%)	(65.283%)
Net before other income	11.234	7.288	32.883	(7.926%)	85.269%
Add :Other Income	1.009	1.109	0.678	9.876%	(38.846%)
Net Income	12.243	8.397	33.561	1.950%	46.423%

**Table II** – The comparative figures of the results of operations for the six (6) months period ending June 30, 2024, with comparative figures of years 2023 and 2022 for the same period

	For six (6) months Period Ended June 30			% Change	% Change
	Year 2022	Year 2023	Year 2024	2022 vs 2023	2023 vs 2024
<i>In millions (Php)</i>					
Revenue	42.544	27.431	295.114	(35.476%)	975.063%
Less: Expenses	34.659	31.335	92.012	(9.5900%)	(193.637%)
Net before other income	7.885	(3.885) 2.640	203.102	(25.886%)	781.426%
Add : Other Income	2.839		1.097	(6.978%)	(58.445%0
Net Income	10.723	(1.244)	204.199	(32.865%)	722.981%

**Table III** – The comparative figures of revenues consist of: (1) Sales from real estate business and (2) Interest Income from installment sales for the quarters ending June 30, 2024, with comparative figures of the year 2023 for the same period

	For the quarter ending June 30		% Change
	Year 2023	Year 2024	2023 vs 2024
<i>In Millions (Php)</i>			
Income from Real Estate Business	24.437	61.229	150.552%
Accretion of Interest from Installment Sales	1.109	0.678	(38.864%)
Total Revenue	25.546	61.897	111.688%

**Table IV** – The comparative figures of revenues consist of: (1) Sales from real estate business and (2) Interest Income from installment sales for the six (6) months ending June 30, 2024, with comparative figures of the year 2023 for the same period

	For the six (6) months ending June 30		% Change
	Year 2023	Year 2024	2023 vs 2024
<i>In Millions (Php)</i>			
Income from Real Estate Business	27.451	295.114	975.063
Accretion of Interest from Installment Sales	2.640	1.097	(58.445%)
Total Revenue	30.091	296.212	916.618%

Originally, it was allocated for a Golf Course but was realigned and reclassified as Phase 2, Phase 3a, and Phase 3b residential subdivisions to be complemented by a country club.

The regular cash flow requirements of the Company for the next twelve (12) months shall be funded mainly from the collection of its regular monthly sales and the collection of receivables from installment sales.

#### **Top Key Performance Indicator**

The company operates in one (1) business segment the real estate. The following key performance indicators were adopted by the corporation in order to measure the profitability and performance of the company and to provide management with a measure of the financial strength, liquidity, and ability to maximize the value of its stockholders' investments.

For the quarter ended June 30,

Particulars	Year 2022	Year 2023	Year 2024
Current Ratio (1)	5.907 : 1	5.469 : 1	5.880 : 1
Debt to Equity Ratio (2)	1 : 0.1453	1 : 0.01544	1 : 0.1417
Earnings per Share (3)	1 : 0.00539	1 : (0.00090)	1 : 0.08691
Earnings before interest & Income Tax (4)	P10.723 million	(P1.244) million	P204.199 million
Return on Equity (5)	1 : 0.00604	1 : (0.00102)	1 : 0.08974

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

There was no movement in the number of issued shares as at end of June 30, 2023.

### ***Status of Operation***

#### *The impact of the Corona Virus (COVID-19)*

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. As of reporting date, the latest COVID-19 risk classification made by the National Government was to classify the National Capital Region under "Alert Level 1" and this provided businesses opportunity to operate under the "New Normal" condition, which the management are optimistic that this scenario will somehow help the Company to implement the plan of action that have been established during the COVID-19 pandemic to more or less put into and re-position the Company as follows:

- d. To intensify cost cutting measures to combat the effect of economic changes such as price increases in operating cost;
- e. To expand its land banking activities; and
- f. To intensify its marketing strategies, which includes more lucrative discount and perks to all prospective buyers and to give special incentives to marketing people to encourage them to attract new/improved sales.

The Company will continue to monitor the COVID-19 pandemic situation and will take further action as necessary in response to the economic disruption.

Part of management measures to rationalize the fund flow requirements of the company during the pandemics trying time is to unload the more or less 17.3 hectares parcels of land located at Manticao Misamis Oriental which is the company considered it as Non-performing assets but up to this reporting period sale of the said property is still under negotiation.

The second quarter of 2023 business operation continuous to go slow, this performance is directly attributed to the effect of economic uncertainties brought about by the CoVid-19 Delta variant which disrupted businesses to operate in the National Capital Region under the new normal category and as will as the worldwide effect of the Ukraine crises.

The performance of the Company in terms of revenue decreased by 62.52%, Sales for the quarter is P27.451 million as compared to P42.544 million of the same period of year 2022. This performance is directly attributable to economic uncertainties mentioned above.

As of June 30, 2023 there are already seventy-two (72) buyers with a total lot area of 13,919 square meters of subdivided lot with average selling price of ranging from P18,000.00 to P24,500.00 per square meter (inclusive of 12% VAT), much more-higher than the P7,500.00 per square meter, 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.

Project Percentage of Completion (PPOC), the residential area of Phase 1, Phase 2 & Phase 3 are 100%, 100% &100% respectively complete, while the Country Club is 98.00% complete as of June 30, 2023. The Company uses the project percentage of completion (**PPOC for brevity**) in determining sales during the period.

The CoVid-19 has spread all over the world even highly improved countries suffered the same fate and/or was hit hard by the pandemic. The spread of CoVid-19 virus has an abrupt and widespread impact not only in real estate business but all types of businesses from commercial, industrial, banking, financial institution, and shipping industry.

In compliance with the National Government’s strategy to flatten the curve and/or to combat the spread of virus, during the period the Company implemented compliance measures to the general community quarantine (GCQ) protocols as follows:

- After the announcement of the National Government allowing certain industries to operate during GCQ, the Company re-open its Makati office with a limited and staggered reporting of employees at a maximum of 50% workforce. Employees with vulnerable condition are not permitted to report for work but allowed to work on a “work-from-home” basis.
- Employees are required for a car pooling those that are not accommodated by the company shuttle vehicle, regular disinfectant of the entire office premises.
- Other measures are being implemented to ease the impact of the GCQ 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 GCQ is extended.
- Provide CoVid-19 vaccination for free.
- 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 recurring expenses.

While reeling from the effect of the GCQ and the present new normal business operation continuous to go slow during the second quarter of 2023, the activity of the Company also focused on collection of receivables. The of financial performance of the Company in terms of revenue during the period with the help of the recently implemented strategy specifically the sales promo detailed as follows:

**Table I** – The comparative figures of the results of operations for the three (3) months period ending June 30, 2023 with comparative figures of year 2022 and 2021 for the same period

	For three (3) months Period Ended June 30			% Change	% Change
	Year 2021	Year 2022	Year 2023	2021 vs 2022	2022 vs 2023
<i>In millions (Php)</i>					
Revenue	4.481	31.002	24.437	591.843%	(21.175%)
Less: Expenses	12.915	19.769	17,149	53.062%	(13.250%)
Net before other income	(8.434)	11.234	1.009	538.781%	(7.9263%)
Add :Other Income	1.132		1.109	(10.870%)	9.876%
Net Income	(7.302)	12.243	8.397	527.911%	1.950%

**Table II** – The comparative figures of the results of operations for the six (6) months period ending June 30, 2023 with comparative figures of year 2022 and 2021 for the same period

	For six (6) months Period Ended June 30			% Change	% Change
	Year 2021	Year 2022	Year 2023	2021 vs 2022	2022 vs 2023
<i>In millions (Php)</i>					
Revenue	18.519	42.544	27.451	129.732%	(35.4760%)
Less: Expenses	26.351	34.659	31.335	31.528%	(9.5900%)
Net before other income	(7.832)	7.885	(3.885)	98.203%	(25.886%)
Add : Other Income	2.723	2.839	2.640	4.255%	(6.978%)
Net Income	(5.110)	10.723	(1.244)	102.458%	(32.865%)

**Table III** – The comparative figures of revenues consist of: (1) Sales from real estate business and (2) Interest Income from installments sales for the quarters ending June 30, 2023 with comparative figures of year 2022 for the same period

	For the quarter ending June 30		% Change
	Year 2022	Year 2023	2022 vs 2023
<i>In Millions (Php)</i>			
Income from Real Estate Business	31.002	24.437	(21.01758%)
Accretion of Interest from Installment Sales	1.009	1.109	9.876%
Total Revenue	32.011	25.546	(31.051%)

**Table IV** – The comparative figures of revenues consist of: (1) Sales from real estate business and (2) Interest Income from installments sales for the six (6) months ending June 30, 2023 with comparative figures of year 2022 for the same period

	For the six (6) months ending June 30		% Change
	Year 2022	Year 2023	2022 vs 2023
<i>In Millions (Php)</i>			
Income from Real Estate Business	42.544	27.451	(35.476%)
Accretion of Interest from Installment Sales	2.839	2.640	(6.978%)
Total Revenue	45.382	30.091	(28.498%)

Originally, it was allocated for Golf Course but was realigned and reclassified as Phase 2, Phase 3a and Phase 3b residential subdivision to be complemented by a country club.

The regular cash flow requirements of the Company for the next twelve (12) months shall be funded mainly from collection of its regular monthly revenue and collection of receivable from installment sales.

### Top Key Performance Indicator

The company operates in one (1) business segment the real estate. The following key performance indicators were adopted by the corporation in order to measure the profitability and performance 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.

For the quarter ended June 30,

Particulars	Year 2021	Year 2022	Year 2023
Current Ratio (1)	5.490: 1	5.907 : 1	5.469 : 1
Debt to Equity Ratio (2)	1 : 0.1502	1 : 0.01453	1 : 0.1544
Earnings per Share (3)	1 :(0.00293)	1 : 0.00539	1 :(0.00090)
Earnings before interest & Income Tax (4)	(P5.109) million	P10.723million	(P1.244)million
Return on Equity (5)	(0.00328)	0.00604	(0.00102)

- 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 Net Income / Average 5) Stockholder's Equity

## **Review of June 30, 2025 financial operation as compared with December 31, 2024**

*(Results of operation (January 1, 2025 to June 30, 2025 vs December 31, 2024)*

The re-launching and sales promo initiated in January 29, 2024 and ends April 15, 2024 resulted positive market response until 2<sup>nd</sup> quarter of year 2025 in terms of sales production resulting a good profit margin

The percentage of revenues for the quarter ending June 30, 2025 with comparative figures for 2024 and 2023

Particulars	Year 2023	Year 2024	Year 2025
Sale from Real Estate	24,437,489	61,228,607	76,386,054
Cost of Land	3,537,155	11,675,358	11,068,846
Percentage to Revenue	14.474%	19.068%	14.491%

The percentage of revenues during the six (6) months period ending June 30, 2025 with comparative figures for 2024 and 2023

Particulars	Year 2023	Year 2024	Year 2025
Sale from Real Estate	27,450,811	295,114,303	146,738,571
Cost of Land	4,065,046	58,262,392	25,596,020
Percentage to Revenue	14.808%	19.742%	17.443%

The Company has posted a net Income (loss) after tax of P76.861 million at end of second quarter of 2025 as compared with the P169.596 million in 2024, and (P1.765) million in 2023 of that same period

The Income (deficit) stands at P68.421 Million, (P263.842) million and (P418.231) million as of June 30, 2025, 2024 and 2023, respectively.

#### **For the Quarter Ended**

Particulars	Year 2023	Year 2024	Year 2025
Revenue	24.437	61.229	76.386
Less: direct costs	3.537	11.676	11.069
Gross Profit Margin	20.900	49.553	65.317
Less: operating expenses	13.612	16.670	18.068
Net Income (before other Income )	7.288	32.883	47.249
Add: other income	1.109	1.195	5.027
Net income before tax	8.397	34.078	52.276

#### **For the six (6) months period Ended**

Particulars	Year 2023	Year 2024	Year 2025
Revenue	27.451	295.114	146.739
Less: direct costs	4.065	58.262	25.596
Gross Profit Margin	23.386	236.852	121.143
Less: operating expenses	27.570	33.750	39.068
Net Income (before other Income )	(3.885)	203.102	82.075
Add: other income	2.640	1.097	7.148
Net income before tax	(1.244)	204.199	89.223

Revenue generated during the second quarter of 2025 sales from Company's reserved subdivided lot and as well as shares from accretion of interest from installment sales from the Joint Venture Project with SLRDI and Sta. Lucia Land, Inc.

Other Income represents interest income from savings account with banks.

#### **Liquidity and Capital Resources**

As at end of June 30,

Particulars	Year 2023 (in millions)	Year 2024 (In millions)	Year 2025 (in millions)
Total assets as at end of	P1,997.088	P2,157.704	P2,493.041
Total liabilities as at end of	253.359	267.873	273,327
Ratio of assets to liabilities	12.686%	12.415%	10.963%
<b><i>Financial Condition</i></b>			

Cash and cash equivalent	7.716	158.098	122.256
Receivable	353.943	454.571	856.058
Prepaid Taxes	5.925	4.390	14.514
Real estate Inventories	893.304	865.091	814.077
Property and equipment	0.849	0.639	7.730
Investment property	674.056	674.056	674.056
Recoverable Tax	57.322	26.558	-0-
Other assets	4.300	4.300	4.300
Current liabilities	211.760	224.575	228.678
Noncurrent liabilities	55.419	42.298	44.650
Stockholders' equity	P1,729.937	P1,889.830	P2,219.713

The movement in cash and cash equivalent is attributable to the net cash flows used by the Company in its regular operating activities.

Movement in receivable is attributable to the recognition of current and non-current receivable from sales with joint venture project and other receivables.

The decrease in the real estate Inventories is attributable to the accounting of cost of land sold during the accounting period. The company is using the Percentage of Project Completion (PPOC).

Movement of VAT payable is attributable to accounting of output vat from sale of inventory and as well as collection of accretion of interest income from installment sales net of Input VAT for the period.

### **Review of June 30, 2024 financial operation as compared with December 31, 2023**

*Results of operation (January 1, 2024 to June 30, 2024 vs December 31, 2023)*

The recently concluded sales promo initiated on January 29, 2024 and ends April 15, 2024 resulted positive market response in terms of sales production resulted in a good profit margin.

While reeling from the effect of the GCQ and the present new normal business operation continuous to go slow during the second quarter of 2023, the activity of the Company also focused on collection of receivables. The financial performance of the Company in terms of revenue during the period with the help of the recently implemented strategy specifically the sales promo detailed as follows:

On January 29, 2024, the management through the stewardship of the newly elected president of the company had come-up new strategy, specifically a “Sales Promo”, for a certain number of lots with promo period of 30 days which ends March 30, 2024. The promo catch detailed as follows:

- a) 38.91% discount (from the original of P22,000 per sqm to P13,440 per sqm)
- b) Seven (7) days reservation period (normally the reservation period is 30 days), and

c) 25% full down payment (FDP) payable in six (6) months (*normally the FDP is 12months to pay*)

The above strategy has concluded two hundred forty eight (248) buyers with a total of 52,007 square meter of lot sold with various payments terms. The performance of the Company in terms of revenue increased by 7661.54%, total revenue for the quarter is P233.886 million as compared to P3.013 million of the same period of year 2023.

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Less: Expenses	19.769	17.149	28.345	(13.250%)	(65.283%)
Net before other income	11.234	7.288	32.883	(7.926%)	85.269%
Add :Other Income	1.009	1.109	0.678	9.876%	(38.846%)
Net Income	12.243	8.397	33.561	1.950%	46.423%

**Table II** – The comparative figures of the results of operations for the six (6) months period ending June 30, 2024 with comparative figures of year 2023 and 2022 for the same period

<i>In millions (Php)</i>	For six (6) months Period Ended June 30			% Change	% Change
	Year 2022	Year 2023	Year 2024	2022 vs 2023	2023 vs 2024
Revenue	42.544	27.431	295.114	(35.476%)	975.063%
Less: Expenses	34.659	31.335	92.012	(9.5900%)	(193.637%)
Net before other income	7.885	(3.885)	203.102	(25.886%)	781.426%
Add : Other Income	2.839	2.640	1.097	(6.978%)	(58.445%)
Net Income	10.723	(1.244)	204.199	(32.865%)	722.981%

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In Millions (Php)	For the quarter ending June 30		% Change
	Year 2023	Year 2024	2023 vs 2024
Income from Real Estate Business	24.437	61.229	150.552%
Accretion of Interest from Installment Sales	1.109	0.678	(38.864%)
Total Revenue	25.546	61.897	111.688%

**Table IV** – The comparative figures of revenues consist of: (1) Sales from real estate business and (2) Interest Income from installments sales for the six (6) months ending June 30, 2024 with comparative figures of year 2023 for the same period

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	Year 2023	Year 2024	2023 vs 2024
Income from Real Estate Business	27.451	295.114	975.063
Accretion of Interest from Installment Sales	2.640	1.097	(58.445%)
Total Revenue	30.091	296.212	916.618%

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#### Top Key Performance Indicator

The company operates in one (1) business segment the real estate. The following key performance indicators were adopted by the corporation in order to measure the profitability and performance 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.

For the quarter ended June 30,

Particulars	Year 2022	Year 2023	Year 2024
Current Ratio (1)	5.907 : 1	5.469 : 1	5.880 : 1
Debt to Equity Ratio (2)	1 : 0.1453	1 : 0.01544	1 : 0.1417
Earnings per Share (3)	1 : 0.00539	1 : (0.00090)	1 : 0.08691
Earnings before interest & Income Tax (4)	P10.723 million	(P1.244) million	P204.199 million
Return on Equity (5)	1 : 0.00604	1 : (0.00102)	1 : 0.08974

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

**Review of June 30, 2023, financial  
operation as compared with December  
31, 2022**

*Results of operation (January 1, 2023 to June 30, 2023 vs December 31, 2022)*

The second quarter of 2023 business operation continuous to slow basically due effect the world economic turmoil brought by the Covid-19 pandemics and as will as the Ukraine crises.

The company is already implementing its marketing strategies developed in Year 2014, specifically the holding on of some Inventory for a much better price. This strategy has created a favorable momentum for the company's operation with at right timing of implementation of sales forecast. During the disrupted operation due to CoVid-19 pandemic, the Company also 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 undertook 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 performance of the Company in terms of revenue decreased by 62.52%, Sales for the quarter is P27.451 million as compared to P42.544 million of the same period of year 2022. This performance is directly attributed to economic recovery from the effect of the CoVid-19 pandemic and as well as the Ukraine crises.

The above strategies are already conclusive, As of June 30, 2023 there are already seventy-two (72) buyers with a total lot area of 13,919 square meters of subdivided lot with average selling price of ranging from P18,000.00 to P24,500.00 per square meter (inclusive of 12% VAT), much more higher than the P7,500.00 per square meter, 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.

Project Percentage of Completion (PPOC), the residential area of Phase 1, Phase 2 & Phase 3 are 100%, 100% &100% respectively complete, while the Country Club is 98.00% complete as of June 30, 2022. The Company uses the project percentage of completion (**PPOC for brevity**) in determining sales during the period.

The CoVid-19 has spread all over the world even highly improved countries suffered the same fate and/or was hit hard by the pandemic. The spread of CoVid-19 virus has an abrupt and widespread impact not only in real estate business but all types of businesses from commercial, industrial, banking, financial institution, and shipping industry.

In compliance with the National Government's strategy to flatten the curve and/or to combat the spread of virus, during the period the Company implemented compliance measures to the general community quarantine (GCQ) protocols as follows:

- After the announcement of the National Government allowing certain industries to operate during GCQ, the Company re-open its Makati office with a limited and staggered reporting of employees

at a maximum of 50% workforce. Employees with vulnerable condition are not permitted to report for work but allowed to work on a “work-from-home” basis.

- Employees are required for a car pooling those that are not accommodated by the company shuttle vehicle, regular disinfectant of the entire office premises.
- Other measures are being implemented to ease the impact of the GCQ 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 GCQ is extended.
- Provide CoVid-19 vaccination for free.
- 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 recurring expenses.

While reeling from the effect of the GCQ and the present new normal business operation, sales are still go slow during the second quarter of 2023, the activity of the Company also focused on collection of receivables. The details of financial performance of the Company in terms of revenue during the period are as follows:

**Table I** – The comparative figures of the results of operations for the three (3) months period ending June 30, 2023 with comparative figures of year 2022 and 2021 for the same period

<i>In millions (Php)</i>	For three (3) months Period Ended June 30			% Change	% Change
	Year 2021	Year 2022	Year 2023	2021 vs 2022	2022 vs 2023
Revenue	4.481	31.002	24.437	591.843%	(21.175%)
Less: Expenses	12.915	19.769	17,149	53.062%	(13.250%)
Net before other income	(8.434)	11.234	7.288	538.781%	(7.9263%)
Add :Other Income	1.132	1.009	1.109	(10.870%)	9.876%
Net Income	(7.302)	12.243	8.397	527.911%	1.950%

**Table II** – The comparative figures of the results of operations for the six (6) months period ending June 30, 2023 with comparative figures of year 2022 and 2021 for the same period

<i>In millions (Php)</i>	For six (6) months Period Ended June 30			% Change	% Change
	Year 2021	Year 2022	Year 2023	2021 vs 2022	2022 vs 2023
Revenue	18.519	42.544	27.451	129.732%	(35.4760%)
Less: Expenses	26.351	34.659	31.335	31.528%	(9.5900%)
Net before other income	(7.832)	7.885	(3.885)	98.203%	(25.886%)
Add : Other Income	2.723	2.839	2.640	4.255%	(6.978%)
Net Income	(5.110)	10.723	(1.244)	102.458%	(32.865%)

**Table III** – The comparative figures of revenues consist of: (1) Sales from real estate business and (2) Interest Income from installments sales for the quarters ending June 30, 2023 with comparative figures of year 2022 for the same period

In Millions (Php)	For the quarter ending June 30		% Change
	Year 2022	Year 2023	2022 vs 2023
Income from Real Estate Business	31.002	24.437	(21.01758%)
Accretion of Interest from Installment Sales	1.009	1.109	9.876%
Total Revenue	32.011	25.546	(31.051%)

**Table IV** – The comparative figures of revenues consist of: (1) Sales from real estate business and (2) Interest Income from installments sales for the six (6) months ending June 30, 2023 with comparative figures of year 2022 for the same period

In Millions (Php)	For the six (6) months ending June 30		% Change
	Year 2022	Year 2023	2022 vs 2023
Income from Real Estate Business	42.544	27.451	(35.476%)
Accretion of Interest from Installment Sales	2.839	2.640	(6.978%)
Total Revenue	45.382	30.091	(28.498%)

## **Material Changes to the Balance Sheet as of December 31, 2024**

**Compared to December 31, 2023 (Increase/Decrease of 5% or more)**

The Company's total assets increase at =P2,404,112,601 in year 2024, as compared with P=1,973,206,970 in 2023. The change from the total assets is attributable to cost of subdivided land inventory sold during the year.

Cash balance of =P192.873 million as at end of December 31, 2024 as compared to P=1.990 million in 2023, cash with banks earns interest at the respective bank deposit rates, interest income amounted =P3.292 million, P=0.230 million and P=0.241 million in 2024, 2023 and 2022 respectively.

Trade receivables increased by 52.019% from =P334.727 million in 2023 as compared to that P=697.625 million in 2024. Trade receivables mainly represent the Company's outstanding balance in its share from sales on installment of the joint venture project with SLRDI.

The real estate inventory and investments property decrease with balances of =P826.553 million and P=893.298 million in 2024 and 2023 respectively. The movement in the real estate inventory and investments property is attributed to the cost of subdivided lot inventory sold during the period.

As of December 31, 2024, the residential areas of Phase 1, Phase 2, Phase 3 and the Country Club are 100%, 100%, 98% and 99% completed, respectively, based on the physical completion report provided by the joint venture's supervising engineer.

Decrease in the Property and Equipment account pertains to the recognition of depreciation expense by the Company amounting to =P0.363 million partially offset by acquisition of additional property and equipment in the amount of =P7.046 million.

The company's liability posted at =P261.259 million in 2024, as compared with =P250.337 million in 2023, payables and accrued expenses account pertains to the outstanding payable from land purchased on installment term payable over a period of four (4) years and as well as normal accounting of accruals during the period.

The movement of Output VAT account represents normal recording of Input and Output VAT.

There were no movements in the number of issued shares as at end of December 31, 2024.

The Company recorded a net income (loss) before income tax in the amount of =P506.198 million, (P=24.858) million, and (=P2.798) million for the year end of December 31, 2024, 2023 in 2022 respectively.

**Material Changes to the Balance Sheet as of  
December 31, 2023  
Compared to December 31, 2022 (Increase/Decrease of 5% or more)**

The Company's total assets increase at =P1,973,206,970 in year 2023, as compared with P=1,972,829,708 in 2022. The change from the total assets is attributable to cost of subdivided land inventory sold during the year.

Cash balance of =P1.990 million as at end of December 31, 2023 as compared to P=3.494 million in 2022, cash with banks earns interest at the respective bank deposit rates, interest income amounted =P2,345, P=2,270 and P=3,565 in 2023, 2022 and 2021 respectively.

Trade receivables increased by 0.866% from =P337.854 million in 2022 as compared to that P=334.727 million in 2023. Trade receivables mainly represent the Company's outstanding balance in its share from sales on installment of the joint venture project with SLRDI.

The real estate inventory and investments property decrease with balances of =P1.567 million and P=1.568 million in 2023 and 2022 respectively. The movement in the real estate inventory and investments property is attributed to the cost of subdivided lot inventory sold during the period.

As of December 31, 2023, the residential areas of Phase 1, Phase 2, Phase 3 and the Country Club are 100%, 100%, 98% and 99% completed, respectively, based on the physical completion report provided by the joint venture's supervising engineer.

Decrease in the Property and Equipment account pertains to the recognition of depreciation expense by the Company amounting to =P0.455 million partially offset by acquisition of additional property and equipment in the amount of =P0.0039 million.

The company's liability posted at =P250.336 million in 2023, as compared with =P241.128 million in 2022, payables and accrued expenses account pertains to the outstanding payable from land purchased on installment term payable over a period of four (4) years and as well as normal accounting of accruals during the period.

The movement of Output VAT account represents normal recording of Input and Output VAT.

There were no movements in the number of issued shares as at end of December 31, 2023.

The Company recorded a net income (loss) before income tax in the amount of (=P8.831) million, (P=3.985) million, and (=P14.356) million for the year end of December 31, 2023, 2022 in 2021 respectively.

### **Material Changes to the Balance Sheet as of December 31, 2022**

Compared to December 31, 2021 (Increase/Decrease of 5% or more)

The Company's total assets increase at =P1,972,829,708 in year 2022, as compared with P=1,988,018,057 in 2021. The change from the total assets is attributable to cost of subdivided land inventory sold during the year.

Cash balance of =P3.494 million as at end of December 31, 2022 as compared to P=3.905 million in 2021, cash with banks earns interest at the respective bank deposit rates, interest income amounted =P2,270, P=3,565 and P=23,820 in 2022, 2021 and 2020 respectively.

Trade receivables decreased by 1.816% from =P337.993 million in 2021 as compared to that P=331.854 million in 2022. Trade receivables mainly represent the Company's outstanding balance in its share from sales on installment of the joint venture project with SLRDI.

The real estate inventory and investments property decrease with balances of =P1,568,827,702 million and P=1,569,176,260 million in 2022 and 2021 respectively. The movement in the real estate inventory and investments property is attributed to the cost of subdivided lot inventory sold during the period.

As of December 31, 2022, the residential areas of Phase 1, Phase 2, Phase 3 and the Country Club are 100%, 100%, 98% and 99% completed, respectively, based on the physical completion report provided by the joint venture's supervising engineer.

Decrease in the Property and Equipment account pertains to the recognition of depreciation expense by the Company amounting to =P2.493 million partially offset by acquisition of additional property and equipment in the amount of =P0.0088 million.

The company's liability posted at =P241.129 million in 2022, as compared with =P252.332 million in 2021, payables and accrued expenses account pertains to the outstanding payable from land purchased on installment term payable over a period of four (4) years and as well as normal accounting of accruals during the period.

The movement of Output VAT account represents normal recording of Input and Output VAT.

There were no movements in the number of issued shares as at end of December 31, 2022.

The Company recorded a net income (loss) before income tax in the amount of(=P2.835) million, (P=11.758) million, and (=P14.752) million for the year end of December 31, 2022, 2021 in 2020 respectively.

## **Material Changes to the Statements of Income for the year ended December 31, 2024**

**Compared to December 31, 2023 (Increase/Decrease of 5% or more)**

The performance of the Company in terms of revenue increased by 2,619%, sales for the year is P706.672 million as compared with the P25.988 million in year 2023. This performance is directly attributable to launching of Sales Promo in made in January 29, 2024 and ends April 15, 2024.

But 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.

There is a decrease in accretion of interest income from P4.587 million in 2024 compared to P2.938 million in 2023 which is attributable to the decline of balances of amortization of receivables from sales on installment

Movement of real estate inventory is primarily attributable to cost of land sold during the year

No movement in the Investments property

There is 12.56% increase in Administrative Expenses in 2024 compared to that of 2023 which is basically attributable to the chain reaction of economy brought about by the Covid-19 pandemic and other worldwide effect of Ukraine and Palestinian crises

Overall, the Company posted net income (loss) before tax of =P506.198 Million for the year ended December 2024 as compared with the net loss of (=P24.858) Million in 2023

As of December 31, 2024 and 2023, no change in the carrying value of investment properties amounted to P=674.056 million. Based on latest appraisal report, the fair value of the investment properties amounted to P=1.256 billion. The valuation performed was made by a qualified independent appraiser. The standard valuation techniques were in accordance with that recommended be the International Valuation Standard Committee and in accordance with PFRSs.

Particulars	Valuation techniques	Significant unobservable inputs	Range
Land Residential Industrial Foreshore/beaches	Market Data Approach/ Sales Comparison	Price per Square meter	P800 to P375 P1,750 to P600 P2,500 to P1,800

**Material Changes to the Statements of Income for the year  
ended December 31, 2023  
Compared to December 31, 2022 (Increase/Decrease of 5% or more)**

The performance of the Company in terms of revenue decreased by 39.536%, sales for the year is P25.988 million as compared with the P42.981 million in year 2022. This performance is directly attributable to economic certainties brought about by the Covid-19 pandemic.

But 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.

There is 6.645% increase in accretion of interest income in 2023 compared to that of 2022 which is attributable to the declining of balances of receivable sales on installment.

There is 0.094% decrease in the cost of investments property and real estate inventory in 2023 compared to that of 2022, the decrease is primarily due to the result of cost of land inventory sold during the period

There is 20.106% increase in Administrative Expenses in 2023 compared to that of 2022 which is basically attributable to chain reaction of economy brought about by the Covid-19 pandemic

Overall, the Company posted net income (loss) before tax of (=P8.831) Million for the year ended December 2023 as compared with the net loss of (=P3.984.) Million in 2022

As of December 31, 2023 and 2022, no change in the carrying value of investment properties amounted to P=674.056 million. Based on latest appraisal report, the fair value of the investment properties amounted to P=1.256 billion. The valuation performed was made by a qualified independent appraiser. The standard valuation techniques were in accordance with that recommended by the International Valuation Standard Committee and in accordance with PFRSs.

Particulars	Valuation techniques	Significant unobservable inputs	Range
Land			
Residential	Market		P800 to P375
Industrial	Data Approach/	Price per	P1,750 to 600
Foreshore/beaches	Sales Comparison	Square meter	P2,500 to P1,800

**Material Changes to the Statements of Income for the  
year ended December 31, 2022  
Compared to December 31, 2021 (Increase/Decrease of 5% or more)**

The moved by the National Government to classify the Metro Manila and the entire National Capital Region under “alert Level 1” it gave a go signal to all businesses to operate under the “New Normal” condition, which the management are optimistic that this scenario will somehow help the company to

implement the plan of action that have been established during the pandemics to more or less put into and re-positioning for a new normal operation as planned and as a result the Company registered a 17.24% increase in real estate revenues in 2022 compared to that of 2021

The performance of the Company in terms of revenue increased by 17.24% sales for the year is P42.982 million 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.

There is 30.52% decrease in Accretion of interest income in 2022 compared to that of 2021 which is attributable to the declining of balances of receivable sales on installment.

There is 0.039% decrease in the cost of investments property and real estate inventor in 2022 compared to that of 2021, the increase is primarily due to the result of cost of land inventory sold during the period

There is 16.875% decreased in Administrative Expenses in 2022 compared to that of 2021 which is basically attributable to the cost cutting measure implemented by the Company under the new normal business activities

Overall, the Company posted net income (loss) before tax of (=P2.835) Million for the year ended December 2022 as compared with the net loss of (=P11.758) Million in 2021

As of December 31, 2022 and 2021, no change in the carrying value of investment properties amounted to P=674.056 million. Based on latest appraisal report, the fair value of the investment properties amounted to P=1.256 billion. The valuation performed was made by a qualified independent appraiser. The standard valuation techniques were in accordance with that recommended be the International Valuation Standard Committee and in accordance with PFRSs.

Particulars	Valuation techniques	Significant unobservable inputs	Range
Land Residential Industrial Foreshore/beaches	Market Data Approach/ Sales Comparison	Price per Square meter	P800 to P375 P1,750 to P600 =P2,500 to P1,800

## OPERATION

### Result of operation

(April 01 – June 30, 2024 vs April 01–June 30, 2025)

The re-launching and sales promo initiated in January 29, 2024 and ends April 15, 2024 resulted positive market response until 2<sup>nd</sup> quarter of year 2025 in terms of sales production resulting a good profit margin

The percentage of revenues for the quarter ending June 30, 2025 with comparative figures for 2024 and 2023

Particulars	Year 2023	Year 2024	Year 2025
Sale from Real Estate	24,437,489	61,228,607	76,386,054
Cost of Land	3,537,155	11,675,358	11,068,846
Percentage to Revenue	14.474%	19.068%	14.491%

The percentage of revenues during the six (6) months period ending June 30, 2025 with comparative figures for 2024 and 2023

Particulars	Year 2023	Year 2024	Year 2025
Sale from Real Estate	27,450,811	295,114,303	146,738,571
Cost of Land	4,065,046	58,262,392	25,596,020
Percentage to Revenue	14.808%	19.742%	17.443%

The Company has posted a net Income (loss) after tax of P76.861 Million at end of second quarter of 2025 as compared with the P169.596 million in 2024, and (P1.765) million in 2023 of that same period.

The Income (deficit) stands at P68.421 Million, (P263.842) million and (P418.231) million as of June 30, 2025, 2024 and 2023, respectively.

**For the Quarter Ended**

Particulars	Year 2023	Year 2024	Year 2025
Revenue	24.437	61.229	76.386
Less: direct costs	3.537	11.676	11.069
Gross Profit Margin	20.900	49.553	65.317
Less: operating expenses	13.612	16.670	18.068
Net Income (before other Income )	7.288	32.883	47.249
Add: other income	1.109	1.195	5.027
Net income before tax	8.397	34.078	52.276

**For the six (6) months period Ended**

Particulars	Year 2023	Year 2024	Year 2025
Revenue	27.451	295.114	146.739
Less: direct costs	4.065	58.262	25.596
Gross Profit Margin	23.386	236.852	121.143
Less: operating expenses	27.570	33.750	39.068
Net Income (before other Income )	(3.885)	203.102	82.075
Add: other income			

	2.640	1.097	7.148
Net income before tax	(1.244)	204.199	89.223

Revenue generated during the second quarter of 2025 sales from Company's reserved subdivided lot and as well as shares from accretion of interest from installment sales from the Joint Venture Project with SLRDI and Sta. Lucia Land, Inc.

Other Income represents interest income from savings account with banks.

### **Liquidity and Capital Resources**

As at end of June 30,

Particulars	Year 2023 (in millions)	Year 2024 (In millions)	Year 2025 (in millions)
Total assets as at end of	P1,997.088	P2,157.704	P2,493.041
Total liabilities as at end of	253.359	267.873	273,327
Ratio of assets to liabilities	12.686%	12.415%	10.963%
<b><i>Financial Condition</i></b>			
Cash and cash equivalent	7.716	158.098	122.256
Receivable	353.943	454.571	856.058
Prepaid Taxes	5.925	4.390	14.514
Real estate Inventories	893.304	865.091	814.077
Property and equipment	0.849	0.639	7.730
Investment property	674.056	674.056	674.056
Recoverable Tax	57.322	26.558	-0-
Other assets	4.300	4.300	4.300
Current liabilities	211.760	224.575	228.678
Noncurrent liabilities	55.419	42.298	44.650
Stockholders' equity	P1,729.937	P1,889.830	P2,219.713

The movement in cash and cash equivalent is attributable to the net cash flows used by the Company in its regular operating activities.

Movement in receivable is attributable to the recognition of current and non-current receivable from sales with joint venture project and other receivables.

The decrease in the real estate Inventories is attributable to the accounting of cost of land sold during the accounting period. The company is using the Percentage of Project Completion (PPOC).

Movement of VAT payable is attributable to accounting of output vat from sale of inventory and as well as collection of accretion of interest income from installment sales net of Input VAT for the period.

The movement in investments property is the result of reclassification of cost of more or less 58 hectares parcel of land that has been classified under Real estate inventory account in accordance with PAS 16.

The Company started land banking in year 2012 with total land acquisitions as of June 30, 2025 details of which are as follows:

Acquired from	Lot area (in Sq.m.)	Value of Land	Payment Made	Balance Payable
<b><i>All in San Jose Del Monte Bulacan</i></b>				
GASDF Property	47,976	6,618,779.27	7,196,400.00	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 Capital Holdings, Inc.	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 M. Cuenca	50,094	12,523,500.00	12,523,500.00	Fully paid
<b><i>Subtotal</i></b>	<b><i>2,385,151</i></b>	<b><i>870,887,230.17</i></b>	<b><i>870,887,230.17</i></b>	<b><i>-0-</i></b>
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
<b><i>Subtotal</i></b>	<b><i>721,700</i></b>	<b><i>229,672,000.00</i></b>	<b><i>-0-</i></b>	<b><i>229,672,000.00</i></b>
<b>Total (San Jose Del Monte)</b>	<b>3,106,851</b>	<b>1,100,559,230.17</b>	<b>870,887,230.17</b>	<b>229,672,000.00</b>
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	Fully paid
	<b><i>368,739</i></b>	<b><i>118,880,879.61</i></b>	<b><i>110,9745,495.61</i></b>	<b><i>7,905,384.00</i></b>
<b>Total Land Banking</b>	<b>3,475,590</b>	<b>1,219,440,109.78</b>	<b>981,862,725.78</b>	<b>237,577,384.00</b>

The movement in property and equipment is brought about by the accounting for the estimated depreciation during the period using straight line method.

The movement in accounts payable and accruals is attributed to regular accruals, deferred payments and liability from installment purchase of land.

Advances to officers and employees are deductible from their salaries and are due within one year.

No movement in available for sale investments account during the period

Movement in payables is result of accounting and payment of accounts including land banking activity.

The movement in Stockholder's Equity is attributed to normal operational income in real estate business.

### **Capital Expenditure**

There was no capital expenditure for the period.

### **Key Performance Indicators**

The company operates in one (1) business segment the real estate. The following key performance indicators were adopted by the corporation in order to measure the profitability and performance 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.

For the quarter ended June 30,

Particulars	Year 2023	Year 2024	Year 2025
Current Ratio (1)	5.469 : 1	5.880 : 1	7.2166 : 1
Debt to Equity Ratio (2)	1 : 0.1544	1 : 0.1417	1 : 0.1231
Earnings per Share (3)	1 : (0.00090)	1 : 0.10464	1 : 0.04572
Earnings before Income Taxes (4)	(1.244) million	P204.199 million	P89.223 million
Return on Equity	1 : (0.00102)	1: 0.08974	1 : 0.03939

- 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

#### Stockholders' Equity

- Total Stockholders' Equity in 2025 is P2,219,713,910 (Issued and paid of 1,951,387,570 shares with P1.00 par value)

-Total Stockholders' Equity in 2024 is P1,889,830,654 (Issued and paid of 1,951,387,570 shares with P1.00 par value)

- Total Stockholders' Equity in 2023 is P1,729,636,524 (Issued and paid of 1,951,387,570 shares with P1.00 par value)

## OPERATION

### Result of operation

(April 01 – June 30, 2023 vs April 01–June 30, 2024)

The recently concluded sales promo initiated on January 29, 2024 and ends April 15, 2024 resulted positive market response in terms of sales production resulted in a good profit margin.

The percentage of revenues for the quarter ending June 30, 2024 with comparative figures for year 2023 and 2022

Table I – The comparative figures of sales and related cost for the three (3) months ending June 30, 2024 with comparative figures of year 2023 and 2022 for the same period

Particulars	Year 2022	Year 2023	Year 2024
Sale from Real Estate	31,002,393	24,437,489	61,228,607
Cost of Land	5,335,624	3,537,155	11,675,357
Percentage to Revenue	17.210%	14.474%	19.068%

Table II – The comparative figures of sales and related cost for the six (6) months ending June 30, 2024 with comparative figures of year 2023 and 2022 for the same period

Particulars	Year 2022	Year 2023	Year 2024
Sale from Real Estate	42,543,693	27,450,811	295,114,303
Cost of Land	7,052,838	4,065,046	58,262,392
Percentage to Revenue	16.578%	14.808%	19.742%

Table III – The comparative figures of the results of revenue for the three (3) months ending June 30, 2024 with comparative figures of year 2023 and 2022 for the same period

For the Quarter Ended

Particulars	Year 2022	Year 2023	Year 2024
Revenue	31.002	24.437	61.229
Less: direct costs	5.336	3.537	11.675
Gross Profit Margin	25.6667	20.900	49.553
Less: operating expenses	14.433	13.612	16.670
Net Income (before other Income )	11.234	7.288	32.883
Add: other income	1.009	1.109	0.678
Net income before tax	12.243	8.397	33.561

Table IV – The comparative figures of the results of revenue for the six (6) months ending June 30, 2024 with comparative figures of year 2023 and 2022 for the same period

For the six (6) months period Ended

Particulars	Year 2022	Year 2023	Year 2024
Revenue	42.544	27.451	295.114
Less: direct costs	7.053	4.065	58.262
Gross Profit Margin	35.491	23.386	236.852
Less: operating expenses	27.606	27.570	33.750
Net Income (before other Income )	7.885	(3.885)	203.102
Add: other income	2.839	2.640	1.097
Net income before tax	10.723	(1.244)	204.199

The deficit stands at (P263.842) million, (P418.231) million and (P405.590) million as of June 30, 2024, 2023 and 2022, respectively.

Revenue generated during the second quarter of 2024 sales from Company's reserved subdivided lot and as well as shares from accretion of interest from installment sales from the Joint Venture Project with SLRDI and Sta. Lucia Land, Inc.

Other Income represents interest income from savings account with banks.

### **Liquidity and Capital Resources**

As at end of June 30,

Particulars	Year 2022 (in millions)	Year 2023 (In millions)	Year 2024 (in millions)
Total assets as at end of	P2,004.751	P1,997.088	P2,157.704
Total liabilities as at end of	261.740	253.359	267.873
Ratio of assets to liabilities	7.659%	12.686%	12.415%
<i>Financial Condition</i>			
Cash and cash equivalent	0.818	7.716	158.098
Receivable	344.923	353.943	424.571
Prepaid Taxes	7.154	5.925	4.390
Real estate Inventories	901.617	893.304	865.091
Property and equipment	4.818	0.849	0.639
Investment property	674.056	674.056	674.056
Recoverable Tax	65.683	57.322	26.558
Other assets	5.682	4.300	4.300
Current liabilities	211.034	211.760	224.575
Noncurrent liabilities	50.706	55.419	43.298
Stockholders' equity	P1,743.011	P1,729.937	P1,889.830

The movement in cash and cash equivalent is attributable to the net cash flows used by the Company in its regular operating activities.

Movement in receivable is attributable to the recognition of current and non-current receivable from sales with joint venture project and other receivables.

The decrease in the real estate Inventories is attributable to the accounting of cost of land sold during the accounting period. The company is using the Percentage of Project Completion (PPOC).

The decrease in recoverable tax (Input VAT) is attributable to accounting of output vat from collection of accretion of interest income from installment sales.

The decrease in investments property is the result of reclassification of cost of more or less 58 hectares parcel of land that has been classified under Real estate inventory account in accordance with PAS 16.

The Company started land banking in year 2012 with total land acquisitions as of June 30, 2024 details of which are as follows:

Acquired from	Lot area (in Sq.m.)	Value of Land	Payment made	Balance Payable
<i>All in San Jose Del Monte Bulacan</i>				
GASDF Property	47,976	6,618,779.27	7,196,400.00	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 Capital Holdings, Inc.	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 M. Cuenca	50,094	12,523,500.00	12,523,500.00	Fully paid
<i>Subtotal</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>Subtotal</i>	<i>721,700</i>	<i>229,672,000.00</i>	<i>-0-</i>	<i>229,672,000.00</i>
Total (San 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	Fully paid
	368,739	118,880,879.61	110,9745,495.61	7,905,384.00
Total Land Banking	3,475,590	1,219,440,110.78	981,862,725.78	237,577,384.00

The decrease in property and equipment is brought about by the accounting for the estimated depreciation during the period using straight line method.

The movement in accounts payable and accruals is attributed to regular accruals, deferred payments and liability from installment purchase of land.

Advances to officers and employees are deductible from their salaries and are due within one year.

No movement in available for sale investments account during the period

Increased in payables is result of accounting and payment of accounts including land banking activity.

The decrease in Stockholder’s Equity is attributed to normal operational income in real estate business.

**Capital Expenditure** There was no capital expenditure for the period.

### Key Performance Indicators

The company operates in one (1) business segment the real estate. The following key performance indicators were adopted by the corporation in order to measure the profitability and performance 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.

For the quarter ended June 30,

Particulars	Year 2022	Year 202	Year 2024
Current Ratio (1)	5.907 : 1	5.469 : 1	5.880 : 1
Debt to Equity Ratio (2)	1 : 0.1453	1 : 0.1544	1 : 0.1417
Earnings per Share (3)	1 : 0.00539	1 : (0.00090)	1 : 0.08691
Earnings before Income Taxes (4)	P10.723 million	(P1.244) million	P204.199 million
Return on Equity	1 : 0.00604	1 : (0.00102)	1 : 0.08974

- 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

Stockholders' Equity- Total Stockholders' Equity in 2024 is P1,889,830,654 (Issued and paid of 1,951,387,570 shares with P1.00 par value)

-Total Stockholders' Equity in 2023 is P1,729,936,524 (Issued and paid of 1,951,387,570 shares th P1.00 par value)

- Total Stockholders' Equity in 2022 is P1,743,728,433 (Issued and paid of 1,951,387,570 shares with P1.00 par value)

### OPERATION

#### *Results of Operation*

(April 01 – June 30, 2022 vs April 01–June 30, 2023)

As mentioned above the second quarter of 2023, business operation has remains to go slow but inspite of the challenges brought about by the CoVid-19 and as will as the world-wide effect of the Ukraine crises,the global turmoil totally affected all nations. Inspite of the economic turmoil the Company find ways tominimize the impact of the economic uncertainties, The Company concentrates on cash management tobe able to rationalize and ensure availability of funds to sustain payments of employees' payroll and othercontractual obligation.

The moved by the National Government to classify the Metro Manila and the entire National Capital Region under "alert Level 1" it gave a go signal to all businesses to operate under the "New Normal"

condition, which the management are optimistic that this scenario will somehow help the company to implement the plan of action that have been established during the pandemics to more or less put into and re-positioning for a new normal operation as planned.

Plans that are already in place during the lockdown period have already been implemented this includes the following:

- a) To intensify cost cutting measures to combat the effect of economic changed such as price increases in operating cost due to the impact of Covid-19 pandemics,
- b) To expanded land banking activities, and
- c) The marketing strategies also includes a lucrative discount and perks to all prospect buyers, and as well as giving away special incentives to marketing people to encourage them to become productive.

The percentage of revenues for the quarter ending June 30, 2023 with comparative figures for 2022 and 2021

Particulars	Year 2021	Year 2022	Year 2023
Sale from Real Estate	4,481,133	31,002,393	24,437,489
Cost of Land	1,146,476	5,335,624	3,537,155
Percentage to Revenue	25.585%	17.210%	14.474%

The percentage of revenues during the six (6) months period ending June 30, 2023 with comparative figures for 2022 and 2021

Particulars	Year 2021	Year 2022	Year 2023
Sale from Real Estate	18,518,870	42,543,693	27,450,881
Cost of Land	2,953,767	7,052,838	4,065,046
Percentage to Revenue	15.950%	16.578%	14.808%

The Company has posted a net Income (loss) after tax of (P1.765) Million at end of second quarter of 2023 as compared with the P10.527 million in 2022, and (P5.724) million in 2021 of that same period.

The deficit stands at (P418.231) million, (P405.59) million and (P410.943) million as of June 30, 2023, 2022 and 2021, respectively.

For the Quarter Ended

Particulars	Year 2021	Year 2022	Year 2023
Revenue	4.481	31.002	24.437
Less: direct costs	1.146	5.336	3.537
Gross Profit Margin	3.335	25.6667	20.900
Less: operating expenses	11.769	14.433	13.612
Net Income (before other Income )	(8.434)	11.234	7.288
Add: other income	1.132	1.009	1.109
Net income before tax	(7.302)	12.243	8.397

For the six (6) months period Ended

Particulars	Year 2021	Year 2022	Year 2023
Revenue	18.519	42.544	27.451
Less: direct costs	2.954	7.053	4.065
Gross Profit Margin	15.565	35.491	23.386
Less: operating expenses	23.397	27.606	27.570
Net Income (before other Income )	(7.832)	7.885	(3.885)
Add: other income	2.723	2.839	2.640
Net income before tax	(5.110)	10.723	(1.244)

Revenue generated during the second quarter of 2023 sales from Company's reserved subdivided lot and as well as shares from accretion of interest from installment sales from the Joint Venture Project with SLRDI and Sta. Lucia Land, Inc.

Other Income represents interest income from savings account with banks.

### **Liquidity and Capital Resources**

As at end of June 30,

Particulars	Year 2021 (in millions)	Year 2022 (In millions)	Year 2022 (in millions)
Total assets as at end of	P2,004.751	P2,004.751	P1,997.088
Total liabilities as at end of	261.740	261.740	253.359
Ratio of assets to liabilities	7.659%	7.659%	7.882%
<i>Financial Condition</i>			
Cash and cash equivalent	0.818	0.818	7.716
Receivable	344.923	344.923	353.943
Prepaid Taxes	7.154	7.154	5.925
Real estate Inventories	901.617	901.617	893.304
Property and equipment	4.818	4.818	0.849
Investment property	674.056	674.056	674.056
Recoverable Tax	65.683	65.683	57.322
Other assets	5.682	5.682	4.000
Current liabilities	211.034	211.034	211.760
Noncurrent liabilities	50.706	50.706	55.419
Stockholders' equity	P1,743.011	P1,743.011	P1,729.937

The movement in cash and cash equivalent is attributable to the net cash flows used by the Company in its regular operating activities.

Movement in receivable is attributable to the recognition of current and non-current receivable from sales with joint venture project and other receivables.

The decrease in the real estate Inventories is attributable to the accounting of cost of land sold during the accounting period. The company is using the Percentage of Project Completion (PPOC).

The decrease in recoverable tax (Input VAT) is attributable to accounting of output vat from collection of accretion of interest income from installment sales.

The decrease in investments property is the result of reclassification of cost of more or less 58 hectares parcel of land that has been classified under Real estate inventory account in accordance with PAS 16.

The Company started land banking in year 2012 with total land acquisitions as of June 30, 2023 details of which are as follows:

Acquired from	Lot area (in Sq.m.)	Value of Land	Payment made	Balance Payable
<i>All in San Jose Del Monte Bulacan</i>				
GASDF Property	47,976	6,618,779.27	7,196,400.00	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 Capital Holdings, Inc.	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
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Rodolfo M. Cuenca	50,094	12,523,500.00	12,523,500.00	Fully paid
<i>Subtotal</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>Subtotal</i>	<i>721,700</i>	<i>229,672,000.00</i>	<i>-0-</i>	<i>229,672,000.00</i>
Total (San 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
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Hugo Nat d. Juan	13,186	4,615,100.00	4,615,100.00	Fully paid
	<i>368,739</i>	<i>118,880,879.61</i>	<i>110,9745,495.61</i>	<i>7,905,384.00</i>
Total Land Banking	3,475,590	1,219,440,109.78	981,862,725.78	237,577,384.00

The decrease in property and equipment is brought about by the accounting for the estimated depreciation during the period using straight line method.

The movement in accounts payable and accruals is attributed to regular accruals, deferred payments and liability from installment purchase of land.

Advances to officers and employees are deductible from their salaries and are due within one year.

No movement in available for sale investments account during the period

Increased in payables is result of accounting and payment of accounts including land banking activity.

The decrease in Stockholder's Equity is attributed to normal operational income in real estate business.

**Capital Expenditure** There was no capital expenditure for the period.

**Key Performance Indicators**

The company operates in one (1) business segment the real estate. The following key performance indicators were adopted by the corporation in order to measure the profitability and performance 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.

For the quarter ended June 30,

Particulars	Year 2021	Year 2022	Year 2023
Current Ratio (1)	5.490 : 1	5.907 : 1	5.469 : 1
Debt to Equity Ratio (2)	1 : 0.1502	1 : 0.1453	1 : 0.1544
Earnings per Share (3)	1 : (0.00293)	1 : 0.00539	1 : (0.00090)
Earnings before Income Taxes (4)	(P5.109) million	P10.723 million	(P1.244) million
Return on Equity	(0.00328)	0.00604	1 : (0.00102)

- 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

Stockholders’ Equity

- Total Stockholders’ Equity in 2023 is P1,729,936,524 (Issued and paid of 1,951,387,570 shares th P1.00 par value)
- Total Stockholders’ Equity in 2022 is P1,743,728,433 (Issued and paid of 1,951,387,570 shares with P1.00 par value)
- Total Stockholders’ Equity in 2021 is P1,743,011,091 (Issued and paid of 1,951,387,570 shares with P1.00 par value)

**Other related matters in operation**

The movement in cash and cash equivalent is attributable to the net cash flows used by the Company in its regular operating activities.

Movement in receivable is attributable to collection of receivables from sales with joint venture project and other receivable.

The decrease in real estate for sale and development is attributed to the accounting cost of lots sold during the period.

The increased in property and equipment is brought about by acquisition of PPE net of provision for an estimated depreciation during the period using straight line method.

No movement in deferred income tax assets.

Movement in available-for-sale investments is the normal accounting of provision for unrealized valuation of AFS.

The increased in accounts payable and accruals is attributed to regular accruals and as well as deferred payments.

The increase in Stockholder's Equity is attributed normal operational income in the real estate business.

### **Other Matters**

(a) The interim financial report has been prepared in conformity with generally accepted accounting principles in the Philippines

(b) No disclosures nor discussions were made for the following since these did not affect the past and present operations of the Company:

(c) No known trends, events or uncertainties with significant impact on net sales, or income, or have material impact on liquidity that would trigger direct or contingent liability, including default or acceleration of obligation rather than what was mentioned in the Plan of Operation specifically the effect from operation due to prolonged lockdown in compliance with Government directive to contain the transmission of Covid19 Virus.

(d) Significant elements of income or loss that did not arise from the Company's continuing operations other than what was mentioned in the revenues.

(e) All accounting policies and methods of computation and estimates are followed in the interim financial statement as compared with the most recent annual financial statement report.

(f) There is no known trends seasonality or cyclicity aspects that have material effect in the financial statement and the financial condition or results of operations during the period.

(g) There were no material commitments affecting assets, liabilities, equity, net income, or cash flows that are unusual during the interim financial report.

(h) There were no nature and amount of changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years that have a material effect in the current interim period.

(i) There were no issuance, repurchases, and repayment of debt and equity securities, except for the payment of non-interest bearing payable obtained for the acquisition of parcels of land recorded under "real estate for sale and development account" in statement of financial position.

(k) There were no Dividends paid during the interim financial period.

- (l) The Company is reporting with only one (1) accounting/business segment.
- (m) There were no material events that occurred during the subsequent to interim reporting period that have not been reflected in the financial statements, such as default or acceleration of an obligation or off-balance sheet transactions, arrangements, obligations, and other relationship of the company with unconsolidated entities or other persons created during the reporting period.
- (n) There were no changes in the composition of the issuer during the interim period. No business combinations, acquisitions or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operation during the interim period.
- (o) There were no changes in contingent liabilities or contingent asset made during the interim period as compared with the most recent annual balance sheet date.
- (p) No disclosures in compliance with SEC MC No. 14, Series of 2004 specifically Certain Relationship and Related Transaction or arrangements, as there were no such transaction during the period and or subsequent event occur after the close of the accounting period with respect to certain relationship or related transaction being required by SFAS/IAS No. 24.
- (q) There were no events that will trigger director contingent financial obligation that is material to the company, including any default or acceleration of an obligation that need to Disclose.
- (r) There were 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.
- (s) There were no reclassification on Financial Instruments in the current reporting period and previous periods.
- (t) PFRS 9, as issued, reflects the first phase on the replacement of PAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in PAS 39. In subsequent phases, hedge accounting and impairment of financial assets will be addressed with the completion of this project. The adoption of the first phase of PFRS 9 will have an effect on the classification and measurement of the Company's financial assets but will potentially have no impact on classification and measurements of financial liabilities. The Company will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture.
- (u) The Company's Interim financial statements prepared in accordance with PFRS require management to make judgments and estimates that affect amounts reported in the financial statements and related notes. The judgments and estimates used in the financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the interim financial statements.
- (v) Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.
- (w) There were no material changes in financial condition & results of operation in the interim report of the Company for the quarter ending June 30, 2025 from the compliance of the PFRS.

(x) There were no material changes in the financial statement with a threshold of five (5) percent that the registrants need to disclosed

***Financial Risk Management Objectives and Policies***

The Company’s principal financial instruments comprise of cash and bank loans. The main purpose of these financial instruments is to finance the Company’s operations. The Company has other financial instruments such as receivables, accounts payable and accrued expenses which arise directly from its operations. The main risks arising from the Company’s financial instruments are liquidity risk, credit risk and interest rate risk. As at end of June 30, 2025 and 2024, the Company is not exposed to any significant foreign currency risk because all of its financial instruments are denominated in Philippine peso. The BOD reviews and approves the policies for managing each of these risks and they are summarized below.

***Liquidity Risk***

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

As of June 30, 2025	On demand
Accounts payable & accrued expenses	P92,037,434
Liability from purchase of land	115,305,608
VAT payable	8,972,765
Income tax payable	12,362,228
Retirement benefits	31,607,769
Deferred income tax liabilities	12,041,920
<b>Total</b>	<b>P273,327,723</b>

***Credit Risk***

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.

The Company’s principal credit risk is its dependence on one-counterparty. The credit risk of the Company is controlled by the approvals, limits and monitoring procedures. It is the Company’s policy to enter into transactions with creditworthy parties to mitigate any significant concentration of credit risk. The Company ensures that credit transactions are made to parties with appropriate credit history and has internal mechanism to monitor granting of credit and management of credit exposures. The Company’s maximum exposure to credit risk is equal to the carrying amount of its financial assets.

The Company sets up provision for impairment of accounts receivables equal to the balance of long outstanding accounts receivables.

Receivables that are neither past due nor impaired are due from creditworthy counterparties with good payment history with the Company.

Cash with banks are deposits made with reputable banks duly approved by the BOD.

**Interest Rate Risk**

The Company’s exposure to the risk pertains to bank loans. The Company relies on budgeting and forecasting techniques to address this risk.

**Capital Management**

The primary objective of the Company’s capital management is to ensure that it maintains a strong credit standing and stable capital ratios in order to support its business and maximize shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the six month period ended June 30, 2025.

The following table pertains to the account balance the Company considers as its core capital as at end of June 30, 2025.

Capital Stock - - - - -	P=1,951,387,570
Capital Surplus - - - - -	201,228,674
Total - - - - -	=P2,152,616,244

**Fair Value of Financial Instruments**

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate such values:

**Cash and Receivables**

The carrying amounts of cash and receivables approximate fair values primarily due to the relatively short-term maturity of these financial instruments. In the case of long-term receivables, the fair value is based on the present value of expected future cash flows using the applicable discount rates.

Cash with banks are deposits made with reputable banks duly approved by the Board of Directors.

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate such values.

**MARKET PRICE AND DIVIDENDS ON THE COMPANY’S COMMON EQUITY**

- a) The shares of the Company are listed and traded at the Philippine Stock Exchange. The high and low closing prices of the Company’s share for each quarter within the last three (3) fiscal years are as follows:

YEAR	QUARTER	HIGH (in Php)	LOW (in Php)
2025	First	0.81	0.49
	Second	0.53	0.49
	Third	0.495	0.46
2024	First	1.03	0.95
	Second	0.89	0.75
	Third	0.65	0.55
	Fourth	0.55	0.50
2023	First	1.060	1.030
	Second	0.840	0.810
	Third	1.010	0.930
	Fourth	1.081	1.030

b) The closing prices of the Company's share are of the latest practicable trading dates are as follows:

Year	Month/date	Closing Price (in Php)
2025	October 22	0.45
2025	August 29	0.50
2025	July 30	0.52
2025	June 30	0.55
2025	May 30	0.61
2025	April 26	0.58
2025	March 28	0.57
2025	February 28	0.50
2025	January 24	0.54

## SHAREHOLDERS INFORMATION

There are 2,115 shareholders as of September 30, 2025.

The top twenty (20) stockholders of the Company are the following:

STOCKHOLDERS	CITIZENSHIP	COMMON SHARES	PERCENTAGE
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01) PCD Nominee Corporation	Filipino	734,757,444	37.65%
02) Carmel Development, Inc.	Filipino	499,999,997	25.62%
03) Gregorio Araneta Inc.	Filipino	390,277,500	20.00%
04) Gamma Properties, Inc.	Filipino	136,000,000	6.97%
05) Olongapo Mabuhay Express Corp	Filipino	124,855,422	6.40%
06) PCD Nominee Corporation	Alien	35,163,105	1.80%
07) Brand Realty Corporation	Filipino	13,725,404	0.70%
08) Seafront Resources Corporation	Filipino	3,756,788	0.19%
09) Solar Securities, Inc.	Filipino	720,000	0.04%
10) Ruby D. Roa	Filipino	588,599	0.03%
11) Teresita Dela Cruz	Filipino	528,458	0.03%
12) Ma. Cristina De La 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 (ITF 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%
<b>Sub-total</b>		<b>1,943,479,072</b>	<b>99.85%</b>
<b>Other stockholders</b>		<b>7,908,498.00</b>	<b>0.15%</b>
<b>Total Number of Shares</b>		<b>1,951,387,570</b>	<b>100.00%</b>

## DIVIDENDS

No dividends, either in cash or stock, were declared on the shares for the last three (3) fiscal years, i.e., 2024, 2023, 2022. There are no restrictions that 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.

## RECENT SALES OF UNREGISTERED SECURITIES

There were no sales of unregistered securities or exempt securities, including recent issuance of securities constituting an exempt transaction, of shares of the Company were sold during the last three (3) years.

## CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

### Information on Independent Accountant and Other Related Matters

#### 1. External Audit Fees and Services

##### a) Audit and Audit-Related Fees

I. Aggregate fees billed for the last three (3) years of Audit fees are as follows:

2022	2023	2024
P614,432.00	P677,600.00	P 708,400.00

These fees include conducting a free seminar to introduce the implementation of new Accounting Financial Standards (AFS), and the Philippine Financial Reporting Standards (PFRS).

- II. There has been no additional billings made in the past two (2) years pertaining to professional services rendered by the external auditor for other assurance and related services by the external auditor that are reasonably related to the performance of the audit or review of the company's financial statements.

b) Tax Fees

Audit professional fees were subjected to a 12% VAT (Value Added Tax). For the three (3) immediately preceding taxable year the VAT inclusive to the aggregate fees are as follows:

2022	2023	2024
P65,832.00	P72,600.00	P75,900.00

c) All Other Fees

No other fees were made/incurred except for the regular audit service fee.

- d) All policies governing the audit procedures were duly approved by the audit committee.
- The Company has no disagreement with the Reyes, Tacandong & Co., regarding matters of accounting principle practice, auditing scope, and procedure.
  - On October 19, 2022, Annual Stockholders Meeting, the board appointed Reyes & Tacandong & Co., the said accounting firm will be the new Independent Public Accountant for the incoming year 2023, and will be submitted to the stockholders for their confirmation and approval. Ms. Michelle Mendoza-Cruz has been appointed as the Partner-in-Charge for the audit year 2024. The duly authorized representatives of Reyes & Tacandong & Co. are expected to be present at the Annual Meeting of Stockholders, and they will have the opportunity to make statements if they desire to do so and are expected to be available to respond to appropriate questions

**CORPORATE GOVERNANCE**

The Company has promulgated a Manual on Corporate Governance that took effect in 2002 and was amended in 2014. The Manual continues to guide the activities of the Company, and compliance therewith has been consistently observed.

The trust of shareholders and other stakeholders is fundamental to the Company's business and is the source of the success and growth of the Company. The Company is committed to preserving this relationship of trust by promoting a strong corporate governance culture in the Company that is anchored on transparency, competent leadership, effective internal controls, and prudent risk management.

For the year under review, the Company's corporate governance practices are consistent with the requirements under the Revised Code of Corporate Governance for Publicly Listed Companies issued by the Securities and Exchange Commission pursuant to SEC Memorandum Circular No. 19, Series of 2016 and SEC Memorandum Circular No. 8, Series of 2017.

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 that received the relevant information required to properly accomplish its 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. Where appropriate, every director receives 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 meet when necessary throughout the year to adopt and review its key strategic and operational matters, approve and review major investments and funding decisions, adopt and monitor appropriate internal control, and ensure that the principal risks of the Company are identified and properly managed.

The Board worked on an agreed agenda as it reviewed 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 nonexecutive director positions. The Committee also makes recommendations to the Board on its composition. The Committee meets as required.

**Remuneration Committee**

The Remuneration Committee is responsible for determining the Company's policy on executive remuneration and specifying the remuneration and compensation packages for 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 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 (CO)**

The 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.

## **ARANETA PROPERTIES, INC.**

### **General Notes to the Financial Statement**

- 1) Araneta Properties, Inc. is incorporated in the Philippines to acquire, own, hold, improve, develop, subdivide, sell, lease, rent, mortgage, manage and otherwise deal in real estate or any interest therein, for residential, commercial, industrial and recreational purposes, as well as to construct and develop or cause to be constructed and developed on any real estate or other properties, golf course, buildings, hotels, recreation facilities and other similar structures with their appurtenances; and in general, to do and perform any and all acts or works which may be necessary or advisable for or related incidentally or indirectly with the aforementioned business or object of the Company. The Company is listed in the Philippine Stock Exchange (PSE) and has been included in the PSE Composite index since November 14, 1989.
- 2) The Company is operating in only one business segment. The number of employees was 30, 31, and 31 as at end of second quarter of 2025, 2024 and 2023 to perform any and all acts or work which may be necessary or advisable for or related directly or indirectly of the aforementioned business or objective of the Company. The registered office address is 21st Floor, BDO Towers Valero Paseo de Roxas, Makati City.
- 3) The Company has commenced regular activities of its real estate business on June 5, 2005 after recovering from the regional crisis that hit the real estate industry in 1997. The Company together with SLRDI began their activities based on their joint venture agreement dated June 5, 2003. Under the agreement, SLRDI will prepare and develop certain parcels of land owned by the Company at its own cost. The Company is responsible for the delivery of the parcels of land free from liens and encumbrances including any claims of tenants or third parties and from any form of litigation. The joint venture project shall consist of the development of an exclusive mixed-use residential - commercial subdivision with a country club. Once developed, the property will be shared by the parties either through cash or lot overrides. The Company shall receive 40% of the net sales proceeds, in case of cash override, or 40% of

the saleable lots, in case of a lot override while SLRDI shall receive 60% of the net sales proceeds or the saleable lots. The Company plans to receive its share in joint venture operation through a cash override.

4) Part of the expansion program of the Company, 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 required clearance and permit to develop, and 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 August 30, 2019, Sta. Lucia Land, Inc., paid in advance the outstanding amount of the liability to Insular Life Insurance Company amounting to P115.31 million in behalf of the Company. The said advances is a non-interest bearing and is payable either by way of Company's shares from sales proceeds or by way of direct payments within a period of two years upon issuance of license to sell.

## **Summary of Significant Accounting Policies**

### **Basis of Preparation**

- 1) The accompanying financial statement has been prepared under the historical cost basis, except for the AFS financial assets, which are carried at fair value. The financial statements are presented in Philippine pesos, which is the Company's functional and presentation currency.
- 2) The Company's financial statement has been prepared in accordance with the Philippine Financial Reporting Standards (PFRS).
- 3) The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new and revised standards and interpretations from the International Financial Reporting Interpretations Committee.

A COPY OF THE COMPANY'S ANNUAL REPORT ON SEC FORM 17-A WILL BE PROVIDED WITHOUT CHARGE TO EACH PERSON UPON WRITTEN REQUEST OF ANY SUCH PERSON ADDRESSED TO:

## **THE OFFICE OF THE CHIEF FINANCE OFFICER**

### **ARANETA PROPERTIES**

**21<sup>st</sup> Floor, BDO Towers Valero, Paseo de Roxas, Makati City, Philippines**