

SEC Number 152249  
CODE NO. PR-005  
File Number \_\_\_\_\_

**ARANETA PROPERTIES, INC.**

Company's Full Name

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

Company's Address

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

Telephone Number

**December 31**

Calendar Year Ending  
(month & day)

**17-A ANNUAL REPORT**

(Form Type)

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(Amendment Designation (if applicable))

**December 31, 2024**

(Period Ended Date)

**Registered and Listed**

(Secondary License Type and File Number)

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

**SEC FORM 17-A**

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

1. For the calendar year ended: December 31, 2024
2. SEC Identification Number: 152249
3. BIR Tax Identification No. 000-840-355
4. Exact name of registrant as specified in its charter: ARANETA PROPERTIES, INC.
5. Makati City, Philippines  
Province, Country, or other jurisdiction of Incorporation or organization
6. (SEC Use Only)   
Industry Classification Code:
7. 21/F BDO Towers Valero Condo Corp., Paseo de Roxas, Makati City 1227.  
(Address of Principal Office) (Postal Code)
8. (632) 848-1501 to 04  
(Registrant's telephone number, including area code)
9. Not applicable  
(Former name, former address, and former fiscal year, if changed since the last report)
10. Securities registered pursuant to Sections 4 and 8 of the RSA

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

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

Yes (  )      No (  )

12. Check whether the registrant:

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

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

Yes (  )          No (  )

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

Yes (  )          No (  )

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

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

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

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

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

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

Yes [  ]          No [  ] Not Applicable

**DOCUMENTS INCORPORATED BY REFERENCE**

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

None

# MANAGEMENT REPORT

## PART I - BUSINESS AND GENERAL INFORMATION

### ITEM 1. BUSINESS

#### DESCRIPTION OF BUSINESS

##### **Business Development**

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

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

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

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

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

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

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

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

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

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

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

On November 17, 2015, Gregorio Araneta, Inc., a corporation duly registered with Securities and Commission and with business address located at 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).

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

### **Business of Issuer**

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

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

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

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

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

Acquired from	Lot area (inSq.m.)	Value of Land	Payment made	Balance Payable
<b><i>All in Sn Jose Del Monte Bulacan</i></b>				
GASDF Property	47,976	6,618,779.27	6,618,779.27	Fully paid
Don Manuel Corporation	410,377	78,201,917.21	78,201,917.21	Fully paid
BDO Strategic Holdings, Inc.	926,550	261,672,633.06	261,672,633.06	Fully paid
MargaDev't Corporation	360,000	104,671,995.50	104,671,995.50	Fully paid
Insular Life Insurance Co.,	580,154	403,678,405.13	403,678,405.13	Fully paid
Paramount Finance Corp	10,000	3,520,000.00	3,520,000.00	Fully paid
Rodolfo Cuenca	50,094	12,523,500.00	12,523,500.00	Fully paid
<b><i>Sub-total</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>Sub-total</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 (Sn 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>
<b>Add; Northern Luzon Area</b>				
Manuel Bonoan	57,211	31,180,003.00	31,180,003.00	-0-
Almazan et al	286,480	80,559,106.61	73,925,936.61	6,633,170.00
Emma Almazan	11,862	2,526,670.00	1,254,456.00	1,272,214.00
Hugo Nat D. Juan	13,186	4,615,100.00	4,615,100.00	-0-
	<b>368,739</b>	<b>118,880,879.61</b>	<b>110,975,495.61</b>	<b>7,905,384.00</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>

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

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

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

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

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

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

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

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

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

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

## Government Approvals and Regulations

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

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

## Human Resources

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

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

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

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

## **Financial Instruments and Capital Management**

### **In General Management**

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

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

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

### **Liquidity Risk**

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

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

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

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

***Economic and health risk***

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

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

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

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

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

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

## Certain Issues or Issuers

### ***Investment Company Securities.***

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

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

### ***Land banking activities-San Jose Del Monte Bulacan***

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

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

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

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

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

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

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

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

***Land banking activities-City of Laoag, Ilocos Norte***

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

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

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

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

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

## **ITEM 2 PROPERTIES**

### **DESCRIPTION OF PROPERTIES**

***San Jose del Monte, Bulacan Property***

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

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

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

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

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

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

#### **Manticao Misamis Oriental Property**

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

#### **Land Banking Activities-San Jose Del Monte, Bulacan**

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

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

**Land Banking Activities- City of Laoag, Ilocos Norte**

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

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

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

### **ITEM 3. LEGAL PROCEEDINGS**

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

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

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

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

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

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

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

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

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

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

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

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

## **PART II - OPERATIONAL *and* FINANCIAL INFORMATION**

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

#### **(1) Market Information**

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

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

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

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

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

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

### **(3) Dividends**

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

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

### **(4) Recent Sales of unregistered securities**

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

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

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

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

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

### **Year 2024**

#### ***(1) Management’s Discussion and Status of Operation***

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

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

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

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

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

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

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

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

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

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

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

## Key Performance Indicators

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

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

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

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

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

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

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

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

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

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

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

## Cash

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

The account consists of:

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

## Receivables

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

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

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

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

## Real Estate Inventories

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

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

Movements of this account are accounted as follows:

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

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

### Input VAT

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

### Investment Properties

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

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

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

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

### Property and Equipment.

Details and movements of this account are as follows:

	2024				Total
	Office Condominium Unit	Building and Improvements	Hauling and Transportation Equipment	Furniture, Fixtures and Other Equipment	
<b>Cost</b>					
Balance at beginning of year	<b>₱46,047,004</b>	<b>₱12,143,398</b>	<b>₱5,964,870</b>	<b>₱6,803,345</b>	<b>₱70,958,617</b>
Additions	-	-	<b>8,230,714</b>	<b>46,204</b>	<b>8,276,918</b>
Balance at end of year	<b>46,047,004</b>	<b>12,143,398</b>	<b>14,195,584</b>	<b>6,849,549</b>	<b>79,235,535</b>
<b>Accumulated Depreciation</b>					
Balance at beginning of year	<b>46,047,004</b>	<b>12,143,398</b>	<b>5,355,732</b>	<b>6,677,256</b>	<b>70,223,390</b>
Depreciation	-	-	<b>304,699</b>	<b>58,639</b>	<b>363,338</b>
Balance at end of year	<b>46,047,004</b>	<b>12,143,398</b>	<b>5,660,431</b>	<b>6,735,895</b>	<b>70,586,728</b>
<b>Carrying Amount</b>	<b>₱-</b>	<b>₱-</b>	<b>₱8,533,153</b>	<b>₱113,654</b>	<b>₱8,648,807</b>

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

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

#### **Land Banking Activities-San Jose Del Monte, Bulacan**

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

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

#### **Land Banking Activities- City of Laoag, Ilocos Norte**

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

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

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

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

### Accounts Payable and Accrued Expenses

This account consists of:

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

### Key Performance Indicators

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

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

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

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

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

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

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

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

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

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

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

### **Cash**

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

The account consists of:

	<b>As of Dec 31, 2024</b>	As of Dec 31, 2023
Cash on hand	<b>₱32,281</b>	₱32,281
Cash in bank	<b>71,009,277</b>	1,957,427
Cash and Cash Equivalent	<b>121,831,259</b>	-
<b>Total</b>	<b>₱192,872,817</b>	<b>₱1,989,708</b>

## Receivables

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

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

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

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

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

## Real Estate Inventories

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

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

Movements of this account are accounted as follows:

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

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

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

### Input VAT

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

### Investment Properties

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

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

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

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

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

### Property and Equipment.

Details and movements of this account are as follows:

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

Balance at end of year	46,047,004	12,143,398	5,660,431	6,735,895	70,586,728
Carrying Amount	₱-	₱-	₱8,535,153	₱113,654	₱8,648,807

*The cost of the fully depreciated property and equipment still being used in operations amounted to ₱69.5 million and ₱67.6 million as at December 31, 2024 and 2023, respectively.*

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

#### **Land Banking Activities-San Jose Del Monte, Bulacan**

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

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

#### **Land Banking Activities- City of Laoag, Ilocos Norte**

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

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

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

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

### Accounts Payable and Accrued Expenses

This account consists of:

	2024	2023
Trade payables		
Related party	<b>₱33,718,652</b>	₱35,045,224
Third parties	<b>4,904,410</b>	5,644,192
Customers' deposits	<b>30,151,462</b>	11,878,129
Statutory payables	<b>5,852,905</b>	363,378
Accrued expenses	<b>258,304</b>	1,469,019
Others	<b>192,657</b>	192,657
	<b>₱75,078,390</b>	₱54,592,599

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

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

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

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

### Year 2023

#### (1) Management's Discussion and Status of Operation

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

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

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

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

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

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

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

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

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

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

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

## Key Performance Indicators

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

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

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

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

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

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

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

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

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

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

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

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

### **Cash**

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

The account consists of:

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

### **Receivables**

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

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

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

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

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

### **Real Estate Inventories**

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

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

Movements of this account are accounted as follows:

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

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

### **Input VAT**

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

## Investment Properties

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

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

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

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

## Property and Equipment.

Details and movements of this account are as follows:

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

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

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

## Land Banking Activities-San Jose Del Monte, Bulacan

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

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

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

#### **Land Banking Activities- City of Laoag, Ilocos Norte**

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

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

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

#### **Accounts Payable and Accrued Expenses**

This account consists of:

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

Year 2022

*(1) Management's Discussion and Status of Operation*

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

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

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

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

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

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

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

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

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

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

## Key Performance Indicators

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

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

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

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

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

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

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

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

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

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

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

**Cash**

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

**Receivables**

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

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

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

**Real Estate Inventory.**

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

**Property and Equipment.**

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

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

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

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

#### **Land Banking Activities-San Jose Del Monte, Bulacan**

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

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#### **Land Banking Activities- City of Laoag, Ilocos Norte**

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

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

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

## **ITEM 7. FINANCIAL STATEMENTS**

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

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

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

Aggregate fees for the audit services for those fiscal years

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

# PART III–CONTROL *and* COMPENSATION INFORMATION

## ITEM 9. DIRECTORS *and* EXECUTIVE OFFICERS

### (1) Directors and Executive Officers

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

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

#### *Directors*

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

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

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

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

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

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

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

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

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

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

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

## (2) Key Officers

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

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

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

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

**(3) Significant Employees**

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

**(4) Family relationship.**

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

**(5) Involvement in Certain Legal Proceedings**

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

**ITEM 10. MONTHLY EXECUTIVE COMPENSATION**

**(1) Compensation Table**

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

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

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

\* Key officers

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

## **(2) Compensation of Directors and Officers**

### **(a) Standard Arrangements**

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

### **(b) Other Arrangements**

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

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

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

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

## **(1) Security Ownership of Certain Record and Beneficial Owners**

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

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

## (2) Security Ownership of Management

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

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

*r* – record ownership

*b* – beneficial ownership

## ITEM 12. CERTAIN RELATIONSHIPS and RELATED PARTY TRANSACTIONS

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

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

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

## PART IV. CORPORATE GOVERNANCE

### ITEM 13. CORPORATE GOVERNANCE

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

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

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

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

#### **The Board**

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

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

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

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

### **Board Process**

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

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

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

### **Committees**

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

#### **Audit Committee**

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

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

#### **Nomination Committee**

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

#### **Remuneration Committee**

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

#### **Compliance Officer**

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

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

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

# PART VI – EXHIBITS *and* SCHEDULES

## ITEM 14. EXHIBITS AND SCHEDULES

### (a) Reports on SEC Form 17-C

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

### (b) Exhibits

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

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

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

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

Schedule D. - Long-Term Debt

Schedule E. - Indebtedness to Related Parties

Schedule F. - Guarantees of Securities of Other Issuer

Schedule G. - Capital Stock

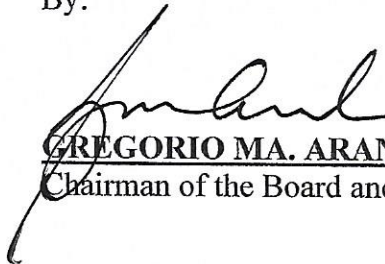
Schedule H. - Security of Ownership/Ownership held by CEO

# SIGNATURES

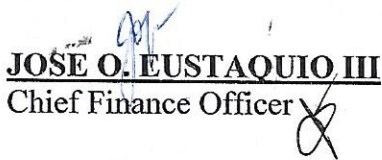
Pursuant to the requirements of Securities Regulation of the Corporation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, the City of Makati on APR 11 2025.

**ARANETA PROPERTIES, INC.**  
(Issuer)

By:

  
**GREGORIO MA. ARANETA**  
Chairman of the Board and CEO

  
**LUIS M. ARANETA**  
President

  
**JOSE O. EUSTAQUIO III**  
Chief Finance Officer


  
**CHRISTINE P. BASE**  
Corporate Secretary

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

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

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

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Book No. VIII  
Series of 20 25

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

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

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

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

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

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

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

**SCHEDULE D****Long-term Debt**

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

**SCHEDULE E**

## Indebtedness to Related Parties

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

**SCHEDULE F**

## Guarantees of Securities of other Issuer

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

**SCHEDULE G**

## Capital Stock

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

**SCHEDULE H (1)**

## Capital Stock

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

**SCHEDULE H (2)**

## Capital Stock track record

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

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

### **SCHEDULE J(1)**

Security ownership of certain beneficial owners and managements

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

### **SCHEDULE J(2)**

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

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

### **SCHEDULE K (1)**

Supplemental Statement of Financial Report

Property, Plant and Equipment

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

### **SCHEDULE K (2)**

Supplemental Statement of Financial Report

Accumulated Depreciation - Property, Plant and Equipment

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

# PART VII- ARANETA PROPERTIES INC. (ARA)

## SUSTAINABILITY REPORT ANNEX 2024

### Contextual Information

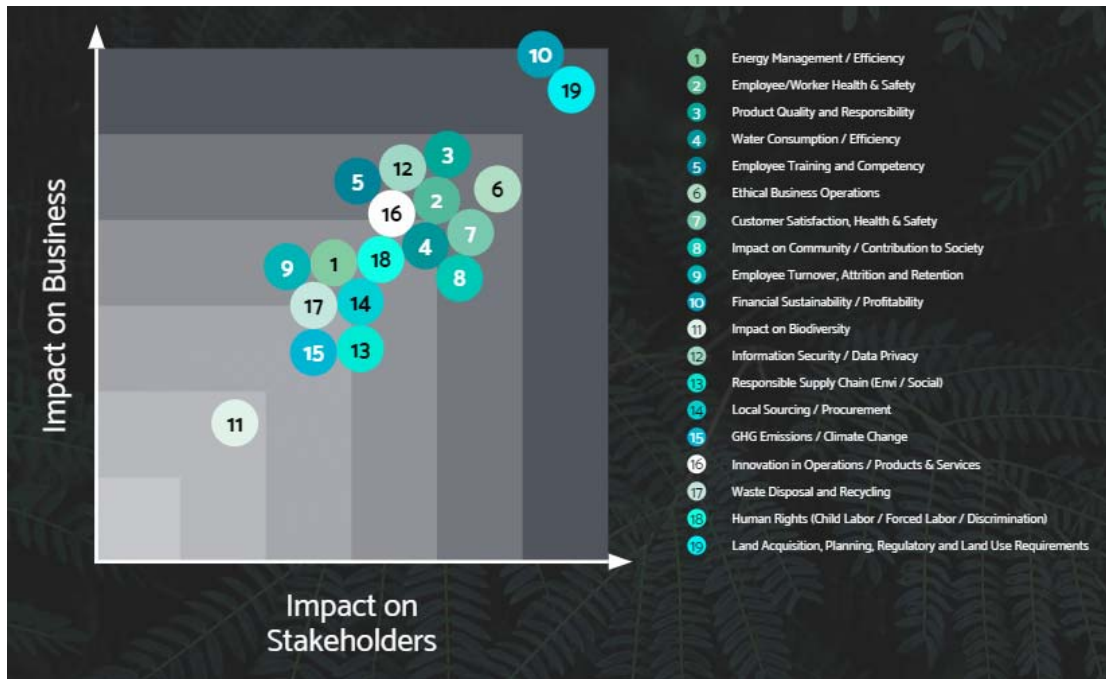
<b>Name of Corporation</b>	ARANETA PROPERTIES INC. (ARA)
<b>Location of Headquarters</b>	21 <sup>st</sup> Floor BDO Towers Valero Condo Corp.,corner Villar & Valero Streets, Makati City
<b>Location of Operations</b>	<b>Araneta Properties Inc. Corporate Office (Head Office)</b> 21 <sup>st</sup> Floor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

**Materiality Process**

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

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

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



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

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

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

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

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

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

## ECONOMIC

### **Economic Performance** **Direct Economic Value Generated and Distributed**

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

### **Impact and Management Approach**

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

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

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

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

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

### **Risks and Management Approach**

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

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

**Opportunities and Management Approach**

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

***Climate-related risks and opportunities***

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

**Procurement Practices**

**Proportion spending of local and imported suppliers**

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

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

**Impacts, Risks, Opportunities and Management Approach**

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

**Anti-corruption**

**Training and Communication on Anti-corruption Policies and Procedures**

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

**Incidents of Corruption**

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

## Impacts, Risks, Opportunities and Management Approach

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

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

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

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

### Resource Management

#### Energy consumption within the organization

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

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

#### Reduction of energy consumption

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

### Impacts, Risks, and Management Approach

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

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

### Risks, Opportunities, and Management Approach

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

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

### Water consumption within the organization

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

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

### Impacts, Risks, Opportunities and Management Approach

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

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

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

### Ecosystems and Biodiversity

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

### Environmental Impact Management

#### GHG

Disclosure	Quantity (2024)	Units
Direct GHG Emissions (Scope 1) <sup>1</sup>	12.44	TonnesCO <sub>2</sub> e
Indirect GHG Emissions (Scope 2)	14.67	TonnesCO <sub>2</sub> e

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

#### Air Pollutants

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

### Impacts, Risks, Opportunities, and Management Approach

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

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

**Solid and Hazardous Wastes**

**Solid waste**

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

**Hazardous waste**

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

**Impacts, Risks and Management Approach**

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

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

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

**Opportunities and Management Approach**

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

**Effluents**

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

**Environmental compliance**

**Non-Compliance with Environmental Law and Regulations**

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

### **Impacts, Risks and Management Approach**

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

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

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

### **Opportunities and Management Approach**

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

## **SOCIAL**

### **Employee Management** **Employee Hiring and Benefits**

#### **Employee data**

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

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

*2-All employees are above minimum wage.*

#### **Employees benefits**

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

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

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

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

#### Diversity and Equal Opportunity

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

#### Impacts, Risks, Opportunities, and Management Approach

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

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

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

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

#### Employee Training and Development

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

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

**Impacts and Management Approach**

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

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

**Risks and Management Approach**

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

**Opportunities and Management Approach**

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

**Labor-Management Relations**

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

**Impacts, Risks and Management Approach**

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

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

**Opportunities and Management Approach**

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

**Workplace Conditions, Labor Standards, and Human Rights**

**Occupational Health and Safety**

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

<sup>1</sup>-This disclosure only includes information in the Head Office.

**Impacts, Risks, and Management Approach**

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

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

**Opportunities and Management Approach**

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

**Labor Laws and Human Rights**

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

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

### **Impacts, Risks, and Management Approach**

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

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

### **Opportunities and Management Approach**

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

#### **Supply Chain Management**

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

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

#### **Relationship with Community**

##### **Significant Impacts on Local Communities**

Operations with Significant impacts on local communities:

##### **Colinas Verdes Subdivision and Country Club**

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

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

**Vulnerable groups:** Everyone including vulnerable groups are served.

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

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

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

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

**Impacts, Risks, Opportunities, and Management Approach**

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

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

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

**Customer Management**

**Customer Satisfaction**

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

**Impacts, Risks, Opportunities, and Management Approach**

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

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

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

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

**Health and Safety**

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

**Impacts, Risks, Opportunities, and Management Approach**

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

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

**Marketing and labeling**

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

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

**Customer/S Privacy**

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

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

**Data Security**

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

**Impacts and Management Approach**

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

**Risks and Management Approach**

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

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

**Opportunities and Management Approach**

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

**UN SUSTAINABLE DEVELOPMENT GOALS**

Product or Service Contribution to UN SDGs

Key products and services and their contribution to sustainable development

**Real Estate Development**



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

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

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

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

### ***Potential Negative Impact of Contribution***

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

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

### ***Management Approach to Negative Impact***

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

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





## INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors  
Araneta Properties, Inc.  
21st Floor, BDO Towers  
Paseo de Roxas, Makati City

### *Opinion*

We have audited the financial statements of Araneta Properties, Inc. (the Company), which comprise the statements of financial position as at December 31, 2024 and 2023, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years ended December 31, 2024, 2023 and 2022, and notes to financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years ended December 31, 2024, 2023 and 2022 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

### *Basis for Opinion*

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to the audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Key Audit Matters*

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



### **Revenue from Real Estate Sales**

The Company recognized revenue from real estate sales amounting to ₱706.7 million for the year ended December 31, 2024. This is significant to our audit as the recognition and measurement of revenue from real estate sales is important in the determination and evaluation of the performance of the Company.

We obtained an understanding of the relevant processes and controls over the accounting for revenues and performed inquiries with management on the sales, collection and reporting processes of the Company. We also obtained an understanding of management's assessment on the buyer's ability and intention to pay the amount of consideration when it is due, and assessed the basis of the Company's collection threshold in recognizing revenue by evaluating its historical analysis of sales collections and cancellations, if any, from the buyers. On a sample basis, we obtained supporting documentation such as sales and collection reports, signed contracts to sell and collection receipts issued by the Company and compared the details with the information used in the Company's revenue calculations.

### **Valuation of Real Estate Inventories**

The Company's real estate inventories which are measured at the lower of cost or net realizable value (NRV) amounted to ₱826.6 million as at December 31, 2024. This is significant to our audit as the carrying amount of real estate inventories represent 34% of the total assets (see Note 6 to the financial statements).

We obtained an understanding of the Company's processes and controls relating to the inventory cost accumulation and monitoring, including management's computation of the cost per square meter of land. We also assessed the assumptions used by management in estimating the NRV of real estate inventories by: (1) validating management's estimates of selling price and costs to sell of land by comparing these with the selling price and costs to sell previously incurred in similar real estate inventories sold by the Company and (2) verifying the estimates against the market value of similar properties in the vicinity to ascertain if management's assessment is reasonably appropriate.

### *Other Information*

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024 but does not include the financial statements and our auditors' report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024 are expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.



In connection with our audits of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

*Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with PFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

*Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, these could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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



The engagement partner on the audit resulting in this independent auditors' report is Michelle R. Mendoza-Cruz.

**REYES TACANDONG & Co.**

  
MICHELLE R. MENDOZA-CRUZ

Partner

CPA Certificate No. 97380

Tax Identification No. 201-892-183-000

BOA Accreditation No. 4782/P-011; Valid until June 6, 2026

BIR Accreditation No. 08-005144-012-2023

Valid until January 24, 2026

PTR No. 10467135

Issued January 2, 2025, Makati City

April 11, 2025

Makati City, Metro Manila

**ARANETA PROPERTIES, INC.**  
**STATEMENTS OF FINANCIAL POSITION**

		December 31	
	Note	2024	2023
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	P192,872,817	P1,989,708
Trade and other receivables	5	540,989,198	176,450,842
Real estate inventories	6	826,552,973	893,298,213
Other current assets	7	6,548	64,100,743
Total Current Assets		1,560,421,536	1,135,839,506
<b>Noncurrent Assets</b>			
Trade receivables - net of current portion	5	156,636,085	158,276,064
Investment in club shares at fair value through other comprehensive income (FVOCI)		4,350,000	4,300,000
Investment properties	8	674,056,173	674,056,173
Property and equipment	9	8,648,807	735,227
Total Noncurrent Assets		843,691,065	837,367,464
		<b>P2,404,112,601</b>	<b>P1,973,206,970</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Trade and other payables	10	P75,078,390	P54,592,599
Liability for purchased land	11	115,305,608	115,305,608
Due to a related party	16	24,311,721	39,530,218
Income tax payable		486,789	-
Total Current Liabilities		215,182,508	209,428,425
<b>Noncurrent Liabilities</b>			
Retirement liability	17	34,034,793	28,933,268
Net deferred tax liability	18	12,041,920	11,975,139
Total Noncurrent Liabilities		46,076,713	40,908,407
Total Liabilities		261,259,221	250,336,832
<b>Equity</b>			
Capital stock	12	1,951,387,570	1,951,387,570
Additional paid-in capital		201,228,674	201,228,674
Deficit		(8,439,108)	(430,803,173)
Other comprehensive income (loss)		(1,323,756)	1,057,067
Total Equity		2,142,853,380	1,722,870,138
		<b>P2,404,112,601</b>	<b>P1,973,206,970</b>

See accompanying Notes to Financial Statements.

**ARANETA PROPERTIES, INC.**  
**STATEMENTS OF COMPREHENSIVE INCOME**

	Note	Years Ended December 31		
		2024	2023	2022
<b>REAL ESTATE SALES</b>	15	<b>₱706,672,339</b>	₱25,988,482	₱42,981,521
<b>COST OF SALES</b>	6	<b>(66,745,240)</b>	(1,473,316)	(2,811,909)
<b>GROSS PROFIT</b>		<b>639,927,099</b>	24,515,166	40,169,612
<b>COSTS OF SELLING</b>		<b>(81,209,702)</b>	(2,597,273)	(4,530,689)
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>	13	<b>(58,093,229)</b>	(51,619,273)	(42,978,195)
<b>OTHER INCOME</b>	14	<b>5,573,622</b>	4,843,249	4,541,473
<b>INCOME (LOSS) BEFORE INCOME TAX</b>		<b>506,197,790</b>	(24,858,131)	(2,797,799)
<b>PROVISION FOR (BENEFIT FROM) INCOME TAX</b>	18			
Current		<b>84,059,233</b>	353,131	265,565
Deferred		<b>(225,508)</b>	(10,874,563)	(228,392)
		<b>83,833,725</b>	(10,521,432)	37,173
<b>NET INCOME (LOSS)</b>		<b>422,364,065</b>	(14,336,699)	(2,834,972)
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>				
<i>Items not to be reclassified to profit or loss in subsequent periods:</i>				
Remeasurement gain (loss) on retirement liability - net of deferred tax	17	<b>(2,430,823)</b>	5,205,656	-
Net changes in fair value of investment in club shares at FVOCI		<b>50,000</b>	300,000	(1,150,000)
		<b>(2,380,823)</b>	5,505,656	(1,150,000)
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>		<b>₱419,983,242</b>	(₱8,831,043)	(₱3,984,972)
<b>BASIC AND DILUTED EARNINGS (LOSS) PER SHARE</b>	19	<b>₱0.2164</b>	(₱0.0073)	(₱0.0015)

See accompanying Notes to Financial Statements.

**ARANETA PROPERTIES, INC.**  
**STATEMENTS OF CHANGES IN EQUITY**

	Note	Years Ended December 31		
		2024	2023	2022
<b>CAPITAL STOCK</b>	12	<b>₱1,951,387,570</b>	₱1,951,387,570	₱1,951,387,570
<b>ADDITIONAL PAID-IN CAPITAL</b>		<b>201,228,674</b>	201,228,674	201,228,674
<b>DEFICIT</b>				
Balance at beginning of year		<b>(430,803,173)</b>	(416,466,474)	(413,631,502)
Net income (loss)		<b>422,364,065</b>	(14,336,699)	(2,834,972)
Balance at end of year		<b>(8,439,108)</b>	(430,803,173)	(416,466,474)
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>				
<i>Cumulative remeasurement losses on retirement liability</i>	17			
Balance at beginning of year		<b>(165,234)</b>	(5,370,890)	(5,370,890)
Remeasurement gain (loss) - net of deferred tax		<b>(2,430,823)</b>	5,205,656	-
Balance at end of year		<b>(2,596,057)</b>	(165,234)	(5,370,890)
<i>Cumulative unrealized gains on investment in club shares at FVOCI</i>				
Balance at beginning of year		<b>1,222,301</b>	922,301	2,072,301
Net changes in fair value		<b>50,000</b>	300,000	(1,150,000)
Balance at end of year		<b>1,272,301</b>	1,222,301	922,301
		<b>(1,323,756)</b>	1,057,067	(4,448,589)
		<b>₱2,142,853,380</b>	₱1,722,870,138	₱1,731,701,181

See accompanying Notes to Financial Statements.

**ARANETA PROPERTIES, INC.**  
**STATEMENTS OF CASH FLOWS**

	Note	Years Ended December 31		
		2024	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Income (loss) before income tax		<b>₱506,197,790</b>	(₱24,858,131)	(₱2,797,799)
Adjustments for:				
Interest income from cash and cash equivalents	14	<b>(2,937,740)</b>	(2,345)	(2,270)
Interest, penalties and other income	14	<b>(2,635,882)</b>	(4,840,904)	(4,539,203)
Retirement benefit expense	17	<b>2,587,568</b>	2,530,831	2,170,914
Depreciation	9	<b>363,338</b>	454,653	2,492,525
Operating income (loss) before working capital changes		<b>503,575,074</b>	(26,715,896)	(2,675,833)
Decrease (increase) in:				
Trade and other receivables		<b>(362,898,377)</b>	(2,872,929)	6,138,913
Real estate inventories		<b>66,745,240</b>	1,473,316	348,558
Other current assets		<b>64,094,195</b>	(597,920)	4,656,345
Increase in trade and other payables		<b>20,485,791</b>	9,611,938	6,441,530
Net cash generated from (used for) operations		<b>292,001,923</b>	(19,101,491)	14,909,513
Income taxes paid		<b>(82,469,880)</b>	(353,131)	(265,565)
Interest received		<b>5,573,622</b>	4,843,249	4,541,473
Retirement benefits paid	17	<b>(727,141)</b>	(2,155,133)	(2,101,917)
Net cash flows provided by (used in) operating activities		<b>214,378,524</b>	(16,766,506)	17,083,504
<b>CASH FLOWS FROM AN INVESTING ACTIVITY</b>				
Acquisitions of property and equipment	9	<b>(8,276,918)</b>	(39,017)	(8,840)
<b>CASH FLOWS FROM A FINANCING ACTIVITY</b>				
Increase (decrease) in due to a related party	16	<b>(15,218,497)</b>	15,300,888	(17,485,512)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>190,883,109</b>	(1,504,635)	(410,848)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		<b>1,989,708</b>	3,494,343	3,905,191
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<b>₱192,872,817</b>	₱1,989,708	₱3,494,343

*See accompanying Notes to Financial Statements.*

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## ARANETA PROPERTIES, INC.

### NOTES TO FINANCIAL STATEMENTS

AS AT AND FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

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#### 1. General Information

##### Corporate Information

Araneta Properties, Inc. (the Company), formerly known as Integrated Chrome Corporation (INCHROME), was registered with the Philippine Securities and Exchange Commission (SEC) on June 15, 1988. The Company's primary purpose is to engage in real estate development and is also currently a party to joint operations.

The Company's 1,561,110,070 common shares are listed for trading in the Philippine Stock Exchange (PSE) under the stock symbol "ARA".

The Company's registered office address and principal place of business is at 21st Floor, BDO Towers, Paseo de Roxas, Makati City.

##### Authorization for Issuance of Financial Statements

The financial statements of the Company as at December 31, 2024 and 2023 and for the years ended December 31, 2024, 2023 and 2022 were reviewed and recommended for approval by the Audit Committee on April 11, 2025, and were approved and authorized for issue by the Board of Directors (BOD) on the same date.

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#### 2. Summary of Material Accounting Policy Information

##### Basis of Preparation

The financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. This financial reporting framework includes PFRS, Philippine Accounting Standards (PAS) and Philippine Interpretation from International Financial Reporting Interpretations Committee issued by the Philippine Financial and Sustainability Reporting Standards Council and adopted by the SEC, including SEC pronouncements.

The financial statements are presented in Philippine Peso (Peso), the Company's functional currency. Functional currency is the currency of the primary economic environment in which the Company operates. All values are rounded to the nearest Peso, unless otherwise indicated.

The financial statements of the Company have been prepared on a historical cost basis, except for investment in club shares which is carried at fair value and retirement liability which is carried at the present value of the defined benefit obligation. Historical cost is generally based on the fair value of the consideration given in exchange for an asset or fair value of consideration received in exchange for incurring liability.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Company uses market observable data to the extent possible. If the fair value of an asset or a liability is not directly observable, it is estimated by the Company using valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs (e.g. by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset or liability that market participants would take into account.

Further information about assumptions made in measuring fair values are included in Note 8, *Investment Properties*, and Note 22, *Fair Value Measurement*.

Fair values are categorized into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Transfers between levels of the fair value hierarchy are recognized by the Company at the end of the reporting period during which the change occurred.

#### **Adoption of Amendments to PFRS Accounting Standards**

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the amendments to PFRS Accounting Standards effective for annual periods beginning on or after January 1, 2024. The amendments did not materially affect the financial statements of the Company. Additional disclosures were included in the financial statements, as applicable.

### **New and Amendments to PFRS Accounting Standards in Issue But Not Yet Effective**

Relevant new and amendments to PFRS Accounting Standards, which are not yet effective as at December 31, 2024 and have not been applied in preparing the financial statements, are summarized below:

Effective for annual periods beginning on or after January 1, 2026:

- Amendments to PFRS 9, *Financial Instruments*, and PFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Assets* – The amendments clarify that a financial liability is derecognized when the related obligation is discharged, cancelled, expires or otherwise qualifies for derecognition (e.g. settlement date), and introduces a policy option to derecognize financial liabilities settled through an electronic payment system before settlement date if the required conditions are met. The amendments also clarify the assessment of contractual cash flow characteristics of financial assets, the treatment of non-recourse loans and contractually linked instruments, as well as require additional disclosure requirements for financial assets and liabilities with contingent features and equity instruments classified at FVOCI. Earlier application is permitted.
- Annual Improvements to PFRS Accounting Standards Volume 11:
  - Amendments to PFRS 7, *Financial Instruments: Disclosures* – The amendments update and remove some obsolete references related to the gain or loss on derecognition on financial assets of an entity that has a continuing involvement and to the disclosure requirements on deferred differences between fair value and transaction price. The amendments also clarify that the illustrative guidance does not necessarily illustrate all the requirements for credit risk disclosure. Earlier application is permitted.
  - Amendments to PAS 7, *Statement of Cash Flows - Cost Method* – The amendments replace the term ‘cost method’ with ‘at cost’ following the deletion of the definition of ‘cost method’. Earlier application is permitted.

Effective for annual periods beginning on or after January 1, 2027 –

- PFRS 18, *Presentation and Disclosure in Financial Statements* – This standard replaces PAS 1, *Presentation of Financial Statements*, and sets out the requirements for the presentation and disclosure of information to help ensure that the financial statements provide relevant information that faithfully represents the entity’s assets, liabilities, equity, income and expenses. The standard introduces new categories and sub-totals in the statements of comprehensive income, disclosures on management-defined performance measures, and new principles for grouping of information, which the entity needs to apply retrospectively. Earlier application is permitted.

Under prevailing circumstances, the adoption of the foregoing new and amendments to PFRS Accounting Standards is not expected to have any material effect on the financial statements of the Company. Additional disclosures will be included in the financial statements, as applicable.

### **Financial Assets and Liabilities**

*Date of Recognition.* The Company recognizes a financial asset or a financial liability in the statements of financial position when it becomes a party to the contractual provisions of a financial instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using settlement date accounting.

*Initial Recognition and Measurement.* Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of an asset) or received (in case of a liability). The initial measurement of financial instruments, except for those designated at fair value through profit or loss (FVPL), includes transaction costs.

*Classification.* The Company classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVPL, (b) financial assets at amortized cost and (c) financial assets at fair value through other comprehensive income (FVOCI). Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or financial liabilities at amortized cost. The classification of a financial instrument largely depends on the Company's business model and its contractual cash flow characteristics.

As at December 31, 2024 and 2023, the Company does not have financial assets and financial liabilities at FVPL.

*Financial Assets Designated as FVOCI.* On initial recognition, equity instruments that are not held for trading may be irrevocably designated as a financial asset to be measured at FVOCI.

Dividends from equity instruments held at FVOCI are recognized at profit or loss when the right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment.

Changes in the fair value of these instruments, including those arising from foreign currency changes, are recognized in other comprehensive income (OCI) and presented in the equity section of the statements of financial position. The cumulative gains or losses will not be reclassified to profit or loss on disposal of the equity investments, instead, these will be transferred to retained earnings.

As at December 31, 2024 and 2023, the Company designated its investments in club shares as financial assets at FVOCI.

*Financial Assets at Amortized Cost.* Financial assets shall be measured at amortized cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized or impaired or through the amortization process. Financial assets at amortized cost are included under current assets if realizability or collectability is within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

As at December 31, 2024 and 2023, the Company's cash and cash equivalents and trade and other receivables are classified under this category (see Notes 4 and 5).

Cash in banks are demand deposits with banks and earn interest at prevailing bank deposit rates.

Cash equivalents are short-term time deposits made for varying periods up to three (3) months or less and earn interest at the respective prevailing investment rates.

*Financial Liabilities at Amortized Cost.* Financial liabilities are categorized as financial liabilities at amortized cost when the substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the liabilities are derecognized or through the amortization process.

As at December 31, 2024 and 2023, the Company's trade and other payables (excluding customers' deposits and statutory payables), liability for purchased land and due to a related party are classified under this category (see Notes 10, 11 and 16).

#### **Reclassification**

The Company reclassifies its financial assets when, and only when, it changes its business model for managing those financial assets. The reclassification is applied prospectively from the first day of the first reporting period following the change in the business model (reclassification date).

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVPL, any gain or loss arising from the difference between the previous amortized cost of the financial asset and fair value is recognized in profit or loss.

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVOCI, any gain or loss arising from a difference between the previous amortized cost of the financial asset and fair value is recognized in OCI.

For a financial asset reclassified out of the financial assets at FVOCI category to financial assets at amortized cost, any gain or loss previously recognized in OCI, and any difference between the new amortized cost and maturity amount, are amortized to profit or loss over the remaining life of the investment using the effective interest method. If the financial asset is subsequently impaired, any gain or loss that has been recognized in OCI is reclassified from equity to profit or loss.

In the case of a financial asset that does not have a fixed maturity, the gain or loss shall be recognized in profit or loss when the financial asset is sold or disposed. If the financial asset is subsequently impaired, any previous gain or loss that has been recognized in OCI is reclassified from equity to profit or loss.

#### **Impairment of Financial Assets at Amortized Cost**

The Company records an allowance for expected credit loss (ECL) based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The difference is then discounted at an approximation to the asset's original effective interest rate.

For trade receivables, the Company has applied the simplified approach and has calculated ECL based on the lifetime ECL. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other financial assets at amortized cost, the ECL is based on the 12-month ECL, which pertains to the portion of lifetime ECL that result from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

### **Derecognition of Financial Assets and Liabilities**

*Financial Assets.* A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

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

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

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

### **Cost to Obtain a Contract with a Customer**

The Company recognizes an asset for the incremental cost of obtaining a contract with a customer if the Company expects to recover those costs. Otherwise, those costs are recognized as expense under “Costs of selling” when incurred. The incremental costs of obtaining a contract are those costs that the Company incurs to obtain a contract such as, but not limited to, sales commissions paid to sales agents and nonrefundable direct taxes incurred in obtaining a contract.

### **Interests in Joint Operations**

Interests in joint operations represent one or more assets contributed to or acquired for the purpose of the joint operations. The assets are used to obtain benefits for the operators, wherein each operator takes a share of the output from the assets, as agreed between the parties and each bears an agreed share of the expenses incurred. These joint operations do not involve the establishment of a corporation, partnership or other entity, or a financial structure that is separate from the operators themselves. Each operator has control over its share of future economic benefits through its share of the results of the joint operation. The Company's contribution to the joint operation is included in real estate inventories.

### **Real Estate Inventories**

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory and is measured at the lower of cost and net realizable value (NRV).

Cost includes acquisition cost plus any other directly attributable costs of developing the asset to its saleable condition and costs of improving the properties up to the reporting date. Directly attributable costs include amounts paid to contractors, borrowing costs, planning and designing costs, costs of site preparation and other related costs, as applicable.

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money, if material, less estimated costs to complete and the estimated costs to sell. NRV in respect of land under development is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete the construction and less an estimate of the time value of money, if material, to the date of completion.

### **Value-added Tax (VAT)**

Revenues, expenses and assets are recognized net of the amount of VAT except:

- where VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- where receivables and payables that are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the tax authority is presented as "Input VAT" under "Other current assets" or included as part of "Statutory payables" under "Trade and other payables" accounts, respectively, in the statements of financial position.

### **Investment Properties**

Investment properties, consisting of parcels of land, are properties held either to earn rental income or for capital appreciation or both, but not for sale in the ordinary course of business or for administrative purposes. Investment properties are carried at cost less any impairment in value. Cost comprises the purchase price and any directly attributable costs in developing and improving the properties.

Transfers are made to investment properties when, and only when, there is a change in use, evidenced by the ending of owner-occupation, commencement of an operating lease to another party or ending of the construction or development. Transfers are made from investment properties when, and only when, there is a change in use, evidenced by the commencement of owner occupation or commencement of development with a view to sell.

Investment properties are derecognized when either those have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of investment properties is recognized in the statements of comprehensive income in the year of retirement or disposal.

### **Property and Equipment**

Property and equipment are carried at cost less accumulated depreciation and any impairment losses.

The initial cost of property and equipment consists of the purchase price and other costs directly attributable to bring the asset to its working condition and location for its intended use. Cost also includes the cost of replacing parts of such property and equipment when the recognition criteria are met.

Expenditures incurred after the property and equipment have been put into operation, such as repairs, maintenance and overhaul costs, are normally charged to operations in the year the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment.

Depreciation is calculated on a straight-line basis over the following estimated useful lives of the property and equipment:

<u>Asset Type</u>	<u>Number of Years</u>
Office condominium unit	25
Building and improvements	25
Hauling and transportation equipment	5
Furniture, fixtures and other equipment	5

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

Fully depreciated assets are retained in the account until these are no longer in use and no further charge for depreciation is made in respect to those assets.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognized.

### **Impairment of Nonfinancial Assets**

The carrying amounts of the Company's nonfinancial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's net recoverable amount is estimated.

Any impairment loss is recognized if the carrying amount of an asset or its cash-generating unit (CGU) exceeds its net recoverable amount. A CGU is the smallest identifiable asset group that generates cash flows that are largely independent from other assets of the Company. Impairment losses are recognized in profit or loss in the period incurred.

The net recoverable amount of an asset is the greater of its value in use or its fair value less costs to sell. Value in use is the present value of future cash flows expected to be derived from an asset while fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's length transaction between market participants less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss has been recognized.

#### **Customers' Deposits**

Customers' deposits pertain to payments received by the Company from the customers for which revenue recognition has not yet commenced.

#### **Capital Stock**

Capital stock is measured at par value for all shares issued and outstanding.

#### **Additional Paid-in Capital**

Additional paid-in capital represents the proceeds and/or fair value of considerations received in excess of par value of the subscribed capital stock. Incremental costs incurred directly attributable to the issuance of new shares are recognized as deduction from equity, net of any tax. Otherwise, these are recognized as expense in profit or loss.

#### **Deficit**

Deficit represents the cumulative balance of net income or loss.

#### **Other Comprehensive Income (Loss)**

Other comprehensive income (loss) comprises of items of income and expense that are not recognized in profit or loss for the year. Other comprehensive income (loss) pertains to cumulative unrealized gains on equity instruments at FVOCI and cumulative remeasurement losses on retirement liability.

#### **Basic and Diluted Earnings (Loss) per Share**

Basic earnings (loss) per share is computed by dividing the net income (loss) for the period attributable to common equity holders of the Company by the weighted average number of issued and outstanding and subscribed common shares during the period, with retroactive adjustment for any stock dividends declared.

Diluted earnings (loss) per share is computed in the same manner, adjusted for the effects of any potentially dilutive convertible securities.

#### **Revenue Recognition**

Revenue from contract with customers is recognized when the performance obligation in the contract has been satisfied, either at a point in time or over time. Revenue is recognized over time if one of the following criteria is met: (a) the customer simultaneously receives and consumes the benefits as the Company performs its obligations; (b) the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (c) the Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date. Otherwise, revenue is recognized at a point in time.

Revenue from contracts with customers is recognized when control of the goods and services is transferred to the customer in an amount that reflects the consideration to which the Company expected to be entitled in exchange for those goods and services.

The Company also assesses its revenue arrangements to determine if it is acting as a principal or as an agent. The Company has assessed that it acts as a principal in all of its revenue sources.

The following specific recognition criteria must also be met before revenue is recognized:

*Revenue from Real Estate Sales.* The Company primarily derives revenues from its sale of real estate inventories to third-party buyers. The Company considers a contract to sell as a valid revenue contract and assesses the probability that it will collect the consideration under the contract prior to recognizing revenue. This assessment is based on the customer's ability and intention to pay the amount of consideration when it is due. If any of the above criteria is not met, the deposit method is applied until all the conditions for recognizing revenue are met.

Revenue from the sale of these real estate projects under pre-completion stage, if any, are recognized over time. In measuring the progress of its performance obligation over time, the Company recognizes revenue on the basis of direct measurements of the value to customers of the goods transferred to date, relative to the remaining goods promised under the contract using survey of performance completed to date based on the project accomplishment report prepared by the project's supervising engineers. Meanwhile, revenue from the sale of completed real estate project is accounted for using the full accrual method in which revenue is recognized at a point in time when control is transferred to a customer.

For income tax purposes, full recognition is applied when more than 25% of the selling price has been collected in the year of sale. Otherwise, the installment method is applied.

*Interest Income.* Interest income is recognized as the interest accrues, taking into account the effective yield on the asset.

*Penalties and Other Income.* Income from penalties and other sources are recognized when earned during the period.

#### **Cost and Expense Recognition**

Costs and expenses are decreases in economic benefits during the accounting period in the form of outflows or depletions of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants.

*Cost of Sales.* Cost of sales is recognized consistent with the revenue recognition method applied. The Company recognizes costs relating to satisfied performance obligations as these are incurred taking into consideration any contract fulfillment assets. These include costs of land, planning and design, professional fees, property transfer taxes, among others. These costs are allocated to the saleable area, with the portion allocable to the sold units being recognized as cost of real estate sales while the portion allocable to the unsold units being recognized as part of real estate inventories.

*Costs of Selling.* Costs of selling pertain to costs to sell and market its products such as commissions and incentives. These are expensed as incurred.

*General and Administrative Expenses.* General and administrative expenses pertain to costs in administering the business. These are expensed as incurred.

### **Employee Benefits**

*Short-term Benefits.* The Company recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. A liability is also recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Short-term employee benefit liabilities are measured on an undiscounted basis and are expensed as the related service is provided.

*Retirement Benefits.* The Company has an unfunded, non-contributory defined benefit plan covering all qualified employees. The retirement benefits expense is determined using the projected unit credit method which reflects services rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries.

The Company recognizes service costs, comprising of current service costs and interest cost in profit or loss. Interest cost is calculated by applying the discount rate to the net retirement liability.

Remeasurements pertaining to actuarial gains and losses are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Retirement liability is the aggregate of the present value of the defined benefit obligation and the fair value of plan assets, if any, against which the obligations are to be settled directly, adjusted for any effect of asset ceiling. The present value of the retirement obligation is determined by discounting the estimated future cash outflows using interest rate on government bonds that have terms to maturity approximating the terms of the related retirement liability.

Actuarial valuations are made with sufficient regularity so that the amounts recognized in the financial statements do not differ materially from the amounts that would be determined at the reporting date.

### **Income Taxes**

*Current Tax.* Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authority. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted at the reporting date.

*Deferred Tax.* Deferred tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carryforward benefits of unused net operating loss carryover (NOLCO) and unused tax credits from excess minimum corporate income tax (MCIT) over the regular corporate income tax (RCIT), to the extent that it is probable that taxable income will be available against which the deductible temporary differences and carryforward of unused NOLCO and excess MCIT over RCIT can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable income will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable income will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are applicable to the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Most changes in deferred tax assets or deferred tax liabilities are recognized as a component of tax expense in profit or loss, except to the extent that it relates to items recognized in OCI or directly in equity. In this case, the tax is also recognized in OCI or directly in equity, respectively.

Deferred tax relating to items recognized outside profit or loss is recognized under OCI and outside profit or loss.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to offset current tax assets against current tax liabilities and deferred taxes relate to the same taxable entity and the same tax authority.

### **Related Party Transactions**

Related party transactions are transfer of resources, services or obligations between the Company and its related parties, regardless of whether a price is charged. Transactions between related parties are accounted for at arm's length prices or on terms similar to those offered to non-related parties in an economically comparable market.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. These includes: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Company; (b) associates; (c) individuals owning, directly or indirectly, an interest in the voting power of the investee that gives them significant influence over the investee and close members of the family of any such individual; and, (d) the Company's funded retirement plan.

Related party transactions are considered material and/or significant if i) these transactions amount to 10% or higher of the Company's total assets or, ii) there are several transactions or a series of transactions over a 12-month period with the same related party amounting to 10% or higher of the Company's total assets. Details of transactions entered into by the Company with related parties are reviewed in accordance with the Company's related party transactions policy.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on the legal form.

The key management personnel of the Company are also considered to be related parties.

### **Segment Reporting**

The Company has only one reportable segment that sells only one product line at present. Moreover, the Company has only one geographical segment as all of its assets are located in the Philippines. Revenues are derived from external customers with no revenues concentrated on specific customers. The Company's operating results are regularly reviewed by the Company's Chief Operating Decision Maker, who is the Company's Chief Executive Officer, to make decisions about resources to be allocated and assess its performance.

### **Provisions and Contingencies**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the end of the reporting period, including risks and uncertainties associated with the present obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

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

### **Events After the Reporting Period**

Any post-year-end event that provides additional information about the Company's financial position at the end of the reporting period (adjusting event) is reflected in the financial statements. Post-year-end events that are not adjusting events are disclosed in the notes to financial statements when material.

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## **3. Significant Judgments, Accounting Estimates and Assumptions**

### **Judgments**

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimation, which have the most significant effect on the amounts recognized in the financial statements:

*Distinguishing Joint Operation and Joint Venture.* The Company applies judgment when assessing whether a joint arrangement is a joint operation or a joint venture. The Company determines the type of joint arrangement in which it is involved by considering its rights and obligations arising from the arrangement. The Company assesses its rights and obligations by considering the structure and legal form of the arrangement, the terms agreed by the parties in the contractual arrangement and, when relevant, other facts and circumstances. The Company's arrangements with SLRDI and SLI are not structured through a separate vehicle. The contractual arrangements establish the parties' rights to the assets and obligations for the liabilities relating to the arrangements, and the parties' rights to the corresponding revenues and obligations for the corresponding expenses.

As at December 31, 2024 and 2023, the Company's project agreements with Sta. Lucia Realty and Development, Inc. (SLRDI) and Sta. Lucia Land, Inc. (SLI) are accounted for as joint operations (see Note 15).

*Determining Revenue Recognition.* Selecting an appropriate revenue recognition method for a particular real estate transaction requires certain judgments based on the buyer's commitment on the sale which may be ascertained through the significance of the buyer's initial investment and completion of development.

The Company's promised property is specifically identified in the contract with the buyer and the contractual restriction on the Company's ability to direct the promised property for another use renders the property non-interchangeable with the other properties of the Company. In addition, the Company requires a certain percentage of buyer's payments of total selling price (buyer's equity) to be collected as one of the criteria in order to initiate revenue recognition. Reaching this level of collection is an indication of the buyer's continuing commitment and the probability that economic benefits will flow to the Company.

As at December 31, 2024 and 2023, the Company's projects with SLRDI are 100% completed, while there is no substantial progress yet with the Company's joint operations with SLI.

*Classifying Real Estate Inventories, Investment Properties and Property and Equipment.* The Company determines whether a property qualifies as a real estate inventory, an investment property or an item of property and equipment. In making its judgment, the Company considers whether the property is held for sale in the ordinary course of business, held primarily to earn rentals or capital appreciation or both, or used for operations and administrative purposes by the Company.

The carrying amounts of real estate inventories, investment properties and property and equipment as at December 31, 2024 and 2023 are disclosed in Notes 6, 8 and 9 to the financial statements.

#### **Accounting Estimates and Assumptions**

The following are the key sources of accounting estimation uncertainty and other key accounting assumptions concerning the future at the end of reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

*Recognizing Revenue and Cost of Real Estate Sales.* The Company's revenue and cost recognition policies require management to make use of estimates and assumptions that may affect the reported amounts of revenue and cost, particularly in relation to the threshold amount of buyer's payments as a percentage of the selling price to be collected before revenue is recognized. If the criteria is not met, the Company recognizes customers' deposits presented under "Trade and other payables" until the conditions for recognizing revenue are met (see Note 10).

*Determining the NRV of Real Estate Inventories.* Real estate inventories are stated at lower of cost or NRV. NRV of real estate inventories is assessed with reference to market conditions and prices existing at the reporting date and is determined by the Company in the light of recent market transactions. The amount and timing of recorded expenses for any period would differ if different judgments were made or different estimates were utilized.

No provision for inventory write-down was recognized in 2024, 2023 and 2022. The carrying amounts of real estate inventories as at December 31, 2024 and 2023 are disclosed in Note 6 to the financial statements.

*Assessing the ECL on Trade Receivables.* The Company initially uses a provision matrix based on the historical default rates for trade receivables. The provision matrix specifies provision rates depending on the number of days that a receivable is past due. The Company then calibrates the provision matrix to adjust historical credit loss experience with forward-looking information on the basis of current observable data to reflect the effects of current and forecasted economic conditions.

The Company adjusts historical default rates if forecasted economic conditions such as gross domestic product are expected to deteriorate which can lead to increased number of defaults in the real estate industry. The Company regularly reviews the methodology and assumptions used for estimating ECL to reduce any differences between estimates and actual credit loss experience.

The determination of the correlation between historical default rates and forecasted economic conditions is a significant estimate. Accordingly, the provision for ECL of receivable from real estate sales is sensitive to changes in assumptions about forecasted economic conditions.

The Company's exposure to risk of default is mitigated by the requirement that title to real estate for sale is transferred to the buyer only upon full payment of the contract price.

No provision for ECL was recognized in 2024, 2023 and 2022. The carrying amounts of the Company's trade receivables as at December 31, 2024 and 2023 are disclosed in Note 5 to the financial statements.

*Assessing the Impairment of Nonfinancial Assets.* The Company assesses impairment on nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In assessing whether there is any indication that an asset may be impaired, the Company considers the external and internal sources of information. External sources of information include but are not limited to unexpected significant decline in market value and any other significant changes with an adverse effect on the Company, whether it had taken place during period or will take place in the near future in the market, economic or legal environment in which the entity operates or in the market to which the asset is dedicated. Internal sources of information include evidence of obsolescence or physical damage on an asset, significant changes with an adverse effect on the Company whether it had taken place during the period, or are expected to take place in the near future, to the extent to which, or in a manner in which, an asset is used or is expected to be used, and any other evidence that indicates that the economic performance of an asset is, or will be, worse than expected.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. The fair value less cost to sell is the amount that would be received from the sale of an asset in an orderly transaction between market participants at the measurement date, less the costs of disposal of the asset. Meanwhile, value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

Value in use is determined as the present value of estimated future cash flows expected to be generated from the continued use of the assets. The estimated cash flows are projected using growth rates based on historical experience and business plans and are discounted using pretax discount rates that reflect the current assessment of the time value of money and the risks specific to the asset.

No provision for impairment loss on nonfinancial assets was recognized in 2024, 2023 and 2022.

The carrying amounts of other current assets, investment properties and property and equipment as at December 31, 2024 and 2023 are disclosed in Notes 7, 8 and 9 to the financial statements.

*Estimating the Retirement Liability.* The determination of the Company's obligation and cost for retirement benefits is dependent on selection of certain assumptions used by an actuary, as applicable, in calculating such amounts. Those assumptions are described in Note 17 to the financial statements and include among others, discount rate and salary increase rate. While the Company believes that the assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions materially affect retirement liability.

The carrying amounts of retirement liability as at December 31, 2024 and 2023 are disclosed in Note 17 to the financial statements.

*Assessing the Realizability of Deferred Tax Assets.* The Company's assessment on the recognition of deferred tax assets on deductible temporary differences and carryforward benefits of unused NOLCO and excess of MCIT over RCIT is based on the projected taxable income in the following allowable periods. Management reviews the carrying amounts of deferred tax assets at each reporting date and reduces the amounts to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax assets to be utilized. All deferred tax assets were recognized because sufficient future deductible temporary differences will be utilized based on the projection made by management.

The carrying amounts of recognized deferred tax assets as at December 31, 2024 and 2023 are disclosed in Note 18 to the financial statements.

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#### 4. Cash and Cash Equivalents

This account consists of:

	2024	2023
Cash on hand	<b>₱32,281</b>	₱32,281
Cash in banks	<b>71,009,277</b>	1,957,427
Cash equivalents	<b>121,831,259</b>	-
	<b>₱192,872,817</b>	<b>₱1,989,708</b>

Cash in banks earn interest at the prevailing bank deposit rates. Cash equivalents are short-term time deposits made for varying periods up to three (3) months or less and earn interest at the respective prevailing investment rates. Interest income earned from cash and cash equivalents amounted to ₱2.9 million in 2024, ₱2,345 in 2023 and ₱2,270 in 2022 (see Note 14).

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#### 5. Trade and Other Receivables

This account consists of:

	2024	2023
Trade receivables	<b>₱693,371,243</b>	₱331,293,932
Advances to officers, employees and other receivables	<b>4,254,040</b>	3,432,974
	<b>697,625,283</b>	334,726,906
Less: noncurrent portion of trade receivables	<b>156,636,085</b>	158,276,064
Current portion	<b>₱540,989,198</b>	<b>₱176,450,842</b>

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

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

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

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

## 6. Real Estate Inventories

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

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

Movements of this account are accounted as follows:

	2024	2023
Balance at beginning of year	P893,298,213	P894,771,529
Cost of sales	(66,745,240)	(1,473,316)
Balance at end of year	P826,552,973	P893,298,213

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

Cost of inventories sold recognized in the statements of comprehensive income amounted to P66.7 million in 2024, P1.5 million in 2023 and P2.8 million in 2022.

## 7. Other Current Assets

This account consists of:

	2024	2023
Prepayments:		
Taxes	P-	P6,330,415
Others	6,548	-
Input VAT	-	57,770,328
	P6,548	P64,100,743

## 8. Investment Properties

The Company's investment properties which are carried at cost consist of land currently held for long-term capital appreciation amounting to P674.1 million as at December 31, 2024 and 2023.

Based on the Company's latest appraisal report dated March 15, 2023, the fair value of the investment properties amounted to P2,587.9 million. The valuation was performed by a qualified independent appraiser and the valuation techniques used and key inputs to valuation on the investment properties are as follows:

Property	Valuation Technique	Significant Unobservable Inputs	Range
Land	Market Data Approach	Price per square meter	P1,200 - P1,500

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

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

## 9. Property and Equipment

The balances and movements of this account are as follows:

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

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

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

## 10. Trade and Other Payables

This account consists of:

	Note	2024	2023
Trade payables			
Related party	16	<b>₱33,718,652</b>	₱35,045,224
Third parties		<b>4,904,410</b>	5,644,192
Customers' deposits		<b>30,151,462</b>	11,878,129
Statutory payables		<b>5,852,905</b>	363,378
Accrued expenses		<b>258,304</b>	1,469,019
Others		<b>192,657</b>	192,657
		<b>₱75,078,390</b>	₱54,592,599

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

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

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

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

## 11. Liability for Purchased Land

This account pertains to the Company's outstanding payable for the purchase of land recognized under "Real estate inventories" amounting to ₱115.3 million.

On September 19, 2016, the Company entered into a contract of acquisition of a 580,154 sqm. land from Insular Life Insurance Company (ILIC) for a total consideration of ₱430.5 million.

On August 30, 2019, SLI paid the Company's remaining liability to ILIC amounting to ₱115.3 million, thereby extinguishing the Company's liability to ILIC. Accordingly, the Company recognized a noninterest-bearing liability to SLI which is payable after the issuance of a license to sell the developed property in line with the Company and SLI's project agreement (see Note 15). The outstanding liability is payable to SLI either by direct payment or by way of proceeds from the sale of subdivided lots.

## 12. Equity

Below is the Company's track record of registration of its common shares:

Year Approved by SEC	Description	Number of shares (in thousands)	Par value per share	Total amount (in thousands)
1988	Capital upon registration:			
	Class A	30,000,000	₱0.01	₱300,000
	Class B	20,000,000	0.01	200,000
		50,000,000		500,000
1992	Decrease in authorized capital stock and change of par value from ₱0.01 to ₱1.00			
	Class A	150,000	1.00	150,000
	Class B	100,000	1.00	100,000
		250,000		250,000
1994	Change of par value from ₱1.00 to ₱0.30			
	Class A	150,000	0.30	45,000
	Class B	100,000	0.30	30,000
		250,000		75,000
1995	Increase in authorized capital stock and removal of classification of shares of stock	1,000,000	0.30	300,000
1996	Increase in authorized capital stock and change of par value from ₱0.30 to ₱1.00	5,000,000	1.00	5,000,000
	Authorized capital stock as at December 31, 2024 and 2023	5,000,000	₱1.00	₱5,000,000

As at December 31, 2024 and 2023, the Company has issued and outstanding common shares of 1,951,387,570 at par value of ₱1.00 a share. The Company has 2,125 stockholders and 2,130 stockholders as at December 31, 2024 and 2023, respectively.

## 13. General and Administrative Expenses

This account consists of:

	Note	2024	2023	2022
Salaries and wages		<b>₱26,775,317</b>	₱23,983,488	₱21,181,113
Security services	16	<b>9,950,676</b>	6,990,452	6,928,984
Entertainment, amusement and recreation		<b>4,129,442</b>	102,974	166,330
Taxes and licenses		<b>3,191,996</b>	8,366,259	4,202,368
Retirement benefit expense	17	<b>2,587,568</b>	2,530,831	2,170,914
Building dues and related charges		<b>2,358,759</b>	1,504,646	1,666,888
Professional fees		<b>1,082,724</b>	1,204,207	1,002,000
Telecommunications		<b>731,066</b>	656,763	754,733
Office supplies		<b>415,944</b>	450,766	325,893
Transportation and travel		<b>364,067</b>	385,102	372,233
Depreciation	9	<b>363,338</b>	454,653	2,492,525
Repairs and maintenance		<b>241,271</b>	325,793	254,626
Utilities		<b>100,853</b>	89,030	71,497
Others		<b>5,800,208</b>	4,574,309	1,388,091
		<b>₱58,093,229</b>	₱51,619,273	₱42,978,195

#### 14. Other Income

This account consists of:

	Note	2024	2023	2022
Interest income from cash and cash equivalents	4	<b>₱2,937,740</b>	₱2,345	₱2,270
Interests, penalties and other income	5	<b>2,635,882</b>	4,840,904	4,539,203
		<b>₱5,573,622</b>	<b>₱4,843,249</b>	<b>₱4,541,473</b>

#### 15. Project Agreements with SLRDI and SLI

##### **Agreement with SLRDI**

The Company and SLRDI began their activities based on their agreement dated June 5, 2003, under which, SLRDI will develop and sell 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 project consisted of the development of an exclusive mixed-use subdivision with a country club, which will be shared by the parties either through cash or lot override options. 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. SLRDI on the other hand shall receive 60% of the net sales proceeds or the saleable lots. The Company opted to receive its share through a combination of cash and lot overrides of the various phases of the project.

On April 27, 2006, the then Housing and Land Use Regulatory Board (now Department of Human Settlements and Urban Development) approved SLRDI's application to obtain license to sell.

On January 29, 2013, SLRDI assigned its rights and interests over the sales proceeds from the sales of saleable area in Phase 3, Phase 3A, and Phase 3B to SLI. SLI assumed the responsibility of collecting payments or amortizations and undertook to remit the Company's share from the sales proceeds.

As at December 31, 2024 and 2023, all phases of the project have been completed. The Company recognized revenue under this joint operation amounting to ₱706.7 million in 2024, ₱26.0 million in 2023 and ₱43.0 million in 2022, and the related cost of real estate sales amounting to ₱66.7 million in 2024, ₱1.5 million in 2023 and ₱2.8 million in 2022 (see Note 6).

The Company's trade receivables and unsold real estate inventories pertaining to this joint operation are recognized as part of "Trade receivables" account and "Real estate inventories" account, respectively, in the statements of financial position (see Notes 5 and 6).

##### **Agreement with SLI**

On November 29, 2019, the Company entered into an agreement with SLI to develop a parcel of land owned by the Company. Under the agreement, SLI 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. Meanwhile, 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. Furthermore, SLI's share will be in the form of lots comprising 60% of the net saleable area, while the remaining 40% shall be the share of the Company.

On the same date, the Company entered into a memorandum of agreement with SLI with regards to the terms and conditions of the payment made by SLI, in behalf of the Company, to ILIC (see Note 11).

As at December 31, 2024 and 2023, there is still no substantial progress on the Company's project agreement with SLI.

## 16. Related Party Transactions and Balances

The Company, in its regular conduct of business, has transactions with related parties. The following table summarizes the transactions with the related parties and outstanding balances arising from these transactions.

Related Party	Note	Nature of Transactions	Amount of Transactions		Outstanding Balances	
			2024	2023	2024	2023
<b>Stockholder</b>						
Due to a related party		Advances (payment of advances) for working capital	<b>(P15,218,497)</b>	P15,300,888	<b>P24,311,721</b>	P39,530,218
<b>Under Common Key Officers</b>						
Trade payables	10	Security services	<b>P9,950,676</b>	P6,990,452	<b>P33,718,652</b>	P35,045,224

The foregoing payables to related parties are non-interest-bearing, unsecured, unguaranteed and are due and demandable.

### **Reconciliation of Liability Arising from a Financing Activity**

Change in due to a related party arising from a financing activity as at December 31 follows:

	2024	2023	2022
Balance at beginning of year	<b>P39,530,218</b>	P24,229,330	P41,714,842
Increase (decrease)	<b>(15,218,497)</b>	15,300,888	(17,485,512)
Balance at end of year	<b>P24,311,721</b>	P39,530,218	P24,229,330

### **Compensation of Key Management Personnel**

Short-term compensation of key management personnel of the Company amounted to P13.0 million in 2024, P9.0 million in 2023 and P8.9 million in 2022.

Retirement benefit expense of the Company's key management personnel amounted to P1.5 million in 2024, P1.2 million in 2023 and P1.4 million in 2022. Other than these, there are no other post-employment benefits paid or accrued in 2024, 2023 and 2022.

## 17. Retirement Benefits Liability

The Company has an unfunded, non-contributory defined benefit retirement plan covering substantially all of its qualified employees. The retirement benefits are based on years of service and compensation on the last year of employment as determined by an independent actuary. The Company's latest actuarial valuation for the year ended December 31, 2024 was dated March 3, 2025.

The plan is exposed to interest rate risks and changes in the life expectancy of qualified employees. There are no unusual or significant risks to which the retirement liability exposes the Company. However, in the event a benefit claim arises under the retirement liability, the benefit shall immediately be due and payable from the Company.

The components of retirement benefit expense recognized in profit or loss are as follows (see Note 13):

	2024	2023	2022
Current service costs	<b>₱851,572</b>	₱794,957	₱1,356,389
Interest costs	<b>1,735,996</b>	1,735,874	814,525
	<b>₱2,587,568</b>	₱2,530,831	₱2,170,914

Movements of this account follows:

	2024	2023	2022
Balance at beginning of year	<b>₱28,933,268</b>	₱35,498,445	₱35,429,448
Current service costs	<b>851,572</b>	794,957	1,356,389
Interest costs	<b>1,735,996</b>	1,735,874	814,525
Benefits paid	<b>(727,141)</b>	(2,155,133)	(2,101,917)
Remeasurement loss (gain)	<b>3,241,098</b>	(6,940,875)	–
Balance at end of year	<b>₱34,034,793</b>	₱28,933,268	₱35,498,445

The cumulative remeasurement losses on retirement liability as at December 31 are as follows:

	2024		
	Cumulative Remeasurement Losses	Deferred Tax	Net
Balance at beginning of year	<b>₱220,312</b>	<b>₱55,078</b>	<b>₱165,234</b>
Remeasurement loss	<b>3,241,098</b>	<b>810,275</b>	<b>2,430,823</b>
Balance at end of year	<b>₱3,461,410</b>	<b>₱865,353</b>	<b>₱2,596,057</b>

	2023		
	Cumulative Remeasurement Losses	Deferred Tax (see Note 18)	Net
Balance at beginning of year	<b>₱7,161,187</b>	<b>₱1,790,297</b>	<b>₱5,370,890</b>
Remeasurement gain	<b>(6,940,875)</b>	<b>(1,735,219)</b>	<b>(5,205,656)</b>
Balance at end of year	<b>₱220,312</b>	<b>₱55,078</b>	<b>₱165,234</b>

	2022		
	Cumulative Remeasurement Losses	Deferred Tax (see Note 18)	Net
Balance at beginning and end of year	<b>₱7,161,187</b>	<b>₱1,790,297</b>	<b>₱5,370,890</b>

The principal assumptions used for the computation are as follows:

	2024	2023
Discount rate	6.09%	6.00%
Salary increase rate	5.00%	5.00%

The sensitivity analysis below has been determined based on reasonably possible changes to each significant assumption on the retirement benefit obligation, assuming all other assumptions are held constant:

	Increase (decrease) in basis points	2024	2023
		Discount rate	+100
	-100	1,453,029	1,177,236
Salary increase rate	+100	1,454,343	1,177,236
	-100	(1,303,074)	(1,068,537)

Below is the maturity analysis of the undiscounted benefit payments as at December 31, 2024:

Years	Amount
Less than 1 year	P-
1 year to less than 5 years	18,735,621
5 years to less than 10 years	19,712,704
<b>Total</b>	<b>P38,448,325</b>

The Company does not expect to contribute to its retirement plan in 2025. The average working life of employees as of December 31, 2024 and 2023 is 13 years and 14 years, respectively. While there are no minimum funding requirements in the country, the size of underfunding may pose a cash flow risk when a significant number of employees is expected to retire.

## 18. Income Tax

The provision for current income tax represents RCIT in 2024 and MCIT in 2023 and 2022.

In 2024, the Company elected the Optional Standard Deduction (OSD) in lieu of itemized deduction as allowed under Section 34 of National Internal Revenue Code of 1997, as amended.

The components of income tax expense (benefit) are as follows:

	2024	2023	2022
<b>Recognized in Profit or Loss:</b>			
Current	P84,059,233	P353,131	P265,565
Deferred	(225,508)	(10,874,563)	(228,392)
	<b>P83,833,725</b>	<b>(P10,521,432)</b>	<b>P37,173</b>
<b>Reported in OCI -</b>			
Deferred tax related to remeasurement loss (gain) on retirement liability	<b>P810,275</b>	<b>(P1,735,219)</b>	<b>P-</b>

The components of the Company's net deferred tax liability are as follows:

	2024	2023
Deferred tax assets:		
NOLCO	P10,482,260	P10,482,260
Retirement liability	8,508,699	7,233,317
Excess MCIT over RCIT	-	1,102,564
	<b>18,990,959</b>	<b>18,818,141</b>
Deferred tax liability -		
Effect of difference between revenue recognized for		
tax and accounting	<b>(31,032,879)</b>	(30,793,280)
Net deferred tax liability	<b>(P12,041,920)</b>	<b>(P11,975,139)</b>

The MCIT rate used is 2.00%, 1.50% and 1.00% for the years ended December 31, 2024, 2023 and 2022, respectively.

The reconciliation between the income tax based on the statutory income tax rate and the provision for (benefit from) income tax reported in the statements of comprehensive income is as follows:

	2024	2023	2022
Income tax at statutory tax rate	P126,549,448	(P6,214,533)	(P699,450)
Add (deduct) tax effects of:			
Difference in OSD and itemized deductions	(42,789,210)	-	-
Nondeductible expenses	807,920	667,251	-
Interest income already subjected to			
final tax	(734,435)	(586)	(568)
Change in unrecognized deferred tax assets	-	(6,128,289)	-
Expired MCIT	-	1,154,725	1,138,624
Expired NOLCO and other adjustments	-	-	(401,433)
	<b>P83,833,723</b>	<b>(P10,521,432)</b>	<b>P37,173</b>

The details of the Company's NOLCO and MCIT are as follows:

#### NOLCO

Year Incurred	Expiry Year	Beginning Balance	Incurred	Applied	Ending Balance
2023	2026	P25,032,516	P-	P-	P25,032,516
2022	2025	16,352,745	-	-	16,352,745
2021	2026	543,780	-	-	543,780
		<b>P41,929,041</b>	<b>P-</b>	<b>P-</b>	<b>P41,929,041</b>

#### MCIT

Year Incurred	Expiry Year	Beginning Balance	Incurred	Applied	Ending Balance
2023	2026	P353,131	P-	P353,131	P-
2022	2025	265,565	-	265,565	-
2021	2024	483,868	-	483,868	-
		<b>P1,102,564</b>	<b>P-</b>	<b>P1,102,564</b>	<b>P-</b>

Under Republic Act No. 11494, also known as “Bayanihan to Recover As One Act” and Revenue Regulations No. 25-2020, NOLCO incurred for the taxable years 2020 and 2021 will be carried over for the next five (5) consecutive taxable years immediately following the year of such loss. Thus, NOLCO incurred for taxable year 2021 will be carried over for the next five (5) consecutive taxable years, or until 2026.

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#### 19. Basic and Diluted Earnings (Loss) per Share

Basic and diluted earnings (loss) per share are computed as follows:

	2024	2023	2022
Net income (loss)	<b>₱422,364,065</b>	(₱14,336,699)	(₱2,834,972)
Weighted average common shares	<b>1,951,387,570</b>	1,951,387,570	1,951,387,570
Basic and diluted earnings (loss) per share	<b>₱0.2164</b>	(₱0.0073)	(₱0.0015)

Basic earnings (loss) per share is computed by dividing net income (loss) for the year attributed to common stockholders of the Company by the weighted average number of common shares issued and outstanding during the year. The weighted average number of shares takes into account the weighted average effect of any changes in the number of shares outstanding during the year.

The Company does not have any dilutive common shares outstanding, thus, the basic and diluted earnings (loss) per share in 2024, 2023 and 2022 are the same.

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#### 20. Financial Risk Management Objectives and Policies

The Company’s financial instruments consists of cash and cash equivalents, trade and other receivables, equity instruments at FVOCI, trade and other payables (excluding customers’ deposits and statutory payables), liability for purchased land and due to a related party.

It is the Company’s policy that no trading in financial instruments shall be undertaken. The main risks arising from the Company’s financial instruments are credit risk and liquidity risk. The BOD reviews and approves policies for managing these risks as summarized below.

##### Credit Risk

The Company’s exposure to credit risk arises from the failure of a counterparty to fulfill its financial commitments to the Company under the prevailing contractual terms. Financial instruments that potentially subject the Company to credit risk consist primarily of trade receivables and other financial assets at amortized cost. The carrying amounts of these financial assets represent its maximum credit exposure.

*Trade Receivables*

Management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms, and conditions are offered. The Company's credit policy includes available external ratings, financial statements, credit agency information, industry information and, in some cases, bank references. Credit limits are established for each customer and reviewed on a regular basis. Any sales on credit exceeding those limits require specific approval from upper level of management. The Company limits its exposure to credit risk by transacting mainly with recognized and creditworthy customers that have undergone its credit evaluation and approval process. As customary in the real estate business, title to the property is transferred only upon full payment of the purchase price. There are also provisions in the sales contract which allow forfeiture of installments or deposits made by the customer in favor of the Company. These measures minimize the credit risk exposure or any margin loss from possible default in the payment of installments.

There were no significant credit concentrations as at December 31, 2024 and 2023. The maximum exposure at the end of the reporting period is the carrying amounts of trade receivables as at December 31, 2024 and 2023.

No provision for ECL on trade receivables was recognized in 2024, 2023 and 2022 (see Note 5).

*Other Financial Assets at Amortized Cost*

The Company's other financial assets at amortized cost are mostly composed of cash in banks, cash equivalents and other receivables. The Company limits its exposure to credit risk by investing only with banks that have good credit standing and reputation in the local and international banking industry. These instruments are graded in the top category by an acceptable credit rating agency and, therefore, are considered to be low credit risk investments.

For other receivables, credit risk is low since the Company only transacts with reputable companies and individuals with respect to this financial asset.

It is the Company's policy to measure ECL on the above instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. When determining if there has been a significant increase in credit risk, the Company considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed such as, but not limited to, the following factors:

- Actual or expected external and internal credit rating downgrade;
- Existing or forecasted adverse changes in business, financial or economic conditions; and
- Actual or expected significant adverse changes in the operating results of the borrower.

The Company also considers financial assets that are more than 90 days past due to be the latest point at which lifetime ECL should be recognized unless it can demonstrate that this does not represent significant credit risk such as when non-payment arising from administrative oversight rather than resulting from financial difficulty of the borrower.

The table below presents the summary of the Company's exposure to credit risk and shows the credit quality of the assets by indicating whether the assets are subjected to 12-month ECL or lifetime ECL.

	2024			Total
	12-Month ECL	Lifetime ECL - Not Credit Impaired	Lifetime ECL - Credit Impaired	
Cash in banks	<b>₱71,009,277</b>	<b>₱-</b>	<b>₱-</b>	<b>₱71,009,277</b>
Cash equivalents	<b>121,831,259</b>	<b>-</b>	<b>-</b>	<b>121,831,259</b>
Trade receivables	<b>-</b>	<b>693,371,243</b>	<b>-</b>	<b>693,371,243</b>
Advances to officers, employees and other receivables	<b>-</b>	<b>4,254,040</b>	<b>-</b>	<b>4,254,040</b>
	<b>₱192,840,536</b>	<b>₱697,625,283</b>	<b>₱-</b>	<b>₱890,465,819</b>

	2023			Total
	12-Month ECL	Lifetime ECL - Not Credit Impaired	Lifetime ECL - Credit Impaired	
Cash in banks	<b>₱1,957,427</b>	<b>₱-</b>	<b>₱-</b>	<b>₱1,957,427</b>
Trade receivables	<b>-</b>	<b>331,293,932</b>	<b>-</b>	<b>331,293,932</b>
Advances to officers, employees and other receivables	<b>-</b>	<b>3,432,974</b>	<b>-</b>	<b>3,432,974</b>
	<b>₱1,957,427</b>	<b>₱334,726,906</b>	<b>₱-</b>	<b>₱336,684,333</b>

### **Liquidity Risk**

Liquidity risk is the risk that the Company may not be able to settle its obligations as they fall due.

The table below summarizes the maturity profile of the financial liabilities of the Company based on remaining contractual undiscounted cash flows as at December 31, 2024 and 2023:

	2024			Total
	Due and Payable on Demand	Within 1 Year	Beyond 1 Year	
Trade and other payables*	<b>₱-</b>	<b>₱39,074,023</b>	<b>₱-</b>	<b>₱39,074,023</b>
Liability for purchased land	<b>115,305,608</b>	<b>-</b>	<b>-</b>	<b>115,305,608</b>
Due to a related party	<b>24,311,721</b>	<b>-</b>	<b>-</b>	<b>24,311,721</b>
	<b>₱139,617,329</b>	<b>₱39,074,023</b>	<b>₱-</b>	<b>₱178,691,352</b>

*\*Excludes customers' deposits and statutory payables aggregating ₱36.0 million as at December 31, 2024.*

	2023			Total
	Due and Payable on Demand	Within 1 Year	Beyond 1 Year	
Trade and other payables*	<b>₱-</b>	<b>₱42,351,092</b>	<b>₱-</b>	<b>₱42,351,092</b>
Liability for purchased land	<b>115,305,608</b>	<b>-</b>	<b>-</b>	<b>115,305,608</b>
Due to a related party	<b>39,530,218</b>	<b>-</b>	<b>-</b>	<b>39,530,218</b>
	<b>₱154,835,826</b>	<b>₱42,351,092</b>	<b>₱-</b>	<b>₱197,186,918</b>

*\*Excludes customers' deposits and statutory payables aggregating ₱12.2 million as at December 31, 2023.*

The Company monitors its risk to a shortage of funds through analyzing the maturity of its financial assets and cash flows from operations. The Company monitors its cash position by a system of sales and cash forecasting. All expected collections, check disbursements and other payments are determined on a regular basis to arrive at the projected cash position to cover its obligations.

The Company's objective is to maintain a balance between continuity of funding and flexibility. The Company addresses liquidity concerns primarily through cash flows from operations.

### Capital Management

The objectives of the Company's capital management are to ensure that the Company's ability to continue as a going concern and 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 monitors capital on the basis of the carrying amount of equity as presented in the statements of financial position. Capital for the reporting periods are as follows:

	2024	2023
Capital stock	<b>₱1,951,387,570</b>	₱1,951,387,570
Additional paid-in capital	<b>201,228,674</b>	201,228,674
Deficit	<b>(8,439,108)</b>	(430,803,173)
Other comprehensive income (loss)	<b>(1,323,756)</b>	1,057,067
	<b>₱2,142,853,380</b>	₱1,722,870,138

The Company's debt-to-equity ratio are as follows:

	2024	2023
Total liabilities	<b>₱261,259,221</b>	₱250,336,832
Total equity	<b>2,142,853,380</b>	1,722,870,138
	<b>0.12:1.00</b>	0.15:1.00

The Company manages its capital structure and makes adjustments when there are changes in economic conditions. No changes were made in the objectives, policies or processes in 2024, 2023 and 2022. The Company is not subject to externally imposed capital requirements.

### 21. Fair Value Measurement

The following table presents the carrying amounts and fair values of the Company's financial assets and liabilities at amortized cost:

	2024		2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Cash and cash equivalents	<b>₱192,872,817</b>	<b>₱192,872,817</b>	₱1,989,708	₱1,989,708
Trade and other receivables	<b>697,625,283</b>	<b>697,625,283</b>	334,726,906	334,726,906
	<b>₱890,498,100</b>	<b>₱890,498,100</b>	₱336,716,614	₱336,716,614

	2024		2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Trade and other payables*	<b>₱39,074,023</b>	<b>₱39,074,023</b>	₱42,351,092	₱42,351,092
Liability for purchased land	<b>115,305,608</b>	<b>115,305,608</b>	115,305,608	115,305,608
Due to a related party	<b>24,311,721</b>	<b>24,311,721</b>	39,530,218	39,530,218
	<b>₱178,691,352</b>	<b>₱178,691,352</b>	₱197,186,918	₱197,186,918

\*Excludes customers' deposits and statutory payables aggregating ₱36.0 million and ₱12.2 million as at December 31, 2024 and 2023, respectively.

The carrying amounts of these financial instruments, except for the noncurrent portion of trade receivables, approximate the fair values due to the short-term nature of these financial instruments. The fair value on noncurrent trade receivables is based on the discounted value of future cash flows using the prevailing interest rates for similar types of receivables as of the reporting date. Management has assessed that the effect of discounting these noncurrent trade receivables is not significant. This is classified under Level 3 of the fair value hierarchy.

There were no changes in the fair value hierarchy in 2024, 2023 and 2022.

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## **22. Notes to Statements of Cash Flows**

Cash flows from receipts (payments) of due to a related party amounted to (P15.2 million) in 2024, P15.3 million in 2023 and (P17.5 million) in 2022. There are no noncash investing and financing activities in 2024, 2023 and 2022.




**REPORT OF INDEPENDENT AUDITORS  
ON SUPPLEMENTARY SCHEDULES**

The Stockholders and the Board of Directors  
Araneta Properties, Inc.  
21st Floor, BDO Towers  
Paseo de Roxas, Makati City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Araneta Properties, Inc. (the Company) as at December 31, 2024 and 2023 and for the years ended December 31, 2024, 2023 and 2022 and have issued our report thereon dated April 11, 2025. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Supplementary Schedule on Reconciliation of Retained Earnings Available for Dividend Declaration as at December 31, 2024 and the schedules required by Part II of the Revised Securities Regulation Code (SRC) Rule 68 are the responsibility of the Company's management. These schedules are presented for purposes of complying with the Revised SRC Rule 68 and are not part of the basic financial statements. The information in these schedules has been subjected to the auditing procedures applied in the audits of the basic financial statements, and, in our opinion, fairly state, in all material respects, the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

**REYES TACANDONG & Co.**

  
MICHELLE R. MENDOZA-CRUZ  
Partner  
CPA Certificate No. 97380  
Tax Identification No. 201-892-183-000  
BOA Accreditation No. 4782/P-011; Valid until June 6, 2026  
BIR Accreditation No. 08-005144-012-2023  
Valid until January 24, 2026  
PTR No. 10467135  
Issued January 2, 2025, Makati City

April 11, 2025  
Makati City, Metro Manila

**RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR  
DIVIDEND DECLARATION  
FOR THE REPORTING PERIOD ENDED DECEMBER 31, 2024**

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**ARANETA PROPERTIES, INC.**

21st Floor, BDO Towers  
Paseo de Roxas, Makati City

	Amount
Deficit as at the beginning of reporting period, as adjusted	(P418,828,034)
Add: Net income for the current year	422,364,065
Add/less: <u>Category F</u> : Other items that should be excluded from the determination of the amount of available for dividends distribution	
Net movement in deferred tax assets and deferred tax liability	66,781
<b>Total retained earnings, end of reporting period available for dividend</b>	<b>P3,602,812</b>

**ARANETA PROPERTIES, INC.**  
**SEC SUPPLEMENTARY SCHEDULES AS REQUIRED BY PART II**  
**OF THE REVISED SRC RULE 68**  
**DECEMBER 31, 2024**

**Table of Contents**

<i><b>Schedule</b></i>	<i><b>Description</b></i>	<i><b>Page</b></i>
<b>A</b>	Financial Assets	<u>N/A</u>
<b>B</b>	Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)	<u>1</u>
<b>C</b>	Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements	<u>N/A</u>
<b>D</b>	Long-Term Debt	<u>N/A</u>
<b>E</b>	Indebtedness to Related Parties	<u>N/A</u>
<b>F</b>	Guarantees of Securities of Other Issuers	<u>N/A</u>
<b>G</b>	Capital Stock	<u>2</u>

**Notes:**

**Schedule A** – The Company is not required to prepare the schedule because the information requirements are not applicable to the Company.

**Schedule C** – The Company is not required to prepare consolidated financial statements as at and for the year ended December 31, 2024.

**Schedule D** – The Company has no long-term debt as at December 31, 2024.

**Schedule E** – The Company has no long-term loans from related parties as at December 31, 2024.

**Schedule F** – The Company did not guarantee any securities of other issuers as at December 31, 2024.

**Map Showing the Relationship Between and Among the Companies in the Group, its Ultimate Parent Company and Co-subsiidiaries as at December 31, 2024** – The requirement is not applicable as the Company does not have a parent company, subsidiaries or co-subsiidiaries, and associates.

**ARANETA PROPERTIES, INC.**  
**SCHEDULE B - AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES,**  
**RELATED PARTIES AND PRINCIPAL STOCKHOLDERS**  
**(OTHER THAN RELATED PARTIES)**  
**DECEMBER 31, 2024**

Name and designation of debtor	Balance at beginning of year	Additions	Deductions		Ending Balance		Balance at end of year
			Amounts collected	Amounts written off	Current	Non-current	
Officers	₱3,432,974	₱5,733,878	₱4,912,812	₱-	₱4,254,040	₱-	₱4,254,040

**ARANETA PROPERTIES, INC.  
SCHEDULE G - CAPITAL STOCK  
DECEMBER 31, 2024**

Title of Issue	Number of shares authorized	Number of shares issued and outstanding as shown under the related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by		
				Related parties	Directors, officers and employees	Others
Common shares - ₱1 par value per share	5,000,000,000	1,951,387,570	-	1,474,423,885	121,067	476,842,618

**ARANETA PROPERTIES, INC.**  
**SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR**  
**FEE-RELATED INFORMATION**  
**AS AT AND FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

	2024	2023
<b>Total Audit Fees</b>	<b>₱575,000</b>	<b>₱550,000</b>

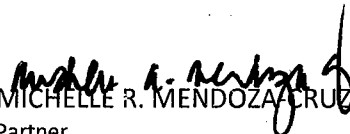


**INDEPENDENT AUDITORS' REPORT ON  
COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS**

The Stockholders and the Board of Directors  
Araneta Properties, Inc.  
21st Floor, BDO Towers  
Paseo de Roxas, Makati City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Araneta Properties, Inc. (the Company) as at December 31, 2024 and 2023 and for the years ended December 31, 2024, 2023 and 2022, and have issued our report thereon dated April 11, 2025. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Company's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for purposes of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Company's financial statements as at and for the years ended December 31, 2024 and 2023 and for the years ended December 31, 2024, 2023 and 2022, and no material exceptions were noted.

**REYES TACANDONG & Co.**

  
MICHELLE R. MENDOZA-CRUZ  
Partner

CPA Certificate No. 97380

Tax Identification No. 201-892-183-000

BOA Accreditation No. 4782/P-011; Valid until June 6, 2026

BIR Accreditation No. 08-005144-012-2023

Valid until January 24, 2026

PTR No. 10467135

Issued January 2, 2025, Makati City

April 11, 2025  
Makati City, Metro Manila

**ARANETA PROPERTIES, INC.**  
**FINANCIAL RATIOS**  
**DECEMBER 31, 2024, 2023 and 2022**

Below is a schedule showing financial soundness indicators in the years 2024, 2023 and 2022.

	2024	2023	2022
<b>Current Ratio</b>	<b>7.25:1.00</b>	5.42:1.00	6.14:1.00
Current assets	<b>₱1,560,421,536</b>	₱1,135,839,506	₱1,133,578,740
Divided by: Current liabilities	<b>215,182,508</b>	209,428,425	184,515,599
<b>Acid Test Ratio</b>	<b>3.41:1.00</b>	1.16:1.00	1.29:1.00
Current assets less real estate inventories	<b>₱733,868,563</b>	₱242,541,293	₱238,807,211
Divided by: Current liabilities	<b>215,182,508</b>	209,428,425	184,515,599
<b>Solvency Ratio</b>	<b>1.62:1.00</b>	N/A	N/A
Net income before depreciation	<b>₱422,727,403</b>	(₱13,882,046)	(₱342,447)
Divided by: Total liabilities	<b>261,259,221</b>	250,336,832	241,128,527
<b>Debt-to-Equity Ratio</b>	<b>0.12:1.00</b>	0.15:1.00	0.14:1.00
Total liabilities	<b>₱261,259,221</b>	₱250,336,832	₱241,128,527
Divided by: Total equity	<b>2,142,853,380</b>	1,722,870,138	1,731,701,181
<b>Asset-to-Equity Ratio</b>	<b>1.12:1.00</b>	1.15:1.00	1.14:1.00
Total assets	<b>₱2,404,112,601</b>	₱1,973,206,970	₱1,972,829,708
Divided by: Total equity	<b>2,142,853,380</b>	1,722,870,138	1,731,701,181
<b>Interest Rate Coverage Ratio</b>	<b>N/A</b>	N/A	N/A
Pretax income before interest	<b>₱506,197,790</b>	(₱24,858,131)	(₱2,797,799)
Divided by: Interest expense	-	-	-
<b>Return on Assets</b>	<b>0.19:1.00</b>	N/A	N/A
Net income	<b>₱422,364,065</b>	(₱14,336,699)	(₱2,834,972)
Divided by: Average total assets	<b>2,188,659,786</b>	1,973,018,339	1,980,423,883
<b>Return on Equity</b>	<b>0.22:1.00</b>	N/A	N/A
Net income	<b>₱422,364,065</b>	(₱14,336,699)	(₱2,834,972)
Divided by: Average total equity	<b>1,932,718,001</b>	1,727,285,660	1,733,693,667
<b>Net Income Margin</b>	<b>0.60:1.00</b>	N/A	N/A
Net income	<b>₱422,364,065</b>	(₱14,336,699)	(₱2,834,972)
Divided by: Revenue	<b>706,672,339</b>	25,988,482	42,981,521



## ARANETA PROPERTIES, INC.

21<sup>ST</sup> FLOOR CITIBANK TOWER PASEO DE ROXA S, SALCEDO VILLAGE, MAKATI CITY PHILIPPINES 1200  
PHONE: (632)8481501 TO 04 • FAX: (632)848-1495•E-MAIL [ara@info.com.ph](mailto:ara@info.com.ph)

### STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS (SRC RULE 68)

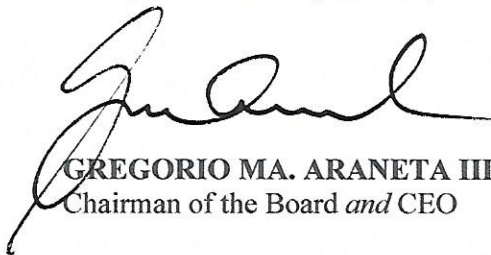
The Management of **Araneta Properties, Inc.**, is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2024, and 2023 in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

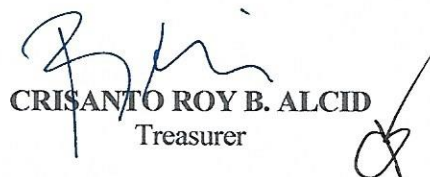
The Board of Directors (Trustees) is responsible for overseeing the Company's financial reporting process.

The Board of Directors (Trustees) reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders or members.

**Reyes Tacandong & Co.**, the independent auditors, appointed by the stockholders has audited the financial statements of the company in accordance with the Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

  
GREGORIO MA. ARANETA III  
Chairman of the Board *and* CEO

  
LUIS M. ARANETA  
President

  
CRISANTO ROY B. ALCID  
Treasurer

Date Approved  
April 11, 2025

REPUBLIC OF THE PHILIPPINES  
MAKATI CITY ..... S.S.

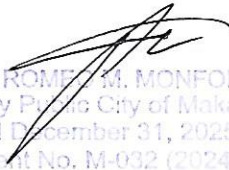
APR 14 2025

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ the day of \_\_\_\_\_, 2025 at Makati City, Philippines, affiant exhibiting to me their Identification Cards as follows:

Name	Identification Card Number
Gregorio Ma. Araneta III	TIN#136-998-184
Luis M. Araneta	TIN#252-183-579
Crisanto Roy B. Alcid	SSS ID No. 33-1313179-9

Notary Public

Doc. No. 404 :  
Page No. 82 :  
Book No. 12 :  
Series of 2025 :

  
ATTY. ROMEO M. MONFORT  
Notary Public City of Makati  
Until December 31, 2025  
Appointment No. M-032 (2024-2025)  
PTR No. 10466008 Jan. 2, 2025/Makati City  
IBP No. 488534 Dec. 27, 2024  
MCLE NO. VII-0627570 Roll No. 27832  
101 Urban Ave. Campos Rueda Bldg.  
Brgy. Pio Del Pilar, Makati City