

SECURITIES AND EXCHANGE COMMISSION

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

- For the fiscal year ended **December 31, 2024 (Full Year)**
- Commission identification number. **CS 2005 11 816**
- BIR Tax Identification No **239-508-223-000**
- Exact name of issuer as specified in its charter **8990 HOLDINGS, INC.**
- Province, country or other jurisdiction of in Company or organization : **Metro Manila, Philippines**
- Industry Classification Code (SEC Use Only)
- **11F Liberty Center, 104 HV Dela Costa, Salcedo Village, Makati City, 1200 Philippines**
Address of issuer's principal office Postal Code
- Issuer's telephone number, including area code **(632) 4789659/85333915/85333917**
- Former name, former address and former fiscal year, if changed since last report **N/A**
- Securities registered pursuant to Sections 8 and 12 of the SRC, or Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common	5,261,181,820

- Are any or all of the securities listed on a Stock Exchange?

Yes [☒] No [☐]

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

Name of Stock Exchange: **Philippine Stock Exchange**
Class of Securities Listed: **Common Shares**

- Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Company Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes ☒ No ☐

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

Yes ☒ No ☐

- State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form. (See definition of "affiliate" in "Annex B").

The aggregate market value of the voting stock held by non-affiliates of the Company as of December 29, 2014, the last trading day for the year is Php9,964,483,980.24 (1,399,506,177 shares @ Php7.12/share).

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

- 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 ☐ (N/A)

DOCUMENTS INCORPORATED BY REFERENCE

- 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 documents is incorporated:

(a) Any annual report to security holders; (N/A)

(b) Any information statement filed pursuant to SRC Rule; (N/A)

(c) Any prospectus filed pursuant to SRC Rule 8.1. (N/A)

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PART I – BUSINESS AND GENERAL INFORMATION

Item 1. Business

Business Development

8990 Holdings, Inc. (“8990” or the “Company”), operating through its Subsidiaries, is the leading Mass Housing developer in terms of home loan take-out by the Government’s Mass Housing agency, the Home Development Mutual Fund (“HDMF”, also known as “Pag-IBIG”). The Company was awarded Top Developer by HDMF in 2024. From 2017 to 2024, HDMF take-outs amounted to more than Php50 billion. In addition, 8990 is the second largest developer in the affordable housing sector based on sales revenues for the year ended 2019, according to Frost & Sullivan. The Company has been listed on the PSE since 2010 under the stock symbol “HOUSE” and is among the fastest growing publicly listed real estate companies in the Philippines.

8990 is focused on socially responsible growth, providing quality and affordable housing options to low-income Filipinos for whom basic home financing has traditionally been challenging to obtain, by offering innovating financing solutions through the Company’s in-house financing program, the “CTS Financing Program” and affordable home loan financing in coordination with the HDMF. The Company believes that it has established a unique business model that is highly profitable due to its operational and financing efficiencies.

The Company has four strategic business units: (i) Low-Cost Mass Housing under the DECA Homes brand; (ii) Medium-Rise Condominiums (“MRBs”) under the Urban DECA Homes brand; (iii) High-Rise Condominiums (“HRBs”) under the Urban DECA Towers brand; and (iv) Others, which includes the sale of developed subdivision lots, hotel operations and lease of properties. The Company has completed 65 Mass Housing projects across the Philippines and has 17 ongoing Mass Housing, MRB and HRB projects as of December 31, 2021. The Company has grown its footprint significantly since 2007, delivering more than 100,000 units across completed and ongoing projects, with more than 300,000 residents and approximately 90% occupancy rate, as of December 31, 2024.

Unique Business Model

The Company’s unique business model emphasizes efficient construction periods using pre-cast system manufacturing construction technology, offers an accessible and innovative financing solution through the CTS Financing Program and utilizes loan factoring options for rapid capital recycling through a combination of loan migrations to HDMF, sales of receivables to financial institutions (without recourse) and partnerships with banks for loan migration.

The CTS Financing Program is an affordable pricing and payment model designed to cater to customers who do not have the accumulated savings to pay a substantial down payment but have sufficient recurring income to support monthly amortization payments. Under the CTS Financing Program, customers can move into their chosen home after a minimal down payment ranging from 3% to 5% of the total contract price, compared to approximately 10% to 20% equity down payment generally required by other developers. The Company retains ownership of the housing unit until full payment is completed by the buyer. This innovative in-house financing program allows buyers to purchase a property with a small upfront payment, thereby providing accessible housing to demographic groups for which home ownership has traditionally been challenging to attain.

The CTS Financing Program is strengthened by the Company’s strong relationship with the HDMF and its Pag-IBIG Fund, the Government’s established housing financial assistance program with a statutory mandate to provide assistance for the housing requirements of its members and allot not less than 70% of its investible funds for the deployment of housing loans to qualified buyers. The Company has structured the CTS Financing Program such that the requirements to participate in such in-house financing program generally mirrors the requirements for availing of a Pag-IBIG home loan. This mirroring of requirements facilitates the take-out by Pag-IBIG of such loans when applied for by 8990 buyers, thereby converting the receivables of

the Company into cash and reducing the financing and other risks relating to potential buyer defaults.
Industry Experience and Strategic Shareholder Support

The Company has been developing Mass Housing projects in high-growth areas across the Philippines since 2003. In doing so, the Company has benefited significantly from the industry experience of its principals who, prior to the establishment of the Company's Subsidiaries and through certain related companies of 8990, developed their first Mass Housing project in 1991 in Cagayan de Oro.

The Company believes that its industry experience has equipped it with the ability to understand the needs, preferences, means and circumstances of consumers in the Philippine Mass Housing market for which it has gained a reputation of providing quality and affordable homes. Awards recognizing the Company's achievements include the following: Pag-IBIG Top Property Developer (Nationwide) in 2023, PropertyGuru 2021 Best Affordable Condo Development (Metro Manila), PropertyGuru 2021 Best Affordable Condo Development (Southern Luzon), PropertyGuru 2021 Best Affordable Housing Development (Metro Davao), Pag-IBIG Top Property Developer (Visayas and Mindanao) in the first half of 2021 in terms of take-out value from Pag-IBIG, Top Property Developer in the Philippines from 2017 to 2019 in terms of take-out value from Pag-IBIG Best Low Cost Housing Developer (National) in March 2017 by Q Asia's Seal of Product and Quality Service, Top 10 Developers in the Philippines in 2015 & 2016 by BCI Asia, 2016 Outstanding Developer Low Rise Mass Housing by FIABCI-Philippines, 2015 Best Mid-Cap Firm in the Philippines by Finance Asia, and 2015 Prestigious Seal Awardee for Best Developer in Low-Cost Housing by Gawad Sulo Foundation.

In addition, the Company enjoys the support of its strategic shareholders, TPG and Pasir Salak, a subsidiary of Khazanah Nasional Berhad. TPG and Pasir Salak have provided strategic support to the Company through their extensive experience in investing in housing and real property companies across the Asia-Pacific region and their long-term and growth-oriented investment approach. They have provided guidance and insights on strategic planning, financing and capital market planning and business optimization, among others.

Mission and Vision

The Company's mission is to be the most admired Mass Housing developer in terms of industry leadership, price and quality. In providing quality and affordable housing to the Filipino family, the Company conducts its business with integrity, fairness and competence towards its vision to maximize the value it provides to customers, suppliers, investors, shareholders and Philippine society in general.

STRENGTHS AND STRATEGIES

Competitive Strengths

The Company considers the following to be its principal competitive strengths:

Operation in a large, underserved market with significant growth potential

Robust macroeconomic fundamentals in the Philippines is expected to drive demand for the Philippine Mass Housing market. According to Frost & Sullivan, the Philippines' GDP is expected to grow at a compounded annual growth rate ("CAGR") of 5.2% from 2015 to 2025F, driven by sustained public projects, especially under the Government's "Build, Build, Build" initiative, a comprehensive infrastructure development program, private consumption and spending and innovative projects. Prior to the pandemic, the Philippines was one of the fastest-growing economies in Southeast Asia due to its strong household consumption, remittances, and government's extensive spending on infrastructure. The pandemic upended the economy as the country went into a strict lockdown. Growth stalled, and the GDP contracted by (4.1%) in 2020 per the IMF. Recovery was slow in the first three quarters of 2021 as the country continued implementing restrictions and controlling business activities. Only in the fourth quarter of 2021 did the Philippines recover and hit a 7.7% GDP quarterly growth. The Government is optimistic about hitting 6.3% GDP growth in 2022 as it moves to lift restrictions and allow more businesses to open and operate in higher capacity. In addition, a growing and increasingly urbanized population will bolster demand for housing in the long term, especially in large cities such as Metro Manila, Davao City and Cebu City. According to Frost & Sullivan, the urban

population amounted to 47% of the total Philippines' population of 110 million in 2020 and is expected to grow 10% from 52 million to 57 million from 2020 to 2025F.

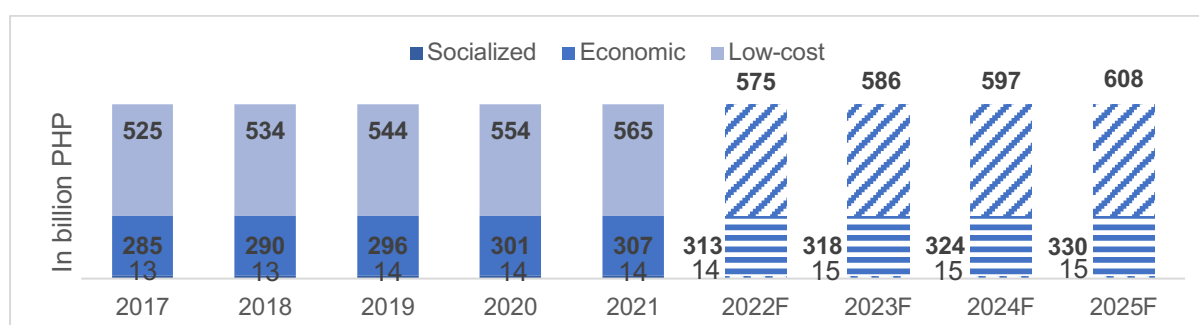
By 2022, total housing need (i.e., the supply-demand gap in the housing market) in the Philippines is expected to reach 6.8 million units, of which 80% is estimated to be within the Mass Housing segment. Frost & Sullivan estimated that, if such housing need is not addressed sooner, total housing needs may reach almost 12.3 million by 2030, of which approximately 85% are in the Mass Housing market (2.7 million are socialized, 6.2 million are economic and 1.5 million are low-cost housing units). Moreover, it was estimated by BSP's Consumer Financial Survey in 2018 that around 71% of the middle-income to low-income Filipino families are renting their houses, signifying a large underserved housing need especially in the affordable housing market.

Figure 1: Combined Housing Segmentation as defined by law and industry

Classification	DHSUD Definition (in ₱)
Socialized – subdivision projects	Up to ₱850,000
Socialized- Condominium with Land Development	Up to ₱1,800,000
Economic	Php850k to Php2.5million

Source: DHSUD, 2021; Frost & Sullivan Expert Interviews

Figure 2: Estimated Gross Value of Economic, Low-cost and Socialized Housing Segment, 2017–2025F



Source:

Frost & Sullivan

Affordable housing also forms one of the key national priorities of the Government, who has rolled out various initiatives to accelerate the sector's growth across all dimensions. According to Frost & Sullivan, the Government is expected to invest ₱8.4 trillion (US\$165 billion) across 2016 to 2022 into various infrastructure projects, benefitting the housing sector by enhancing connectivity to current projects and opening new areas for residential development. The Government has further demonstrated its unwavering commitment towards affordable housing through the rollout of the 20-year National Housing and Urban Development Sector Plan by the National Human Settlements Board ("NHSB") set up by the Department of Human Settlements and Urban Development ("DHSUD") in 2021 to consolidate strategies, plans and programs of the DHSUD, the key shelter agencies, partner-developers and other stakeholders to address the provision of adequate and affordable housing to all Filipinos. According to DHSUD official publication "The Shelter" in December 2020, the DHSUD will be looking into (a) policy reviews and reforms targeting to expedite financing services to the poor and low-income households, (b) exploring Public Rental Housing Policy ("PRHP"), (c) reviewing the price ceiling of socialized subdivision and condominiums, (d) reviewing loan ceiling for economic, low-cost, and medium cost housing, and (e) assessing whether to extend the Rent Control Act of 2020, all of which would likely benefit the affordable housing market.

The Government addresses the affordability of housing for homebuyers through the Pag-IBIG fund, which provides attractive and affordable loans for homebuyers with low interest rate (averaging 5% in 2020), low-

income requirement and longer loan term (up to 30 years), according to Frost & Sullivan. They also incentivize private housing developers to provide socialized and economic housing projects through (a) five-year income tax holiday, (b) exemption from capital gains tax and (c) the availment of Pag-IBIG's Developer's Loan Program. Pag-IBIG provides credit facilities to accredited private developers to help them recover its investments and develop housing projects faster while waiting for take-outs of delivered and completed housing loan applications. In 2020, Pag-IBIG has released ₱64 billion (US\$1.3 billion) of housing loan proceeds to 63,750 members, wherein 75% were developer-assisted and 25% were retail accounts.

According to Frost & Sullivan, the ongoing COVID-19 pandemic has resulted in a slowdown in the Philippine housing industry as buyers became wary of the uncertainties. Notably, while investment purchases from the up-tier market slowed down, the demand for low-cost housing proved to be more robust. Given that low-cost housing is seen less as an investment and more as a necessity, the market tends to be less prone to market, financial and economic slowdown and more impacted by consumer preferences and trends.

The Company believes that it is well-positioned to capitalize on the growing demand and unmet need for Mass Housing, as well as supportive Government policies in the Philippines, given its leading and differentiated market position in the Mass Housing market, the strong nationwide brand equity of its DECA Homes, Urban DECA Homes, and Urban DECA Towers lines, its working relationship with governmental agencies and its commitment to focus on environmentally sustainable and socially responsible growth.

Market leader with an established track record and well-recognized brands for the underserved Mass Housing segment

The Company is the top Mass Housing developer in the Philippines by Pag-IBIG takeout from 2017 to December 31, 2024, which amounted to approximately ₱50 billion.

The Company has been developing Mass Housing Projects in high-growth areas across the Philippines since 2003 and has built a strong reputation of providing a full suite of quality and affordable homes to consumers in the fast-growing Philippine Mass Housing market, through the Company's DECA Homes, Urban DECA Homes, and Urban DECA Towers brands. The Company has also placed an extensive focus on providing affordable housing to demographic groups for which home ownership has been traditionally challenging to attain, as well as creating a sustainable community through amenities that allows residents to live in a safe, healthy and vibrant community.

In recognition of the Company's contribution to the Mass Housing market in the Philippines, the Company has also won numerous prestigious awards such as:

- Best Affordable Condo Development (Metro Manila and Southern Luzon) and Housing Development (Metro Davao) in 2021 by PropertyGuru
- Top Housing Developer in the Philippines from 2017 to 2019 and Top Property Developer in the Visayas and Mindanao regions in the first half of 2021 in terms of take-out value from the Pag-IBIG fund
- Best Low Cost Housing Developer (National) awarded in March 2017 by Q Asia's Seal of Product and Quality Service
- Outstanding Developer Low Rise Mass Housing in 2016 by the International Real Estate Federation in the Philippines ("FIABCI-Philippines")
- BCI Asia Top 10 Developers in 2015 and 2016
- Best Mid-Cap Firm in the Philippines in 2015 by Finance Asia
- Prestigious Seal Awardee for Best Developer in Low-Cost Housing in 2015 by Gawad Sulo Foundation

Driven by its strong commitment to deliver, the Company has completed 65 Mass Housing projects and has 17 ongoing Mass Housing, MRB and HRB projects as of December 2021.

Unique business model positions the Company for long-term leadership in a fragmented and under-penetrated market

The Company believes that it is one of the few scaled, nationwide developers with customer offerings uniquely dedicated to serving the housing needs of the Mass Housing segment. The Company's focus in the socialized, economic and low-cost housing segment in the Philippines allows it to target the large addressable housing market opportunity for lower income groups, with an estimated market size of ₱887 billion (US\$17.4 billion) in 2021 by gross value, according to Frost & Sullivan.

The Mass Housing market in the Philippines is highly fragmented, with about 3,000 entities engaged in the housing sector and hundreds of developers, according to Frost & Sullivan. The Company believes that most of its direct competitors are smaller regional developers, with much smaller scale and limited geographical coverage, hence its nationwide scope has allowed it to achieve economies of scale from its operations, thereby offering housing units at more attractive price points compared to its direct competitors.

Further differentiating 8990 is its ability to provide the full value chain required by the Mass Housing market:

- **Land Acquisition:** Actively evaluates attractive land acquisition opportunities nationwide. Key criteria include proximity to areas close to the Company's target customers, including Pag-IBIG members, and its sources of livelihood
- **Customer Screening:** Focus on gainfully employed customers who have significant lifetime earnings potential and are acquiring the Company's developments as their primary residence
- **Construction Technology:** Pre-cast system manufacturing construction technology that allows rapid construction of quality houses
- **In-House Financing:** Accessible in-house financing with a unique combination of attractive upfront equity and affordable monthly payments
- **Strong Pag-IBIG relationship:** Status, track-record and customer screening synchronization with Pag-IBIG allows for continuous and seamless Pag-IBIG take up
- **Credit Collection:** Emphasis on incentivizing a strong repayment behavior through required financial literacy seminars
- **Property Design and Management:** Focused on creating "communities" within each development such as through sports facilities, churches, parks and meeting areas. In addition, the Company provides comprehensive and ongoing support for properties

Pre-cast system manufacturing construction technology driving efficiencies and cost-savings

The Company has continually invested in innovation to update its building processes and minimize waste of materials while at the same time maintaining the quality of its products and rapid completion of housing units. To this end, the Company has developed its own unique building system that makes use of a pre-cast construction process, enabling the Company to construct and complete housing units and MRBs in a cost- and time-efficient manner without compromising the quality and standards of the housing units being turned over to its customers. The utilization of this pre-cast construction process on-site, as opposed to traditional building methods, likewise results in significant cost reduction for the Company, particularly on labor costs. The Company believes that these factors help it to achieve and maintain healthy profit margins. Since pre-cast is manufactured in a controlled casting environment, it is easier to control the mix, placement, and curing; hence, quality can be monitored easily and wastage, typically a large cost for those still utilizing traditional construction methods, is significantly reduced. The Company sources cement from the largest cement manufacturers in the Philippines, which it then blends in-house, together with other additives in specific proportions, to create its proprietary concrete blend. This concrete mix has a faster curing time than standard concrete mixes, which allows for faster setting of pre-cast molds, resulting in panels that can withstand approximately four times as much pressure per square inch than traditional cinder block structures. For instance, the 2013 7.2 magnitude earthquake which affected Cebu and Bohol tested the

structural strength and quality of the Company's projects in the area. The Company commissioned an independent structural engineer to inspect the units in its affected projects and the inspection indicated that there was only minor superficial damage and that the units remained structurally stable and fit for occupancy. Through the use of this process, the Company is able to construct townhouses and single attached units in just eight to 15 days with an additional five days for single-storey houses with lofts.

The Company continuously improves and refines this process and has mastered its efficient implementation in the field, allowing for quick turnover and re-deployment of capacity. This construction process is highly scalable leading to highly efficient use of capital and industry-leading returns.

Customer-focused product and payment scheme complemented by effective collection, risk management policies and loan factoring for a rapid capital recycling cycle

The Company believes that its industry experience has equipped it and its management with in-depth knowledge and understanding of the needs, preferences, means and constraints of the Mass Housing segment customer base. The Company continuously undertakes demographic analysis of its customer base, which helps in developing products and payment schemes that are in line with the needs and lifestyles of its target customers. The Company believes that sustainable affordability is critical in serving the Mass Housing segment. Accordingly, the Company tailors the house area, lot area and locations of its developments to deliver housing products where the monthly amortization payments are affordable for its target customers when compared to monthly rental payments for comparable housing units, hence allowing a smooth transition from home rental to ownership.

For illustration, the Company's housing portfolio includes the following products.

Figure 5: 8990's Product Portfolio



Micro Living Units – URBAN DECA TOWERS

- Typical floor area: ~13 sqm
- Location: Highest density urban areas of Metro Manila
- Walking distance to place of work
- Target unit price range: c.PHP1.7mm (c.US\$33.4k)



Urban Deca Towers



Horizontal Residential Subdivisions – DECA HOMES

- Typical floor area: 35 sqm to 60 sqm
- Typical lot area: 35 sqm to 120 sqm
- Location: Outskirts of major metropolitan areas nationwide (excludes Metro Manila)
- Unit price range: c.PHP450k-2.0mm (c.US\$8.8-39.2k)



Single-storey



Townhouse



Medium-rise Residential Buildings – URBAN DECA HOMES

- Typical floor area: 25 sqm to 36 sqm
- Location: Central areas of highly urban locations (i.e., Metro Manila, Metro Cebu, Davao) within walking distance of major public transportation routes
- 4 to 5-storey low-rise or 8 to 16-storey with lifts
- Unit price range: c.PHP800k-2.0mm (c.US\$15.7-39.2k)



Medium-rise Building

Source: Company Information

Furthermore, the Company's innovative CTS Financing Program typically requires a relatively small upfront payment (normally 3% to 5% of the purchase price of the unit, compared to approximately 10% to 20% equity down payment generally required by other developers). This allows customers to purchase and move into a housing unit without material effect on their savings. Fast and efficient processing under the CTS Financing Program, combined with the Company's pre-cast construction process, translates into the ability to deliver units to customers within a short time frame. This combination of market knowledge, technical expertise and customer understanding results in a compelling proposition for the Company's target Mass Housing segment, which is primarily driven by end-user demand.

To support the CTS Financing Program, the Company has developed a comprehensive collection platform comprising policies, structures, systems, organizations and mechanisms focused on collection efficiency and the mitigation of payment delinquency. The Company proactively approaches customer credit management, beginning at the point prior to actual sale by conducting in-house seminars/lectures covering key topics related to purchasing a housing unit such as documentary requirements, payment structure and credit and legal obligations connected with the housing unit purchase. The Company has also implemented a comprehensive credit verification process for all potential buyers looking to purchase housing units under the in-house CTS Financing Program, which includes a rigorous and systematic documentation approval process. In addition, the Company is able to leverage on its previous experience as collection agent for Pag-IBIG in formulating and implementing highly effective collection processes, including discontinuing the supply of certain utilities to the unit and/or disallowing certain privileges with respect to use of the Company's facilities in the developments. The Company believes that its combination of industry experience, customer selection and comprehensive program to collect, educate and support its customers has resulted in

the Company's estimated collection efficiency rate of 94% at the end of 2021. The estimated collection efficiency rate is the amount collected out of the current amount due from a customer. Moreover, the Company believes that, in part as a result of its collection processes, of the customer accounts which become delinquent, approximately half become active again within three months of default. For the remaining half of the delinquencies that ultimately result in default, the Company is able to regain possession and typically resell the property in within a year from the time of default.

Further complementing the Company's in-house financing solutions are loan factoring options available that generate additional cash for the Company such as: Migration to Pag-IBIG, Sale of Receivables to Financial Institutions Without Recourse and Partnership with banks after accreditation for loan migration.

Strong relationships with key housing and shelter agencies

The Company, through its Subsidiaries and Principals, Mr. Luis Yu, Jr. (Chairman Emeritus and Founder), Mr. Mariano Martinez, Jr. (Chairman of the Board and Founder) ("the Principals"), has been recognized by key Government shelter agencies with respect to its success in the industry. In particular, the Company was recognized by HLURB as the developer with the most number of subdivision units licensed under B.P. 220 from 2011 to 2013. In addition, the accreditation of the Company's projects with the Board of Investment under the IPP allows each accredited project to enjoy certain tax incentives.

These recognitions demonstrate that the Company has a strong reputation and working relationship with key Government agencies that are essential to any success in the Mass Housing development industry. Pag-IBIG serves as the primary Government housing financial assistance program in the Philippines, with a statutory mandate to provide financial assistance for the housing requirements of its members and allot not less than 70% of its available funding for deployment of housing loans to qualified buyers. The Company closely coordinates with Pag-IBIG to increase the efficiency in Pag-IBIG's takeout of the Company's contracts-to-sell under its CTS Financing Program. The Company has also voluntarily submitted a proposal for it to be recognized as an authorized collection agent by Pag-IBIG for its home buyers, thus lessening the manpower needed by Pag-IBIG to follow up and keep accounts current.

Committed to integrating ESG-aligned practices across the Company and all projects

The Company places great value on Environmental, Social and Governance ("ESG") standards, as they take pride in conducting its business responsibly. They are committed to ESG standards that help in building a sustainable future for the communities they serve and creating long-term value for all its stakeholders. Accordingly, they have undertaken several initiatives toward this including providing affordable housing and basic infrastructure, promoting gender equality and social equality, pursuing inclusive growth, and maintaining sustainable community and environment.

The Company is also committed to contributing towards achieving the Sustainable Development Goals ("SDGs") adopted by the United Nations Member States in the year 2015. The Company benchmarks and integrates these SDGs with key areas of its business operations. The efforts undertaken by the Company ensure a positive contribution to at least 6 of the 17 SDGs, including: SDG #11: Sustainable Cities and Communities, SDG #10 Reduce inequality, SDG #8 Decent work and Economic Growth, SDG #12 Responsible Consumption and Production, SDG #13 Climate Action, and SDG #15 Life on Land. They actively continue to work on further deepening its impact across these goals and expanding the scope of its influence across other goals, in the pursuit of a win-win for both its business as well as social ecosystem.

The Company provides affordable housing to demographic groups in Philippines for which home ownership is traditionally challenging to attain, by offering 3% equity versus 10 to 20% in the Mass Housing market. Monthly amortization is made more affordable by providing longer loan term that are not widely available for the majority of the population. As of September 30, 2021, an average of 63% of the 8990's home buyers have a maximum gross monthly income of ₱55,000 (US\$1,100) and below and an average of 55% are women. For vast majority of them, it would have been significantly challenging for them to own homes, if

not because of the affordable housing and innovative financing offered by the Company together with its partners.

The Company's housing development are not only affordable but provides access to infrastructure, including water, sanitation, transportation, and security features for residents to live in safe, healthy, vibrant communities that allow individual to access opportunities for economic mobility through proximity to job opportunities, and stable and safe living environments.

The Company is focused on environmental sustainability in its operations through a decade long commitment to low waste, smart design and resources efficient buildings.

In addition to the efforts undertaken towards Social and Environmental goals, the Company also incorporates high standards in its Corporate Governance through standard operating procedures / manuals detailing procedures to be followed for each and every function.

Experienced management team with extensive expertise in Mass Housing development

The Company prides itself in having an experienced management team under the leadership of Mr. Luis Yu, Jr. (Chairman Emeritus and Founder), Mr. Mariano Martinez, Jr. (Chairman of the Board), Attorney Anthony Vincent S. Sotto (President and CEO), Roan Buenaventura-Torregoza (Chief Financial Officer) and Alexander Ace S. Sotto (Chief Operating Officer), who each have extensive experience and in-depth knowledge of the real estate business, particularly in the Mass Housing market, and span an aggregate of over 100 years in the industry.

Through their various business ventures (including 8990), the Principals have constructed housing units across multiple regions in Philippines across Visayas, Luzon and Mindanao, including major cities such as Cagayan de Oro, Cebu City, Davao City and Metro Manila. In addition, they have also developed, over the years, positive relationships with key market participants, including construction companies, regulatory agencies, local government agencies and banks.

Mr. Yu carries with him over 30 years of experience in the Mass Housing business. Mr. Martinez has over three decades of experience in the Mass Housing industry and was once the National President of the SHDA, the largest national organization of subdivision and housing developers in the Philippines with over 200 members.

Attorney Anthony Vincent S. Sotto has almost 20 years of experience with the Company, and has previously served as the capacities of Deputy Chief Executive Officer, General Manager and Assistant General Manager in the Company.

Alexander Ace S. Sotto's 20 years of experience in the real estate industry began when he joined 8990 Holdings Inc. in 2004. He is currently the Chief Operating Officer of the Company.

Meanwhile, Roan Buenaventura Torregoza assumed the position of Chief Financial Officer of the Company on September 2016. Prior to her current position, she served as Acting Chief Financial Officer, Deputy Chief Financial Officer, Assistant General Manager for Audit, and Management Services Manager for 8990 Holdings, Inc.

Key Strategies

The Company was founded to address the Mass Housing problem in the Philippines. By 2030, the total housing need in the Philippines could increase to approximately 12.3 million units, of which approximately 85% will be in the Mass Housing market, according to Frost & Sullivan. However, the supply of affordable housing is unable to catch up, given that most Mass Housing developers are small regional developers, with limited geographical coverage. At the same time, certain demographic groups, including the low- to middle-income Filipinos, often face difficulties accessing home financing solutions that meets its cash flow profile.

The Company's overall business strategy, and the key to its current and past success in the Mass Housing industry, is to address the Mass Housing problem in the Philippines by delivering affordable homes and innovative financing solutions with speed and quality to its target customers, mainly comprising low- to middle-income earners. This is achieved through:

1. Introduction of an innovative financing solution that allows Filipinos to own a housing unit by paying monthly amortization at the price equivalent to that of a monthly rental payment
2. Establishing a close partnership with the Government's Mass Housing agency to expedite the delivery of the Government's housing initiatives
3. Delivering fast, quality and affordable housing options near customers' source of livelihoods
4. Successful execution of a unique and superior business model addressing an underserved market, and is highly profitable due to the Company's operational and financing efficiencies

To further build on its competitive strengths and allow further expansion of its business, the Company plans to undertake the following:

Pursue growth by maintaining leadership with affordable and competitive pricing

The Company has a distinct leadership position in the Mass Housing segment

The Company believes that it is one of the few developers dedicated to serving the housing needs of the Mass Housing segment throughout the Philippines, uniquely positioning it vis-à-vis other major housing developers in the Philippines. The Company's focus in the socialized, economic and low-cost housing segment in the Philippines allows it to target the large addressable housing market opportunity for lower income groups, with an estimated market size of ₱887 billion (US\$17.4 billion) in 2021 by gross value, according to Frost & Sullivan.

The housing market in the Philippines is highly fragmented, with about 3,000 entities engaged in the housing sector and hundreds of developers, according to Frost & Sullivan. The Company believes that most of its direct competitors are smaller regional developers, with much smaller scale and limited geographical coverage, hence its nationwide scope has allowed it to achieve economies of scale from its operations, thereby offering housing units at more attractive price points compared to its direct competitors.

The Company believes that its unique positioning and leadership in the underserved need-based Mass Housing market will continue to provide demand for its housing developments in the future.

The Company seeks to promote home ownership for its target customers by matching housing cost with their ability to pay

The Company seeks to promote home ownership in the Mass Housing segment in part by continuing to develop financing products tailored to the specific needs, requirements and financial situation of Mass Housing customers. In particular, the Company intends to seek ways to improve on and further provide flexibility through its CTS Financing Program, an innovative product developed using the Company's experience in the Mass Housing segment, which allows customers to move into their chosen housing unit after a significantly lower down payment of 3% to 5% of purchase price and pay down their housing loan across an average term of 25 years and at a fixed interest rate of 9.5% for the first four years.

The Company's financing program hence allows customers to break down the housing unit purchase price into affordable monthly amortizations, based on the cash flow they receive on a monthly basis from their employment and other sources of income. The Company also endeavors to keep monthly amortizations affordable at approximately 35% of their monthly income, as well as approximately matching these monthly amortization with monthly rental rates that its target customer would have otherwise paid for similar Mass

Housing units, thereby encouraging the low- to middle-income customers to buy a house rather than continue renting.

For example, the Company offers a monthly amortization payment of approximately ₱3,900 (the estimated amortization for a ₱450,000 loan for a Socialized Housing unit, with 9.5% annual interest rate for the first four years and a 25-year amortization schedule) to approximately ₱17,500 (the estimated amortization for a ₱2,000,000 loan with 9.5% annual interest rate and a 25-year amortization schedule) under its in-house CTS Financing Program, at the right price range (₱450,000 to ₱2.0 million per housing/condominium unit).

The Company believes that the attractiveness of the CTS Financing Program is likely to continue driving demand for its housing developments into the future.

Continue to innovate and invest in maintaining the Company's competitive advantage

The Company intends to further leverage and invest into its CTS Financing Program and rapid construction technology to maintain its competitive strength.

The Company believes that the key success factor of its CTS Financing Program is not just in its innovative structure, but also in its ability to complement this with comprehensive and proactive customer engagements. This is done through consistent customer engagements through financial literacy programs to guide them through the documentary requirements for the loan application process and educate them on credit management to encourage strong loan repayment behavior. This has led to a successful track record with an estimated 93% performing accounts ratio from 2015 to 2024. The Company intends to continue its efforts to optimize its financing program and financial literacy programs to deliver a comprehensive housing solution for its target customers and maintain its industry-leading profit margins.

The Company intends to continually invest in innovation to update its construction processes and minimize waste of materials, while at the same time delivering housing units with quality and speed. The utilization of an on-site pre-cast construction process has resulted in significant cost savings and healthy profit margins. The Company believes that similar innovations into highly scalable construction processes will further enhance efficiency of capital use, rapid recycling of cash flow and its industry-leading returns. Additionally, the Company intends to explore further ways to incorporate environmental sustainability into its construction process.

Continue with monetization of its receivables through various channels

The Company rapidly recycles its capital by migrating home loans offered or selling receivables from customers (via its in-house CTS Financing Program) through three main channels:

1. Sale of receivables to financial institutions
2. Migration to Pag-IBIG
3. Partnership with banks after accreditation to migrate these loans to them

For the period between 2016 to 2024, the Company has successfully sold about ₱31 billion of receivables to financial institutions and migrated approximately ₱40 billion of loans to Pag-IBIG.

The Company's strong track record in the monetization of its receivables could be attributed to its strong relationship with financial institutions and its ability to structure its in-house CTS Financing Program to mirror the requirements of Pag-IBIG home loan. As a result, the Company believes that up to 99% of home loans offered by the Company are eligible for migration to Pag-IBIG.

The Company intends to continue to monetize its receivables in order to recycle its capital to fund future growth plans.

Maintain appropriate financing, liquidity and risk management policies

The Company believes that its financing model is robust, through its ability to generate strong demand through providing attractive financing options for customers, and at the same time, preventing losses through appropriate financing, liquidity and risk management measures.

Measures undertaken include:

- financial literacy programs to maintain high collectability at an estimated 93% performing accounts ratio for the year ended December 31, 2024;
- de-risking its capital structure through monetization of receivables; and
- protecting its capital through retaining the home ownership until the loan amount is fully received from the homebuyers.

This has enabled the Company to achieve industry leading return on equity. The Company intends to continue implementing such measures to ensure adequate protection against financing risks.

Continue to grow land bank in strategic locations for development

The Company plans to continue to explore opportunities to replenish its land bank for future developments, selectively acquiring parcels and properties that meet its requirements for potential projects. The Company aims to seek out properties located in areas with high population growth rates and rental yield, close proximity to public transportation terminals and major thoroughfares in cities, and also seeks to locate suitable project sites near developing business centers and high growth communities, where there are underserved housing needs for its target customers across the Philippines. The Company also targets to commence development of new land bank properties within two to three years of purchase.

The Company intends to further grow its existing Mass Housing revenue base. To accomplish this, the Company intends to (a) increase the number and variety of projects in the cities in which it currently has existing developments, as well as to (b) geographically expand into new cities. For example, the Company has brought to Metro Manila the Urban DECA Homes high-rise building concept in Tondo, Manila, and Mandaluyong.

Driving further ESG initiatives across its business model

The Company founded on the vision to provide quality and affordable housing to the Filipino family and maximize the value that it provides to customers, suppliers, investors, shareholders and Philippine society in general, has integrated ESG initiatives in its business model. The Company believes that its unique and superior business and financing model allows it to address an underserved housing need in the society, while at the same time, maintaining its industry-leading profitability through operational and financing efficiencies.

The Company's ability to offer a full suite of housing projects at affordable price points provide accessible housing to demographic groups for which home ownership has traditionally been challenging to attain. Based on the Company's internal data on customer demographics, an average of 54% of its customers have a gross monthly income of ₱55,000 and below, 63% are single, 55% are females, 17% are OFWs and 14% are undergraduates, as of December 31, 2024.

The Company endeavors to go beyond providing basic housing infrastructure, but also to create sustainable communities through amenities offered in the housing developments, which includes security features to protect residents (e.g. gated entrance with security), social spaces to promote interaction (e.g. clubhouse, church) and recreational facilities to promote healthy lifestyle (e.g. swimming pool and wakeboarding park). The Company believes that these initiatives have contributed to high customer satisfaction.

The Company also actively seeks ways to be environmentally friendly. Since 2018, the Company has eliminated the use of wood products in the construction of houses. Since 2019, newly designed projects are installed with waste-water facilities and material recovery facilities to minimize wastage. At the same time, the Company also strategically locate its micro-living developments close to business districts to reduce carbon emissions from daily commute that would otherwise be necessary.

The Company believes that ESG is a crucial component of its business model and endeavors to drive and implement further ESG initiatives.

Maintain its working relationship with regulators

The Company has a track record of strict adherence to local rules, regulations and social responsibility requirements imposed on licensed housing developers.

Adherence to good corporate governance plays an integral role in the way in which the Company conduct their business. The Company has processes in place to help ensure that there is operational transparency, information sharing, accountability, and constant dialogue with all its stakeholders.

The Company has also been supportive in the national and local government initiatives in Mass Housing, including and not limited to:

- adhering to the government guidelines (e.g., loan moratorium during the COVID-19 pandemic);
- active participation with the various real estate groups (e.g., SHDA);
- active participation in community-based initiatives (e.g., shelter agencies, school, church programs)
- incorporating environmentally friendly practices into its operations such as tree planting (at a scale that is in compliance of Department of Environment and Natural Resources guidelines) and building waste water management systems; and
- facilitating the participation of middle- to low-income customers in Pag-IBIG home loan initiatives, through unique structuring of its in-house financing program to mirror the requirements of Pag-IBIG's home loan

The Company intends to continue its best practices and maintain an effective working relationship with regulators to conduct its business with integrity and competence, maximizing the value it provides to the Philippine society.

The 8990 Group

8990 Group is comprised of the parent, which is also the holding company, 8990 Holdings, Inc. and six (6) wholly-owned subsidiaries namely: [1] 8990 Housing Development Corporation (8990 Housing); [2] 8990 Luzon Housing Development Corporation (8990 Luzon); [3] 8990 Mindanao Housing Development Corporation (8990 Mindanao); [4] 8990 Davao Housing Development Corporation (8990 Davao); [5] 8990 Leisure and Resorts Corporation (8990 Leisure); and [6] Fog Horn, Inc. (Fog Horn)

8990 Holdings, Inc. was incorporated and registered with the Philippine Securities and Exchange Commission (SEC), and was listed in Philippines Stock Exchange (PSE) on July 8, 2005 and October 20, 2010, respectively.

Subsidiaries

The following table presents certain information regarding the Company's Subsidiaries as of December 31, 2024.

Subsidiary	Country of Incorporation	Company's Ownership Interest
8990 Housing	Philippines	100%
8990 Luzon	Philippines	100%
8990 Mindanao	Philippines	100%
8990 Davao	Philippines	100%
8990 Leisure	Philippines	100%
Fog Horn Inc Picadilly Premier Land	Philippines	100%

8990 Housing

Established in 2003, 8990 Housing is flagship subsidiary of the Company. Its primary purpose is to own, use, improve, develop, subdivide, sell, exchange, lease and hold for investment or otherwise, real estate of all kinds, including buildings, houses, apartments and other structures. 8990 Housing registered with the Philippine SEC on March 20, 2003. Its principal office address is 8990 Bldg., Negros Street, Cebu Business Park, Cebu City.

Listed below are 8990 Housing's wholly-owned subsidiaries:

- Euson Realty and Development Corporation (ERDC)
- Tondo Holding Corporation (THC)
- 8990 Coastal Estates, Inc. (8990 Coastal)
- Primex Land, Inc (PLI)
- 8990 Monterrazas Corporation

Euson Realty & Development Corp.

Euson Realty & Development Corp. is a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines. It is a wholly-owned subsidiary of 8990 Housing Development Corporation. It was registered with the Securities and Exchange Commission (SEC) on September 25, 2009 primarily to own, use, improve, develop, subdivide, sell, exchange, lease, and hold for investment or otherwise, real estate of all kinds, including buildings, houses, apartments, condominiums and other structures. The projects under this Company are UDH Manila Buildings 1 to 8.

Tondo Holdings

Tondo Holdings Corp. is a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines. It was registered with the Securities and Exchange Commission (SEC) on June 23, 1999 primarily to invest in, purchase, or otherwise acquire and own, hold, use, sell, assign, transfer, mortgage, pledge, exchange, or otherwise dispose of real and personal property of every kind and description. It is a wholly-owned subsidiary of 8990 Housing Development Corporation.

On June 5, 2014, the Company's previous stockholders entered into a Share Purchase Agreement with 8990 Housing to sell 100% of the outstanding shares of the Company, with the intention of developing land owned by the Company into low-cost high-rise condominium or Urban Deca Homes Manila project located at Vitas St., Tondo Manila. In 2016, the Company has started the development of the project. Projects under this company are UDH Manila Buildings 9 to 13.

8990 Coastal Estates, Inc.

8990 Coastal Estates, Inc. is a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines. It was registered with the Securities and Exchange Commission (SEC) on April 16, 2007 primarily to acquire real estate of all kinds whether to improve, manage or otherwise dispose of buildings, houses, apartments, and other structure or whatever kind, together with their appurtenances. It is a wholly-owned subsidiary of 8990 Housing Development Corporation.

On July 2, 2019, the Board of Directors (BOD) and stockholders of the Company approved the change in its corporate name from RFC Coastal Estates, Inc. to 8990 Coastal Estates, Inc. The application for the change in name was approved by the SEC and the Bureau of Internal Revenue (BIR) on January 30, 2019 and December 19, 2019, respectively. The Company has not started commercial operations and has a property located in Mactan, Cebu.

Primex Land, Inc.

Primex Land, Inc. was incorporated in the Philippines on April 16, 1994. The Company was primarily engaged in acquiring, owning, operating and maintaining real estate properties. In 2017, 8990 Housing acquired controlling interest over the Company after its acquisition of all the outstanding shares of stock from previous stockholders. The project under this company is Deca Homes Meycauyan. It is a wholly-owned subsidiary of 8990 Housing Development Corporation.

The Mont Property Group Inc. (8990 Monterrazas Corporation)

Then Mont is a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines and registered with the Securities and Exchange Commission (SEC) on September 25, 1974. The Company is established to acquire by purchase, lease, donation or otherwise, and to own, use, improve, develop, subdivide, sell, mortgage, exchange, lease, and hold for investment or otherwise, real estate of all kinds; and, to construct, improve, manage, operate, lease or otherwise dispose of buildings, houses, apartments, and other structures of whatever kind, together with their appurtenances. It is currently involved in high-cost land development business. The project under this company is Monterrazas de Cebu. It is a wholly-owned subsidiary of 8990 Housing Development Corporation.

8990 Luzon

8990 Luzon is a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines and registered with the Philippine SEC on October 28, 2008. 8990 Luzon engages in acquiring by purchase, lease, donation or otherwise, and own, using, improving, developing, subdividing, selling, mortgaging, exchanging, leasing and holding for investment or otherwise, real estate of all kinds, whether improve, manage or otherwise dispose of buildings, houses, apartments, and other structures of whatever kind, together with their appurtenances. The registered principal office address of 8990 Luzon is 2nd Floor PGMC Bldg., 76 Calbayog St. corner Libertad St., Mandaluyong City.

8990 Mindanao

8990 Mindanao is a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines and registered with the Philippine SEC on September 17, 2009. 8990 Mindanao primarily engages in developing mass housing projects. Its registered principal office address is 8990 Corporation Center, Quirino Avenue, Davao City. 8990 Mindanao owns certain parcels of land used for the Company's development projects.

8990 Davao

8990 Davao is a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines and registered with the Philippine SEC on September 17, 2009. 8990 Davao primarily engages in the mass housing development business. Its registered principal office address is 8990 Corporation Center, Quirino Avenue, Davao City. 8990 Davao owns certain parcels of land used for the Company's development projects.

8990 Leisure

8990 Leisure is a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines and registered with the Philippine SEC on November 24, 2009. 8990 Leisure engages in acquiring, purchasing, holding, managing, developing and selling land with or without buildings or improvements for such consideration and in such manner or form as the company may determine of as the law permits, erecting, constructing, altering, managing, operating, leasing in whole or in part, buildings and tenements of the company or other persons, engages in real estate consultation and management including identifying, purchasing, conceptualizing, preparing master plans and layouts for land and building developments, managing the properties of and advising clients, developing or executing plans, undertaking project management and overseeing construction, except for management of funds, portfolios, securities and other similar assets. 8990 Leisure owns certain parcels of land used for the Company's development projects. 8990 Leisure's principal office address is 2nd Floor PGMC Bldg., 76 Calbayog St. corner Libertad St., Mandaluyong City.

Fog Horn

Fog Horn is a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines and registered with the Philippine SEC on January 14, 2004. Fog Horn engages in acquiring by purchase, lease, donation or otherwise, and own, using, improving, developing, subdividing, selling, mortgaging, exchanging, leasing and holding for investment or otherwise, real estate of all kinds, whether improve, manage or otherwise dispose of buildings, houses, apartments, and other structures of whatever kind, together with their appurtenances. Fog Horn's registered principal office address is located at the 3rd Floor PGMC Bldg., 76 Calbayog St. corner Libertad St., Mandaluyong City.

Bankruptcy, Receivership and Similar Proceedings

To the best of its knowledge, the Company and its subsidiaries are not subject to any bankruptcy, receivership and/or similar proceedings.

Material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets not in the ordinary course of business.

On May 15, 2012, IHoldings, Januarius, and Kwantlen purchased 79.5% of the outstanding capital stock of the Company from certain stockholders of the Company. In compliance with the Republic Act No. 8799, also known as the Securities Regulation Code of the Philippine (SRC) and the Implementing Rules and Regulation of the SRC, as amended, (IRRs), a tender offer for all other remaining shares of the Company was conducted, the terms and conditions of which were disclosed through the Tender Offer Report dated June 19, 2012. Following the lapse of the tender offer period on July 19, 2012, during which no stockholder tendered any shares, a Final Tender Offer Report dated August 2, 2012 was filed with the Philippine SEC.

On May 29, 2012, prior to the closing of the sale referred to above, the Company transferred all of its assets to IP Converge Data Services, Inc. (IPCDSI) and subsequently transferred all of its equity interest in IPCDSI to its parent company at the time, IP Ventures, Inc. (IPVI), and consequently became a shell company.

On July 25, 2012, pursuant to the sale transaction discussed in the immediately preceding paragraph, IPVI and IPVG Employees, Inc. (IEI) transferred a total of 136,400,000 shares of the Company to IHoldings, Januarius and Kwantlen through the facilities of the PSE. As a result, IHoldings, Januarius and Kwantlen acquired ownership, and control over 61.4% of the Company's total outstanding capital stock. The remaining 40,000,000 shares of the Company acquired pursuant to the sale were transferred through the PSE immediately upon the lapse of the lock-up period applicable to said shares.

On May 6, 2013, the Company acquired all of the outstanding shares in the Subsidiaries from their respective shareholders under a Deed of Exchange dated May 6, 2013, as amended and supplemented on June 8, 2013 and, in exchange, agreed to issue a total of 3,968,357,534 shares from the increase of the Company's authorized capital stock in favor of the Subsidiaries' majority shareholders at the time. Consequently, under a private placement transaction and to ensure continued compliance with Philippine minimum public ownership requirements of the PSE, the Company applied with the Philippine SEC to: [1] increase its authorized capital stock to accommodate the foregoing issuance; [2] change the primary purpose of the Company into a financial holding company; and [3] change its corporate name to "8990 Holdings, Inc.". The Philippine SEC approved the application for the foregoing on October 1, 2013.

On February 1, 2019, The Board approved the adoption by the Company of a share buyback program, with the following terms and conditions: [a] The buyback program shall be for a period of up to eighteen (18) months from the date of board approval (or until 1 August, 2020), unless period is otherwise shortened by the Board of Directors; [b] The Company shall be authorized to repurchase up to Php2 Billion worth of common shares; [c] The Share Buyback Program will not involve any active and widespread solicitation for stockholders of the Company to sell their shares; [d] The majority/controllers of the Company (i.e. Iholdings, Inc. and Kwantlen Development Corporation, as well as their respective controlling shareholders) will not participate in the Share Buyback Program; [e] The Share Buyback Program will be implemented in the open market through the trading facilities of the Philippine Stock Exchange; [f] the Company shall repurchase shares using cash and book them as treasury shares; [g] The share buyback program will be implemented in an orderly manner and will not (and should not) affect any of the Company's prospective and existing projects and investments; [h] any share buyback implemented shall take into account the need to maintain the liquidity of the Company's stock in the market, as well as public ownership requirements; [i] any significant development in the Share Buyback Program will be duly disclosed to the Securities and Exchange Commission and the Philippine Stock Exchange. The purpose for the Share Buyback

Program is to enhance and improve shareholder value and to manifest confidence in the Company's value and prospects through the repurchase of the common shares.

On March 15, 2019, 8990 Holdings, Inc., through its subsidiary 8990 Housing Development Corporation ("8990 Housing"), entered into a Subscription Agreement with Genvi Development Corporation ("Genvi"), for the subscription by 8990 Housing of a total of 2,913,128 common shares out of the existing but unissued capital stock of Genvi, at the subscription price of Two Hundred Ninety-one Million Three Hundred Twelve Thousand Eight Hundred Pesos (Php 219,312,800.00) in cash. The Subscription Transactions is intended to be the first phase of the Genvi Acquisition, which was completed through the subscription by 8990 Housing, resulting to 8990 Housing to own approximately 72.83%. 8990 Housing hopes to consolidate its ownership of Genvi by acquiring the remaining 27.17% of the resulting issued and outstanding capital stock of Genvi following completion of continuing discussions with the current shareholders of Genvi and confirmation of due diligence findings.

On June 30, 2019, the second phase of the Genvi Acquisition was completed through the acquisition of the remaining 27.17% of Genvi by 8990 Housing. The second phase of the transaction was through a separate share purchase transaction between 8990 Housing and the shareholders of Genvi. The consideration for the second phase of the transactions was Eight Hundred Million Pesos (Php 800,000,000.00). The completion of the second phase resulted to 8990 Housing owning 100% of the total issued and outstanding capital stock of Genvi. The purpose of the acquisition was to allow 8990 Holdings Inc., to expand into other real estate segments, such as high-end developments.

Business of Issuer

Business segments of the 8990 Group are as follows:

- Construction of low-cost mass housing
- Construction of medium-rise condominium units
- Construction of high-rise condominium units
- Hotel operations

Construction of low-cost mass housing

Under brand name DECA Homes, The Company's residential subdivisions are located in Cebu, Iloilo, Davao, Pampanga and Cavite. This is the main business segment of the 8990 Group with widest reach and highest revenue contrition. About forty three percent (42%) of revenues in 2020 were from low-cost mass housing business segments. Refer to Note 21 of the 2020 Audited Consolidated Financial Statements for details.

The Company constructs three (3) types of housing unit namely:

1. Single-storey detached – a residential unit which is situated on its own or in a separate lot without sharing any walls with another home or building
2. Single-storey attached – a single floor residential unit built in a row of four (4) or more units joined by a common side walls
3. Townhouse – a two-storey residential unit built in a row of four (4) or more units joined by a common side walls

Floor areas typically range from 35 sq. m. to 60 sq. m. Typical unit price range from ₱450,000 to ₱2,000,000.

Developer subdivisions have the following common facilities: concrete roads, sidewalk with curbs and gutters, underground drainage system, centralized water system, power system, gated entrance with security personnel and perimeter fence. In addition to the foregoing facilities standard to all subdivision, some projects feature one or more of the following leisure facilities: wakeboard park, swimming pool, basketball court, clubhouse/multi-purpose hall, church and commercial market. Certain larger projects have an are designated for commercial businesses.

As of December 31, 2024, the Company has completed 68 residential projects comprising approximately 60,684 units.

Construction of medium-rise condominium units

The Company also develops low-cost residential complexes of MRBs under the Urban DECA Homes brand. An MRB is a walk-up building of four to five stories or an elevator-quipped building of eight to 12 stories. These MRBs are located in central areas of highly urban locations (i.e. Metro Manila, Metro Cebu, Davao) within walking distance of major public transportation routes. The Company developed its first MRB Mass Housing project in Mandaue City in the province of Cebu. The Company has also developed MRB projects in Cavite, Sucat, and Muntinlupa. Other MRB projects to be launched in NCR are in the pipeline.

The floor area for an MRB 1 Bedroom and 2 Bedroom units typically range from 25 sq. m. to 36 sq. m. Unit prices range from ₱1,600,000 to ₱2,500,000.

MRB complexes have the following common facilities: concrete roads, sidewalk with curbs and gutters, underground drainage system, centralized water system (hooked up to public utility providers), power system, cable and telephone lines, gated entrance with security personnel and perimeter fence. In addition to the foregoing, MRB complexes have on-site leisure facilities such as a swimming pool, basketball court, clubhouse/multi-purpose hall and/or a park.

As of December 31, 2024, the Company has completed 7 MRB projects and delivered an aggregate of 8,728 units. The Company currently has 2 ongoing MRB projects, with an aggregate 7,950 units for sale.

Construction of high-rise condominium units

The Company has ventured into high-rise condominium projects under the brand Urban DECA Towers in the highest density urban areas of Metro Manila. This concept involves the construction and sale of condominium units that are half the size (approximately 13 sq. m.) of typical studio apartments. A unit would have a bathroom and a combination sleeping/living/dining area suited for occupancy by a single person or a couple. Each unit would cost around ₱1,000,000, which equates to initial monthly amortization payments of around ₱8,000 under the Company's CTS financing product (with typical 25-year term, 9.5% annual interest rate subject to adjustment after fifth year). The lower floors of the building would contain common areas (i.e. gym, living-room style lobby, function rooms, etc.) and commercial shopping/dining areas. The buildings are intended be situated in dense urban neighborhoods with easy access to major transportation routes/facilities and within easy distance of major white-collar employment centers (i.e., central business districts).

Making use of the "Micro Living" concept, Urban DECA Towers is envisioned to provide weekday accommodation for low- to mid-income commuters who typically have a two- to four-hour daily commute and spend up to ₱5,000 each month in transportation costs traveling between their places of work and homes in the outlying neighborhoods of Metro Manila. Key to the success of this concept is the ₱8,000 per month or lower amortization price point that has proven to work with the Company's low- to mid-income customers, coupled with the savings in transportation time and costs that would accrue to the condominium unit buyers.

In 2016, Urban Deca Homes Manila, a 13-storey condominium building, was launched. Unlike Urban Deca Tower, unit sizes are for first time residential home buyers ranging from 22 to 35 square meter. This project is the first of its kind in Tondo, Manila. Having said that, this project was positively received by the customers with six (6) buildings sold, to date. Average selling price of Urban Deca Homes Manila is ₱1,700,000.

A similar project launched in Ortigas in 2019, Urban Deca Homes Ortigas caters to first time home buyers in the Pasig and nearby cities. With 2-BR and 3-BR units, homeowners will now have more space which is

conducive for starting a family. Selling price for Urban Deca Homes Ortigas ranges from ₱1,800,000 to ₱3,000,000.

Summary of Projects

The tables below summarize the status of the various new and ongoing projects the Company has under its various Subsidiaries as of December 31, 2024:

I. Completed

Project Name		Company	Type	Completion Year	No. Of Units	Units Sold
<i>North Luzon</i>						
1	Savannah Greenplains Subdivision	Fog Horn, Inc.	Horizontal	2015	670	670
2	Savannah Greenplains Subdivision 2	Fog Horn, Inc.	Horizontal	2015	670	670
3	Savannah Greenplains Subdivision 3	Fog Horn, Inc.	Horizontal	2015	1,346	1,346
4	Deca Homes Marilao	8990 Housing	Horizontal	2019	822	822
5	Deca Homes Marilao Extension	8990 Housing	Horizontal	2020	187	187
6	Deca Clark Resort Residences	8990 Luzon	Horizontal	2021	4,894	4,894
7	Deca Clark Resort Residences 12	8990 Luzon	Horizontal	2020	213	213
<i>South Luzon</i>						
8	Bella Vista Subdivision	8990 Luzon	Horizontal	2015	3,844	3,844
9	Deca Homes Tanza	8990 Housing	Horizontal	2016	631	631
10	Deca Homes Marseilles	8990 Housing	Horizontal	2015	466	466
11	Urban Deca Homes Hampton	8990 Housing	MRB	2021	1,988	1,988
12	Urban Deca Homes Mahogany	8990 Housing	MRB	2020	448	448
<i>Metro Manila</i>						
13	Urban Deca Towers EDSA	Fog Horn, Inc.	HRB	2017	1,142	1,073
14	Urban Deca Homes Campville	8990 Housing	MRB	2017	1,024	1,024
<i>Cebu</i>						
15	Urban Deca Homes Tipolo	Fog Horn, Inc.	MRB	2014	1,540	1,540
16	Deca Homes Baywalk Talisay 1	8990 Housing	Horizontal	2013	1,039	1,039
17	Deca Homes Baywalk Talisay 2	8990 Housing	Horizontal	2014	881	881
18	Deca Homes Baywalk Talisay 3	8990 Housing	Horizontal	2018	570	570

19	Urban Deca Homes Tisa	8990 Housing	MRB	2016	936	936
20	Urban Deca Homes H. Cortez	8990 Housing	MRB	2018	1,400	1,400
21	Deca Homes Bacayan	8990 Housing	Horizontal	2007	224	224
22	Deca Homes Danao	8990 Housing	Horizontal	2009	880	880
23	Deca Homes Mactan 1	8990 Housing	Horizontal	2008	679	679
24	Deca Homes Mactan 2	8990 Housing	Horizontal	2009	150	150
25	Deca Homes Mactan 3	8990 Housing	Horizontal	2011	473	473
26	Deca Homes Mactan 4	8990 Housing	Horizontal	2013	1,248	1,248
27	Deca Homes Mactan 5	8990 Housing	Horizontal	2013	1,196	1,196
28	Deca Homes Mandaue Prime	8990 Housing	Horizontal	2013	912	912
29	Deca Homes Minglanilla 1	8990 Housing	Horizontal	2012	187	187
30	Deca Homes Minglanilla 2	8990 Housing	Horizontal	2012	611	611
31	Deca Homes Minglanilla 3	8990 Housing	Horizontal	2012	825	825
32	Deca Homes Minglanilla 4	8990 Housing	Horizontal	2012	329	329
33	Deca Homes Minglanilla 5	8990 Housing	Horizontal	2012	25	25
34	Deca Homes Minglanilla 6	8990 Housing	Horizontal	2012	56	56
35	Deca Homes Tunghaan	8990 Housing	Horizontal	2009	381	381
36	Urban Deca Homes Tisa 2	8990 Housing	MRB	2021	1,392	1,392
<i>Iloilo</i>						
37	Deca Homes Pavia 1	8990 Housing	Horizontal	2012	976	976
38	Deca Homes Pavia 2	8990 Housing	Horizontal	2013	884	884
39	Deca Homes Pavia Resort Residences	8990 Housing	Horizontal	2020	2,118	2,118
40	Deca Homes South of Bacolod (Economic)	8990 Housing	Horizontal	2022	2,912	2,912
<i>Leyte</i>						
41	Deca Homes Ormoc (Economic)	8990 Housing	Horizontal	2021	360	360
<i>Davao</i>						
42	Deca Homes Indangan 1	8990 Housing	Horizontal	2016	544	544
43	Deca Homes Indangan 2	8990 Housing	Horizontal	2017	1,329	1,329
44	Deca Homes Indangan 3	8990 Housing	Horizontal	2017	1,369	1,369

45	Deca Homes Indangan 4	8990 Housing	Horizontal	2017		
46	Deca Homes Catalunan Grande	8990 Housing	Horizontal	2016	649	649
47	Deca Homes Mulig (Socialized)	8990 Housing	Horizontal	2019	304	304
48	Deca Homes Davao	8990 Housing	Horizontal	2011	1,696	1,696
49	Deca Homes Esperanza	8990 Housing	Horizontal	2015	2,072	2,072
50	Deca Homes Resort Residences 1	8990 Housing	Horizontal	2015	2,993	2,993
51	Deca Homes Resort Residences 2	8990 Housing	Horizontal	2015		
52	Deca Homes Resort Residences 3	8990 Housing	Horizontal	2015		
53	Deca Homes Resort Residences 4	8990 Housing	Horizontal	2015		
54	Deca Homes Resort Residences 5	8990 Housing	Horizontal	2015		
55	Deca Homes Resort Residences 6	8990 Housing	Horizontal	2015		
56	Deca Homes Resort Residences 7	8990 Housing	Horizontal	2015		
57	Deca Homes Resort Residences 8A	8990 Housing	Horizontal	2015	276	276
58	Deca Homes Resort Residences 8B	8990 Housing	Horizontal	2015	419	419
59	Deca Homes Resort Residences 8C	8990 Housing	Horizontal	2015	638	638
60	Deca Homes Resort Residences 9	8990 Housing	Horizontal	2015	1,341	1,341
61	Deca Homes Resort Residences 10	8990 Housing	Horizontal	2015	534	534
62	Deca Homes Resort Residences 11	8990 Housing	Horizontal	2015	95	95
63	Deca Homes Resort Residences 12	8990 Housing	Horizontal	2015	208	208
64	Deca Homes Resort Residences Prime	8990 Housing	Horizontal	2015	217	217
65	Deca Homes Resort Residences Executive	8990 Housing	Horizontal	2015	421	421
66	Deca Homes Mulig (Economic)	8990 Housing	Horizontal	2020	1,590	1,590
<i>General Santos</i>						
67	Deca Homes Gensan (economic)	8990 Housing	Horizontal	2017	243	243
68	Deca Homes Gensan (socialized)	8990 Housing	Horizontal	2021	2,530	2,530

II. On-going

	Project Name	Company	Type	Completion Year	No. Of Units	Units Delivered
II. On-going						
North Luzon						
1	Urban Deca Homes Marilao	8990 Housing	MRB	2024	3,780	3,934
2	Deca Homes Meycauyan	Primex Land, Inc.	Horizontal	2024	5,178	3,726
3	Deca Homes Pampanga (Socialized)	8990 Housing	Horizontal	2027	4,122	1,260
South Luzon						
4	Urban Deca Homes Batangas	8990 Housing	MRB	2028	4,170	-
Metro Manila						
5	Urban Deca Homes Manila	Tondo Holdings	HRB	2024	12,708	10,747
6	Urban Deca Homes Ortigas	8990 Housing	HRB	2027	19,046	6,902
7	Urban Deca Tower Cubao	8990 Housing	HRB	2024	5,166	1,177
8	Urban Deca Homes Commonwealth	8990 Housing	HRB	2025	3,240	836
Cebu						
9	Urban Deca Tower Banilad	8990 Housing	HRB	2024	3,264	1,531
10	Monterazzas de Cebu	Genvi Development Corp	Horizontal	2024	518	289
Iloilo						
11	Deca Homes Pavia Resort Residences 2	8990 Housing	Horizontal	2020	2,987	2,459
12	Deca Homes Leganes	8990 Housing	Horizontal	2025	3,054	1,184
13	Deca Homes Sta Barbara (Economic)	8990 Housing	Horizontal	2024	1,246	883
14	Deca Homes Sta Barbara (Socialized)	8990 Housing	Horizontal	2028	8,892	4,359
15	Deca Homes South of Bacolod (Socialized)	8990 Housing	Horizontal	2025	4,155	3,522
Leyte						
16	Deca Homes Ormoc (Socialized)	8990 Housing	Horizontal	2023	983	763
Davao						
17	Deca Homes Talomo (Economic)	8990 Housing	Horizontal	2026	3,185	3,185
18	Deca Homes Talomo (Socialized)	8990 Housing	Horizontal	2026	2,763	2,763

Liquidity Management

Financing Options

PAG-IBIG Transfer

The Company may enter into take-out arrangements with Pag-IBIG as needed, where it migrates its CTS receivables thru HDMF's housing loan program for members, typically within four (4) years of the loan commencement period, subject to the Company's requirements. The Company was able to migrate ₱16.5 billion of receivables to Pag-IBIG in 2024, respectively. Pag-IBIG released housing loans in the said aggregate amounts to pay off the balance of the purchase price of the housing units sold by the Company to qualified Pag-IBIG members. The acceptance or rejection of the buyer's housing loan application is based on certain guidelines such as employment, number of contributions made by the homeowner/Pag-IBIG member, and net disposable income, among other factors. As a result of the Company's CTS Program requirements mirroring those of Pag-IBIG's, the Company estimates that substantially all of its historic requests for take-outs have been accepted by Pag-IBIG. As of date, the Company is not offering the CTS Gold Convertible or the CTS Gold Straight financing options and is only offering CTS In-House Financing to homebuyers.

Nonetheless, in the event that a material number of take-up applications are delayed or even denied, the Company's cashflow and recognized revenues could be materially affected. Moreover, the conversion into cash of the Company's CTS receivables as a result of take-ups by Pag-IBIG also affects the Company's results of operations. As a greater amount of CTS receivables are converted pursuant to the Company's take-up arrangements, the Company's finance income and receivables decrease while its cash balances correspondingly increase.

BANK FINANCING

The Company continued to enhance its financing offerings to better serve its growing customer base. Since the introduction of bank financing in 2020—originally made available to buyers in Luzon—the program has now expanded nationwide, offering greater flexibility and accessibility to buyers across the country.

The number of partner banks has grown from two at the program's inception to eight as of this year, reflecting increased trust and collaboration within the banking sector. This expansion supported a total bank takeout of ₱2.3 billion for the year.

Other Receivables Management Options

In addition to its receivables take-up arrangements with institutions such as Pag-IBIG, the Company also regularly adopts other measures to manage its level of receivables from its housing sales, as well as to generate cash necessary for operations. For example, from time to time, the Company enters into loan arrangements with banks against its receivables portfolio as collateral, or enters into agreements for the sale of its receivables to banks and other financial institutions on a non-recourse basis.

Credit and Collection

The Company has a credit and collection team which is in charge of handling the amortization payments of buyers. The team is responsible for the timely collection of payments, depositing of post-dated checks and

the eventual remittance of payments to the Company's treasury group and undertaking remedial measures for delinquent accounts. The Company has also developed a comprehensive collection platform comprising policies, structures, systems, organizations and mechanisms focused on collection efficiency and the mitigation of payment delinquency.

The Company's credit and collection team is composed of seventy one (71) permanent employees organized per area of operation in North Luzon, South Luzon, Cebu/Ormoc, Iloilo/Bacolod, and Davao/Gensan composed of managers and employees functioning as remittance officers, frontline customer service officers and site collection officers. The team is supported by contractual employees who serve as collection officer in the various projects nationwide. These collection officers ensure enforcement of the Company's credit and collection policies. In addition, the services of nine (9) law firms have been retained by the Company to handle the legal side of collection, including the sending of demand letters, notices of cancellation and the eventual eviction of the delinquent borrower.

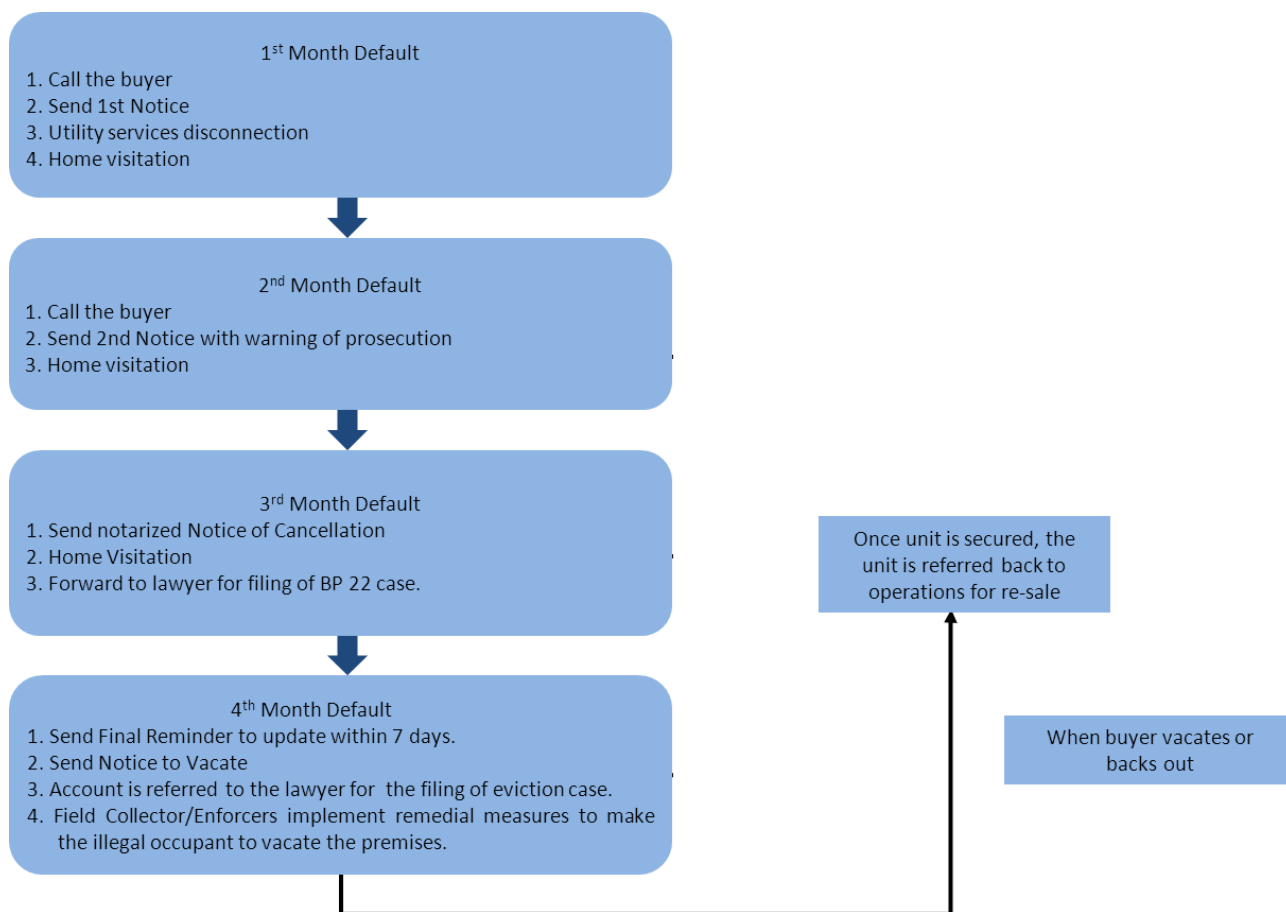
Submission of Check Payments

Potential homebuyers of the Company's housing units are required to submit twenty-five (25) post-dated checks. The first twenty-four (24) checks are equivalent to the first twenty-four (24) monthly amortization payments while the 25th check represents the outstanding principal balance as of the 25th month and serves as an assurance that the borrower will again submit another twenty-four (24) post-dated checks (equivalent to the payments for months 25 to 48) plus another 25th check equivalent to the outstanding principal balance as of the 49th month. This cycle is repeated until the loan is fully paid at the end of the term. The excess of the twenty-four (24) checks will be deposited if the borrower fails to submit the next set of twenty-five (25) checks.

The Company imposes a fee of P2,220 per bounced check and P1,000 over-the-counter payment should the buyer opt to pay in cash directly to its branch offices.

The Company's estimated performing accounts ratio are 83% in 2020 (heavily affected by Bayanihan 1 and 2) and 93% in 2024.

In the Company's experience, through remedial measures, approximately half of the defaulting accounts usually become current again after a one- to three-month payment lag, while the other half of the defaulting accounts result in the cancellation of the CTS and remarketing of the property. The Company was able to leverage on its experience and expertise in acting as Pag-IBIG's collection agent prior to 2011 in the formulation and execution of its credit and collection policies.



Accounts are considered in default when the buyer fails to pay one (1) monthly amortization, while payments are considered late if the buyer fails to pay his amortization on the due date.

Marketing and Sales

Marketing

The Company believes it has an extensive marketing network. The Company's marketing and distribution network consists of thirty four (34) teams, headed by unit managers and one thousand forty four (1,044) total licensed brokers and with a combined total approximately 953 active agents. All of the unit managers and the agents under them are exclusively contracted to the Company. Furthermore, all unit managers are accredited licensed realtors. The Company's marketing teams are compensated through commission fees and are provided some administrative support by the Company. The Company trains its marketing teams monthly on topics including new Company policies, product information and terms and conditions of sale.

As a marketing strategy, the Company's sales and marketing teams regularly conduct presentations to potential clients to inform them of the Company's products. Mall exhibits have likewise provided the Company with an effective platform to introduce its product offerings and get leads on prospective buyers. Another strong source of sales relates to "repeat buyers," in the form of family members of those who already own a DECA Home unit.

Moreover, promotional discounts are also offered by the Company to attract buyers and increase their interest. These include:

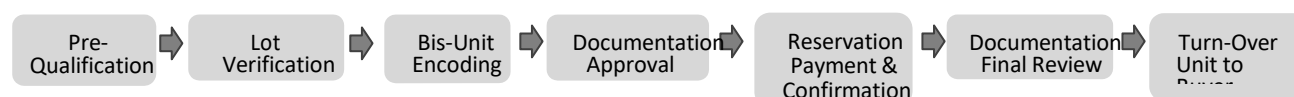
- Cash Discounts. The Company gives discounts upon full payment of the required down payment and is based on the total contract price of the house and lot package (which price ranges from PhP450,000 to PhP1.25 million). Cash discount as follows:

Down Payment Fully Paid Within	Cash Discount
7 Days	3%

- “LipatAgad” Buyer are allowed to move-in to the property upon full payment of the required down payment pending take-out of the loan with Pag-IBIG.

CTS Financing Program Process

The CTS Financing Program follows a rigorous process of credit verification for all potential buyers. The following diagram illustrates the process under the CTS Financing Program:



- Pre-Qualification – The buyer provides basic requirements such as valid identification, proof of income (pay slips, certificate of employment and compensation, bank statements, income tax return, etc.), signed loan documents and complete post-dated checks.
- Lot Verification – The availability of the unit is verified.
- BIS-Unit Encoding – A unit manager assigns and encodes the buyer’s identification into its system to avoid double reservation.
- Documentation Approval – A documentation manager submits the buyer’s information folder to a documentation account officer. The account officer verifies and screens the documents provided by the borrower. Physical appearance of the buyer is required to verify accuracy of all information provided. Incomplete documentation folders are sent back to the documentation manager for re-evaluation.
- Reservation Payment and Confirmation – Reservation payment is paid for by the buyer and documented by an account officer.
- Documentation Final Review – The documents are sent to a documentation manager for final review.
- Turn-Over of Unit to Buyer – Take-out occurs only when construction of the unit is complete and the buyer accepts the unit. Attendance to a buyer orientation is required which will cover documentation, credit and legal obligation, construction and technical discussion.

Suppliers

All of the raw materials used by the Company are sourced from domestic Philippine suppliers. Suppliers are chosen based on a number of criteria, including the quality of the raw materials supplied, stability of supply in the past, delivery time, pricing of the raw materials as well as the financial and industrial strength of the supplier. The Company’s sourcing strategy is to deal with reliable suppliers at the best available price, prefer national over local suppliers and encourage on-time delivery by its suppliers.

The Company maintains relationships with over 200 suppliers. For the year ended December 31, 2021, the Company's five largest raw materials suppliers in aggregate accounted for approximately 40% of the Company's total amount of purchases for horizontal and four-storey MRBs. The Company is not dependent on any single supplier for raw materials.

Below is the list of the Company's top five (5) raw material suppliers:

No	Supplier Name	Country	Material Purchased
1	Diamond Interiors Industries Corp	Philippines	Kitchen Cabinets
2	Steel Asia Manufacturing Corp	Philippines	Aggregates
3	Worldwide Home Depot	Philippines	Tile/Flooring
4	AGS Contek and Development, Inc	Philippines	Kitchen Cabinets
5	D-Square Plumbing Supply Inc	Philippines	Plumbing Materials

Customers

The Company mainly focuses on serving the needs of the Mass Housing market. Specifically, the Company targets (a) the upper-end of the lower-class segment of society and (b) the lower-end of the middle class of the society. The Company's target market consists of buyers who are gainfully employed (such as government employees, business processing operations (BPO) employees, manufacturing workers, etc.). 76% of the horizontal unit buyers and 94% of condominium unit buyers have monthly gross income above ₱26,000. The Company likewise caters to OFWs, which, for many years, have played an important role in keeping the Philippine economy afloat through their remittances that help fuel consumption, specifically real estate purchases. The following table summarizes the Company's customer demographics as of December 31, 2024:

Demographic	Condominium	Subdivision
Young:	86%	88%
20 to 35 Years Old	55%	55%
36 to 45 Years Old	31%	33%
College-Educated and Licensed Professionals	88%	85%
Gainfully Employed:	100%	100%
Office Workers	68%	48%
OFW	15%	27%
BPO	9%	11%
₱26,000 and above Gross Family Income	94%	76%
Primary Residence Purpose	88%	96%

Customer Service and Warranties

The Company believes it is important to ensure that quality service is afforded to homebuyers throughout and after the relevant sales period. Customer service employees oversee pre-delivery quality control inspections and respond to post-delivery customer needs. The Company responds to customer requests during the construction phase and coordinates the legal requirements that customers must comply with when making a purchase, including signing deeds, obtaining permits, and securing funding.

Under the terms of the Company's CTS contracts, buyers may seek repairs for patent (i.e., observable) defects in new homes prior to their acceptance of the residential unit. If the defect is latent (i.e., non-observable), customers may seek repairs within one year from the date the housing unit was turned over to them for occupancy.

In addition to the foregoing contractual warranties, the Company may be subject to additional liabilities arising from construction defects under Philippine law. However, the Company has historically spent immaterial amounts on claims from customers for construction or other defects.

Competition

The Company believes it does not have significant direct competition from national (i.e. Metro Manila-based) real-estate developers for low cost housing projects within its price range (i.e. PhP450,000 to PhP2.0 million per housing unit). Although competitors with nationwide scope, such as Amaia Land Corporation, a subsidiary of Ayala Land, Inc.; Century Limitless Corporation, a subsidiary of Century Properties Group, Inc.; Filinvest Land, Inc., under the "Futura Homes" brand; Suntrust Properties, Inc., a subsidiary of Megaworld Corporation; Robinsons Land Corporation, under the "Robinsons Communities" brand; Summerhills Home Development Corporation, a subsidiary of SM Prime Holdings, Inc.; and Vista Land, under the "Camella Homes" brand, do undertake affordable housing projects, they do so at a higher price range (i.e. PhP1.5 million and up), which is a different market from that of the Company's.

The Company has direct competitors at the local/regional level that sell housing units within its PhP450,000 to PhP2.0 million price range. These include: Johndorf and ProHomes in Cebu; Foothills Development Corporation and HLC Development Corporation in Davao; ProFriends, Ion Realty, Happy Homes and San Raphael Realty in Iloilo; Hausland, Fiesta Communities and El Valerio Realty in Pampanga; and ProFriends, Homemark Development, Picar Development, Rudex, Masaito and New APEC in Cavite.

Employees

As of the date of this report, the Company has a total of six hundred thirty two (632) employees. This is broken down as follows:

Department	TOTAL
Managers	101
Accounting	34
Finance	89
Conversion	34
Credit and Collection	71
Documentation	48
Sales	37
HR/Admin	39
Executive Office	1
MIS	17
Construction	47
Engineering	1
Planning	8
Audit	3
Pre-Documentation	17
Treasury	0
Records Management	13
Materials & Procurement	8
Property Management	15

Customer Service	18
Receivables Management	2
Legal	7
Audit	2
Migration & Receivables	12
Quality Assurance	8
Total	632

Furthermore, to date, there is no existing collective bargaining agreement between the Company and its employees, and the Company's employees are not part of any labor union. The Company has not experienced any disruptive labor disputes, strikes or threats of strikes, and management believes that the Company's relationship with its employee in general is satisfactory. The Company complies with minimum compensation and benefits standards as well as all other applicable labor and employment regulations.

Intellectual Property

The Company has been granted the certificate of registration of the "DECA Homes", "Urban DECA Homes" and "Urban DECA Towers" trademarks by the Philippine Intellectual Property Office. These trademarks are important in the aggregate because name recognition and exclusivity of use are contributing factors to the success of the Company's and its Subsidiaries' property developments. In the Philippines, certificates of registration of a trademark filed with the Philippine Intellectual Property Office prior to the effective date of the Philippine Intellectual Property Code in 1998 are generally effective for a period of 20 years from the date of the certificate, while those filed after the Philippine Intellectual Property Code became effective are generally effective for a shorter period of 10 years, unless terminated earlier.

Health, Safety and Environment

The Company regards occupational health and safety as one of its most important corporate and social responsibilities and it is the Company's corporate policy to comply with existing environmental laws and regulations. The Company maintains various environmental protection systems and conducts regular trainings on environment, health and safety.

Insurance

The Company has insurance coverage that is required in the Philippines for real and personal property. Subject to the customary deductibles and exclusions, the Company carries all-risks insurance during the project construction stage. The Company also requires all of its purchasers to carry fire insurance and sales redemption insurance, for which it pays the annual premium upfront to the insurer and charges purchasers on a monthly basis. For its vertical projects, the Company requires its general contractors to carry all-risks insurance for the period of building construction. The Company does not carry business interruption insurance.

Legal Proceedings

As of December 31, 2024, neither the Company nor any of its Subsidiaries or affiliates are involved in, or the subject of, any legal proceedings which, if determined adversely to the Company or the relevant Subsidiary's or affiliate's interests, would have a material effect on the business or financial position of the Company or any of its Subsidiaries or affiliates.

Risks Relating to the Companies Business

All of the Company's business activities are conducted in the Philippines, which exposes the Company to risks associated with the Philippines, including the performance of the Philippine economy.

Historically, the Company has derived primarily all of its revenue from the sale of real estate assets in the Philippines and its business is highly dependent on the state of the Philippine economy. Demand for, and prevailing prices of real estate assets are directly related to the strength of the Philippine economy (including overall growth levels and interest rates), the overall levels of business activity in the Philippines, the overall employment levels in the Philippines and the amount of remittances received from OFs. Historically, the Philippines has periodically experienced economic downturns. For example, the general slowdown of the global economy in 2008 and 2009 had a negative effect on the Philippine economy, which in turn had a negative effect on the Philippine property market as property sales declined.

There is no assurance that there will not be a recurrence of an economic slowdown in the Philippines. Factors that may adversely affect the Philippine economy include:

- decreases in business, industrial, manufacturing or financial activity in the Philippines or in the global market;
- decreases in the amount of remittances received from OFs;
- decreases in or changes in consumption habits in the Philippines;
- decreases in property values;
- scarcity of credit or other financing, resulting in lower demand for products and services provided by companies in the Philippines or in the global market;
- the sovereign credit ratings of the Philippines;
- exchange rate fluctuations;
- a prolonged period of inflation or increase in interest rates;
- changes in the Government's taxation policies;
- natural disasters, including typhoons, earthquakes, fires, floods and similar events;
- political instability, terrorism or military conflict in the Philippines, other countries in the region or globally; and
- other regulatory, political or economic developments in or affecting the Philippines.

There is a degree of uncertainty regarding the economic and political situation in the Philippines. This uncertainty could have adverse effects on the revenues from the Company's business.

Servicing the mass housing segment of the real estate industry allows the Company to mitigate the risk of demand fluctuation brought about by country-specific risks, being it a needs market and not investment nor speculative in nature. The huge housing backlog as projected by HLURB is a strong indicator that the demand for mass housing unit will continue to be underserved in the short to medium term. Further, the expertise of the management team in dealing with the mass market segment enables them to create an overall package, "build-sell-finance" scheme, to assure that their target market will be able to afford the housing units and realize the projected demand.

The Company is exposed to risks associated with its in-house financing activities, including the risk of customer default, and it may not be able to sustain its in-house financing program.

The Company provides a substantial amount of in-house financing to its customers via its CTS program. As a result, and particularly during periods when the unemployment rate rises or when the overall level of overseas remittances decline, the Company faces the risk that a greater number of customers who utilize the Company's in-house financing facilities will default on their payment obligations, which would require the Company to incur expenses such as those relating to sales cancellations and eviction of occupants, additional expenses caused by delinquent accounts, a disruption in cash inflows, risk of holding additional inventory in its balance sheets and reduced finance income.

In addition, in instances where various customer receivables have been given as collateral for the Company's financing arrangements with banks or in instances where sales of receivables are made with recourse to the Company, a default in these receivables would require the Company to either pay down the corresponding balance on the loan, or replace the defaulting receivable with another from its portfolio. There can be no guarantee that the Company will not be asked to pay cash for these defaulting obligations in the future. In

such an event, the defaulting receivable would also be assigned back to the Company, and there can also be no guarantee that the Company will be able to resell the mass housing unit underlying the receivable easily or at all. If the number of and amount involved in any defaults are significant, the Company's financial position and liquidity may be adversely affected.

Moreover, other cheaper financing options may become available and if customers choose to obtain financing from other sources, such as banks and other financial institutions, this would result in a decline in the income the Company derives from interest due on in-house financing. The inability of the Company to sustain its in-house financing activities could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company makes it a point to turn over the housing unit to the buyer as soon as the unit is finished and the minimal required equity is paid in order to create a sense of ownership. This has been proven effective in avoiding defaults.

The Company will be in a better position in cases where cheap financing options would be available to the buyers as this will immediately result to cash payments rather than long term receivables, hence, will be able to have readily available funds to build new inventories for sale, and would not need to avail of any external financing be it from creditors or equity holders.

The Company's liquidity and financial results are affected by the willingness of various financial institutions, including Pag-IBIG, to process loan take-ups and the expediency by which such financial institutions process these take-ups.

Under its business and operating model, the Company, through its subsidiaries including 8990 Housing, 8990 Luzon, 8990 Davao, 8990 Mindanao, and Foghorn, typically provides in-house financing to its customers via its CTS Gold financing team upon the initial purchase of a potential home. From time to time, the Company requires the prospective purchaser to apply with Pag-IBIG for take-up of the loan obligation. The Company may also transfer loan portfolios directly to Pag-IBIG on behalf of its customers. Should Pag-IBIG grant the prospective buyer's application, it would then grant a home loan to the prospective buyer (to pay for the purchase price of the Mass Housing unit) and remit the loan proceeds to the Company or the subsequent owner of the relevant receivable. However, due to the number of applications pending with Pag-IBIG at any one time, there are often delays in the processing of these loan take-ups. Furthermore, Pag-IBIG may also deny loans for various reasons, such as incomplete documents and insufficient equity ownership (through prior payment of principal), among others. In addition, other factors, such as review of titles by banks that purchase receivables from the Company, may also delay the financing process. Furthermore, if the loans are held as collateral by banks, then the banks need time to pass the titles, which could cause delays. Depending on the degree of any such delays or denials, and the amounts of the loans and number of customers involved, these could have a material adverse effect on the Company's liquidity because the home buyer loans would be retained on the Company's books as receivables and delay its cashflow. Moreover, in the event that Pag-IBIG completely ceases the take-up of these loans, the Company would have to keep these loans for a significant portion of time and may encounter difficulty in selling these loans to 42 other financial institutions. Any of these events may have a material adverse effect on the Company's financial condition and results of operations. See "– The Company is exposed to risks associated with its in-house financing activities, including the risk of customer default, and it may not be able to sustain its in-house financing program."

In addition to having its CTS loans taken up by Pag-IBIG and borrowing from banks using the CTS loans as collateral, the Company also from time to time transfers its CTS loans to banks, typically going through a similar procedure as described above for Pag-IBIG. Similarly, there may be delays in the efficient and timely processing of these loans take-ups and the banks may also deny these loans for various reasons. Depending on the degree of any such delays or denials, and amounts of the loans and number of customers involved, these could have a material adverse effect on the Company's liquidity because the home buyer loans would be retained on the Company's books as receivables and delay its cashflow.

To mitigate this risk, the Company maintains strong relationships with key housing and shelter agencies.

The Company's liquidity and financial results are dependent on the implementation and success of various measures to manage its liquidity risk.

The Company adopts various measures to manage its liquidity risk. For example, the Company developed a comprehensive collection platform comprising policies, structures, systems, organizations and mechanisms focused on collection efficiency and the migration of payment delinquency. Also, the Company enters into take-up arrangements with institutions such as Pag-IBIG to monetize its receivables. From time to time, the Company enters into loan arrangements with banks against its receivables portfolio as collateral for an interest rate ranging from 5.25% to 5.5%. The Company sells its receivables to certain banks with recourse. Typically, under such arrangements, if take-up by Pag-IBIG does not occur within one (1) to five (5) years of the sale of the receivables, the Company is required to either extend the term or repurchase the receivables. For the full year ending December 31, 2021, the Company has submitted to Pag-IBIG approximately ₱6 billion.

In 2018, 2019, certain subsidiaries of the Company entered into various CTS Receivables Sale and Purchase Agreements ("RSPAs") with Dearborn Resources and Holdings, Inc. ("Dearborn") for the sale of CTS Receivables at face value (outstanding principal balance at the time of sale) by such subsidiaries to Dearborn in tranches and on a without recourse basis. As of date, these RSPAs cover CTS Receivables with total principal or face value of approximately ₱15 billion which the 8990 subsidiaries have assigned to Dearborn, and which receivables constituted 14.49% and 8.38% of the consolidated assets of the Company in 2018 and 2019, respectively. The interest income that the Company would have otherwise received had such CTS receivables continued to full term is approximately ₱23.89 billion. Similarly, in 2019, 2020 and 2021, certain subsidiaries of the Company entered into various RSPAs with Filmore Resources Holdings, Inc. ("Filmore") for the sale of CTS Receivables at face value by such subsidiaries to Filmore in tranches and on a without recourse basis. As of date, these RSPAs cover CTS Receivables with total principal or face value of approximately ₱12.6 billion which the 8990 subsidiaries have assigned to Filmore, and which receivables constituted 16.11 and 14.% of the consolidated assets of the Company in 2020 and 2021 (as of the date of the last sale), respectively. The interest income that the Company would have otherwise received had such CTS receivables continued to full term is approximately ₱20.59 billion. As of the date hereof, except for the loan facilities extended by the Company in favor of Dearborn, none of the Company, its directors, officers, or principal shareholders, have any interest, directly or indirectly, in Dearborn or Filmore.

In addition, since 2016, the Company has engaged in the sale of its receivables to banks on a non-recourse basis. Failure to meet the obligations backed by receivables on a non-recourse basis will lead to the transfer of rights of the receivables to the banks. Furthermore, the Company has begun to explore possible securitization transactions with respect to a portion of its receivables portfolio. In a letter dated 16 October 2020, the SEC advised the Company that the SEC En Banc has conditionally approved the securitization plan of the Company covering approximately ₱2.13 billion in CTS receivables, subject to the submission of the final credit rating report. Under the securitization plan, the Company and certain subsidiaries (namely, 8990 Housing, 8990 Luzon, 8990 Davao, and Fog Horn) will sell to a special purpose corporation, CBC Assets One (SPC), Inc., CTS receivables from about 2,511 CTS accounts with an original term of up to twenty-five (25) years. Concurrent with the sale of such receivables, CBC Assets One as issuer will issue asset-backed certificates worth about ₱2.13 billion (based on the face value of the CTS receivables acquired) backed by the CTS receivables. 8990 HDC will act as servicer of the CTS Receivables under the securitization plan. The asset-backed certificates will consist of Tranche A certificates with principal value of approximately ₱1.59 billion and Tranche B certificates with principal value of approximately ₱531.3 million to be sold at face value. The SEC has likewise confirmed that the issuance of the asset-backed certificates is considered an exempt transaction (and, thus, exempt from SEC registration) as the certificates will be issued to not more than nineteen (19) investors in the Philippines. As of date, the Company has yet to complete such securitization. The Company may be left with the riskiest tranche of its receivables portfolio due to this securitization. As the Company has not completed the aforementioned securitization transactions, there can be no guarantee

that such transaction will materialize. The Company might not always successfully manage its receivables. The inability to manage its receivables portfolio could lead to a situation where the Company does not have sufficient cash to pay its obligations as they come due or have insufficient cash to meet its expansion strategy. If any of the Company's means of managing its liquidation risks is unsuccessful, the result could have a material adverse effect on the Company's business, financial condition and results of operations.

To mitigate this risk, the Company relies on its experience management team with extensive expertise in Mass Housing development.

The real estate industry in the Philippines is capital intensive, and the Company may be unable to readily raise necessary amounts of funding to acquire new land or complete existing projects.

The real estate industry in the Philippines is capital intensive, and market players are required to incur significant expenditure to acquire land for development, complete existing projects and commence construction on new developments.

Historically, the Company has funded a significant portion of its capital expenditure requirements as well as steady growth from external sources of financing; however, it may also fund such requirements through other means, such as equity sales, among others, in the future. There can be no assurance that, to complete its planned projects or satisfy its other liquidity and capital resources requirements, the Company will be able to obtain sufficient funds at acceptable rates to fund its capital expenditure requirements, or that it will not issue Common Shares that may cause dilution, or that it will be able to obtain sufficient funds at all. Failure to obtain the requisite funds could delay or prevent acquisition of land for or completion of projects and materially and adversely affect the Company's business, financial condition and results of operations.

To mitigate this risk, the Company maintains strong relationships with key housing and shelter agencies. It may also obtain financing from capital markets.

A portion of demand for the Company's products is from OFs, which exposes the Company to risks relating to the performance of the economies of the countries where these potential customers are located.

Sales to OFs, including overseas Filipino workers ("OFWs") and Filipino expatriates, generate a portion of the demand for the Company's housing and land development projects. In addition, unnamed OFWs may provide financial support to named buyers who are located in the Philippines. A number of factors could lead to, among other effects, reduced remittances from OFWs, a reduction in the number of OFWs or a reduction in the purchasing power of OFs. These include:

- an appreciation of the Philippine peso, which would result in decreased value of the other currencies transmitted by OFs;
- any difficulties in the repatriation of funds;
- a downturn in the economic performance of the countries and regions where a significant number of these potential customers and supporters are located, such as the United States, the Middle East, Italy, the United Kingdom, Singapore, Hong Kong and Japan;
- a change in Government regulations that currently exempt the income of OFWs from taxation in the Philippines;
- the imposition of restrictions by the Government on the deployment of OFWs to particular countries or regions, such as the Middle East; and restrictions imposed by other countries on the entry or the continued employment of foreign workers.

As an example, the Company believes that the global economic downturn of 2008 resulted in OFW remittances tending to be used for basic family expense or savings and bank deposits rather than for investing in or purchasing real estate. In addition, turmoil in the Middle East and North Africa have resulted in OFWs being repatriated from these regions and losing their steady sources of income. Currently, the constrained economic activities brought by the COVID-19 has resulted in mass layoffs and repatriation of thousands of OFWs. These events adversely affected demand for the Company's projects from OFs, which could have a material adverse effect on the Company's business, financial condition and results of operations.

To mitigate this risk, the Company relies on Management's extensive experience and in-depth knowledge of the real estate business, particularly in the Mass Housing market. The Company has also adopted strategies, among others, to increase its existing coverage and grow geographically.

The Company's focus on residential housing and land development exposes it to sector-specific risks, including competition in the Philippine residential real estate industry.

The housing market involves significant risks distinct from those involved in the ownership and operation of established properties, including the risk that the Company may invest significant time and money in a project that may not attract sufficient levels of demand in terms of anticipated sales and which may not be commercially viable. The Company's results of operations are therefore dependent, and are expected to continue to be dependent, on the continued success of its residential and land development projects.

Additionally, the Philippine residential real estate industry is highly competitive. The Company's income from, and market values of, its real estate projects are largely dependent on these projects' popularity when compared to similar types of projects in their areas, as well as on the ability of the Company to correctly gauge the market for its projects. Important factors that could affect the Company's ability to effectively compete include a project's relative location versus that of its competitors, particularly to transportation facilities and commercial centers, the quality of the housing and related facilities offered by the Company, price and payment terms of the project, available financing for the project and the overall attractiveness of the project. The time and costs involved in completing the development and construction of residential projects can be affected by many factors, including shortages of materials, equipment and labor, adverse weather conditions, natural disasters, labor disputes with contractors and subcontractors, and the occurrence of other unforeseeable circumstances. Any of these factors could result in project delays and cost overruns, which could negatively affect the Company's margins. Moreover, failure by the Company to complete construction of a project to its planned specification or schedule may result in contractual liabilities to purchasers and lower returns, all of which could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company believes that it is one of the few developers dedicated to serve the housing needs of the mass housing segment throughout the Philippines, with most of its direct competitors being smaller regional developers with limited geographical coverage. This has allowed the Company to build significant nationwide brand equity for its DECA Homes and Urban DECA Homes brands across its target market and also achieve economies of scale from its operations.

Historically low interest rates, expansion in overall liquidity, extensive construction of housing units and other factors could lead to the risk of formation of asset bubbles in real estate.

For the past several years, central banks globally, including the BSP, have kept overall interest rates at historically low levels for an extended period of time. This has occurred in conjunction with high levels of liquidity in the Philippines owing to strong and growing remittances from OFWs, the expansion of consumer credit provided by banks, the expiry of the BSP's requirement for banks to maintain special deposit accounts and strong inflows of foreign investments, among other factors. In addition, before the COVID-19 pandemic, the pace of real estate construction, particularly for housing in and surrounding Metro Manila and other urban areas, has likewise been strong by historical standards. All these have increased the risk that rising

prices may not be sustainable, particularly in the real estate sector. If rising prices are not sustained, the result could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company is confident in the efforts of the BSP to control inflation and prevent the formation of asset bubbles in real estate. The country also has a very young demographic profile benefitting from rising disposable income. The Company believes that the Mass Housing sector has shown favorable market demographics in recent years and will continue to do so in the medium- to long-term. The Company also has an experienced management team to mitigate this risk.

Competition for the acquisition of land for new projects and risks relating to the management of its land bank, including fluctuations in demand and prices, may adversely affect the Company's business.

The Company's future growth and development are dependent, in part, on its ability to acquire additional tracts of land suitable for the Company's future real estate projects. When the Company attempts to locate sites for development, it may experience difficulty locating parcels of land of suitable size in locations and at prices acceptable to the Company, particularly parcels of land located in areas surrounding Metro Manila and in other urban areas throughout the Philippines. In the event the Company is unable to acquire suitable land at prices and in locations that could translate into reasonable returns, or at all, its growth prospects could be limited and its business and results of operations could be adversely affected.

In addition, the risks inherent in purchasing and developing land increase as consumer demand for residential real estate decreases. The market value of land, subdivision lots and housing inventories can fluctuate significantly as a result of changing market conditions. There can be no assurance that the measures the Company employs to manage land inventory risks will be successful. In the event of significant changes in economic, political, security or market conditions, the Company may have to sell subdivision lots and housing and condominium units at significantly lower margins or at a loss. Changes in economic or market conditions may also require the Company to defer the commencement of housing and land development projects. Any of the foregoing events would have a material adverse effect on the Company's business, financial condition and results of operations.

To mitigate this risk, the Company relies on management's extensive experience and a strategy of replenishing its land bank for future developments, selectively acquiring parcels and properties that meet its requirements for potential projects.

There can be no assurance that the Company will not suffer from substantial sales cancellations. The Company faces certain risks related to the cancellation of sales involving its residential projects and, if the Company were to experience a material number of sales cancellations, the Company's historical revenue would be overstated.

As a developer and seller of residential real estate, the Company's business, financial condition and results of operations could be adversely affected in the event a material number of horizontal subdivision, MRB unit or high-rise unit sales are cancelled.

The Company is subject to Republic Act No. 6552 (the "Maceda Law"), which applies to all transactions or contracts involving the sale or financing of real estate through installment payments, including residential condominium units. Under the Maceda Law, buyers who have paid at least two years of installments are granted a grace period of one month for every year of paid installments to cure any payment default. If the contract is cancelled by the Company, the buyer is entitled to receive a refund of at least 50% of the total payments made by the buyer, with an additional 5% per annum in cases where at least five years of installments have been paid (but with the total not to exceed 90% of the total payments). Buyers who have paid less than two years of installments and who default on installment payments are given a 60-day grace period to pay all unpaid installments before the sale can be cancelled, but without right of refund.

While the Company historically has not experienced a material number of cancellations to which the Maceda Law has applied, there can be no assurance that it will not experience a material number of cancellations in the future, particularly during slowdowns or downturns in the Philippine economy. In the event the Company does experience a material number of cancellations, it may not have enough funds on hand to pay the necessary cash refunds to buyers or it may have to incur indebtedness in order to pay such cash refunds. The Company may also experience losses relating to these cancellations. In addition, particularly during an economic slowdown or downturn, there can be no assurance that the Company would be able to re-sell the same property or re-sell it at an acceptable price. Any of the foregoing events would have a material adverse effect on the Company's business, financial condition and results of operations.

Furthermore, in the event the Company experiences a material number of sales cancellations, the Company's historical revenues would have been overstated because such historical revenue would not have accurately reflected subsequent customer defaults or sales cancellations. As a result, the Company's historical income statements are not necessarily accurate indicators of the Company's future revenue or profits.

To mitigate this risk, the Company relies on its customer-focused product and payment scheme that is best suited for the Mass Housing market, coupled with effective collection and risk management policies. The Company has also adopted a strategy to promote home ownership in the Mass Housing segment by continuing to develop financing products tailored to the specific needs, requirements and financial situation of Mass Housing customers.

The Company may not be able to successfully manage its growth or expansion strategies.

The Company intends to continue to pursue an aggressive growth strategy for its residential property business. To this end, the Company currently has 18 ongoing projects, as of December 31, 2024, and is expecting to launch two (3) new ones. The Company's growth strategy for its housing and land development business may require the Company to manage additional relationships with a greater number of customers, suppliers, contractors, service providers, lenders and other third parties. This substantial growth in projects will also require significant capital expenditure, which may entail taking on additional debt or equity to financing housing and land development projects.

There can be no assurance that, in the course of implementing its growth strategy, the Company will not experience capital constraints, delays in obtaining relevant licenses and permits, construction delays, operational difficulties at new operational locations or difficulties in operating existing businesses and training personnel to manage and operate the expanded business. The Company may also experience delays resulting from its current strategy of engaging a limited number of contractors for its construction operations. See "- Independent contractors may not always be available, and once hired by the Company, may not be able to meet the Company's quality standards or to complete projects on time and within budget." Any inability or failure to adapt effectively to growth, including strains on management and logistics, could result in losses or development costs that are not recovered as quickly as anticipated, if at all. These problems could have a material adverse effect on the Company's reputation and on its business, results of operations or financial condition.

Similarly, the Company intends to further pursue its strategy of expanding its MRB residential developments and high-rise building developments. To this end, the Company intends to construct more MRB developments and complete its first high-rise building development. The Company's strategy to expand these businesses will require the Company to manage additional relationships with third parties such as potential retailers, suppliers and contractors. Moreover, high-rise building development will be a new line of business to the Company. As a result, the Company could encounter various issues that it does not have extensive experience dealing with associated with this business, such as applicable laws relating to commercial rental/tenancy laws and condominium construction and different construction, operational and marketing requirements, among others. There can be no assurance that the Company's continued expansion into MRB

developments and new expansion into high-rise building developments will be successful. There can also be no assurance that there will be a market for the Company's high-rise building developments. As a result, the Company's decision to pursue such expansion could have a material adverse effect on the Company's reputation and its business.

The Company believes that its industry experience has equipped it and its management with in-depth knowledge and understanding of the needs, preferences, means and constraints of the Mass Housing segment customer base. The Company also has an experienced management team to mitigate this risk.

Increased inflation, fluctuations in interest rates, changes in Government borrowing patterns and Government regulations could have a material adverse effect on the Company's and its customers' ability to obtain financing.

Interest rates, and factors that affect interest rates, such as the Government's fiscal policy, could have a material adverse effect on the Company and on demand for its products. For example:

- Higher interest rates make it more expensive for the Company to borrow funds to finance ongoing projects or to obtain financing for new projects.
- Because the Company believes that a substantial portion of its customers procure financing (either using the Company's in-house financing program or through banks) to fund their property purchases, higher interest rates make financing, and therefore purchases of real estate, more expensive, which could adversely affect demand for the Company's residential projects.
- If Pag-IBIG increases the rates at which it lends to customers, the Company would also need to increase the rates of its in-house financing program due to the in-house financing program's mirroring of Pag-IBIG requirements as part of the Company's strategy for easier off-take by Pag-IBIG.
- If the Government significantly increases its borrowing levels in the domestic currency market, this could increase the interest rates charged by banks and other financial institutions and also effectively reduce the amount of bank financing available to both prospective property purchasers and real estate developers, including the Company.
- The Company's access to capital and its cost of financing are also affected by restrictions, such as single borrower limits, imposed by the BSP on bank lending. If the Company were to reach the single borrower limit with respect to their current or preferred bank or banks, the Company may have difficulty-obtaining financing on the same or similar commercial terms from other banks.
- Increased inflation in the Philippines could result in an increase in raw materials costs, which the Company may not be able to pass on to its customers as increased prices or to its contractors by having the Company's contractors absorb raw material cost increases.

The occurrence of any of the foregoing events, or any combination of them, or of any similar events could have a material adverse effect on the Company's business, financial condition and results of operations.

To mitigate this risk, the Company relies on its Competitive Strengths and Key Strategies.

Titles over land owned by the Company may be contested by third parties.

While the Philippines has adopted a system of land registration that is intended to conclusively confirm land ownership and is binding on all persons (including the Government), it is not uncommon for third parties to claim ownership of land that has already been registered and over which a title has been issued. There have also been cases where third parties have produced false or forged title certificates over land. The Company has occasionally had to defend itself against third parties who claim to be the rightful owners of land that has

been either titled in the name of the persons selling the land to the Company or that has already been titled in the name of the Company. In the event a greater number of third-party claims are brought against the Company or any such claims involves land that is material to the Company's housing and land development projects, the Company's management may be required to devote significant time and incur significant costs in defending the Company against such claims. In addition, if any such claims are successful, the Company may have to either incur additional costs to settle such third-party claims or surrender title to land that may be material in the context of the Company's housing and land development projects. Any of the foregoing circumstances could have a material adverse effect on the Company's business, financial condition and results of operations, as well as on its business reputation.

To mitigate this risk, the Company undertakes due diligence in the acquisition of parcels of land.

The Company faces risks relating to project cost and completion.

Construction of property projects may take as long as a year or longer before generating positive net cash flow through sales. As a result, the Company's cash flows and results of operations may be significantly affected by its project development schedules and any changes to those schedules. Other factors that could adversely affect the time and the costs involved in completing the development and construction of the Company's projects include:

- natural catastrophes and adverse weather conditions;
- changes in market conditions, economic downturns, unemployment rate, and decreases in business and consumer sentiment in general;
- delays in obtaining government approvals and permits;
- changes in laws or in Government priorities;
- relocation of existing residents and/or demolition of existing constructions;
- shortages of materials, equipment, contractors and skilled labor;
- labor disputes with contractors and subcontractors;
- construction accidents;
- errors in judgment on the selection and acquisition criteria for potential sites;
- lack of familiarity with high-rise projects; and
- other unforeseen problems or circumstances.

Any of these factors could result in project delays and cost overruns, which may harm the Company's reputation as a property developer or lead to cost overruns or loss of or delay in recognizing revenues and lower margins. This may also result in sales and resulting profits from a particular development not being recognized in the year in which it was originally expected to be recognized, which could adversely affect the Company's results of operations for that year. Furthermore, the failure by the Company to complete construction of a project to its planned specifications or schedule may result in contractual liabilities to purchasers and lower returns. The Company cannot provide any assurance that it will not experience any significant delays in completion or delivery of its projects in the future or that it will not be subject to any liabilities for any such delays.

The Company's reputation will be adversely affected if projects are not completed on time or if projects do not meet customers' requirements.

If any of the Company's projects experience construction or infrastructure failures, design flaws, significant project delays, quality control issues or otherwise, this could have a negative effect on the Company's reputation and make it more difficult to attract new customers to its new and existing housing and land development projects. Any negative effect on the Company's reputation or its brand could also affect the Company's ability to sell its housing and land development projects. This would impair the Company's ability to reduce its inventory and working capital requirements. The Company cannot provide any assurance that such events will not occur in a manner that would adversely affect its results of operations or financial condition.

To address this risk, the Company's overall business strategy is geared to deliver with speed and quality the right products (a DECA Homes house or Urban DECA Homes MRB unit) to its target customers.

Independent contractors may not always be available, and once hired by the Company, may not be able to meet the Company's quality standards or to complete projects on time and within budget.

The Company relies on independent contractors to provide various services, including land clearing, infrastructure development and various construction projects. In particular, the Company relies mainly on the Lasvazmun and Conmax groups of companies to complete the construction for substantially all of its projects. Should either of the contractors mentioned above become unable to perform with respect to their contracted scope of work, there can be no assurance that the Company will be able to find or engage an independent contractor for any particular project or find a contractor that is willing to undertake a particular project within the Company's budget and schedule, which could result in costs increases or project delays.

Furthermore, although the Company's personnel actively supervise the work of such independent contractors, there can be no assurance that the services rendered by any of its independent contractors will always be satisfactory or match the Company's requirements for quality and timing. Contractors may also experience financial or other difficulties up to insolvency, and shortages or increases in the price of construction materials or labor may occur, any of which could delay the completion or increase the cost of certain housing and land development projects, and the Company may incur additional costs as a result thereof. Any of these factors could have a material adverse effect on the Company's business, financial condition and results of operations.

To mitigate this risk, the Company trains its contractors on the processes used in the construction of its projects. The Company also sends its engineers to oversee critical functions in project construction to ensure the quality of work of its contractors.

The Company uses exclusive external third-party brokers to sell a significant portion of its residential housing and land development projects.

The Company uses exclusive external third-party brokers to market and sell all of its residential housing and land development projects to potential customers. If these brokers do not meet their requisite sales targets, the Company's business, financial condition and results of operations could be adversely affected. Moreover, there is competition for the services of third-party brokers in the Philippines and many of the Company's competitors may attempt to recruit brokers away from the Company. If a large number of these third-party brokers were to cease selling for the Company, the Company would be required to seek other external brokers, and there can be no assurance that the Company could do so quickly or in sufficient numbers. Also, negative publicity on the Company's exclusive third-party brokers may spill over and have a negative effect on the Company's reputation. Furthermore, with the passage of R.A. No. 9646 or The Real Estate Service Act of the Philippines and its implementing rules, more stringent requirements are now being imposed in respect of the practice of real estate service, as well as the qualifications and licensing of real estate service

practitioners. There can be no assurance that the imposition of these requirements will not affect the real estate service practice of the Company, or its ability to retain its existing third-party brokers or identify new third party brokers. These factors could disrupt the Company's business and negatively affect its financial condition, results of operations and prospects.

To mitigate this risk, all of the unit managers and the agents who constitute the marketing and distribution network of the Company are exclusively contracted by the Company. Furthermore, all unit managers are accredited licensed realtors. The Company trains its marketing teams monthly on topics including new Company policies, product information and terms and conditions of sale.

The Company operates in a highly-regulated environment and it is affected by the development and application of regulations in the Philippines.

The Philippines' housing market is highly regulated. The development of subdivision and other residential projects is subject to a wide range of government regulations, which, while varying from one locality to another, typically include zoning considerations as well as the requirement to procure a variety of environmental and construction-related permits. In addition, projects that are to be located on agricultural land must get clearance from the Philippine Department of Agrarian Reform ("DAR") so that the land can be re-classified as non-agricultural land and, in certain cases, tenants occupying agricultural land may have to be relocated at the Company's expense.

Presidential Decree No. 957, as amended, ("PD 957") and BP 220 are the principal statutes which regulate the development and sale of real property as part of a condominium project or subdivision. PD 957 and BP 220 cover subdivision projects for residential, commercial, industrial or recreational purposes and condominium projects for residential or commercial purposes. The HLURB is the administrative agency of the Government which enforces these statutes. Regulations applicable to the Company's operations include standards regarding:

- the suitability of the site;
- road access;
- necessary community facilities;
- open spaces;
- water supply;
- sewage disposal systems;
- electricity supply;
- lot sizes;
- the length of the housing blocks; and
- house construction.

All subdivision development plans are required to be filed with and approved by the local government unit with jurisdiction over the area where the project is located. Approval of development plans is condition on, among other things, completion of the acquisition of the project site and the developer's financial, technical and administrative capabilities and donation of roadways to and other easements in favor of the relevant government agencies. Alterations of approved plans that affect significant areas of the project, such as infrastructure and public facilities, also require the prior approval of the relevant government unit. There can

be no assurance that the Company, its Subsidiaries or associates or partners will be able to obtain governmental approvals for its projects or that when given, such approvals will be in accordance with the Company's planned timing for the relevant project and will not be later revoked. Any non-receipt or delay in receipt of approvals could affect the Company's ability to complete projects on time or at all.

In addition, owners of or dealers in real estate projects are required to obtain licenses to sell before making sales or other dispositions of subdivision lots and housing and condominium units. Project permits and any license to sell may be suspended, cancelled or revoked by the HLURB based on its own findings or upon complaint from an interested party and there can be no assurance that the Company, its Subsidiaries, associates or partners will in all circumstances, receive the requisite approvals, permits or licenses or that such permits, approvals or licenses will not be cancelled or suspended. Any of the foregoing circumstances or events could affect the Company's ability to complete projects on time, within budget or at all, and could have material adverse effect on its financial condition and results of operations.

To mitigate this risk, the Company adopts a strong compliance culture and maintains strong relationship with key housing and shelter agencies and positive relationships with regulatory agencies and local government agencies.

Environmental laws applicable to the Company's projects could have a material adverse effect on its business, financial condition or results of operations.

In general, developers of real estate projects are required to submit project descriptions to regional offices of the Philippine Department of Environment and Natural Resources ("DENR"). For environmentally-sensitive projects or at the discretion of the regional office of the DENR, a detailed Environmental Impact Assessment ("EIA") may be required and the developer will be required to obtain an Environmental Compliance Certificate ("ECC") to certify that the project will not have an unacceptable environmental impact. There can be no assurance that current or future environmental laws and regulations applicable to the Company will not increase the costs of conducting its business above currently projected levels or require future capital expenditures. In addition, if a violation of an ECC occurs or if environmental hazards on land where the Company's projects are located cause damage or injury to buyers or any third party, the Company may be required to pay a fine, to incur costs in order to cure the violation and to compensate its buyers and any affected third parties. The Company cannot predict what environmental legislation or regulations will be amended or enacted in the future, how existing or future laws or regulations will be enforced, administered or interpreted, or the amount of future expenditures that may be required to comply with these environmental laws or regulations or to respond to environmental claims. The introduction or inconsistent application of, or changes in, laws and regulations applicable to the Company's business could have a material adverse effect on its business, financial condition and results of operations.

To mitigate this risk, the Company adopts a strong compliance culture and maintains strong relationships with key housing and shelter agencies and positive relationships with regulatory agencies and local government agencies.

The loss of certain tax exemptions and incentives will increase the Company's tax liability and decrease any profits the Company might have in the future.

The Company benefits from provisions under Philippine law and regulations which exempt sales of residential lots with a gross selling price of ₱1.5 million or less and sales of residential houses and lots with a gross selling price of ₱2.5 million or less from the VAT of 12.0%. However, under the TRAIN Law which amended certain provisions of the Tax Code, beginning January 1, 2021, the VAT exemption shall only apply to (i) sale of real estate property not primarily held for sale to customers or held for lease in the ordinary course of business; (ii) sale of real property utilized for socialized housing as defined by Republic Act No. 7279; and (iii) sale of house and lot, and other residential dwellings with selling price of not more than ₱2 million.

There is no assurance that laws and regulations removing the VAT exemption for socialized housing will be passed and enacted in the future. If the VAT exemptions are removed, the selling prices for the Company's subdivision lots and housing and condominium units may increase, which increase could adversely affect the Company's sales. Because taxes such as VAT are expected to have indirect effects on the Company's results of operations by affecting general levels of spending in the Philippines and the prices of subdivision lots and houses, any adverse change in the Government's VAT-exemption policy could have an adverse effect on the Company's results of operations.

Under R.A. 7279 the Company is required to construct a certain number of Socialized Housing units for each project that intends to receive BOI accreditation. This requirement is measured in the form of a ratio test between the number of Socialized Housing units for the project and the number of Economic Housing units for that same project. The Company does not have the same experience with developing Socialized Housing units as it does with developing Economic Housing units and may incur greater costs and/or not achieve comparable levels of success in its development of Socialized Housing units. Furthermore, Socialized Housing units have lower profit margins for the Company than Economic Housing units. If, due to regulatory changes, the Company is required to increase its ratio of Socialized Housing unit construction, then the Company's business, financial condition and results of operations may be adversely affected.

Natural or other catastrophes, including severe weather conditions, may materially disrupt the Company's operations, affect its ability to complete projects and result in losses not covered by its insurance.

The Philippines has experienced a number of major natural catastrophes over the year, including typhoons, droughts, volcanic eruptions and earthquakes. Recently, on January 12, 2020, Taal Volcano erupted causing ash falls and earthquakes in Metro Manila, Southern Luzon, some parts of Central Luzon and Pangasinan in the Ilocos region. The PHILVOCS issued an Alert Level 4, which means a hazardous explosive eruption may happen at any given moment. The explosion resulted to the suspension of classes, work schedules, and flights.

There can be no assurance that the occurrence of such natural catastrophes will not materially disrupt the Company's operations. These factors, which are not within the Company's control, could potentially have significant effects on the Company's housing and land development projects, many of which are large, complex estates with infrastructure, such as buildings, roads and perimeter walls, which are susceptible to damage. Damage to these structures resulting from such natural catastrophes could also give rise to claims against the Company from third parties or from customers for physical injuries or loss of property. As a result, the occurrence of natural or other catastrophes or severe weather conditions may adversely affect the Company's business, financial condition and results of operations.

While the Company carries all-risks insurance during the project construction stage and requires all of its purchasers to carry fire insurance, the Company does not carry any insurance for certain catastrophic events, and there are losses for which the Company cannot obtain insurance at a reasonable cost or at all. Neither does the Company carry any business interruption insurance. Should an uninsured loss or a loss in excess of insured limits occur, the Company could lose all or a portion of the capital invested in a property; as well as the anticipated future turnover from such property, while remaining liable for any project construction costs or other financial obligations related to the property. Any material uninsured loss could materially and adversely affect the Company's business, financial condition and result of operations.

Construction defects and other building-related claims may be asserted against the Company, and the Company may be subject to liability for such claims.

Philippine law provides that property developers, such as the Company, warrant the structural integrity of houses that were designed or built by them for a period of 15 years from the date of completion of the house. The Company may also be held responsible for hidden (i.e., latent or non-observable) defects in a house sold by it when such hidden defects render the house unfit for the use for which it was intended or when its

fitness for such use is diminished to the extent that the buyer would not have acquired it or would have paid a lower price had the buyer been aware of the hidden defect. This warranty may be enforced within six months from the delivery of the house to the buyer. In addition, Republic Act No. 6541, as amended, or the National Building Code of the Philippines (the "Building Code"), which governs, among others, the design and construction of buildings, sets certain requirements and standards that must be complied with by the Company. The Company or its officials may be held liable for administrative fines or criminal penalties in case of any violation of the Building Code.

There can be no assurance that the Company will not be held liable for damages, the cost of repairs, and/or the expense of litigation surrounding possible claims or that claims will not arise out of uninsurable events, such as landslides or earthquakes, or circumstances not covered by the Company's insurance and not subject to effective indemnification agreements with the Company's contractors. Neither can there be any assurance that the contractors hired by the Company will be able to either correct any such defects or indemnify the Company for costs incurred by the Company to correct such defects. In the event a substantial number of claims arising from structural or construction defects arise, this could have a material adverse effect on the Company's reputation and on its business, financial condition and results of operations.

To mitigate this risk, the Company endeavors to have foreseeable risks covered by the Company's insurance, to the extent possible and practicable. The Company's engineers also monitor its general contractors to ensure that all construction work is according to the project specifications and work inspection is conducted before any progress billing is approved. Furthermore, the Company also retains 10% of the project cost for a specified period to cover for any construction defect or other liability on the part of the contractor.

The Company has a number of related-party transactions with affiliated companies.

The companies controlled by the principal owners have a number of commercial transactions with the Company. The Company had entered into a number of transactions with its related parties, which primarily consist of advances and reimbursements of expenses and sale and purchase of real estate properties and development.

The transactions referred to above are described in Note 29 of the 2021 Audited Consolidated Financial Statements. The Company expects that it will continue to enter into transactions with companies directly or indirectly controlled by or associated with the principal owners. These transactions may involve potential conflicts of interest which could be detrimental to the Company and/or its stakeholders. Conflicts of interest may also arise between the Company and the Selling Shareholders in a number of other areas relating to its businesses, including:

- Major business combinations involving the Company and its Subsidiaries;
- Plans to develop the respective businesses of the Company and its Subsidiaries; and
- Business opportunities that may be attractive to the Selling Shareholders and the Company.

The Company can provide no assurance that its related-party transactions will not have a material adverse effect on its business or results of operations.

All related-party transactions are executed with caution and guided judgement, and are properly documented.

To mitigate this risk, the related-party transactions are made on arms-length basis.

8990 is a holdings company that depends on dividends and distributions from the Subsidiaries.

8990 is a holding company and conducts no independent business operations other than providing certain corporate and other support service to the Subsidiaries. 8990 conducts substantially all of its operations through the Subsidiaries. Substantially all of its assets are held by, and substantially all of its earnings and cash flows are attributable to, the Subsidiaries. 8990's liquidity, ability to pay interest and expense, meet obligations, provide funds to its Subsidiaries and distribute dividends are dependent upon the flow of funds from the Subsidiaries. There can be no assurance that the Subsidiaries will generate sufficient earnings and cash flows to pay dividends or otherwise distribute sufficient funds to 8990 to enable it to meet its own financial obligations.

The ability of the Subsidiaries to pay dividends is subject to applicable laws and restrictions contained in debt instruments of such Subsidiaries and may also be subject to deduction of taxes. No assurance can be given that 8990 will have sufficient cash flow from dividends to satisfy its own financial obligations. Any shortfall would have to be made up from other sources of revenue, such as a sale of investments, or financing available to the Company, which could materially and adversely affect the Company's business, financial condition and results of operations.

The Company is highly dependent on the continued service of its directors, members of senior management and other key officers.

The Company's directors, members of its senior management, and other key officers have been an integral part of its success, and the experience, knowledge, business relationships and expertise that would be lost should any such persons depart could be difficult to replace and may result in a decrease in the Company's operating efficiency and financial performance. Key executives and members of management of the Company include Luis N. Yu, Jr., and Mariano D. Martinez, Jr. If the Company loses the services of any such person and is unable to fill any vacant key executive or management positions with qualified candidates, or if the qualified individual takes any vacant key executive or management positions with qualified candidates, or if the qualified individual takes time to learn the details of the Company, the Company's business and results of operations may be adversely affected.

The Company believes it maintains a positive relationship with its directors, members of senior management and other key officers.

The Company may be unable to attract and retain skilled professionals, such as architects, engineers and third-party contractors.

The Company's ability to plan, design and execute current and future projects depends on its ability to attract, train, motivate and retain highly skilled personnel, particularly architects, engineers and third-party contractors. The Company believes that there is significant demand for such personnel not only from its competitors but also from companies outside the Philippines, particularly companies operating in the Middle East. Any inability on the part of the Company in hiring and, more importantly, retaining qualified personnel could impair its ability to undertake project design, planning and execution activities in-house and could require the Company to incur additional costs by having to engage third parties to perform these activities.

The Company believes it maintains a positive relationship with its architects, engineers and third party contractors. To attract and retain skilled professionals, the Company also provides a competitive compensation and benefits package.

Any deterioration in the Company's employee relations could materially and adversely affect the Company's operations.

The Company's success depends partially on its ability to maintain a productive workforce. Any strikes, work stoppages, work slowdowns, grievances, complaints or claims of unfair practices or other deterioration in

the Company's employee relations could have a material and adverse effect on the Company's financial condition and results of operations.

The Company believes it maintains a positive relationship with its employees through established organizational and employee policies and procedures that promote a good working environment and company culture.

The Company may, from time to time, be involved in legal and other proceedings arising out of its operations.

The Company may, from time to time, be involved in disputes with various parties involved in the construction and operation of its properties, including contractual disputes with contractors, suppliers, construction workers, and homeowners or property damage or personal liability claims. Regardless of the outcome, these disputes may lead to legal or other proceedings and may result in substantial costs, delays in the Company's development schedule, and the diversion of resources and management's attention. The Company may also have disagreements with regulatory bodies in the course of its operations, which may subject it to administrative proceedings and unfavorable discussions that result in penalties and/or delay the development of its projects. In such cases, the Company's business, financial condition, results of operations and cash flows could be materially and adversely affected.

To mitigate this risk, the Company shall endeavor to amicably settle the legal proceedings and exhaust all legal remedies available.

Disruptions in the financial markets could adversely affect the Company's ability to refinance existing obligation or raise additional financing, including equity financing.

Disruptions in the global financial markets in 2008 and 2009 resulted in a tightening of credit markets worldwide, including in the Asia Pacific region. Liquidity in the global and regional credit markets severely contracted as a result of these market disruptions, making it difficult and costly to refinance existing obligations or raise additional financing, including equity financing. While liquidity has increase and credit markets have improved since then, there can be no assurance that such conditions will not reoccur. If such conditions reoccur, it may be difficult for the Company to obtain additional financing on acceptable terms or at all, which may prevent the Company from completing its existing projects and future development projects and have an adverse effect on the Company's results of operations and business plans. If due to general economic conditions, the Company is unable to obtain sufficient funding to complete its projects in a feasible manner, or if management decides to abandon certain projects, all or a portion of the Company's investments to date on its projects could be lost, which could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

The incurrence of additional debt to finance the Company's planned development projects could impair the Company's financial condition, results of operations and cash flows. The Company may need to incur additional debt to finance its expansion projects and future development projects. This indebtedness could have important consequences for the Company. For example, it could:

- Make it more difficult for the Company to satisfy its debt obligations as they become due;
- Increase the Company's vulnerability to general adverse economic and industry conditions;
- Impair the Company's ability to obtain additional financing in the future for working capital needs, capital expenditures, development projects, acquisition or general corporate purposes;

- Require the Company to dedicate a significant portion of its cash flow from operations to the payment of the principal and interest on its debt, which would reduce the funds available for the Company's working capital needs, capital expenditures or dividend payments;

Item 2. Properties

Project Development and Construction

Land Acquisition

Land acquisition offer to the Company and/or joint ventures begins with the Company making a marketability determination of the location of the property, based on the intended development. The Company has developed specific procedures to identify land that is suitable for its needs and performs market research to determine demand for housing in the markets it wishes to enter. These factors include:

- the general economic condition of the environment surrounding the property;
- suitable land must be located near areas with sufficient demand or that the anticipated demand can justify any development;
- the site's accessibility from nearby roads and major thoroughfares;
- the availability of utility infrastructure, such as electric transmission facilities, telephone lines and water systems; and
- the overall competitive landscape and the neighboring environment and amenities.

The Company also considers the feasibility of obtaining required governmental licenses, permits and authorizations, as well as adding necessary improvements and infrastructure including sewage, roads and electricity.

If the property passes the initial procedure, the Company then conducts due diligence on the property. The evaluation process focuses on the following major factors:

- legal documents (e.g. title) related to the property;
- property valuation;
- geographic location (i.e. proximity to public transportation);
- technical characteristics of the property (e.g., location of fault lines); and
- other factors impacting the suitability and feasibility of developing future projects.

Before the Company acquires land, it conducts extensive checks on both the owner and the land itself, with a particular focus on the veracity of the title covering the land and whether it can be traced back to the original judicial decree granting title over the land. As and when needed, the Company also engages third parties, such as surveyors and engineers, to verify that the land it seeks to acquire is covered by the technical description of the title. The Company also conducts its own valuation of the property based on, among other factors, other similar properties in the market and an assessment of the potential income derivable from any development suitable for the property. The Company also conducts engineering and environmental

assessments in order to determine if the land is suitable for construction. The land must be topographically amenable to housing development.

After the second stage is passed, the Company then determines the fair price and terms for the acquisition and then negotiates with the land owner for the purchase.

Site Development and Construction

Once the land for a project site has been acquired by the Company, site development and construction work for the Company's projects is contracted out to qualified and accredited independent contractors. The Company's accreditation procedure takes into consideration each contractor's experience, financial capability, resources and track record of adhering to quality, cost and time of completion commitments. The Company relies on independent contractors to provide various services, including land clearing, infrastructure development and various construction projects. In particular, the Company primarily contracts with AGS Contek and Development, Inc., Ronen Construction, Creoterra, Inc., NN and N Realty and Panico Construction and Development Corporation to complete its horizontal projects; and Megawide Construction Corporation and Scheirman Construction Consolidated, Inc. to complete its vertical projects. Typically, these contractors are paid approximately 20% to 25% initially as down payments, with 65% to 70% paid on a turnkey basis and the remaining 10% paid after three months, retained as coverage for any faults.

The Company builds its horizontal subdivision units in five steps: (1) casting, (2) foundation preparation, (3) assembly, (4) roofing and retouching, and (5) finishing and detailing:

- (1) Construction begins with the casting process, which comprises setting molds and pre-casting the walls and ceiling slabs near the actual project site. The Company's pre-casting process utilizes the proprietary concrete mix developed by the Company internally, which produces concrete slabs that are approximately four times stronger than typical concrete slabs used in the Philippines and dry in approximately 22 hours (compared to 21 days for standard casting).
- (2) Simultaneously, the foundation at the site is prepared and laid, comprising laying down reinforcing bars and allocations for wiring and pipes, setting hooks for the assembly stage and pouring the concrete mixture. This phase is completed in one day.
- (3) At the assembly stage, cranes are used to lift the pre-cast components and erect the components in the foundation that is prepared while casting is still in progress. The ends of the components are welded together. This process also takes one day.
- (4) Roofing and retouching involves the addition of steel beams to support the roof, installation of the roof, and the retouching of rough edges in the concrete structure. This stage takes two to three days to complete.
- (5) Lastly, finishing and detailing takes four to five days to complete and involves smoothing out the walls, floors and ceilings of the unit, applying paint, and installing doors, windows, and electrical and plumbing fixtures.

The Company currently has capacity to develop up to 15,000 units annually. The Company can further expand its capacity by increasing the number of its pre-fabrication molds, without requiring significant additional investments in time or resources.

Having developed the processes used in the construction of its projects, the Company trains its contractors on these topics. The Company also sends its engineers to oversee critical functions in project construction to ensure the quality of work of its contractors.

Land Bank

As an integral part of its strategy, the Company believes that if maintains a land bank of sufficient size and nature to ensure that it has adequate land to cover its development requirements. The Company has investment in properties situated in what the Company believes are prime locations across the Philippines for existing and future low-cost Mass Housing and land development projects for the next four (4) to five (5) years, most of which is located in areas with close proximity to major roads and primary infrastructure, and aims to expand its land bank to cover development in the next seven (7) to eight (8) years. As of December 31, 2024, the Company had a land bank of approximately 976.05 hectares of raw land for the development of its various projects, with some properties subject to liens or encumbrances.

Details of the Company's raw land inventory as of December 31, 2024 are set out in the table below:

Region	Location	Total Area
Luzon	San Mateo, Rizal	31.20
Luzon	Batasan, Quezon City	17.04
Luzon	Old Balara, Quezon City	17.58
Luzon	Alabang Zapote, Las Pinas City	4.91
Luzon	Filinvest, Alabang	0.12
Luzon	Otis, Mendiola	2.80
Luzon	Otis, Mendiola	1.42
Luzon	Yakal Makati	0.14
Luzon	Taft, Manila	0.08
Luzon	Monticello, Baguio	4.27
Luzon	Teachers Camp, Baguio	0.19
Luzon	Juan Luna, Manila	0.25
Luzon	Tondo, Manila	1.30
Luzon	General Trias, cavite (bellavista vacant lots)	1.10
Luzon	Pampanga, Angeles (DCRR wakeboard)	8.82
Luzon	Cutud, Angeles, Pampanga	12.85
Luzon	Mabalacat, Pampanga	29.00
Luzon	Imus, Cavite	5.00
Luzon	Balagtas, Batangas City	7.69
Luzon	Mexico, Pampanga	29.87
Luzon	Meycauayan, Bulacan	4.76
Luzon	Ortigas Ext, Pasig	9.91
Luzon	Cuanas, Angeles	0.53
Luzon	Adriatico, Manila	0.03
Luzon	Teachers Camp, Baguio (Azalea)	0.41
Luzon	Tibag, Tarlac City	7.70
Luzon	Pinagkawitan, Lipa City	20.88
Luzon	Site A, Sta. Arcadia, Cabanatuan City	10.13

Luzon	Site B, Sta. Arcadia, Cabanatuan City	9.99
Luzon	Site C, Sta. Arcadia, Cabanatuan City	32.80
Luzon	Sto. Cristo, Gapan City, Nueva Ecija	4.32
Total Luzon		277.09
Visayas	Monterazzas, Cebu	167.55
Visayas	Ormoc, Leyte	9.20
Visayas	Tacloban, Leyte	10.99
Visayas	Guadalupe, Cebu	3.20
Visayas	Guadalupe, Cebu	2.21
Visayas	Guadalupe, Cebu	5.16
Visayas	Guadalupe, Cebu	0.25
Visayas	Cebu Business Park, Cebu	0.31
Visayas	Vistamar, Cebu	0.18
Visayas	Mactan, Cebu	44.27
Visayas	Talamban, Cebu	2.90
Visayas	Banilad, Mandaue (Floremar Road and Lot)	0.12
Visayas	San Miguel, Iloilo	65.67
Visayas	San Miguel, Iloilo	0.72
Visayas	San Miguel, Iloilo	0.68
Visayas	Granada, Bacolod	63.08
Visayas	Granada, Bacolod	28.79
Visayas	Siquijor	8.00
Visayas	Pavia, Iloilo	3.26
Visayas	Sta. Barbara, Iloilo	46.14
Visayas	Leganes, Iloilo	22.08
Total Visayas		484.74
Mindanao	Mulig, Davao	15.30
Mindanao	Quirino, Davao	0.71
Mindanao	Tigatto, Davao	24.83
Mindanao	Butuan City	14.50
Mindanao	Talomo, Davao	23.81
Mindanao	Indangan, Davao	4.10
Mindanao	DHRR Ph2	2.50
Mindanao	Apopong, General Santos City	49.86
Mindanao	Lagao, General Santos City	20.52
Mindanao	Amao, General Santos City	14.11
Mindanao	Tagum	13.21
Mindanao	Panabo	14.06

Mindanao	Digos City	16.71
Total Mindanao		214.22

The Company intends to continue to look for land in various parts of the Philippines for future development.

Property and Equipment

The following table summarizes the various real estate properties owned by the Company not intended for use as the site of future projects as of December 31, 2024:

Subsidiary and Property Description	Location	Present Use	Mortgages
8990 Housing Development Corp.			
8990 Corporate Center	Negros St., Cebu Business Park, Cebu City	The three-storey building sits on a property owned by L and D Realty Corp, and affiliate of the Company. It is used as the headquarters of 8990 Housing. A portion of the ground floor and some areas of the 3 rd floor are leased out.	None
8990 Corporate Center	E. Quirino Ave., Davao City	The four-storey building serves as the Company's Davao branch. Some portions of the ground floor, the 3 rd floor and the 4 th floor are leased out.	None
3-hectare resort with the following amenities: clubhouse, swimming pool, basketball courts, mini soccer field and fishing lake.	Tacuman, Davao City	Serves as additional amenities for the subdivision residents.	None
7-hectare Wakeboard Park	Mintal, Davao	Wakeboard park with other amenities presently leased to Session Park	None
8990 Luzon			
12-hectare Wakeboard Park	Margot, Pampanga	Wakeboard park with other amenities presently leased to Session Park	None
8990 Holdings, Inc. Adriatico Office	Malate, Manila	The two-storey building serves as the Company's Manila office. It is currently	None

			servicing buyers of UDHManila and eventually upcoming NCR projects.		

The following table summarizes the various real estate properties leased by the Company:

	Name of Lessor	Monthly Rental (P)	Term	Company
1	LFM Properties Corporation	80,550.40	8/1/2012-7/31/2013	HDC
		84,577.92	8/1/2013-7/31/2015	
		88,807.04	8/1/2015-7/31/2016	
		93,246.72	8/1/2016-7/31/2017	
		97,909.28	8/1/2017-7/31/2018	
		103,783.68	8/1/2018-7/31/2019	
		110,010.88	8/1/2019-7/31/2020	
		116,611.04	8/1/2020-7/31/2021	
		70,029.48	4/21/2019-4/20/2020	8990Holdings
		59,400.00	3/20/2020-2/19/2021	
		104,117.00	8/1/2021-7/31/2022	
		110,364.00	8/1/2022-7/31/2023	
		116,986.00	8/1/2023-7/31/2024	
		116,986.00	8/1/2024-7/31/2025	
		120,496.00	8/1/2025-7/31/2026	
		124,111.00	8/1/2026-7/31/2027	

2	SM Arena Complex Corporation	840,000.00	6/22/2013-6/22/2014	HDC
		840,000.00	6/22/2015-6/22/2016	
		840,000.00	6/22/2016-6/22/2017	
		840,000.00	6/22/2017-6/22/2018	
		840,000.00	6/22/2018-6/22/2019	
		791,666.67	6/22/2019-6/22/2020	Genvi
		791,666.67	6/27/2022 – 6/26/2023	
		875,000.00	12/27/2023-06/26/2024	
		958,333.33	06/27/2024-06/26/2025	
3	Philippine General Merchandise Corporation (2nd Floor)	12,678.75	4/1/2005-3/31/2007	HDC/FHI
		14,212.27	4/1/2007-3/31/2008	
		51,075.92	4/1/2008-3/31/2009	
		56,183.50	4/1/2009-9/30/2009	
		118,309.68	6/1/2009-11/30/2009	
		124,225.17	6/1/2010-5/30/2011	
		136,253.04	9/1/2010-8/31/2011	
		149,878.34	9/1/2011-8/31/2012	
		164,866.18	9/1/2013-8/31/2015	
		180,320.00	9/1/2015-8/31/2017	
		177,100.00	9/1/2017-8/31/2019	
		202,500.00	9/1/2019-8/31/2021	

		193,453.00	6/1/2022-5/31/2024	
		203,106.75 (net of VAT)	6/1/2024-5/31/2025	
4	Philippine General Merchandise Corporation (3rd Floor)	49,580.44	7/1/2015-7/1/2016	HDC/FHI
		159,600.00	7/1/2016-6/30/2018	
		173,040.00	7/1/2018-6/30/2020	
		173,040.00	7/1/2020-6/30/2022	
		168,900.00	6/1/2022-5/31/2024	
		177,345.00	6/1/2024-5/31/2025	
5	Philippine General Merchandise Corporation (5th Floor)	176,960.00	2/1/2018-3/31/2020	HDC
		176,960.00	2/1/2020-3/31/2022	
		172,400.00	6/1/2022-5/31/2024	
		181,020.00	6/1/2024-5/31/2025	
6	Philippine General Merchandise Corporation (Mezzanine)	77,040.00	6/1/2021-6/1/2022	HDC
		79,200.00	6/1/2022-6/1/2023	
7	Iloilo New Life Commercial Inc. (Mezzanine)	67,200.00	7/15/2017-01/14/2019	HDC
		67,200.00	1/15/2019-1/14/2020	
		67,200.00	1/15/2020-1/14/2021	
		60,000.00	1/15/2021-1/15/2022	
		60,000.00	1/16/2022-1/15/2023	
		60,000.00	1/16/2023-1/15/2023	
		66,000.00	1/16/2023-1/15/2024	
		66,000.00	1/16/2024-1/31/2025	

8	Iloilo New Life Commercial Inc. (Door 2)	23,520.00	8/1/2017-7/31/2018	HDC
		23,520.00	8/1/2018-7/31/2019	
		23,520.00	8/1/2019-7/31/2020	
		23,520.00	8/1/2020-7/31/2021	
		21,000.00	8/1/2021-7/31/2022	
		21,000.00	8/1/2022-7/31/2023	
		21,000.00	8/1/2023-7/31/2024	
		23,100.00	8/1/2024-7/31/2025	
11	Iloilo New Life Commercial Inc. (Door 3)	23,520.00	7/1/2017-6/30/2018	HDC
		23,520.00	7/1/2018-6/30/2019	
		23,520.00	7/1/2019-6/30/2020	
		23,520.00	7/1/2020-6/30/2021	
		21,000.00	7/1/2021-6/30/2022	
		21,000.00	7/1/2022-6/30/2023	
		21,000.00	7/1/2023-6/30/2024	
		23,100.00	7/1/2024-6/30/2025	
12	Priscilla Mae Animas	28,880.00	4/1/2019-3/31/2021	HDC
		30,208.00	4/1/2021-3/31/2023	
		29,040.00	4/7/2023-4/7/2025	
13	Otropunto Corp. (Ground Floor)	61,068.00	1/16/2016-1/15/2018	HDC
		67,175.02	1/16/2018-7/15/2018	
		67,175.02	7/16/2018-7/15/2019	

		67,175.02	7/16/2019-7/16/2020	
		67,175.02	7/16/2020-7/16/2021	
		64,176.12	7/16/2021-7/16/2022	
		66,338.75	7/16/2022-7/16/2023	
		66,338.75 (net of VAT)	7/16/2024-7/16/2025	
14	Otropunto Corp. (2nd Floor)	15,736.49	7/14/2021-7/16/2022	HDC
		17,453.19	7/16/2022-7/16/2023	
		26,443.00 (net of VAT)	7/16/2024-7/16/2025	
	Otropunto Corp. (3rd Floor)	17,976.00 16,311.40 (net of VAT)	7/16/2022-7/16/2023 7/16/2024-7/16/2025	HDC
15	Calsado Enterprises	32,423.16	6/5/2016-6/4/2017	HDC
		32,423.16	6/5/2017-6/4/2018	
		33,896.95	6/5/2018-6/4/2019	
		17,997.40	8/5/2019-8/4/2020	
		17,997.40	8/5/2020-8/4/2021	
		18,471.16	8/5/2021-8/4/2022	
		31,107.28	6/5/2016-6/4/2017	FHI
		31,107.28	6/5/2017-6/4/2018	
		32,515.28	6/5/2018-6/4/2019	
		17,997.40	8/5/2019-8/4/2020	
		17,997.40	8/5/2020-8/4/2021	

		18,471.16	8/5/2021-8/4/2022	
		18,372.10	8/5/2022-8/4/2023	
		18,923.88	8/5/2023-8/4/2024	
		19,491.60	8/5/2024-8/4/2025	
		38,592.26	6/5/2019-6/4/2020	LRC
		38,592.26	6/5/2020-6/4/2021	
		40,364.15	6/5/2021-6/4/2022	
		40,223.33	6/5/2022-6/4/2023	
		40,223.33	6/5/2023-6/4/2024	
		40,223.33	6/5/2024-6/4/2025	
		42,234.50	6/5/2025-6/4/2026	
16	Rosalinda M. Amit	13,000.00	11/11/2021-11/11/2022	HDC
17	Greencove Enterprise, Inc (Ground Floor)	104,500.00	3/20/2021-3/20/2026	HDC
18	Greencove Enterprise, Inc (Third Floor)	84,000.00	4/19/2021-3/20/2026	HDC
19	Sps. Joseph C. Cañete & Maria Floren S. Cañete	50,000.00	6/15/2023-6/15/2024	8990 Monterrazas Corp.
		52,500.00	06/16/202-06/15/2025	
20	Manila Peninsula Hotel, Inc.	296,360.00	9/01/2023-9/31/2024	8990 Monterrazas Corp.
		271,040.00	10/01/2024-008/31/2026	
21	General Santos EMS Commercial Complex Door 5 and 6	33,072.00	4/07/2023-4/07/2025	HDC
22	Butuan City Blk 2 L40 North Town Subdivision, Libertad	13,000.00	5/01/2023-11/01/2023	HDC
		13,000.00	11/01/2023-5/01/2024	

		13,000.00	5/01/2024-11/01/2024	
23	125 COR Caroli Inc	25,000.00 (net of VAT)	03/01/2024-02/28//2025	HDC
24	Allan Gan Chua	150,000.00 159,000.00 168,540.00	08/30/2022-08/30/2023 08/30/2023-08/30/2024 08/30/2024-08/30/2025	HDC
25	Dominic John Pepito	10,526.32	03/01/2022-03/01/2025	HDC
26	Margarita Calo	13,684.21	02/01/2024-12/31/2025	HDC
27	Rodrigo N. Guiang	11,578.95	07/12/2024-07/11/2025	HDC
28	Verdida Surveying & Const	31,578.95	09/01/2023-08/31/2027	HDC

8990 Holdings

8990 as a lessee

8990 entered into a non-cancellable operating lease contract covering its principal office in Liberty Center Building in Makati City in 2012. The contract has a term of two (2) years, and was renewed in 2014. In 2014, 8990 also entered into a non-cancellable operating lease as a lessee covering a corporate suite located at the

SM Mall of Asia Arena for a term of one (1) year and will expire on June 22,2015. The SM Mall of Asia lease has been renewed yearly and active, to date.

Fog Horn

Fog Horn as a lessee

Fog Horn recognized rent expense pertaining to rental of its office. The lease agreements are renewable annually upon mutual agreement of the parties. There is no future minimum rental payable under non-cancellable operating leases in 2012 to 2024.

8990 Housing

8990 Housing as lessee

Rent expense pertains to rental of 8990 Housing's office spaces and billboard. The lease agreements are renewable annually upon mutual agreement of the parties. 8990 Housing has no future minimum rentals payable under non-cancellable operating leases in 2012 to 2024.

8990 Housing as a lessor

A portion of the building owned by 8990 Housing is currently leased to a third party, which is covered by an operating lease contract for a period of ten (10) years starting 2007. This lease has been renewed yearly and active, to date.

8990 Luzon

8990 Luzon as a lessee

8990 Luzon recognized rent expense pertaining to rentals for office space, staff house, and generator set.

8990 Luzon as a lessor

8990 Luzon leased its investment properties for a period of five (5) years, with provision for automatic annual renewal unless formally terminated by either party, in 2012. The contract provided that first six (6) monthly leased fees for the first year shall be waived. As an exchange, 8990 Luzon shall be entitled to receive ten percent (10%) of monthly gross sales of riding passes in excess of Php2 million.

Item 3. Legal Proceedings

Neither the Company nor any of its Subsidiaries are involved in, or the subject of, any legal proceedings which, if determined adversely to the Company or the relevant Subsidiary's interests would have a material effect on the business or financial position of the Company or any of its Subsidiaries.

Item 4. Submission of Matters to a Vote of Security Holders

There was no matter submitted to a vote of security holders during the period covered by this report, except for the matters taken up during the Annual Meeting of Stockholders.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Registrant's Common Equity and Related Stockholder Matters

Market Information

The Company has outstanding 5,261,181,820 common shares. All common shares are listed and traded principally on the Philippine Stock Exchange, Inc. ("PSE") as of December 31, 2024 The closing price as of December 31, 2024 is Php9.09 per share.

The following are the quarterly high and low prices, as well as the closing price of the company's shares traded at the Philippines Stock Exchange, Inc. for the last five (5) years:

	2024			2023			2022			2021			2020		
	High	Low	Close	High	Low	Close	High	Low	Close	High	Low	Close	High	Low	Close
1st	9.65	8.69	9.27	9.8	9	9.01	14	10.32	13.86	7	7	7.07	14.86	11.96	11.96
2nd	10.58	8.71	9.70	9.75	8.7	9.24	13.88	10	10.18	7.11	7.11	7.32	12	9.61	9.71
3rd	9.75	8.85	9.01	10.1	8.29	9.25	10.9	9.1	10.58	7.02	7.02	9.21	9.86	6.72	6.72
4th	9.39	8.00	9.09	9.61	8.16	9.23	10.86	9.21	9.86	9.2	9.2	11.28	8.3	8.02	8.02

The market capitalization of the Company as of December 31, 2024 was approximately Php49,824,142,743.80 based on the closing price of Php9.09 per share.

Holders

The following table sets forth the stockholders of record of the Company as of December 31, 2024:

Shareholder	Number of Shares	Subscribed and	% Ownership
	Subscribed	Paid-up (in Php)	
IHOLDINGS, INC.	2,524,367,002	2,524,367,002	45.75%
PCD NOMINEE CORPORATION (FILIPINO)	1,295,789,7.80	1,295,789,7.80	23.48%
KWANTLEN DEVELOPMENT CORPORATION	926,325,018	926,325,018	16.79%
ASIASEC EQUITIES INC	327,000,000	327,000,000	5.93%
LUIS N. YU, JR.	258,099,322	258,099,322	4.68%
MARIANO D. MARTINEZ JR.	168,916,767	168,916,767	3.06%
PCD NOMINEE CORPORATION (NON-FILIPINO)	6,871,505	6,871,505	0.12%
HILDA L. UY	5,000,000	5,000,000	0.09%
MARIA LINDA BENARES MARTINEZ	2,000,000	2,000,000	0.04%
DANIELLA MARIE ISABELLE DE LUNA UY	1,000,000	1,000,000	0.02%
GIANNA MARIE CLAIRE DE LUNA UY	1,000,000	1,000,000	0.02%
JUIANNA MARIE ANGELINE DE LUNA UY	1,000,000	1,000,000	0.02%
ANTHOLIN TAN MUNTUERTO	300,000	300,000	0.01%
MARK WERNER JUECO ROSAL	200,000	200,000	0.00%
NICOLAS CATALYA DIVINAGRACIA	100,000	100,000	0.00%
MA. CHRISTMAS RENIVA NOLASCO	11,500	11,500	0.00%
IAN NORMAN E. DATO	5,001	5,001π	0.00%
HECTOR ABLANG SANVICTORES	2,000	2,000	0.00%
STEPHEN G. SOLIVEN	1,500	1,500	0.00%
JESUS SAN LUIS VALENCIA	300	300	0.00%

LUIS MICHAEL YU JR III	200	200	0.00%
ALEXANDER ACE SOTTO	100	100	0.00%
HAN JUN SIEW	100	100	0.00%
MARGARITA MARTHA MARTINEZ	100	100	0.00%
MARIA PAZ DIOKNO	100	100	0.00%
SHAREHOLDERS ASSOCIATION OF THE PHILIPPINES INC	100	100	0.00%
MANUEL CASTILLO CRISOSTOMO	100	100	0.00%
WEI BENG CHAN	100	100	0.00%
RAUL FORTUNATO REAMICO ROCHA	100	100	0.00%
OWEN NATHANIEL SY AU ITF LI MARCUS AU	80	80	0.00%
JOSELITO TANWANGCO BAUTISTA	8	8	0.00%
DOMINIC JOHN PICONE	1	1	0.00%
MANUEL S. DELFIN JR.	1	1	0.00%
VITTORIO PAULO LIM	1	1	0.00%
ANTHONY VINCENT SOTTO	1	1	0.00%
WILLIE UY	1	1	0.00%
LOWELL L. YU	1	1	0.00%
ARLENE KEH	1	1	0.00%
RICHARD L. HAOSAN	1	1	0.00%
RAUL FORTUNATO R. ROCHA	1	1	0.00%

Dividends and Dividend Policy

Under Philippine law, dividends may be declared out of a corporation's Unrestricted Retained Earnings which shall be payable in cash, in property, or in stock to all stockholders on the basis of outstanding stock held by them. The amount of retained earnings available for declaration as dividends may be determined pursuant to regulations issued by the Philippine SEC. The approval of the Board of Directors is generally sufficient to approve the distribution of dividends, except in the case of stock dividends which requires the approval of stockholders representing not less than two-thirds of the outstanding capital stock at a regular or special meeting duly called for the purpose. From time to time, the Company may reallocate capital among its Subsidiaries depending on its business requirements.

The Philippine Corporation Code prohibits stock corporations from retaining surplus profits in excess of 100% of their paid-in capital stock, except when justified by definite corporate expansion projects or programs approved by the Board of Directors, or when the corporation is prohibited under any loan agreement with any financial institution or creditor from declaring dividend without its consent, and such consent has not yet been secured, or when it can be clearly shown that such retention is necessary under special circumstances obtaining in the corporation.

Limitations and Requirements

Under Philippine law, a corporation can only declare dividends to the extent that it has Unrestricted Retained Earnings that represent the undistributed earnings of the corporation which have not been allocated for any managerial, contractual or legal purpose and which are free for distribution to the shareholders as dividends. A corporation may pay dividends in cash, by the distribution of property or by the issuance of shares. Stock dividends may only be declared and paid with the approval of shareholders representing at least two-thirds of the outstanding capital stock of the corporation voting at a shareholders' meeting duly called for the purpose.

The Philippine Corporation Code generally requires a Philippine corporation with retained earnings in excess of 100% of its paid-in capital to declare and distribute as dividends the amount of such surplus. Notwithstanding this general requirement, a Philippine corporation may retain all or any portion of such surplus in the following cases: [1] when justified by definite expansion plans approved by the board of directors of the corporation; [2] when the required consent of any financing institution or creditor to such

distribution has not been secured; [3] when retention is necessary under special circumstances, such as when there is a need for special reserves for probably contingencies; or [4] when the non-distribution of dividends is consistent with the policy or requirement of a Government office.

Record Date

Pursuant to existing Philippine SEC rules, cash dividends declared by the Company must have a record date not less than ten (10) nor more than thirty (30) days from the date of declaration. For stock dividends, the record date should not be less than ten (10) nor more than thirty (30) days from the date of the shareholders' approval, provided however, that the set record date is not to be less than ten (10) trading days from receipt by the PSE of the notice of declaration of stock dividend. In the event that a stock dividend is declared in connection with an increase in authorized capital stock, the corresponding record date is to be fixed by the Philippine SEC.

Dividend Policy

The Company intends to maintain a consistent dividend payout policy based on its consolidated net income for the preceding fiscal year, subject to the requirements of the applicable laws and regulations and the absence of circumstances which may restrict the payment of such dividends. In line with this, during the last Annual Stockholders' Meeting of 8990 Holdings, Inc. held on July 29, 2013, the stockholders of 8990 Holdings, Inc. approved the adoption of a dividend policy whereby, subject to available cash and after any capital expenditure requirements, 50% of the Unrestricted Retained Earnings of 8990 Holdings, Inc. for the preceding fiscal year will be declared as dividends.

The Subsidiaries have not adopted any formal dividend policies. Dividend policies for the Subsidiaries shall be determined by their respective Boards of Directors.

Recent Issuance of Shares Constituting Exempt Transaction

Not applicable.

Description of the Shares

Security Ownership of Certain Record and Beneficial Owners of more than 5% of the Company's voting securities as of December 31, 2024.

Name and Address of Record Owners	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Common Shares Held	Total No. of Shares Held	% of Total Outstanding Shares
IHoldings, Inc. Unit 605, Ayala FGU Center, Cebu Business Park, Cebu City	The record owner is the beneficial owner of the shares indicated	Filipino	2,524,367,002	2,524,367,002	45.75%
Kwantlen Development Corporation Unit 605, Ayala FGU Center, Cebu Business Park, Cebu City	The record owner is the beneficial owner of the shares indicated	Filipino	926,325,018	926,325,018	16.79%

Pursuant to its articles of incorporation as amended on October 1, 2013, the Company has an authorized amount of capital stock of PhP7,000,000,000 divided into 7,000,000,000 Common Shares with a par value of PhP1.00 per share, of which 5,261,181,820 Common Shares are issued and outstanding as of the date of this report.

Objects and Purposes

The Company has been organized primarily to purchase, subscribe for, or otherwise acquire and own, hold, use, invest in, develop, sell, assign, transfer, lease, take options to, mortgage, pledge, exchange, and in all

ways deal with, personal and real property of every kind and description, including shares of the capital stock of corporations, bonds, notes, evidence of indebtedness, and other securities, contracts or obligations of any corporation, domestic or foreign, without however, engaging in dealership in securities, in stock brokerage business or in the business of an investment company.

The Company's purposes also include the following:

1. To acquire by purchase, exchange, lease, bequest, devise or otherwise; to hold, own, use, maintain, manage, improve, develop and operate; and to sell, transfer, convey, lease, mortgage, pledge, exchange or otherwise dispose of real and personal properties, including vehicles and equipment necessary for the primary business, and any and all rights, interests or privileges therein necessary or incidental to the conduct of corporate business.
2. To borrow or raise money for the conduct of the business of the Corporation, and to draw, make, accept, endorse, execute, and issue promissory notes, drafts, bills of exchange, warrants, bonds, debentures and other negotiable and non-negotiable instruments and evidences of indebtedness and to secure the payment thereof and of any interest thereon by mortgage upon, or pledge of, or grant of a security interest in, or conveyance or assignment in trust for, or lien upon the whole or any part of the property of the Corporation, whether at the time owned or thereafter acquired, and to sell, pledge or otherwise dispose of such bonds, debentures or other obligations of the Corporation for corporate purposes.
3. To invest and re-invest the money and property of the Corporation in such manner considered wise or expedient for the advancement of its interests.
4. To acquire the goodwill, rights, assets and property, and to undertake or assume the whole or any part of the obligations or liabilities, of any person, partnership, association or corporation, and to pay therefor in cash, stocks or bonds of the corporation or otherwise.
5. To aid in any lawful manner, by loan, subsidy, guaranty or otherwise, any corporation whose stocks, bonds, notes, debentures or other securities or obligations are held or controlled directly or indirectly, by the Corporation, and to do any and all lawful acts or things necessary or desirable to protect, preserve, or enhance the value of such stocks, bonds, securities or other obligations or evidences of indebtedness, and to guarantee the performance of any contract or undertaking of any person, partnership, association or corporation in which the corporation is or become interested.
6. To enter into any lawful arrangement for the sharing of profits, union of interest, reciprocal concession or cooperation with any person, partnership, association, corporation, or government or authority, domestic or foreign, in the carrying on of any business or transaction deemed necessary, convenient or incidental to carrying out any of the purposes of the Corporation.
7. To acquire or obtain from any government authority, national, provincial municipal or otherwise, or any person, partnership, association or corporation, such charters, contracts, franchise, privileges, exemptions, licenses and concessions required for the conduct of any of the purposes of the Corporation.
8. To establish and operate one or more branch offices or agencies and to carry on any or all of its operations and business, including the right to hold, purchase or otherwise acquire, lease, mortgage, pledge and convey or otherwise deal in and with real and personal property anywhere in the Philippines.
9. To conduct and transact any and all lawful activities, and to do or cause to be done any one or more of the acts and things herein set forth as its purposes, within or without the Philippines, and to do everything necessary, desirable or incidental to the accomplishment of the purposes or the exercise

of any one or more of the powers herein enumerated, or which shall at any time appear conducive to or expedient for the protection or benefit of the Corporation.

Under Philippine law, a corporation may invest its funds in any other corporation or business or for any purpose other than the purpose for which it was organized when approved by a majority of the board of directors and ratified by the stockholders representing at least two-thirds of the outstanding capital stock, at a stockholders' meeting duly called for the purpose; provided, however, that where the investment by the corporation is reasonably necessary to accomplish its purposes, the approval of the stockholders shall not be necessary. Per the By-laws of the Company, its stock, property and affairs shall be exclusively managed and controlled by the board of directors.

Share Capital

A Philippine corporation may issue common or preferred shares, or such other classes of shares with such rights, privileges or restrictions as may be provided for in the articles of incorporation and by-laws of the corporation. Subject to the approval by the Philippine SEC, it may increase or decrease its authorized capital stock by amending its articles of incorporation, provided that the change is approved by a majority of the board of directors and by shareholders representing at least two-thirds of the outstanding capital stock of the corporation voting at a shareholders' meeting duly called for the purpose.

Under Philippine law, the shares of a corporation may either be with or without a par value. All of the Common Shares currently issued have a par value of PhP1.00 per share. In the case of par value shares, where a corporation issues shares at a price above par, whether for cash or otherwise, the amount by which the subscription price exceeds the par value is credited to an account designated as additional paid-in capital or paid-in surplus.

Subject to approval by the Philippine SEC, a corporation may increase or decrease its authorized capital shares, provided that the change is approved by a majority of the board of directors of such corporation and shareholders representing at least two-thirds of the issued and outstanding capital shares of the corporation voting at a shareholders' meeting duly called for the purpose.

A corporation is empowered to acquire its own shares for a legitimate corporate purpose, provided that the corporation has Unrestricted Retained Earnings or surplus profits sufficient to pay for the shares to be acquired. Examples of instances in which the corporation is empowered to purchase its own shares are: when the elimination of fractional shares arising out of share dividends is necessary or desirable, the purchase of shares of dissenting shareholders exercising their appraisal right (as discussed below) and the collection or compromise of an indebtedness arising out of an unpaid subscription. When a corporation repurchases its own shares, the shares become treasury shares, which may be resold at a price fixed by the board of directors of such corporation.

The Board is authorized to issue shares from treasury from time to time. Treasury shares may be issued to any person, corporation or association, whether or not a shareholder of the Company, including its officers or employees for such consideration in money as the Board may determine.

Voting Rights

The Company's Shares have full voting rights. However, the Philippine Corporation Code provides that voting rights cannot be exercised with respect to shares declared by the board of directors as delinquent; treasury shares, or if the shareholder has elected to exercise his right of appraisal referred to below.

Dividend Rights

Under the Company's By-laws, dividends may be paid out the Unrestricted Retained Earnings of the Company as and when the Board of Directors may elect, subject to legal requirements. Dividends are payable to all

shareholders on the basis of outstanding shares of the Company held by them, each share being entitled to the same unit of dividend as any other share. Dividends are payable to shareholders whose name are recorded in the stock and transfer book as of the record date fixed by the Board of Directors. The PSE has an established mechanism for distribution of dividends to beneficial owners of shares which are traded through the PSE which are lodged with the PCD Nominee as required for scripless trading.

Pre-Emptive Rights

The Philippine Corporation Code confers pre-emptive rights on the existing shareholders of a Philippine corporation which entitle such shareholders to subscribe to all issues or other dispositions of shares of any class by the corporation in proportion to their respective shareholdings, regardless of whether the shares proposed to be issued or otherwise disposed of are identical to the shares held. A Philippine corporation may, however, provide for the denial of these pre-emptive rights in its articles of incorporation. Likewise, shareholders who are entitled to such pre-emptive rights may waive the same through a written instrument to that effect.

The articles of incorporation of the Company deny the pre-emptive rights of its shareholders to subscribe to any or all dispositions of any class of shares.

Derivative Rights

Philippine law recognizes the right of a shareholder to institute proceedings on behalf of the corporation in a derivative action in circumstances where the corporation itself is unable or unwilling to institute the necessary proceedings to redress wrongs committed against the corporation or to vindicate corporate rights as, for example, where the directors of the corporation themselves are the malefactors.

Appraisal Rights

The Philippine Corporation Code grants a shareholder a right of appraisal and demand payment of the fair value of his shares in certain circumstances where he has dissented and voted against a proposed corporate action, including:

- an amendment of the articles of incorporation which has the effect of adversely affecting the rights attached to his shares or of authorizing preferences in any respect superior to those of outstanding shares of any class;
- the extension of the term of corporate existence;
- the sale, lease, exchange, transfer, mortgage, pledge or other disposal of all or substantially all the assets of the corporation;
- a merger or consolidation; and
- investment by the corporation of funds in any other corporation or business or for any purpose other than the primary purpose for which it was organized.

In any of these circumstances, the dissenting shareholder may require the corporation to purchase its shares at a fair value, which, in default of agreement, is determined by three disinterested persons, one of whom shall be named by the shareholder, one by the corporation, and the third by the two thus chosen. Regional Trial Courts will, in the event of a dispute, determine any question about whether a dissenting shareholder is entitled to this right of appraisal. From the time the shareholder makes a demand for payment until the corporation purchases such shares, all rights accruing on the shares, including voting and dividend rights, shall be suspended, except the right of the shareholder to receive the fair value of such shares. No payment

shall be made to any dissenting shareholder unless the corporation has Unrestricted Retained Earnings sufficient to support the purchase of the shares of the dissenting shareholders.

Right of Inspection

A shareholder has the right to inspect the records of all business transactions of the corporation and the minutes of any meeting of the board of directors and shareholders at reasonable hours on business days and may demand a copy of excerpts from such records or minutes at his or her expense. However, the corporation may refuse such inspection if the shareholder demanding to examine or copy the corporation's records has improperly used any information secured through any prior examination, or was not acting in good faith or for a legitimate purpose in making his demand.

Right to Financial Statements

A shareholder has a right to be furnished with the most recent financial statement of a Philippine corporation, which shall include a balance sheet as of the end of the last taxable year and a profit or loss statement for said taxable year, showing in reasonable detail its assets and liabilities and the results of its operations. At the meeting of shareholders, the board of directors is required to present to the shareholders a financial report of the operations of the corporation for the preceding year, which shall include financial statements duly signed and certificate by an independent certified public accountant.

Board of Directors

Unless otherwise provided by law or in the articles of incorporation, the corporate powers of the Company are exercised, its business conducted, and its property controlled by the Board. Pursuant to its articles of incorporation, as amended, the Company shall have thirteen (13) Directors, two (2) of whom are independent Directors within the meaning set forth in Section 38 of the SRC. The Board shall be elected during each regular meeting of shareholders, at which shareholders representing at least a majority of the issued and outstanding capital shares of the Company are present, either in person or by proxy.

Under Philippine law, representation of foreign ownership on the Board is limited to the proportion of the foreign shareholding. Directors may only act collectively; individual directors have no power as such. Four directors, which is a majority of the Board, constitute a quorum for the transaction of corporate business. Except for certain corporate actions such as the election of officers, which shall require the vote of a majority of all the members of the Board, every decision of a majority of the quorum duly assembled as a board is valid as a corporate act.

Any vacancy created by the death, resignation or removal of a director prior to expiration of such director's term shall be filled by a vote of at least a majority of the remaining members of the Board, if still constituting a quorum. Otherwise, the vacancy must be filled by the shareholders at a meeting duly called for the purpose. Any director elected in this manner by the Board shall serve only for the unexpired term of the director whom such director replaces and until his successor is duly elected and qualified.

Shareholders' Meetings

Annual or Regular Shareholders' Meetings

The Philippine Corporation Code requires all Philippine corporations to hold an annual meeting of shareholders for corporate purposes including the election of directors. The By-laws of the Company provide for annual meetings on the last Monday of July of each year to be held at the principal office of the Company and at such hour as specified in the notice.

Special Shareholders' Meeting

Special meetings of shareholders, for any purpose or purposes, may at any time be called by either the president or a majority of the Board of Directors, whenever he or they shall deem it necessary.

Notice of Shareholders' Meeting

Whenever shareholders are required or permitted to take any action at a meeting, a written notice of the meeting shall be given which shall state the place, date and time of the meeting, and the purpose or purposes for which the meeting is called. The Company's By-laws provide that notices of the time and place of the annual and special meetings of the shareholders shall be given either by mailing the same enclosed in a postage-prepaid envelope, addressed to each shareholder of record at the address left by such shareholder with the Secretary of the Company, or at his last known post-office address, or by delivering the same to him in person, at least two (2) weeks before the date set for such meeting. Notice to any special meeting must state, among others, the matters to be taken up in the said meeting, and no other business shall be transacted at such meeting except by consent of all the shareholders present, entitled to vote. No notice of meeting need be published in any newspaper, except when necessary to comply with the special requirements of the Philippine Corporation Code. Shareholders entitled to vote may, by written consent, waive notice of the time, place and purpose of any meeting of shareholders and any action taken at such meeting pursuant to such waiver shall be valid and binding. When the meeting of the shareholders is adjourned to another time or place, notice of the adjourned meeting need not be provided so long as the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken. At the reconvened meeting, any business may be transacted that might have been transacted on the original date of the meeting.

Quorum

Unless otherwise provided by an existing shareholders' agreement or by law, in all regular or special meeting of shareholders, a majority of the outstanding capital shares must be present or represented in order to constitute a quorum, except in those cases where the Philippine Corporation Code provides a greater percentage vis-a-vis the total outstanding capital shares. If no quorum is constituted, the meeting shall be adjourned until the requisite amount of shares shall be presented.

Pursuant to the Company's By-laws, the chairman of the board, or in case of his absence or disability, the president, may then call to order any meeting of the stockholders, and proceed to the transaction of business, provided a majority of the shares issued and outstanding be present, either in person or by proxy; but if there be no quorum present at any meeting, the meeting may be adjourned by the stockholders present from time to time until the quorum shall be obtained. If neither the chairman of the board nor the president is present, then the meeting is to be conducted by a chairman to be chosen by the stockholders.

Voting

At all meetings of shareholders, a holder of Common Shares may vote in person or by proxy, for each share held by such shareholder.

Fixing Record Dates

Under existing Philippine SEC rules, cash dividends declared by corporations whose shares are listed on the PSE shall have a record date which shall not be less than 10 or more than 30 days from the date of declaration. With respect to share dividends, the record date shall not be less than 10 or more than 30 days from the date of shareholder approval; provided, however, that the record date set shall not be less than 10 trading days from receipt by the PSE of the notice of declaration of share dividends. In the event that share dividends are declared in connection with an increase in the authorized capital shares, the corresponding record date shall be fixed by the Philippine SEC.

Matters Pertaining to Proxies

Shareholders may vote at all meetings the number of shares registered in their respective names, either in person or by proxy duly given in writing and duly presented to the Corporate Secretary before or during the meeting. Unless otherwise provided in the proxy, it shall be valid only for the meeting at which it has been presented to the Corporate Secretary.

Proxies should comply with the relevant provisions of the Philippine Corporation Code, the SRC, the IRRs, and regulations issued by the Philippine SEC.

Dividends

The Common Shares have full dividend rights. Dividends on the Company's Common Shares, if any, are paid in accordance with Philippine law. Dividends are payable to all shareholders on the basis of outstanding Common Shares held by them, each Common Share being entitled to the same unit of dividend as any other Common Share. Dividends are payable to shareholders whose names are recorded in the stock and transfer book as of the record date fixed by the Company's Board of Directors. The PSE has an established mechanism for distribution of dividends to beneficial owners of Common Shares which are traded through the PSE which are lodged with the PCD Nominee as required for scripless trading.

The Company intends to maintain a consistent dividend payout policy based on its consolidated net income for the preceding fiscal year, subject to the requirements of the applicable laws and regulations and the absence of circumstances which may restrict the payment of such dividends. In line with this, during the last Annual Stockholders' Meeting of 8990 Holdings, Inc. held on July 29, 2013, the stockholders of 8990 Holdings, Inc. approved the adoption of a dividend policy whereby, subject to available cash and after any capital expenditure requirements, at least 50% of the Unrestricted Retained Earnings of 8990 Holdings, Inc. for the preceding fiscal year will be declared as dividends. The Subsidiaries have not adopted any formal dividend policies. Dividend policies for the Subsidiaries shall be determined by their respective Boards of Directors.

Transfer of Shares and Share Register

All transfers of shares on the PSE shall be effected by means of a book-entry system. Under the book-entry system of trading and settlement, a registered shareholder shall transfer legal title over the shares to a nominee, but retains beneficial ownership over the shares. The transfer of legal title is done by surrendering the stock certificate representing the shares to participants of the PDTC System (i.e., brokers and custodian banks) that, in turn, lodge the same with the PCD Nominee Corporation, a corporation wholly-owned by the PDTC (the "PCD Nominee"). A shareholder may request upliftment of the shares from the PDTC, in which case a stock certificate will be issued to the shareholder and the shares registered in the shareholder's name in the books of the Company.

Philippine law does not require transfers of the Common Shares to be effected on the PSE, but any off-exchange transfers will subject the transferor to a capital gains tax that may be significantly greater than the share transfer tax applicable to transfers effected on the PSE. See "Philippine Taxation." All transfers of shares on the PSE must be effected through a licensed stockbroker in the Philippines.

Issues of Shares

Subject to otherwise applicable limitations, the Company may issue additional Common Shares to any person for consideration deemed fair by the Board, provided that such consideration shall not be less than the par value of the issued Common Shares. No share certificates shall be issued to a subscriber until the full amount of the subscription together with interest and expenses (in case of delinquent Common Shares) has been paid and proof of payment of the applicable taxes shall have been submitted to the Company's Corporate Secretary. Under the PSE Rules, only fully-paid shares may be listed on the PSE.

Share Certificates

Certificates representing the Common Shares will be issued in such denominations as shareholders may request, except that certificates will not be issued for fractional shares. Shareholders wishing to split their certificates may do so upon application to the Company's share transfer agent, Securities Transfer and Services, Inc., which will maintain the share register. Common Shares may also be lodged and maintained under the book-entry system of the PDTC. See "The Philippine Stock Market."

Mandatory Tender Offers

In general, under the SRC and the IRRs, any person or group of persons acting in concert and intending to acquire at least: [1] 35% of any class of any equity security of a public or listed corporation in a single transaction; or [2] 35% of such equity over a period of 12 months; or [3] even if less than 35% of such equity, if such acquisition would result in ownership by the acquiring party of over 51% of the total outstanding equity, is required to make a tender offer to all the shareholders of the target corporation on the same terms. Generally, in the event that the securities tendered pursuant to such an offer exceed that which the acquiring person or group of persons is willing to take up, the securities shall be purchased from each tendering shareholder on a pro rata basis, disregarding fractions, according to the number of securities tendered by each security holder. Where a mandatory tender offer is required, the acquirer is compelled to offer the highest price paid by him for such shares during the past six months. Where the offer involves payment by transfer or allotment of securities, such securities must be valued on an equitable basis. However, if any acquisition of even less than 35% would result in ownership of over 51% of the total outstanding equity, the acquirer shall be required to make a tender offer for all the outstanding equity securities to all remaining shareholders of the said corporation at a price supported by a fairness opinion provided by an independent financial adviser or equivalent third party. The acquirer in such a tender offer shall be required to accept any and all securities thus tendered.

No Mandatory Tender Offer is required in: (i) purchases of shares from unissued capital shares unless it will result to a 50% or more ownership of shares by the purchaser; (ii) purchases from an increase in the authorized capital shares of the target company; (iii) purchases in connection with a foreclosure proceedings involving a pledge or security where the acquisition is made by the debtor or creditor; (iv) purchases in connection with privatization undertaken by the government of the Philippines; (v) purchases in connection with corporate rehabilitation under court supervision; (vi) purchases through an open market at the prevailing market price; or (vii) purchases resulting from a merger or consolidation.

Fundamental Matters

The Philippine Corporation Code provides that certain significant acts may only be implemented with shareholders' approval. The following require the approval of shareholders representing at least two-thirds of the issued and outstanding capital shares of the corporation in a meeting duly called for the purpose:

- amendment of the articles of incorporation;
- removal of directors;
- sale, lease, exchange, mortgage, pledge or other disposition of all or a substantial part of the assets of the corporation;
- investment of corporate funds in any other corporation or business or for any purpose other than the primary purpose for which the corporation was organized;
- declaration or issuance of share dividends;
- delegation to the board of directors of the power to amend or repeal by-laws or adopt new by-laws;

- merger or consolidation;
- dissolution;
- an increase or decrease in capital shares;
- ratification of a contract of a directors or officer with the corporation;
- extension or shortening of the corporate term;
- creation or increase of bonded indebtedness; and
- management contracts with related parties;

The approval of shareholders holding a majority of the outstanding capital shares of a Philippine corporation, including non-voting preferred shares, is required for the adoption or amendment of the by-laws of such corporation.

Accounting and Auditing Requirements

Philippine stock corporations are required to file copies of their annual financial statements with the Philippine SEC. In addition, public corporations are required to file quarterly financial statements (for the first three quarters) with the Philippine SEC. Those corporations whose shares are listed on the PSE are additionally required to file said quarterly and annual financial statements with the PSE. Shareholders are entitled to request copies of the most recent financial statements of the corporation which include a statement of financial position as of the end of the most recent tax year and a profit and loss statement for that year. Shareholders are also entitled to inspect and examine the books and records that the corporation is required by law to maintain.

The Board is required to present to shareholders at every annual meeting a financial report of the operations of the Company for the preceding year. This report is required to include audited financial statements.

Item 6. Management Discussion and Analysis of Financial Condition and Results of Operations

Factors Affecting Results of Operations

The Company's results of operations are affected by a variety of factors. Set out below is a discussion of the most significant factors that have affected the Company's results in the past and which the Company expects to affect its financial results in the future. Factors other than those set out below could also have a significant impact on the Company's results of operations and financial condition in the future. See Risk Relating to the Companies Business.

General Global and Philippine Economic Conditions and the Condition of the Philippine Real Estate and Residential Housing Markets

The Company derives substantially all of its revenue from its mass housing development activities in the Philippines. The Philippine real estate and housing markets have historically been affected by the prevailing economic conditions in the Philippines, which may also be affected by the economic conditions in other parts of the world. Accordingly, the Company's results of operations may be significantly affected by the state of the global and Philippine economies generally and specifically the Philippine property and housing markets. The Philippine real estate and housing markets have historically been subject to cyclical trends, and property values have been affected by the supply of and demand for comparable properties, the rate of economic

growth, the rate of unemployment and political and social developments in the Philippines. Demand for new residential projects in the Philippines has historically also been affected by, among other things, prevailing political, social and economic conditions in the Philippines, including overall growth levels, the value of the Philippine peso and interest rates, as well as the strength of the economy in other parts of the world, given that a substantial portion of demand comes from overseas Filipino workers. Furthermore, as the Company continues expanding its business, these operations will also be increasingly affected by general conditions in the global and Philippine economies. As a result, the Company expects that its results of operations will continue to vary from period to period largely as a result of general global and Philippine economic conditions.

Collection of Receivables

The Company's results of operations are also affected to a significant degree by the success and efficiency of its collection of receivables from its customers. If the Company experiences any significant delays or defaults on its collection of receivables, it could experience liquidity issues. In addition, a significant number of defaults may result in the Company taking on a significant amount of inventory for the housing units it would repossess from customers. In such an instance, there can be no guarantee that the Company will be able to dispose of these units quickly and at acceptable prices. Any of these occurrences in relation to failure to collect receivables from its customers in a timely manner or at all may have a material adverse effect on the Company's liquidity, financial condition and results of operations.

Liquidity Risk Management

To better manage its liquidity risk, interest risk, as well as improve its cash conversion cycle, the Company typically enters into take-out arrangements with PAG-IBIG where it will transfer its CTS Gold Convertible receivables within four (4) years in exchange for cash. As of the date of this report, the Company has submitted to PAG-IBIG approximately four thousand seven hundred (4,700) CTS receivables, equivalent to approximately PHP4 billion. These accounts are currently being processed by PAG-IBIG, and at various stages of cycle completion. The acceptance or rejection of a CTS receivable by PAG-IBIG is based on certain guidelines of PAG-IBIG such as employment, number of contributions made by the homeowner/PAG-IBIG member and net disposable income, among other factors. The Company believes that substantially all of its requests for take-outs have been accepted by PAG-IBIG. However, in the event that a material number of take-up applications are delayed or even denied, the Company's cashflow and recognized revenues could be materially affected. Moreover, the conversion into cash of the Company CTS receivable as a result of take-ups by PAG-IBIG also affects the Company's results of operations. As greater amount of CTS receivables are converted due to the Company's take-up arrangements, the Company's finance income and receivables decrease while its cash balances correspondingly increase.

In addition to its receivables take-up arrangements with institutions such as PAG-IBIG, the Company also regularly adopts other measures to manage its level of receivables from its housing sales, as well as to generate cash necessary for operations. For example, the Company from time to time enters into loan arrangements with banks against its receivables portfolio as collateral. In addition, the Company also from time to time sells receivables to banks and other financial institutions on a non-recourse basis. The Company has also begun to explore possible securitization transactions with respect to its receivables portfolio. The success of any of these receivable management measures, depending on the amount involved and terms agreed, may affect the Company's results of operations in terms of its liquidity and the levels of its receivable assets.

Interest Rates

The Company generally charges its customers an annual interest rate of nine and a half percent (9.5%) on their housing loans under the CTS program. The Company's financing arrangements with commercial banks and other financial institutions are typically on a fixed interest basis, with interest rates typically averaging

approximately six percent (6%) or seven percent (7%) per annum. As the Company typically only needs to borrow approximately half of the amount of loans it grants to its customers, the Company believes that it is substantially protected against fluctuations of interest rates in the market. However, in cases of extraordinary increases in interest rates, such as during the Asian financial crisis of the late 1990s or the global economic downturn of 2008, the Company's financial position and results of operations could be adversely affected.

Tax Incentives and Exemptions

As a developer of low-cost housing with mass housing unit price points not exceeding PhP1.9 million (for lots only) or PhP2.2 million (for residential house and lots or other residential dwellings), the Company benefits from an exemption on VAT under current tax laws and regulations. Furthermore, the accreditation of the Company's projects with unit price between PhP450,000 and PhP3,000,000 with the BOI as under the IPP allows each accredited project to enjoy certain tax incentives. For each accredited project, the Company's sales of low cost subdivision lots and housing units are currently not subject to corporate income tax. Also, the Company's projects with unit price of PhP450,000 and under are considered socialized housing projects and enjoy income tax free status by virtue of Republic Act No. 7279. As such, the Company's sales of low cost subdivision lots and housing units are currently not subject to twelve percent (12%) VAT, and corporate income tax. In the event that the Company loses these tax exemptions or incentives or its tax holiday lapses or is not renewed, these sales would become subject to VAT and corporate income tax. These prospective tax charges will directly affect the Company's net income, and the Company expects that any changes in regulatory and tax policy and applicable tax rates may affect its results of operations from time to time.

Price Volatility of Construction Materials and Other Development Costs

The Company's cost of sales is affected by the price of construction materials such as steel, tiles and cement, as well as fluctuations in electricity and energy prices. While the Company, as a matter of policy, attempts to fix the cost of materials components in its agreements with contractors, in cases where demand for steel, tiles and cement are high or when there are shortages in supply, the contractors the Company hires for construction or development work may be compelled to raise their contract prices. With respect to electricity, higher prices generally result in a corresponding increase in the Company's overall development costs. As a result, rising costs for any construction materials or in the price of electricity will impact the Company's construction costs, cost of sales and the price for its products. Any increase in prices resulting from higher construction costs could adversely affect demand for the Company's products and the relative affordability of such products, particularly as a mass housing developer. This could reduce the Company's profitability.

With regard to sales of subdivision house and lots, if the actual cost of completing the development of a particular project exceeds the Company's estimates, any increase in cost is recorded as part of the cost of sales of subdivision house and lots in the same project. This means that the cost of sales for future sales in the same project will be higher.

Availability of Suitable Land for Development

The Company meticulously selects the sites for its mass housing development projects, typically undergoing a research process of anywhere from six (6) months to one (1) year before deciding to acquire land for its contemplated developments. After initializing projects in the Visayas and Mindanao, the Company is currently looking to expand its footprint in Luzon, and also the Metro and Greater Manila areas. To this end, the Company is currently examining its options for the acquisition of parcels of land in these areas. The Company selects the location of its developments based on numerous factors, such as proximity to public transportation hubs and employment areas, as well as vicinity to retail and other commercial establishments, among others. That said, properties which meet all these criteria may not be available for the price the Company is willing to pay, or the Company may encounter competing offers from other developers who may have more resources at their disposal. If the Company is unable to acquire or select the optimal parcels of

land for its development projects and expansion plans or is unable to successfully grow and manage its land bank, its ability to meet its revenue and growth targets may be adversely affected.

Demand for Residential Properties

The Company has benefited from greater demand for residential properties resulting from, among other factors, growth of the Philippine economy, increasing number of Filipinos investing in the Philippine real estate market, strong levels of OFW remittances and increasing demand from expatriate Filipinos. In addition, the Company has also benefited specifically from the underserved backlog for mass housing in the Philippines in recent years. The increased demand for residential properties has been a significant factor in the Company's increased revenues and profits over the last three (3) years. In response to these developments, the Company has further increased the number of mass housing development projects. The Company has also begun to offer new mass housing residential products, such as condominiums, to address potential demand from specific target markets. It is unclear whether the demand for housing in the Philippines will remain high or continues to grow, or whether the demand for the Company's products will reach the levels anticipated by the Company. Negative developments with respect to demand for housing in the Philippines would in turn have a negative effect on the Company's operational results. Conversely, positive developments in housing demand would likely positively contribute to the Company's operational results as observed in the past.

Critical Accounting Policies

Critical accounting policies are those that are both (i) relevant to the presentation of the Company's financial condition and results of operations and (ii) require management's most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. As the number of variables and assumptions affecting the possible future resolution of the uncertainties increase, those judgments become even more subjective and complex. To provide an understanding of how the Company's management forms its judgments about future events, including the variables and assumptions underlying its estimates, and the sensitivity of those judgments to different circumstances, the critical accounting policies discussed below have been identified. While the Company believes that all aspects of its financial statements should be studied and understood in assessing its current and expected financial condition and results of operations, the Company believes that the following critical accounting policies warrant particular attention. For more information, see Notes 2 and 3 to the Company's 2024 Audited Consolidated Financial Statements.

DESCRIPTION OF CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME LINE ITEMS

The following table sets forth details for the Company's sales and other income line items for the periods indicated.

In Million Pesos	2024	2023	2022
Revenue	19,039.39	22,664.56	21,636.67
Cost of Sales and Services	10,930.22	12,735.09	10,903.59
Gross Income	8,109.17	9,929.47	10,733.08
Operating Expenses	2,906.44	2,953.82	3,197.25
Net Operating Income	5,202.73	6,975.65	7,535.83
Finance Cost	1,520.10	2,197.24	1,912.95
Other Income/(Loss)	2,149.54	3,075.24	2,750.51
Income before Income Tax	5,832.17	7,853.64	8,373.39
Provision for Income Tax	383.52	956.92	786.07
Net Income	5,448.65	6,896.72	7,587.32
NET PROFIT ATTRIBUTABLE TO			
Equity Holders of 8990 Holdings Inc.	5,426.97	6,884.54	7,635.44
Non-controlling Interests	21.68	12.18	17.90
	5,448.65	6,896.72	7,653.34

Revenue

The Company's revenue primarily comprises of those received from its sales of low-cost Mass Housing units and subdivision lots and medium-rise building housing units, rental services and other incidental income relating to its real estate operations, as well as revenues derived from its timeshare and hotel operations.

Cost of Sales and Services

Cost of sales and services comprise (i) the Company's costs of sales from its low-cost Mass Housing sales of housing units and subdivision lots, costs of sales from sales of MRB condominium units and costs of sales from sales of timeshares; (ii) cost of rental services; and (iii) the Company's costs of services from its hotel operations (including room and food and beverage sales).

Operating Expenses

Operating expenses generally include selling and administrative costs that are not directly attributable to the services rendered. Operating expenses of the Company comprise expenses related to marketing and selling, documentation, taxes and licenses, salaries and employment benefits, write-off of assets, provisions for impairment losses, management and professional fees, communication, light and water, provisions for probable losses, security, messengerial and janitorial services, depreciation and amortization, transportation and travel, repairs and maintenance, rent, entertainment, amusement and representation, supplies, provisions for write-down, subscription dues and fees and miscellaneous expenses (such as extraordinary documentation expenses, liquidation and donation expenses, as well as other expenses).

Finance Costs

Finance costs comprise costs associated with the Company's borrowings, accretion of interest, bank charges and net interest expense on its pension obligations.

Other Income

Other income comprises the Company's interest income from its installment contract receivables, cash in bank and long-term investments. Other income of the Company also comprises income from water supply, gain on repossession of delinquent units and associated penalties, rent income, collection service fees and other miscellaneous income (such as gain from sales cancellations, retrieval fees, association due and transfer fee). The Company also recorded other gains and losses such as a gain from the sale of unquoted debt security classified as loans, and other expenses such as a loss on the sale of a subsidiary.

Provision for Income Tax

Provision for income tax comprises the Company's provisions for regular and minimum corporate income taxes, final taxes to be paid as well as provision for deferred income tax recognized.

Results of Operations

Results of Operations

Revenue

For the year ended December 31, 2024, the Company recorded consolidated revenue of ₱19,039.4 million, an decrease of 16 % from consolidated sales of ₱22,664.6 million recorded for the year ended December 31, 2023. The Company's real estate sales generated ₱22,664.6 million in revenues for the year ended December 31, 2023, an increase of 5% from the ₱21,637.70 million in revenues recorded for the year ended December 31, 2022.

Cost of Sales and Services

The Company's consolidated cost of sales and services for the year ended December 31, 2024 was ₱10,930.2 million, a decrease of 14% from consolidated cost of sales and services of ₱12,735.1 million for the year ended December 31, 2023. The increase was mainly attributable to increases in cost of real estate operations.

Gross Income

The Company's consolidated gross income for the year ended December 31, 2024 was ₱8,109.2 million, an decrease of 18% from consolidated gross income of ₱9,929.5 million for the year ended December 31, 2023. The Company's gross income margin for the year ended December 31, 2024 was 42.6% compared to a gross income margin of 43.8% recorded for the year ended December 31, 2023.

Operating Expenses

For the year ended December 31, 2024, the Company recorded consolidated operating expenses of ₱22,906.4 million, a decrease of 2% from consolidated operating expenses of ₱2,953.8 million recorded for the year ended December 31, 2023.

Other Operating Income (Expense)

The Company's consolidated other operating income (expense) for the year ended December 31, 2024 were ₱2,149.5 million, a decrease from consolidated other operating income (expense) of ₱3,075.2 million recorded for the year ended December 31, 2023.

Finance Costs

The Company's consolidated finance costs for the year ended December 31, 2024 were ₱1,520.1 million, an increase from consolidated finance costs of ₱2,197.2 million recorded for the year ended December 31, 2023.

Income before Income Tax

The Company's consolidated income before income tax for the year ended December 31, 2024 was ₱5,832.2 million, a decrease from consolidated income before income tax of ₱7,853.6 million recorded for the year ended December 31, 2023.

Provision for Income Tax

The Company's consolidated provision for income tax for the year ended December 31, 2024 was ₱383.5 million, a decrease from consolidated provision for income tax of ₱956.9 million recorded for the year ended December 31, 2023.

Net Income

As a result of the foregoing, the Company's consolidated net income (attributable to Equity holders of 8990 Holdings Inc.) for the year ended December 31, 2024 was ₱5,427.0 million, an decrease of 21.17% from consolidated net income of ₱6,884.5 million recorded for the year ended December 31, 2023. The Company's consolidated net income margin for the year ended December 31, 2024 and 2023 is at 30.43% and 30.43%, respectively.

Year ended December 31, 2023 compared to year ended December 31, 2022

Revenue

For the year ended December 31, 2023, the Company recorded consolidated revenue of ₱22,664.6 million, an increase of 5% from consolidated sales of ₱21,636.7 million recorded for the year ended December 31, 2022. The increase was mainly attributable to increased real estate sales.

Cost of Sales and Services

The Company's consolidated cost of sales and services for the year ended December 31, 2023 was ₱12,735.1 million, an increase of 17% from consolidated cost of sales and services of ₱10,903.6 million for the year ended December 31, 2022. The increase was mainly attributable to increases in cost of real estate operations.

Gross Income

The Company's consolidated gross income for the year ended December 31, 2023 was ₱9,929.5 million, an decrease of 7% from consolidated gross income of ₱10,733.1 for the year ended December 31, 2022. The Company's gross income margin for the year ended December 31, 2023 was 43.8% compared to a gross income margin of 49.6% recorded for the year ended December 31, 2022.

Operating Expenses

For the year ended December 31, 2023, the Company recorded consolidated operating expenses of ₱2,953.8 million, a decrease of 8% from consolidated operating expenses of ₱3,197.3 million recorded for the year ended December 31, 2022.

Other Operating Income (Expense)

The Company's consolidated other operating income (expense) for the year ended December 31, 2023 were ₱3,075.2 million, an increase from consolidated other operating income (expense) of ₱2,816.5 million recorded for the year ended December 31, 2022.

Finance Costs

The Company's consolidated finance costs for the year ended December 31, 2023 were ₱2,197.2 million, an increase from consolidated finance costs of ₱1,912.9 million recorded for the year ended December 31, 2022.

Income before Income Tax

The Company's consolidated income before income tax for the year ended December 31, 2023 was ₱7,853.6 million, a decrease from consolidated income before income tax of ₱8,439.4 million recorded for the year ended December 31, 2022.

Provision for Income Tax

The Company's consolidated provision for income tax for the year ended December 31, 2023 was ₱956.9 million, an increase from consolidated provision for income tax of ₱786.1 million recorded for the year ended December 31, 2022.

Net Income

As a result of the foregoing, the Company's consolidated net income (attributable to Equity holders of 8990

Holdings Inc.) for the year ended December 31, 2023 was ₱6,884.5 million, an decrease of 9.83% from consolidated net income of ₱7,635.4 million recorded for the year ended December 31, 2022. The Company's consolidated net income margin for the year ended December 31, 2023 and 2022 is at 30.43% and 35.37%, respectively.

Year ended December 31, 2022 compared to year ended December 31, 2021

Revenue

For the year ended December 31, 2022, the Company recorded consolidated revenue of ₱21,636.7 million, an increase of 6% from consolidated sales of ₱20,357.7 million recorded for the year ended December 31, 2021. The increase was mainly attributable to increased real estate sales. Lifting of construction restrictions allowed the Company to deliver in 2022.

Cost of Sales and Services

The Company's consolidated cost of sales and services for the year ended December 31, 2022 was ₱10,903.6 million, an increase of 8% from consolidated cost of sales and services of ₱10,053.8 million for the year ended December 31, 2021. The increase was mainly attributable to increases in cost of real estate operations.

Gross Income

The Company's consolidated gross income for the year ended December 31, 2022 was ₱10,733.1 million, an increase of 4% from consolidated gross income of ₱10,303.9 million for the year ended December 31, 2021. The Company's gross income margin for the year ended December 31, 2022 was 50% same as gross income margin of 50% recorded for the year ended December 31, 2021.

Operating Expenses

For the year ended December 31, 2022, the Company recorded consolidated operating expenses of ₱3,197.3 million, an increase of 19% from consolidated operating expenses of ₱2,690.5 million recorded for the year ended December 31, 2021.

Other Operating Income (Expense)

The Company's consolidated other operating income (expense) for the year ended December 31, 2022 were ₱2,816.5 million, an increase from consolidated other operating income (expense) of ₱1,723.6 million recorded for the year ended December 31, 2021.

Finance Costs

The Company's consolidated finance costs for the year ended December 31, 2022 were ₱1,912.9 million, an increase from consolidated finance costs of ₱1,673.1 million recorded for the year ended December 31, 2021. The increase was mainly attributable to higher level of loans from 2021 to 2022.

Income before Income Tax

The Company's consolidated income before income tax for the year ended December 31, 2022 was ₱8,439.4 million, an increase from consolidated income before income tax of ₱7,664.0 million recorded for the year ended December 31, 2021.

Provision for Income Tax

The Company's consolidated provision for income tax for the year ended December 31, 2022 was ₱786.1

million, an increase from consolidated provision for income tax of ₱449.0 million recorded for the year ended December 31, 2021. The increase was attributed to sales from non BOI accredited projects in Metro Manila such as but not limited to Urban Deca Homes Ortigas and Urban Deca Homes Manila.

Net Income

As a result of the foregoing, the Company's consolidated net income(attributable to equity holders of 8990 Holdings Inc.) for the year ended December 31, 2022 was ₱7,635.4 million, an increase of 6% from consolidated net income of ₱7,214.9 million recorded for the year ended December 31, 2021. The Company's consolidated net income margin for the year ended December 31, 2022 and 2021 were 35.37% and 35.44% respectively.

Financial Position

As at December 31, 2024 compared to as at December 31, 2023

Assets

Cash on Hand and in Banks

The Company's consolidated cash on hand and in banks were ₱2,153.4 million as at December 31, 2024, a decrease of 14% from consolidated cash on hand and in banks of ₱2,453.3 million as at December 31, 2023.

Current portion of trade and other receivables

The Company's consolidated current portion of trade and other receivables were ₱8,160.5 million as at December 31, 2024, a 2% increase from consolidated current portion of trade and other receivables of ₱8,001.4 million as at December 31, 2023.

Inventories

The Company's consolidated inventories were ₱64,389.7 million as at December 31, 2024, an increase of 19% from consolidated inventories of ₱52,330.3million as at December 31, 2023. The increase was due mainly to work in progress inventories related to high rise building project in Urban Deca Homes Manila, Urban Deca Homes Ortigas, Urban Deca Tower Cubao and Urban Deca Homes Commonwealth.

Due from related parties

The Company's consolidated due from related parties were ₱3,152.2 million as at December 31, 2024, a decrease of 3% from consolidated due from related parties of ₱3,261.7 million as at December 31, 2023.

Other current assets

The Company's consolidated other current assets were ₱6,307.6 million as at December 31, 2024, an increase of 7% from consolidated other current assets of ₱5,874.4 million as at December 31, 2023, primarily due to increased advances to contractors in relation to construction of the Company's development projects.

Trade and other receivables – net of current portion

The Company's consolidated trade and other receivables – net of current portion were ₱27,905.1 million as at December 31, 2024, a decrease from consolidated trade and other receivables – net of current portion of

₱33,163.7 million as at December 31, 2023.

Property and equipment

The Company's consolidated property and equipment was ₱958.3 million as at December 31, 2024, a decrease of 9% from consolidated property and equipment of ₱732.5 million as at December 31, 2023.

Investment properties

The Company's consolidated investment properties were ₱564.8 million as at December 31, 2024, an increase of 7% from consolidated investment properties of ₱527.0 million as at December 31, 2023.

Other noncurrent assets

The Company's consolidated other noncurrent assets were ₱452.9 million as at December 31, 2024, a 6% increase from consolidated other noncurrent assets of ₱425.8 million as at December 31, 2023.

Liabilities

Current portion of trade and other payables

The Company's consolidated current portion of trade and other payables were ₱5,178.7 million as at December 31, 2024, a decrease of 60% from consolidated current portion of trade and other payables of ₱8,303.5 million as at December 31, 2023.

Current portion of loans payable

The Company's consolidated current portion of loans payable were ₱15,840.8 million as at December 31, 2024, a decrease of 16% from the consolidated current portion of loans payable of ₱18,423.5 million as at December 31, 2023.

Deposits from customers

The Company's consolidated deposits from customers were ₱1,560.6 million as at December 31, 2024, an increase of 42% from consolidated deposits from customers of ₱899.3 million as at December 31, 2023.

Due to related parties

The Company's consolidated due to related parties was ₱158.8 million as of December 31, 2024, a decrease from consolidated due to related parties of ₱272.6 million as at December 31, 2023.

Income tax payable

The Company's consolidated income tax payable was ₱45.6 million as of December 31, 2024, a decrease from consolidated income tax payable of ₱93.6 million as at December 31, 2023.

Trade and other payables - net of current portion

The Company's consolidated trade and other payables – net of current portion was ₱91.9 million as of December 31, 2024, a decrease from consolidated trade and other payables – net of current portion of ₱378.9 million as at December 31, 2023.

Loans payable - net of current portion

The Company's consolidated loans payable – net of current portion was ₱29,459.8 million as of December 31, 2024.

31, 2024, an increase from consolidated loans payable – net of current portion of ₱17,095.1 million as of December 31, 2023.

Deferred tax liability

The Company's consolidated deferred tax liability was ₱1,734.4 million as at December 31, 2024, an increase from consolidated deferred tax liability of ₱1,690.3 million as at December 31, 2023. This deferred tax liability was attributable to provision for income tax resulting from the delay in the income tax holiday accreditation for certain Company projects. Accreditation for these projects have since been obtained.

As at December 31, 2023 compared to as at December 31, 2022

Assets

Cash on Hand and in Banks

The Company's consolidated cash on hand and in banks were 2,453.3 million as at December 31, 2023, an increase of 66% from consolidated cash on hand and in banks of ₱1,482.2 million as at December 31, 2022.

Current portion of trade and other receivables

The Company's consolidated current portion of trade and other receivables were ₱8,001.4 million as at December 31, 2023, a 36% increase from consolidated current portion of trade and other receivables of ₱5,868.7 million as at December 31, 2022.

Inventories

The Company's consolidated inventories were ₱52,330.3 million as at December 31, 2023, an increase of 12% from consolidated inventories of ₱46,721.3 million as at December 31, 2022. The increase was due mainly to work in progress inventories related to high rise building project in Urban Deca Homes Manila, Urban Deca Homes Ortigas, Urban Deca Tower Cubao and Urban Deca Homes Commonwealth.

Due from related parties

The Company's consolidated due from related parties were 3,261.7 million as at December 31, 2023, an increase of 60% from consolidated due from related parties of ₱2,044.6million as at December 31, 2022.

Other current assets

The Company's consolidated other current assets were ₱5,874.4 million as at December 31, 2023, an increase of 6% from consolidated other current assets of ₱5,532.3 million as at December 31, 2022, primarily due to increased advances to contractors in relation to construction of the Company's development projects.

Trade and other receivables – net of current portion

The Company's consolidated trade and other receivables – net of current portion were ₱33,163.7 million as at December 31, 2023, a decrease from consolidated trade and other receivables – net of current portion of ₱38,035.2 million as at December 31, 2022.

Property and equipment

The Company's consolidated property and equipment was 732.5 million as at December 31, 2023, a decrease of 9% from consolidated property and equipment of ₱806.0 million as at December 31, 2022.

Investment properties

The Company's consolidated investment properties were ₱527.0 million as at December 31, 2023, an increase of 64% from consolidated investment properties of ₱321.1 million as at December 31, 2022.

Other noncurrent assets

The Company's consolidated other noncurrent assets were ₱425.8 million as at December 31, 2023, a slight decrease from consolidated other noncurrent assets of ₱426.0 million as at December 31, 2022.

Liabilities

Current portion of trade and other payables

The Company's consolidated current portion of trade and other payables were ₱8,303.5 million as at December 31, 2023, a decrease of 5% from consolidated current portion of trade and other payables of ₱8,786.0 million as at December 31, 2022.

Current portion of loans payable

The Company's consolidated current portion of loans payable were ₱18,423.5 million as at December 31, 2023, a decrease of 11% from the consolidated current portion of loans payable of ₱20,654.3 million as at December 31, 2022.

Deposits from customers

The Company's consolidated deposits from customers were ₱899.3 million as at December 31, 2023, a decrease of 16% from consolidated deposits from customers of ₱1,064.9 million as at December 31, 2022.

Due to related parties

The Company's consolidated due to related parties was ₱272.6 million as of December 31, 2023, a decrease from consolidated due to related parties of ₱289.5 million as at December 31, 2022.

Income tax payable

The Company's consolidated income tax payable was ₱93.6 million as of December 31, 2023, an increase from consolidated income tax payable of ₱60.6 million as at December 31, 2022.

Trade and other payables - net of current portion

The Company's consolidated trade and other payables – net of current portion was ₱378.9 million as of December 31, 2023, a decrease from consolidated trade and other payables – net of current portion of ₱938.6 million as at December 31, 2022.

Loans payable - net of current portion

The Company's consolidated loans payable – net of current portion was ₱17,095.1 million as of December 31, 2023, a decrease from consolidated loans payable – net of current portion of ₱21,325.0 million as of December 31, 2022.

Deferred tax liability

The Company's consolidated deferred tax liability was ₱1,690.3 million as at December 31, 2023, an increase from consolidated deferred tax liability of ₱1,560.8 million as at December 31, 2022. This deferred tax liability was attributable to provision for income tax resulting from the delay in the income tax holiday accreditation

for certain Company projects. Accreditation for these projects have since been obtained.

As at December 31, 2022 compared to as at December 31, 2021

Assets

Cash on Hand and in Banks

The Company's consolidated cash on hand and in banks were ₱1,482.2 million as at December 31, 2022, a decrease of 10% from consolidated cash on hand and in banks of ₱1,655.7 million as at December 31, 2021.

Current portion of trade and other receivables

The Company's consolidated current portion of trade and other receivables were ₱5,868.7 million as at December 31, 2022, a 35% increase from consolidated current portion of trade and other receivables of ₱4,351.3million as at December 31, 2021.

Inventories

The Company's consolidated inventories were ₱46,721.3 million as at December 31, 2022, an increase of 12% from consolidated inventories of ₱41,704.8 million as at December 31, 2021. The increase was due mainly to work in progress inventories related to high rise building project in Urban Deca Homes Manila, Urban Deca Homes Ortigas, Urban Deca Tower Cubao and Urban Deca Homes Commonwealth.

Due from related parties

The Company's consolidated due from related parties were ₱2,044.61 million as at December 31, 2022, an increase of 54% from consolidated due from related parties of ₱1,329.1million as at December 31, 2021.

Other current assets

The Company's consolidated other current assets were ₱5,532.3 million as at December 31, 2022, an increase of 7% from consolidated other current assets of ₱5,175.2 million as at December 31, 2021, primarily due to increased advances to contractors in relation to construction of the Company's development projects.

Trade and other receivables – net of current portion

The Company's consolidated trade and other receivables – net of current portion were ₱38,035.2 million as at December 31, 2022, an increase from consolidated trade and other receivables – net of current portion of ₱31,922.0 million as at December 31, 2021.

Property and equipment

The Company's consolidated property and equipment was ₱806.0 million as at December 31, 2022, an increase of 10% from consolidated property and equipment of ₱732.3 million as at December 31, 2021.

Investment properties

The Company's consolidated investment properties were ₱321.1 million as at December 31, 2022, a decrease of 6% from consolidated investment properties of ₱341.5 million as at December 31, 2021.

Other noncurrent assets

The Company's consolidated other noncurrent assets were ₱426.0 million as at December 31, 2022, a decrease of 5% from consolidated other noncurrent assets of ₱449.6million as at December 31, 2021.

Liabilities

Current portion of trade and other payables

The Company's consolidated current portion of trade and other payables were ₱8,786.0 million as at December 31, 2022, a decrease of 4% from consolidated current portion of trade and other payables of ₱9,182.0 million as at December 31, 2021.

Current portion of loans payable

The Company's consolidated current portion of loans payable were ₱20,654.3 million as at December 31, 2022, an increase of 16% from the consolidated current portion of loans payable of ₱17,818.4 million as at December 31, 2021.

Deposits from customers

The Company's consolidated deposits from customers were ₱1,064.9 million as at December 31, 2022, an increase of 22% from consolidated deposits from customers of ₱875.9 million as at December 31, 2021.

Due to related parties

The Company's consolidated due to related parties was ₱289.5 million as of December 31, 2022, an increase from consolidated due to related parties of ₱81.9 million as at December 31, 2021.

Income tax payable

The Company's consolidated income tax payable was ₱60.6 million as of December 31, 2022, an increase from consolidated income tax payable of ₱50.4 million as at December 31, 2021.

Trade and other payables - net of current portion

The Company's consolidated trade and other payables – net of current portion was ₱938.6 million as of December 31, 2022, an increase from consolidated trade and other payables – net of current portion of ₱934.1 million as at December 31, 2021.

Loans payable - net of current portion

The Company's consolidated loans payable – net of current portion was ₱23,824.4 million as of December 31, 2022, an increase from consolidated loans payable – net of current portion of ₱12,050.8 million as of December 31, 2021. The Company entered into additional loan transactions during the course of the year to fund its installment contract receivables under the CTS Financing program as well as construction of its high rise projects.

Deferred tax liability

The Company's consolidated deferred tax liability was ₱1,560.8 million as at December 31, 2022, an increase from consolidated deferred tax liability of ₱1,112.7 million as at December 31, 2021. This deferred tax liability was attributable to provision for income tax resulting from the delay in the income tax holiday accreditation for certain Company projects. Accreditation for these projects have since been obtained.

Liquidity and Capital Resources

The Company mainly relies on the following sources of liquidity: (1) cash flow from operations, (2) cash generated from the sale or transfer of receivables to private financial institutions such as banks or to government housing related institutions such as the Home Development Mutual Fund (“Pag-IBIG”), and (3) financing lines provided by banks. The Company knows of no demands, commitments, events, or uncertainties that are reasonably likely to result in a material increase or decrease in liquidity. The Company is current on all of its loan accounts, and has not had any issues with banks to date. The Company does not anticipate having any cash flow or liquidity problems over the next 12 months. The Company is not in breach or default on any loan or other form of indebtedness.

The Company expects to meet its operating assets and liabilities, capital expenditure, dividend payment and investment requirements for the next 12 months primarily from its operating cash flows, borrowings and proceeds of the Primary Offer. It may also from time to time seek other sources of funding, which may include debt or equity financings, depending on its financing needs and market conditions.

Cash Flows

The following table sets forth selected information from the Company’s consolidated statements of cash flows for the periods indicated:

	For The Years ended December 31		
	2024	2023	2022
	in Million Pesos		
Net Cash from(used in) operating activities	(3,183.15)	4,694.24	(3,106.79)
Net Cash provided by (used in) investing activities	119.03	(1,315.99)	(1,148.21)
Net Cash provided by (used in) financing activities	2,764.17	(2,407.16)	4,026.42
Net Increase (Decrease) in cash on hand and banks	(299.95)	971.09	(228.58)
Cash on hand at the beginning of the year	2,453.32	1,482.23	1,655.74
Cash and Cash equivalents of newly acquired subsidiary	-	-	55.07
Cash in hand in banks at the end of the year	2,153.37	2,453.32	1,482.23

Cash flow from(used in) operating activities

The revenue generated from its operations, primarily the sale of residential housing units, subdivision lots and MRB condominium units, primarily affects the Company’s consolidated net cash used in operating activities. The Company’s consolidated net cash used in operating activities was ₱3,183.1 million for the year ended December 31, 2024, and consolidated net cash from operating activities were ₱4,694.2 million, for the year ended December 31, 2023.

Cash flows used in investing activities

Consolidated net cash flow from investing activities was ₱119.0 million for the year ended December 31, 2024 and consolidated net cash flow used in investing activities was ₱1,315.99 million, respectively.

For the year ended December 31, 2024, consolidated net cash flow used in investing activities reflected acquisitions of property and equipment and purchase of investment properties.

Cash flow provided by financing activities

Consolidated net cash flow provided by financing activities for the year ended December 31, 2024 was at ₱2,764.17 million while net cash flow provided by financing activities for the year ended December 31, 2023 was at ₱2,407.16 million.

For the year ended December 31, 2024, consolidated net cash flow provided by financing activities was

attributable mainly to the proceeds from the Company's availment of loans during the year and an issuance of notes, as offset by certain loan repayments.

Key Performance Indicators

The table below sets forth key performance indicators for the Company for the years ended December 31, 2024 and 2023.

Key Performance Indicators	As of December 31. 2024	As of December 31. 2023
	Audited	Audited
Current Ratio	3.62	2.53
Book Value Per Share	10.13	9.96
Debt to Equity Ratio	1.08	0.97
Net Debt to Equity Ratio	0.77	0.60
Asset to Equity Ratio	2.08	1.97
Asset to Debt Ratio	1.93	2.03
Debt Service Ratio	0.50	0.68
Interest Coverage Ratio	4.85	4.02

Debt Obligations and Facilities

As of December 31, 2024, the Company's total outstanding indebtedness was ₦51.3 billion, comprised of various short-term and long-term loans mainly from local banks, notes and bonds payable, with interest rates ranging from 4.05% to 7.0% per annum in 2024. The Company's interest rates are either subject to annual repricing or at variable rates. The Company's loans payable have maturities ranging from three months to five years, and are typically secured by receivables under its CTS In-house financing program, land held for future development, inventories and various properties of the Company.

Acceleration of Financial Obligations

There are no known events that could trigger a direct or contingent financial obligation that would have a material effect on the Company's liquidity, financial condition and results of operations.

Off Balance Sheet Arrangements

As of the date of this report, the Company has no material off-balance sheet transactions, arrangements, and obligations. The Company also has no unconsolidated subsidiaries.

Income or Losses Arising Outside of Continuing Operations

The Company has no sources of income or loss coming from discontinued operations. All of its Subsidiaries are expected to continue to contribute to the Company's operating performance on an ongoing basis and/or in the future.

Qualitative and Quantitative Disclosure of Market Risk

Credit Risk

The Company is exposed to credit risk from its in-house financing program. Credit risk is the risk of loss that may occur from the failure of a customer to abide by the terms and conditions of the customer's financial contract with the Company, principally the failure to make required payments on amounts due to the Company. The Company attempts to mitigate credit risk by measuring, monitoring and managing the risk for each customer seeking to obtain in-house financing. The Company has a structured and standardized credit approval process, which includes conducting background and credit checks on prospective buyers using

national credit databases and, where feasible, conducting physical verification of claims regarding residences and properties owned. From time to time, the Company utilizes its receivables rediscounting lines with banks and other financial institutions with its contracts receivables as collateral (“with recourse” transactions) and/or sells installment contract receivables on a “without recourse” basis.

Liquidity Risk

The Company faces the risk that it will not have sufficient cash flows to meet its operating requirements and its financing obligations when they come due.

To better manage its liquidity risk as well as improve its cash conversion cycle, the Company currently has take-out arrangements with HDMF where it will migrate its receivables under the CTS In-house financing program to HDMF’s housing loan program for its members. For 2024, the Company has successfully migrated ₱15.6 billion worth of receivables to HDMF. Also, in 2024, the Company continued the accreditation of its projects with various banks for its housing loan program.

In addition, the Company also pursues various sustainable strategies to better manage its liquidity profile. These include the sale to institutions (such as banks or government housing agencies).

Interest Rate Risk

Fluctuations in interest rates could negatively affect the margins of the Company in respect of its sales of receivables and could make it more difficult for the Company to procure new debt on attractive terms, or at all. The Company currently does not, and does not plan to, engage in interest rate derivative or swap activity to hedge its exposure to increases in interest rates.

Fluctuations in interest rates also have an effect on demand for the Company’s products. As most of the Company’s customers obtain some form of financing for their real estate purchases, interest rate levels could affect the affordability and desirability of the Company’s subdivision lots and housing and condominium units.

Commodity Risk

As a property developer, the Company is exposed to the risk that prices for construction materials used to build its properties (including, among others, cement and steel) will increase. These materials are global commodities whose prices are cyclical in nature and fluctuate in accordance with global market conditions. The Company is exposed to the risk that it may not be able to pass its increased costs to its customers, which would lower the Company’s margins. The Company does not engage in commodity hedging, but attempts to manage commodity risk by requiring its construction and development contractors to supply raw materials for the relevant construction and development projects (and bear the risk of price fluctuations).

Seasonality

There is no significant seasonality in the Company’s sales. Delinquencies on the Company’s receivables from homebuyers tend to increase in the months of June and December. During these months, the Company’s customers’ cash flows are impacted by the need to make tuition payments in June for their children’s schooling and by Christmas Holiday-related expenditures in December. The Company mitigates this seasonality in collections by instituting credit and collection policies that encourage homebuyers to prioritize their amortization payments to the Company over other expenditures. These include incentives (i.e. vouchers for school supplies or Christmas season shopping at local stores that are given to homebuyers who are timely in their amortization payments) and remedial measures (i.e. fines for late amortization payments). For the most part, any spikes in delinquencies in June and December normalize in the succeeding month or two as homebuyers catch up on their payments.

Item 7. Consolidated Financial Statements

Please see accompanying 2024 Audited Consolidated Financial Statements ("2024 AFS")

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosures

Independent Public Accountants

From 2020-2024, Ramon F. Garcia & Company, CPAs (RFG) has been engaged by the Board of Directors as Independent External Auditor.

For 2019, 2018 and 2017, Punongbayan and Araullo (P&A) has been engaged by the Board of Directors as Independent External Auditor.

Until 2015, Sycip Gorres Velayo & Co. (SGV) is the Company's Independent External Auditor. SGV initially rendered its services to the Company in 2012. Prior to commencement of SGV services, the Company's Independent External Auditor was Reyes Tacandong & Co.

The Company has not had any disagreements on accounting and financial disclosures with the independent auditors. Reyes Tacandong & Co., SGV & Co. and P&A have no shareholdings in the Company nor any right, whether legally enforceable or not, to nominate persons or to subscribe to securities issued by the Company.

All independent auditors do not have and will not receive any direct or indirect interest in the Company or in any of our securities (including options, warrants or rights thereof) pursuant to or in connection with the Common Shares.

The foregoing is in accordance with the Code of Ethics for Professional Accountants in the Philippines set by the Board of Accountancy and approved by the Professional Regulation Commission.

Apart from the foregoing audit-related services, our independent auditors have not rendered tax, accounting, compliance, advice, planning and other tax services for the Company within last two fiscal years.

The 2018 audit of the Company is in compliance with paragraph (3)(b)(iv) of Securities Regulation Code Rule 68, as amended, which provides that the external auditor should be rotated, or the handling partner changed, every five (5) years or earlier.

External Audit Fees

The following table sets out the aggregate fees billed for each of the last three years for professional services rendered by RFG, excluding fees directly related to the Offer.

	2022	2023	2024
Audit and Audit-related Fees ⁽¹⁾	12,250,000	12,250,000	13,150,000
All Other Fees ⁽²⁾	1,225,000	1,225,000	1,315,000
Total	13,475,000	13,475,000	14,465,000

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- (1) *Audit and Audit-Related Fees. This category includes the audit of annual financial statements, review of interim financial statements and services that are normally provided by the independent auditor in connection with statutory and regulatory filings or engagements for those calendar years.*
- (2) *All other fees above include out-of-pocket expenses incidental to the independent auditors' work, the amounts of which do not exceed 15% of the agreed-upon engagement fees.*

The Corporation did not engage the services of the External Auditors and has not paid any other fees, except as stated above.

Audit and Risk Committee

The Audit and Risk Committee is composed of at least three members of the Board who have accounting and finance backgrounds, at least one of whom is an independent director and another with audit experience. The chair of the Audit and Risk Management Committee should be an independent director.

The Audit Committee has the following functions:

- (a) Assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process and monitoring of compliance with applicable laws, rules and regulations;
- (b) Provide oversight over the management's activities in managing credit, market, liquidity, operational, legal and other risks of the Company. This function shall include receiving from management of information on risk exposures and risk management activities;
- (c) Perform oversight functions over the Company's internal and external auditors. It should ensure that the internal and external auditors act independently from each other, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions;
- (d) Review the annual internal audit plan to ensure its conformity with the objectives of the Company. The plan shall include the audit scope, resources and budget, necessary to implement it;
- (e) Prior to the commencement of the audit, discuss with the external auditor the nature, scope and expenses of the audit, and ensure proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimized duplication of efforts;
- (f) Organize an internal audit department, and consider the appointment of an independent internal auditor and the terms and conditions of its engagement and removal;
- (g) Monitor and evaluate the adequacy and effectiveness of the Company's internal control system, including financial reporting control and information technology security;
- (h) Review the reports submitted by the internal and external auditors;
- (i) Review the quarterly, half-year and annual financial statements before their submission to the Board, with particular focus on the following matters:
 - (i) Any changes in accounting policies and practices;

- (ii) Major judgmental areas;
 - (iii) Significant adjustments resulting from the audit;
 - (iv) Going concern assumptions;
 - (v) Compliance with accounting standards; and
 - (vi) Compliance with tax, legal and regulatory requirements.
- (j) Coordinate, monitor and facilitate compliance with laws, rules and regulations;
 - (k) Evaluate and determine the non-audit work, if any, of the external auditor, and review periodically the non-audit fees paid to the external auditor in relation to their significance to the total annual income of the external auditor and to the Company's overall consultancy expenses. The Audit Committee shall disallow any non-audit work that will conflict with his duties as an external auditor or may pose a threat to his independence. The non-audit work, if allowed, should be disclosed in the Company's annual report;
 - (l) Establish and identify the reporting line of the internal auditor to enable him to properly fulfill his duties and responsibilities. He shall functionally report directly to the Audit Committee. The Audit Committee shall ensure that, in the performance of the work of the internal auditor, he shall be free from interference by outside parties.

As of the date of writing, the Audit and Risk Management Committee is chaired by Ms. Arlene C. Keh, while Mr. Mariano D. Martinez, Jr., Mr. Luis N. Yu, Jr., Mr. Muhammad Haiqal Bin Mohd Ali, and Mr. Dominic J. Picone serve as its members.

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers

The overall management and supervision of the Company is undertaken by the Company's Board of Directors. The Company's executive officers and management team cooperate with its Board by preparing appropriate information and documents concerning the Company's business operations, financial condition and results of operations for its review. Pursuant to the Company's current articles of incorporation, the Board consists of thirteen (13) members. To date, two (2) members of the Board are independent directors. Except for Mr. Manuel S. Delfin, Jr. who was elected to the Board on September 2, 2014, all of the directors were re-elected at the Company's annual shareholders meeting on July 28, 2024 and will hold office for a period of one (1) year from their election and until their successors have been duly elected and qualified.

The table below sets forth each member of the Company's Board as of writing.

Name	Age	Nationality	Position
Mariano D. Martinez, Jr.....	70	Filipino	Chairman of the Board
Luis N. Yu, Jr.....	69	Filipino	Chairman Emeritus and Director
Atty. Anthony Vincent Sotto	49	Filipino	Director, President and CEO
Manuel C. Crisostomo	70	Filipino	Director
Roan B. Torregoza	39	Filipino	Director and Chief Financial Officer
Arlene C. Keh	57	Filipino	Director
Manuel S. Delfin, Jr.	64	Filipino	Director
Raul Fortunato R. Rocha.....	71	Filipino	Director
Luis Micheal R. Yu.....	35	Filipino	Director
Ian Norman E. Dato	45	Filipino	Director
Margarita B. Martinez	33	Filipino	Director
Gwen Lourdes G . Lim.....	39	Filipino	Independent Director
Maria Paz I. Diokno.....	72	Filipino	Independent Director

The business experience of each of the directors is set forth below.

Mariano D. Martinez, Jr.

Chairman of the Board

Mr. Martinez assumed chairmanship of the Company in September 2012. He is the President and CEO of Ceres Homes, Inc. (2002 to present). He is also the President of Kwantlen Development Corporation (2010 to present). Mr. Martinez had previously held the position of President for Happy Well Management & Collection Services Inc. (2008), BP Waterworks Incorporated (1997), 8990 Luzon Housing Development Corporation (until 2011) and Fog Horn, Inc. (until 2011). He is currently a Board Advisor to the SHDA, the largest industry organization for real estate developers in the Philippines. He held the positions of Chairman (2001-2002) and President (1999-2001) for the SHDA. Mr. Martinez holds a Bachelor of Science in Business Management degree from De La Salle College (1976). Mr. Martinez has more than 30 years of experience managing and heading companies engaged in Mass Housing subdivision development.

Luis N. Yu, Jr.

Chairman Emeritus and Director

Mr. Yu became a director of the Company in July 2012. Mr. Yu is the Founder and Chairman Emeritus of the Company. Mr. Yu is also the Chairman Emeritus of IHoldings, Inc. (2012 to present). He is also the Chairman of 8990 Cebu Housing Development Corporation, 8990 Visayas Housing Development Corporation, 8990 Davao Housing Development Corporation, 8990 Mindanao Housing Development Corporation, 8990 Iloilo Housing Development Corporation and 8990 Luzon Housing Development Corporation (2009 to present), 8990 Housing Development Corporation (2006 to present), Ceres Homes, Inc. (2002 to present), N&S Homes, Inc. (1998 to present), L&D Realty Holdings, Inc. (1998 to present), and Fog Horn (1994 to present). Mr. Yu is currently the President of DECA Housing Corporation (1995 to present). Mr. Yu holds a Master in Business Management degree from the Asian Institute of Management. Mr. Yu has more than 30 years of experience managing and heading companies engaged in Mass Housing subdivision development.

Manuel C. Crisostomo

Director

Mr. Crisostomo was Senior Vice President and CEO of the Home Development Mutual Fund (HDMF) from 2001 to 2002, capping a government career spanning various positions for 25 years. He was the President and CEO of Firm Builders Realty Development Corporation from 2005 to 2013 and served as National President and Chairman of SHDA from 2010 to 2011. Mr. Crisostomo has a BS Industrial Engineering degree from the University of the Philippines and passed the Career Executive Service Officer of the Civil Service Commission.

Arlene C. Keh*Director*

Ms. Keh became an independent director of the Company in August 2012. Ms. Keh holds the position of President of CG & E Holdings Corporation, Cypress Grove Estates Corporation, and CGE South Hills Ventures, Incorporated. She is also the Managing Director of Ceres Homes, Incorporated, Director and Treasurer of C-S Mansions and Development Corporation and Alabang Homes Condotel, Inc. Ms. Keh is a member of the Board of Governors of the SHDA, consultant to the Board of Directors of SM Foundation, Incorporated, and a member of the Board of Directors/Trustees of Foundation for Professional Training, Inc., Asian Appraisal Company, Incorporated and Amalgamated Project Management Services, Inc. Ms. Keh holds a Masters in Business Administration from the J.L. Kellogg Graduate School of Management, Northwestern University, Chicago Illinois, USA and the Hong Kong University of Science and Technology, Clearway Bay, Hong Kong. She has a Bachelor of Science in Biology degree (Summa Cum laude) from the University of the Philippines, where she also earned the Dean's Medal for the Highest Academic Achievement.

Manuel S. Delfin, Jr.*Director*

Dr. Delfin is currently a partner in Allied Ophthalmic Consultants. He is also a consultant and the Vice-Chairman of the Department of Ophthalmology in Manila Doctors Hospital. He is also a consultant in Patients First Medical Center. Apart from his medical affiliations, he is also currently serving the following positions: (i) Corporate Secretary of UP Medical Foundation; (ii) President of Lakan Bakor Foundation; (iii) Treasurer of Philippine Glaucoma Society; (iv) Assistant Secretary of Philippine Glaucoma Foundation; (v) Director of Happy Wells Management & Corp.; and (vi) Director of 77 Avenida Corp. Dr. Delfin graduated with a bachelor's degree in Zoology from the University of the Philippines Diliman, cum laude, in 1982. He obtained his medical degree from the University of the Philippines College of Medicine in 1986. He also obtained his residency from the same university in 1990. He obtained his fellowship in Glaucoma from California Pacific Medical Center, USA, under Dr. Dr. Robert L. Stamper MD and Dr. Marc F. Lieberman MD.

Raul Fortunato R. Rocha*Director*

Mr. Rocha was born in Tabaco Albay on August 28, 1953. A banker for fourteen years and a businessman with businesses that include real estate development and leasing. He is currently the president of LYRR Realty Development Corporation and Naga Queenstown Realty and Development Inc. He is also the Chairman of the Board of Directors of Tabaco Port Cargo Corp. He graduated from Divine Word College Legazpi City in 1976 with a degree of BSC Major in Management. He is a member of various organizations like Rotary Club of Naga East, Metro Naga Chamber of Commerce and Industry and Kapisanan ng mga Broadcaster ng Pilipinas (KBP).

Margarita B. Martinez*Director*

Ms. Martinez is currently the President and Managing Director of Bonnesmains Services Corp. She has held this position since 2012. Prior to this, she was an Apparel Buyer for Southeastasia Retail Inc. from October 2015 to July 2017. She finished her Bachelor of Arts in Fashion Media and Industries in Goldsmiths University of London, Singapore. She also has a Foundation in the Creative Arts

Certificate from Lasalle College of the Arts Singapore, an Interdisciplinary Design Studies Certificate from Kwantlen Polytechnic University, BC Canada, and a Liberal Arts Studies Certificate from Corpus Christi College, BC Canada.

Luis Michael R. Yu III

Director

Mr. Yu is currently a director of Unido Capital Holdings, Inc., iHoldings. Inc., KuyaJ Group Holdings, Inc., Southeastasia Retail, Inc., Ikitchen, Inc., PLK Philippines, Inc., Grand Majestic Convention City, Inc., Manila Comisario Central, Inc., Iculsine, Inc., 100Holdings Ventures, Inc., One Vela Holdings, Inc. and 101Restaurant City, Inc., among other companies.

Gwen Lourdes G. Lim

Independent Director

Ms. Lim is currently the Vice Chairman of Southeastasia Retail Inc. (SEARI) and has been serving as such since September 2022. She was previously the President of SEARI from February 2015 to August 2022. Ms. Lim obtained her bachelor's degree in Management Engineering from Ateneo de Manila University in 1979. Ms. Lim has over 34 years of experience in the Philippine retail industry, with previous positions in SM, Pricesmart Philippines, and S&R Membership Shopping.

Maria Paz I. Diokno

Independent Director

Ms. Diokno has been most recently engaged to assist in the day-to-day operations of an elevator company. Prior to this engagement, she worked as an independent consultant, with private corporations developing strategy and financial structuring that include mergers, loan restructuring, IPOs, development of business plans and review of possible investment projects in various sectors such as information technology, manufacturing and service industries. She also worked with several private commercial banks and investment houses where areas of responsibility included the marketing and execution of investment banking products such as financial advisory, privatization, loan arrangements and syndications, debt and equity underwriting, and the like, including business development, packaging of credit facilities and preparation of industry studies.

Anthony Vincent S. Sotto

President and CEO

Atty. Sotto has been with 8990 Holdings Inc since September 2, 2021. Atty. Sotto has been with 8990 Housing Development for almost 18 years and has the same years of experience in the real estate development industry. Prior to his joining the Company, he was an associate lawyer for Solis and Medina Law Offices. In 2003, he joined the Company as an Assistant General Manager and served as such for eight years. Thereafter, he became the General Manager of 8990 Housing Development Corporation and served as such for seven years. He then assumed the position of Deputy Chief Executive Officer in June 2019. Atty. Sotto has a Bachelor of Laws from the University of the Philippines Diliman Campus in 2001, and was admitted to the Philippine bar in 2002.

Ian Norman E. Dato

Director

Mr. Dato is the Managing Partner of Dato Inciong & Associates. He is also an incumbent director of IKitchen, Inc. and MyMarket, Inc. and an incoming one (pending approval by the Monetary Board) of First Naga Rural Bank, Inc. He is Corporate Secretary to 27 corporations. His experience in private law

practice includes Ponce Enrile Reyes & Manalastas Law Offices (2012) and Kalaw Sy Vida Selva & Campos (2005-2006). He was in government service between 2003 and 2010 in various capacities, such as: Undersecretary of Justice (2010), Undersecretary of Political Affairs (2008-2010), Assistant Secretary of Political Affairs (2007-2008), and Director in the Presidential Legislative Liaison Office in the Office of the President of the Philippines (2003-2005). He has a Master of Laws degree from University College of London where he graduated with merit in 2011. He obtained his *Juris Doctor* from the Ateneo de Manila University School of Law and a degree in Political Science from the University of the Philippines Diliman. He is a member of the UCL Alumni Association, International Visitors Leadership Program Alumni of the U.S. Department of State, and Chevening Alumni of the Foreign & Commonwealth Office of the United Kingdom.

Roan Buenaventura – Torregoza

Director, CFO

Mrs. Roan Buenaventura-Torregoza assumed the position of Chief Financial Officer of the Company on September 2016. Prior to her current position, she served as Acting Chief Financial Officer, Deputy Chief Financial Officer, Assistant General Manager for Audit, and Management Services Manager for 8990 Holdings, Inc. Before joining the Company in 2014, she served as Account Officer of Wholesale Finance Department of BPI Family Savings Bank, Inc. from 2008 to 2012. Ms. Buenaventura-Torregoza finished her Master in Business Administration Concentration in Finance from Asian Institute of Management as W. Sycip Graduate School of Business Scholar in December 2013. She also has a degree in B.S. Business Administration from the University of the Philippines-Diliman (2007).

The table below sets forth the Company's officers as of writing.

Name	Age	Nationality	Position
Mariano D. Martinez, Jr.	69	Filipino	Chairman of the Board
Atty. Anthony Vincent Sotto	49	Filipino	President & Chief Executive Officer
Alexander Ace Sotto	43	Filipino	Chief Operating Officer
Roan B. Torregoza	39	Filipino	Chief Financial Officer
Richard L. Haosen	62	Filipino	Treasurer and Head of Treasury
Hazel L. Helmuth	38	Filipino	Compliance Officer
Cristina S. Palma Gil-Fernandez	57	Filipino	Corporate Secretary
Maureen O. Lizarondo-Medina	38	Filipino	Asst. Corporate Secretary
Patricia Victoria G. Ilagan	48	Filipino	Investor Relations Officer

The business experience of each of the key executive and corporate officers is set forth below.

Please refer to the table of Directors above.

The business experience of each of the key executive and corporate officers for the last five years is set forth below.

Mariano D. Martinez, Jr.

Chairman of the Board

Please refer to the table of Directors above.

Atty. Anthony Vincent Sotto

President and Chief Executive Officer

Please refer to the table of Directors above.

Alexander Ace Sotto

Chief Operating Officer

Mr. Sotto has been with 8990 Holdings Inc for the past 18 years since he joined the company in 2004. He is currently the Chief Operating Officer of the Company. He was the General Manager for Construction of the Company. He also holds the positions of Governor of the SHDA for Visayas and Advisor for the SHDA in Central Visayas. He holds a Bachelor of Science degree in Civil Engineering from the University of San Carlos Technological Center, Talamban, Cebu City in 2002.

Roan B. Torregoza

Chief Financial Officer

Please refer to the table of Directors above.

Richard L. Haosen

Treasurer and Head of Treasury

Please refer to the table of Directors above.

Hazel L. Helmuth

Compliance Officer

As General Manager of the Legal Department at 8990 Housing Development Corp., managed all legal affairs, including land acquisition, litigation, corporate governance, and special projects for the leading mass housing developer. Previous roles involve heading litigation and administrative departments at law firms in Cebu City, serving as Corporate Secretary for several corporate clients, and excelling in courtroom representation, contract management, and client relations. Additionally, worked as Corporate Lawyer and Executive Assistant at a local BPO firm, overseeing operations, compliance, and strategic initiatives. Atty Helmuth has been a member of the Philippine Bar since 2012. She obtained her Bachelor of Law degree at Arellano University School of Law in Manila in 2012. She is also a graduate of the University of the Philippines Los Banos with a Bachelor of Science Degree in Communications.

Cristina S. Palma Gil-Fernandez

Corporate Secretary

Atty. Palma Gil-Fernandez assumed the position of Corporate Secretary of the Company in September 2012. Atty. Palma Gil-Fernandez graduated with a Bachelor of Arts degree, Major in History (Honors) from the University of San Francisco in 1989, and with a Juris Doctor degree, second honors, from the Ateneo de Manila University in 1995. She is currently a Partner at Picazo Buyco Tan Fider & Santos Law Offices and has over 25 years of experience in corporate and commercial law, with emphasis on the practice areas of banking, securities and capital markets (equity and debt), corporate reorganizations and restructurings and real estate. She currently serves as a Corporate Secretary of several large Philippine corporations, including three other publicly-listed Philippine corporations, and as Assistant Corporate Secretary to one of the largest publicly-listed infrastructure companies in the Philippines⁹³

Maureen O. Lizarondo-Medina*Assistant Corporate Secretary*

Atty. Maureen O. Lizarondo-Medina assumed the position of Assistant Corporate Secretary in July 2015. Atty. Lizarondo-Medina graduated cum laude with the degree of Bachelor Arts, Major in Political Science, from the University of the Philippines in 2007, and with a Juris Doctor degree, second honors, from the Ateneo de Manila University in 2011. She is currently a Partner at Picazo Buyco Tan Fider & Santos Law Offices. She also serves as Corporate Secretary of Tullett Prebon (Philippines), Inc. and ICAP Philippines, Inc. She is also the Assistant Corporate Secretary of mutual funds managed by the Philam Asset Management, Inc. including Philam Fund, Inc., Philam Bond Fund, Inc., Philam Dollar Bond Fund, Inc., Philam Strategic Growth Fund, Inc., Philam Managed Income Fund, Inc., PAMI Global Bond Fund Philippines, Inc., PAMI Asia Balanced Fund Inc., PAMI Horizon Fund Inc., and PAMI Equity Index Fund, Inc.

Patricia Victoria G. Ilagan*Investor Relations Officer*

Ms. Patricia Victoria G. Ilagan joined 8990 in 2016 and is presently 8990's Investor Relations Officer. Prior to joining 8990, she worked at Philippine Equity Partners (a local research partner of Bank of America Merrill Lynch) from 2015-2017. She has an MBA degree from Esade Business School and a Bachelor of Science (Management) at Ateneo de Manila University. Her previous roles also include working as Senior Research Associate at Macquarie Capital Securities Philippines (2010-2012), Senior Manager for Financial Planning and Analysis at Bloomberry Resorts and Hotels Inc (2014-2015), Manager for Financial Planning and Analysis at Bloomberry Resorts and Casino (2012-2014).

Family Relationships

As of writing, family relationships (by consanguinity or affinity within the fourth civil degree) between Directors and members of the Company's senior management are as follows:

Luis Michael R. Yu , Director, is the son of Mr. Luis N. Yu, Jr., Director.

Margarita B. Martinez , Director, is the daughter of Mr. Mariano D. Martinez, Director.

Involvement of Directors and Executive Officers in Certain Legal Proceedings

To the best of the Company's knowledge and belief and after due inquiry, none of the Company's directors, nominees for election as director, or executive officers have in the five-year period prior to the date of this report: [1] had any petition 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 a two-year period of that time; [2] have been convicted by final judgment in a criminal proceeding, domestic or foreign, or have been subjected to a pending judicial proceeding of a criminal nature, domestic or foreign, excluding traffic violations and other minor offenses; [3] have been the subject of any order, 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 their involvement in any type of business, securities, commodities or banking activities; or [4] have been found by a domestic or foreign court of competent jurisdiction (in a civil action), the Philippine SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, such judgment having not been reversed, suspended, or vacated.

Item 10. Executive Compensation

Compensation

The following are the Company's president and three most highly compensated executive officers for the year ended December 31, 2024:

Name	Position
Anthony Vincent S. Sotto	President and CEO
Alexander Ace Sotto	Chief Operating Officer
Roan Buenaventura-Torregozo	Chief Financial Officer
Richard L. Haosen	General Manager – Treasury Group

The following table identifies and summarizes the aggregate compensation (actual and expected) of the Company's President and the three most highly compensated executive officers of the Company in 2024, 2023 and 2022:

	Year	Total ⁽¹⁾ (₱)
President and the three most highly compensated executive officers named above.....		
	2024	16.90 million
	2023	16.61 million
	2022	15.9 million

Note:

(1) Includes salary, bonuses and other income.

Compensation of Directors

The by-laws of the Company provide that, by resolution of the Board, each director shall receive a reasonable per diem allowance for his attendance at each meeting of the Board. As compensation, the Board shall receive and allocate an amount of not more than ten (10%) percent of the net income before tax of the Company during the preceding year. Such compensation shall be determined and apportioned among the directors in such manner as the Board may deem proper, subject to the approval of stockholders representing at least a majority of the outstanding capital stock at a regular or special meeting of the stockholders. However, since 2013, no directors' compensation was approved and given by the Board.

Currently, the directors are entitled to a per diem allowance of ₱10,000.00 for each attendance in the Company's board meetings.

Employee Stock Option Plan

The Corporation has no employee stock option plan at the moment.

Item 11. Security Ownership of Certain Record and Beneficial Owners and Management

Security Ownership of Certain Record and Beneficial Owners of more than 5% of the Company's voting securities as of December 31, 2024.

Name and Address of Record Owners	Name of Beneficial Owner and Relationship with Record	Citizenship	No. of Common Shares Held	Total No. of Shares Held	% of Total Outstanding Shares
IHoldings, Inc. Unit 605, Ayala FGU Center, Cebu Business Park, Cebu City	The record owner is the beneficial owner of the shares indicated	Filipino	2,524,367,002*	2,524,367,002*	45.75*
Kwantlen Development Corporation Unit 605, Ayala FGU Center, Cebu	The record owner is the beneficial owner of the shares indicated	Filipino	926,325,018	926,325,018	16.79%

**excludes the 40,000,000 shares registered in the name of IP Ventures, Inc. with an agreement to transfer to IHoldings, Inc. upon expiration of the PSE lock-up thereon.*

As of December 31, 2024 the Company's level of foreign ownership is 0.12% of its equity.

Security Ownership of Directors and Officers as of writing

Class	Name of Beneficial Owner	Amount	Citizenship	% of Total Outstanding Shares
Common	Luis N. Yu, Jr.	258,099,322 – direct	Filipino	4.79
Common	Mariano D. Martinez, Jr.	168,916,767 – direct	Filipino	3.17
		1,979,200- indirect		
Common	Anthony Vincent Sotto	1 – direct	Filipino	0.09
		5,000,000 - indirect		
Common	Arlene C. Keh	1 – direct	Filipino	0
Common	Manuel C. Crisostomo	100 – direct	Filipino	0
Common	Manuel S. Delfin, Jr.	1 – direct	Filipino	0
Common	Margarita B. Martinez	100 – direct	Filipino	0
Common	Luis Michael R. Yu III	200 – direct	Filipino	0
Common	Maria Paz I. Diokno	100 – direct	Filipino	0
Common	Raul Fortunato R. Rocha	101 – direct	Filipino	0.01
		500,000 – indirect*		
Common	Richard L. Haosen	1 – direct	Filipino	0
		20,000- indirect*		
Common	Gwen Lourdes G. Lim	100 – direct	Filipino	0
Common	Alexander Ace S. Sotto	100 – direct	Filipino	0.1
		5,000,000 - Indirect	Filipino	0
Common	Ian Norman E. Dato	5,001 – direct	Filipino	0
Common	Roan Buenaventura-Torregoza	5,000,000 – direct	Filipino	0.1
		1,500 – indirect		
Common	Margarita Martinez	100 -direct	Filipino	0
Common	Maria Paz I. Diokno	100 -direct	Filipino	0
Common	Cristina S. Palma Gil- Fernandez	None	Filipino	0
Common	Maureen O. Lizarondo- Medina	None	Filipino	0
Common	Hazel L. Helmuth	None	Filipino	0
Common	Patricia Victoria G. Ilagan	None	Filipino	0

Total: 439,502,395 shares

**held through the PCD Nominee Corporation*

Voting Trust Holders of Five Percent or More

There were no persons holding more than five percent of a class of shares of the Company under a voting trust or similar agreement as of writing.

Changes in Control

As of year-end 2024, there are no arrangements, which may result in a change in control of the Company.

Item 12. Certain Relationships and Related Transactions

The Company and its Subsidiaries, in their ordinary course of business, engage in transactions with related parties and affiliates. These transactions include advances and reimbursement of expenses. Settlement of outstanding balances of advances at year-end occurs in cash. As of December 31, 2017 and 2018, the Company has not made any provision for impairment losses relating to amounts owed by related parties.

Refer to Note 29 of the 2024 Audited Consolidated Financial Statements for the summary of the Company's transactions with its related parties.

Transactions Not in the Ordinary Course of Business

The Company has likewise entered into transactions with related parties otherwise than in the ordinary course of business. These transactions consist of advances to and from the 8990 Majority Shareholders and the 8990 Related Companies as disclosed in Note 29 of the 2024 Audited Consolidated Financial Statements.

PART IV - CORPORATE GOVERNANCE

Item 13. Corporate Governance

See Exhibit 1 for the Annual Corporate Governance Report filed with SEC on May 31, 2024.

PART V - EXHIBITS AND SCHEDULES

Item 14. Exhibits and Reports on SEC Form 17-C (Current Reports)

Report	Date
Public Ownership Report	15-Jan-24
List of Top 100 Stockholders (Common Shares)	16-Jan-24
List of Top 100 Stockholders (Preferred Shares)	16-Jan-24
Redemption of Security	17-Jan-24
Voluntary Trading Suspension	18-Jan-24
(Amend 1)Redemption of Security	30-Jan-24
Material Information/Transactions	19-Feb-24
Material Information/Transactions	21-Feb-24
Public Ownership Report	15-Apr-24
Request for Extension to file SEC Form 17-A	15-Apr-24
List of Top 100 Stockholders (Common Shares)	15-Apr-24
Annual Report	13-May-24
Notice of Annual or Special Stockholders' Meeting	07-May-24
Quarterly Report	15-May-24
Integrated Annual Corporate Governance Report	31-May-24
Share Buyback Transaction	24-Jun-24

(Amend 1) Share Buyback Transaction	24-Jun-24
Share Buyback Transaction	27-Jun-24
Share Buyback Transaction	02-Jul-24
Share Buyback Transaction	04-Jul-24
Share Buyback Transaction	04-Jul-24
Share Buyback Transaction	05-Jul-24
Information Statement	05-Jul-24
Amend 1 Notice of Annual or Special Stockholders' Meeting	08-Jul-24
Share Buyback Transaction	09-Jul-24
Share Buyback Transaction	10-Jul-24
Share Buyback Transaction	11-Jul-24
Share Buyback Transaction	12-Jul-24
Public Ownership Report	12-Jul-24
List of Top 100 Stockholders (Common Shares)	15-Jul-24
Share Buyback Transaction	16-Jul-24
Results of Annual or Special Stockholder's Meeting	30-Jul-24
Results of Organizational Meeting of Board of Directors	30-Jul-24
Clarification of News Reports	30-Jul-24
Quarterly Report	15-Aug-24
Press Release	30-Sep-24
Public Ownership Report	05-Jul-23
List of Top 100 Stockholders (Common Shares)	11-Oct-24
Initial Statement of Beneficial Ownership of Securities	11-Oct-24
Change in Directors and or officers (Resignation, Removal or Appointment, Election or Promotion)	06-Nov-24

SIGNATURES

Pursuant to the requirements of Section 17 of the Securities Regulations Code, and Section 14 of the Corporation Code, the ANNUAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2024 (SEC FORM 17-A) is signed on behalf of the issuer by the undersigned, thereunto duly authorized in the City of Makati, Philippines on _____ 2025.

MARIANO D. MARTINEZ
Chairman

ANTHONY VINCENT S. SOTTO
President and CEO

ROAN BUENAVENTURA - TORREGOZA
Chief Financial Officer

CRISTINA S. PALMA GIL-FERNANDEZ
Corporate Secretary

Before me REPUBLIC OF THE PHILIPPINES)
) S.S.

SUBSCRIBED AND SWORN TO before me this _____, the following persons exhibiting me their Passports/ TIN IDs:

		Date of Issue	Place of Issue
Mariano D. Martinez	SSS Number 03-4310513-8		Makati City
Roan Buenaventura – Torregoza	UMID Number 1210-1072- 0364		Mandaluyong City
Anthony Vincent S. Sotto	Driver's License H03-94-018909		Cebu City
Cristina S. Palma Gil- Fernandez	Passport P5655630A	18 Jan 2018	DFA NCR South

Doc. No. : _____

PageNo.: _____

Book No.: _____

Series of 2025

SIGNATURES

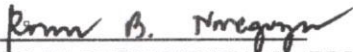
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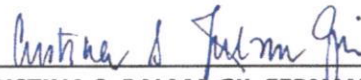
MARIANO D. MARTINEZ
Chairman



ANTHONY VINCENT S. SOTTO
President and CEO



ROAN BUENAVENTURA - TORREGOZA
Chief Financial Officer



CRISTINA S. PALMA GIL-FERNANDEZ
Corporate Secretary

Before me REPUBLIC OF THE PHILIPPINES)
PASIG CITY) S.S.

SUBSCRIBED AND SWORN TO before me this APR 15 2025, the following persons exhibiting me their Passports/ TIN IDs:

		Date of Issue	Place of Issue
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Cristina S. Palma Gil- Fernandez	Passport P5655630A	18 Jan 2018	DFA NCR South

Doc. No.: 451
PageNo.: 91
Book No.: 80
Series of 2025

ATTY. DARIAN KAYE S. AQUINO
NOTARY PUBLIC FOR AND IN THE CITY OF PASIG
Appointment No. 48 (2024-2025), valid until 31 December 2025
Roll No. 72050
PTR No. 3006464; 03 January 25; Pasig City
IBP No. 490587; 01 January 25; Isabela
MCLE Compliance No. VIII-0015543; exp. on 14 April 2028

Contextual Information

Company Details	
Name of the Organization	8990 Holdings, Inc.
Location of Headquarters	11F Liberty Center, 104 H.V. Dela Costa, Salcedo Village, Makati
Location of Operations	The company is currently present in the following locations: ▪ Pampanga ▪ NCR ▪ Iloilo ▪ Cebu ▪ Davao ▪ Bulacan ▪ South Luzon ▪ Bacolod ▪ Ormoc ▪ General Santos
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	Subsidiaries: ▪ 8990 Housing Development Corp. "8990 HDC" ▪ 8990 Luzon Housing Development Corp. "8990 LHDC" ▪ 8990 Davao Housing Development Corp. "8990 DHDC" ▪ 8990 Mindanao Housing Development Corp. "8990 MHDC" ▪ 8990 Leisure and Resorts Corp. "8990 LRC" ▪ Tondo Holdings, Corp. "Tondo Holdings" ▪ Fog Horn, Inc. "Fog Horn" ▪ Genvi Development Corp. "Genvi" ▪ Primex Land, Inc. "Primex" ▪ RLC Coastal Estates, Inc. "RLC" ▪ Euson Realty and Development Corp. "Euson"
Business Model, including Primary Activities, Brands, Products, and Services	8990 Holdings, Inc. is the largest mass housing developer in the Philippines in terms of units licensed under BP 220. The company is mainly engaged in the development of residential horizontal mass housing subdivision projects and medium rise building condominiums. The company's residential subdivisions are launched under the DECA Homes brand while the medium-rise condominium units are marketed under the Urban DECA Homes brand.
Reporting Period	January 1, 2024 to December 31, 2024
Highest Ranking Person responsible for this report	Anthony Vincent S. Sotto – President & CEO

Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics.
8990 and its management team conducted a series of discussions to identify and understand the needs of the company's stakeholders, which would include its investors, employees, business partners, government agencies, and the community the company is operating in. These discussions allowed the company to see a bigger picture of how the company's operations would impact each stakeholder and the company is making improvements to meet these financial and non-financial needs.

The UN Sustainability goals were used as a framework to identify the impact of the company's operations to the environment, the economy, and the society.

ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	Amount	Units
Direct economic value generated (revenue)	19,039,390,973	Php
Direct economic value distributed:		
a. Operating costs	2,553,070,639	Php
b. Employee wages and benefits	353,366,080	Php
c. Payments to suppliers, other operating costs	668,013,838	Php
d. Dividends given to stockholders and interest payments to loan providers	1,500,575,568	Php
e. Taxes given to government	383,521,437	Php
f. Investments to community (e.g. donations, CSR)	0	Php

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
8990 Holdings, Inc is the largest mass housing developer in the Philippines. The main impact is mainly attributable through its core business of sale and development of horizontal mass-housing subdivision projects and medium-rise building condominiums. The Company has consistently performed financially strong with three years of recorded growth. For the three years ended December 31, 2024, 2023 and 2022, the company's consolidated revenues amounted to ₱19.04 billion ₱22.66 billion, and ₱21.64 billion, respectively.	Customers	8990 has an integrated real estate system that covers the different areas of the company such as, acquisitions, business development and innovation, technical planning, project management, engineering, sales and marketing, credit and collection, legal services, customer service, and property management. The company is proud of its customer service and credit collection approach as these are personalized to cater to the company's target market. This system allows the company to engage closely with its customers and respond to customers and business partners.

Economic value generated, from its main operations, are distributed through payments to suppliers and service providers, employee wages and benefits, and taxes to government agencies.	Suppliers and service providers, Employees, Government	8990 Holdings have coordinated systems and close relationship with suppliers and service providers to ensure that obligations to these stakeholders are settled promptly.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
The company's future growth and development are dependent, in part, on its ability to acquire additional tracts of land suitable for the Company's future real estate projects. Due to the present competition in the real estate industry, the company may experience difficulty locating parcels of land of suitable size in locations and at prices acceptable to the Company, particularly parcels of land located in areas surrounding Metro Manila and in other urban areas throughout the Philippines. In the even the Company is unable to acquire suitable land at prices and in locations that could translate into reasonable returns, or at all, its growth projects could be limited and its business and results of operations could be adversely affected. The company is also exposed to risks associated with its in-house financing activities, including the risk of customer default, and it may not be able to sustain its in-house financing program. If there are a great number of customers who defaults in the Company's in-house financing facilities, this would require the Company to incur additional expenses such as those relating to sales	Suppliers, Customers, Employees, and Shareholders.	The combined experience of its principal owners gives the company extensive advantage in the mass housing industry. This is also supported with the established relationship with key partners such as local government agencies and other industry related business partners. The mix of these qualities are attributed to the investment opportunities that the company could venture into.

cancellations and eviction of occupants, additional expenses caused by delinquent accounts, a disruption in cash inflows, risk of holding additional inventory in its balance sheets, and reduced finance income.		
What are the Opportunity/ies identified?	Which stakeholders are affected?	Management Approach
A strong macroeconomic performance of the country would greatly benefit the company and the industry. With the company's current position as the largest mass housing developer, the company could bank on the increasing demand of low to medium cost housing.	Customer/Employees/Suppliers /Government/Shareholders	8990 established itself as the largest mass housing developer in the Philippines. It has been resilient on its current market segment and is looking to expand to the high-end market.

Governance and climate-related risks and opportunities

GOVERNANCE	
Disclose the organization's governance around climate-related risks and opportunities	The company has set up an Audit and Risk Management Committee to oversee the company's Enterprise Risk Management (ERM) Framework. The committee assists the Board in fulfilling its oversight responsibilities for financial reporting process, system of internal control, audit process and the Corporation's process for monitoring compliance with the laws and regulation. Further, the committee also oversees the implementation of risk management program of the company. https://www.8990holdings.com/wp-content/uploads/2018/09/8990-Holdings_risk_management.pdf
Recommended Disclosures	
Describe the board's oversight of climate-related risks and opportunities	Details regarding the board's oversight, managements' role, and resilience of the organization's strategy are all detailed in the company's Risk Management System.
Describe management's role in assessing and managing climate-related risks and opportunities	
Describe the resilience of the organization's strategy, taking into consideration different	

climate-related scenarios including a 2°C or lower scenario	

Risk management – considered a strategic competitive advantage by the Management – is an integral part of the Corporation's operation. Likewise, risk management is an essential part of the Company's business strategy in-order to meet effective corporate governance and achieve the set goals. Thus, instead of responding to crisis and to need for compliance, the Corporation is evaluating possible risk exposures proactively.

[Procurement Practices](#)

[Proportion of spending on local suppliers](#)

Disclosure	Quantity	Units
Percentage of procurement budget used to significant locations of operations that is spend on local suppliers	100	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which Stakeholders are affected?	Management Approach
The company relies on independent contractors to provide various services, including land clearing, infrastructure development and various construction projects. The quality of products provided by 8990 are dependent on the quality of inputs obtained from suppliers and other related service providers.	Suppliers/ Contractors/ Customers	The company screens suppliers and service providers based on a number of criteria, including, the quality of the materials supplied, historical stability of the supply, delivery time, pricing of the raw materials, as well as financial and industrial strength of the supplier or service provider.
What are the Risk/s Identified?	Which Stakeholders are affected?	Management Approach
Independent contractors may not always be available, and once hired by the Company, may not be able to meet the Company's quality standards or to complete projects on time and within budget.	Suppliers/ Contractors/ Customers.	The company is proactive in supervising the phase of every construction of its projects.
What are the Opportunity/ies Identified?	Which Stakeholders are affected?	Management Approach
8990 has a collective experience in the Philippine property development industry. With	Suppliers/ Contractors/ Government	The company remains to solidify its relationship with local suppliers and service providers.

this, the company has extensive understanding with the demands, needs, preferences, means, and circumstances of consumers in the Philippine mass housing market. It has also established strong relationship with key Government agencies that are essential to any success in the Mass Housing development industry and with key market participants, such as, construction companies, regulatory agencies, and over two hundred (200) suppliers.		

Anti-corruption

Training on Anti-corruption Policies and Procedures

Disclosure	Quantity	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 and management that have received anti-corruption training	None	%
Percentage of employees that have received anti-corruption training	None	%

Incidents of Corruption

Disclosure	Quantity	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	#

The company is finalizing its separate written policy on anti-graft and corruption. Such will be cascaded once it has been approved by the 8990 management and board of directors. It has been a practice by the company to educate and orient its employees during on boarding the code of business conduct which includes anti-graft and corruption clauses. Furthermore, all employees are given periodic reminders and updates on the code of conduct to ensure that these are being embed in the Company's cultures.

ENVIRONMENTAL

Resource Management

Energy consumption within the organization:

Disclosure	Quantity	Units
Energy consumption (renewable sources)	N/A	GJ
Energy consumption (gasoline)	N/A	GJ
Energy consumption (LPG)	N/A	GJ
Energy consumption (diesel)	N/A	GJ
Energy consumption (electricity)	N/A	kWh

**The company started to measure its energy consumption in 2021*

Reduction of energy consumption

Disclosure	Quantity	Units
Energy consumption (renewable sources)	N/A	GJ
Energy consumption (gasoline)	N/A	GJ
Energy consumption (LPG)	N/A	GJ
Energy consumption (diesel)	N/A	GJ
Energy consumption (electricity)	N/A	kWh

**The company started to measure its energy consumption in 2021*

***There is no comparable data available, the baseline year is 2021*

Reduction of energy consumption

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

**The company started to measure its energy consumption in 2021*

***There is no comparable data available, the baseline year is 2021*

What is the impact and where does it occur? What is the organization's involvement in the impact?

Energy

The company's consumption of energy does not have material impact to the environment. Energy is consumed during the day to day operations of 8990 Holdings, Inc in the construction site, existing projects, branches, and corporate offices.

Water

Water is used in the company's day to day operations, including construction sites, office, branches, and existing projects. 8990 Holdings, Inc works to ensure availability of clean and well-maintained water is provided to its customers and related stakeholders. Because of its dependency in water, 8990 recognizes its responsibility to use this resource as efficiently as possible.

What are the Risk/s Identified?

The shortage of water and energy may hinder the overall operations of the company.

What are the Opportunity/ies Identified?
8990 Holdings is working continuously to increase the efficiency in the use of these vital resources. The company also needs to ensure that these action towards efficiency does not disrupt or hinder its current operations.
Management Approach
The company is working closely with its contractors and service providers in designing properties that would consume less electricity and water.

Materials used by the organization

Disclosure	Quantity	Units
Materials used by weight or volume		
• Renewable	N/A	Kg/liters
• Non-renewable	N/A	Kg/liters
• Percentage of recycled input materials used to manufacture the organization's primary products and service	N/A	%

**The company started to identify renewable and non-renewable materials in 2021*

***The last item is not applicable, the company is not engaged in manufacturing products*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
8990 uses substantial amount of materials to construct and develop its projects. Apart from its construction needs, the company also uses materials for its office and corporate operations.	Operations, Suppliers, Community, Customers	8990 recognizes that the materials such as cement, rebars, and glass are non-renewable, and these materials entails high amounts of costs, energy, and emissions to produce. The company notes that the mining of minerals needed for its main raw materials in construction such as glass, steel, and cement production impacts biodiversity. The company also recognizes that limestone deposits and other such resources are limited. Conserving the use of these materials will help extend the life of the said resource for future generations.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
The resources needed to produce the raw materials for construction are limited. The finite amount of these resources will impact the pricing of raw materials, which	Customers/ Operations	8990 works closely with contractors to ensure that designs and construction practices are in line with the optimal use of materials, without compromising quality and durability.

would indirectly affect the company's competitiveness.		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Significant portion of the total cost of the projects pertain to materials such as steel and cement. The reduction in material usage has corresponding financial implications.	Customers/Shareholders	The company is assessing the efficiency of the usage of materials in its previous and current projects. 8990 is also working with its

Environmental impact management

Air Emissions

GHG

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions	Not available	Tonnes CO2e
Energy indirect (Scope 2) GHG Emissions	Not available	Tonnes CO2e
Emissions of ozone-depleting substances (ODS)	Not available	Tonnes

**The company started to measure emissions in 2021*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Most of the air emissions identified by the company are from the use of electricity. Though there are no current available data regarding the company's use of these resources, 8990 recognizes that emissions results from the overall operations of the company's construction sites, office facilities, and branches.	Operations	The company's objective is to reduce the emissions that it generates by continuously improving efficiency in the usage of electricity.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
The company recognizes that the emission of GHG from the excessive use of electricity can contribute to climate change.	Operations/ Customers/ Employees/ Shareholders	The company is making efforts to assess the current operations and management reporting structure against existing energy management frameworks.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
The company would like to take advantage of design and construction	Operations/ Customers/	8990's properties are designed to consume less electricity which would translate to reduced power

advancements to reduce carbon emissions.	Employees/ Shareholders	consumption and reduced emission of GHG. The company continues to adapt these kinds of design in future projects.

Air pollutants

Disclosure	Quantity	Units
NOx	Not available	Kg
Sox	Not available	Kg
Persistent organic pollutants (POPs)	Not available	Kg
Volatile organic compounds (VOCs)	Not available	Kg
Hazardous air pollutants (HAPs)	Not available	Kg
Particulate matter (PM)	Not available	Kg

**The company started to measure pollutants in 2021*

Solid and Hazardous Wastes

Solid waste

Disclosure	Quantity	Units
Total solid waste generated	Not available	Kg
Reusable	Not available	Kg
Recyclable	Not available	Kg
Composted	Not available	Kg
Incinerated	Not available	Kg
Residuals/landfilled	Not available	kg

**The company started to measure solid wastes in 2021*

Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	Not available	Kg
Total weight of hazardous waste transported	Not available	Kg

**The company started to measure hazardous waste in 2021*

Effluents

Disclosure	Quantity	Units
Total volume of water discharges	Not available	Cubic meters
Percent of wastewater recycled	Not available	%

**The company started to measure effluents in 2021*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach

Wastes Wastes generated from 8990's developments, offices, and branches are collected by accredited waste collectors and are disposed properly in landfills closest to the developments, offices, and branches locations. Effluents The company makes use of water in its developments, offices, and branches. 8990 produces water discharges, as a result, of its main operations.	Government/Environment and communities	The company ensures that its accredited garbage collectors operate and meet the standards of the Department of Energy and Natural Resources. The company also makes efforts in minimizing effluents by designing and incorporating in its development sites, offices, and branches, wastewater treatment systems.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
8990 is aware that it does not have full control of the wastes collected from its' facilities. While we are monitoring that the accredited waste collectors are meet the standards of the DENR, there is still a risk that there are still oversights in complying with these standards.	Government/Environment and communities	The company is keeping close relationship with local government units and make sure that the partnership with these agencies would ensure proper monitoring of waste disposals.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
8990 sees opportunity to be involved in improving the country's waste management system.	Government/Environment and communities	The company is working closely with service providers, such as the local government, to make sure that the company is meeting regulatory standards when it comes to waste management.

Environmental compliance

Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	0	Php
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	#
No. of cases resolved through dispute resolution mechanism	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
8990's major activity is the development of its projects. The construction of projects would involve movement of soil, materials, and other resources, which could lead to disruption in the environment.	Employees/Government/Environment and communities	8990 recognizes its role to be compliant to environmental laws.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
The company believes that compliance to the environmental laws is paramount to its operations. However, there is still risk that there is non-compliance given the nature of the company's operations.	Employees/Government/Environment and communities	8990 recognizes that compliance to environmental laws is vital to its operations. The company has a team of engineers focused to manage and monitor that operations are compliant to environmental laws.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	
8990 has room to improve its systems and workflows in monitoring its compliance with environmental laws.	Employees/Government/Environment and communities	The company will invest time and resources in internal trainings to make sure that the company's future and existing developments will be within the scope of environmental regulations.

SOCIAL

Employee Management, Employee Hiring, and Benefits Employee data

Disclosure	Quantity	Units
Total number of employees	642	#
• Number of female employees	62.84	#
• Number of male employees	37.16	#
Attrition rate		%
Ration of lowest paid employee against minimum wage	0	x

Employee benefits

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	Y	62.84%	37.16%
PhilHealth	Y	62.84%	37.16%
Pag-ibig	Y	62.84%	37.16%
Parental leaves	Y	1%	0%
Vacation leaves	Y	28%	16%
Sick leaves	Y	25%	15%
Medical benefits (aside from PhilHealth)	Y	45%	38%
Housing assistance (aside from Pag-ibig)	Y	5%	3.5%
Retirement fund (aside from SSS)	Y	0%	0%
Further education support	Y	11.5%	9%
Company stock options	N	0%	0%
Telecommuting	N	0%	0%
Flexible-working Hours	N	0%	0%
Rice Subsidy	Y	0%	0%
Meal Allowance	Y	15.5%	13%

Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce	62.84	%
% of male workers in the workforce	37.16	%
Number of employees from indigenous communities and/or vulnerable sector*	0	#

*Vulnerable sector includes, elderly, person with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).

Employee Training and Development

Disclosure	Quantity	Units
Total training hours provided to employees	The hours of the training were not recorded. However, the company is committed to training employees upon hiring in the company. There are also trainings done to make our employees aware of health and safety procedures – the training is done to make sure that there are people capable of administering emergency health actions as they wait for official medical response. There are also trainings done to ensure that employees are updated in terms of new systems such as SAP user training.	
Female employees		
Male employees		
Average training hours provided to employees		
Female employees		
Male employees		

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
8990 identifies employees as its most critical asset. The achievements and fulfillment of the company's vision is highly dependent on its functioning human capital.	The company remains its contact and relationship with various sources to ensure that prospective employees are in-line with the company's vision, mission, and culture.
What are the Risk/s identified?	Management Approach
The company sees the competition regarding hiring. The company would need to be competitive in choosing and retaining the right employees to meet the requirements of its rapidly expanding business.	The company is keeping its close relation with institutions like schools and other agencies. This would ensure that the company would be competitive in acquiring quality employees.
What are the Opportunity/ies Identified?	Management Approach
8990 seeks to improve its talent acquisition and retention. The company is offering packages and bonuses that are competitive, and the company has an achievable employment metrics that clearly defines an employee's goal. The company also offers benefits and aid to respond to financial, personal, and professional growth of its employees.	

Labor-Management Relations

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements	Not applicable	%
Number of consultations conducted with employees concerning employee-related policies	None	#

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-hours	Not applicable	Man-hours
No. of work-related injuries	0	#
No. of work-related fatalities	0	#
No. of work-related ill-health	0	#
No. of safety drills	2	#

Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	0	#

Do you have policies that explicitly disallows violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	None	The company is continuously updating its employee manual to contain policies that ensures fair and consistent treatment towards its employees. Currently, the company is being guided by its Human Resources department regarding the matters that would oversee grievances and violation towards the rights of employees.
Child labor	None	The company is fully compliant with the labor codes implemented by related regulatory body.
Human Rights	Yes	The company is compliant regarding human rights as per the prescription of the Labor Code. Management of the company sees to it that it is more than compliant than what is set by the government Human Rights and Labor Codes.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The company recognizes the importance of being compliant to the labor code and other regulations protecting the rights of all its employees. Compliance to these laws also promotes a healthy and safe environment which highly attributes to a functioning workplace.	8990 has a system of safety regulation in its project sites and office operations – to protect the health and safety of its employees. There are also key personnel like security guards, the Human Resource Department staff, and department representatives who were properly trained regarding health and safety actions.
What are the Risk/s Identified?	Management Approach

Violation, threats, and other factors that disregard the rights, health, and safety of the company's employees would be very detrimental to the worker's productivity, retention, and engagement.	The company continues to assess that it is maintaining the quality of the system it has set in place.
What are the Opportunity/ies Identified?	Management Approach
8990 sees the opportunity to improve its compliance regarding employee health and rights as we continually expand our business. The company also recognizes such opportunity to be cascaded, not only within its internal network, but also with business partners, contractors, and other related agencies.	

Supply Chain Management

Do you have supplier accreditation policy? If yes, please attach the policy or link to the policy:

The 8990-supplier accreditation process are as stated below:

1. Compliance to laws and regulatory requirements

All the company's suppliers and contractors must submit the following before partnering with the company:

- Company Profile
- Business Permit
- BIR Form 2303
- PCAB License
- SEC or DTI Registration
- Articles of Incorporation
- DOLE Certificate

2. Appraisal

The company will appraise all its prospective business partners for accreditation. They will be assessed on their capability to meet the company's requirements through financial and liquidity auditing.

3. Evaluation

All accredited and newly accredited business partners will be maintained in the supplier information database of the company. They will also be subject to regular assessment and reassessment to ensure that they are consistent in maintaining the business partnership requirements.

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance	Y	Verbal query
Forced labor	Y	Verbal query
Child labor	Y	Verbal query
Human rights	Y	Verbal query
Bribery and corruption	Y	Verbal query

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
8990 recognizes the role of its business partners and contractors in enabling the company to offer quality products. The company keeps the relationship with these business partners to promote long-term and mutually beneficial relationship.	8990 opens equal opportunities amongst potential business partners. The company promotes fair competition amongst vendors to encourage the highest level of productivity quality and efficiency.
What are the Risk/s Identified?	Management Approach
The company recognizes that third-party providers, such as suppliers and contractors, fail to adhere to correct operational practices agreed upon during the initiation of the contract.	The company is hands-on in the accreditation process of its suppliers and business partners. 8990 makes sure that accredited suppliers and business partners share the same vision as the company. Furthermore, the accreditation process assesses the supplier's compliance to all relevant laws and regulations.
What are the Opportunity/ies Identified?	Management Approach
8990 is continuously improving on its supplier and business partner accreditation guideline, refurbishing current guidelines to include relevant criteria relevant to ESG.	

[Relationship with Community](#)

[Significant Impacts on Local Communities](#)

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)
Socialized Housing Projects Socialized housing being one of the company's main operations, the company has already provided more than 1.8 million mass housing units. In line with its development of socialized housing projects, the company also offers affordable monthly amortization payments for its target customers, which is lower when compared to monthly rental payments for comparable housing units. This would allow for a smooth transition from home rental to ownership. With its contribution of providing affordable housing in the low to middle income earners, the company was recognized as the largest mass housing developer in terms of units licensed under BP 220 and is awarded with the National Product Quality Excellence Award, the Q Asia's Seal of Product and Quality Service, and is regarding by Pag-Ibig as the top housing developer in Visayas.

[Customer Management](#)

[Customer Satisfaction](#)

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction	No surveys were done in 2024	N

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
8990 recognizes that customer satisfaction will impact the entire organization. This metric would reflect on the overall experience of the customer from customer query, reservation of units, unit take-out and turn-over process, and property management. Customer satisfaction does not limit its impact in the company's financial standing, but its effect will also extend to the company's morale and customer retention.	The company shows its customers that their satisfaction is of utmost concern through the following methods: 1. More personal approach in billing and collection. 2. Financial literacy seminars before the completion of the buyer's take-out process. 3. Responding to general customer queries from different communication channels (social media, email, phone).
What are the Risk/s Identified?	Management Approach
Any dissatisfaction from the customers is detrimental to the company's business in terms of customer relationship, retention, and acquisition.	8990 makes sure that customer satisfaction does not end after the take-out of the property. The company continues to show that customers are very much valued by continuing exemplary customer service, post-sale, of the property.
What are the Opportunity/ies Identified?	Management Approach
8990 continues to improve and develop its customer service systems, especially with the rapid growth of the company. In-line with its current customer service systems, the company sees opportunities in tapping new channels such as social media, digital mail, and websites, to smoothly receive and address customer concerns.	

Disclosure	Quantity	Units
No. of substantiated complains on product or service health and safety*	None	#
No. of complains addressed	None	#

*Substantiated complains include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complains that were lodge to and acted upon by government agencies.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Customer's health and safety is top priority in the use of 8990 projects.	8990 ensures that its property does not pose any health and safety risk to its stakeholders and customers. The prioritization of safety and health is incorporated from the design process, to its construction, and finally to the very operation of the project. The company is committed to maintaining an above-par real estate standards to make the property resilient to any structural and environmental threat.
What are the Risk/s Identified?	
8990 recognizes that there are some risks when it comes to accidents that are outside 8990 project premises and facilities.	
What are the Opportunity/ies Identified?	
The company sees to continue improvement in the areas of health and safety of customers.	

	Furthermore, the company maintains a hands-on inspection and auditing of its structural projects.

Marketing and labelling

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labelling*	None	#
No. of complains addressed	None	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The company has an extensive marketing network consisting of 477 teams, with 52 headed by unit managers and 208 headed by licensed brokers and with more than 2,282 active sales agents. All the unit managers and the agents under them are exclusively contracted to the Company.	The company ensures that it complies with existing laws and regulations concerning branding and advertisements.
What are the Risk/s Identified?	Management Approach
Because of the third-party type or marketing strategy, the company may oversee some situations that would be detrimental to the company's image.	The company has set up a team who oversees the operations of these third-party agencies. The company is also hands-on in regularly meeting with these partners to know their status and to ensure that they are within the bounds of the concerned rules and regulations.
What are the Opportunity/ies Identified?	Management Approach
The company is improving its monitoring mechanisms to ensure that these sales agents and marketing network is in-line with the values the company upholds.	The company is keeping its current marketing and advertising model; however, it is making tighter monitoring protocols to oversee that it is marketing network.

Customer privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy*	None	#
No. of complains addressed	None	#
No. of customers, users, and account holders whose information is used for secondary purposes	None	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

Data Security

Disclosure	Quantity	Units

No. of data breaches, including leaks, thefts, and losses of data	None	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
All the documents, personal information, and signature of customers during the company's business operations are scanned and saved in the company's database. The database could only be accessed by authorized personnel.	To protect corporate and customer data, the company is implementing a strong data security policy. The company also has a point person who oversees that the company is compliant in keeping the company's and customers' data and information.
What are the Risk/s Identified?	
8990 recognizes that there is a threat to data security due to cyber hacking. In the situation that the company becomes a victim of cyber hacking, operations may be disrupted, and such an event may be detrimental to the company's reputation	
What are the Opportunity/ies Identified?	Management Approach
The company continues to assess every angle it could implement concerning data privacy.	Management continues to assess actions it could implement as there are new technological innovations that could prevent cyber threats.

UN SUSTAINABLE DEVELOPMENT GOALS

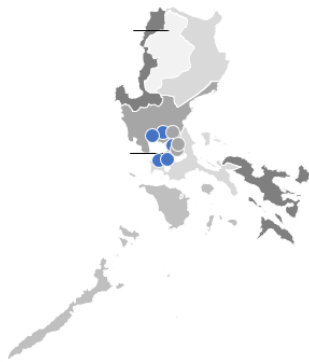
Product or Service Contribution to UN SDGs

Key products and services and its contribution to sustainable development.

Key Products and Services	Societal Value/Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Mass housing and Condominiums	 	ESG impacts	Included in Sustainability report
Lease Spaces	 	New leasing spaces will introduce new competition for existing business within the community.	In approving business space leases, the company ensures that potential lessors will complement existing business to create a “cooperative” environment.
Hotel and leisure services	  	There is a potential that the business will produce food wastage, rise in electricity, and water consumption, and increase in waste output.	Food and material wastes are transported to accredited treatment facilities. To minimize electricity consumption, the company ensures that appliances used such as light and air-conditioning are energy efficient. Finally, the property is designed to recycle and thoroughly treat wastewater.
Property Management	 	ESG impacts	Included in Sustainability report.

ANNEX A. LOCATION OF OPERATIONS

Luzon



Visayas



Mindanao



The company has presence nationwide with the focus on high housing backlog areas. The company positions its operations in areas with high population growth, areas with high rental yield, with proximity to work, education, and community areas. Currently the company has a landbank of 680.91 hectares with 26% of the total area concentrated in the Luzon region, 58% in the Visayas region, and 16% in the Mindanao region.

Completed Projects as of December 31, 2024

I. Completed

	Project Name	Company	Type	Completion Year	No. Of Units	Units Sold
<i>North Luzon</i>						
1	Savannah Greenplains Subdivision	Fog Horn, Inc.	Horizontal	2015	670	670
2	Savannah Greenplains Subdivision 2	Fog Horn, Inc.	Horizontal	2015	670	670
3	Savannah Greenplains Subdivision 3	Fog Horn, Inc.	Horizontal	2015	1,346	1,346
4	Deca Homes Marilao	8990 Housing	Horizontal	2019	822	822
5	Deca Homes Marilao Extension	8990 Housing	Horizontal	2020	187	187
6	Deca Clark Resort Residences	8990 Luzon	Horizontal	2021	4,894	4,894
7	Deca Clark Resort Residences 12	8990 Luzon	Horizontal	2020	213	213
<i>South Luzon</i>						
8	Bella Vista Subdivision	8990 Luzon	Horizontal	2015	3,844	3,844
9	Deca Homes Tanza	8990 Housing	Horizontal	2016	631	631

10	Deca Homes Marseilles	8990 Housing	Horizontal	2015	466	466
11	Urban Deca Homes Hampton	8990 Housing	MRB	2021	1,988	1,988
12	Urban Deca Homes Mahogany	8990 Housing	MRB	2020	448	448
<i>Metro Manila</i>						
13	Urban Deca Towers EDSA	Fog Horn, Inc.	HRB	2017	1,142	1,073
14	Urban Deca Homes Campville	8990 Housing	MRB	2017	1,024	1,024
<i>Cebu</i>						
15	Urban Deca Homes Tipolo	Fog Horn, Inc.	MRB	2014	1,540	1,540
16	Deca Homes Baywalk Talisay 1	8990 Housing	Horizontal	2013	1,039	1,039
17	Deca Homes Baywalk Talisay 2	8990 Housing	Horizontal	2014	881	881
18	Deca Homes Baywalk Talisay 3	8990 Housing	Horizontal	2018	570	570
19	Urban Deca Homes Tisa	8990 Housing	MRB	2016	936	936
20	Urban Deca Homes H. Cortez	8990 Housing	MRB	2018	1,400	1,400
21	Deca Homes Bacayan	8990 Housing	Horizontal	2007	224	224
22	Deca Homes Danao	8990 Housing	Horizontal	2009	880	880
23	Deca Homes Mactan 1	8990 Housing	Horizontal	2008	679	679
24	Deca Homes Mactan 2	8990 Housing	Horizontal	2009	150	150
25	Deca Homes Mactan 3	8990 Housing	Horizontal	2011	473	473
26	Deca Homes Mactan 4	8990 Housing	Horizontal	2013	1,248	1,248
27	Deca Homes Mactan 5	8990 Housing	Horizontal	2013	1,196	1,196
28	Deca Homes Mandaue Prime	8990 Housing	Horizontal	2013	912	912
29	Deca Homes Minglanilla 1	8990 Housing	Horizontal	2012	187	187
30	Deca Homes Minglanilla 2	8990 Housing	Horizontal	2012	611	611
31	Deca Homes Minglanilla 3	8990 Housing	Horizontal	2012	825	825
32	Deca Homes Minglanilla 4	8990 Housing	Horizontal	2012	329	329
33	Deca Homes Minglanilla 5	8990 Housing	Horizontal	2012	25	25

34	Deca Homes Minglanilla 6	8990 Housing	Horizontal	2012	56	56
35	Deca Homes Tunghaan	8990 Housing	Horizontal	2009	381	381
36	Urban Deca Homes Tisa 2	8990 Housing	MRB	2021	1,392	1,392
<i>Iloilo</i>						
37	Deca Homes Pavia 1	8990 Housing	Horizontal	2012	976	976
38	Deca Homes Pavia 2	8990 Housing	Horizontal	2013	884	884
39	Deca Homes Pavia Resort Residences	8990 Housing	Horizontal	2020	2,118	2,118
40	Deca Homes South of Bacolod (Economic)	8990 Housing	Horizontal	2022	2,912	2,912
<i>Leyte</i>						
41	Deca Homes Ormoc (Economic)	8990 Housing	Horizontal	2021	360	360
<i>Davao</i>						
42	Deca Homes Indangan 1	8990 Housing	Horizontal	2016	544	544
43	Deca Homes Indangan 2	8990 Housing	Horizontal	2017	1,329	1,329
44	Deca Homes Indangan 3	8990 Housing	Horizontal	2017	1,369	1,369
45	Deca Homes Indangan 4	8990 Housing	Horizontal	2017		
46	Deca Homes Catalunan Grande	8990 Housing	Horizontal	2016	649	649
47	Deca Homes Mulig (Socialized)	8990 Housing	Horizontal	2019	304	304
48	Deca Homes Davao	8990 Housing	Horizontal	2011	1,696	1,696
49	Deca Homes Esperanza	8990 Housing	Horizontal	2015	2,072	2,072
50	Deca Homes Resort Residences 1	8990 Housing	Horizontal	2015	2,993	2,993
51	Deca Homes Resort Residences 2	8990 Housing	Horizontal	2015		
52	Deca Homes Resort Residences 3	8990 Housing	Horizontal	2015		
53	Deca Homes Resort Residences 4	8990 Housing	Horizontal	2015		
54	Deca Homes Resort Residences 5	8990 Housing	Horizontal	2015		
55	Deca Homes Resort Residences 6	8990 Housing	Horizontal	2015		
56	Deca Homes Resort Residences 7	8990 Housing	Horizontal	2015		
57	Deca Homes Resort Residences 8A	8990 Housing	Horizontal	2015	276	276

58	Deca Homes Resort Residences 8B	8990 Housing	Horizontal	2015	419	419
59	Deca Homes Resort Residences 8C	8990 Housing	Horizontal	2015	638	638
60	Deca Homes Resort Residences 9	8990 Housing	Horizontal	2015	1,341	1,341
61	Deca Homes Resort Residences 10	8990 Housing	Horizontal	2015	534	534
62	Deca Homes Resort Residences 11	8990 Housing	Horizontal	2015	95	95
63	Deca Homes Resort Residences 12	8990 Housing	Horizontal	2015	208	208
64	Deca Homes Resort Residences Prime	8990 Housing	Horizontal	2015	217	217
65	Deca Homes Resort Residences Executive	8990 Housing	Horizontal	2015	421	421
66	Deca Homes Mulig (Economic)	8990 Housing	Horizontal	2020	1,590	1,590
<i>General Santos</i>						
67	Deca Homes Gensan (economic)	8990 Housing	Horizontal	2017	243	243
68	Deca Homes Gensan (socialized)	8990 Housing	Horizontal	2021	2,530	2,530

II. On-going

	Project Name	Company	Type	Completion Year	No. Of Units	Units Delivered
II. On-going						
<i>North Luzon</i>						
1	Urban Deca Homes Marilao	8990 Housing	MRB	2024	3,780	3,934
2	Deca Homes Meycauyan	Primex Land, Inc.	Horizontal	2024	5,178	3,726
3	Deca Homes Pampanga (Socialized)	8990 Housing	Horizontal	2027	4,122	1,260
<i>South Luzon</i>						
4	Urban Deca Homes Batangas	8990 Housing	MRB	2028	4,170	-
<i>Metro Manila</i>						
5	Urban Deca Homes Manila	Tondo Holdings	HRB	2024	12,708	10,747

6	Urban Deca Homes Ortigas	8990 Housing	HRB	2027	19,046	6,902
7	Urban Deca Tower Cubao	8990 Housing	HRB	2024	5,166	1,177
8	Urban Deca Homes Commonwealth	8990 Housing	HRB	2025	3,240	836
Cebu						
9	Urban Deca Tower Banilad	8990 Housing	HRB	2024	3,264	1,531
10	Monterazzas de Cebu	Genvi Development Corp	Horizontal	2024	518	289
Iloilo						
11	Deca Homes Pavia Resort Residences 2	8990 Housing	Horizontal	2020	2,987	2,459
12	Deca Homes Leganes	8990 Housing	Horizontal	2025	3,054	1,184
13	Deca Homes Sta Barbara (Economic)	8990 Housing	Horizontal	2024	1,246	883
14	Deca Homes Sta Barbara (Socialized)	8990 Housing	Horizontal	2028	8,892	4,359
15	Deca Homes South of Bacolod (Socialized)	8990 Housing	Horizontal	2025	4,155	3,522
Leyte						
16	Deca Homes Ormoc (Socialized)	8990 Housing	Horizontal	2023	983	763
Davao						
17	Deca Homes Talomo (Economic)	8990 Housing	Horizontal	2026	3,185	3,185
18	Deca Homes Talomo (Socialized)	8990 Housing	Horizontal	2026	2,763	2,763

Ecosystems and biodiversity (whether in upland/watershed or coastal/marine)

Disclosure	Quantity	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not applicable	
Habitats protected or restored	Not applicable	
IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not applicable	

The company does not operate within or adjacent to biodiversity-rich areas.

Organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Not applicable	Not applicable	Not applicable

What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Not applicable	Not applicable	Not applicable
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
Not applicable	Not applicable	Not applicable

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of **8990 HOLDINGS, INC. and SUBSIDIARIES** ("the Group") is responsible for the preparation and fair presentation of financial statements, including the schedules attached therein, as of and 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 is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders.

RAMON F. GARCIA AND CO., CPAs the independent auditors appointed by the stockholders, have audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in their report to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.

Mariano D. Martinez Jr.
Chairman of the Board

Atty. Anthony Vincent S. Sotto
President and Chief Executive Officer

Richard L. Haosen
Treasurer

Roan Buenaventura-Torregoza
Chief Financial Officer

Subscribed and Sworn to before me this
APR 14 2025 at PASIG CITY, City, affiant
 exhibiting to me his/her ID No. _____

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 Series of 7025

ATTY. JEFFREY L. ENCINAS, RN
 NOTARY PUBLIC FOR AND IN THE CITY OF PASIG
 Appointment No. 198 (2024-2025), valid until 31 Dec. 2025
 Urban Deca Homes Compound, Ortigas Extension,
 Brgy. Rosario, Pasig City
 Roll No. 88670
 PTR No. 3006465; 03 January 25; Pasig City
 IBP No. 490587; 02 January 25; Cavite
 MCLE Compliance No. VIII-0016720; exp. on 14 April 2028

Signed this day of: April 14, 2025

HOUSING THE FILIPINO PEOPLE

SUPPLEMENTAL STATEMENT OF INDEPENDENT AUDITORS

The Shareholders and Board of Directors
8990 Holdings, Inc. and Subsidiaries
11th Floor Liberty Center 104 H.V. Dela Costa, Salcedo Village
Makati City

We have examined the consolidated financial statements of **8990 Holdings, Inc. and Subsidiaries** (the Group) for the year ended December 31, 2024, on which we have rendered the attached report dated April 14, 2025.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that **8990 Holdings, Inc.** has a total number of one hundred seven (107) shareholders owning one hundred (100) or more shares each.

Very truly yours,

RAMON F. GARCIA & COMPANY, CPAs
By:



CHRISTOPHER C. ALCANTARA

Partner

CPA Certificate No. 0107764

PTR No. 10490132, January 21, 2025, Makati City

TIN 227-976-865-000

BOA/PRC Accreditation No. 0207 (Valid until October 5, 2025)

Partner's BIR Accreditation No. 08-001759-004-2024 (May 22, 2024 to May 21, 2027)

Partner's SEC Accreditation No. 107764, Group A (Valid for the audit of 2022 to 2026 financial statements)

Firm's BIR Accreditation No. 08-001759-000-2023 (March 13, 2023 to March 12, 2026)

Firm's SEC Accreditation No. 0207-SEC, Group A (Valid for the audit of 2021 to 2025 financial statements)

April 14, 2025
Makati City

INDEPENDENT AUDITORS' REPORT

The Shareholders and Board of Directors
8990 Holdings, Inc. and Subsidiaries
11th Floor Liberty Center
104 H.V. Dela Costa, Salcedo Village
Makati City

Opinion

We have audited the consolidated financial statements of **8990 Holdings, Inc. and Subsidiaries** (the Group), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of profit and loss, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2024 and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2024 in accordance with Philippine Financial Reporting Standards (PFRSs) 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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements in the Philippines that are relevant to our audits of the consolidated financial statements, 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

Key audit matters are those matters that, in our professional judgment, were of most significance in our audits of the consolidated financial statements of the current period. These matters were addressed in the context of our audits of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audits address the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report, including in relation to these matters. Accordingly, our audits included performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the consolidated financial statements.

a. Revenue Recognition for Real Estate Sales

The Group's revenue recognition process, policies and procedures are significant to audit because these involve application of significant judgment and estimation.

We considered the Group's recognition of revenue from real estate sales a key audit matter due to the involved significant volume of transactions and amount of revenue from real estate sales. The Group's revenue from real estate sales amounted to Php 18.8 billion, which accounts for 98.50% of total revenues for the year ended December 31, 2024. The Group recognizes revenue from real estate sales at a point in time, i.e., as the control of the completed real estate inventories are transferred to the customers, and over time using the percentage of completion method, which is determined using the input method, i.e., based on efforts or inputs to the satisfaction of a performance obligation. Thus, the complexity of the application of the revenue recognition standard in real estate sales contracts; and the application of significant management judgments in determining when to recognize revenue, particularly on the assessment of the probability of collecting the contract price, and in estimating the stage of project completion were also taken into consideration. An error in the application of the requirements of said standard, and of management judgments and estimates could cause material misstatement in the Group's consolidated financial statements.

The Group's accounting policy on recognition of revenue from real estate sales, and basis of significant judgments and estimates are disclosed in Notes 2 and 3 to the consolidated financial statements, respectively. In addition, details of contract revenues, specifically the disaggregation of revenues, are disclosed in Note 21.

Audit Response

Our audit procedures to address the risk of material misstatement relating to revenue recognition included, among others, the following:

- obtained an understanding of the Group's revenue recognition policy and the related processes and evaluated whether it is established and implemented consistent with the underlying principles of the applicable revenue recognition standard and is appropriate in the context of the Group's real estate transactions;
- evaluated the design effectiveness of implemented controls relevant to the recognition and measurement of revenues from real estate sales, and tested the operating effectiveness of certain relevant controls, particularly those addressing the existence and occurrence of recognized sales;
- inspected pertinent documents giving rise to contract with identified customers, on a sample basis, which include contracts-to-sell, disclosure statements detailing the terms of the sales contracts, and official receipts to determine whether the related real estate sales transactions occurred and were appropriately recognized based on the Group's revenue recognition policy;
- For selected projects, we performed ocular inspection and obtained the related certifications from project engineers to assess the physical completion of the selected real estate projects to confirm that real estate sales recognized during the reporting period pertains to completed real estate inventories for those recognized in full at a point in time and the percentage of completion of certain projects commensurate with the amount of revenue recognized for those recognized over time.
- tested the progress reported for the year in reference to the actual cost incurred relative to the total budgeted project development costs for real estate sales recognized over time;
- evaluated the assumptions of management in determining the amount of collection at which point the collectability of the receivables from real estate sales is reasonably assured. Evaluation of management's basis was made by comparing this to the historical analysis of sales cancellations from buyers with accumulated payments above the collection threshold.
- recalculated the percentage of collection over total contract price of selected sales contract, based on total accumulated principal payments as of the reporting date over the contract price to determine if the Group has appropriately established that the customers have continuing commitment to satisfy their obligations over the sales contract;
- performed substantive analytical procedures on revenues such as, but not limited to, yearly and monthly analyses of real estate sales per project, which include corroborating evidence from other audit procedures, and verifying that the underlying data used in the analyses are complete; and
- for the cost of sales, we obtained an understanding of the Group's cost accumulation process and performed tests of the relevant controls. For selected projects, we traced costs accumulated, including those incurred but not yet billed costs, to supporting documents such as invoices and accomplishment reports from the contractors and official receipts.

b. Existence and Valuation of Real Estate Inventories

As at December 31, 2024, the Group has real estate inventories amounting to Php 64.4 billion, which represents about 55.51% of the Group's total assets. Due to the significant volume and carrying amount of real estate inventories and the high level of judgment in estimating its net realizable value, we considered the existence and valuation of real estate inventories as a key audit matter.

The Group's accounting policy on real estate inventories and related information are disclosed in Notes 2 and 9 to the consolidated financial statements.

Audit Response

We performed ocular inspection of selected real estate projects near the reporting date to confirm their existence and examined documents such as land titles, progress reports and accomplishment billings, among others, to corroborate with other audit procedures. Moreover, we checked the mathematical accuracy and reasonableness of the Group's schedule of lower of cost and net realizable value of real estate inventories, and tested on a sampling basis the estimated selling price and costs to complete and sell. We tested the assumptions used by management in estimating the selling price; the estimated cost to complete using recent projects of the Group and historical data on restoration costs, among others; and estimated cost to sell by analyzing selling expenses such as commissions and other related expenses.

As part of our audit strategy, we have obtained an understanding and tested the design and operating effectiveness of the Group's internal controls related to inventory existence and valuation.

c. Consolidation Process

The consolidated financial statements of the Group represent the consolidation of the financial statements of 8990 Holdings, Inc., and its various subsidiaries with different business portfolios. Consolidation process is considered as key audit matter due to presence of non-controlling interests and voluminous intercompany transactions within the Group that requires eliminations as well as monitoring of any adjustment made arising from business combination. Note 1 to the consolidated financial statements provides relevant information on the Group's subsidiaries.

Audit Response

We obtained an understanding of the consolidation process and relevant controls through which the consolidated financial statements are prepared. We also obtained an understanding of the Group's process for identifying related parties and related party transactions and the reconciliation of intercompany transactions and balances. We tested significant consolidation adjustments, including eliminations of intercompany transactions and balances, deferral and realization of intercompany profits, movements in non-controlling interests and other equity adjustments. We evaluated whether the accounting policies of the group has been consistently applied.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Group's Securities and Exchange Commission (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 consolidated financial statements and our auditors' report thereon. The SEC Form 20-IS, 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 consolidated 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 consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 audit 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit 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 to 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 audits of the consolidated 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 audits of the consolidated financial statements resulting in this independent auditors' report is Christopher C. Alcantara.

RAMON F. GARCIA & COMPANY, CPAs

By:



CHRISTOPHER C. ALCANTARA

Partner

CPA Certificate No. 0107764

PTR No. 10490132, January 21, 2025, Makati City

TIN 227-976-865-000

BOA/PRC Accreditation No. 0207 (Valid until October 5, 2025)

Partner's BIR Accreditation No. 08-001759-004-2024 (May 22, 2024 to May 21, 2027)

Partner's SEC Accreditation No. 107764, Group A (Valid for the audit of 2022 to 2026 financial statements)

Firm's BIR Accreditation No. 08-001759-000-2023 (March 13, 2023 to March 12, 2026)

Firm's SEC Accreditation No. 0207-SEC, Group A (Valid for the audit of 2021 to 2025 financial statements)

April 14, 2025
Makati City

8990 HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024 and 2023
(Amounts in Philippine Pesos)

	<u>Notes</u>	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>			
CURRENT ASSETS			
Cash and cash equivalents	7	2,153,375,888	2,453,315,111
Trade and other receivables, net	8	8,160,482,770	8,001,352,477
Inventories	9	64,389,674,994	52,330,267,709
Due from related parties	29	3,152,170,298	3,261,651,942
Other current assets	14.1	<u>6,307,571,650</u>	<u>5,874,365,517</u>
Total Current Assets		<u>84,163,275,600</u>	<u>71,920,952,756</u>
NON-CURRENT ASSETS			
Trade and other receivables - net	8	27,905,116,558	33,163,681,721
Investment securities at fair value through other comprehensive income	10	1,405,232,130	1,363,276,386
Investment in associate	11	-	267,022,982
Property and equipment, net	12	958,306,404	732,460,135
Intangible assets	1,14.3	554,288,127	586,205,325
Investment properties, net	13	564,787,433	526,974,226
Other noncurrent assets	14.2	<u>452,875,121</u>	<u>425,837,287</u>
Total Noncurrent Assets		<u>31,840,605,773</u>	<u>37,065,458,062</u>
TOTAL ASSETS		<u>116,003,881,373</u>	<u>108,986,410,818</u>
<u>LIABILITIES AND EQUITY</u>			
CURRENT LIABILITIES			
Trade and other payables	15	5,178,667,186	8,303,455,961
Loans payable	17	15,840,799,579	18,423,483,279
Notes payable	18	493,704,407	459,211,387
Deposits from customers	16	1,560,568,975	899,319,514
Due to related parties	29	158,787,160	272,567,480
Income tax payable		<u>45,602,654</u>	<u>93,633,513</u>
Total Current Liabilities		<u>23,278,129,961</u>	<u>28,451,671,134</u>

NON-CURRENT LIABILITIES

Trade and other payables	15	91,937,050	378,949,578
Loans payable	17	29,459,799,388	17,095,069,286
Notes payable	18	5,547,084,206	6,040,788,613
Deferred tax liability	28	<u>1,734,395,428</u>	<u>1,690,308,640</u>

Total Noncurrent Liabilities		<u>36,833,216,072</u>	<u>25,205,116,117</u>

Total Liabilities		<u>60,111,346,033</u>	<u>53,656,787,251</u>

EQUITY

20

Capital Stock		5,517,990,720	5,554,990,720
Additional paid-in capital		4,293,748,668	7,956,748,668
Treasury Shares		(3,043,595,037)	(1,822,144,768)
Revaluation reserve		971,905,152	936,192,978
Retained earnings		<u>48,028,113,799</u>	<u>42,601,141,729</u>
		55,768,163,302	55,226,929,327
Non-Controlling Interests		<u>124,372,038</u>	<u>102,694,240</u>
Total Equity		<u>55,892,535,340</u>	<u>55,329,623,567</u>

TOTAL LIABILITIES AND EQUITY

	<u>116,003,881,373</u>	<u>108,986,410,818</u>

(The notes on pages 1 to 84 are an integral part of these consolidated financial statements)

8990 HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 and 2022
(Amounts in Philippine Pesos)

	<u>Notes</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
REVENUES	21			
Real estate sales		18,754,545,345	22,338,303,137	21,412,882,642
Hotel operations		246,390,265	273,702,876	148,056,099
Rental income		20,749,489	6,695,405	7,782,638
Equity share in net profits of associate		17,705,874	45,858,106	67,950,366
		<u>19,039,390,973</u>	<u>22,664,559,524</u>	<u>21,636,671,745</u>
COST OF SALES AND SERVICES	22			
Cost of real estate sales		10,726,188,561	12,604,416,231	10,827,698,098
Hotel Operations		204,029,432	130,674,075	75,472,950
Cost of rental services		-	-	423,269
		<u>10,930,217,993</u>	<u>12,735,090,306</u>	<u>10,903,594,317</u>
GROSS PROFIT		8,109,172,980	9,929,469,218	10,733,077,428
OPERATING EXPENSES	23	2,906,436,715	2,953,822,749	3,197,250,922
OTHER OPERATING INCOME	25.1	2,148,454,480	3,318,451,357	2,757,099,200
FINANCE COSTS	24	<u>1,520,104,826</u>	<u>2,197,244,765</u>	<u>1,912,946,118</u>
OPERATING PROFIT		5,831,085,919	8,096,853,062	8,379,979,588
GAIN ON ACQUISITION OF BUSINESS	1	-	-	66,026,947
OTHER GAIN (EXPENSE)	25.2	<u>1,085,386</u>	<u>(243,212,456)</u>	<u>(6,592,275)</u>
PROFIT BEFORE INCOME TAX		5,832,171,305	7,853,640,605	8,439,414,260
TAX EXPENSE	28	<u>383,521,437</u>	<u>956,922,325</u>	<u>786,070,961</u>
NET PROFIT		<u>5,448,649,868</u>	<u>6,896,718,280</u>	<u>7,653,343,299</u>
NET PROFIT ATTRIBUTABLE TO:				
Equity Holders of 8990 Holdings Inc.		5,426,972,070	6,884,536,038	7,635,444,219
Non-controlling Interests		21,677,798	12,182,242	17,899,080
		<u>5,448,649,868</u>	<u>6,896,718,280</u>	<u>7,653,343,299</u>
EARNINGS PER SHARE				
Attributable to equity holders of 8990 Holdings, Inc.				
Basic/Diluted	31	<u>1.02</u>	<u>1.24</u>	<u>1.32</u>

(The notes on pages 1 to 84 are an integral part of these consolidated financial statements)

8990 HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 and 2022
(Amounts in Philippine Pesos)

	<u>Notes</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
NET PROFIT		<u>5,448,649,868</u>	<u>6,896,718,280</u>	<u>7,653,343,299</u>
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified				
subsequently to profit or loss				
Fair value gain (loss) on investment securities at fair value				
through other comprehensive income (FVOCI)	10	41,955,744	11,121,359	75,462,180
Actuarial gain (loss) on post-employment benefit plan	26	5,934,609	(15,152,138)	1,995,729
Tax expense		<u>(12,178,179)</u>	<u>(1,406,291)</u>	<u>(273,957)</u>
		<u>35,712,174</u>	<u>(5,437,070)</u>	<u>77,183,952</u>
TOTAL COMPREHENSIVE INCOME		<u>5,484,362,042</u>	<u>6,891,281,210</u>	<u>7,730,527,251</u>
Total Comprehensive Income attributable to:				
Equity Holders of 8990 Holdings Inc.		5,462,684,244	6,879,098,968	7,712,628,171
Non-controlling Interests		21,677,798	12,182,242	17,899,080
		<u>5,484,362,042</u>	<u>6,891,281,210</u>	<u>7,730,527,251</u>

(The notes on pages 1 to 84 are an integral part of these consolidated financial statements)

8990 HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 and 2022
(Amounts in Philippine Pesos)

	Attributable to equity holders of 8990 Holdings, Inc.									
	<u>Capital Stock</u> <u>(see Note 20)</u>	<u>Additional Paid in</u> <u>Capital</u> <u>(see Note 20)</u>	<u>Treasury Shares</u> <u>(see Note 20)</u>	<u>Actuarial Gain on</u> <u>Post-employment</u> <u>Benefit Plan</u> <u>(see Note 26)</u>	<u>Fair Value Gain on</u> <u>Investment Securities</u> <u>through FVOCI</u> <u>(see Note 10)</u>	<u>Revaluation Reserves</u> <u>Subtotal</u>	<u>Retained Earnings</u> <u>(see Note 20)</u>	<u>Total</u>	<u>Non-Controlling</u> <u>Interests</u> <u>(see Note 1.3)</u>	<u>Total Equity</u>
Balances at January 1, 2024	5,554,990,720	7,956,748,668	(1,822,144,768)	(15,463,464)	951,656,442	936,192,978	42,601,141,729	55,226,929,327	102,694,240	55,329,623,567
Reclassification	-	-	-	10,867,292	(10,867,292)	-	-	-	-	-
Cash dividends declared by the Parent Company	-	-	-	-	-	-	-	-	-	-
Reacquisition of preferred shares	(37,000,000)	(3,663,000,000)	-	-	-	-	-	(3,700,000,000)	-	(3,700,000,000)
Non-controlling interest	-	-	-	-	-	-	-	-	-	-
Treasury shares	-	-	(1,221,450,269)	-	-	-	-	(1,221,450,269)	-	(1,221,450,269)
Other comprehensive income	-	-	-	(6,243,570)	41,955,744	35,712,174	-	35,712,174	-	35,712,174
Net profit for the year	-	-	-	-	-	-	5,426,972,070	5,426,972,070	21,677,798	5,448,649,868
Balance at December 31, 2024	5,517,990,720	4,293,748,668	(3,043,595,037)	(10,839,742)	982,744,894	971,905,152	48,028,113,799	55,768,163,302	124,372,038	55,892,535,340
 Balances at January 1, 2023	 5,554,990,720	 7,956,748,668	 (1,806,540,154)	 1,094,965	 940,535,083	 941,630,048	 35,920,105,691	 48,566,934,973	 90,511,998	 48,657,446,971
Cash dividends declared by the Parent Company	-	-	-	-	-	-	(203,500,000)	(203,500,000)	-	(203,500,000)
Reacquisition of preferred shares	-	-	(15,604,614)	-	-	-	-	(15,604,614)	-	(15,604,614)
Other comprehensive income	-	-	-	(16,558,429)	11,121,359	(5,437,070)	-	(5,437,070)	-	(5,437,070)
Net profit for the year	-	-	-	-	-	-	6,884,536,038	6,884,536,038	12,182,242	6,896,718,280
Balance at December 31, 2023	5,554,990,720	7,956,748,668	(1,822,144,768)	(15,463,464)	951,656,442	936,192,978	42,601,141,729	55,226,929,327	102,694,240	55,329,623,567
 Balances at January 1, 2022	 5,604,990,720	 12,906,748,668	 (1,806,540,154)	 (626,807)	 865,072,903	 864,446,096	 28,789,476,472	 46,359,121,802	 -	 46,359,121,802
Cash dividends declared by the Parent Company	-	-	-	-	-	-	(504,815,000)	(504,815,000)	-	(504,815,000)
Redemption of preferred shares	(50,000,000)	(4,950,000,000)	-	-	-	-	-	(5,000,000,000)	-	(5,000,000,000)
Non-controlling interest	-	-	-	-	-	-	-	-	72,612,918	72,612,918
Other comprehensive income	-	-	-	1,721,772	75,462,180	77,183,952	-	77,183,952	-	77,183,952
Net profit for the year	-	-	-	-	-	-	7,635,444,219	7,635,444,219	17,899,080	7,653,343,299
Balance at December 31, 2022	5,554,990,720	7,956,748,668	(1,806,540,154)	1,094,965	940,535,083	941,630,048	35,920,105,691	48,566,934,973	90,511,998	48,657,446,971

(The notes on pages 1 to 84 are an integral part of these consolidated financial statements)

8990 HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 and 2022
(Amounts in Philippine Pesos)

	<u>Notes</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax		5,832,171,305	7,853,640,605	8,439,414,260
Adjustments for:				
Interest income	25	(1,711,744,302)	(2,914,452,993)	(1,811,254,938)
Interest expense	24	1,514,650,045	2,194,363,343	1,909,513,201
Allowance for (reversal of) credit and impairment losses, net	14, 23, 29	134,342,409	470,905,069	413,300,244
Depreciation and amortization	12, 13, 14, 27	114,660,479	109,045,748	106,202,854
Gain on sale of PPE	1.3	-	(225,000)	(66,026,947)
Loss on early redemption of bonds	19, 32	-	-	6,592,275
Amortization of bond issue costs	19, 32	-	-	658,476
Loss (gain) on repossession - net	9,25	(53,999,475)	243,212,456	(520,391,151)
Equity in net earnings of associate	11	(17,705,874)	(45,858,106)	(67,950,366)
Post-employment benefits	26	4,826,829	2,547,059	2,648,376
Operating income before changes in working capital		5,817,201,416	7,913,178,181	8,412,706,284
Changes in operating assets and liabilities				
Decrease (increase) in:				
Trade and other receivables		6,310,800,226	3,629,057,873	(7,852,911,968)
Inventories		(12,049,333,342)	(5,852,214,123)	(4,481,977,797)
Other assets		(621,887,741)	(656,642,145)	(127,707,148)
Increase (decrease) in:				
Trade and other payables		(3,370,004,720)	(915,817,364)	(222,185,551)
Deposits from customers		661,249,461	(165,609,802)	193,420,418
Net cash provided by (used in) operations		(3,251,974,700)	3,951,952,620	(4,078,655,762)
Interest received		500,378,948	1,666,188,124	1,747,742,388
Taxes paid		(431,552,296)	(923,907,961)	(775,873,643)
Net cash from (used in) operating activities		(3,183,148,048)	4,694,232,783	(3,106,787,017)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of business	1	-	-	(88,275,504)
Cash advances to related parties	29	(1,823,364,660)	(1,276,352,378)	(900,335,484)
Collections of advances to related parties	29	1,957,681,176	-	35,342
Acquisitions of:				
Property and equipment	12	(300,010,737)	(65,090,165)	(159,505,120)
Intangible asset	14.3	-	(14,175,758)	-
Investment in associates	11	-	-	(60,000,000)
Interest received from loans to a third party	8, 25	-	39,403,926	59,874,503
Proceeds from:				
Disposal of investment in associates		284,728,856	-	-
Disposal of property and equipment		-	225,000	-
Net cash used in investing activities		119,034,635	(1,315,989,375)	(1,148,206,263)
CASH FLOWS FROM FINANCING ACTIVITIES				
Availment of loans payable	17, 32	30,340,873,347	17,297,675,121	17,726,550,164
Repayment of loans payable	17, 32	(20,558,826,945)	(23,758,474,997)	(5,616,372,449)
Repayment of leasing liabilities	27.4	(8,878,277)	(16,910,203)	(15,781,559)
Interest paid on loans, bonds and lease	14, 17, 18, 19	(1,514,551,960)	(2,193,451,945)	(1,670,883,669)
Issuance (payment) of notes	18, 32	-	6,500,000,000	(500,000,000)
Payment of notes	18, 32	(459,211,387)	-	-
Payment of bonds	19, 32	-	-	(599,882,750)
Acquisition of treasury shares	20	(1,221,450,269)	(15,604,614)	-
Payment of cash dividends to equity holders of 8990 Holdings Inc.	20	-	(203,500,000)	(504,815,000)
Cash advances from related parties	32	-	511,975	207,726,125
Issuance/(Redemption) of preferred shares	20	(3,700,000,000)	-	(5,000,000,000)
Repayments of advances from related parties	32	(113,780,319)	(17,404,692)	(123,780)
Net cash provided by (used in) financing activities		2,764,174,190	(2,407,159,355)	4,026,417,082
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
		(299,939,223)	971,084,053	(228,576,198)
Cash and Cash Equivalents of Newly Acquired Subsidiary		-	-	55,071,183
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		2,453,315,111	1,482,231,058	1,655,736,073
CASH AND CASH EQUIVALENTS AT END OF YEAR		2,153,375,888	2,453,315,111	1,482,231,058

(The notes on pages 1 to 84 are an integral part of these consolidated financial statements)

8990 HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024, 2023 AND 2022
(Amounts in Philippine Pesos)

1. CORPORATE INFORMATION

1.1 Operations and Composition of the Group

8990 Holdings, Inc. (8990 Holdings or the Parent Company) was incorporated in the Philippines, registered with the Securities and Exchange Commission (SEC) on July 8, 2005 and was listed in the Philippine Stock Exchange (PSE) on October 20, 2010.

The Parent Company is a holding company. It is presently engaged in various activities of an investment holding company without engaging in dealership in securities, or in brokerage business.

8990 Holdings is 45.75% owned by iHoldings, Inc., as of December 31, 2024, 2023 and 2022, which is a holding company that was incorporated and domiciled in the Philippines.

The Parent Company and the following wholly-owned subsidiaries at the end of the reporting periods are referred to herein as the Group:

- a) 8990 Housing Development Corporation (8990 HDC)
- b) Euson Realty and Dev't. Corp. (ERDC)*
- c) Tondo Holdings Corporation (THC)*
- d) 8990 Coastal Estates, Inc (RLC)*
- e) Primex Land, Inc. (PLI)*
- f) Fog Horn, Inc. (FHI)
- g) 8990 Luzon Housing Development Corporation (8990 LHDC)
- h) 8990 Davao Housing Development Corporation (8990 DHDC)
- i) 8990 Leisure and Resorts Corporation (8990 LRC)
- j) 8990 Mindanao Housing Development Corporation (8990 MHDC)
- k) The Mont Property Group Inc. formerly known as 8990 Monterrazas Corporation and Genvi Development Corporation (see Note 1.2)]*

**Wholly owned subsidiary of 8990 HDC*

The above subsidiaries are all incorporated and operating in the Philippines, and except for 8990 LRC and FHI, are engaged in real estate development. 8990 LRC is engaged in hotel and resorts business while FHI is engage both in both real estate development and hotels and resorts.

The Company has acquired a subsidiary with 68% of ownership of Piccadilly Premier Land Inc. The Company was incorporated and operating in the Philippines. The Company is also engaged in real estate development.

The Parent Company also obtained 20% of shares of Scheirman Construction Consolidated Incorporated (SCCI) making it as associate of the said company. SCCI was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on July 16, 2016. The Associate is primarily engaged in general building construction as contractor and builder of residential homes, commercial and industrial buildings, barracks, piers and other edifications needed and necessary in the ordinary course of business. On July 9, 2024, the Company and SCCI mutually agreed to terminate the subscription agreement. As a result, the Parent Company no longer holds any ownership interest in SCCI and the investment in associate has been derecognized from the consolidated financial statements.

The registered office address of the Parent Company is at 11th Floor Liberty Center, 104 H.V. Dela Costa, Salcedo Village, Makati City. iHoldings, Inc.'s registered office address is Unit 1503, 15th Floor China Bank Corporate Center, Lot 2, Samar Loop corner Road 5, Cebu Business Park, Cebu City.

1.2 Acquisition of The Mont Property Group Inc. (8990 Monterrazas / Genvi)

On October 30, 2018, the Group, through HDC, entered into a Share Purchase Agreement with the previous stockholders of Genvi to acquire all its issued and outstanding shares for a total consideration of P2.3 billion. Pursuant to the agreement and actions taken by the parties such as takeover of the management, the Group assumed full control of Genvi, as a wholly owned subsidiary, on January 1, 2019, which is also the acquisition date. As the acquisition date coincides with the beginning of the Group's reporting period, the revenues and net profit earned by Genvi were recognized in full as part of the 2019 consolidated statement of profit or loss. In 2018, HDC has made an advance payment of P566.7 million for the acquisition and presented as part of Inventories account in the 2018 consolidated statement of financial position. In 2019, the Company further paid amounting to P1.36 billion and fully paid the consideration in 2020 amounting to P 410.0 million

The acquisition of Genvi is to strengthen the position of the Group in the real estate industry, particularly, in the southern region of the country. The acquisition includes real estate inventories, which are developed subdivision lots, amounting to P3.3 billion.

The fair values of the acquired identifiable assets and liabilities assumed as at the date of acquisition are presented below.

Consideration	
Cash	<u>P 2,337,427,291</u>
Recognized amounts of identifiable assets acquired:	
Real estate inventories	3,984,499,251
Other tangible assets	431,427,886
Liabilities	<u>(2,604,974,679)</u>
Net identifiable assets	<u>1,810,952,458</u>
Goodwill	<u>P 526,474,833</u>

The excess of acquisition costs over the fair value of net identifiable assets of Genvi amounting to P526.5 million is presented as Intangible Assets in the consolidated statement of financial position as of December 31, 2024 and 2023.

There were no specific acquisition related costs incurred or contingent consideration arrangements and indemnification assets arising from the business combination.

1.3 Acquisition of Picadilly Premier Land, Inc.

On March 15, 2022, the Parent Company entered into agreement with RDAK Land Inc, Acrissor Development Corporation and its existing stockholders into an investment agreement wherein Picadilly Premier Land Inc sold its 68% stake to the Parent making it a subsidiary.

The fair values of the acquired identifiable assets and liabilities assumed as at the date of acquisition are presented below.

Fair value of identifiable net assets	226,915,369
Fair value of non-controlling interest	72,612,918
Consideration transferred	88,275,504
Gain on Bargain Purchase	66,026,947

The business combinations resulted in a bargain purchase transaction because the fair value of assets acquired and liabilities assumed exceeded the total of the fair value of consideration paid and the fair value of non-controlling interest. The gain on bargain purchase is presented as a separate line item in the consolidated statement of profit or loss as "Gain on acquisition of business".

Since there is urgency of the sale to cater the upcoming payment of matured loans and liquidity issues, the price of acquiring the business is at a discounted rate. There were no specific acquisition related costs incurred or contingent consideration arrangements and indemnification assets arising from the business combination.

1.4 Approval of the Consolidated Financial Statements

The consolidated financial statements of the Group as of and for the year ended December 31, 2024 (including the comparative consolidated financial statements as of and for the years ended December 31, 2023 and 2022) were authorized for issue by the Parent Company's Board of Directors (BOD) on April 14, 2025.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies that have been used in the preparation of these consolidated financial statements are summarized below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation of Consolidated Financial Statements

(a) Basis of Preparation

The consolidated financial statements are prepared using the historical cost basis, except for financial assets at fair value through other comprehensive income (FVOCI).

The consolidated financial statements provide comparative information in respect of the previous period.

(b) Statement of Compliance with Philippine Financial Reporting Standards

The consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). The term PFRSs in general includes all applicable PFRSs, Philippine Accounting Standards (PAS), and interpretations of the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the Financial Reporting Standards Council (FRSC) and adopted by the SEC.

Adoption of the following provisions of Philippine Interpretations Committee Question & Answer (PIC Q&A) 2018-12, PFRS 15 Implementation Issues Affecting the Real Estate Industry

On December 15, 2020, the Philippine SEC issued SEC Memorandum Circular (MC) No. 34-2020 which further extended the deferral of the following provisions of PIC Q&A 2018-12 until December 31, 2023:

- a. Exclusion of land in the determination of percentage of completion (POC) discussed in PIC Q&A No. 2018-12-E
- b. Accounting for significant financing component discussed in PIC Q&A No. 2018-12-D
- c. Implementation of International Financial Reporting Standards (IFRS) Interpretations Committee (IFRIC) Agenda Decision on Over Time Transfer of Constructed Goods (Philippine Accounting Standards (PAS) 23, *Borrowing Cost*) for Real Estate industry

The details of and the impact of the adoption of the above financial reporting reliefs are discussed in the section under Changes in Accounting Policies and Disclosures and Material Accounting Information.

The consolidated financial statements have been prepared using the measurement bases specified by PFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies that follow.

(c) *Presentation of Consolidated Financial Statements*

The consolidated financial statements are presented in accordance with Philippine Accounting Standard (PAS) 1, *Presentation of Financial Statements*. The Group presents the consolidated statement of comprehensive income separate from the consolidated statement of profit or loss. The Group presents a third statement of consolidated financial position as at the beginning of the preceding period when it applies an accounting policy retrospectively or makes a retrospective restatement or reclassification of items that has a material effect on the information in the consolidated statement of financial position at the beginning of the preceding period. The related notes to the third consolidated statement of financial position are not required but opted by the Group to be disclosed for certain accounts.

(d) *Functional and Presentation Currency*

These consolidated financial statements are presented in Philippine peso, the Group's functional and presentation currency, and all values represent absolute amounts except when otherwise indicated.

Items included in the consolidated financial statements of the Group are measured using its functional currency. Functional currency is the currency of the primary economic environment in which the Group operates.

2.2 Changes in Accounting Policies and Procedures

Standards issued and effective for the current year

The accounting policies adopted are consistent with those of the previous financial year except for the changes in accounting policies as explained below. The Group has adopted the following new standard, amendments to standard and interpretation starting January 1, 2024 and accordingly, changed its accounting policies. Except as otherwise indicated, the adoption of these new and amended standards and interpretation did not have any impact on the Group's financial statements:

- Amendments to PAS 1, *Non-current Liabilities with Covenants*

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or noncurrent). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The amendments are effective for reporting periods beginning on or after January 1, 2024. The amendments are applied retrospectively in accordance with PAS 8 and earlier application is permitted.

- Amendments to PAS 7 and PFRS 7, *Supplier Finance Arrangements*

The amendments introduced new disclosure requirements to enhance the transparency and, thus, the usefulness of the information provided by entities about supplier finance arrangements, as follows:

- the terms and conditions;
- the amount of the liabilities that are part of the arrangements, breaking out the amounts for which the suppliers have already received payment from the finance providers, and stating where the liabilities sit on the balance sheet;
- ranges of payment due dates; and
- liquidity risk information.

The amendments will be effective for annual reporting periods beginning on or after January 1, 2024, with early application permitted.

- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*

The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines lease payments and revised lease payments in a way that does not result in the seller-lessee recognizing any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate.

The amendments are effective for annual reporting periods beginning on or after January 1, 2024. Earlier application is permitted.

A seller-lessee applies the amendments retrospectively in accordance with PAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, to sale and leaseback transactions entered into after the date of initial application.

- Adoption of certain provisions of PIC Q&A 2018-12, PFRS 15 *Implementation Issues Affecting the Real Estate Industry* (as amended by PIC Q&As 2020-02 and 2020-04)

On February 14, 2018, the PIC issued PIC Q&A 2018-12 which provides guidance on some PFRS 15 implementation issues affecting the real estate industry. On October 25, 2018 and February 08, 2019, the SEC issued MC No. 14-2018 and MC No. 3-2019, respectively, providing relief to the real estate industry by deferring the application of certain provisions of this PIC Q&A for a period of three years until December 31, 2020. On December 15, 2020, the SEC issued MC No. 34-2020 which further extended the deferral of certain provisions of this PIC Q&A until December 31, 2023.

Starting January 1, 2024, the Group adopted these provisions and assessed that retrospective application of these provisions do not have an impact on the consolidated financial statements.

The Group's revenue from pre-selling scheme for a certain project in 2019 was recognized over time and POC based on actual costs incurred relative to the total expected costs to complete. The Group assessed that there is no mismatch between the POC of the real estate projects and right to an amount of consideration based on the schedule of payments provided for in the contract to sell transactions from these projects that will give rise to significant financing component. The projects are completed within a period of less than one-year and the length of time between the transfer of the property to the customer and when customer pays the consideration is minimal.

The Group's Real Estate Segment has also fully complied with the exclusion of land in the determination of POC as discussed in PIC Q&A No. 2018-12-E.

- Implementation of IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (IAS 23, *Borrowing Cost*) for the Real Estate Industry

In March 2019, IFRIC published an Agenda Decision on whether borrowing costs can be capitalized on real estate inventories that are under construction and for which the related revenue is/will be recognized over time under par. 35(c) of IFRS 15. IFRIC concluded that borrowing costs cannot be capitalized for such real estate inventories as they do not meet the definition of a qualifying asset under IAS 23 considering that these inventories are ready for their intended sale in their current condition.

The Group's Real Estate Segment has fully complied with the IFRIC Agenda Decision and adopted the policy of not capitalizing borrowing costs on real estate inventories with pre-selling activities. The retrospective application of this adoption has no impact on the consolidated financial statements as there are no capitalized borrowing costs on real estate inventories with pre-selling activities.

Standards issued but not yet effective

The Group will adopt the following new pronouncements when these become effective. Except as otherwise indicated, the Group does not expect the adoption of these new pronouncements to have a significant impact on the financial statements.

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*
- Amendments to PAS 21, *Lack of exchangeability*

Effective beginning on or after January 1, 2026

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards—Volume 11
- Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
- Amendments to PFRS 7, *Gain or Loss on Derecognition*
- Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities and Transaction Price*
- Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
- Amendments to PAS 7, *Cost Method*

Effective beginning on or after January 1, 2027

- PFRS 18, *Presentation and Disclosure in Financial Statements*
- PFRS 19, *Subsidiaries without Public Accountability*

Deferred Effectivity

Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

2.3 Basis of Consolidation

The Group's consolidated financial statements comprise the accounts of the Parent Company and its subsidiaries as enumerated in Note 1, after the elimination of material intercompany transactions. All intercompany assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities under the Group, are eliminated in full on consolidation. Unrealized profits and losses from intercompany transactions that are recognized in assets are also eliminated in full.

The consolidated financial statements comprise the financial statements of the Group as of December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024, 2023 and 2022. The financial statements of subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting principles. Adjustments are made to align any dissimilar accounting policies that may exist.

The Parent Company accounts for its investments in subsidiaries and interests in jointly-controlled operations as discussed in the succeeding paragraph.

(a) *Investments in Subsidiaries*

Subsidiaries are entities (including structured entities) over which the Parent Company has control. The Parent Company controls an entity when: it has the power over the entity; it is exposed, or has rights to, variable returns from its involvement with the entity; and, has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date the Parent Company obtains control.

The Parent Company reassesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of controls indicated above. Accordingly, entities are deconsolidated from the date that control ceases.

The acquisition method is applied to account for acquired subsidiaries. This requires recognizing and measuring the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group, if any. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement.

Acquisition-related costs are expensed as incurred and subsequent change in the fair value of contingent consideration is recognized directly in profit or loss.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any existing equity interest in the acquiree over the acquisition-date fair value of the identifiable net assets acquired is recognized as goodwill. If the consideration transferred is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly as gain in profit or loss.

The Group holds interests in various subsidiaries as presented in Note 1.

(b) *Interests in Jointly-controlled Operations*

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Those parties are called joint operators. The Group recognizes in relation to its interest in a joint operation: its assets, including its share of any assets held jointly; its liabilities, including its share of any liabilities incurred jointly; its revenue from the sale of its share of the output arising from the joint operation; its share of the revenue from the sale of the output by the joint operation; and, its expenses, including its share of any expenses incurred jointly. The amounts of these related accounts are presented as part of the regular asset and liability accounts and income and expense accounts of the Group. No adjustment or other consolidation procedures are required for the assets, liabilities, income and expenses of the joint venture that are recognized in the separate financial statements of the venturers.

(c) *Investments in Associates*

Investments in associates are initially recognized at cost and subsequently accounted for in the consolidated financial statements using the equity method.

Acquired investment in associate is subject to the purchase method. The purchase method involves the recognition of the acquiree's identifiable assets and liabilities, including contingent liabilities, regardless of whether they were recorded in the financial statements prior to acquisition. Goodwill represents the excess of acquisition cost over the fair value of the Group's share of the identifiable net assets of the acquiree at the date of acquisition. Any goodwill or fair value adjustment attributable to the Group's share in the associate is included in the amount recognized as investment in an associate.

All subsequent changes to the ownership interest in the equity of the associates are recognized in the Group's carrying amount of the investments. Changes resulting from the profit or loss generated by the associates are credited or charged against the Equity Share in Net Earnings of Associates account in the consolidated statement of income.

Impairment loss is provided when there is objective evidence that the investment in an associate will not be recovered (see Note 2.16).

2.4 Business Combination

Business acquisitions are accounted for using the acquisition method of accounting.

After the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed (see Note 2.16).

Negative goodwill or gain on bargain purchase which is the excess of the Group's interest in the net fair value of net identifiable assets acquired over acquisition cost is charged directly to income.

For the purpose of impairment testing, goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The cash-generating units or groups of cash-generating units are identified according to operating segment.

Gains and losses on the disposal of an interest in a subsidiary include the carrying amount of goodwill relating to it.

If the business combination is achieved in stages, the acquirer is required to remeasure its previously held equity interest in the acquiree at its acquisition-date fair value and recognize the resulting gain or loss, if any, in the profit or loss or other comprehensive income, as appropriate.

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with PAS 37, *Provisions and Contingent Liabilities and Contingent Assets*, either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Acquisition of interest in an entity that holds investment property which does not constitute a business is accounted for as an asset acquisition. A business is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefits directly to investors or other owners, members and participant.

While a business usually has outputs, outputs are not required for an integrated set of assets to qualify as a business.

Under the asset purchased accounting, the purchase costs are allocated to identifiable assets and liabilities based on relative fair values of individual items; goodwill or gain on bargain purchase is not recognized; and, transaction costs are capitalized.

2.5 Financial Assets

(a) *Classification, Measurement and Reclassification of Financial Assets*

The classification and measurement of financial assets is driven by the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

(i) *Financial Assets at Amortized Cost*

Except for trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with PFRS 15, all financial assets meeting these criteria are measured initially at fair value plus transaction costs. These are subsequently measured at amortized cost using the effective interest method, less any impairment in value.

The Group's consolidated financial assets measured at amortized cost include those presented in the consolidated statement of financial position as Cash and Cash Equivalents, Trade and Other Receivables (excluding receivables from officers and employees), Due from Related Parties, and as part of Other Non-current Assets with respect to Deposits.

Financial assets measured at amortized cost are included in current assets, except for those with maturities greater than 12 months after the end of each reporting period, which are classified as non-current assets.

For purposes of cash flows reporting and presentation, cash equivalents comprise accounts with original maturities of three months or less. These generally include short-term and highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. Cash include cash on hand and demand deposits.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of the financial assets except for those that are subsequently identified as credit-impaired. For credit-impaired financial assets at amortized cost, the effective interest rate is applied to the net carrying amount of the financial assets (after deduction of the loss allowance). If the asset is no longer credit-impaired, the calculation of interest income reverts to gross basis.

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying a credit-adjusted effective interest rate to the amortized cost of the asset. The calculation of interest income does not revert to a gross basis even if the credit risk of the asset subsequently improves. The interest earned on installment contract receivables and finance lease receivables, and cash and cash equivalents are recognized and presented in the consolidated statement of profit or loss as part of Other Operating Income.

(ii) Financial Assets at Fair Value Through Other Comprehensive Income

At initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate equity investments as at FVOCI; however, such designation is not permitted if the equity investment is held by the Group for trading or as mandatorily required to be classified as fair value through profit or loss (FVTPL). The Group has designated its equity investment as at FVOCI on initial application of PFRS 9 (see Note 10).

Financial assets at FVOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value, with no deduction for any disposal costs. Gains and losses arising from changes in fair value are recognized in other comprehensive income, net of any effects arising from income taxes, and are reported as part of Revaluation Reserves account in equity. When the asset is disposed of, the cumulative gain or loss previously recognized in the Revaluation Reserves account is not reclassified to profit or loss but is reclassified directly to Retained Earnings, except for debt securities classified as FVOCI, if any, wherein cumulative fair value gains or losses are reclassified to profit or loss.

Any dividends earned on holding equity instruments are recognized in profit or loss as part of Dividend Income, when the Group's right to receive dividends is established; it is probable that the economic benefits associated with the dividend will flow to the Group; and, the amount of the dividend can be measured reliably, unless the dividends clearly represent recovery of a part of the cost of the investment.

The Group can only reclassify financial assets if the objective of its business model for managing those financial assets changes. Accordingly, the Group is required to reclassify financial assets: (i) from amortized cost to FVTPL, if the objective of the business model changes so that the amortized cost criteria are no longer met; and, (ii) from FVTPL to amortized cost, if the objective of the business model changes so that the amortized cost criteria start to be met and the characteristic of the instrument's contractual cash flows meet the amortized cost criteria. A change in the objective of the Group's business model will take effect only at the beginning of the next reporting period following the change in the business model.

(b) Impairment of Financial Assets

At the end of the reporting period, the Group assesses and recognizes an allowance for ECL on its financial assets measured at amortized cost and investment securities measured at FVOCI. The measurement of the ECL involves consideration of broader range of information in assessing credit risk, including past events (e.g., historical credit loss experience) and current conditions, adjusted for forward-looking factors specific to the counterparty or debtor and the economic environment that affect the collectability of the future cash flows of the financial assets. ECL is determined by a probability-weighted estimate of credit losses over the expected life of the financial assets.

The Group assesses impairment of trade receivables on a collective basis based on shared credit risk characteristics of financial assets. The Group determines the ECL for trade receivables by applying a method that evaluates the credit quality of a portfolio of trade receivables and the cumulative loss rates by analyzing historical net charge-offs arising from cancellations and back-out sale for homogenous accounts that share the same origination period.

For investment securities measured at amortized cost and at FVOCI, the Group recognizes lifetime ECL when there has been a significant increase in credit risk on a financial asset since initial recognition. Lifetime ECL represents the expected credit loss that will result from all possible default events over the expected life of a financial asset, irrespective of the timing of the default. However, if the credit risk on a financial asset has not increased significantly since initial recognition, the Group measures and provides for credit losses that are expected to result from default events that are possible within 12-months after the end of the reporting period.

For other credit exposures such as receivables and advances to related parties and other companies, ECLs are recognized in two stages. If the credit risk on a financial asset has not increased significantly since initial recognition, the Group measures and provides for credit losses that are expected to result from default events that are possible within the next 12-months (12-month ECL). When there has been a significant increase in credit risk on a financial asset since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (lifetime ECL). For deposits in banks, the Group applies the low credit risk simplification and measures the ECL on the financial assets based on a 12-month basis unless there has been a significant increase in credit risk since origination, in that case, the loss allowance will be based on the lifetime ECL.

The Group recognizes an impairment loss in profit or loss for all financial instruments subjected to ECL impairment assessment with a corresponding adjustment to their carrying amount through a loss allowance account, except for investment securities measured at FVOCI, for which the loss allowance is recognizes in other comprehensive income and accumulated in Revaluation Reserves account, and does not reduce the carrying amount of the financial asset in the statement of financial position.

(c) Derecognition of Financial Assets

The financial assets (or where applicable, a part of a financial asset or part of a group of financial assets) are derecognized when the contractual rights to receive cash flows from the financial instruments expire, or when the financial assets and all substantial risks and rewards of ownership have been transferred to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

2.6 Inventories

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, are held as inventories.

Inventories include subdivision lots, houses and lots, land developments, medium-rise and high-rise condominium units, and parking spaces. Land acquired by the Group and are held for future development and sale in the ordinary course of business is also accounted for as inventories. Inventories are measured at the lower of cost and net realizable value (NRV).

Cost of inventories includes:

- land cost;
- amounts paid to contractors for the construction; planning and design costs; costs of site preparation; professional fees directly attributable to construction/development of the property, property transfer taxes; construction overheads and other related costs; and,
- any borrowing costs to the projects which were capitalized during construction [Notes 2.18].

Repossessed property arising from sales cancellation is recognized at NRV.

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated costs of completion and the estimated cost to sale. The amount of any write-down of inventories to NRV and all losses of inventories are recognized in the consolidated statement of profit or loss in the year of the write-down or loss occurs.

The cost of inventories recognized in profit or loss on disposal is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs. The total costs are allocated pro-rata based on the relative size of the property sold.

2.7 Property and Equipment

Property and equipment, except for land and construction-in-progress, are carried at cost less accumulated depreciation and amortization and any impairment in value. Land and construction-in-progress are carried at cost less any impairment value.

Depreciation and amortization of property and equipment commences once the item of property and equipment is put into operational use and is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	20 years
Land improvements	3-5 years
Leasehold improvements	3-5 years or the term of the lease whichever shorter
Furniture and fixtures	3-5 years
Machineries and equipment	3-5 years
Transportation vehicles	1-5 years
Licenses	1-5 years

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (see Note 2.16).

The residual values, estimated useful lives and method of depreciation and amortization of property and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that these are consistent with the expected pattern of economic benefits from items of property and equipment.

Fully depreciated property and equipment and fully amortized leasehold improvements are retained in the accounts until they are no longer in use.

An item of property and equipment, including the related accumulated depreciation, amortization and impairment losses, is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. 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 item) is included in profit or loss in the year the item is derecognized.

2.8 Investment Properties

Investment properties, which include land, building and improvements are initially recognized at cost. The initial cost of investment property consists of its purchase price, including import duties, taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Subsequent to initial recognition, investment properties, except for land, are stated at cost less accumulated depreciation, amortization and any impairment in value. Land is carried at cost less any impairment in value (see Note 2.16).

Expenditures incurred after the investment properties have been put into operations, such as repairs and maintenance costs, are charged against current operations in the year in which the costs are incurred.

Depreciation and amortization of investment properties commences from the time of acquisition and is computed on a straight-line basis over the estimated useful lives of the investments properties as follows:

Building	20 years
Improvements	20 years

Transfers are made to investment properties when, and only when, there is a change in use evidenced by ending of owner occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment properties when, and only when, there is a change in use evidenced by commencement of owner occupation or commencement of development with a view to sale. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its recoverable amount (Note 2.16).

Investment properties, including the related accumulated depreciation and amortization, are derecognized upon disposal or when permanently withdrawn from use and no future benefit is expected from its disposal. Any gains or losses on the retirement or disposal of investment properties (calculated as the difference between the net disposal proceeds and the carrying amount of the item) are recognized in profit or loss in the year of retirement or disposal.

2.9 Investment in Associates

An associate is an entity over which the Group has significant influence but not control and which is neither a subsidiary nor a joint venture.

Investment in an associate is accounted for by the equity method of accounting. Under this method, the investment is initially recognized at cost and adjusted thereafter by post-acquisition changes in the Group's share in the net assets of the associate and any impairment losses. The Group's share of its associate's post-acquisition profits or losses is recognized in profit or loss. Share in post-acquisition change in the associate's net assets not recognized in profit or loss is directly recognized in the Group's equity. Dividends received from the associates are deducted from the carrying amount of the investment.

The Group discontinues applying the equity method when their investments in associates are reduced to zero. Accordingly, additional losses are not recognized unless the Group has guaranteed certain obligations to the associate. When the associate subsequently reports net income, the Group will resume applying the equity method but only after its share of that net income equals the share of net losses not recognized during the period the equity method was suspended. The reporting date of the associate and the Group are identical and the associates' accounting policies conform to those used by the Group for like transactions and events in similar circumstances.

2.10 Intangible Assets

Intangible assets of the Group pertain to goodwill and software license. Goodwill is accounted for under the cost model. The cost of the asset is the amount of cash or cash equivalents paid or the fair value of the other considerations given up to acquire an asset at the time of its acquisition or production. Goodwill is not amortized because it is considered to have indefinite useful life.

Capitalized costs on software license are amortized on a straight-line basis over the estimated useful life of five years, as the lives of these intangibles assets are considered finite. These are capitalized on the basis of the costs incurred to acquire and install the specific software. Cost associated with maintaining computer software and those costs associated with research activities are recognized as expense in profit or loss as incurred.

In addition, intangible assets are subject to impairment testing as described in Note 2.16.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset and is recognized in profit or loss.

2.11 Financial Liabilities at Amortized Cost

Financial liabilities, which include trade and other payables (excluding tax-related liabilities, deferred rent and retirement benefit obligation), loans payable and amounts due to related parties, are recognized when the Group becomes a party to the contractual terms of the instrument. These are recognized initially at their fair values and subsequently measured at amortized cost, using effective interest method for maturities beyond one year, less settlement payments. All interest-related charges incurred on a financial liability are recognized as an expense in profit or loss under the caption Finance Costs in the consolidated statement of profit or loss.

Loans payable are raised for support of long-term funding of operations. Finance charges, including direct issue costs, are charged to profit or loss on an accrual basis [except for capitalizable borrowing costs which are added to the cost of qualifying assets (see Note 2.18)] using the effective interest method and are added to the carrying amount of the instrument to the extent that these are not settled in the period in which they arise.

Dividend distributions to shareholders are recognized as financial liabilities upon declaration by the Parent Company.

Financial liabilities are classified as current liabilities if payment is due to be settled within one year or less after the end of the reporting period (or in the normal operating cycle of the business, if longer), or the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. Otherwise, these are presented as non-current liabilities.

Financial liabilities are derecognized from the consolidated statement of financial position only when the obligations are extinguished either through discharge, cancellation or expiration. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or if the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and a recognition of new liability, and the difference between the carrying amount of the financial liability derecognized and the consideration paid or payable or the carrying amount of the new liability is recognized in profit or loss.

2.12 Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the resulting net amount, considered as a single financial asset or financial liability, is reported in the consolidated statement of financial position when the Group currently has legally enforceable right to set-off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously. The right of set-off must be available at the end of the reporting period, that is, it is not contingent on future event. It must also be enforceable in the normal course of business, in the event of default, and in the event of insolvency or bankruptcy; and must be legally enforceable for both entity and all counterparties to the consolidated financial instruments.

2.13 Provisions and Contingencies

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 the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. When time value of money is material, long-term provisions are discounted to their present values using a pretax rate that reflects market assessments and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

In those cases, where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the consolidated financial statements.

Similarly, possible inflows of economic benefits to the Group that do not yet meet the recognition criteria of an asset are considered contingent assets, hence, are not recognized in the consolidated financial statements. On the other hand, any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset not exceeding the amount of the related provision.

2.14 Revenue and Expense Recognition

(a) Revenue, Other Operating Income and Gains

The Group derives revenue primarily from sale of houses and lots, subdivision lots, medium-rise and high-rise condominium units and parking spaces. The Group also enters into transactions involving hotel accommodations, food and beverage operations, and other incidental activities.

In addition to the above considerations, the Group's revenue and other operating income and gains are recognized and measured based on the following specific criteria:

(i) *Real estate sales*

(a) *On pre-completed real estate projects*

Revenue from pre-completed real estate projects are recognized over time proportionate to progress of the development. The Group measures its progress based on actual costs incurred relative to the total expected costs to be incurred in completing the development. Revenue recognized from real estate sales is presented as part of Real Estate Sales under the Revenues section in the consolidated statement of profit or loss.

Contract assets pertain to rights to consideration in exchange for goods or services that the Group has transferred to a customer that is conditioned on something other than passage of time. Under its contracts with customers, the Group will receive an unconditional right to payment for the total consideration upon the completion of the development of the property sold. Any rights to consideration recognized by the Group as it develops the property are presented as Contract assets under the Trade and Other Receivables account of the consolidated statement of financial position. Contract assets are subsequently tested for impairment in the same manner as the Group assesses impairment of its financial assets [see Note 2.5(b)].

Any consideration received by the Group in excess of the amount for which the Group is entitled is presented as Contract liabilities under the Trade and Other Payables account of the consolidated statement of financial position. A contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

If the transaction does not yet qualify as contract revenue under PFRS 15, the deposit method is applied until all conditions for recording the sale are met. Pending the recognition of revenue on real estate sale, consideration received from buyers are presented under the Deposits from Customers account in the liabilities section of the consolidated statement of financial position.

(b) *On completed real estate projects*

Revenue from completed real estate sales are recognized as the control transfer to the customer at the point in time and upon reaching the collection threshold set by management, i.e., income from sale is considered fully earned at the time the collection from customer has reached the desired percentage requirement of the total contract price.

Collections from buyers which are not yet qualified for revenue recognition are treated as deposits and presented as Deposits from Customers in the consolidated statement of financial position.

(ii) *Hotel operations*

Revenues from hotel operations which include occupancy and sale of ancillary services are recognized over time during the occupancy of hotel guest and ends when the scheduled hotel room accommodation has lapsed (i.e., the related room services and goods have been rendered or served). Revenue from banquets and other special events are recognized when the events take place, hence, over time.

(iii) *Gain or loss on repossession and cancellation*

Gain or loss on repossession is recognized at a point in time (i.e., at the date of repossession) and measured based on the difference between the fair value less cost to restore and sell repossessed inventories and the carrying value of the installment contract receivables out of amount refundable to the buyer as required by RA 6552, or Maceda Law, at the time of repossession. This is presented in the consolidated statement of profit and loss as Other Operating Income or Other expense.

(iv) *Other operating income and gains*

Other income arising from other customer-related fees such as collection services fees, penalties, retrieval fees, transfer and other fees are recognized over time in the same amount to which the entity has the right of invoice to the customer (i.e., when the Group has rendered the related services which coincides to the time when the customer obtains the benefits thereon). Any amounts remaining unbilled at the end of the reporting period are presented in the consolidated statement of financial position as receivables as only the passage of time is required before payment of these amounts will be due.

(b) *Costs and Expenses*

Costs of real estate sales, including costs of land, land development costs, building costs, professional fees, permits and licences and capitalized borrowing costs (see Notes 2.6 and 2.18) are recognized as these as incurred. These costs are allocated to the saleable area based on relative size, with the portion allocable to the sold area being recognized as costs of sales in profit or loss upon disposal, while the portion allocable to the unsold area being recognized as part of real estate inventories.

Costs of hotel operations and operating expenses are recognized upon utilization of the goods or services or at the date the costs are incurred (i.e., when a decrease in future economic benefits related to a decreased in an asset or an increase of a liability has arisen that can be measured reliably). These are measured at the amount paid or payable.

Incremental costs of obtaining a contract to sell real property to customers (i.e., commissions and documentation) are recognized as part of Operating Expenses on the same basis as revenue from such contract is recognized.

2.15 Leases

The Group accounts for its leases as follows:

(a) *Group as Lessee*

The Group recognizes a right-of-use assets and a lease liability at the lease commencement date. The right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site in which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use assets reflect that the Group will exercise a purchase option. In that case, the right-of-use assets will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use assets are periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liabilities.

The Group also assesses the right-of-use asset for impairment when such indicators exist (see Note 2.16).

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liabilities are measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liabilities are remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use assets or is recorded in profit or loss if the carrying amount of the right-of-use assets has been reduced to zero.

On the consolidated statement of financial position, right-of-use assets are presented as part of other non-current assets. Meanwhile, lease liabilities are presented as part of trade and other payables.

(b) Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases of office space (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short term leases are recognized as expense on a straight-line basis over the lease term.

(c) Group as Lessor

Leases which do not transfer to the lessee substantially all the risks and benefits of ownership of the asset are classified as operating leases. Lease income from operating leases is recognized in profit or loss on a straight-line basis over the lease term.

Leases wherein the Group substantially transfers to the lessee all risks and benefits incidental to ownership of the leased item are classified as finance leases and are presented as receivable at an amount equal to the Group's net investment in the lease. Finance income is recognized based on the pattern reflecting a constant periodic rate of return on the Group's net investment outstanding in respect of the finance lease.

2.16 Impairment of Non-Financial Assets

The Group's property and equipment, investment properties, goodwill and other non-financial assets are subject to impairment testing. Goodwill is tested for impairment at least annually. All other individual assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of those assets may not be recoverable.

For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, assets are tested for impairment either individually or at the cash-generating unit level.

Impairment loss is recognized in profit or loss for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of its fair value less costs-to-sell and its value in use. In determining value in use, management estimates the expected future cash flows from each cash-generating unit and determines the suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risk factors.

All assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist. Except for goodwill, an impairment loss is reversed if the asset's or cash generating unit's recoverable amount exceeds its carrying amount.

2.17 Employee Benefits

The Group provides post-employment benefits to employees through a defined benefit plan, defined benefit contribution plans, and other employee benefits.

The Group's defined benefit post-employment benefits plans cover all regular full-time employees.

The defined obligation is calculated annually by independent actuaries using the projected unit credit method.

2.18 Borrowing Costs

Borrowing costs are recognized as expenses in the period in which they are incurred, except to the extent that they are capitalized. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (i.e., an asset that takes a substantial period of time to get ready for its intended use or sale) are capitalized as part of the cost of such asset. The interest capitalized is calculated using the Group's weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amounts capitalized is the gross interest incurred on those borrowings less any investment income arising on their temporary investment.

The capitalization of borrowing costs commences when expenditures for the asset and borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. The capitalization of finance costs is suspended if there are prolonged periods when development activity is interrupted.

Interest is also capitalized on the purchase cost of a site of property acquired specifically for redevelopment, but only where activities necessary to prepare the asset for redevelopment are in progress. Capitalization ceases when substantially all such activities are complete.

2.19 Income Taxes

Tax expense recognized in consolidated profit or loss comprises the sum of current tax and deferred tax not recognized in consolidated other comprehensive income or directly in equity, if any.

Current tax assets or liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting period, that are uncollected or unpaid at the reporting period. They are calculated using the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognized as a component of tax expense in consolidated profit or loss.

Deferred tax is accounted for using the liability method on temporary differences at the end of the reporting period between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Under the liability method, with certain exceptions, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and the carry forward of unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deferred income tax asset can be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profit will be available to allow such deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled provided such tax rates have been enacted or substantively enacted at the end of the reporting period.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

Deferred tax assets and deferred tax liabilities are offset if the Group has a legally enforceable right to set-off current tax assets against current tax liabilities and the deferred taxes relate to the same entity and the same taxation authority.

2.20 Equity

Capital stock represents the nominal value of the Parent Company's shares that have been issued. When the Parent Company's issues more than one class of stock a separate account is maintained for each class of stock and the number of shares issued.

Treasury shares are shares of stock of the Parent Company that were reacquired but not cancelled. These are carried at acquisition cost and are presented as a deduction from equity until the shares are cancelled, reissued or disposed. The portion of treasury shares in the retained earnings is not allowed for dividends declaration.

Revaluation reserves comprise the fair value gains and losses of investment securities at FVOCI and gains and losses from the remeasurements of retirement benefit obligation.

2.23 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's strategic steering committee; its chief operating decision-maker. The strategic steering committee is responsible for allocating resources and assessing performance of the operating segments.

In identifying its operating segments, management generally follows the Group's products and service lines as disclosed in Note 6, which represent the main products and services provided by the Group.

Each of these operating segments is managed separately as each of these service lines requires different technologies and other resources as well as marketing approaches. All inter-segment transfers are carried out at arm's length prices.

2.24 Earnings Per Share (EPS)

Basic and diluted EPS is computed by dividing net profit of the Group by the weighted average number of common shares issued and outstanding during the reporting period, adjusted for any subsequent stock dividends declared. Diluted EPS amounts are calculated by dividing the net profit attributable to the Group (after deducting interest on the convertible preferred shares, if any) by the weighted average number of common shares outstanding during the reporting period plus the weighted average number of common shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

2.25 Value- Added Tax (VAT)

Revenues, expenses and assets are recognized, net of the amount of VAT, except when VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

The amount of Input VAT (Output VAT) is included as part of "Other assets" ("Trade and other payables") in the consolidated statement of financial position

2.26 Events After the End of Reporting Period

Post year-end events up to the date of when the consolidated financial statements are authorized for issue that provide additional information about the Group's position at the reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the consolidated financial statements when assessed to be material.

3 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the consolidated financial statements in compliance with PFRS requires the Group to make judgments and estimates that affect the amounts reported in the consolidated financial statements and related notes. The judgments, estimates and assumptions used in the accompanying consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the consolidated financial statements. Future events may occur which will cause the judgments and assumptions used in arriving at the estimates to change. The effects of any change in judgments and estimates are reflected in the consolidated financial statements as they become reasonably determinable.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances

3.1 Critical Management Judgments in Applying Accounting Policies

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimation as discussed in Note 3.2, which have the most significant effect on the amounts recognized in the consolidated financial statements.

(a) Determining Existence of a Contract with Customer

In a sale of real estate properties, the Group's primary document for a contract with a customer is a signed contract to sell which is executed when the real estate property sold is completed and ready for use by customer. In rare cases wherein contract to sell are not executed by both parties, management has determined that the combination of other signed documentations with the customers such as reservation agreement, official receipts, computation sheets and invoices, would contain all the elements to qualify as contract with the customer (i.e., approval of the contract by the parties, which has commercial substance, identification of each party's rights regarding the goods or services and the related payment terms). Moreover, as part of the evaluation, the Group assesses the probability that the Group will collect the consideration to which it will be entitled in exchange for the real estate property that will be transferred to the customer.

In evaluating whether collectability of an amount of consideration is probable, the Group considers the significance of the customer's downpayment in relation to the total contract price [see Note 3.1(c)]. Collectability is also assessed by considering factors such as past history with the customer and pricing of the property.

Management regularly evaluates the historical cancellations and back-outs if it would still support its current threshold of customers' equity before commencing revenue recognition.

(b) Evaluation of the Timing of Satisfaction of Performance Obligations and Revenue Recognition

(i) Real Estate Sales

The Group sells real estate properties such as house and lots, medium or certain high-rise condominium units, and parking spaces and recognized revenue thereon at a point in time (i.e., upon sale of the inventories that are completed and ready for use and upon reaching collection threshold) or over time. In making this judgment, the Group considers the following criteria:

- any asset created or enhanced as the Group performs;
- the ability of the customers to control such asset as it is being created or enhanced;
- the timing of receipt and consumption of benefits by the customer; and;
- the Group's enforceable right for payment for performance completed to date.

In determining the timing of satisfaction of the Group's performance obligation and the revenue recognition, the Group makes judgments that are integral to its accounting policy. Consistent with the Group's business model (i.e., low-cost housing) and marketing strategy, it sells real estate inventories to marginal earner customer in different regions at prices that are generally lower than the prices offered by other developers in the industry. The Group also develops and constructs these real estate properties applying different construction technology that enables it to build houses and condominium quickly and cost-effectively, ranging from three to six months for house and lot and medium-rise condominium, and an average of 18 months for high-rise/vertical condominiums. Construction and development period includes the duration required for land development stage, which also range from three to six months depending on the size of the project.

Based on the Group's marketing evaluation, its customers are generally buyers who are not willing to wait for longer property development and construction period before they are able to transfer and occupy the property for residential purposes and who are indifferent whether or not the related common areas and amenities are complete. Generally, these common areas and amenities are relatively not significant to the project development and are substantially completed prior to selling activities.

With the combination of these factors, the Group generally offers its real estate inventories to customer when the house and lot and condominium units are completed and ready for use by the customer and the related common areas, site development, and amenities are substantially completed. The Group assessed that at the time they made the offer to sell the inventories, there is no significant additional performance obligation that needs to be fulfilled under its contract with customer and there are no significant costs that the Group will incur relative to the total development costs of a particular project. On this basis, the customer is contractually obliged to make payments to the Group of the consideration involved in the contract for the fully completed performance obligation.

The current selling scheme introduced by the management for a certain project, recognition of revenue from those real estate inventories under the pre-selling scheme shall be based on the satisfaction of performance of obligation over time. The newly acquired subsidiary of the Group sells pre-completed real estates, thus also recognizes revenue over time. The Group measures progress on the basis of actual costs incurred relative to the total expected costs to complete such performance obligation. Specifically, the Group estimates the total development costs with reference to the project development plan and any agreement with customers. Management regularly monitors its estimates and apply changes as necessary. A significant change in estimated costs would result in a significant change in the amount of revenue recognized in the year of change.

The Group also requires a certain percentage of buyer's payments of total contract price to be collected as one of the criteria in order to initiate revenue recognition [see Notes 2.14(a)(i) and 3.1(c)].

(ii) Hotel Operations

The Group determined that its revenue from hotel operations shall be recognized over time. In making its judgment, the Group considers the timing of receipt and consumption of benefits provided by the Group to the customers. The Group provides the services without the need of reperformance of other companies. This demonstrates that the customers simultaneously receive and consume the benefits of the Group's rendering of hotel services as it performs.

(c) Determination of Collection Threshold for Revenue Recognition

The Group uses judgment in evaluating the probability of collection of transaction price on real estate sales as a criterion for revenue recognition. Management believes that the revenue recognition criterion on percentage of collection is appropriate based on the collection history from customers, buyer's profile and number of back-out sales in prior years. Reaching this level of collection is an indication of buyer's continuing commitment and the probability that economic benefits will flow to the Group. The Group considers that the initial and continuing investments by the buyer when reaching the set collection threshold would demonstrate the buyer's commitment to pay the total contract price.

(d) Determination of ECL on Trade and Other Receivables and Advances to Related Parties

The Group uses the cumulative loss rate approach to calculate ECL for trade receivables. This approach considers and includes reasonable approximation of probable and estimable future losses determined by applying historical gross charge-off information (arising from cancellations and back-out sales) to forward-looking qualitative information (i.e., forecast of economic condition). While there may be an assessed default occurring in these receivables over the term of the instrument, the amount of required allowance for ECL is minimized since the legal title related to the unit sold will only be transferred once the contract receivable has been paid in full, and the Group has the right to recover the real estate properties covered by the contract with customer through repossession, and to resell the asset at an amount sufficient to cover the unpaid outstanding obligations.

On the other hand, additional ECL may be calculated for certain pool of trade receivables specifically determined to have expected cash shortfall based on outstanding exposures. These generally arise from receivables which were charged-off at an earlier term of the instrument since origination period.

In relation to advances to related parties, the maximum period over which ECL should be measured is the longest contractual period where an entity is exposed to credit risk. In the case of these receivables from related parties, which are repayable on demand, the contractual period is the very short period needed to transfer the cash once demanded. Management determines possible impairment based on the sufficiency of the related parties' highly liquid assets in order to repay the Group's receivables if demanded at the reporting date taking into consideration the historical defaults of the related parties. If the Group cannot immediately collect its receivables, management considers the expected manner of recovery to measure ECL. If the recovery strategies indicate that the outstanding balance of receivables can be collected, the ECL is limited to the effect of discounting the amount due over the period until cash is realized.

Based on the relevant facts and circumstances affecting the quality of certain advances to related parties at the reporting date, management recognized credit losses in 2024 and 2023. (see Notes 4.1 and 29).

(e) Fair Value Measurement for Financial Instruments

Management applies valuation techniques to determine the fair value of financial instruments where active market quotes are not available. This requires management to develop estimates and assumptions based on market inputs, using observable data that market participants would use in pricing the instrument. Where such data is not observable, management uses its best estimate. Estimated fair values of financial instruments may vary from the actual prices that would be achieved in an arm's length transaction at the end of the reporting period.

The carrying value of the Group's financial assets at FVOCI and the fair value gains and losses recognized on these securities are disclosed in Note 10.

(f) Distinguishing Between Business Combination and Asset Acquisition

The Parent Company determines whether an acquisition of an entity constitutes a business combination or an asset acquisition. The accounting treatment for the acquisition is determined by assessing whether the transaction involved a purchase of a business taking into consideration the substance of the transaction. The Parent Company evaluates whether an acquired entity is capable of being conducted and managed as a business by assessing the integrated set of activities and assets based on at least two essential elements – inputs and processes applied to those inputs, which together are or will be used to create outputs. Otherwise, the transaction is accounted for as an asset acquisition. Failure to make the right judgment will result in misstatement of assets and other accounts that could have been affected by the transaction.

Management assessed that the acquisition of the Genvi's and Picadilly's outstanding shares in 2019 and 2022 are accounted for as a business acquisition in accordance with PFRS 3.

(g) Distinction Among Real Estate Inventories, Investment Properties and Owner-occupied Properties

In determining the classification of assets as to real estate inventories, investment properties or owner-occupied properties, the Group considers management's intention in acquiring or developing the asset and the asset's current use.

Residential and condominium units comprise properties that are held for sale in the ordinary course of business. With respect to other rest estate properties, the Group classifies an asset as investment property when the property is not occupied substantially for use by, or in operations of the Group, but are held primarily to earn rental income and capital appreciation. On the other hand, owner-occupied properties are those that generate cash flows that are attributable not only to the property but also to the other assets used in the production or supply process.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions cannot be sold separately, the property is accounted for as an investment property, only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as an investment property. The Group considers each property separately in making its judgment.

(h) Distinguishing Preferred Shares Held in Club Shares as Financial Instrument, Inventories or Intangible Asset

In determining whether preferred shares held in investee entities operating as a club and resorts shall be accounted for as either financial instruments or inventories, the Group considers its role in the development of the club or resorts and its intent for holding the securities acquired. The Group classifies such shares as inventories when it acts as the developer of the property and intends to sell a developed property together with the shares. If these criteria were not met, the securities are classified as financial asset, or an intangible asset when the shares only provides membership rights on the developed properties rather than proprietary interest.

(i) Distinction Between Operating and Finance Leases for Contracts where the Group is the Lessor

The Group has entered into a lease agreement for certain office and parking spaces. Critical judgment was exercised by management to distinguish the lease agreement as either an operating or a finance lease by looking at the transfer or retention of significant risk and rewards of ownership of the property covered by the agreement. Failure to make the right judgment will result in either overstatement or understatement of assets and liabilities.

(j) Evaluation of Business Model of the Financial Assets

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

(k) Recognition of Provisions and Contingencies

Judgment is exercised by management to distinguish between provisions and contingencies. Policies on recognition of provisions and contingencies are discussed in Note 2.13 and disclosures on relevant provisions and contingencies are presented in Note 30.

3.2 Key Sources of Estimation Uncertainty

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

(a) Estimation of Allowance for ECL

The measurement of the allowance for ECL on financial assets at amortized cost is an area that requires the use of significant assumptions about the future economic conditions and credit behavior (e.g., likelihood of customers defaulting and the resulting losses). Management also applies judgement in the estimation of the contractual cash flows due from counterparties that the Group would expect to receive from the realization of any credit enhancements, including the discounting factor for recoveries beyond one year. Explanation of the inputs, assumptions and estimation used in measuring ECL is further detailed in Note 4.1.

(b) Estimating NRV of Inventories

The Group adjusts the cost of its inventories to NRV based on its assessment of the recoverability of the inventories.

NRV for inventories, including land held for future development, is assessed with reference to market conditions and prices existing at the reporting date and is determined by the Group having taken suitable external advice and in light of recent market transactions.

NRV in respect of inventories and improvements under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction less an estimate of the time value of money to the date of completion. The estimates used take into consideration fluctuations of price or cost directly relating to events occurring after the end of the period to the extent that such events confirm conditions existing at the end of the period.

The Group did not recognize any write-down on its inventories in 2024, 2023 and 2022. The carrying values of the Group's inventories are disclosed in Note 9.

(c) Impairment of Non-financial Assets

In assessing impairment of non-financial assets, management estimates the recoverable amount of each asset or a cash-generating unit based on expected future cash flows and uses an interest rate to calculate the present value of those cash flows. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate (see Note 2.16). Though management believes that the assumptions used in the estimation of fair values reflected in the financial statements are appropriate and reasonable, significant changes in those assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

In 2022, the management determined that portion of other assets were not recoverable. Direct written-off of creditable withholding taxes and other non-current assets were made amounting to P 135.5 million, see Note 14. The impairment loss is presented as part of Expected credit and impairment losses under Operating Expenses in the consolidated statements of profit or loss, respectively (see Note 23). No similar transactions occurred in 2023 and 2024.

The carrying values of the non-financial assets, particularly, investment in associate, property and equipment, investment properties and investment in joint operations, goodwill, and any related allowance for any impairment losses are disclosed in Notes 11, 12, 13 and 14, respectively.

(d) Determination of Estimated Useful Life of Property and Equipment and Investment Properties

The Group determines the estimated useful life of its property and equipment, and investment properties based on the period over which the assets are expected to be available for use. The Group reviews periodically the estimated useful life based on factors that include asset utilization, internal technical evaluation, environmental and anticipated use of the assets tempered by related industry benchmark information. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. A reduction in the estimated useful life of property and equipment, and investment would increase depreciation and amortization expense and decrease non-current assets in the succeeding reporting periods.

The estimated useful life of the Group's property and equipment, and investment properties are disclosed in Notes 2.7 and 2.8, respectively. This carrying values of are disclosed in Notes 12 and 13, respectively.

(e) Estimation of Post-employment Benefit Obligation

The cost of defined benefit pension plans as well as the present value of the defined benefit obligation is determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions. In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific country and is modified accordingly with estimates of mortality improvements.

Future salary increases and pension increases are based on expected future inflation rates for the country. All assumptions are reviewed at each reporting date.

The carrying value of the post-employment benefit obligation, as well as the other details of the defined benefit pension plans, and the assumptions used in the valuation as at December 31, 2024, 2023 and 2022, are disclosed in Note 26.

(f) Determination of Realizable Amount of Deferred Tax Assets

The Group 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 taxable income will be available to allow all or part of the deferred tax assets to be utilized. Significant judgment is required to determine the amount of deferred tax assets that can be recognized based upon the likely timing and level of future taxable income together with future tax planning strategies.

The Group assessed its projected performance in determining the sufficiency of the future taxable income to support the recognition of deferred tax assets. Refer to Note 28 for the information on the Group's recognized and unrecognized deferred tax assets.

(g) Fair Value Measurement for Investment Properties

The Group's investment properties composed of land, building and improvements are measured using the cost model. In determining the fair value of these assets for disclosure purposes, the Group engages the services of professional and an independent appraiser applying the relevant valuation methodologies as discussed in Note 5.

For investment properties with appraisal conducted prior to the end of the current reporting period, management determines whether there are significant circumstances during the intervening period that may require adjustments or changes in the disclosure of fair value of those properties. A significant change in key inputs and sources of information used in the determination of the fair value disclosed for those assets may result in adjustment in the carrying amount of the assets reported in the consolidated financial statements if their fair value will indicate evidence of impairment.

4 FINANCIAL RISK MANAGEMENT AND OBJECTIVES

The Group has various financial assets and financial liabilities such as cash in banks, trade and other receivables, investment securities at FVOCI, trade and other payables, loans payable, bonds payable and due to and from related parties which arise directly from its operations. Thus, exposure to credit, market and liquidity risks arise in the normal course of the Group's business activities.

The main objectives of the Group's financial risk management are as follows:

- to identify and monitor such risks on an ongoing basis;
- to minimize and mitigate such risks; and,
- to provide a degree of certainty about costs.

The Parent Company's BOD reviews and approves the policies for managing each of these risks and they are summarized in the succeeding pages.

4.1 Credit Risk

Credit risk is the risk of financial loss to the Group if the counterparty to a financial instrument fails to meet its contractual obligation. To manage credit risk, the Group maintains credit policies and monitors its exposure to credit risk on a continuous basis.

Trade receivables balances are being monitored on a regular basis to ensure timely execution of necessary collection intervention efforts. In addition, the credit risk for trade receivables is mitigated as the Group has only transferred the corresponding title of the subdivision lots, house and lot units, condominium units and parking spaces upon full payment of the contract price.

(a) Maximum exposure to credit risk

The Group's maximum exposure to credit risk is equal to the carrying value of its financial assets as discussed below.

(i) Cash and Cash Equivalents

The credit risk for cash equivalents is considered negligible. As part of Group policy, bank deposits are only maintained with reputable financial institutions with low credit risk based on externally available risk rating or from the Group's internal credit grading that takes into consideration its banking relationship and activities with its depository banks. Cash in banks are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of P0.5 million per depositor per banking institution, as provided for under RA No. 9576, *Amendment to Charter of Philippine Deposit Insurance Corporation*.

(ii) Trade Receivables

Trade receivables from the sale of real estate inventories, including finance lease receivables, as of December 31, 2024 and 2023 are secured by collateral (the subdivision lots, house and lots, medium-rise and high-rise condominium units, and parking spaces).

The Group uses cumulative credit loss rate approach to calculate ECL for trade receivables. This approach is based on historical analysis of the Group's trade receivables portfolio, which calculates the receivables' loss experience over a reasonable observation period and apply such information to project what the portfolio will look like going forward. The model is done by dividing each period's net charge-offs arising from contract cancellations and back-out sales by the original principal balance at the origination period of the receivables.

The loss experience of these original balances is tracked annually and summed over the life of the contract, leaving a cumulative loss rate based on historic averages.

The management determined that there is required additional ECL to be recognized on the Group's trade and lease receivables. Management recognized additional ECL amounting to P270.6 million, P313.7 million, and P196.0 million in 2024, 2023 and 2022, respectively (see Note 8)

Management assessed that a portion of the Group's trade receivables was deemed collectible. Accordingly, reversals of allowance for probable loss amounting to P120.1 million was recorded in 2024 and P17.0 million in 2023(see Note 8).

The carrying value of trade receivables are presented below.

	2024	2023
Real estate receivables	28,091,203,050	32,964,197,886
Contract Assets	-	60,184,625
Finance lease receivables	828,321,313	863,759,487
	28,919,524,363	33,888,141,998

(iii) *Advances to Related Parties*

ECL for advances to related parties are measured and recognized using the liquidity approach. Management determines possible impairment based on the counterparties' ability to repay the receivables upon demand at the reporting date taking into consideration the historical defaults from the counterparties. Management assessed that portion of the outstanding receivables from certain related parties as of December 31, 2024 and 2023 which are not fully recoverable since these related parties do not have enough capacity to pay the advances upon demand. Accordingly, credit losses amounting to P6.2 million (with recovery of P31.0 million) P 59.3 million and P184.7 million were recognized in 2024, 2023, and 2022 respectively. Impairment losses in 2024 and 2023 are presented as part of Expected credit and impairment losses under Operating Expenses in the consolidated statements of profit or loss, respectively (see Note 23).

The Group does not consider any significant risks in the remaining advances to related parties since the Group, whose credit risks for liquid funds are considered negligible, have committed to financially support these related parties as part of the its long-term corporate strategy.

(iv) *Other Receivables and Lease Deposits*

The Group applied simplified approach in determining the ECL of certain other receivables. This approach uses a provision matrix to collectively assess other receivables based on shared credit risk characteristics of the financial assets, grouped based on days past due with loss rate determined from a range of 10% to 100%. In 2024, 2023 and 2022, additional provision was recognized amounting to P91.1 million, P 21.9 million and P 6.4 million, respectively. Accordingly, reversals of allowance for probable loss amounting to nil, nil and P1.5 million was recorded in 2024, 2023, and 2022. (see Note 8).

Lease deposits, which pertain to the deposits from rental and electrical facilities, are monitored by the Group and involves creditworthy counterparties and with no historical default experience.

Moreover, other receivables pertain to loans extended to employees and other reputable third parties which are settled through salary deduction and installment basis on a short-to-medium term. Thus, the credit risk is considered negligible under the circumstances.

(b) *Credit risk concentration*

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 Group's performance to developments affecting a particular industry or geographic location. In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

An analysis of concentration of credit risk by location of the Group's installment contract receivables (ICRs) and finance lease receivables, gross of allowance for impairment, is shown below.

	2024	2023	2022
Metro Manila	9,633,970,370	14,961,583,055	17,258,021,748
Davao	6,010,817,184	6,169,560,004	7,116,519,711
Cebu	3,118,217,991	2,641,236,216	3,046,636,970
Iloilo	2,909,300,038	1,513,666,993	1,745,998,254
Cavite	581,674,978	648,708,274	748,277,870
Pampanga	817,678,434	982,616,011	1,133,436,778
Bacolod	285,015,432	1,928,838,358	2,224,893,864
Bulacan	6,583,506,957	5,851,894,081	6,750,095,558
	29,940,181,384	34,698,102,992	40,023,880,753

(c) *Credit quality*

Generally, the Group classifies cash in banks and short-term placements as high grade as these are deposited with reputable banks.

Due from related parties and other financial assets are considered to be unrated. For trade receivables, standard grade pertains to receivables with no default in payments.

The tables below show the credit quality per class of financial assets, gross of allowance, as of December 31, 2024 and 2023:

December 31, 2024				
	Neither past due nor impaired		Past due but	Credit-
	High grade	Standard grade	not impaired	impaired
Cash in banks and short-term placements	2,109,449,213			
Trade and other receivables				
Installment contract receivables		27,610,348,425	480,854,626	1,020,657,020
Finance lease receivables		828,321,313	-	
Retention receivables		2,647,703,614		13,243,509
Other receivables**		3,057,518,333		327,805,813
Due from related parties		3,152,170,298		420,102,787
Deposits*		231,854,205		2,511,974
	2,109,449,213	37,527,916,188	480,854,626	1,784,321,103
				41,902,541,130
December 31, 2023				
	Neither past due nor impaired		Past due but	Credit-
	High grade	Standard grade	not impaired	impaired
Cash in banks and short-term placements	2,393,582,046			
Trade and other receivables				
Installment contract receivables		32,544,415,485	419,782,401	870,145,619
Finance lease receivables		677,190,580	186,568,907	
Contract assets		60,184,625		-
Retention receivables		2,057,261,349		13,243,509
Other receivables**		3,385,144,008		236,696,602
Due from related parties		3,261,651,942		444,937,659
Deposits*		204,735,533		2,511,974
	2,393,582,046	42,190,583,522	606,351,308	1,567,535,363
				46,785,052,239

* Included in Other Non-Current Assets in the consolidated statements of financial position.

**Includes advances to external marketing managers.

High grade financial assets pertain to accounts with a very low probability of default as demonstrated by the counterparty's long history of stability, profitability and diversity.

Standard grade financial assets pertain to accounts where counterparties are expected to be able to adjust to their financial conditions. Any prolonged adverse economic conditions would however create profitability and liquidity issues. The counterparty may have a history of default in interest but must have regularized its records to date.

Credit-impaired receivables represent allowance for impairment.

4.2 Market Risk

Market risk is the risk of loss to future earnings, to fair value or future cash flows of a financial instrument as a result of changes in its price, in turn caused by changes in interest rates, foreign currency exchange rates, equity prices and other market factors.

As of December 31, 2024 and 2023, the Group has no financial instruments that are exposed to significant interest rate risk and foreign currency risk. However, the Group's investment securities measured at FVOCI is exposed to price risks. The Group manages exposures to price risk by monitoring the changes in the market price of the investments and at some extent, diversifying the investment portfolio in accordance with the limit set by management.

4.3 Liquidity Risk

The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash outflows due in a day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a six-month and one-year period are identified monthly.

The Group maintains cash to meet its liquidity requirements for up to 60-day periods. Excess cash are invested in time deposits, mutual funds or short-term marketable securities. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets. As at December 31, 2024 and 2023, the Group's financial liabilities have contractual maturities which are presented below.

	2024					
	On demand	Up to 1 month	More than 1 month to 6 months	More than 6 months to 12 months	Beyond 1 year	Total
Trade and accounts Payables	1,680,850,356	-	-	-	-	1,680,850,356
Retention payable	-	-	-	936,740,272	-	936,740,272
Construction bonds	-	-	-	117,590,706	-	117,590,706
Accrued expenses	-	-	-	1,614,719,716	-	1,614,719,716
Contract liabilities	-	-	-	-	49,456,608	49,456,608
Lease liabilities	-	-	-	5,732,938	6,782,535	12,515,473
Due to related parties	-	-	-	158,787,160	-	158,787,160
Notes payable	-	-	242,383,042	251,321,365	5,547,084,206	6,040,788,613
Loans payable	-	627,445	4,087,632,288	11,752,539,846	29,459,799,388	45,300,598,967
	1,680,850,356	627,445	4,330,015,330	14,837,432,003	35,063,122,737	55,912,047,871
	2023					
	On demand	Up to 1 month	More than 1 month to 6 months	More than 6 months to 12 months	Beyond 1 year	Total
Trade and accounts Payables	1,323,989,735	-	-	-	-	1,323,989,735
Retention payable	-	-	-	1,185,018,098	-	1,185,018,098
Construction bonds	-	-	-	109,721,172	-	109,721,172
Accrued expenses	-	-	-	2,121,707,770	-	2,121,707,770
Contract liabilities	-	-	-	-	335,035,888	335,035,888
Lease liabilities	-	-	-	7,968,215	8,008,678	15,976,893
Due to related parties	-	-	-	272,567,480	-	272,567,480
Notes payable	-	-	225,448,773	233,762,614	6,040,788,613	6,500,000,000
Loans payable	-	1,265,951,858	3,547,152,959	13,610,378,462	17,095,069,286	35,518,552,565
	1,323,989,735	1,265,951,858	3,772,601,732	17,541,123,811	23,478,902,465	47,382,569,601

4.4 Offsetting of Financial Instruments

The following tables show the details of recognized financial instruments of the Group subject to offsetting, enforceable master netting arrangements or similar agreements, and the effect of other rights of offset but do not meet the offsetting criteria under PAS 32:

2024						
Financial instruments recognized at end of year by type	Gross carrying amounts (before offsetting) (a)	Gross amounts offset in accordance with the offsetting Criteria (b)	Net amount presented in statements of financial position (a-b) (c)	Financial instruments (d)	Effect of remaining rights of set off (including rights to set off financial collateral) that do not meet PAS 32 offsetting criteria Fair value of Financial Collateral (e)	(c-d-e) (f)
Financial assets						
Due from related parties	<u>3,152,170,298</u>	<u>-</u>	<u>3,152,170,298</u>	<u>-</u>	<u>-</u>	<u>3,152,170,298</u>
Financial liabilities						
Loans payable						-
Short term loans	15,840,799,579	-	15,840,799,579	-	67,808,728	15,772,990,851
Long term loans	29,459,799,388	-	29,459,799,388	-	14,329,589,540	15,130,209,848
Notes payable	6,040,788,613	-	6,040,788,613	-	-	6,040,788,613
Due to related parties	<u>158,787,160</u>	<u>-</u>	<u>158,787,160</u>	<u>-</u>	<u>-</u>	<u>158,787,160</u>
	<u>51,500,174,740</u>	<u>-</u>	<u>51,500,174,740</u>	<u>-</u>	<u>14,397,398,268</u>	<u>37,102,776,472</u>
2023						
Financial instruments recognized at end of year by type	Gross carrying amounts (before offsetting) (a)	Gross amounts offset in accordance with the offsetting Criteria (b)	Net amount presented in statements of financial position (a-b) (c)	Financial instruments (d)	Effect of remaining rights of set off (including rights to set off financial collateral) that do not meet PAS 32 offsetting criteria Fair value of Financial Collateral (e)	(c-d-e) (f)
Financial assets						
Due from related parties	<u>3,261,651,942</u>	<u>-</u>	<u>3,261,651,942</u>	<u>-</u>	<u>-</u>	<u>3,261,651,942</u>
Financial liabilities						
Loans payable						-
Short term loans	18,423,483,279	-	18,423,483,279	-	67,808,728	18,355,674,551
Long term loans	17,095,069,286	-	17,095,069,286	-	16,367,812,627	727,256,659
Notes payable	6,500,000,000	-	6,500,000,000	-	-	6,500,000,000
Due to related parties	<u>272,567,480</u>	<u>-</u>	<u>272,567,480</u>	<u>-</u>	<u>-</u>	<u>272,567,480</u>
	<u>42,291,120,045</u>	<u>-</u>	<u>42,291,120,045</u>	<u>-</u>	<u>16,435,621,355</u>	<u>25,855,498,690</u>

5 FAIR VALUE MEASUREMENT AND DISCLOSURE

5.1 Fair Value Measurement

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 under current market conditions (i.e., an exit price) 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 Group.

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.

5.2 Fair Value Hierarchy

In accordance with PFRS 13, *Fair Value Measurement*, the fair value of financial assets and financial liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS, are categorized into three levels based on the significance of inputs used to measure the fair value. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or financial liabilities that an entity can access at the measurement date;
- Level 2: 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); and,
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which an asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

For investments which do not have quoted market price, the fair value is determined by using generally acceptable pricing models and valuation techniques or by reference to the current market of another instrument which is substantially the same after taking into account the related credit risk of counterparties, or is calculated based on the expected cash flows of the underlying net asset base of the instrument.

When the Group uses valuation technique, it maximizes the use of observable market data where it is available and relies as little as possible on entity specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in Level 2. Otherwise, it is included in Level 3.

Except for investment securities at FVOCI, all other financial assets of the Group are measured at amortized cost as of December 31, 2024 and 2023.

Management has determined that the carrying values of the Group's financial instruments carried at amortized cost approximate or equal their fair values except, non-current portion of the ICRs and bonds payable. Accordingly, those are no longer presented in the analysis below.

Except for cash in banks and bonds payable, for which fair value is classified as Level 1, the fair value of other financial instruments and investment properties where fair value is required to be disclosed are classified as Level 3 in the hierarchy.

The table below presents the assets and liabilities for which fair value is required to be disclosed, by valuation method as of December 31, 2024 and 2023.

	2024				
	Carrying Amount	Level 1	Fair value Level 2	Level 3	Total
Installment contract Receivable	29,111,860,071			28,091,203,051	28,091,203,051
Finance receivables	828,321,313			828,321,313	828,321,313
Investment securities through FVOCI	1,405,232,130			1,405,232,130	1,405,232,130
<i>Non-financial assets</i>					
Investment properties	564,787,433			1,167,517,000	1,167,517,000
	2023				
	Carrying Amount	Level 1	Fair value Level 2	Level 3	Total
Installment contract Receivable	33,834,343,505			32,964,197,886	32,964,197,886
Finance receivables	863,759,487			863,759,487	863,759,487
Investment securities through FVOCI	1,363,276,386			1,363,276,386	1,363,276,386
<i>Non-financial assets</i>					
Investment properties	526,974,226			1,016,662,000	1,016,662,000

There were no transfers between Levels 2 and 3 in 2024 and 2023.

5.3 Methods and Assumptions Used

The methods and assumptions used by the Group in estimating the fair value of the assets and liabilities are described below and in the succeeding page.

(a) Financial Instruments

(i) Cash and cash equivalents, and other receivables

The estimated fair value of fixed interest-bearing deposits is based on discounted cash flows using prevailing money market interest rates for debts with similar credit risk and remaining maturity, which for short-term deposits approximate the nominal value.

(ii) Installment contract and lease receivables

Installment contract and lease receivables are net of allowance for credit losses. The estimated fair value these receivables represents the discounted amount of estimated future cash flows, including principal amount outstanding and interest expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

(iii) Retention receivables

Fair values are estimated using the discounted cash flow methodology using the prevailing market rates for similar types of instrument, which due to their short-term duration, their carrying amount approximates fair value.

(iv) Investment securities at FVOCI

There were no material sales transactions over the Group's FVOCI securities. Accordingly, the Group has used the discounted cash flow method to determine the fair value of the FVOCI securities. The most significant inputs used in the valuation include the occupancy rate, discount rate, and the terminal growth rate. Under this approach, the higher occupancy and terminal growth rates, and lower discount rate used in the valuation will result in higher fair value of the FVOCI securities.

Management believes that these valuation approaches provides a reasonable approximation of the fair value of the securities based on the circumstances affecting the securities at the end of the reporting date.

A reconciliation of the carrying amounts of Level 3 equity securities at the beginning and end of 2024 and 2023 is shown in Note 10.2.

(v) Due from and to related parties

The carrying amounts of due from and to related parties, which are short-term in nature and payable on demand, approximate their fair values.

(vi) Noninterest-bearing refundable security deposits

The estimated fair value of security deposits represent the discounted amount of estimated future cash flows expected to be received from the instruments. Expected cash flows are discounted at current market rates to determine fair value.

(vii) Trade and other payables

The carrying amounts of all trade and other payables approximate fair value as these liabilities are short-term in nature.

(viii) Retention payable

The carrying amount of retention payable approximates fair value.

(ix) Loans payable and notes payable

The fair value is calculated based on the discounted cash flows method using the current market rate. As these instruments bear interest that are equal to or approximates the market rates, management determined that the effect of discounting for those long-term payable are not significant. However, conditions or events may exist, which might result to a significant change in the current market rate. Nevertheless, the Group assessed that these changes would have an immaterial impact in the consolidated financial statements.

(b) Investment Properties

Fair values are determined based on recent sales of similar properties in the same areas as the investment properties and taking into account the economic conditions prevailing at the time the valuations were made and comparability of similar properties sold with the property being valued.

The Group engages the services of professional and independent appraiser that uses the market data approach in the valuation of its investment properties. Significant increases (decreases) in price per square meter and size of investment properties would result in a significantly higher (lower) fair value of the property. Significant increases (decreases) in discount would significantly lower (higher) fair value of the property. The description of each significant unobservable input used in the valuation of the investment properties are as follows:

Size	Size of lot in terms of area. Evaluate if the lot size of property or comparable comforts to the average cut of the lots in the area and estimate the impact of the lot size differences on land value.
Shape	Particular form or configuration of the lot. A highly irregular shape limits the usable area whereas an ideal lot configuration maximizes the usable area of the lot which is associated in designing an improvement which conforms with the highest and best use of the property.

Location	Location of comparative properties whether on a main road, or secondary road. Road width could also be a consideration if data is available. As a rule, properties located along a main road are superior to properties located along a secondary road.
Time element	An adjustment for market conditions is made if general property values have appreciated or depreciated since the transaction dates due to inflation or deflation or a change in investor's perceptions of the market over time. In which case, the current data is superior to historic data.
Discount	Generally, asking prices in advertisements posted for sale are negotiable. Discount is the amount the seller or developer is willing to deduct from the posted selling price if the transaction will be in cash or equivalent.

6 SEGMENT INFORMATION

For management's purposes, the Group's operating segments are organized and managed separately according to the nature of the products provided, with each segment representing a strategic business unit that offers different products and serves different markets. The Group has four reportable operating segments as follows:

(a) *Low-cost Mass Housing*

This segment pertains to the housing market segment of the Group. It caters to the development and sale of residential lots and units.

(b) *Medium-rise Condominium*

This segment pertains to the medium-rise condominium segment of the Group. It caters to the development and sale of condominium units of up to four storeys, and sale of parking spaces in the condominium.

(c) *High-rise Condominium*

This segment pertains to the high-rise condominium segment of the Group. It caters to the development and sale of condominium units with more than four storeys, and sale of parking spaces in the condominium.

(d) *Others*

(i) *Sale of Developed Subdivision Lots*

This pertains to the development and sale of lots by The Mont.

(ii) *Hotel Operations*

Presented as part of others in the segment report, income earned from hotel operations in Boracay which is being operated by 8990 LRC; it started operations in October 2018. Income earned is presented as Hotel Operations under Revenues in the 2024, 2023 and 2022 consolidated statements of profit or loss (see Note 21).

(iii) *Lease of Properties*

This pertains to the Group's leasing activities in respect of its investment property. Revenue earned from these activities are presented as Rental income in the consolidated statements of profit or loss.

Also presented as part of others in the segment report is the income pertaining to incidental revenues from unsold timeshares of the Group in the vacation hotel, Azalea Baguio Residences. Income earned is presented as part of Miscellaneous under Other Operating Income in the consolidated statements of profit or loss (see Note 25).

The Group has only one geographical business segment as all the assets and liabilities are located in the Philippines. The Group derives all of its revenues from domestic operations. Thus, geographical business segment information is not presented. No operating segments have been aggregated to form the above operating business segments.

Management monitors the operating results of its operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on segment operating income or loss. The presentation and classification of segment revenues and expenses are consistent with the consolidated statements of profit or loss. This segment information is presented monthly to the Parent Company's BOD who is the Chief Operating Decision Maker.

Finance income consists of interest earned from ICRs and deposits in banks.

The amount of segment assets and liabilities are based on the measurement principles that are similar with those used in measuring the assets and liabilities in the consolidated statements of financial position which is in accordance with PFRS.

Capital expenditures represent acquisitions of property and equipment, and investment properties.

The Group has no significant customer, which contributes 10% or more of their segment revenue.

The financial information about the operations of the business segments is summarized below.

	Low-cost	Medium-rise	High-rise	Others	Total Segment	Adjustments and	Consolidated
	Mass Housing	Condominium unit	condominium unit			Eliminations	
2024							
Revenue	6,243,569,790	2,017,953,025	10,472,344,398	285,202,770	19,019,069,983	20,320,990	19,039,390,973
Cost of sales and services	3,077,821,375	1,423,340,093	6,239,387,109	204,029,432	10,944,578,009	(14,360,016)	10,930,217,993
Gross income	3,165,748,415	594,612,932	4,232,957,289	81,173,338	8,074,491,974	34,681,006	8,109,172,980
Operating expenses	914,633,441	270,088,825	1,679,109,230	35,777,878	2,899,609,374	6,827,341	2,906,436,715
Net operating income (loss)	2,251,114,974	324,524,107	2,553,848,059	45,395,460	5,174,882,600	27,853,665	5,202,736,265
Finance costs	498,484,210	161,112,593	836,213,706	21,342,115	1,517,152,624	2,952,202	1,520,104,826
Interest Income	519,046,135	214,696,816	949,541,456	28,459,895	1,711,744,302	-	1,711,744,302
Other income	2,755,784,852	890,683,466	4,622,280,045	100,280,363	8,369,028,726	(7,931,233,162)	437,795,564
Income before income tax	5,027,461,751	1,268,791,796	7,289,455,854	152,793,603	13,738,503,004	(7,906,331,699)	5,832,171,305
Provision for income tax	186,014,352	60,120,770	312,002,015	6,770,084	564,907,221	(181,385,784)	383,521,437
Net income	4,841,447,399	1,208,671,026	6,977,453,839	146,023,519	13,173,595,783	(7,724,945,915)	5,448,649,868
Non-cash items							
Depreciation and amortization	<u>38,654,143</u>	<u>12,493,213</u>	<u>64,834,624</u>	<u>1,654,939</u>	<u>117,636,918</u>	<u>(2,976,439)</u>	<u>114,660,479</u>
Provision for (recovery from) credit, probable and impairment losses	<u>41,142,197</u>	<u>-12,227,920</u>	<u>80,769,541</u>	<u>24,658,591</u>	<u>134,342,409</u>	=	<u>134,342,409</u>

	Low-cost	Medium-rise	High-rise			Adjustments	
	Mass Housing	Condominium	condominium	Others	Total Segment	and	Consolidated
2023		unit	unit			Eliminations	
Revenue	6,798,235,630	1,505,529,695	13,045,675,715	1,029,896,347	22,379,337,387	285,222,137	22,664,559,524
Cost of sales and services	2,909,629,356	957,630,334	8,234,064,668	452,317,256	12,553,641,614	181,448,692	12,735,090,306
Gross income	3,888,606,273	547,899,362	4,811,611,047	577,579,090	9,825,695,773	103,773,445	9,929,469,218
Operating expenses	884,757,885	195,937,496	1,697,832,362	134,036,086	2,912,563,829	41,258,920	2,953,822,749
Net operating income (loss)	3,003,848,388	351,961,865	3,113,778,685	443,543,005	6,913,131,944	62,514,525	6,975,646,469
Finance costs	666,724,742	147,652,119	1,279,431,201	101,005,235	2,194,813,297	2,431,468	2,197,244,765
Interest Income	863,574,480	191,246,243	1,657,181,838	130,826,916	2,842,829,477	25,765,410	2,868,594,887
Other income	54,802,701	12,136,545	105,165,267	2,796,094,517	2,968,199,030	2,761,555,016	206,644,014
Income before income tax	3,255,500,826	407,692,534	3,596,694,589	3,269,459,203	10,529,347,154	(2,675,706,549)	7,853,640,605
Provision for income tax	282,323,609	62,523,072	541,773,255	42,770,517	929,390,452	27,531,873	956,922,325
Net income	2,973,177,218	345,169,462	3,054,921,334	3,226,688,686	9,599,956,702	(2,703,238,422)	6,896,718,280
Non-cash items							
Depreciation and amortization	<u>33,158,871</u>	<u>7,343,327</u>	<u>63,631,199</u>	<u>4,912,351</u>	<u>109,045,748</u>	<u>-</u>	<u>109,045,748</u>
Provision for (recovery from) credit, probable and impairment losses	<u>126,013,596</u>	<u>27,906,831</u>	<u>241,817,523</u>	<u>18,240,350</u>	<u>413,978,299</u>	<u>56,926,770</u>	<u>470,905,069</u>

	<u>Low-cost</u>	<u>Medium-rise</u>	<u>High-rise</u>			<u>Adjustments</u>	
	<u>Mass Housing</u>	<u>Condominium</u>	<u>Condominium</u>	<u>Others</u>	<u>Total Segment</u>	<u>and</u>	<u>Consolidated</u>
		<u>unit</u>	<u>Unit</u>			<u>Eliminations</u>	
2022							
Revenue	6,045,068,588	2,567,170,689	12,432,616,264	615,237,935	21,660,093,476	(23,421,731)	21,636,671,745
Cost of sales and services	<u>2,541,805,220</u>	<u>1,347,642,416</u>	<u>6,808,645,589</u>	<u>217,811,154</u>	<u>10,915,904,379</u>	<u>(12,310,062)</u>	<u>10,903,594,317</u>
Gross income	3,503,263,368	1,219,528,273	5,623,970,675	397,426,781	10,744,189,097	(11,111,670)	10,733,077,428
Operating expenses	<u>991,987,143</u>	<u>434,789,250</u>	<u>1,628,103,240</u>	<u>209,951,401</u>	<u>3,264,831,034</u>	<u>(67,580,112)</u>	<u>3,197,250,922</u>
Net operating income (loss)	2,511,276,225	784,739,023	3,995,867,435	187,475,380	7,479,358,063	56,468,442	7,535,826,506
Finance costs	610,967,089	325,393,644	940,800,421	38,303,646	1,915,464,800	(2,518,682)	1,912,946,118
Interest Income	614,554,329	232,559,960	837,229,956	126,910,694	1,811,254,939		1,811,254,939
Other income	<u>109,372,950</u>	<u>33,555,691</u>	<u>836,130,432</u>	<u>1,966,284,660</u>	<u>2,945,343,733</u>	<u>(1,940,064,800)</u>	<u>1,005,278,933</u>
Income before income tax	2,624,236,415	725,461,030	4,728,427,402	2,242,367,088	10,320,491,935	(1,881,077,676)	8,439,414,260
Provision for income tax	<u>196,808,609</u>	<u>81,070,356</u>	<u>391,815,724</u>	<u>102,331,036</u>	<u>772,025,725</u>	<u>14,045,236</u>	<u>786,070,961</u>
Net income	<u>2,427,427,806</u>	<u>644,390,674</u>	<u>4,336,611,678</u>	<u>2,140,036,052</u>	<u>9,548,466,210</u>	<u>(1,895,122,912)</u>	<u>7,653,343,299</u>
Non-cash items							
Depreciation and amortization	<u>32,898,180</u>	<u>13,617,785</u>	<u>41,746,562</u>	<u>21,402,249</u>	<u>109,664,777</u>	<u>(3,796)</u>	<u>109,660,981</u>
Provision for (recovery from) credit, probable and impairment losses	<u>108,913,373</u>	<u>63,909,654</u>	<u>229,730,219</u>	<u>10,746,998</u>	<u>413,300,244</u>		<u>413,300,244</u>

Other information on the Group's operating segment follows:

	Low-cost Mass Housing	Medium-rise Condominium unit	High rise Condominium unit	Hotel Operations	Others	Total Segment	Adjustments Eliminations	Consolidated
<u>2024</u>								
Segment assets	53,457,753,499	10,111,681,170	70,115,161,392	45,597,146,379	1,677,526,954	180,959,269,394	(64,955,388,021)	116,003,881,373
Segment liabilities	30,858,239,704	5,916,183,844	40,580,304,131	2,416,336,912	1,095,674,070	80,866,738,660	(20,755,392,627)	60,111,346,033
	Low-cost Mass Housing	Medium-rise Condominium unit	High rise Condominium unit	Hotel Operations	Others	Total Segment	Adjustments Eliminations	Consolidated
<u>2023</u>								
Segment assets	51,823,975,485	11,476,879,924	99,449,153,467	2,086,478,299	7,589,284,987	172,425,772,161	(63,439,361,344)	108,986,410,818
Segment liabilities	21,749,808,240	4,816,688,323	41,737,439,038	875,666,185	3,185,118,308	72,364,720,094	(18,707,932,843)	53,656,787,251
	Low-cost Mass Housing	Medium-rise Condominium unit	High rise Condominium unit	Hotel Operations	Others	Total Segment	Adjustments Eliminations	Consolidated
<u>2022</u>								
Segment assets	35,509,028,597	14,630,619,784	64,911,732,443	2,597,377,854	50,272,910,185	167,921,668,863	(64,584,435,928)	103,337,232,935
Segment liabilities	20,368,049,841	9,096,264,859	36,194,584,037	821,550,242	8,076,695,831	74,557,144,810	(19,877,358,844)	54,679,785,966

7 CASH AND CASH EQUIVALENTS

This account consists of:

	2024	2023
Cash on hand	43,926,675	59,733,065
Cash in banks	2,109,449,213	2,393,582,046
	2,153,375,888	2,453,315,111

Cash in banks earn interest at prevailing bank deposit annual rates ranging from 0.13% to 0.25% in 2024 and 2023. Short-term placements are made for varying periods between 22 to 90 days and earn effective interest of 1.13% to 1.75% in 2023 and 2022, respectively (see Note 25.1).

There are no restrictions on the Group's cash and cash equivalents as at December 31, 2024 and 2023.

8 TRADE AND OTHER RECEIVABLES

This account consists of:

	2024	2023
Current:		
Trade Receivables		
Installment contract receivables	1,859,983,095	1,356,258,965
Finance lease receivables	175,081,731	178,162,306
Retention Receivables	2,660,947,123	2,070,504,858
Receivables from employees	1,471,532,151	1,786,440,281
Contract Assets	-	60,184,625
Advances to external marketing managers	60,856,698	60,856,698
Other Receivables	3,324,467,548	3,621,840,610
	9,552,868,346	9,134,248,343
Allowance for credit losses	(1,392,385,576)	(1,132,895,866)
	8,160,482,770	8,001,352,477
Non-current:		
Trade Receivables		
Installment contract receivables	27,251,876,976	32,478,084,540
Finance lease receivables	653,239,582	685,597,181
	27,905,116,558	33,163,681,721
	36,065,599,328	41,165,034,198

Installment contract receivables pertain to receivables from the sale of residential houses and lots, condominium units and parking spaces, which are collectible in monthly installments over a period of one to 25 years. As security for the full settlement of the receivables, the titles to the related real estate properties are transferred to the buyers only upon full payment of the contract price.

Installment contract receivables bear annual interest ranging from 8.5% to 18.0% in 2024 and 2023. Interest income earned from these receivables in 2024 and 2023 amounted to P1.7B, and P2.8B, respectively (see Note 25.1).

On December 11, 2019, the Group entered into an agreement with Fillmore Resources Holdings, Inc. (Fillmore) for the sale of contracts-to-sell (CTS), with a total face value or principal amount of up to P10.0 billion, without recourse. Subsequent to the sale of the CTS, Fillmore shall be primarily responsible for servicing, administering and collecting these receivables. On the same date, the Group was appointed as the sub-services and the remarketing agent of Fillmore. On November 29, 2021, the Group entered into an agreement with Fillmore Resources Holdings, Inc. (Fillmore) for the additional sale of contracts-to-sell, with additional face value or principal amount of up to P5.0 billion, without recourse, bringing the total face value or principal amount to P 15.0 billion. As at December 31, 2024, the total amount of CTS sold by the Group to Fillmore is P 15.0 billion. There were no outstanding receivable arising from this transaction as at December 31, 2024 and 2023.

On January 29, 2018, the Group entered into an agreement with Dearborn Resources and Holdings, Inc. (Dearborn) for the sale of CTS, with a total face value or principal amount of up to P10.0 billion, without recourse. On September 13, 2019, the Group entered into another similar agreement to sell additional CTS with a total face value or principal amount of up to P5.0 billion. Subsequent to the sale of the CTS, Dearborn shall be primarily responsible for servicing, administering, and collecting these receivables. On the same date, the Group was appointed as the sub-servicer and the remarketing agent of Dearborn. Total CTS sold to Dearborn in 2019 and 2018 amounted to P4.8 billion and P8.2 billion, respectively. Further, there were no sale of CTS to Dearborn in 2022. On December 18, 2023, the Group entered into another similar agreement to sell additional CTS with a total face value or principal amount of up to P1.4 billion. Subsequent to the sale of the CTS, Dearborn shall be primarily responsible for servicing, administering, and collecting these receivables. On the same date, the Group was appointed as the sub-servicer and the remarketing agent of Dearborn. As of March 19, 2025 Dearborn has paid 579 million.

On December 29, 2017, a loan facility agreement between Dearborn and certain lenders was executed to provide a loan facility in the aggregate principal amount of P1.4 billion for the purpose of partially financing Dearborn's acquisition of certain CTS of the Group. Under the loan facility agreement, the Parent Company also committed to lend Dearborn the principal amount of up to but not in excess of P300.0 million which bears 16% interest per annum, payable monthly. The loan granted under the facility agreement is unsecured and has a term of five years counting from the date of initial drawdown.

However, the principal amount of the loan and any related accrued interest will be due and demandable in the event of default. On November 13, 2019, the Parent Company agreed to extend the loan facility with Dearborn up to P665.0 million with no changes in the interest rate per annum. For the year, 2019, the Company has extended P 82.95 million. As of December 31, 2022 and 2021, the Parent Company has already extended P397.0 million, financing to Dearborn. Interest earned from this loan receivable amounted to P68.9 M, P39.4M and P63.5 million in 2024, 2023 and 2022, respectively and is presented as part of Interest income under Other Operating Income in the 2024, 2023 and 2022 consolidated statements of profit or loss (see Note 25.1).

In 2022, Dearborn Resources and Holdings, Inc. and 8990 Holdings, Inc. entered into a loan extension agreement, extending the maturity date to December 27, 2023. Dearborn has not defaulted on the interest payment since the loan was extended. Further, a financing plan with their bank, has been established to assure full payment within 2023.

On August 31, 2023, Dearborn paid up the principal amount owed of P397.0 million to the Parent Company.

Interest receivable from this loan amounts to P54.0 million, nil and P3.6 million as at December 31, 2024, 2023 and 2022, respectively, and is presented as part of Other receivables under the Trade and Other Receivables account of the consolidated statement of financial position.

On May 14, 2014, the Group executed a Deed of Assignment to acquire from Bon Giorno Homes, Inc. (BGHI), an entity owned by certain stockholders, its ICRs and the related liability for the conversion of titles. On June 5, 2014, an amendment to the Deed of Assignment was made to include other assets related to the acquired ICRs. As of December 31, 2024 and 2023, the amount of receivables related to these transactions still outstanding is P15.3 million and P5.2 million, respectively, and are presented as part of Installment contract receivables.

On May 15, 2014, the Group also entered into a contract with Urban Basic Housing Corporation (UBHC), an entity owned by certain stockholders, to acquire ICRs and the related liability for the conversion of titles. As of December 31, 2024, 2023 and 2022, the amount of receivables still outstanding is P2.9 million, P6.0 million and P 7.4 million, respectively, and is also presented as part of Installment contract receivables.

Retention receivables are amounts retained by Home Development Mutual Fund (HDMF) from the proceeds of loans availed by real estate buyers in accordance with HDMF Circular No. 182-A, to pay-off their obligations to the Group. This amount is normally released by HDMF to the Group upon the latter's execution of a Deed of Undertaking for the conversion of the CTS accounts and presentation of the necessary documents.

Finance lease receivables pertain to the Group's net investment in the lease of certain projects under a rent-to-own scheme which started in 2017. The carrying amount of this receivable is presented at net of deferred income representing unearned interest amounting to P828.3 million and P863.8 million as of December 31, 2024 and 2023, respectively. Rent-to-own scheme has a lease term of 15 years and is subject to 5.50% to 20.00% interest per annum.

Receivables from officers and employees pertain to cash advances for retitling costs, taxes and other operational and corporate-related expenses that are subject to liquidation.

Receivables from marketing managers are amounts given to individuals in connection with marketing activities to generate revenues which are deductible against their future commissions.

Significant portion of other receivables include advances to third parties arising from taxes paid on the land acquired by the Group on behalf of the seller, receivables from Dearborn and interest receivables.

The Group had not written-off any uncollectible accounts from third parties against outstanding balance of other receivables as of December 31, 2024, 2023 and 2022

As of December 31, 2024 and 2023, the carrying value of ICRs used as collateral to secure borrowings from banks amounted to P13.2 billion and P16.0 billion respectively (see Note 17).

A reconciliation of the allowance for impairment at the beginning and end of 2024, 2023 and 2022 is shown below.

	December 31, 2024					
	Installment Contract/Finance Lease Receivables	Retention Receivable	Receivable from employees	Advances to Marketing Managers	Other Receivables	TOTAL
Balance at beginning of year	870,145,619	13,243,509	12,810,136	60,856,698	175,839,904	1,132,895,866
Expected credit losses	270,620,506		17,869,097		91,109,212	379,598,815
Recovery	(120,109,105)					(120,109,105)
Balance at end of year	1,020,657,020	13,243,509	30,679,233	60,856,698	266,949,116	1,392,385,576

December 31, 2023						
	Installment Contract/Finance Lease Receivables	Retention Receivable	Receivable from employees	Advances to Marketing Managers	Other Receivables	TOTAL
Balance at beginning of year	573,437,733	13,243,509	12,810,136	60,856,698	153,890,402	814,238,478
Expected credit losses	313,700,934	-	-	-	21,949,502	335,650,436
Recovery	(16,993,048)	-	-	-	-	(16,993,048)
Balance at end of year	870,145,619	13,243,509	12,810,136	60,856,698	175,839,904	1,132,895,866

December 31, 2022						
	Installment Contract/Finance Lease Receivables	Retention Receivable	Receivable from employees	Advances to Marketing Managers	Other Receivables	TOTAL
Balance at beginning of year	487,800,059	13,243,509	12,810,136	60,856,698	148,980,588	723,690,990
Expected credit losses	196,051,079	-	-	-	6,422,233	202,473,312
Recovery	(110,413,405)	-	-	-	(1,512,419)	(111,925,824)
Balance at end of year	573,437,733	13,243,509	12,810,136	60,856,698	153,890,402	814,238,478

9 INVENTORIES

Inventories represent the subdivision lots, housing units, medium-rise and high-rise condominium units, and parking spaces for which the Group has been granted license to sell by the Housing and Land Use Regulatory Board of the Philippines.

	2024	2023
Low-cost mass housing:		
Houses and lots		
New	17,974,522,619	9,653,718,836
Reposessed	4,639,265,613	5,248,164,792
	22,613,788,232	14,901,883,628
Subdivision lots		
New	3,799,951,512	3,799,951,512
	26,413,739,744	18,701,835,140
Medium-rise condominium:		
New	1,389,190,851	533,186,640
Reposessed	5,051,716,259	1,960,393,985
	6,440,907,110	2,493,580,625
High-rise condominium		
New	21,011,772,258	19,459,371,984
Reposessed	2,418,606,702	5,947,533,597
	23,430,378,960	25,406,905,581
Developed subdivision lots	8,104,649,180	5,727,946,363
	64,389,674,994	52,330,267,709

High-rise condominium units pertain to the Group's high-rise projects located along Epifanio Delos Santos Avenue, Ortigas Avenue Extension and Vitas Street, Tondo, Manila, which is intended to provide low-cost condominium units to average earning individuals in Metro Manila.

Developed subdivision lots pertain to the Group's real estate inventories from The Mont, the acquired subsidiary in 2019. These real estate inventories are located in the urban places of Cebu.

All the real estate inventories are carried at cost, except repossessed inventories which are measured at NRV. The Group did not recognize any inventory write-downs in 2024, 2023, and 2022. In 2024, 2023 and 2022 the Group recognized net gain (loss) on repossession amounting to P54 million, (P243.2 million) and P520.4 million, respectively and are presented as part of Other Operating Income (Expenses) in the consolidated statement of profit or loss (Note 25).

The summary of the movements in inventories is shown below.

(a) Low-cost mass housing

	Notes	2024	2023
Balance at beginning of year		18,701,835,140	16,697,285,401
Land acquisitions		3,933,295,533	404,587,836
Construction and development costs incurred		4,200,849,125	1,170,699,287
Cost of sales	22	(2,847,236,718)	(3,143,804,058)
Reclass to Investment Property	13	(43,925,532)	(211,968,738)
Repossessed inventories		2,468,922,196	3,785,035,412
Balance at end of the year		26,413,739,744	18,701,835,140

b) Medium-rise condominium units

	Notes	2024	2023
Balance at beginning of year		2,493,580,625	2,226,307,048
Land acquisitions			
Construction and development costs incurred		3,666,058,380	-
Cost of sales	22	(1,502,303,145)	(1,018,921,172)
Repossessed inventories		1,783,571,250	1,286,194,749
Balance at end of the year		6,440,907,110	2,493,580,625

(c) High-rise condominium units

	Notes	2024	2023
Balance at beginning of year		25,406,905,581	22,683,675,183
Construction and development costs incurred		1,473,437,221	8,748,812,610
Cost of sales	22	(6,146,064,040)	(8,173,885,282)
Reclassification from Investment Property			
Repossessed inventories		2,696,100,198	2,148,303,070
Balance at end of the year		23,430,378,960	25,406,905,581

(d) Developed subdivision lots

	Notes	2024	2023
Balance at beginning of year			
Land acquisitions		5,727,946,363	5,113,998,410
Construction and development costs incurred		2,607,287,475	881,753,672
Cost of sales	22	(230,584,658)	(267,805,719)
Balance at end of the year		8,104,649,180	5,727,946,363

On June 5, 2014, 8990 HDC entered into a Share Purchase Agreement (SPA) with the previous stockholders of ERDC and THC (collectively referred to as 'Landowners') to acquire 100% of the outstanding shares of the latter with the intention of developing the land owned by the Landowners into mass housing, condominium and commercial mall projects. The SPA further provides that the Landowners have the option to purchase the developed properties equivalent to 5% of the total saleable units per building for all residential buildings constructed on the properties at a fixed price agreed by the parties; and to purchase 5% of 8990 HDC's 50% share in a planned joint venture with an operator to build a commercial mall at a fixed price. 8990 HDC commits to finish the development of the entire property within a 10-year period.

In 2018, the Landowners exercised the option to purchase certain condominium units as provided by the SPA. Accordingly, THC and ERDC recognized real estate revenues relating to this transaction totaling to P166.4 million. There are no similar transactions in 2024 and 2023.

8990 HDC entered into a share sale transaction agreement with PLI on July 22, 2016, whereby PLI stockholders agreed to sell, transfer, and convey to 8990 HDC 100% outstanding common shares of PLI. In accordance with the Group's policy (see Note 2.4), the transaction is treated by the Group as an asset acquisition since the transaction does not constitute an acquisition of a business. The total purchase price at acquisition date amounting to P856.2 million was allocated among the asset and liability accounts based on their relative fair values, majority of which were allocated land, presented as part of Inventories. As part of the share sale transaction, 8990 HDC and another corporation agreed to form a joint venture, which shall be owned by the parties on a 65% and 35% basis, respectively. As at December 31, 2024, this arrangement is yet to be consummated.

Inventories recognized as cost of real estate inventories amounted to P10.7 billion, P12.6 billion and P10.8 billion in 2024, 2023, and 2022, respectively, and are included under Costs of Sales and Services in the consolidated statements of profit or loss (see Note 22).

As of December 31 2024 and 2023, a land acquisition amounting to P529.4 million and P140.0 million, respectively, which is classified as part of High-rise Condominium Units of the Inventories, are used as collateral for the Group's loans payable (see Note 17)

10 INVESTMENTS SECURITIES AT FVOCI

This account is composed of unquoted equity securities in the following investee entities as at December 31:

	2024	2023
ALRC	1,404,598,630	1,362,642,886
Pico de Loro	633,500	633,500
	1,405,232,130	1,363,276,386

10.1 Equity Securities

Investment securities at FVOCI of the Group represent investments in preferred shares of ALRC and shares of stock of Pico de Loro Beach and Country Club (Pico de Loro).

In October 2014, by way of a Deed of Absolute Sale, ALRC acquired 8990 HDC's and FHI's building. The Group in turn invested in the common shares of ALRC through 8990 HDC and FHI representing 30% and 15% ownership, respectively, and in the preferred shares of ALRC covered by respective subscription agreement. 8990 HDC acquired 102,030 preferred shares and 450,000 common shares with total subscription price of P732.6 million and P0.45 million, respectively.

ALRC's primary purpose is to operate, maintain and/or manage a membership club. ALRC's preferred shares represent membership rights to the club including the right to use a specific unit of the building acquired from the Group and other facilities/amenities for one day per calendar year.

The Group through FHI started selling the preferred shares of ALRC upon approval by the SEC of the offering to the public on May 25, 2015. Gain on sale of preferred shares recognized in 2017 amounted to P20.9 million. In 2018, the Group sold certain equity securities under ALRC at P32.1 million selling price. Unrealized fair value gains amounting to P41.9 million, P11.1million and P75.5 million in 2024, 2023 and 2022, respectively, was recognized by the Group and is presented in the consolidated statement of comprehensive income.

On October 23, 2018, 8990 HDC and ALRC agreed to rescind the subscription agreement entered by both parties in 2014 for the 102,030 preferred shares with the effect of returning such preferred shares equal to the subscription price and terminating the benefits received by the parties. In addition, on that same date, both parties also rescinded the Deed of Absolute Sale pertaining to the building acquired by ALRC from 8990 HDC in 2014 located in Boracay (see Note 12). The rescission of the Deed of Absolute Sale resulted in the recognition of the building amounting to P543.1 million, including the costs of improvements made by ALRC on the asset. (see Note 12).

As of December 31, 2024, 2023 and 2022, 8990 HDC's outstanding receivable from ALRC arising from these transactions amounts to P165.2 million, P165.2 million and P 164.3 million presented as part of Due from Related Parties in the consolidated statements of financial position (see Note 29).

10.2 Reconciliation of Carrying Amounts

The reconciliation of the carrying amount of these financial assets follows:

	2024	2023	2022
Balance at beginning of year	1,363,276,386	1,352,155,027	1,276,692,847
Unrealized fair value gain (loss)	41,955,744	11,121,359	75,462,180
Disposals	-	-	-
Balance at end of year	1,405,232,130	1,363,276,386	1,352,155,027

11 INVESTMENT IN ASSOCIATE

On March 15, 2021, 8990 Holdings Inc ("the Parent Company") and Scheirman Construction Consolidated Incorporated (SCCI) entered into a Subscription agreement wherein the Parent Company agreed to subscribed an aggregate of Forty-five thousand (45,000) common shares to be issued out of the unissued portion of the existing authorized capital stock and the increase authorized capital stock of SCCI at the aggregate issue price of Eighty Million Pesos (P80,000,000) or approximately One Thousand Seven Hundred Seventy-seven and 78/100 Pesos (P1,777.78) per shares. The Subscribed Shares constitutes 20% of the resulting total outstanding capital stock of SCCI.

On July 8, 2022, the company entered into a new Subscription Agreement with SCCI purchasing 60,000 common shares equivalent to Sixty Million Pesos (P60,000,000). The total subscribed shares after the additional investment constitutes 20% of the resulting total outstanding capital stock of the SCCI after their increase in capital stock.

Investment in Associate from these subscriptions amounted to nil and P140 million as of December 31, 2024 and 2023. And share in SCCI net income amounted to 17,705,874 and 45,858,106 for 2024 and 2023, respectively.

Movement of cost of Investment in associate and share in net income are as follows:

		Investment in associate (Cost)		Share in net income of associate	
		2024	2023	2024	2023
Beginning of year		P 140,000,000	P 140,000,000	P 127,022,982	P 81,164,876
Addition		-	-	17,705,874	45,858,106
Buyback from SCCI		(140,000,000)		(144,728,856)	
Ending Balance		P -	P 140,000,000	P -	P 127,022,982

The following summarizes the financial information of the associate:

	2024		2023
Total assets	P 7,033,194,524	P	7,628,916,361
Total liabilities	5,700,877,676		6,389,254,686
Revenue	1,555,916,955		5,320,120,602
Profit for the year	88,529,371		215,538,321
Other comprehensive income	-		-

In 2023, included in the share in net income recognized is adjustment from 2022 amounting to P 2.75 million, which result from adjustment made in book of associate resulting from adjusted profit of P353.5 million(previously at P339.8 million).

In 2024, 8990 Holdings Inc. (through its subsidiary 8990 Housing Development Corporation) have decided to sell back its shares to SCCI with the amount of P284.7 million pesos, equivalent to the carrying value of the investment at the date of disposal.

12 PROPERTY AND EQUIPMENT, NET

The gross carrying amounts and accumulated depreciation and amortization of property and equipment at the beginning and end of 2024, 2023 and 2022 are shown below.

	December 31, 2024										
	Land	Building	Land Improvements	Leasehold Improvements	Furniture and Fixtures	Machineries and Equipment	Transportation Vehicles	Construction in Progress	Low Value Assets	Software Licenses	Total
Cost	107,405,010	647,697,677	11,230,076	45,284,385	184,022,970	337,889,416	231,529,122	110,468,588	7,520,916	33,316,844	1,716,365,003
Accumulated depreciation and amortization	-	(215,387,083)	(10,592,362)	(42,723,346)	(145,935,936)	(134,355,111)	(179,510,078)	-	(6,137,683)	(14,447,001)	(749,088,600)
Accumulated impairment losses	(8,970,000)	-	-	-	-	-	-	-	-	-	(8,970,000)
Net carrying amount	98,435,010	432,310,594	637,714	2,561,039	38,087,034	203,534,305	52,019,044	110,468,588	1,383,233	18,869,843	958,306,404
	December 31, 2023										
	Land	Building	Land Improvements	Leasehold Improvements	Furniture and Fixtures	Machineries and Equipment	Transportation Vehicles	Construction in Progress	Low Value Assets	Total	
Cost	107,405,010	632,503,044	11,230,076	34,775,119	177,725,146	142,881,879	221,482,676	57,353,141	4,747,374	1,390,103,465	
Accumulated depreciation and amortization	-	(183,876,720)	(10,561,505)	(32,785,228)	(141,903,825)	(113,444,837)	(162,675,911)	-	(3,425,304)	(648,673,330)	
Accumulated impairment losses	(8,970,000)	-	-	-	-	-	-	-	-	(8,970,000)	
Net carrying amount	98,435,010	448,626,324	668,571	1,989,891	35,821,321	29,437,042	58,806,765	57,353,141	1,322,070	732,460,135	
	December 31, 2022										
	Land	Building	Land Improvements	Leasehold Improvements	Furniture and Fixtures	Machineries and Equipment	Transportation Vehicles	Construction in Progress	Low Value Assets	Licenses	Total
Cost	107,405,010	613,941,700	11,230,076	34,696,217	166,025,594	135,357,509	196,823,647	56,491,347	2,826,201	84,801,485	1,409,598,786
Accumulated depreciation and amortization	-	(151,991,968)	(10,530,647)	(30,605,422)	(123,880,254)	(104,163,489)	(149,452,553)	-	(2,223,599)	(21,735,498)	(594,583,431)
Accumulated impairment losses	(8,970,000)	-	-	-	-	-	-	-	-	-	(8,970,000)
Net carrying amount	98,435,010	461,949,732	699,428	4,090,795	42,145,340	31,194,019	47,371,093	56,491,347	602,602	63,065,987	806,045,355

A reconciliation of the carrying amounts of property and equipment at the beginning and end of 2024 and 2023 is shown below.

	2024									
	Land	Building	Land Improvements	Leasehold Improvements	Furniture and Fixtures	Machineries and Equipment	Transportation Vehicles	Construction in Progress	Low Value Assets	Licenses
Balances as at January 1, 2024 net of accumulated depreciation, amortization and impairment losses	98,435,010	448,626,324	668,571	1,989,891	35,821,321	29,437,042	58,806,765	57,353,141	1,322,070	-
Additions	-	15,194,634	-	10,509,267	6,297,824	195,007,537	10,046,445	53,115,447	2,773,542	7,066,041
Reclassification	-	-	-	-	-	-	-	-	-	15,364,025
Depreciation and amortization	-	(31,510,364)	(30,857)	(9,938,119)	(4,032,111)	(20,910,274)	(16,834,166)	-	(2,712,379)	(3,560,223)
Balances as at December 31, 2024 net of accumulated depreciation, amortization and impairment losses	98,435,010	432,310,594	637,714	2,561,039	38,087,034	203,534,305	52,019,044	110,468,588	1,383,233	18,869,843
	2023									
	Land	Building	Land Improvements	Leasehold Improvements	Furniture and Fixtures	Machineries and Equipment	Transportation Vehicles	Construction in Progress	Low Value Assets	Licenses
Balances as at January 1, 2023 net of accumulated depreciation, amortization and impairment losses	98,435,010	461,949,732	699,428	4,090,795	42,145,340	31,194,019	47,371,093	56,491,347	602,602	63,065,987
Additions	-	18,561,344	-	78,902	11,699,551	7,308,371	24,659,030	861,794	1,921,173	-
Reclassification						104,960				(63,065,987)
Depreciation and amortization	-	(31,884,752)	(30,857)	(2,179,806)	(18,023,571)	(9,170,308)	(13,223,358)	-	(1,201,705)	-
Balances as at December 31, 2023 net of accumulated depreciation, amortization and impairment losses	98,435,010	448,626,324	668,571	1,989,891	35,821,321	29,437,042	58,806,765	57,353,141	1,322,070	-

	2022										
	Land	Building	Land Improvements	Leasehold Improvements	Furniture and Fixtures	Machineries and Equipment	Transportation Vehicles	Construction in Progress	Low Value Assets	Licenses	Total
Balances as at January 1, 2022 net of accumulated depreciation, amortization and impairment losses	98,435,010	490,041,716	771,429	7,589,942	40,179,698	23,564,860	25,882,008	45,644,134	211,450	-	732,260,247
Additions	-	2,379,624			11,733,937	15,962,500	32,227,141	10,847,213	1,553,221	84,801,485	159,505,120
Reclassification											
Depreciation and amortization	-	(30,471,607)	(72,000)	(3,499,147)	(9,768,295)	(8,333,341)	(10,678,056)	-	(1,162,068)	(21,735,498)	(85,720,013)
Balances as at December 31, 2022 net of accumulated depreciation, amortization and impairment losses	98,435,010	461,949,732	699,428	4,090,795	42,145,340	31,194,019	47,371,093	56,491,347	602,602	63,065,987	806,045,355

In 2018, in connection with the rescission of the Deed of Absolute Sale between 8990 HDC and ALRC as disclosed in Note 10, the building covered under this agreement was returned to 8990 HDC resulting in the latter reacquiring title to the ownership of the asset including all equipment and improvements thereon. The total value of the assets reacquired upon the rescission was P544.1 million which is equivalent to the carrying amount of the assets including a transportation vehicle worth P1.0 million.

In 2023, All cost related to the establishment of a software used by the company including all capitalized cost that have been incurred to train its personnel and related cost to upgrade and enhanced the system was reclassified to Intangible Assets due to the software system is finite and is more appropriate given the cost attributable in building the asset.

Construction in progress refers to pre-construction cost paid for KURA Cebu. The plan to construct was put on hold following the impact of restrictions that hardly hit the hotel industries. The construction in progress is under 8990 Leisure and Resorts Corporation. The Management agreed to defer the project at a later time following its focus on residential real estate business.

The depreciation and amortization of property and equipment is presented as part of Depreciation and amortization under Operating Expenses in the Group's consolidated statements of profit or loss.

As of December 31, 2024, 2023 and 2022, no items of property and equipment were pledged as security for any of the Group's liabilities. Moreover, the Group has no contractual commitments to acquire property and equipment.

As at the same date, the cost of fully depreciated property and equipment that are still used in operations amounts to P381.5 million, P339.0 million and P 300.7 million, respectively.

A reclassification of intangible assets to PPE was made on the basis that various software programs were identified as integral to the operation of related PPE. (note 14.3)

13 INVESTMENT PROPERTIES

The gross carrying amounts and accumulated depreciation and amortization of investment property at the beginning and end of 2024, 2023 and 2022 are shown below and in the succeeding page.

December 31, 2024				
	Land	Building	Land Improvements	Total
Cost	466,153,486	8,832,630	120,220,209	595,206,325
Accumulated depreciation and amortization	-	(6,591,390)	(67,753,034)	(74,344,424)
Transfers/Reclassification from REI	43,925,532			43,925,532
Net carrying amount	510,079,018	2,241,240	52,467,175	564,787,433
December 31, 2023				
	Land	Building	Land Improvements	Total
Cost	254,184,748	8,832,630	120,220,209	383,237,587
Accumulated depreciation and amortization	-	(6,149,758)	(62,082,341)	(68,232,099)
Transfers/Reclassification from REI	211,968,738			211,968,738
Net carrying amount	466,153,486	2,682,872	58,137,868	526,974,226

	December 31, 2022			
	Land	Building	Land Improvements	Total
Cost	268,313,361	8,832,630	120,220,209	397,366,200
Accumulated depreciation and amortization	-	(5,708,127)	(56,411,649)	(62,119,776)
Transfers/Reclassification to REI	(14,128,613)			(14,128,613)
Net carrying amount	254,184,748	3,124,503	63,808,560	321,117,811

A reconciliation of the carrying amounts of investment properties at the beginning and end of 2024 and 2023 is shown below.

	2024			
	Land	Building	Land Improvements	Total
Balances as at January 1, 2024 net of accumulated depreciation, amortization and impairment losses	466,153,486	2,682,872	58,137,868	526,974,226
Additions	-	-	-	-
Depreciation and amortization	-	(441,632)	(5,670,693)	(6,112,325)
Transfers/Reclassification from REI	43,925,532	-	-	43,925,532
Balances as at December 31, 2024 net of accumulated depreciation, amortization and impairment losses	510,079,018	2,241,240	52,467,175	564,787,433
	2023			
	Land	Building	Land Improvements	Total
Balances as at January 1, 2023 net of accumulated depreciation, amortization and impairment losses	254,184,748	3,124,503	63,808,561	321,117,812
Additions	-	-	-	-
Depreciation and amortization	-	(441,631)	(5,670,693)	(6,112,324)
Transfers/Reclassification from REI	211,968,738	-	-	211,968,738
Balances as at December 31, 2023 net of accumulated depreciation, amortization and impairment losses	466,153,486	2,682,872	58,137,868	526,974,226
	2022			
	Land	Building	Land Improvements	Total
Balances as at January 1, 2022 net of accumulated depreciation, amortization and impairment losses	268,313,361	3,566,134	69,643,489	341,522,984
Additions	-	-	-	-
Depreciation and amortization	-	(441,632)	(5,834,928)	(6,276,560)
Transfers/Reclassification to REI	(14,128,613)	-	-	(14,128,613)
Balances as at December 31, 2022 net of accumulated depreciation, amortization and impairment losses	254,184,748	3,124,503	63,808,561	321,117,811

The depreciation and amortization of investment properties is presented as part of Depreciation and amortization under Operating Expenses in the Group's consolidated statements of profit or loss.

Rent income from investment properties recognized by the Group amounted to P6.7 million P 7.8 million and P0.6 million, in 2024, 2023 and 2022, respectively (see Notes 21 and 27).

Operating expenses directly related to investment properties recognized as part of Security, managerial and janitorial, Communication, light and water, and Transportation and travel totaling P0.2 million, P0.05 million and P0.4 million in 2024, 2023 and 2022, respectively (see Note 23).

In 2022, a portion of the group's investment property land was reclassified to inventory following the changes on where it was originally intended for the construction of a mall. The land was now part of the inventory where condominiums were built and are now available for sale (Note 9).

In 2024 and 2023, portion of the group's real estate land inventory was reclassified to investment property following its intended purpose.

14 OTHER ASSETS

14.1 Other current assets

This account consists of:

	2024	2023
Advances to contractors	2,750,369,017	3,365,646,199
Advances to brokers	228,746,761	200,723,907
Input tax	198,723,067	1,172,968,980
Advances to landowners	2,176,072,861	157,974,773
Creditable withholding tax	282,212,152	658,545,788
Prepaid expenses	670,833,265	316,960,920
Others	68,577,536	69,507,959
	6,375,534,659	5,942,328,526
Less: Allowance for impairment losses	(67,963,009)	(67,963,009)
	6,307,571,650	5,874,365,517

Advances to contractors represent advance payments to contractors for the construction of high-rise and medium-rise condominium units, subdivision houses and improvements. These advances are deductible from future billings.

Advances to brokers pertain to the advance payment made by the Group for the commissions of brokers for every confirmed reservation. Commission is computed based on percentage of the selling price depending on number of units sold for a certain period.

Advances to landowners represent deposits made for the acquisition of parcels of land held for future development.

Prepaid expenses represent prepaid realty taxes, advertising and insurance.

In 2022, the Company had directly written-off creditable withholding taxes and other non-current assets amounting to P 135.5 million respectively. The impairment loss is presented as part of Expected credit and impairment losses under Operating Expenses in the consolidated statements of profit or loss, respectively (see Note 23). No similar transactions occurred in 2024 and 2023.

The movements of the allowance for impairment losses on other current assets:

		2024		
		Advances to contractors	Other Assets	Total
<u>Current</u>				
Balance at beginning of year		53,107,732	14,855,277	67,963,009
Impairment losses		-	-	-
Balance at end of year		53,107,732	14,855,277	67,963,009
		2023		
		Advances to contractors	Other Assets	Total
<u>Current</u>				
Balance at beginning of year		53,107,732	14,855,277	67,963,009
Impairment losses		-	-	-
Balance at end of year		53,107,732	14,855,277	67,963,009
		2022		
		Advances to contractors	Other Assets	Total
<u>Current</u>				
Balance at beginning of year		53,107,732	13,596,877	66,704,609
Impairment losses	23	-	1,258,400	1,258,400
Balance at end of year		53,107,732	14,855,277	67,963,009

14.2 Other non- current assets

This account consists of:

		Notes	2024	2023
Deposits			234,366,179	207,247,506
Investment in joint operations			204,145,073	200,982,322
Right-of-use assets net	27		11,650,843	14,894,433
Others			5,225,000	5,225,000
			455,387,095	428,349,261
Less: Allowance for impairment losses			(2,511,974)	(2,511,974)
			452,875,121	425,837,287

Deposits constitute rental deposit, deposits for the connection of electricity on the Group's property locations and cash bond paid to the Department of Agrarian Reform as a requirement for the conversion of the agricultural land into a residential and commercial area.

Investment in a joint operation as of December 31, 2024, 2023 and 2022 pertains to the Group's contribution in a joint arrangement with ITECH-RAR Solutions, Inc. (ITECH-RAR), a third party information technology contractor. Under the agreement of the parties, ITECH-RAR shall supply and install fiber optics materials, appliances and other services that the parties deem applicable in the medium-rise condominium units (the Installation Projects). In turn, the Group shall shoulder the fixed amount of the Installation Projects covering all condominium units of the Group. The agreement also provides that the Group shall receive a minimum share in the results of operations of the Installation Projects of P0.4 million per year. As of December 31, 2024, 2023 and 2022, the Group has yet to receive share in net profit of the Installation Projects.

Amortization of right-of-use assets in 2024 and 2023 amounted to P8.5 million and P9.3 million is presented as part of Depreciation and amortization under the Operating Expenses section of the 2024 and 2023 consolidated statements of profit or loss (see Notes 23 and 27).

Others pertain to investments in common stock of Azalea Resort and Vacation Club, Inc. (ARVI) which represents 83.3% ownership interest in 2012. The Company's ownership was diluted to 37.0% as a result of additional issuance of shares in 2013 wherein the Company did not exercise its pre-emptive rights. Consequently, the Company lost its control but maintained significant influence over ARVI. As at December 31, 2024, ARVI had no operations and was considered insignificant to the Company.

The movements of the allowance for impairment losses on other non-current assets:

2024				
	Advances to contractors	Other Assets	Deposit	Total
<u>Non- Current</u>				
Balance at beginning of year	-	-	2,511,974	2,511,974
Impairment losses	-	-	-	-
Balance at end of year	-	-	2,511,974	2,511,974
2023				
	Advances to contractors	Other Assets	Deposit	Total
<u>Non- Current</u>				
Balance at beginning of year	-	-	2,511,974	2,511,974
Impairment losses	-	-	-	-
Balance at end of year	-	-	2,511,974	2,511,974
2022				
	Advances to contractors	Other Assets	Deposit	Total
<u>Non- Current</u>				
Balance at beginning of year	-	-	2,511,974	2,511,974
Impairment losses	-	-	-	-
Balance at end of year	-	-	2,511,974	2,511,974

14.3 Intangible assets

This account consists of:

	Notes	2024	2023
Goodwill	1	526,474,833	526,474,833
Software and licenses, (net)		27,813,294	59,730,492
		554,288,127	586,205,325

For purposes of determining the goodwill, the Group determined the fair value of the identified net assets as of June 30, 2019 as presented in Note 1.2.

Goodwill resulted from the Group's acquisition of The Mont, as discussed in details in Note 1. It reflects the premium on the high end real estate brand of The Mont, which is Monterrazas de Cebu. The Group considers it at as a significant opportunity to enter the high end segment of the real estate industry, particularly in the southern region of the country, which is the main reason for the acquisition.

Management's assessment showed that the goodwill, which is allocated in full to the real estate operations of The Mont, is not impaired as at December 31, 2024 and 2023. Some of the factors considered in the assessment of the goodwill's impairment are the current performance of The Mont and its financial condition. There were no changes in the competitive environment where it operates that could affect its overall profitability nor is there any indicators of decline in market value of the premium subdivision lots it is selling. In 2024 and 2023, The Mont generated P476.5 million and P703.3 million revenues and earned (P22.4 million) and P153.6 million net profit, respectively.

Movement of software and licenses during the year are as follows:

	Notes	2024	2023
Cost			
Beginning Balance		P 98,761,243	-
Reclassification	12	(26,250,803)	84,585,485
Additions		-	14,175,758
Ending Balance		P 72,510,440	98,761,243
Accumulated amortization			
Beginning Balance		P (39,030,751)	-
Reclassification	12	10,886,778	(21,624,458)
Provisions		(16,553,173)	(17,406,293)
Ending Balance		P (44,697,146)	(39,030,751)
Carrying value		P 27,813,294	59,730,492

Intangible asset is subject to impairment testing whenever there is an indication that the carrying amount may not be recoverable. No impairment loss was recognized in the current year since the recoverable amount of intangible assets is higher than its carrying value.

The intangible asset has not been pledged as security for liabilities.

15 TRADE AND OTHER PAYABLES

This account consists of:

	Notes	2024	2023
Current			
Trade and accounts payables		1,680,850,356	1,323,989,735
Accrued expenses		1,614,719,716	2,121,707,770
Retention payables		936,740,272	1,185,018,098
Interest Payable	17,18,19	98,085	911,398
Construction bonds		117,590,706	109,721,172
Withholding tax payables		26,765,607	28,773,886
Lease liabilities	27	5,732,938	7,968,215
Dividends payable	20	-	50,875,000
Deposits		145,586,809	145,586,809
Others		650,582,6967	3,328,903,878
		5,178,667,186	8,303,455,961
Non-current			
Pension Liability	26.2	35,697,907	35,905,012
Contract Liabilities	21	49,456,608	335,035,888
Lease liabilities	27	6,782,535	8,008,678
		91,937,050	378,949,578
		5,270,604,236	8,682,405,539

Trade payables are mainly attributable to the Group's obligation to contractors for the construction of subdivision houses and improvements and purchase of land and materials. These are noninterest-bearing and are normally settled on 15 to 60-day terms.

Accrued expenses consist of the following:

	Note	2024	2023
Documentation	23	1,206,532,416	1,462,702,474
Commission		318,062,565	587,631,539
Others		90,124,735	71,373,757
		1,614,719,716	2,121,707,770

Retention payables are noninterest-bearing liabilities with contractors and brokers and are normally settled a year after the Group's completion of the relevant contracts.

Construction bonds pertain to a fixed amount of cash deposit paid by the buyers in cases where the buyers opted to make renovations and/or improvement to their desired units. In case of damages to the Group's projects that occurred during the construction, penalties will be applied against these accounts. These cash deposits will be returned to the buyer upon completion of the construction.

Others under current liabilities include provision for probable losses related to contingencies (note 30) and accounts payable- processing cost which are optional improvements on the housing units which are directly engaged with the contractors but are paid to the company by the buyers and other payable to government agencies as of December 31, 2024, 2023 and 2022.

16 DEPOSITS FROM CUSTOMERS

This account represents down payments made by the real estate buyers for the purchase of residential housing units and timeshares/preferred shares. Cash deposits as of December 31 are received from:

	2024	2023
Real estate buyers	1,514,217,578	859,297,805
Timeshare/preferred share buyers	46,351,397	40,021,709
	1,560,568,975	899,319,514

Deposits from real estate buyers constitute cash receipts that are yet to qualify for the collection threshold criteria prior to recognition of a revenue. For timeshares, deposits represent payments made by the buyer that is yet to reach the level of required payment before a sale is recognized.

Timeshares are in-house issuances of the Group that grants the purchaser a perpetual right to occupy one unit of the Group's vacation hotel in Baguio every year for a specific number of days. It also grants certain buyers the right to avail of the international exchange services offered by affiliated companies through the Group's Resorts Condominium International membership. Purchase by the buyer of timeshare does not result into any change in equity or ownership of the Group as the sale does not grant the purchaser any proprietary or voting right or residual interest in the Group

17 LOANS PAYABLE

This account represents peso borrowings from local banks broken into:

	2024	2023
Short-term loans	4,088,259,733	9,299,236,071
Long-term loans - current portion	11,752,539,846	9,124,247,208
	15,840,799,579	18,423,483,279
Long-term loans - non-current portion	29,459,799,388	17,095,069,286
	45,300,598,967	35,518,552,565

In 2024, 2023, and 2022, the Group availed of loans from various banks. These bank loans bear annual interest rates ranging from 4.3% to 7.0% in 2024, 2023 and 2022. Interest rates are either fixed for the loan term or subject to annual repricing. Loans payable have various maturity dates ranging from three months to five years.

Interest expense on loans payable amounted to P1,087.3 million, P2,194.4 million and P1,872.7 million in 2024, 2023 and 2022, respectively, and is presented as part of Finance Costs in the consolidated statements of profit or loss (see Note 24). Interest expense pertains only to interest incurred which are not capitalized. Accrued interest on the loans amounting to P0.09 million, P0.9 million and P238.6 million as at December 31, 2024, 2023 and 2022, respectively, is presented as part of Interest Payable under Trade and Other Payables in the consolidated statements of financial position (see Note 15).

Total borrowing costs capitalized for the construction of the Group's real estate projects amounted to P172.0 million in 2024.

As of December 31, 2024 and 2023, the Group's loans payable is secured by the following assets with their corresponding carrying values:

	Notes	2024	2023
Short-term loans:			
Deposits of a controlling Shareholder		67,808,728	67,808,728
Long-term loans:			
Deposits of a controlling Shareholder		624,848,145	255,848,145
Collaterals owned by the Group:			
Installment contract receivables	8	13,175,251,395	15,971,964,482
Land held for future development	9	529,490,000	140,000,000
		14,329,589,540	16,367,812,627
		14,397,398,268	16,435,621,355

18 NOTES PAYABLE

	2024	2023
Current	P 493,704,407	P 459,211,387
Non-current	5,547,084,206	6,040,788,613
	P 6,040,788,613	P 6,500,000,000

On December 28, 2023, a master note certificate is issued by 8990 Housing Development Corporation with a principal amount of P 6,500,000,000. The Note was issued at 100% issue price and will due on December 28, 2028 (five years from the issue date) with 7.3086% interest rate per annum. However, the issuer may, at its option beginning on the third (3rd) anniversary of the Drawdown Date and prior to the maturity date, redeem the notes subject to conditions.

8990 HDC is required to maintain at all times the following financial ratios: (i) Current Ratio of at least 1.00x; and (ii) total Debt-to-Equity Ratio not exceeding 2.33x, each tested annually on the basis of the audited parent financial statements of the Issuer.

On October 8, 2020, a master note certificate is issued by 8990 Holdings with a principal amount of P 1,300,000,000 dated October 14, 2020. The Note was issued at 100% issue price and will due on October 14, 2022 (two years from the issue date) with 4.0500% interest rate per annum. In 2021, the Company partially paid the liability amounting to P 800,000,000. On October 14, 2022, the Company settled the remaining balance amounting to 500,000,000.

Finance cost amounted to 427.1 million, nil and P 15.2 million in 2024, 2023 and 2022, respectively. Such amount is included under the total finance cost in the consolidated statement of profit or loss. Accrued interest on the loans amounting to nil as December 31, 2024, 2023 and 2022.

19 BONDS PAYABLE

On July 16, 2015, the Parent Company offered and issued unsecured fixed-rate peso bonds with an aggregate principal amount of P5.0 billion with an oversubscription option up to P4.0 billion.

The offer comprises of the following series:

<u>Bond Series</u>	<u>Option Date</u>	<u>Principal Amount</u>
Series A – 6.2080% per annum, five-year and three months, due October 16, 2020	-	P 8,405,590,000
Series B – 6.1310% per annum, seven-year, due July 16, 2022 unless otherwise earlier redeemed by Parent Company	The third month after the fifth anniversary of issue date and the sixth anniversary of issue date	375,500,000
Series C – 6.8666% per annum, ten-year, due July 16, 2025 unless otherwise earlier redeemed by Parent Company	The seventh anniversary of issue date and each anniversary of the issue date thereafter	218,910,000
		<u>P 9,000,000,000</u>

Total transaction costs capitalized upon issuance of the bonds amounted to P122.3 million.

Interests on the bonds are payable quarterly in arrears starting on October 16, 2015 for the first interest payment date and on January 16, April 16, July 16, and October 16 of each year for each subsequent interest payment date.

The bonds shall be repaid at par, plus any outstanding interest on the relevant maturity date of each series, unless the Parent Company exercises its early redemption option for Series B or C Bonds on the early redemption option dates.

Series A of the bonds matured and was paid in 2020.

In 2022, the Parent Company settled its outstanding obligation maturing July 16, 2022 (Series B) and July 16, 2025 (Series C). Early redemption was made for Series C Bonds due on 2025 with an early redemption price of 102.5% of the principal amount. The carrying amount of bond is P 217.8 million (net of unamortized bond issue cost of P 1.1 million), accordingly, loss on early retirement of bonds was also recognized, amounting to P6.6 million.

The fair value of the bonds amounted to nil as of December 31, 2024 and 2023. Amortization of bond issue costs amounted to nil in 2024 and 2023 and 0.66 million in, respectively, and are included as part of Finance Costs in the consolidated statements of profit or loss (see Note 24).

Total finance costs incurred on these bonds, inclusive of the amortization of the debt issue costs, amounted to both nil in 2024 and 2023 and P22.3 million in 2022, respectively. Accrued interest on the bonds amounting to nil as at December 31, 2024, 2023 and 2022.

The Parent Company and its subsidiaries are required under the terms of the bonds to observe certain covenants, including, among others, maintenance of financial ratios, incurrence or guarantee of additional debt, encumbrance for borrowed money and other covenants. These were complied with by the Group during the period covered.

20 EQUITY

20.1 Capital Stock

As of December 31, 2024, 2023 and 2022, details of the capital stock of the Parent Company and the movements thereon are as follows:

	Shares			Amount		
	2024	2023	2022	2024	2023	2022
Preferred Shares- P.01 par value, voting Authorized – 5.00 billion shares						-
Issued and outstanding		-	-	-	-	
Preferred Shares Series A – P1 par value, cumulative, non-voting, non- participating, non-convertible, redeemable 6.0263% per annum Authorized – 50 million shares						
Issued and outstanding	-	-	-	P -	P -	P -
Preferred Shares Series B – P1 par value, cumulative, non-voting, non-participating, non-convertible, redeemable 5..50% per annum Authorized – 50 million shares						
Issued and outstanding	-	37,000,000	37,000,000	-	37,000,000	37,000,000
Treasury shares – at cost preferred Shares Series B (see Note 20.3)	-	(166,900)	-	-	(15,604,614)	
Balance at end of year	-	36,833,100	37,000,000	P -	P 21,395,386	P 37,000,000
Common Shares – P1 par value Authorized shares – 6.850 billion shares						
Issued and outstanding:						
Balance at beginning of year	5,517,990,720	5,517,990,720	5,517,990,720	P 5,517,990,720	P 5,517,990,720	P 5,517,990,720
Treasury shares – at cost (see Note 20.3)	(256,808,900)	(126,591,700)	(126,591,700)	(3,043,595,037)	(1,806,540,154)	(1,806,540,154)
Balance at end of year	5,261,181,820	5,391,399,020	5,391,399,020	2,474,395,683	3,711,450,566	3,711,450,566
Total	5,261,181,820	5,428,232,120	5,428,399,020	P 2,474,395,683	P 3,732,845,952	P 3,748,450,566

20.2 Authorized Capital Stock

On October 20, 2010, the PSE approved the Parent Company's application for the initial listing of 181.9 million common shares under the Second Board of the PSE.

On August 25, 2011, the Parent Company entered into a Subscription Agreement (SA) with Intellectual Property Ventures Group (IPVG), wherein IPVG agreed to subscribe to 40.0 million shares of the common stock of the Parent Company at a subscription price of P2.52 per share or a total subscription of P100.8 million. IPVG paid P25.0 million in cash as partial payment and agreed to pay the remaining balance of the subscription price upon call thereon by the Parent Company's BOD.

As a result of the Asset Purchase Agreement dated September 28, 2011, the said SA and the related shares subscribed and partially paid were transferred to Intellectual Property Ventures, Inc. (IPVI).

On February 29, 2012, the stockholders approved the issuance of the 40.0 million shares in favor of IPVI. On the same date, the minority and unrelated stockholders waived the requirement to conduct a rights or public offering of the shares subscribed.

In April 2012, the Parent Company received the remaining subscription receivable and issued the corresponding shares to IPVI. These shares were part of the shares acquired by the stockholders of the 8990 Group (former stockholders of the company's subsidiaries). On May 6, 2013, the Parent Company recognized deposits for future stock subscription amounting to P27.9 billion in exchange for its investments in subsidiaries through Share Swap with the stockholders of 8990 Group.

On September 23, 2013, the BOD of the Parent Company approved the subscriptions and issuance of 465,580,467 shares at P1.00 per share to new public investors to comply with the minimum public ownership requirement of the PSE. Such issuance is subject to following conditions: (i) the approval of the SEC of the Parent Company's application for the increase in authorized capital stock from P460.0 million to P7.0 billion divided into 7.0 billion shares with par value of P1.00 per share; and, (ii) the issuance of 3,968,357,534 shares to the stockholders of 8990 Group. The shares were issued subsequent to the approval by the SEC of the increase in authorized capital stock of the Parent Company on October 1, 2013.

Subsequent to SEC's approval of the increase in authorized capital stock, the deposit for future stock subscription of the Parent Company was applied as payment for the issuance of shares which were recorded as part of the Parent Company's Capital Stock and Additional Paid-in Capital (APIC) of P4.0 billion and P23.9 billion, respectively. Of the total APIC, P23.9 billion is eliminated on consolidation against Investment in Subsidiaries because it represents the cost of the subsidiaries acquired through the Shares Swap.

On March 17, 2014, the Parent Company's BOD approved the offering and issuance by way of a "follow-on" offering consisting of the following shares at an offer price of P6.50 per share:

Primary shares	862,186,050
Secondary shares	382,360,770
Over-all allotment shares	134,950,860

The registration by way of a follow-on offering of common shares was rendered effective by the SEC on April 15, 2014 and for which a Certificate of Permit to Offer Securities for Sale was issued by the SEC on April 30, 2014.

Total proceeds from the primary offer shares amounted to P5.6 billion and the related direct issue costs incurred in connection with the offering amounted to P341.9 million which were charged to APIC. Accordingly, the issuance resulted into an excess of P4.4 billion over the capital stock and is recorded as APIC in 2014.

As of December 31, 2024, 2023 and 2022, there are 5,261,181,820, 5,391,399,020 and 5,391,399,020 listed shares, respectively. Such listed shares closed at P9.09 per share, P9.23 per share and P9.86 per share as of December 31, 2024, 2023 and 2022, respectively.

On January 31, 2017, the stockholders approved and ratified the creation of the preferred shares under the shelf registration. The SEC approved the Parent Company's amended Articles of Incorporation creating the preferred shares on April 19, 2017.

On July 25, 2017, the BOD of the Parent Company unanimously authorized the sale and offer of up to Ten Billion Pesos (P10,000,000,000) preferred shares, at an offer price of P100.00 per share, or 100,000,000 preferred shares with an initial tranche of 50,000,000 preferred shares, under a shelf registration to be issued within a period of three years.

The Parent Company also applied with the PSE for the listing of the preferred shares, which the PSE approved for listing on the main board of the PSE on November 8, 2017. The PSE approval covers only the initial tranche of 50,000,000 preferred shares under the shelf registration.

The preferred shares were offered at the price of P100.00 per share resulting in an additional paid-in capital of P4.9 billion, analyzed as follows:

Total issuance price	P5,000,000,000
Amount of shares issued at par value	<u>50,000,000</u>
Excess of proceeds over par value	4,950,000,000
Direct issuance costs	(<u>46,485,651</u>)
Additional paid-in capital	<u>P 4,903,514,349</u>

The Parent Company also applied with the PSE for the listing of the preferred shares, which the PSE approved for listing on the main board of the PSE on February 10, 2021. The PSE approval covers only the initial tranche of 37,000,000 preferred shares under the shelf registration.

The preferred shares were offered at the price of P100.00 per share resulting in an additional paid-in capital of P3.6 billion, analyzed as follows:

Total issuance price	P3,700,000,000
Amount of shares issued at par value	37,000,000
Excess of proceeds over par value	3,663,000,000
Direct issuance costs	(<u>59,892,536</u>)
Additional paid-in capital	<u>P 3,603,107,464</u>

On October 28, 2022, the Company's BOD approved the redemption of its 50,000,000 outstanding Series A Preferred Shares (8990P) at a redemption price of P 100 per share.

On February 10, 2024, the Parent Company completed the redemption of all Series B Preferred Shares. The cost amounted to P 3,693,700,000 and gain on redemption was also recognized amounting to P 1,085,386. (note 25.2)

Total issued preferred shares by the Parent Company is at nil and 37,000,000 shares with market value of nil and P3,515,000,000 as of December 31, 2024 and 2023, respectively, breakdown as follows:

	2024			2023		
	Shares	Closing Rate	Amount	Shares	Closing Rate	Amount
Series B	-	-	-	37,000,000	95.00	3,515,000,000
Total	-	P	-	37,000,000	P	3,515,000,000

20.3 Treasury Shares

On February 6, 2019, the BOD approved the Parent Company's P2.0 billion share buyback program which is to be implemented for a period of 18 months or until August 1, 2020.

On April 26, 2023, the Company's BOD approved the adoption of a buyback program in the amount of up to Php 1 billion, for the Company's outstanding Series B Preferred Shares.

Summary of Treasury Share Buyback (Preferred Shares) in 2023:

Date of Buyback	No. of Shares Repurchased	Price per Share	Amount
05/02/2023	12,760	P 93.00	P 1,186,680
05/04/2023	30,240	93.00	2,812,320
05/12/2023	60	93.00	5,580
05/16/2023	180	94.30	16,974
05/16/2023	41,340	95.00	3,927,300
05/17/2023	31,000	93.00	2,883,000
05/25/2023	13,420	93.00	1,248,060
08/31/2023	9,730	93.00	904,890
09/06/2023	8,800	93.00	818,400
10/02/2023	17,900	93.00	1,664,700
10/02/2023	1,470	93.00	136,710
Total	166,900		P 15,604,614

The said buyback program excludes the participation of the majority shareholder. As of December 31, 2024, the Parent Company has repurchased 256.8 million shares for P3.04 billion. These repurchased shares are presented as Treasury Shares in the consolidated statement of financial position and do not form part of the outstanding shares.

Below is the movement of treasury shares as at December 31, 2024, 2023 and 2022:

	2024		2023		2022	
	Shares	Amount	Shares	Amount	Shares	Amount
Balance, January 1	126,758,600	1,822,144,768	126,591,700	1,806,540,154	126,591,700	1,806,540,154
Acquisition	130,217,200	1,237,054,883	166,900	15,604,614	-	-
Redemption of Preferred Shares	(166,900)	(15,604,614)	-	-	-	-
Balance, December 31	256,808,900	3,043,595,037	126,758,600	1,822,144,768	126,591,700	1,806,540,154

Under the Revised Corporation Code of the Philippines, a stock corporation can purchase or acquire its own shares provided that it has unrestricted retained earnings to cover the shares to be purchased or acquired. The equivalent amount of retained earnings is considered restricted.

20.4 Retained Earnings

The BOD approved the following cash dividend declarations in 2023 and 2022:

Amount Per Share	Date of Declaration	Record	Payment	Amount
2023				
Preferred				
1.375	Feb. 7, 2023	Apr. 25, 2023	May. 10, 2023	50,875,000
1.375	Feb. 7, 2023	Jul. 27, 2023	Aug. 10, 2023	50,875,000
1.375	Feb. 7, 2023	Oct. 25, 2023	Nov. 10, 2023	50,875,000
1.375	Feb. 7, 2023	Jan. 29, 2024	Feb. 10, 2024	50,875,000
				P 203,500,000
2022				
Preferred				
1.506575	Feb. 17, 2022	Feb. 28, 2022	Mar. 1, 2022	P 75,328,750
1.506575	Feb. 17, 2022	May 18, 2022	Jun. 1, 2022	75,328,750
1.506575	Feb. 17, 2022	Aug. 18, 2022	Sep. 1, 2022	75,328,750
1.506575	Feb. 17, 2022	Nov. 17, 2022	Dec. 1, 2022	75,328,750
1.375	Feb. 17, 2022	Apr. 26, 2022	May. 10, 2022	50,875,000
1.375	Feb. 17, 2022	Jul. 27, 2022	Aug. 10, 2022	50,875,000
1.375	Feb. 17, 2022	Oct. 24, 2022	Nov. 10, 2022	50,875,000
1.375	Feb. 24, 2021	January 27, 2023	Feb. 10, 2023	50,875,000
				504,815,000

No cash dividends were declared in 2024.

Cash dividends declared in 2023 were fully paid in the same year except for the 4th tranche of dividends of Preferred Shares Series B that was subsequently paid in February 10, 2024 amounting to P50.9 million (see Note 15).

Cash dividends declared in 2022 were fully paid in the same year except for the 4th tranche of dividends of Preferred Shares Series B that was subsequently paid in February 10, 2023 amounting to P50.9 million (see Note 15).

The Parent Company's retained earnings are restricted to the extent of the cost of the treasury shares as of the end of the reporting periods.

20.5 Capital Management

The primary objective of the Group's capital management is to ensure that debt and equity capital are mobilized efficiently to support business objectives and maximize shareholder value. The Group establishes the appropriate capital structure for its business, and thus, allowing the necessary financial flexibility for its operations and providing sufficient cushion to absorb cyclical industry risks.

The Group manages its capital structure and makes adjustment to it, in light of changes in economic conditions. It considers its total liabilities and equity as capital and is not subject to externally-imposed capital requirements.

The bonds require the Group to observe certain covenants, including, among others, maintenance of financial ratios, incurrence or guarantee of additional debt, encumbrance for borrowed money, and other covenants. These were complied with by the Group.

21 REVENUES

The Group derives revenues from sale of real properties and hotel operations. An analysis of the Group's major sources of revenues is presented below.

	Notes	2024	2023	2022
Real estate				
Low-cost mass housing		5,682,219,099	6,780,506,170	5,962,515,999
Medium-rise condominium		2,550,568,120	1,938,945,257	2,959,242,663
High-rise condominium		9,960,407,435	12,612,260,153	12,040,544,290
Developed subdivision lots	1.2	561,350,691	1,006,591,557	450,579,690
		18,754,545,345	22,338,303,137	21,412,882,642
Hotel operations		246,390,265	273,702,876	148,056,099
Equity share in net profits of associate	11	17,705,874	45,858,106	67,950,366
Rental income	13,27,29	20,749,489	6,695,405	7,782,638
		19,039,390,973	22,664,559,524	21,636,671,745

As discussed in Note 2.14, the Group usually recognizes sale of real estate at a point in time. Starting 2019, the Group has started offering sale of pre-completed real estate for certain project, which its acquired subsidiary, The Mont, also offers to its subdivision lots. Thus, the Group also recognizes revenue over time.

The breakdown of contract balances as of December 31, 2024 and 2023 is as follows:

	Notes	2024	2023
Contract assets	8	-	60,184,625
Contract liabilities	15	(49,456,608)	(335,035,888)
		(49,456,608)	(274,851,263)

A reconciliation of the movements of contract balances is shown below.

Contract Asset	2024	2023
Balance at beginning of the year	60,184,625	74,030,402
Reclassification to installment contract receivable	(60,184,625)	(13,845,777)
Balance at end of year	-	60,184,625
Contract liabilities		
Balance at beginning of the year	335,035,888	906,194,448
Revenue recognized that was included in contract liabilities	(285,579,280)	(571,158,560)
	49,456,608	335,035,888

22 COST OF SALES AND SERVICES

Cost of sales and services consists of:

	Notes	2024	2023	2022
Cost of sales:	9			
Low-cost mass housing		2,847,236,718	3,143,804,058	2,529,495,159
Medium-rise condominium		1,502,303,145	1,018,921,172	1,394,142,737
High-rise condominium		6,146,064,040	8,173,885,282	6,762,145,267
Developed subdivision lots		230,584,658	267,805,719	141,914,935
		10,726,188,561	12,604,416,231	10,827,698,098
Cost of services:				
Hotel operations		204,029,432	130,674,075	75,472,950
Rental services		-	-	423,269
		204,029,432	130,674,075	75,896,219
		10,930,217,993	12,735,090,306	10,903,594,317

Construction costs include contractor's costs, professional fees, permits and licenses and capitalized borrowing costs.

23 OPERATING EXPENSES

Operating expenses consist of:

	Notes	2024	2023	2022
Commission		900,453,682	623,034,691	790,234,194
Taxes and licenses		434,403,849	476,293,926	517,422,853
Salaries and employee benefits	26.1,29.2	353,366,080	295,271,504	255,002,312
Documentation	15	235,552,829	292,171,959	488,398,203
Expected credit and impairment losses	8, 14, 29	134,342,409	470,905,069	413,300,244
Depreciation and amortization	12,13,14,27	114,660,479	109,045,748	106,202,854
Security, messengerial and janitorial	13	96,775,386	94,381,177	88,847,144
Repairs and maintenance		73,979,874	58,446,616	63,559,786
Insurance		71,666,658	35,424,361	26,041,238
Entertainment, amusement and representation		68,333,593	62,330,285	45,739,903
Communication, light and water	13	57,083,388	46,767,916	61,347,104
Management and professional fees		48,984,853	52,248,750	103,531,858
Rent	27.1	37,070,442	22,333,410	15,938,599
Transportation and travel	13	36,933,993	39,929,037	28,015,908
Supplies		24,462,419	28,465,598	29,443,101
Subscription dues and fees		10,564,088	5,983,370	8,713,517
Miscellaneous		207,802,693	240,789,332	155,512,104
		2,906,436,715	2,953,822,749	3,197,250,922

Commissions are payments to real estate brokers and agents in connection with its real estate transactions.

Documentation expenses consist of certification fees, registrations fees, tax clearances and other related expenses incurred in the processing of real estate inventories sales and transfer of titles to the buyers.

Miscellaneous include penalties paid to Bureau of Internal Revenue, out-of-pocket expenses, hospitalization bills, assistance to employee, minor expense like meals allowance & petty cash transactions.

24 FINANCE COSTS

This consists of:

	Notes	2024	2023	2022
Interest expense on:				
Loans payable	17	1,087,576,354	2,194,363,343	1,872,653,254
Bonds	19	-	-	21,672,447
Notes payable	18	427,073,691	-	15,187,500
Amortization of debt issue costs	19	-	-	658,476
Lease liabilities	27	807,913	831,069	1,601,953
Interest on pension obligation	26.2	2,186,894	1,109,798	707,832
Bank charges		2,459,974	940,555	464,656
		1,520,104,826	2,197,244,765	1,912,946,118

25 OTHER OPERATING INCOME AND OTHER GAINS

25.1 Other Operating Income

This consists of:

	Notes	2024	2023	2022
Other Operating Income				
Interest income from:				
Instalment contract and finance lease receivables	8	1,639,940,309	2,873,872,378	1,746,159,730
Cash in banks and short-term Placements	7	2,861,771	1,176,689	1,582,658
Loans receivable	8	68,942,222	39,403,926	63,512,550
Penalties		113,382,652	74,859,672	16,064,940
Gain on repossession	9	53,999,475	-	520,391,151
Miscellaneous income		269,328,051	329,138,692	409,388,171
		2,148,454,480	3,318,451,357	2,757,099,200

Miscellaneous income mainly includes retrieval fee, other fees, commission fees received from an electric company, association dues, transfer fee, and rebates from an insurance company. It also includes revenues from the use of the rooms allocated to the unsold ALRC preferred shares (see Note 10).

25.2 Other Gains/Expenses

Other Gain in 2024 pertains to Gain on redemption of preferred shares amounting to P 1,085,386 (note 20.2)

Other Expense in 2023 pertains to loss on repossession amounting to P 243,212,456 (note 9).

Other Expense in 2022 pertain to the Redemption of Bonds earlier than the redemption period amounting to P 6,592,275.

26 EMPLOYEE BENEFITS

26.1 Salaries and Employee Benefits Expense

The details of salaries and employee benefits are presented below.

	Notes	2024	2023	2022
Short-term employee benefits		349,549,336	292,691,331	252,353,936
Post-employment benefits	26.2	3,816,744	2,580,173	2,648,376
		353,366,080	295,271,504	255,002,312

26.2 Post-employment Benefits

(a) 8990 Holdings and The Mont

In 2024, 2023 and 2022, 8990 Holdings has unfunded, noncontributory, defined benefit pension plans covering substantially all of its regular employees.

While in 2022, The Mont recognized unfunded, noncontributory, defined benefit pension plans covering substantially all of its regular employees. Under its pension plans, all covered officers and employees are entitled to cash benefits after satisfying certain age and service requirements.

The benefits are based on the projected pension benefit of 22.5 days' pay per year service in accordance with RA 7641, *Retirement Pay Law*. The benefits are based on current salaries and years of service and compensation on the last year of employment. There is no contribution made by 8990 Holdings during the year.

(b) 8990 HDC, FHI, and 8990 LHDC

In 2021, FHI and 8990 LHDC transferred its employees and accordingly the related plan assets and liabilities were assumed by 8990 HDC. In 2020, 8990 HDC, FHI and 8990 LHDC have funded, noncontributory, defined benefit pension plan covering substantially all of their regular employees. The benefits are based on the projected pension benefit of 22.5 days' pay per year service in accordance with RA 7641. The benefits are based on current salaries and years of service and compensation on the last year of employment. An independent actuary, using the projected unit credit method, conducts an actuarial valuation of the pension benefit obligation.

The defined benefit plan is administered by a third party trustee bank (the Trustee).

The Trustee is responsible for the general administration of the pension plan and the management of the plan assets. The Trustee may seek advice of counsel and appoint an investment manager or managers to manage the plan assets. As the administrator of the pension plan, the Trustee is responsible for the ultimate control, disposition, or management of the money received or contributed.

The respective Companies have yet to formalize its investment policy and risk management procedures for the pension plan. Currently, the assets of the pension plan are composed of securities issued by the Philippine government and placements in banks.

The pension plan exposes the Group to actuarial risks, such as longevity risk, and market (investment) risk. There are no unusual or significant risks to which the pension plan exposes the Group. However, in the event a benefit claim arises under the pension plan and the plan assets are not sufficient to pay the benefit, the unfunded portion of the claim shall immediately be due and payable from the Group to the pension plan.

The cost of defined benefit pension plans, as well as the present value of the defined benefit obligation, is determined using actuarial valuations. The actuarial valuation involves making various assumptions. The principal assumptions used in determining the net pension liability for the defined benefit plans are shown below.

	2024	2023	2022
Discount rates			
8990 HDC	6.11%	6.09%	3.72%
8990 Holdings	6.09%	6.11%	3.94%
The Mont	6.11%	6.10%	3.90%
Salary increase rates			
8990 HDC	4.00%	5.00%	3.50%
8990 Holdings	4.00%	5.00%	3.50%
The Mont	4.00%	5.00%	3.50%

The composition of plan assets by class as at the end of the reporting period is as follows:

	2024	2023	2022
Cash	1,161	1,161	56,249
Equity instruments	10,000,000	10,000,000	10,000,000
Investment securities:	-	-	-
Government securities	3,662,273	3,665,338	3,029,669
Unit investment trust fund (UITF)	3,186,924	1,368,499	2,220,317
	16,850,358	15,034,998	15,306,235

Equity instruments and government securities are quoted instruments, while UITFs have prices published in available markets. These instruments are carried at fair value which are determined based on quoted market prices in active markets, hence, classified as Level 1 in the fair value hierarchy.

Plan assets do not comprise of any of the Group's own financial instruments or any of its assets occupied and/or used in its operations.

The Group does not expect that any reasonably possible changes to the assumptions used to calculate the defined benefit obligation as of the end of the reporting period would have a significant impact on the Group's net pension liability.

The Group does not expect to contribute to its pension plan in 2024. Shown below is the maturity analysis of the undiscounted benefit payments:

	2024	2023	2022
Less than 1 year	9,490,281	9,254,120	5,332,900
More than 1 year to 5 years	4,517,192	3,240,726	5,653,099
More than 5 years to 10 years	13,182,921	31,783,034	8,750,216

The average duration of the defined benefit obligation at the end of the reporting period is 21 years, 18 years and 16 years in 2024, 2023 and 2022, respectively.

Changes in the carrying amount of retirement benefit obligation of the Group are as follows:

2024

	Net benefit cost in consolidated statement of Profit or loss				Remeasurements in other comprehensive income					Transferred Obligation	
	January 1, 2024	Current service cost	Net interest (see Note 24)	Subtotal	Return on plan assets (excluding amount included in net interest)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Subtotal	Benefits Paid	December 31, 2024
Present value of defined benefit obligation	P 50,940,010	P 3,816,744	P 3,102,525	P 57,859,279	P -	P	P (6,253,068)	P 1,218,188	P (5,034,880)	P (276,134)	P 52,548,265
Fair value of plan assets	15,034,998	-	915,631	15,950,629	899,729	-	-	-	899,729	-	16,850,358
Net defined benefit obligation	<u>P 35,905,012</u>	<u>P 3,816,744</u>	<u>P 2,186,894</u>	<u>P 41,908,650</u>	<u>P 899,729</u>	<u>P -</u>	<u>P (6,253,068)</u>	<u>P 1,218,188</u>	<u>P (5,934,609)</u>	<u>P (276,134)</u>	<u>P 35,697,907</u>

2023

	Net benefit cost in consolidated statement of Profit or loss				Remeasurements in other comprehensive income					Transferred Obligation	
	January 1, 2023	Current service cost	Net interest (see Note 24)	Subtotal	Return on plan assets (excluding amount included in net interest)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Subtotal	Benefits Paid	December 31, 2023
Present value of defined benefit obligation	P 30,843,020	P 2,580,173	P 2,202,663	P 35,625,856	P -	P	P 11,359,202	P 5,157,038	P 16,516,240	P (1,202,086)	P 50,940,010
Fair value of plan assets	15,306,235	-	1,092,865	16,399,100	(1,364,102)	-	-	-	(1,364,102)	-	15,034,998
Net defined benefit obligation	<u>P 15,536,785</u>	<u>P 2,580,173</u>	<u>P 1,109,798</u>	<u>P 19,226,756</u>	<u>P (1,364,102)</u>	<u>P -</u>	<u>P 11,359,202</u>	<u>P 5,157,038</u>	<u>P 15,152,138</u>	<u>P (1,202,086)</u>	<u>P 35,905,012</u>

2022

	Net benefit cost in consolidated statement of Profit or loss				Remeasurements in other comprehensive income					Transferred Obligation	
	January 1, 2022	Current service cost	Net interest (see Note 24)	Subtotal	Return on plan assets (excluding amount included in net interest)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Subtotal	Transferred Obligation	December 31, 2022
Present value of defined benefit obligation	P 28,926,200	P 2,648,376	P 1,443,852	P 33,018,428	P -	P (192,161)	P (1,983,247)	P -	P (2,175,408)	P -	P 30,843,020
Fair value of plan assets	14,749,894	-	736,020	15,485,914	179,679	-	-	-	179,679	-	15,306,235
Net defined benefit obligation	<u>P 14,176,306</u>	<u>P 2,648,376</u>	<u>P 707,832</u>	<u>P 17,532,514</u>	<u>P (179,679)</u>	<u>P (192,161)</u>	<u>P (1,983,247)</u>	<u>P -</u>	<u>P (1,995,729)</u>	<u>P -</u>	<u>P 15,536,785</u>

The maximum economic benefit available is a combination of expected refunds from the plan and reductions in future contributions.

The Group's net defined benefit obligation of P35.7 million, P35.9 million and P15.5 million, as of December 31, 2024, 2023 and 2022, respectively, is included as Retirement benefit obligation in the Trade and Other Payables in the Group's consolidated statements of financial position (see Note 15)

27 LEASES

27.1 The Group as a Lessee

The Parent Company has an existing non-cancellable operating lease as a lessee covering its office premises with a term of one year and renewable annually. In 2020, the Parent Company renewed the lease for another year. In 2021, the lease was renewed for three years and recognized as a new lease contract per Note 27.4.

In 2014, 8990 Holdings entered into another non-cancellable operating lease as a lessee covering a corporate suite for a term of one year; expiring on June 22, 2015 which was renewed and expired in September 2016. It was no longer renewed but 8990 HDC took over the lease within a term expiring on June 21, 2017 with renewal option. In 2023, 8990 Monterrazas Corporation renewed the lease for another year.

FHI, 8990 HDC and 8990 LHDC entered into separate non-cancellable lease agreements for their office and parking spaces. Except for 8990 LHDC, the Group's lease periods ranges from two to three years, which are renewable thereafter upon mutual agreement of both parties. The lease of 8990 LHDC is renewable annually upon mutual agreement of the contracting parties.

The future minimum rentals payable under these operating leases as of December 31, 2024 are as follows:

Within one-year	P	4,572,294
After one year but not more than three years		<u>2,222,813</u>
	P	<u>6,795,107</u>

27.2 The Group as a Lessor – Operating Lease

8990 HDC owns a building and a portion of it is currently leased to a third party which is covered by an operating lease contract for a period of 10 years starting 2007. Rent income recognized by 8990 HDC amounted to P0.3 million, P0.2 million in 2024, 2023 and 2022, respectively (see Notes 13 and 21).

In 2014, FHI and 8990 HDC entered into a contract of lease with ALRC on the land where the building and improvements sold to ALRC are constructed. The contract of lease provides a lease term of 50 years, with an annual rent of P5.0 million for the first 10 years. After 10 years, the lease rate shall increase to a rate agreed by both parties. However, on October 23, 2018, 8990 HDC and ALRC agreed to pre-terminate the contract of lease. Rent income recognized by FHI amounted to P5.4 million in 2024, 2023 and 2022, respectively (see Notes 13 and 21).

Future minimum lease receivables under non-cancellable operating leases are as follows:

	2024	2023	2022
Less than one year	4,464,286	4,464,286	4,464,286
More than one year but not more than two years	4,464,286	4,464,286	4,464,286
More than two years but not more than three years	4,464,286	4,464,286	4,464,286
More than three years but not more than four years	4,464,286	4,464,286	4,464,286
More than four years but not more than five years	4,464,286	4,464,286	4,464,286
More than five years	144,989,284	149,453,570	153,917,856
	167,310,714	171,775,000	176,239,286

27.3 The Group as a Lessor – Finance Lease

The Group also entered into a finance lease covering the real estate inventories with a lease term of 15 years. To manage its risks over these finance leases, the Group retains its legal title over the underlying assets, and are used as securities over the finance lease receivables. Future minimum lease payments receivable (MLPR) are as follow:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Less than one year	P 152,820,000	P 152,820,000	P 152,820,000
More than one year but not more than two years	152,820,000	152,820,000	152,820,000
More than two years but not more than three years	152,820,000	152,820,000	152,820,000
More than three years but not more than four years	152,820,000	152,820,000	152,820,000
More than four years but not more than five years	152,820,000	152,820,000	152,820,000
More than five years	<u>64,220,000</u>	<u>99,660,000</u>	<u>134,820,000</u>
	<u>P 828,320,000</u>	<u>P 863,760,000</u>	<u>P 898,920,000</u>

27.4 Right-of-use assets/Lease Liabilities

The Group has leases for its office space and parcel of land. With the exception of short-term leases, each lease is reflected in the consolidated statement of financial position under Other non-current assets as a right-of-use asset and a lease liability under Trade and other payables.

a. Right-of-use assets

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Cost			
Beginning balance	56,927,197	60,836,662	41,796,476
New lease contract	4,608,944	9,884,039	19,040,186
Retirement	-	-	-
Lease modifications	(5,388,070)	(13,793,504)	-
Ending balance	<u>56,148,071</u>	<u>56,927,197</u>	<u>60,836,662</u>
Amortization			
Beginning balance	42,032,764	32,219,990	18,013,709
Current provision	2,464,464	9,812,774	14,206,281
Retirement	-	-	-
Ending balance	<u>44,497,228</u>	<u>42,032,764</u>	<u>32,219,990</u>
Carrying values	<u>11,650,843</u>	<u>14,894,433</u>	<u>28,616,672</u>

Amortization of right-of-use assets is presented as of part of Depreciation and amortization under the operating expense (see Note 23). Based on the impairment review of the assets, the Group believes that there is no impairment loss that occurred on its right-of-use assets as at December 31, 2024, 2023 and 2022.

b. Lease liabilities

	2024	2023	2022
Beginning balance	15,976,893	28,834,103	24,319,154
Addition	4,608,944	3,221,924	18,694,555
Accretion of interest	807,913	831,069	1,601,953
Payments	(8,878,277)	(16,910,203)	(15,781,559)
Ending balance	12,515,473	15,976,893	28,834,103

Lease liabilities are presented in the statement of financial position as follows:

	2024	2023	2022
Current	5,732,938	7,968,215	11,951,066
Non-current	6,782,535	8,008,678	16,883,037
Ending balance	12,515,473	15,976,893	28,834,103

Maturity Analysis:

	2024	2023	2022
Not less than 1 year	5,732,938	7,968,215	11,951,066
Later than 1 year and not later than 5 years	6,782,535	8,008,678	16,883,037
Ending balance	12,515,473	15,976,893	28,834,103

28. INCOME TAXES

28.1 Current and Deferred Taxes

The components of income tax expense reported in profit or loss consists of:

	2024	2023	2022
Current:			
Regular corporate income tax	883,840,415	609,244,027	380,533,210
Minimum corporate income tax	294,160	-	426,896
Final tax	561,246	226,226	282,601
	884,695,821	609,470,253	381,242,707
Deferred:			
Deferred tax expense (income)	(501,174,384)	347,452,072	404,828,254
	(501,174,384)	347,452,072	404,828,254
	383,521,437	956,922,325	786,070,961

On March 26, 2021, the President signed into law the Republic Act (RA) 11534, also known as “Corporate Recovery and Tax Incentives for Enterprises Act or “CREATE” Act which reduced the corporate income tax rates and rationalized the current fiscal incentives by making it time bound, targeted and performance – based. CREATE Act introduces reforms in the areas of corporate income tax, value – added tax, and tax incentives, aside from providing COVID – 19 reliefs to taxpayers.

The salient provisions of the Create Act applicable to the Company are as follow:

1. Effective July 1, 2020, domestic corporation with total assets not exceeding P100 million and taxable income of P5 million and below shall be subject to 20% income tax rate while the other domestic corporations and resident foreign corporations will be subject to 25% income tax rate.
2. Minimum corporate income tax (MCIT) rate reduced from 2% to 1% effective July 1, 2020, to June 30, 2023. Accordingly, the rate shall now revert to 2% effective July 1, 2023;
3. The imposition of improperly accumulated earnings is repealed.

The NIRC of 1997 also provides for rules on the imposition of MCIT of 2.0% on gross income as of the end of the taxable year beginning on the fourth taxable year immediately following the taxable year in which the entities in the Group commenced its business operations. Any excess MCIT over the RCIT can be carried forward on an annual basis and credited against the RCIT for the three immediately succeeding taxable years.

A reconciliation of the Group's statutory income tax rate to effective income tax rate is presented below.

	2024	2023	2022
Statutory income tax rate	25.00%	25.00%	25.00%
Tax effects of:			
Income under income tax holiday	(5.35%)	(6.18%)	(6.65%)
Change in unrecognized deferred tax assets	(4.32%)	5.07%	1.34%
Non-taxable income	(10.84%)	(2.89%)	-5.14%
MCIT recognized	-	(3.48)%	-
Non-deductible expenses	9.82%	(4.31%)	2.14%
Income subjected to final tax	(0.00%)	(0.00%)	-0.22%
Others	(8.19%)	(1.03%)	-0.88%
CREATE Adjustment	-	-	0.08%
Tax expense	6.58%	12.18%	15.60%

The Group recognized net deferred tax liabilities as follows:

	2024	2023
Deferred tax liabilities on:		
Excess of FV over cost of acquired subsidiary/ associate	848,577,597	880,333,342
Excess of accounting basis over tax basis of deferred gross profit on real estate sales	77,804,352	24,612,816
Gain on reversal/ repossession	-	3,741,880
Unrealized Gross Profit	1,062,512,000	1,120,125,256
Commission	10,940,694	10,940,694
	1,999,834,643	2,039,753,988
Deferred tax assets on:		
Allowance for impairment loss	210,004,057	290,472,064
Accrued expenses	30,455,625	29,494,556
NOLCO	12,257,631	16,484,380
MCIT	1,497,784	1,645,611
Customers' deposits	1,830,124	1,830,124
Effect of PFRS 16	469,517	542,360
RBO	8,924,477	8,976,253
	265,439,215	349,445,348
Net DTL	1,734,395,428	1,690,308,640

The components of net deferred tax expense (benefit) reported in the consolidated statements of profit or loss are as follows:

	2024	2023	2022
Allowance for impairment losses	22,162,197	(68,092,355)	(90,128,896)
Share in earnings of associate	4,426,469	11,464,527	16,987,591
Excess of accounting basis over tax basis of deferred gross profit on real estate sales	(568,324,934)	117,562,812	(42,836,262)
Commission	-	-	6,443,742
Application of excess MCIT over RCIT/ Expiration of MCIT	898,154	756,446	-
Effect of PFRS 16	22,070	(173,501)	(67,592)
NOLCO	5,970,785	17,152,872	1,301,774
Accrued expenses	-	-	6,091,690
Unrealized gross profit	33,489,531	273,659,591	507,350,900
Retirement benefit obligation	181,344	(4,878,320)	(314,693)
	(501,174,384)	347,452,072	404,828,254

The Parent Company and RLC did not recognize deferred tax assets on the following temporary differences since management believes that it is not probable that the related benefits will be realized in the future:

	2024	2023	2022
NOLCO	P 507,562,373	P 531,445,065	P 619,127,525
MCIT	2,062,291	1,573,503	2,281,563
Impairment loss	283,820	283,820	16,354,832
Excess of depreciation and interest expense over lease payments	(29,768)	9,307	38,826
	P 509,878,716	P 533,311,695	P 637,802,746

Details of the Group's NOLCO, which are mostly that of the Parent Company, follow:

Year Incurred	Amount	Expired/Used	Balance	Expiry Year
2024	P 10,514,510	-	P 10,514,510	2027
2023	5,155,581	-	5,155,581	2026
2022	61,981,293	-	61,981,293	2025
2021	83,599,472	-	83,599,472	2026
2020	479,104,510	(57,220,022)	421,884,488	2025
	P 640,355,366	(P 57,220,022)	P 583,135,344	

The NIRC of 1997 allows each of the entities in the Group to deduct from taxable income their respective NOLCO within three years from the time it was incurred. NOLCO for 2021 and 2020 amounted to P 83,599,472 and P 421,884,488 (net of used of P 57,220,022), respectively, which will expire in 2026 and 2025, respectively, can be applied for five years instead of three years, in compliance with Revenue Regulation No. 25-2020 (issued last September 28, 2020) "Notwithstanding the provision of existing laws to the contrary, the net operating loss of the business or enterprise for the taxable years 2020 and 2021 shall be carried over as a deduction from gross income for the next five (5) consecutive years immediately following the year of such loss; Provided that this subsection shall remain in effect even after the expiration of Republic Act No. 11494, otherwise known as the Bayaniban to Recover as One Act;". RA 9504, *An Act Amending the NIRC of 1997*, provides that an optional standard deduction (OSD) equivalent to 40.0% of gross income may be claimed as an alternative deduction in computing for the RCIT. The entities in the Group did not claim OSD in lieu of the itemized deductions.

28.2 Registration with Board of Investments (BOI)

The Group has registered the following projects with the BOI under the Omnibus Investments Code of 1987 (Executive Order No. 226) as of December 31, 2024:

<u>Project Name</u>	<u>Reg. No.</u>	<u>Date Registered</u>	<u>ITH Period</u>	<u>Registered Activity</u>
Deca Homes Minglanilla Subdivision Phase 3	2008-158	July 14, 2008	4 years	Developer of Low-cost Mass Housing Project
Deca Homes Minglanilla Subdivision Phase 4	2008-159	July 14, 2008	4 years	Developer of Low-cost Mass Housing Project
Deca Homes Mandaue Prime	2008-309	November 14, 2008	4 years	Developer of Low-cost Mass Housing Project
Deca Homes Mactan 3	2008-315	November 20, 2008	4 years	Developer of Low-cost Mass Housing Project
Deca Homes Resort Residences	2009-038	May 4, 2009	4 years	Developer of Low-cost Mass Housing Project
Deca Homes Minglanilla Homes	2009-082	June 19, 2009	4 years	Developer of Low-cost Mass Housing Project
Deca Homes Nothfield Estates	2009-157	November 11, 2009	4 years	Developer of Low-cost Mass Housing Project
Deca Homes Talisay	2009-193	December 17, 2009	4 years	Developer of Low-cost Mass Housing Project
Deca Homes Minglanilla Subdivision Phase 5	2010-003	January 8, 2010	3 years	Developer of Low-cost Mass Housing Project
Deca Homes Minglanilla Subdivision Phase 6	2010-004	January 8, 2010	3 years	Developer of Low-cost Mass Housing Project
Savannah Green Plains Phase 3	2010-068	March 22, 2010	3 years	Expanding Developer of Low-cost Mass Housing Project
Deca Homes Mactan 4	2010-127	July 13, 2010	4 years	Developer of Low-cost Mass Housing Project
Deca Homes Pavia	2010-128	July 13, 2010	4 years	Developer of Low-cost Mass Housing Project
Deca Homes Esperanza	2011-009	January 10, 2011	4 years	Developer of Low-cost Mass Housing Project
Deca Homes Mactan 5	2011-008	January 10, 2011	4 years	New Developer of Low-cost Mass Housing Project
Deca Homes Resort Residences Phase 10	2011-007	January 10, 2011	3 years	Developer of Low-cost Mass Housing Project
Bon Giorno Homes Subdivision	2011-035	February 8, 2011	4 years	New Developer of Low-cost Mass Housing Project
Deca Homes Resort Residences Phase 8-A	2011-119	July 5, 2012	3 years	Developer of Low-cost Mass Housing Project
Deca Homes Resort Residences Phase 8-B	2011-120	July 5, 2012	3 years	Developer of Low-cost Mass Housing Project
Deca Homes Resort Residences Phase 8-C	2012-121	July 5, 2012	3 years	Developer of Low-cost Mass Housing Project
Azalea Baguio Residences	2012-174	August 22, 2012	4 years	New Operator of Tourist Accommodation Facility - Apartment Hotel
Bella Vista Subdivision	2013-049	February 18, 2012	4 years	New Developer of Low-cost Mass Housing Project
Urban Homes Tipolo Condominium	2013-062	March 8, 2013	3 years	New Developer of Low-cost Mass Housing Project
Deca Clark Residences & Resort Phase 5&6	2013-213	October 29, 2013	3 years	New Developer of Low-cost Mass Housing Project
Deca Homes Resort Residences Phase 9	2014-109	July 22, 2014	3 years	Expanding Developer of Low-cost Mass Housing Project
Deca Homes Indangan Phase 1	2014-128	August 15, 2014	4 years	New Developer of Low-cost Mass Housing Project
Deca Homes Resort Residences Phase 12	2014-129	August 15, 2014	3 years	Expanding Developer of Low-cost Mass Housing Project
Deca Homes Baywalk - Talisay II	2014-172	October 8, 2014	3 years	Expanding Developer of Low-cost Mass Housing Project
Deca Homes Resort Residences Executive	2014-174	October 9, 2014	3 years	Expanding Developer of Low-cost Mass Housing Project

<u>Project Name</u>	<u>Reg. No.</u>	<u>Date Registered</u>	<u>ITH Period</u>	<u>Registered Activity</u>
Deca Homes Pavia Phase 2	2014-189	October 28, 2014	3 years	Expanding Developer of Low-cost Mass Housing Project
Deca Homes Indangan Phase 2	2014-190	October 18, 2014	3 years	New Developer of Low-cost Mass Housing Project
Urban Deca Homes Tisa	2015-200	September 28, 2015	3 years	New Developer of Economic And Low-Cost Housing Project
Deca Homes Our Lady of Guadalupe	2015-201	September 28, 2015	3 years	New Developer of Economic and Low-Cost Housing Project
Deca Homes Pavia Resort Residences	2015-202	September 28, 2015	4 years	New Developer of Economic and Low-Cost Housing Project
Urban Deca Homes Campville	2015-234	September 28, 2015	3 years	Developer of Low-cost Mass Housing Project
Marseilles Subdivision	2015-235	November 2, 2015	4 years	New Developer of Economic and Low-Cost Housing Project
Deca Clark Residences & Resort Phase 3&4	2015-236	November 3, 2015	3 years	Expanding Developer of Economic and Low-Cost Housing Project
Deca Clark Residences & Resort Phase 7&8	2015-237	November 3, 2015	3 years	Expanding Developer of Economic and Low-Cost Housing Project
Deca Homes Resort Residences Prime	2015-273	December 14, 2015	3 years	New Developer of Economic and Low-Cost Housing Project
Deca Homes Baywalk - Talisay III	2016-205	October 4, 2016	3 years	Expanding Developer of Low-cost Mass Housing Project
Urban Deca Homes H. Cortes	2016-206	October 4, 2016	3 years	New Developer of Economic and Low-Cost Housing Project
Urban Deca Homes Hampton	2016-254	December 14, 2016	4 years	New Developer of Economic and Low-Cost Housing Project
Urban Deca Homes Manila	2017-004	January 4, 2017	3 years	New Developer of Economic and Low-Cost Housing Project
Deca Homes Mulig	2017-264	September 11, 2017	4 years	New Developer of Economic and Low-Cost Housing Project
Deca Homes Pavia Resort Residences Phase 2	2017-291	October 25, 2017	3 years	Expanding Developer of Economic and Low-Cost Housing Project
Urban Deca Homes Marilao Subd	2017-336	December 13, 2017	4 years	New Developer of Economic and Low-cost Housing Project
Urban Deca Homes Mahogany	2017-337	December 13, 2017	4 years	New Developer of Economic and Low-Cost Housing Project
Urban Deca Homes Marilao	2017-337	February 8, 2018	4 years	New Developer of Economic and Low-Cost Housing Project
Urban Deca Homes South Bacolod	2017-337	March 13, 2018	4 years	New Developer of Economic and Low-Cost Housing Project
Dec Hones Gensan 1	2018-054	March 13, 2018	4 years	New Developer of Economic and Low-Cost Housing Project
Deca Homes Ormoc Gregoria Residences	2019-262	December 4, 2019	4 years	New Developer of Economic and Low-Cost Housing Project
Deca Homes Sta. Barbara Resort Residences	2018-276	December 18, 2018	4 years	New Developer of Economic and Low-Cost Housing Project
DECA Clark Residences & Resort Phase 9,10&11	2018-055	March 13, 2018	4 years	New Developer of Economic and Low-cost

<u>Project Name</u>	<u>Reg. No.</u>	<u>Date Registered</u>	<u>ITH Period</u>	<u>Registered Activity</u>
Urban Deca Homes Marilao Phase 2B	2017-291	March 12, 2020	3 years	Expanding Developer of Economic and Low-Cost Housing Project
Deca Homes Meycauayan	2020-048	March 12, 2020	4 years	New Developer of Economic and Low-cost Housing Project
Deca Homes Talmo Phase 1 and Phase 2	2020-045	March 12, 2020	4 years	New Developer of Economic and Low-Cost Housing Project
Urban Deca Homes Marilao Phase 2A	2020-046	March 12, 2020	3 years	Expanding Developer of Economic and Low-Cost Housing Project
Urban Deca Homes Banilad – Tower 1,2,3	2020-138	August 24, 2020	4 years	New Developer of Economic and Low-Cost Housing Project
Deca Clark Resort Residences and Resort Phase 12	2020-166	September 14, 2020	3 years	Expanding Developer of Economic and Low-Cost Housing Project
Deca Homes Leganes Site 1,2,3 4 & 5	2022-104	July 19, 2022	4 years	Expanding Developer of Economic and Low-Cost Housing Project
Deca Homes Pampanga	2024-267	September 17, 2024	6 years	Expanding Developer of Economic and Low-Cost Housing Project

Pursuant to the above registrations, the Group had been granted income tax holiday (ITH) or a period of three to four years from the date of registration or actual start of commercial operation, whichever is earlier, subject to certain conditions. Interest income from in-house financing is not covered by ITH.

The Group shall be entitled to ITH provided that it maintains a 75:25 debt-equity ratio as required by the BOI. In the event that the Group fails to maintain the ratio requirement, the Group shall present evidence that the construction of housing units have been completed and delivered to the buyers prior to the availment of ITH; otherwise, the Group shall not be entitled to ITH and shall be required to refund any capital incentives availed.

The Group's debt-to-equity ratios per subsidiary that has BOI-registered projects is as follows:

	8990 HDC		8990 LHDC		DHDC	
	2024	2023	2024	2023	2024	2023
Total liabilities	55,034,582,570	49,397,171,035	1,140,205,937	1,131,768,538	401,152,525	475,872,429
Total equity	35,785,216,689	30,788,775,250	3,423,128,482	3,427,418,399	818,035,772	807,270,740
Debt equity ratio	61:39	62:38	25:75	25:75	33:67	36:64

	THC		FHI		PLI	
	2024	2023	2024	2023	2024	2023
Total liabilities	7,031,868,235	6,573,025,386	906,693,275	8,204,490	2,665,635,470	3,443,445,423
Total equity	7,972,580,105	12,485,624,465	3,542,244,719	3,508,604,802	4,541,268,712	3,854,114,032
Debt equity ratio	47:53	34:66	20:80	22:78	37:63	47:53

The Group is in compliance with BOI's required ratio as of the end of each reporting period.

29. RELATED PARTY TRANSACTIONS

The Group has entered into transactions with related parties principally consisting of cash advances and reimbursement of expenses. Settlement of outstanding balances of advances is made through cash or offsetting as maybe agreed by the parties. As of December 31, 2024, 2023 and 2022, the Group recognized allowance for credit losses relating to amounts owed by related parties. This assessment is undertaken each financial year by examining the financial position of the related party through liquidity approach and considered time value of money as well as the market in which the related party operates [see Note 4.1(a)(iii)].

29.1 Related Party Transactions and Outstanding Balances

The summary of the Group's transactions and the related outstanding balances with related parties is presented below and in the succeeding page.

2024			
Category	Amount of Transactions	Outstanding Balance	Terms and Conditions
Stockholders			
Due from related parties	(74,754,000)	248,960,321	Noninterest-bearing, payable on demand, unsecured, net of allowance for credit loss
Due to related parties	129,485,092	(87,547,750)	Noninterest-bearing, payable on demand, unsecured
Dividends	-	-	Cash dividends declared by Parent Company (See Note 20)
Entities under common control			
Due from related parties	(34,727,643)	2,903,209,977	Noninterest-bearing, payable on demand, unsecured, net of allowance for credit loss
Due to related parties	(15,704,772)	(71,239,410)	Noninterest-bearing, payable on demand, unsecured
Rental income	6,381,810	-	See Notes 13 and 27
Key management personnel			
Compensation	47,160,293		
Plan assets		16,850,358	See Note 26
2023			
Category	Amount of Transactions	Outstanding Balance	Terms and Conditions
Stockholders			
Due from related parties	-	323,714,322	Noninterest-bearing, payable on demand, unsecured, net of allowance for credit loss
Due to related parties	17,404,692	(217,032,842)	Noninterest-bearing, payable on demand, unsecured
Dividends	(203,500,000)	50,875,000	Cash dividends declared by Parent Company (See Note 20)
Entities under common control			
Due from related parties	1,217,050,459	2,937,937,620	Noninterest-bearing, payable on demand, unsecured, net of allowance for credit loss

Category	Amount of Transactions	Outstanding Balance	Terms and Conditions
Due to related parties	(511,975)	(55,534,638)	Noninterest-bearing, payable on demand, unsecured
Rental income	6,695,405	-	See Notes 13 and 27
Key management personnel Compensation	35,929,589	-	
Plan assets		15,034,998	See Note 26

2022

Category	Amount of Transactions	Outstanding Balance	Terms and Conditions
Stockholders			
Due from related parties	203,562,593	323,714,322	Noninterest-bearing, payable on demand, unsecured, net of allowance for credit loss
Due to related parties	(207,206,419)	(234,437,534)	Noninterest-bearing, payable on demand, unsecured
Dividends	(504,815,000)	50,875,000	Cash dividends declared by Parent Company (See Note 20)
Entities under common control			
Due from related parties	511,987,686	1,720,887,161	Noninterest-bearing, payable on demand, unsecured, net of allowance for credit loss
Due to related parties	(395,927)	(55,022,663)	Noninterest-bearing, payable on demand, unsecured
Rental income	7,782,638	-	See Notes 13 and 27
Key management personnel Compensation	31,736,344	-	
Plan assets		15,306,235	See Note 26

Other related parties are entities owned and controlled by the certain shareholders of the Group which are considered related to the Group by virtue of common ownership and control.

The details of the Group's due from related parties are presented below.

	2024	2023	2022
Balance at beginning of year, net of allowance	3,261,651,942	2,044,601,483	1,329,051,204
Cash advances provided	1,823,364,660	1,276,352,378	900,335,484
Collections	(1,957,681,176)		(35,342)
Provision for credit losses (recovery)	24,834,872	(59,301,919)	(184,749,863)
	3,152,170,298	3,261,651,942	2,044,601,483

A reconciliation of the allowance for credit losses at the beginning and end of the year is shown below.

	2024	2023	2022
Balance at beginning of year	444,937,659	385,635,740	200,885,878
Impairment losses during the year	6,199,959	59,301,919	184,749,862
Recovery	(31,034,831)	-	-
	420,102,787	444,937,659	385,635,740

The expected credit losses recognized is presented as part of Expected credit loss and impairment losses under Operating Expenses (see Note 23).

8990 HDC entered into an agreement with 8990 Commercial Management Corporation (8990 CMC), an entity owned by a major stockholder, wherein the investment property of the former will be used, managed and maintained by the latter. Any income generated by and any expenses related to the property shall be for the account of 8990 CMC (see Note 13).

The Group shoulders the administrative/accounting cost of certain other related parties at no cost.

29.2 Key Management Compensation

The key management personnel of the Group include all directors, executive, and members of senior management. The compensation and short-term benefits of key management personnel amounted to P47.2 million, P36.0 million and P31.7 million in 2024, 2023 and 2022, respectively (see Note 23). Post-employment benefits of key management personnel amounted to P1.3 million, P0.9 million and P0.8 million in 2024, 2023 and 2022, respectively.

30. COMMITMENTS, PROVISIONS AND CONTINGENCIES

30.1 Provisions and Contingencies

In the normal course of business, the Group is involved in various commitments wherein contingencies are also involved. In the opinion of the management, such contingencies will not have a material effect on the Group's consolidated financial statements. Nevertheless, there were certain provisions for probable losses in 2024, 2023 and 2022, respectively, that were recognized by the Group. Total provisions for probable losses recognized as at December 31, 2024, 2023 and 2022 amounted to P56.1 million, P56.1 million and P56.1 million and are presented as part of Others in Trade and Other Payables (see Note 15). The details of these provisions were not disclosed since these may prejudice the position of the Group.

30.2 Commitments

The 8990 Group and the related entities have a contractual commitment to be jointly and severally liable for all of their monetary obligations to a local bank as disclosed in Note 17.

31. EARNINGS PER SHARE

Basic EPS is calculated by dividing the net profit for the year after deducting preferred dividends by the weighted average number of common shares outstanding during the reporting period (adjusted for any stock dividends, if any).

The following table reflect the net profit and share data used in the basic/diluted EPS computations:

	2024	2023	2022
Net profit attributable to equity holders of 8990 Holdings, Inc.	P 5,426,067,742	P 6,884,536,038	P 7,635,444,219
Less: preferred dividends	-	(203,500,000)	(504,815,500)
Net profit after preferred dividends	P 5,426,067,742	P 6,681,036,038	P 7,130,629,219
Divided by weighted average number of common shares	5,326,598,535	5,391,399,020	5,391,399,020
Basic/diluted EPS	P 1.02	P 1.24	P 1.32

There were no potential dilutive common shares in 2024, 2023, and 2022.

32. NOTES TO CONSOLIDATED STATEMENTS OF CASH FLOWS

32.1 Supplemental Information on Non-cash Operating and Investing Activities

The following are the significant non-cash transactions of the Group:

(a) 2024

- 32.1.1 The Group recognized interest income from loans to a third party amounting to P 55.1 million, same amount was uncollected as at December 31, 2024 (see Note 8).
- 32.1.2 The inventories increased by P6.9 billion as a result of repossessions due to cancellations of sales (see Note 9).

(b) 2023

- 32.1.3 The Group recognized interest income from loans to a third party amounting to P 39.4 million, none was uncollected as at December 31, 2023 (see Note 8).
- 32.1.4 The inventories increased by P7.2 billion as a result of repossessions due to cancellations of sales (see Note 9).

(c) 2022

- 32.1.5 The Group recognized interest income from loans to a third party amounting to P63.5 million, of which, P3.6 million was uncollected as at December 31, 2022 (see Note 8).
- 32.1.6 The inventories increased by P6.5 billion as a result of repossessions due to cancellations of sales (see Note 9).

32.2 Reconciliation of Liabilities Arising from Financing Activities

Presented below is the reconciliation of the Group's liabilities arising from financing activities, which includes both cash and non-cash changes.

	Due to Related Parties (see Note 29)	Notes Payable (see Note 18)	Loans Payable (see Note 17)	Total
Balance at January 1, 2024	272,567,480	6,500,000,000	35,518,552,565	42,291,120,044
Cash flows from financing activities:				
Advances received	-	-	-	-
Advances settled	(113,780,320)	-	-	(113,780,319)
Loan availments	-	-	30,340,873,347	30,340,873,347
Loan repayments	-	(459,211,387)	(20,558,826,945)	(21,018,038,332)
Availment of notes	-	-	-	-
Balance at December 31, 2024	158,787,160	6,040,788,613	45,300,598,967	51,500,174,740

	Due to Related Parties (see Note 29)	Notes Payable (see Note 18)	Loans Payable (see Note 17)	Total
Balance at January 1, 2023	289,460,197	-	41,979,352,441	42,268,812,638
Cash flows from financing activities:				
Advances received	511,975	-	-	511,975
Advances settled	(17,404,692)	-	-	(17,404,692)
Loan availments	-	-	17,297,675,121	17,297,675,121
Loan repayments	-	-	(23,758,474,997)	(23,758,474,997)
Availment of notes	-	6,500,000,000	-	6,500,000,000
Balance at December 31, 2023	272,567,480	6,500,000,000	35,518,552,565	42,291,120,044

	Due to Related Parties (see Note 29)	Bonds and Notes Payable (see Note 18, 19)	Loans Payable (see Note 17)	Total
Balance at January 1, 2022	81,857,852	1,092,631,999	29,869,174,726	31,043,664,577
Cash flows from financing activities:				
Advances received	207,726,125	-	-	207,726,125
Advances settled	(123,780)	-	-	(123,780)
Loan availments	-	-	17,726,550,164	17,726,550,164
Loan repayments	-	-	(5,616,372,449)	(5,616,372,449)
Payment of notes	-	(500,000,000)	-	(500,000,000)
Payments of bonds	-	(599,882,750)	-	(599,882,750)
Non-cash financing activities:				-
Loss on Early Redemption	-	6,592,275	-	6,592,275
Amortization of bond issue costs	-	658,476	-	658,476
Balance at December 31, 2022	289,460,197	-	41,979,352,441	42,268,812,638

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY SCHEDULES

The Shareholders and Board of Directors
8990 Holdings, Inc. and Subsidiaries
11th Floor Liberty Center
104 H.V. Dela Costa, Salcedo Village
Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of **8990 Holdings, Inc. and Subsidiaries** as at and for the year ended December 31, 2024 and issued our report thereon dated April 14, 2025. Our audits were made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The schedules listed in the Index to the consolidated Financial Statements and Supplementary Schedules are the responsibility of the Group's Management. These schedules are presented for purpose of complying with the Securities Regulation Code (SRC) 68, as amended, and are not part of the consolidated financial statements. These supplementary schedules have been subjected to the auditing procedures applied in the audit of the consolidated financial statements and in our opinion, the information fairly states in all material respects the financial data required to be set forth therein in relation to the consolidated financial statements taken as a whole.

RAMON F. GARCIA & CO., CPAs

By:



CHRISTOPHER C. ALCANTARA

Partner

CPA Certificate No. 0107764

PTR No. 10490132, January 21, 2025, Makati

TIN 227-976-865-000

BOA/PRC Accreditation No.0207 (Valid until October 5, 2025)

Partner's BIR Accreditation No. 08-001759-004-2024 (May 22, 2024 to May 21, 2027)

Partner's SEC Accreditation No. 107764, Group A (Valid for the audit of 2022 to 2026 financial statements)

Firm's BIR Accreditation No. 08-001759-000-2023 (March 13, 2023 to March 12, 2026)

Firm's SEC Accreditation No. 0207-SEC, Group A (Valid for the audit of 2021 to 2025 financial statements)

April 14, 2025
Makati City

8990 HOLDINGS INC. AND SUBSIDIARIES
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
DECEMBER 31, 2024

Schedules Required under Annex 68-J of the Securities Regulation Code Rule 68

Schedule	Description	Page No.
A	Financial Assets	
	Financial Assets at Fair Value Through Other Comprehensive Income	1
B	Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)	2
C	Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements	3
D	Long-Term Debt	4
E	Indebtedness to Related Parties	None
F	Guarantees of Securities of Other Issuers	None
G	Capital Stock	5

Other Required Schedules/Information

Financial Indicators	6
Reconciliation of Retained Earnings Available for Dividend Declaration	7 -8
Map Showing the Relationship Between and Among Related Entities	9 - 11

8990 HOLDINGS INC. AND SUBSIDIARIES
SCHEDULE A - FINANCIAL ASSETS
DECEMBER 31, 2024
(Amounts in Philippine Pesos)

Name of Issuing Entity and Association of Each Issue	Amount Shown in the Consolidated Statement of Financial Position	Value Based on Market Quotation at Statement of Condition Date	Income Received and Accrued
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME			
Azalea Resorts and Vacation Club, Inc.			
Preferred shares	₱23,112,000	₱—*	₱—
Common shares	5,000,000		
Azalea Leisure Residences Corporation			
Preferred shares	1,376,486,630	—*	—
Pico de Loro Beach and Country Club			
Club shares	633,500	—*	—
Total	1,405,232,130		

*The shares are unquoted instruments

8990 HOLDINGS, INC. AND SUBSIDIARIES
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	Not Current	
Azalea Leisure Residences Corporation	374,448,275	23,453,009	-		397,901,284		397,901,284
Yumahouse, Inc.	436,785,417	13,860,658	-	-	450,646,075		450,646,075
iHoldings	72,954,974	-		-	72,954,974		72,954,974
Kwantlen Development Corporation	45,000,000	-	-	-	45,000,000	-	45,000,000
New Ideas Verbalize, Inc.	24,036,544	-	(1,500.00)	-	24,035,044	-	24,035,044
Bon Giorno Homes, Inc.	16,354,311	-	-	-	16,354,311	-	16,354,311
8990 Cebu Housing Development Corporation	13,869,994	-	(142,211)	-	13,727,783	-	13,727,783
8990 Iloilo Housing Development Corporation	11,993,180	-	-	-	11,993,180	-	11,993,180
8990 Commercial Management Corporation	5,076,457	-	(90,099)	-	4,986,358	-	4,986,358
Modernland	6,597,618	-	(5,400,015)	-	1,197,603	-	1,197,603
Tondo Condo Corp	151,728,336	66,186,352	-		217,914,688		217,914,688
Hampton Condo Corp	38,224,268	-	-		38,224,268		38,224,268
UDHHcortes Condo Corp	38,131,048	3,592,738	-		41,723,786		41,723,786
UDH Tisa Condo Corp	49,543,839	-	(16,887,492)		32,656,347		32,656,347
Campville Condo Corp	39,819,788	7,359,522	-		47,179,310		47,179,310
Marilao Condo Corp	49,881,158	3,821,736	-		53,702,894		53,702,894
Others	<u>2,332,144,394</u>	<u>1,705,090,644</u>	<u>(1,935,159,859)</u>	<u>-</u>	<u>2,102,075,179</u>		<u>2,102,075,179</u>
TOTAL	<u>P 3,706,589,601</u>	<u>1,823,364,659</u>	<u>(1,957,681,176)</u>	<u>-</u>	<u>P 3,572,273,084</u>	<u>-</u>	<u>P 3,572,273,084</u>

8990 HOLDINGS, INC. AND SUBSIDIARIES
SCHEDULE C - AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED
DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS
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	Not Current	
8990 Housing Development Corporation	P 5,411,612,980	P 1,110,860,722	P (3,512,000,768)	-	P 3,010,472,934	-	P 3,010,472,934
8990 Luzon Housing Development Corporation	217,160,015	37,332,707	(37,332,774)	-	217,159,948	-	217,159,948
8990 Mindanao Housing Development Corporation	226,623,360	423,207	-	-	227,046,567	-	227,046,567
8990 Davao Housing Development Corporation	272,016,441	1,011,739	(55,587,558)	-	217,440,622	-	217,440,622
8990 Leisure and Resorts Corporation	329,947,816	22,660,579	-	-	352,608,395	-	352,608,395
Fog Horn, Inc.	8,492,902	5,841,253	(6,492,147)	-	7,842,009	-	7,842,009
Tondo Holdings, Inc.	3,563,197,430	60,841,297	(47,840,754)	-	3,576,197,973	-	3,576,197,973
Euson Realty and Development Corporation	3,193,497,277	20,199,300	(13,822,573)	-	3,199,874,004	-	3,199,874,004
8990 Coastal Estates Inc.	520,506,567	12,712,228	-	-	533,218,795	-	533,218,795
Primex Land, Inc.	484,394,507	159,227,050	(420,620,209)	-	223,001,348	-	223,001,348
Genvi Development Corporation	2,173,492,595	2,480,002,209	-	-	4,653,494,804	-	4,653,494,804
8990 Holdings Inc.	1,387,894,726	921,215,702	-	-	2,309,110,428	-	2,309,110,428
Picadilly Premier Land Inc.	423,000,000	764,202,636	-	-	1,187,202,636	-	1,187,202,636
	<u>P 18,211,836,617</u>	<u>P 5,596,530,630</u>	<u>P (4,093,696,783)</u>	<u>P -</u>	<u>P 19,714,670,463</u>	<u>-</u>	<u>P 19,714,670,463</u>

8990 HOLDINGS, INC. AND SUBSIDIARIES
SCHEDULE D - LONG-TERM DEBT
DECEMBER 31, 2024

Title of Issue and Type of Obligation	Amount Authorized by Indenture	Amount Shown under Caption "Current Portion of Long Term Debt" in Related Balance Sheet	Amount Shown under Caption "Long-Term Debt" in Related Balance Sheet
Loans payable	₱ 45,300,598,967	₱ 15,840,799,579	₱ 29,459,799,388
Notes Payable	₱ 6,040,788,613	₱ 493,704,407	₱ 5,547,084,206

8990 HOLDINGS, INC.
SCHEDULE G - CAPITAL STOCK
DECEMBER 31, 2024

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding	Number of Shares Reserved for Options, Warrants, Conversion and Other Rights	Number of Shares Held by		Others
				Related parties	Directors, Officers and Employees	
Common Shares at ₱1 par value	6,850,000,000	5,261,181,820	—	3,450,692,020	432,021,895	1,378,467,905
Preferred Shares Series A at ₱1 par value	50,000,000	-	—	—	—	-
Preferred Shares Series B at ₱1 par value	50,000,000	-	—	—	—	-
Preferred Shares ₱ 0.01 par value	5,000,000,000	-	-	-	-	-

8990 HOLDINGS, INC. AND SUBSIDIARIES

Supplemental Schedule of Financial Soundness Indicators December 31, 2024 and 2023

Ratio	Formula	December 31, 2024	Formula	December 31, 2023
Current ratio	Total Current Assets	84,163,275,600	Total Current Assets	71,920,952,756
	Divided by Total Current Liabilities	23,278,129,961	Divided by Total Current Liabilities	28,451,671,134
		3.62		2.53
Acid test ratio	Total Current Assets	84,163,275,600	Total Current Assets	71,920,952,756
	Less: Inventories	64,389,674,994	Less: Inventories	52,330,267,709
	Other Current Assets	6,307,571,650	Other Current Assets	5,874,365,517
	Quick Assets	13,466,028,956	Quick Assets	13,716,219,530
	Divide by: Total Current Liabilities	23,278,129,961	Divide by: Total Current Liabilities	28,451,671,134
		0.58		0.48
Solvency ratio	Total Liabilities	60,111,346,033	Total Liabilities	53,656,787,251
	Divided by Total Assets	116,003,881,373	Divided by Total Assets	108,986,410,818
		0.52		0.49
Debt-to-equity ratio	Total Liabilities	60,111,346,033	Total Liabilities	53,656,787,251
	Divided by Total Equity	55,768,163,302	Divided by Total Equity	55,226,929,327
		1.08		0.97
Assets-to- equity ratio	Total Assets	116,003,881,373	Total Assets	108,986,410,818
	Divided by Total Equity	55,768,163,302	Divided by Total Equity	55,226,929,327
		2.08		1.97
Interest rate coverage ratio	Earnings before interest and taxes (EBIT)	7,346,821,350	Earnings before interest and taxes (EBIT)	10,048,003,948
	Divide by: Interest Expense	1,514,650,045	Divide by: Interest Expense	2,194,363,343
		4.85		4.58
Return on equity	Net Profit	5,426,972,070	Net Profit	6,884,536,038
	Divide by: Total Equity	55,768,163,302	Divide by: Total Equity	55,226,929,327
		0.10		0.12
Return on assets	Net Profit	5,426,972,070	Net Profit	6,884,536,038
	Divide by: Total Assets	116,003,881,373	Divide by: Total Assets	108,986,410,818
		0.05		0.06
Net profit margin	Net Profit	5,426,972,070	Net Profit	6,884,536,038
	Divide by: Total Revenue	19,039,390,973	Divide by: Total Revenue	22,664,559,524
		0.29		0.30

**Reconciliation of Retained Earnings Available for Dividend Declaration
For the reporting period ended December 31, 2024**

8990 HOLDINGS INC.

11th Floor Liberty Center, 104 H.V. Dela Costa, Salcedo Village, Makati City

Unappropriated Retained Earnings, beginning of reporting period (See footnote 2)	6,546,049,038
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings	
Reversal of Retained Earnings Appropriation/s	-
Effect of restatements or prior-period adjustments	-
Others (describe nature)	-
	-
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings	
Dividend declaration during the reporting period	-
Retained Earnings appropriated during the reporting period	-
Effect of restatements or prior-period adjustments	-
Others (describe nature)	-
	-
Unappropriated Retained Earnings, as adjusted	6,546,049,038
Add/Less: Net Income (loss) for the current year	3,828,342,786
Less: Category C.1: Unrealized Income recognized in the profit or loss during the reporting period (Net of tax)	
Equity in net income of associate/joint venture, net of dividends declared	(13,279,406)
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	-
Unrealized fair value through profit or loss (FVTPL)	-
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-
Sub-total	(13,279,406)
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)	
Realized foreign exchange gain, except those attributable to cash and cash equivalents	-
Realized fair value adjustments (market-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-
Realized fair value gain of Investment property	-
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS – share in net income of associate realized upon disposal	108,546,642
Sub-total	108,546,642

Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)

Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-	
Reversal of previously recorded fair value adjustment (mark-to-mark gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Reversal of previously recorded fair value gain of investment property	-	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded (describe nature)	-	
Sub-total	-	-
Adjusted Net Income/Loss		3,923,610,022

Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)

Depreciation on revaluation increment (after tax)	-	
Sub-total	-	-

Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP

(See Footnote 3)

Amortization of the effect of reporting relief	-	
Total amount of reporting relief granted during the year	-	
Others (describe nature)	-	
Sub-total	-	-

Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution

Net movement of treasury shares (except for reacquisition of redeemable shares)	(1,221,450,269)	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	-	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up right of use asset and lease liability, set-up asset and concession payable.	-	
Adjustment due to deviation from PFRS/GAAP - gain (loss)	-	
Others (describe nature)	-	
Sub-total		(1,221,450,269)

Total Retained Earnings, end of the reporting period available for dividend

9,248,208,791

Footnotes:

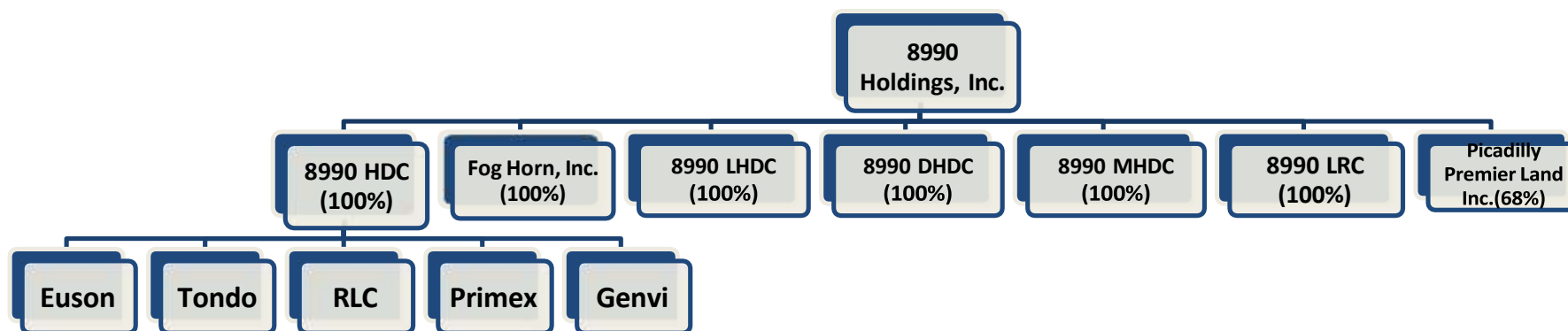
(1) The amount of retained earnings of a company should be based on its separate ("Stand-alone") audited financial statements.

(2) Unappropriated Retained Earnings, beginning of reporting period refers to the ending balance as reported in the "Reconciliation of Retained Earnings Available for Dividend Declaration" of the immediately preceding period.

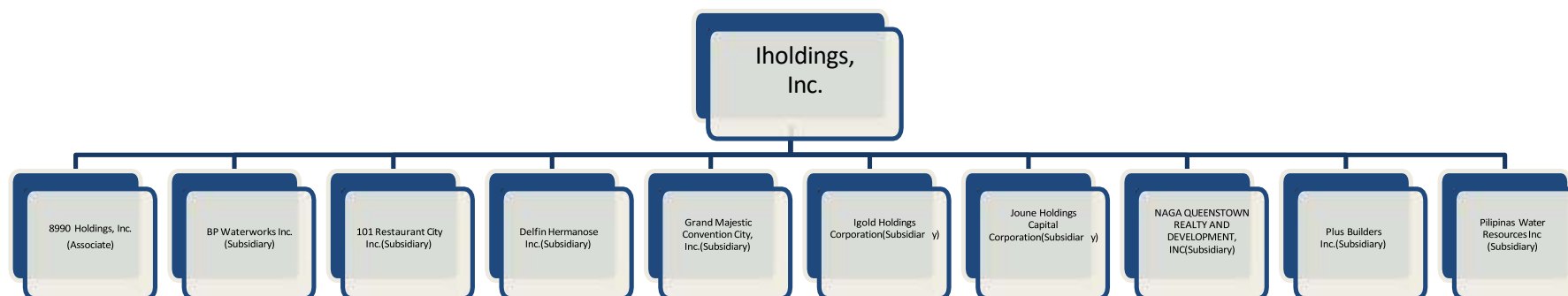
(3) Adjustments related to the relief provided by the SEC and BSP pertain to accounting relief (e.g. losses that are reported on a staggered basis) granted by regulators. However, these are actual losses sustained by the company and must be adjusted in the reconciliation to reflect the actual distributable amount.

(4) This reconciliation of Retained Earnings Available for Dividend Declaration is pursuant to Sec. 42 of the Revised Corporation Code, which prohibits stock corporations to retain surplus profits in excess of one hundred (100%) percent of their paid-in capital and their power to declare dividends. However, this reconciliation of Retained Earnings should not be used by the REIT companies as a basis to determine the amount of its distributable income should be in accordance with the REIT Act and its Implementing Rules and Regulations.

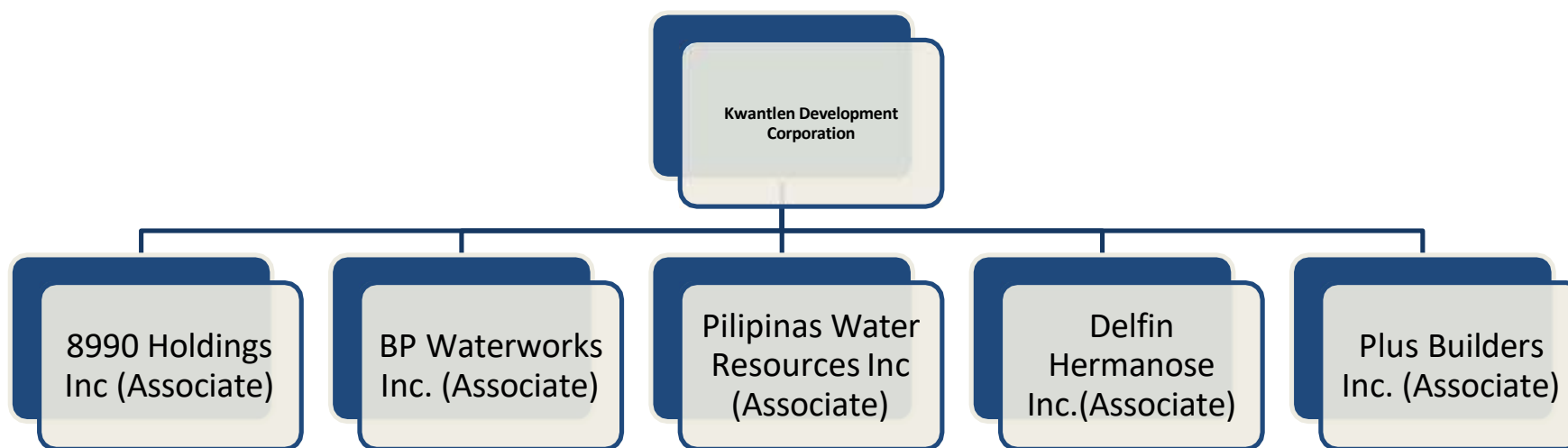
8990 HOLDINGS, INC. AND SUBSIDIARIES
MAP SHOWING THE RELATIONSHIP BETWEEN AND AMONG THE
PARENT COMPANY AND ITS SUBSIDIARIES
DECEMBER 31, 2024



8990 HOLDINGS, INC. AND SUBSIDIARIES
MAP SHOWING THE RELATIONSHIP BETWEEN AND AMONG THE
PARENT COMPANY AND ITS SUBSIDIARIES
DECEMBER 31, 2024



8990 HOLDINGS, INC. AND SUBSIDIARIES
MAP SHOWING THE RELATIONSHIP BETWEEN AND
AMONG THE PARENT COMPANY AND ITS
SUBSIDIARIES
DECEMBER 31, 2024



8990 HOLDINGS INC AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE-RELATED
INFORMATION
DECEMBER 31, 2024

Audit And Non-Audit Fees of the Company and its Consolidated Related Entities

	<u>2024</u>	<u>2023</u>
Total Audit Fees	13,150,000	12,250,000
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	-
All other services	-	-
Total Non-audit Fees	<u>-</u>	<u>-</u>
Total audit and non-audit fees	<u>13,150,000</u>	<u>12,250,000</u>

Audit and Non-audit Fees of Other Related Entities

	<u>2024</u>	<u>2023</u>
Audit fees	-	-
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	-
All other services	-	-
Total audit and non-audit fees of other related entities	<u>-</u>	<u>-</u>

COVER SHEET

C	S	2	0	0	5	1	1	8	1	6

S.E.C. Registration Number

[illegible][illegible][illegible][illegible]

(Company's Full Name)

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C	O	S	T	A,		S	A	L	C	E	D	O		V	I	L	L	A	G	E,		M	A	K	A	T	I	

[illegible][illegible]

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

Hazel Helmuth Compliance Officer Contact Person/s

(632) 4789659/5333915/5333917	
Company	Telephone

Number

1	2

3	1

SEC Form 17-A
December 31, 2024

0	7

2	9

Month Day
Calendar Year

FORM TYPE

Month Day
Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

32	

Total No. of Stockholders

32

Domestic

0

Foreign

To be accomplished by SEC Personnel concerned

[illegible]

File Number

LCU

LCU

[illegible]

Document I.D.

Cashier

STAMPS



Lae Duyogan <8990holdings02@gmail.com>

Your BIR AFS eSubmission uploads were received

1 message

eafs@bir.gov.ph <eafs@bir.gov.ph>

Tue, Apr 15, 2025 at 3:14 PM

To: 8990HOLDINGS02@gmail.com

Cc: 8990HOLDINGS02@gmail.com

Hi 8990 HOLDINGS, INC,

Valid files

- EAFS239508223ITRTY122024.pdf
- EAFS239508223AFSTY122024.pdf
- EAFS239508223TCRTY122024-01.pdf
- EAFS239508223OTHTY122024.pdf
- EAFS239508223RPTTY122024.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-C78C868H03YRTVRZPNSM24WPQ0QS2PYNSW**Submission Date/Time: **Apr 15, 2025 03:14 PM**Company TIN: **239-508-223**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

This is a system-generated e-mail. Please do not reply.

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

The Management of **8990 Holdings Inc** is responsible for the preparation and fair presentation of financial statements, including the schedules attached therein, as of and 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 is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders.

RAMON F. GARCIA AND CO., CPAs the independent auditors appointed by the stockholders, have audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in their report to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.



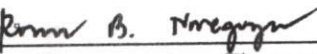
Mariano D. Martinez Jr.
Chairman of the Board



Atty. Anthony Vincent S. Sotto
President and Chief Executive Officer



Richard L. Haosen
Treasurer



Roan Buenaventura-Torregoza
Chief Financial Officer

Subscribed and Sworn to before me this
APR 14 2025 at PASIG CITY City, affiant
exhibiting to me his/her ID No. _____

Doc No. 194
Page No. 110
Book No. 88
Series of 3025

ATTY. JEFFREY ENCINAS, RN
NOTARY PUBLIC FOR AND IN THE CITY OF PASIG
Appointment No. 198 (2024-2025), valid until 31 Dec. 2025
Urban Deca Homes Compound, Ortigas Extension,
Brgy. Rosario, Pasig City
Roll No. 88670
PTR No. 3006465; 03 January 25; Pasig City
IBP No. 490587; 02 January 25; Cavite
MCLE Compliance No. VIII-0016720; exp. on 14 April 2028

Signed this day of: April 14, 2025

HOUSING THE FILIPINO PEOPLE

SUPPLEMENTAL STATEMENT OF INDEPENDENT AUDITORS

The Shareholders and Board of Directors
8990 HOLDINGS, INC.
11TH Floor Liberty Center
104 H.V. Dela Costa, Salcedo Village
Makati City

We have examined the financial statements of **8990 HOLDINGS, INC.** for the year ended December 31, 2024, on which we have rendered the attached report dated April 14, 2025

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the said Parent Company has a total number of one hundred seven (107) shareholders owning one hundred (100) or more shares each.

Very truly yours,

RAMON F. GARCIA & COMPANY, CPAs

By:



CHRISTOPHER C. ALCANTARA

Partner

CPA Certificate No. 0107764

PTR No. 10490132, January 21, 2025, Makati City

TIN 227-976-865-000

BOA/PRC Accreditation No.0207 (Valid until October 5, 2025)

Partner's BIR Accreditation No. 08-001759-004-2024 (May 22, 2024 to May 21, 2027)

Partner's SEC Accreditation No. 107764, Group A (Valid for the audit of 2022 to 2026 financial statements)

Firm's BIR Accreditation No. 08-001759-000-2023 (March 13, 2023 to March 12, 2026)

Firm's SEC Accreditation No. 0207-SEC, Group A (Valid for the audit of 2021 to 2025 financial statements)

April 14, 2025
Makati City

INDEPENDENT AUDITORS' REPORT

The Shareholders and Board of Directors
8990 HOLDINGS, INC.
11TH Floor Liberty Center
104 H.V. Dela Costa, Salcedo Village
Makati City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **8990 HOLDINGS, INC.** ("the Parent 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 then ended, and notes to the 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 Parent Company as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRSs) Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards in Auditing (PSAs). 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 Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, the Code of Ethics for Professional Accountants in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

Auditors' Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance whether the financial statements as a whole are free from material misstatements, 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 PSAs 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, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statement

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

- Identify and assess the risk 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 audit 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 Parent 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 Parent 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 date of our auditors' report. However, future events or conditions may cause the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosure, 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 audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on taxes and licenses and other information in notes to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as whole.

RAMON F. GARCIA & COMPANY, CPAs

By:



CHRISTOPHER C. ALCANTARA

Partner

CPA Certificate No. 0107764

PTR No. 10490132, January 21, 2025, Makati City

TIN 227-976-865-000

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Firm's SEC Accreditation No. 0207-SEC, Group A (Valid for the audit of 2021 to 2025 financial statements)

April 14, 2025

Makati City

8990 HOLDINGS, INC.
STATEMENTS OF FINANCIAL POSITION OF THE PARENT COMPANY
AS OF DECEMBER 31, 2024 and 2023
(Amounts in Philippine Peso)

	Notes	2024	2023
<u>ASSETS</u>			
CURRENT ASSETS			
Cash on hand and in banks	7	13,175,747	6,149,856
Receivables	8	53,969,363	29,248,263
Loans receivables	9, 23	935,779,174	724,816,834
Due from related parties	23	354,839,923	354,839,923
Prepaid income tax		29,104,202	29,104,202
Other current assets - net	14	23,641,833	21,999,648
Total Current Assets		1,410,510,242	1,166,158,726
NON-CURRENT ASSETS			
Investments in subsidiaries	10	44,077,107,964	44,077,107,964
Investments in associates	11	-	267,022,982
Right-of-use asset, net	16	3,417,270	706,568
Intangible asset, net	13	387,443	277,200
Loans receivables	9, 23	-	197,077,362
Other non-current assets	14	432,498	393,891
Deferred tax assets	21	250,364	-
Total Non-current Assets		44,081,595,539	44,542,585,967
TOTAL ASSETS		45,492,105,781	45,708,744,693
<u>LIABILITIES AND EQUITY</u>			
CURRENT LIABILITIES			
Trade and other payables	15	54,200,479	70,245,261
Lease Liability	16	1,252,074	803,260
Due to related parties	23	2,309,110,429	1,387,894,726
Total Current Liabilities		2,364,562,982	1,458,943,247
NON-CURRENT LIABILITIES			
Lease Liability	16	2,222,813	-
Pension liability	19	1,001,455	1,044,088
Deferred tax liabilities, net	21	-	31,494,723
Total Non-current Liabilities		3,224,268	32,538,811
Total Liabilities		2,367,787,250	1,491,482,058
EQUITY			
Capital stock	20	5,517,990,720	5,554,990,720
Additional paid-in capital	20	28,374,009,351	32,037,009,351
Treasury shares, at cost	20	(3,043,595,037)	(1,822,144,768)
Revaluation reserve	19	(285,717)	(449,096)
Retained earnings	20	12,276,199,214	8,447,856,428
Total Equity		43,124,318,531	44,217,262,635
TOTAL LIABILITIES AND EQUITY		45,492,105,781	45,708,744,693

See Notes to Financial Statements

8990 HOLDINGS, INC.
STATEMENTS OF COMPREHENSIVE INCOME OF THE PARENT COMPANY
FOR THE YEARS ENDED DECEMBER 31, 2024 , 2023 AND 2022
(Amounts in Philippine Peso)

	Notes	2024	2023	2022
REVENUES				
Dividend income	10, 23	3,750,718,033	2,742,303,771	1,953,077,419
Interest income	7, 9	68,955,711	52,380,894	87,860,381
Share in net income of associate	11	17,705,874	45,858,106	67,950,366
Gain on redemption	20.2	1,085,386	-	-
Other income		-	1,682,877	-
Total Revenues		3,838,465,004	2,842,225,648	2,108,888,166
EXPENSES				
Professional fees		8,557,090	3,546,428	25,685,745
Salaries and wages	19, 23	4,152,066	3,724,356	3,112,438
Subscription, dues and fees		2,204,192	2,205,342	3,729,430
Depreciation and amortization	12, 13, 16	1,361,783	1,238,460	1,250,780
Taxes and licenses	27	1,048,929	1,449,105	2,123,126
Communication, light and water		217,058	211,047	253,001
Rent	16	156,000	156,000	156,000
Representation		67,258	2,309,347	700,818
Impairment loss	8, 14	-	-	29,801
Loss on early redemption - bonds	18	-	-	6,592,275
Miscellaneous	24	22,934,124	19,299,526	19,857,553
Total Expenses		(40,698,500)	(34,139,611)	(63,490,967)
OPERATING INCOME		3,797,766,504	2,808,086,037	2,045,397,199
FINANCE COSTS	16, 17, 18	(119,439)	(120,957)	(37,685,410)
INCOME BEFORE TAX		3,797,647,065	2,807,965,080	2,007,711,789
TAX BENEFIT (EXPENSE)	21	30,695,721	(11,979,625)	(17,402,441)
NET INCOME		3,828,342,786	2,795,985,455	1,990,309,348
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss				
Gain (loss) on remeasurement of defined benefit post-employment obligation	19	217,839	(531,850)	(4,603)
Tax benefit (expense)	21	(54,460)	132,963	1,151
		163,379	(398,888)	(3,452)
TOTAL COMPREHENSIVE INCOME		3,828,506,165	2,795,586,568	1,990,305,896
EARNINGS PER SHARE				
Basic and diluted earnings per share	25	0.72	0.48	0.28

See Notes to Financial Statements.

8990 HOLDINGS, INC.
STATEMENTS OF CHANGES IN EQUITY OF THE PARENT COMPANY
FOR THE YEARS ENDED DECEMBER 31, 2024 , 2023 AND 2022
(Amounts in Philippine Peso)

	Note	Capital Stock	Additional Paid-in Capital	Treasury Shares	Revaluation Reserve (Note 19)	Retained Earnings	Total Equity
Balance at January 1, 2024		5,554,990,720	32,037,009,351	(1,822,144,768)	(449,096)	8,447,856,428	44,217,262,635
Redemption of preferred shares	20	(37,000,000)	(3,663,000,000)	-	-	-	(3,700,000,000)
Treasury Share Buy-back	20.3	-	-	(1,221,450,269)	-	-	(1,221,450,269)
Comprehensive income for the year							
Net income		-	-	-	-	3,828,342,786	3,828,342,786
Other comprehensive income		-	-	-	163,379	-	163,379
Balance at December 31, 2024		<u>5,517,990,720</u>	<u>28,374,009,351</u>	<u>(3,043,595,037)</u>	<u>(285,717)</u>	<u>12,276,199,214</u>	<u>43,124,318,531</u>
Balance at January 1, 2023		5,554,990,720	32,037,009,351	(1,806,540,154)	(50,209)	5,855,370,973	41,640,780,681
Cash dividends	20	-	-	-	-	(203,500,000)	(203,500,000)
Treasury Share Buy-back	20.3	-	-	(15,604,614)	-	-	(15,604,614)
Comprehensive income for the year							
Net income		-	-	-	-	2,795,985,455	2,795,985,455
Other comprehensive income		-	-	-	(398,887)	-	(398,887)
Balance at December 31, 2023		<u>5,554,990,720</u>	<u>32,037,009,351</u>	<u>(1,822,144,768)</u>	<u>(449,096)</u>	<u>8,447,856,428</u>	<u>44,217,262,635</u>
Balance at January 1, 2022		5,604,990,720	36,987,009,351	(1,806,540,154)	(46,757)	4,369,876,625	45,155,289,785
Redemption of preferred shares	20	- 50,000,000	- 4,950,000,000	-	-	(504,815,000)	(5,000,000,000)
Cash dividends	20	-	-	-	-	(504,815,000)	(504,815,000)
Comprehensive income for the year							
Net income		-	-	-	-	1,990,309,348	1,990,309,348
Other comprehensive income		-	-	-	(3,452)	-	(3,452)
Balance at December 31, 2022		<u>5,554,990,720</u>	<u>32,037,009,351</u>	<u>(1,806,540,154)</u>	<u>(50,209)</u>	<u>5,855,370,973</u>	<u>41,640,780,681</u>

See Notes to Financial Statements.

8990 HOLDINGS, INC.
STATEMENTS OF CASH FLOWS OF THE PARENT COMPANY
FOR THE YEARS ENDED DECEMBER 31, 2024 , 2023 AND 2022
(Amounts in Philippine Peso)

	Notes	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before tax		3,797,647,065	2,807,965,080	2,007,711,789
Adjustments for:				
Dividend income	10, 23	(3,750,718,033)	(2,742,303,771)	(1,953,077,419)
Equity in net earnings of associate	11	(17,705,874)	(45,858,106)	(67,950,366)
Interest expense	16, 17, 18	107,017	87,605	37,016,711
Interest income	7, 9	(68,955,711)	(52,380,894)	(87,860,381)
Pension cost	19	175,206	82,536	65,778
Impairments loss	8, 14	-	-	29,801
Loss on early redemption of bonds	18	-	-	6,592,275
Amortization of bond issue costs	18, 26	-	-	658,476
Depreciation and amortization	12, 13, 16	1,361,783	1,238,460	1,250,780
Gain on sale of PPE	12	-	(225,000)	-
Operating loss before working capital changes		(38,088,547)	(31,394,090)	(55,562,556)
Decrease in receivables		29,234,999	371,843,225	1,023,674,508
(Increase) Decrease in other current assets		(1,642,185)	2,562,670	(710,190)
Increase in other non-current assets		(38,607)	-	(31,920)
Decrease in trade and other payables		(16,044,782)	(10,052,061)	(67,569,907)
Cash generated from (Used in) operations		(26,579,121)	332,959,744	899,799,935
Interest paid		-	-	(36,859,947)
Interest received	7	13,489	5,863	22,538
Income taxes paid		-	(3,794,747)	(5,690,070)
Final taxes paid	21	(2,682)	(1,482)	(4,398)
Net Cash Generated from (Used in) Operating Activities		(26,568,314)	329,169,378	857,268,058
CASH FLOWS FROM INVESTING ACTIVITIES				
Dividends received	10, 23	3,750,718,033	2,742,303,771	1,953,077,419
Advances granted to related parties	23	(18,994,164)	(2,507,225,000)	(432,021,780)
Interest received from loans to a third party	9	-	39,403,926	59,874,503
Acquisition of intangible asset	13	(214,286)	(297,000)	-
Termination of subscription agreement	11	284,728,856	-	-
Proceeds from sale of equipment	12	-	225,000	-
Subscription to shares of stock of a subsidiary	10	-	-	(88,275,504)
Subscription to shares of stock of an associate	11	-	-	(60,000,000)
Net Cash Provided by Investing Activities		4,016,238,439	274,410,697	1,432,654,638
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment of notes	17	-	-	(500,000,000)
Payment of bonds	18, 26	-	-	(599,882,750)
Redemption of preferred shares	20	(3,700,000,000)	-	(5,000,000,000)
Treasury Share Buy-back	20	(1,221,450,269)	(15,604,614)	-
Payments of dividends	20	-	(203,500,000)	(504,815,000)
Advances obtained from related parties	23,26	1,220,209,867	5,942,623	5,338,714,977
Repayment of advances obtained from related parties	23,26	(280,000,000)	(402,058,459)	(1,044,069,003)
Repayment of lease liability	16	(1,403,832)	(1,357,478)	(1,280,639)
Net Cash Used in Financing Activities		(3,982,644,234)	(616,577,928)	(2,311,332,415)
NET INCREASE (DECREASE) IN CASH ON HAND AND IN BANKS		7,025,891	(12,997,853)	(21,409,719)
CASH ON HAND AND IN BANKS AT BEGINNING OF YEAR		6,149,856	19,147,709	40,557,428
CASH ON HAND AND IN BANKS AT END OF YEAR	7	13,175,747	6,149,856	19,147,709

See Notes to Financial Statements.

8990 HOLDINGS, INC.
NOTES TO FINANCIAL STATEMENTS OF THE PARENT COMPANY
DECEMBER 31, 2024, 2023 and 2022
(Amounts in Philippine Peso)

1. CORPORATE INFORMATION

1.1 Incorporation and Operations

8990 Holdings, Inc. (the Company or the Parent Company) was incorporated in the Philippines, registered with the Securities and Exchange Commission (SEC) on July 8, 2005 and was listed in the Philippine Stock Exchange (PSE) on October 20, 2010.

The Company is a holding company. It is presently engaged in various activities related to personal and real property of every kind and description, including business activities of an investment holding company, without engaging in dealership in securities, in brokerage business, or in the business of an investment property.

As of December 31, 2024 and 2023, the Company has investments in the following wholly-owned subsidiaries (see Note 10):

- a) 8990 Housing Development Corporation (8990 HDC)
- b) Fog Horn, Inc. (FHI)
- c) 8990 Luzon Housing Development Corporation (8990 LHDC)
- d) 8990 Davao Housing Development Corporation (8990 DHDC)
- e) 8990 Leisure and Resorts Corporation (8990 LRC)
- f) 8990 Mindanao Housing Development Corporation (8990 MHDC)

The above subsidiaries are all incorporated and operating in the Philippines, and except for 8990 LRC and FHI, are all engaged in real estate development. 8990 LRC is engaged in hotel and resorts business while FHI is engage in both real estate development and hotels and resorts.

The Company has acquired a subsidiary with 68% of ownership of Piccadilly Premier Land Inc. The Company was incorporated and operating in the Philippines. The Company is also engaged in real estate development.

The Company has 20% of shares of Scheirman Construction Consolidated Incorporated (SCCI) making it as associate of the said company. The associate was incorporated in the Philippines and registered with the SEC on July 16, 2016. The Associate is primarily engaged in general building construction as contractor and builder of residential homes, commercial and industrial buildings, barracks, piers and other edifications needed and necessary in the ordinary course of business. On July 9, 2024, the Company and SCCI mutually agreed to terminate the subscription agreement. As a result, the Company no longer holds any ownership interest in SCCI, and the investment associate has been derecognized from the Company's financial statements.

The registered office address of the Company, which is also its principal place of business, is at 11th Floor Liberty Center, 104 H.V. Dela Costa, Salcedo Village, Makati City.

1.2 Approval of Financial Statements

The financial statements of the Company as of and for the year ended December 31, 2024 (including the comparative financial statements as of and for the year ended December 31, 2023 and 2022) were authorized for issue by the Company's Board of Directors (BOD) on April 14, 2025.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies information that have been used in the preparation of these financial statements are summarized below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation of Financial Statements

(a) Statement of Compliance

The financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs), which includes all applicable PFRSs, Philippine Accounting Standards (PAS), and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), Philippine Interpretations Committee (PIC) and Standing Interpretations Committee (SIC) as approved by the Philippine Financial and Sustainability Reporting Standards Council or FSRSC (formerly Financial Reporting Standards Council or FRSC) and Board of Accountancy (BOA) and adopted by the SEC.

The preparation of financial statements in conformity with PFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

(b) Basis of Measurement

The financial statements have been prepared using the measurement bases specified by PFRS for each type of asset, liability, income and expense. These financial statements have been prepared on the historical cost basis except for:

- i. financial instruments measured at amortized cost;
- ii. financial instruments which are valued at fair value;
- iii. defined benefit asset or obligation recognized as the net total of the fair value of plan assets less the present value of the defined benefit obligation; and
- iv. provisions measured at its best estimate of the expenditure required to settle the present obligation, with discounting if the effect of time value of money is material.

(c) Functional and Presentation Currency

The financial statements are presented in Philippine peso, which is the Company's functional and presentation currency.

2.2 *Changes in Accounting Policies and Procedures*

Standards issued and effective for the current year

- Amendments to PAS 1, *Non-current Liabilities with Covenants*

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or noncurrent). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The amendments are effective for reporting periods beginning on or after January 1, 2024. The amendments are applied retrospectively in accordance with PAS 8 and earlier application is permitted.

- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*

The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines lease payments and revised lease payments in a way that does not result in the seller-lessee recognizing any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate.

The amendments are effective for annual reporting periods beginning on or after January 1, 2024. Earlier application is permitted.

A seller-lessee applies the amendments retrospectively in accordance with PAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, to sale and leaseback transactions entered into after the date of initial application.

- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

The amendments introduced new disclosure requirements to enhance the transparency and, thus, the usefulness of the information provided by entities about supplier finance arrangements, as follows:

- the terms and conditions;
- the amount of the liabilities that are part of the arrangements, breaking out the amounts for which the suppliers have already received payment from the finance providers, and stating where the liabilities sit on the balance sheet;
- ranges of payment due dates; and
- liquidity risk information.

The amendments will be effective for annual reporting periods beginning on or after January 1, 2024, with early application permitted.

Standards issued but not yet effective

The Parent Company will adopt the following new pronouncements when these become effective. Except as otherwise indicated, the Parent does not expect the adoption of these new pronouncements to have a significant impact on the financial statements.

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*
- Amendments to PAS 21, *Lack of exchangeability*

Effective beginning on or after January 1, 2026

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards—Volume 11
- Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
- Amendments to PFRS 7, *Gain or Loss on Derecognition*
- Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities and Transaction Price*
- Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
- Amendments to PAS 7, *Cost Method*

Effective beginning on or after January 1, 2027

- PFRS 18, *Presentation and Disclosure in Financial Statements*
- PFRS 19, *Subsidiaries without Public Accountability*

Deferred Effectivity

Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

2.3 Separate Financial Statements and Investments in Subsidiaries and Associate

These financial statements are prepared as the Parent Company's separate financial statements. The Parent Company also prepares and issues consolidated financial statements for the same period in accordance with PFRS.

Subsidiaries are entities over which the Parent Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if and only if the Parent Company has:

- i. Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- ii. Exposure, or rights, to variable returns from its involvement with the investee; and
- iii. The ability to use its power over the investee to affect its returns.

When the Parent Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- i. The contractual arrangement with the other vote holders of the investee;
- ii. Rights arising from other contractual arrangements; and
- iii. The Parent Company's voting rights and potential voting rights.

The Parent Company reassesses whether it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of controls indicated above.

The Parent Company's investments in subsidiaries are accounted for in these separate financial statements at cost, less any impairment.

Investment in associates are initially recognized at cost and subsequently accounted for using the equity method.

2.4 Financial Assets

(a) Classification, Measurement and Reclassification of Financial Assets

Financial assets are recognized initially at fair value. Transaction costs are included in the initial measurement of the Parent Company's financial assets.

All recognized financial assets are subsequently measured in their entirety at amortized cost. Interest income is recognized using the effective interest method based on the gross carrying amount of a financial asset.

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Exchange differences are recognized in profit or loss.

The Parent Company derecognized a financial asset only when the contractual rights to the asset's cash flows expire or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity.

(b) Impairment of Financial Assets

At the end of the reporting period, the Parent Company assesses and recognizes an allowance for ECL on its financial assets measured at amortized cost. The measurement of the ECL involves consideration of broader range of information including past events (e.g., historical credit loss experience) and current conditions, adjusted for forward-looking factors specific to the counterparty or debtor and the economic environment that affect the collectability of the future cash flows of the financial assets. Measurement of the ECL is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

The amount of allowance for ECL is updated at the end of each reporting period to reflect the changes in credit risk of the financial asset since initial recognition. In assessing the credit quality of a financial asset, the Company assesses whether there has been a significant increase in credit risk for financial asset since initial recognition by comparing the risk of default occurring over the expected life of the financial asset between the reporting date and the date of the initial recognition. In determining whether the financial asset is in default, which is aligned with the definition of credit-impaired, the Company considers both quantitative and qualitative criteria.

The Company's credit exposures are concentrated on loans receivables, including those from related parties. For these financial assets, the ECLs are recognized in two stages. If the credit risk on a financial asset has not increased significantly since initial recognition, the Company measures and provides for credit losses that are expected to result from default events that are possible within the next 12-months (12-month ECL). When there has been a significant increase in credit risk on a financial asset since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (lifetime ECL). For deposits in banks, the Company applies the low credit risk simplification and measures the ECL on the financial assets based on a 12-month basis unless there has been a significant increase in credit risk since origination, in that case, the loss allowance will be based on the lifetime ECL.

ECL measurement is a function of the following elements:

- *Probability of default* – it is an estimate of likelihood of a counterparty defaulting of its financial obligation over a given time horizon, either over the next 12 months or over the remaining lifetime of the obligation.
- *Loss given default* – it is an estimate of loss related to the amount that may not be recovered after the default occurs. It is based on the difference between the contractual cash flows due in accordance with the terms of the instrument and all the cash flows that the Company expects to receive discounted at an approximation of the original effective interest rate. The expected cash flows, considers recoveries from any credit enhancements that are integral to the financial instrument.
- *Exposure at default* – it represents the gross carrying amount of the financial assets in the event of default which pertains to its amortized cost.

The Company recognizes an impairment loss in profit or loss for all financial instruments subjected to impairment assessment with a corresponding adjustment to their carrying amount through a loss allowance account.

(c) *Derecognition of Financial Assets*

The Company derecognizes a financial asset only when the contractual rights to the asset's cash flows expire or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity.

2.5 *Financial Liabilities*

Financial liabilities, which include trade and other payables (except tax-related liabilities), and due to related parties are recognized when the Company becomes a party to the contractual terms of the instrument. These are recognized initially at their fair values and subsequently measured at amortized cost using effective interest method for maturities beyond one year, less settlement payments. All interest-related charges incurred on a financial liability are recognized as an expense in profit or loss as part of Finance Costs in the statement of comprehensive income, except for those capitalized borrowing costs (see Note 2.15).

Dividend distributions to shareholders are recognized as financial liabilities upon declaration by the Company.

2.6 *Offsetting Financial Instruments*

Financial assets and financial liabilities are offset and the resulting net amount, considered as a single financial asset or financial liability, is reported in the statement of financial position when the Company currently has legally enforceable right to set-off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously. The right of set-off must be available at the end of the reporting period, that is, it is not contingent on future event. It must also be enforceable in the normal course of business, in the event of default, and in the event of insolvency or bankruptcy; and, must be legally enforceable for both entity and all counterparties to the financial instruments.

2.7 *Determination and Measurement of Fair Value*

The Company measures financial instruments at fair value at each reporting date. 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 to 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.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting date.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the assets or liability and the level of the fair value hierarchy.

2.8 *Investment in Subsidiaries*

Investments in subsidiaries are accounted for and presented at cost less any impairment in value. Under the cost method, the Parent Company recognizes income from the investment in subsidiaries when its right to receive dividend is established.

2.9 *Investment in Associate*

Investment in an associate is accounted for by the equity method of accounting.

2.10 *Provisions and Contingencies*

Provisions are recognized when present obligations will probably lead to an outflow of economic resources, and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events.

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 the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. When time value of money is material, long-term provisions are discounted to their present values using a pretax rate that reflects market assessments and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the financial statements.

Similarly, possible inflows of economic benefits to the Company that do not yet meet the recognition criteria of an asset are considered contingent assets, hence, are not recognized in the financial statements. On the other hand, any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset not exceeding the amount of the related provision.

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying benefits is remote.

Contingent assets are not recognized in the financial statements but are disclosed when an inflow of economic benefits is probable.

2.11 Revenue and Expense Recognition

The Parent Company's revenues arise mainly from the dividends from subsidiaries, equity in net earnings of associate and interest income from loans receivables and cash in bank.

Cost and expenses are recognized in profit or loss upon utilization of goods or services or at the date they are incurred. All finance costs are reported in profit or loss on an accrual basis.

2.12 Leases- Company as Lessee

Parent Company as a lessee

The Parent Company recognizes a right-of-use assets and a lease liability at the lease commencement date. The right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site in which it is located, less any lease incentives received.

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use assets reflect that the Company will exercise a purchase option. In that case, the right-of-use assets will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use assets are periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liabilities.

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liabilities comprise fixed lease payments (including substance fixed payments).

The lease liability is presented as a separate line in the statements of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

2.13 *Impairment of Non-financial Assets*

The Parent Company's investments in subsidiaries and associate, property and equipment, and other non-financial assets are subject to impairment testing. Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of those assets may not be recoverable.

For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, assets are tested for impairment either individually or at the cash-generating unit level.

Impairment loss is recognized in profit or loss for the amount by which the assets or cash-generating unit's carrying amount exceeds its recoverable amounts which is the higher of its fair value less costs to sell and its value in use.

In determining value in use, management estimates the expected future cash flows from each cash-generating unit and determines the suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risk factors.

All assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist. An impairment loss is reversed if the assets or cash generating unit's recoverable amount exceeds its carrying amount.

2.14 *Employee Benefits*

The Parent Company provides post-employment benefits to employees through a defined benefit plan, defined benefit contribution plans, and other employee benefits.

The Company's defined benefit post-employment benefits plans cover all regular full-time employees.

The defined obligation is calculated annually by independent actuaries using the projected unit credit method.

2.15 *Borrowing costs*

Borrowing costs are recognized as expenses in the period in which they are incurred, except to the extent that they are capitalized. Borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset (i.e., an asset that takes a substantial period of time to get ready for its intended use or sale) are capitalized as part of cost of such asset. The capitalization of borrowing costs commences when expenditures for the asset and borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalization ceases when substantially all such activities are complete.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

2.16 *Income Taxes*

Tax expense recognized in profit or loss comprises the sum of current tax and deferred tax not recognized in other comprehensive income or directly in equity, if any.

Current tax assets or liabilities comprise those claims from, or obligations to fiscal authorities relating to the current or prior reporting period, that are uncollected or unpaid at the end of reporting period. They are calculated using the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognized as a component of tax expense in profit or loss.

Deferred tax is accounted for using the liability method, on temporary difference at the end of each reporting period between the tax base of assets and liabilities and their carrying amounts for the financial reporting purposes. Under the liability method, with certain exceptions, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and the carryforward of unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent it has become probable the future taxable profit will be available to allow such deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled provided such tax rates have been enacted or substantively enacted at the end of reporting period.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of reporting period to recover or settle the carrying amount of its assets and liabilities.

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

2.17 Value – Added Tax (VAT)

Revenues, expenses, and assets are recognized, net of the amount of VAT, except when VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of "Other assets" in the statement of financial position.

2.18 Events after the End of the Reporting Period

Events after the end of the reporting period are those events, favorable or unfavorable that occur between the end of reporting period and the date when the financial statements are for issue.

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, if any, are disclosed when material to the financial statements.

3 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Company's financial statements in accordance with PFRS requires management to make judgments and estimates that affect the amounts reported in the financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately differ from these estimates.

3.1 Critical Management Judgments in Applying Accounting Policies

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

(a) Determination of Control

The Company determines control when it is exposed, or has rights, to variable returns from its involvement with an entity and has the ability to affect those returns through its power over the entity. The Company controls an entity if and only if the Company has all of the following:

- i. Power over the entity;
- ii. Exposure, or rights, to variable returns from its involvement with the entity; and,
- iii. The ability to use its power over the entity to affect the amount of the Parent Company's returns.

The Company regularly reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. The Company determined that it exercises control on all of its subsidiaries as it has all the elements of control listed above.

(b) Determination of ECL on Financial Assets Measured at Amortized Cost

When measuring allowance for ECL for financial assets at amortized cost, management applies judgment in defining the criteria in assessing whether a financial asset has experienced significant increase in credit risk since initial recognition, which involve an assessment of the counterparties' default occurring over the life of the financial asset subjected to ECL assessment. This assessment takes into consideration both the quantitative and qualitative information about the credit quality of specific counterparty, which may be affected by forward-looking factors and economic environment. This information is incorporated by the Company in its ECL assessment which may result in different measurements of ECL as those information changes.

The information on the Company's ECL measurement and the credit quality of its financial assets measured at amortized cost are presented in more detail in Note 4.1.

(c) Recognition of Provisions and Contingencies

Judgment is exercised by management to distinguish between provisions and contingencies. Policies on recognition of provisions and contingencies are discussed in Note 2.10 and disclosures on relevant contingencies is presented in Note 22.

3.2 Key Sources of Estimation Uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are presented in the succeeding page.

(a) Estimation of Allowance for ECL

The measurement of the allowance for ECL on financial assets at amortized cost is an area that requires the use of significant assumptions about the future economic conditions and credit behavior (e.g., likelihood of customers defaulting and the resulting losses). Together with the judgment applied by management in assessing whether a financial asset has experienced significant increase in credit risk since initial recognition, management makes an estimation of the contractual cash flows due from counterparty and those that the Company would expect to receive, taking into account any cash flows from the realization of any credit enhancements or other recovery strategies that the Company may execute depending on the possible arrangement with counterparties. Depending on the contractual terms of the financial assets and the expected timing of the recoveries, the determination of ECL calculates the time value of money that may require the use of a discounting factor.

The information on the Company's ECL measurement and the credit quality of its financial assets measured at amortized cost are presented in more detail in Note 4.1.

Allowance for impairment for receivables amounted to P283,820 in both 2024 and 2023. The carrying amounts of receivables amounted to P53,969,363 and P P29,248,263 as of December 31, 2024 and 2023 (see Note 8).

(b) Impairment of Non-Financial Assets

In assessing impairment, management estimates the recoverable amount of each asset or a cash-generating unit based on expected future cash flows and uses an interest rate to calculate the present value of those cash flows. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate (see Note 2.13). Though management believes that the assumptions used in the estimation of fair values reflected in the financial statements are appropriate and reasonable, significant changes in those assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

In 2024, management has assessed that there were no indications of impairment on its non-financial assets as of the end of the reporting period. Accordingly, the Company did not recognize impairment losses on its non-financial assets. Allowance for impairment losses on other assets amounted to P4,143,917 in both 2024 and 2023. The carrying amount of other assets amounted to P24,074,331 and P22,393,539 as of December 31, 2024 and 2023, respectively. (see Note 14).

The carrying values of the investments in subsidiaries, investment in associates and property and equipment, intangible assets, right of use of assets and other non-financial assets are disclosed in Notes 10, 11 ,12, 13, 16 and 14, respectively.

(c) Recognition of Deferred Tax Assets

The Company reviews its deferred taxes at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. As at December 31, 2024 and 2023, management is of the opinion that the Company will not be able to fully utilize its deferred tax assets as it does not expect significant future taxable income to which the deferred tax assets can be applied. Accordingly, the Company did not recognize deferred tax assets except on the remeasurement loss on retirement obligation in both periods presented, (see Notes 19 and 21).

The carrying value of recognized deferred tax assets amounted to P250,364 and P261,022 in 2024 and 2023, respectively. (see Note 21)

4 RISK MANAGEMENT OBJECTIVE AND POLICIES

The Company's principal financial instruments comprise of cash on hand and in banks, loans receivables, interest receivables (presented as part of Receivables), due from related parties, lease deposits (presented as Non-current), trade and other payables and due to related parties.

The main risks arising from the Company's financial instruments are credit risk, liquidity risk and market risk. The BOD reviews and approves policies for managing each of these risks.

4.1 Credit Risk

Credit risk refers to the potential loss arising from any failure by counterparties to fulfill their obligations, as and when the obligations fall due. The Company manages credit risk by assessing the creditworthiness of its counterparties. The Company continuously monitors the receivable balances with the result that an allowance is made for doubtful accounts.

(a) Maximum Exposures to Credit Risk

The maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown in the statements of financial position summarized as follows:

	Notes	2024	2023
Cash in banks	7	P 13,165,747	P 6,139,856
Receivables	8	53,969,363	29,248,263
Loans receivables	9	935,779,174	921,894,196
Due from related parties	23	354,839,923	354,839,923
*Lease deposits	14	432,498	393,891
		P 1,358,186,705	P 1,312,516,129

**Deposits is presented under other non-current assets in the statements of financial position.*

(b) Credit Risk Management and Assessment

(i) Cash in banks

As part of Company's policy, bank deposits are only maintained with reputable financial institutions with low credit risk based on externally available risk ratings or from the Company's internal credit grading that takes into consideration its banking relationship and activities with its depository banks. In addition, cash in banks are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of P0.5 million for every depositor per banking institution.

(ii) Loans and interest receivables

Loans and interest receivables arising from cash advances extended by the Company to its subsidiaries are maturing within one to seven years.

Credit risk of loans receivables is managed primarily through continuing credit review analyses, which consider the age of accounts, historical collection and loss experience with a particular counterparty, and their liquidity condition.

For interest-bearing loans, the Company considers the loan in default and credit-impaired when contractual payment of interest are 90 days past due.

In the case of non-interest bearing loans to subsidiaries, the Company manages credit risk between entities within the 8990 Group consistent with how it monitors the liquidity of these entities which are managed together to ensure that their operating requirements, including maturing obligations to third parties are settled in a timely manner. Aligned with this policy, the Company may grant additional advances to its subsidiaries or extend the credit term as necessary. This policy provides the 8990 Group more leverage and strategic approach in managing cash.

As the principal amount of the Company's loans are maturing beyond one year with no historical default observed in the past years, the Company also assesses credit exposures of its loans and receivables by identifying other qualitative factors and circumstances, including adverse economic factors and entity-specific economic and operational challenges that may indicate that the counterparties may unlikely settle their obligations to the Company. This assessment may also consider the sufficiency of the counterparties' liquid assets in order to repay, including other expected manner of recovery.

(iii) Due from related parties

ECL for receivables from related parties are measured and recognized using the liquidity approach. Management determines possible impairment based on the counterparties' ability to repay the receivables upon demand at the reporting date taking into consideration the historical defaults from the counterparties. The Company does not consider any significant risks from the receivables provided to related parties since the Company's credit risks for liquid funds are considered negligible. Moreover, these related parties are operating subsidiaries that continuously generate positive results and cash flows. Hence, recognition of impairment loss is remote.

(iv) Lease deposits

Lease deposits pertains to the deposits from rental and electrical facilities. The Company considers its credit risk for lease and other deposits to be negligible considering its continuing business relationships with the counterparties and the absence of any historical experience indicating that the counterparties will unlikely settle their obligations as the deposits are refunded by the Company.

(c) Credit Quality and Expected Credit Loss

The Company's basis in grading its financial assets follows:

- High grade – Entities that are highly liquid, sustain operating trends, unlikely to be affected by external factors and have competent management that uses current business models.
- Standard grade – Entities that meet performance expectation, unlikely to be affected by external factors and have competent management that uses current business models.
- Substandard grade – Entities with marginal liquidity and have a declining trend in operations or an imbalanced position in the balance sheet, though not to the point that repayment is jeopardized.

The following tables show the credit quality per class of financial assets as at December 31:

	Neither past due nor impaired		Past due but not impaired		Impaired		Total	
	High grade		Standard grade					
<u>2024</u>								
Cash in banks	P	13,165,747	P	-	P	-	P	13,165,747
Receivables		-		53,969,363		-	283,820	54,253,183
Loans receivables		935,779,174		-		-	-	935,779,174
Due from related Parties		354,839,923		-		-	-	354,839,923
*Lease deposits		-		432,498		-	-	432,498
	P	1,303,784,844	P	54,401,861	P	-	P	283,820
							P	1,358,470,525
<u>2023</u>								
Cash in banks	P	6,139,856	P	-	P	-	P	6,139,856
Receivables		-		29,248,263		-	283,820	29,532,083
Loans receivables		724,816,834		197,077,362		-	-	921,894,196
Due from related Parties		354,839,923		-		-	-	354,839,923
*Lease deposits		-		393,891		-	-	393,891
	P	1,085,796,613	P	226,719,516	P	-	P	283,820
							P	1,312,799,949

*Deposits is presented under other non-current assets in the statement of financial position amounted to P432,498 and P393,891 as of December 31, 2024 and 2023, respectively.

Based on the quality of the Company's financial assets as at December 31, 2024 and 2023, which are neither past due nor impaired nor have experienced significant increase in credit risk since initial recognition, and the estimates of cash flows expected to be recovered from counterparties when these financial assets default, management has assessed that ECL as of December 31, 2024 and 2023 is insignificant.

4.2 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 seeks to manage its liquidity profile to be able to finance its working capital requirements. It may obtain cash advances from a related party to cover its financing requirements when such strategy will provide cost-efficient use of 8990 Group's resources.

The tables below show the maturity profile of the Company's financial instruments based on the contractual undiscounted cash flows.

	Within three months	Later than three months but not later than one year	Later than one year	Total
2024				
Financial Liabilities				
Trade and other payables*	P 54,042,328	P -	P -	P 54,042,328
Due to related parties	2,309,110,429	-	-	2,309,110,429
Lease liabilities	301,909	950,165	2,222,813	3,474,887
	P 2,363,454,666	P 950,165	P 2,222,813	P 2,366,627,644
2023				
Financial Liabilities				
Trade and other payables*	P 70,173,957	P -	P -	P 70,173,957
Due to related parties	1,387,894,726	-	-	1,387,894,726
Lease liabilities	340,929	462,331	-	803,260
	P 1,458,409,612	P 462,331	P -	P 1,458,871,943

*Excludes withholding taxes and other government payables aggregating to P158,151 and P71,304 as of December 31, 2024 and 2023, respectively.

4.3 Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices which may affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market exposures within acceptable parameters while optimizing the return.

As of December 31, 2024 and 2023, the Company has no financial instruments that are exposed to significant interest rate risk. The Company's cash in banks, loans receivables, and bonds payable are subject to fixed interest rates.

The Company's United States (US) dollar-denominated financial instrument pertains only to cash in banks, translated into Philippine peso at the closing rates, amounting to P0.03 million and 0.9 million as of December 31, 2024 and 2023, respectively. The exchange rates used are P58.014: US \$1 and P55.5670: US \$1 as of December 31, 2024 and 2023, respectively.

Exposures to foreign exchange rates vary during the year depending on the volume of foreign currency denominated transactions. Nonetheless, the Company's exposure to foreign exchange risk is not material.

5 CATEGORIES AND OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

5.1 Carrying Amounts and Fair Values of Financial Assets and Financial Liabilities

For the Company's financial assets and financial liabilities as of December 31, 2024 and 2023, management determined that the carrying amounts of these financial instruments are equal to or approximate their fair values, except for bonds payable. A comparison between the carrying amounts and fair values of these financial instruments is presented in Note 6.

See Notes 2.4 and 2.5 for a description of the accounting policies for each category of financial instrument. A description of the Company's risk management objectives and policies for financial instruments is provided in Note 4.

5.2 Offsetting of Financial Assets and Financial Liabilities

The following financial assets and financial liabilities with net amounts presented in the statements of financial position are subject to offsetting, enforceable master netting arrangements and similar agreements:

	<u>Gross amounts recognized in the statement of financial position</u>	<u>Related amounts not set-off in the statement of financial position</u>	<u>Gross amounts offset in accordance with the offsetting criteria</u>	<u>Net amount</u>
December 31, 2024				
Financial assets				
Due from related	<u>P 373,834,087</u>	<u>P -</u>	<u>P 18,994,164</u>	<u>P 354,839,923</u>
Financial liabilities				
Due to related	<u>P 2,328,104,593</u>	<u>P -</u>	<u>P 18,994,164</u>	<u>P 2,309,110,429</u>

		Gross amounts recognized in the statement of financial position	Related amounts not set-off in the statement of financial position	Gross amounts offset in accordance with the offsetting criteria	Net amount
December 31, 2023					
Financial assets					
Due from related	P	2,862,064,923	P -	P 2,507,225,000	P 354,839,923
Financial liabilities					
Due to related	P	3,895,119,726	P -	P 2,507,225,000	P 1,387,894,726

For financial liabilities (i.e., interest-bearing loans and borrowings and their corresponding deposits) subject to enforceable master netting agreements or similar arrangements, each agreement between the Company and counterparties allows for net settlement of the relevant financial assets and liabilities when both elect to settle on a net basis. In the absence of such an election, financial assets and financial liabilities will be settled on a gross basis, however, each party to the master netting agreement or similar agreement will have the option to settle all such amounts on a net basis in the event of default of the other party.

6 FAIR VALUE MEASUREMENT AND DISCLOSURES

6.1 Fair Value Measurement

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 under current market conditions (i.e., an exit price) 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 Parent 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.

6.2 Fair Value Hierarchy

In accordance with PFRS 13, *Fair Value Measurement*, the fair value of financial assets and financial liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS, are categorized into three levels based on the significance of inputs used to measure the fair value.

The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or financial liabilities that an entity can access at the measurement date;
- Level 2: 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); and,
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which an asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

When the Company uses valuation technique, it maximizes the use of observable market data where it is available and relies as little as possible on entity's specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in Level 2. Otherwise, it is included in Level 3.

6.3 Fair Value Comparison and Hierarchy of Financial Instruments

The following table summarizes the carrying amounts and fair values of the Company's financial assets and financial liability that are carried at amortized cost but the fair value of which are disclosed by level of the fair value hierarchy as of December 31, 2024 and 2023:

		Fair Value			
Carrying Amount		Level 1	Level 2	Level 3	Total
2024					
Financial Assets					
Cash on hand and in banks	P 13,175,747	P 13,175,747	P -	P -	P 13,175,747
Receivables	53,969,363	-	-	53,969,363	53,969,363
Loans receivables	935,779,174	-	-	935,779,174	935,779,174
Due from related parties	354,839,923	-	-	354,839,923	354,839,923
Lease deposits	432,498	-	-	432,498	432,498
	P 1,358,196,705	P 13,175,747	P -	P 1,345,020,958	P 1,358,196,705
Financial Liabilities					
Trade and other payables*	P 54,042,328	P -	P -	P 54,042,328	P 54,042,328
Due to related parties	2,309,110,429	-	-	2,309,110,429	2,309,110,429
Lease liabilities	3,474,887	-	-	3,474,887	3,474,887
	P 2,366,627,644	P -	P -	P 2,366,627,644	P 2,366,627,644

		Carrying Amount	Fair Value							
			Level 1		Level 2		Level 3		Total	
<u>2023</u>										
<i>Financial Assets</i>										
Cash on hand and in banks	P	6,149,856	P	6,149,856	P	-	P	-	P	6,149,856
Receivables		29,248,263		-		-		29,248,263		29,248,263
Loans receivables		921,894,196		-		-		921,894,196		921,894,196
Due from related parties		354,839,923		-		-		354,839,923		354,839,923
Lease deposits		393,891		-		-		393,891		393,891
	P	1,312,526,129	P	6,149,856	P	-	P	1,306,376,273	P	1,312,526,129
<i>Financial Liabilities</i>										
Trade and other payables*	P	70,173,957	P	-	P	-	P	70,173,957	P	70,173,957
Due to related parties		1,387,894,726		-		-		1,387,894,726		1,387,894,726
Lease liabilities		803,260		-		-		803,260		803,260
	P	1,458,871,943	P	-	P	-	P	1,458,871,943	P	1,458,871,943

*Excludes withholding taxes and other government payables aggregating to P158,151 and P71,304 as of December 31, 2024 and 2023, respectively.

There were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements in 2024 and 2023.

The following are the methods used to determine the fair value of financial assets and financial liabilities not presented in the statements of financial position at their fair values:

(a) *Cash on Hand and in Banks, and Trade and Other Payables*

The carrying amounts of these financial instruments approximate their fair values as these have short-term maturity.

(b) *Loans Receivables, Interest Receivables and Lease Deposits*

The estimated fair value of loans receivables, interest receivables and lease deposits represent the discounted amount of estimated future cash flows expected to be received from the instruments. Expected cash flows are discounted at current market rates to determine fair value.

(c) *Due from Related Parties, and Due to Related Parties*

The carrying amounts of due from/to related parties, which are to be received or paid on demand, approximate the fair values.

7 CASH ON HAND AND IN BANKS

The breakdown of this account as of December 31 is as follows:

	2024	2023
Cash in banks	P 13,165,747	P 6,139,856
Cash on hand	10,000	10,000
Total	P 13,175,747	P 6,149,856

Cash in banks generally earn interest at rates based on prevailing bank deposit annual rates ranging from 0.13% to 0.25% in 2024 and 2023, respectively. Interest is presented as part of Interest Income in the statements of comprehensive income which amounts to P13,489 and P5,863 in 2024 and 2023 respectively.

There is no cash restriction on the Parent Company's cash in banks as of December 31, 2024 and 2023.

8 RECEIVABLES

The breakdown of this account as of December 31 is as follows:

	2024	2023
Receivables from employees	P 13,263	P 29,248,263
Interest receivable	53,956,100	-
Other receivables	283,820	283,820
Subtotal	54,253,183	29,532,083
Allowance for impairment	(283,820)	(283,820)
Total	P 53,969,363	P 29,248,263

Receivables from employees refers to employee's salary advances which will be settled thru salary deductions. These loans are non-interest bearing and have no terms.

Other receivables pertain to the advances to the third party which will be settled thru cash. These advances are non-interest bearing and have no terms.

Interest receivable pertains to accrued interest from the loan facility agreement between the Company and Dearborn Resources and Holdings, Inc. (Dearborn) (see Note 9.2).

Movement of allowance for impairment is as follows:

	2024	2023
Beginning of year	P 283,820	P 283,820
Recovery for the year	-	-
Ending balance	P 283,820	P 283,820

Based on assessment made, the Company did not recognize ECL in 2024 and 2023, respectively.

9 LOANS RECEIVABLES, Net

Loans receivables are composed of the following:

	Note	2024	2023
Loans to subsidiaries:	9.1, 23		
Principal		P 943,726,834	P 943,726,834
Unamortized discount		(7,947,660)	(21,832,638)
Subtotal		935,779,174	921,894,196
Syndicated loan	9.2	-	-
Total		P 935,779,174	P 921,894,196

The amounts are presented in the statements of financial position as follows.

	2024	2023
Current	P 935,779,174	P 724,816,834
Non-current	-	197,077,362
Total	P 935,779,174	P 921,894,196

All of the Company's loans receivables have been reviewed for indications of impairment. Based on the management's assessment there were no impaired loans receivables as of December 31, 2024 and 2023 (see Note 4.1).

9.1 *Loans to Subsidiaries*

On September 1, 2015, the Company extended cash loans totaling P9.0 billion to its subsidiaries in varying terms of five, seven and 10 years as follows:

<u>Subsidiaries</u>	<u>Original Maturity Date</u>	<u>Amount</u>	<u>Outstanding Amount</u>
8990 HDC			
Tranche 1	10/16/2020	P 6,714,748,082	P -
Tranche 2	7/16/2022	375,500,000	-
Tranche 3	7/16/2025	218,910,000	218,910,000
8990 LHDC*	10/16/2020	697,784,788	322,027,924
8990 DHDC	10/16/2020	305,459,915	-
FHI*	10/16/2020	687,597,215	402,788,910
Total		<u>P 9,000,000,000</u>	<u>P 943,726,834</u>

The principal sum originally bears interest rates ranging from 12.42% to 13.73% per annum from September 1, 2015 to October 16, 2015. The principal amounts are payable at the maturity of the loans.

On October 17, 2015, the loan agreements were amended resulting in the loan becoming noninterest-bearing starting on that date. Accordingly, the said receivables were recognized at their present value using a discount rate of 6.21%, with the resulting discount amounting to P2,461.0 million representing the difference between the present value and face value recognized as an additional investment in the Company's subsidiaries (see Note 10).

On 2023, 8990 LHDC and FHI were extended until December 31, 2024. Subsequently, in 2024, the loan terms were further extended until December 31, 2025.

Interest related to the accretion of discount from these loans receivables to subsidiaries amounted to P13.9 million and P13.0 million in 2024 and 2023, respectively, and is presented as part of Interest Income in the statements of comprehensive income.

9.2 *Syndicated Loan*

On December 29, 2017, a loan facility agreement between Dearborn Resources and Holdings, Inc. (Dearborn) and certain lenders was executed to provide a loan facility in the aggregate principal amount of P1.4 billion for the purpose of partially financing Dearborn's acquisition of certain contracts to sell of entities under the 8990 Group. Under the loan facility agreement, the Company committed to lend Dearborn the principal amount of up to but not in excess of P300.0 million which bears 16% interest per annum, payable monthly. On November 13, 2019, the Company agreed to extend the loan facility with Dearborn up to P665.0 million. As of December 31, 2019, the Company further extended by P 82,947,517 resulting to receivables of P 396,953,400 as of December 31, 2022 and 2021.

The loan granted under the facility agreement is unsecured and has a term of five years counting from the date of initial drawdown. However, the principal amount of the loan and any related accrued interest will be due and demandable in the event of default.

In 2022, Dearborn Resources and Holdings, Inc. and 8990 Holdings, Inc. entered into a loan extension agreement, extending the maturity date to December 27, 2023.

In 2023, Dearborn Resources settled its outstanding obligation maturing December 27, 2023 amounting to P396,953,440.

Interest earned from this loan receivable amounted to P55.1 million, P39.4 and P63.5 million in 2024, 2023, and 2022, respectively, and are presented as part of Interest income in the statements of comprehensive income.

10 INVESTMENTS IN SUBSIDIARIES

The carrying amounts of the Company's investments in subsidiaries as of December 31, 2024 and 2023 are shown below.

Subsidiaries	% ownership	2024	2023
8990 HDC	100%	P 37,124,230,313	P 37,124,230,313
FHI	100%	5,065,823,989	5,065,823,989
8990 LHDC	100%	1,440,237,647	1,440,237,647
8990 DHDC	100%	317,246,364	317,246,364
8990 LRC	100%	39,227,936	39,227,936
8990 MHDC	100%	2,066,211	2,066,211
Piccadilly	68%	88,275,504	88,275,504
Total		<u>P 44,077,107,964</u>	<u>P 44,077,107,964</u>

All of the above subsidiaries are incorporated in the Philippines.

On June 9, 2022, the Company entered into an Investment Agreement with Piccadilly Premier Land, Inc, RDAK Land, Inc ("RDAK"), Acrissor Development Corporation ("Acrissor"), and certain individuals for its acquisition of 994,160 common shares, representing an aggregate of 68% of the issued and outstanding capital stock of Piccadilly, for an aggregate consideration of P88,275,504 for its purpose to own, use, improve, develop, subdivide, sell, exchange, lease and hold for investment or otherwise, real estate of all kinds, including buildings, houses, apartments and other structures.

The total carrying amount of the investments in subsidiaries which are wholly-owned includes P2,461.0 million discount on loans extended to certain subsidiaries (see Note 9).

There were no disposed investments made in 2024 and 2023.

In 2024, 2023 and 2022, the Company received cash dividends from HDC:

<u>Subsidiaries</u>	<u>No. of Shares</u>	<u>Amount</u>
<u>2024</u>		
8990 HDC	15,000,000,000	<u>P 3,750,718,033</u>
		<u>P 3,750,718,033</u>
<u>2023</u>		
8990 HDC	15,000,000,000	<u>P 2,742,303,771</u>
		<u>P 2,742,303,771</u>
<u>2022</u>		
8990 HDC	15,000,000,000	<u>P 1,953,077,419</u>
		<u>P 1,953,077,419</u>

11 INVESTMENTS IN ASSOCIATE

On March 15, 2021, 8990 Holdings Inc and Scheirman Construction Consolidated Incorporated (SCCI) entered into a Subscription agreement wherein the Company agreed to subscribed an aggregate of Forty-five thousand (45,000) common shares to be issued out of the unissued portion of the existing authorized capital stock and the increase authorized capital stock of SCCI at the aggregate issue price of Eighty Million Pesos (P80,000,000.00) or approximately One Thousand Seven Hundred Seventy-seven and 78/100 Pesos (P1,777.78) per shares. The Subscribed Shares constitutes 20% of the resulting total outstanding capital stock of SCCI.

On July 8, 2022, the company entered into a new Subscription Agreement with SCCI purchasing 60,000 common shares equivalent to Sixty Million Pesos (P60,000,000.00).

The total subscribed shares after the additional investment constitutes 20% of the resulting total outstanding capital stock of the SCCI after their increase in capital stock.

On July 9, 2024, 8990 Holdings Inc and Scheirman Construction Consolidated Incorporated (SCCI) mutually agreed to terminate the subscription agreement. As a result, the company no longer holds any ownership interest in SCCI, and the investment in associate has been derecognized from the company's financial statement. No gain or loss was recognized on the termination of subscription agreement.

As of December 31, 2024, the investment in associate was nil, compare to P140 million in 2023. The Company's share in SCCI's net income prior to derecognition amounted to P17,705,874 and P45,858,106 for 2024 and 2023, respectively.

Movement of Investment in associate and share in net income are as follows:

	Investment in associate		Share in net income of associate	
	2024	2023	2024	2023
Beginning of year	P 140,000,000	P 140,000,000	P 127,022,982	P 81,164,876
Addition	-	-	17,705,874	45,858,106
Termination	(140,000,000)	-	(144,728,856)	-
Ending Balance	P -	P 140,000,000	P -	P 127,022,982

The following summarizes the financial information of the associate:

	2024	2023
Total assets	P -	P 7,628,916,361
Total liabilities	-	6,389,254,686
Revenue	-	5,320,120,602
Profit for the year	-	215,538,321
Other comprehensive income	-	-

In 2023, included in the share in net income recognized is adjustment from 2022 amounting to P2.75 million, which result from adjustment made in book of associate resulting from adjusted profit of P353.5 million (previously at P339.8 million).

12 PROPERTY AND EQUIPMENT, Net

The gross carrying amounts and accumulated depreciation and amortization of property and equipment at the beginning and end of 2024 and 2023 are as follows:

	Leasehold Improvements	Furniture, Fixtures and Office Equipment	Transportation Equipment	Low Value Asset	Total
December 31, 2024					
Cost	P 1,380,881	P 1,482,692	P -	P 31,920	P 2,895,493
Accumulated depreciation	(1,380,881)	(1,482,692)	-	(31,920)	(2,895,493)
Net carrying amount	P -	P -	P -	P -	P -
December 31, 2023					
Cost	P 1,380,881	P 1,482,692	P -	P 31,920	P 2,895,493
Accumulated depreciation	(1,380,881)	(1,482,692)	-	(31,920)	(2,895,493)
Net carrying amount	P -	P -	P -	P -	P -

In 2023, the Company disposed fully depreciated transportation equipment, with original cost of P1,083,050. Proceeds from disposal amounts to P225,000 wherein same amount is recognized as gain on disposal, presented as other income in the statement of comprehensive income.

The reconciliation of the carrying amounts of property and equipment at the beginning and end of 2024 and 2023 is shown below.

	Furniture, Fixtures and Office Equipment	Low Value Asset	Total
Balance at January 1, 2024, net of accumulated depreciation	P -	P -	P -
Additions	-	-	-
Depreciation charges for the year	-	-	-
Balance at December 31, 2024, net of accumulated depreciation	P -	P -	P -

	Furniture, Fixtures and Office Equipment	Low Value Asset	Total
Balance at January 1, 2023, net of accumulated depreciation	P 7,401	P -	P 7,401
Additions	-	-	-
Depreciation charges for the year	(7,401)	-	(7,401)
Balance at December 31, 2023, net of accumulated depreciation	P -	P -	P -

As of December 31, 2024 and 2023, the total cost of the fully amortized property and equipment, which are still being used by the Company, amounts to P2.9 million for both years.

13 INTANGIBLE ASSET, Net

Movement of intangible asset for 2024 and 2023 are as follows:

	2024	2023
Cost		
Beginning Balance	P 297,000	P -
Additions	214,286	297,000
Ending Balance	P 511,286	P 297,000
Accumulated amortization		
Beginning Balance	P (19,800)	P -
Provisions	(104,043)	(19,800)
Ending Balance	P (123,843)	P (19,800)
Carrying value	P 387,443	P 277,200

14 OTHER ASSETS, Net

Details of this account are presented below.

	Note	2024	2023
Current:			
Input value-added tax (VAT)		P 16,761,424	P 14,970,814
Waterlines		7,621,790	7,621,790
Receivable from regulatory agencies		2,076,561	2,076,561
Others		1,325,975	1,474,400
Subtotal		27,785,750	26,143,565
Allowance for impairment		(4,143,917)	(4,143,917)
Total Current		23,641,833	21,999,648
Non- current:			
Lease deposits	16	432,498	393,891
Total		P 24,074,331	P 22,393,539

Movement of allowance for impairment is as follows:

	2024	2023
Beginning of year	P 4,143,917	P 4,143,917
Write off	-	-
Provision for the year	-	-
Ending balance	P 4,143,917	P 4,143,917

No impairment was recognized in 2024 and 2023.

On December 29, 2016, the Company entered into a deed of assignment with 8990 HDC, 8990 MHDC, 8990 DHDC and FHI involving the sale of the said subsidiaries' waterlines to the Company.

Others refer to advances to suppliers and prepayments.

15 TRADE AND OTHER PAYABLES

This account consists of:

	Note	2024	2023
Dividends payable	20.4	P -	P 50,875,000
Trade payables		9,163,986	9,545,849
Accrued expenses		1,780,412	1,655,178
Withholding taxes		157,551	63,074
Other payables		43,098,530	8,106,160
Total		P 54,200,479	P 70,245,261

Dividends payable refers to unpaid dividends relating to Preferred shares- Series B as disclosed in Note 20.4.

Other payables consist of various supplier of goods and services other than the Company's regular suppliers.

16 LEASES

16.1 Right-of-Use asset

The carrying amounts of the Company's right-of-use assets as of December 31, 2024 and 2023, and the movements during the years are shown below:

	<u>2024</u>	<u>2023</u>
Cost		
Beginning balance	P 3,633,778	P 3,633,778
New lease contract	3,968,442	-
Derecognized (old contract)	(3,633,778)	-
Lease modifications	-	-
Ending balance	<u>3,968,442</u>	<u>3,633,778</u>
Amortization		
Beginning balance	(2,927,210)	(1,715,951)
Current provision	(1,257,740)	(1,211,259)
Derecognized (old contract)	3,633,778	-
Ending balance	<u>(551,172)</u>	<u>(2,927,210)</u>
Carrying Values	<u>P 3,417,270</u>	<u>P 706,568</u>

The Company has leased for office and parking spaces on which the branch offices and extension offices are situated. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the statement of financial position as a right-of-use asset and a lease liability.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Both leases contain an option to extend the lease for a further term subject to mutual agreement. For the lease over the office premise, the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease.

Amortization charged to operations amounted to P 1,257,740 and P 1,211,259 for 2024 and 2023, respectively.

Based on the impairment review of the assets, the Company believes that there is no impairment loss that occurred on its right-of-use asset for 2024 and 2023.

The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognized on balance sheet:

Right-of-use asset	No. of right-of-use assets leased	Range of remaining term	Average remaining lease term	No. of leases with extension options	No. of leases with options to purchase	No. of leases with variable payments linked to an index	No. of leases with termination options
Office premise	1	2-3 years	3.5 years	1	-	-	1
Parking space	2	2-3 years	3.5 years	1	-	-	1

16.2 Lease Liabilities

	2024	2023
Beginning balance	P 803,260	P 2,073,133
Addition	3,968,442	-
Accretion of interest	107,017	87,605
Payments	(1,403,832)	(1,357,478)
Ending balance	P 3,474,887	P 803,260

Lease liabilities are presented in the statements of financial position as follows:

Particulars	2024	2023
Current	P 1,252,074	P 803,260
Non-current	2,222,813	-
Total	P 3,474,887	P 803,260

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at December 31, 2024 are as follows:

	Within 1 year	1-2 years	Total
At December 31, 2024			
Lease payments	1,421,382	2,332,804	3,754,186
Finance charges	(169,308)	(109,991)	(279,299)
Net present values	1,252,074	2,222,813	3,474,887

Lease payments not recognized as a liability

The Company has elected not to recognize a lease liability for short term leases (leases with an expected term of 12 months or less). Payments made under such leases are expensed on a straight-line basis.

The expense relating to payments not included in the measurement of the lease liability and not recognize as ROUA/lease liabilities in 2024 and 2023:

Particulars	2024	2023
Short-term leases	<u>P 156,000</u>	<u>P 156,000</u>

17 NOTES PAYABLE

On October 8, 2020, a master note certificate is issued by 8990 Holdings with a principal amount of P 1,300,000,000 dated October 14, 2020. The Note was issued at 100% issue price and will be due on October 14, 2022 (two years from the issue date) with 4.0500% interest rate per annum. In 2021, the Company partially paid the liability amounting to P 800,000,000. In 2022, the Company settled a total of 500,000,000.

As of 2024 and 2023, notes payable are already settled.

18 BONDS PAYABLE

On July 16, 2015, the Company offered and issued to public an unsecured fixed-rate peso bonds with an aggregate principal amount of P5.0 billion with an oversubscription option up to P4.0 billion.

The offer comprises the following series:

Bond Series	Option Date	Principal Amount
Series A - 6.2080% per annum, five-year and three months, due on October 16, 2020		P 8,405,590,000
Series B - 6.1310% per annum, seven-year fixed rate bonds, due on July 16, 2022 unless otherwise earlier redeemed by the Company	The third month after the fifth anniversary of issue date and the sixth anniversary of the issue date	375,500,000
Series C - 6.8666% per annum, ten-year, due on July 16, 2025 unless otherwise earlier redeemed by the Company	The seventh anniversary of issue date and each anniversary of the issue date thereafter	218,910,000
		<u>P 9,000,000,000</u>

Total transaction costs capitalized upon issuance of the bonds amounted to P122.3 million.

Interests on the bonds are payable quarterly in arrears starting on October 16, 2015 for the first interest payment date and on January 16, April 16, July 16, and October 16 of each year for each subsequent interest payment date.

The bonds shall be repaid at par, plus any outstanding interest on the relevant maturity date of each series, unless the Company exercises its early redemption option for Series B or C Bonds on the early redemption option dates.

In 2022, the Company settled its outstanding obligation maturing July 16, 2022 (Series B) and July 16, 2025 (Series C). Early redemption was made for Series C Bonds due on 2025 with an early redemption price of 102.5% of the principal amount. The carrying amount of bond is P 217.8 million (net of unamortized bond issue cost of P 1.1 million), accordingly, loss on early retirement of bonds was also recognized, amounting to P6.6 million.

The fair value and carrying value of the bonds amounts to nil as of December 31, 2024 and 2023, respectively. Finance cost and amortization of bond issue costs amounted to nil in 2024 and 2023, respectively.

The Company and its subsidiaries are required under the terms of the bonds to observe certain covenants, including, among others, maintenance of financial ratios, incurrence or guarantee of additional debt, encumbrance for borrowed money and other covenants. These were complied with by the Company in 2022.

19 PENSION LIABILITY

The Company has an unfunded, non-contributory defined benefits pension plan covering its permanent employees. Retirement benefits cost and obligations are determined in accordance with an actuarial study made for the plan.

Under the existing regulatory framework, Republic Act 7641 requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employees' retirement benefits under any collective bargaining agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

The amount of pension liability recognized in the statements of financial position is determined as follows:

	2024		2023		2022	
Benefit obligation	P	1,001,455	P	1,044,088	P	429,702
Plan assets		-		-		-
Liability to be recognized in the statement of financial position	P	1,001,455	P	1,044,088	P	429,702

The amount recognized under "salaries, wages and employee benefits" in the profit or loss is as follows:

	2024		2023		2022	
Current service cost	P	111,412	P	51,512	P	47,524
Interest cost		63,794		31,024		18,254
Expense recognized during the year	P	175,206	P	82,536	P	65,778

Retirement expense charged to operations in 2024, 2023 and 2022 amounted to nil, P82,536, and P65,778, respectively.

The movements in the accrued retirement benefit cost in the statements of financial position are as follows:

	2024	2023	2022
Beginning of year	P 1,044,088	P 429,702	P 359,321
Total expenses charged in the statements of comprehensive income	175,206	82,536	65,778
Remeasurement on Actuarial losses (gain) recognized during the year	(217,839)	531,850	4,603
Other	-	-	-
End of year	<u>P 1,001,455</u>	<u>P 1,044,088</u>	<u>P 429,702</u>

The cumulative amount of actuarial loss (gain) recognized in the statements of comprehensive income follows:

	2024	2023	2022
Balances at beginning of year	P 598,795	P 66,945	P 62,342
Actuarial loss (gain) during the year	(217,839)	531,850	4,603
Balance at end of year	<u>380,956</u>	<u>598,795</u>	<u>66,945</u>
Tax effect	(95,239)	(149,699)	(16,736)
Cumulative actuarial loss, net of	<u>P 285,717</u>	<u>P 449,096</u>	<u>P 50,209</u>

The following table sets forth the expected future settlements by the Plan of maturing defined benefit obligation as of December 31, 2024:

	Amount
1 to 5 years	30,645
6 to 10 years	58,651
11 to 15 years	105,350
16 years and up	<u>10,031,674</u>

The average duration of the defined benefit obligation at the end of the reporting period is 20 years.

The assumptions used to determine pension benefits for the years ended December 31 are as follows:

	2024	2023	2022
Discount rate	6.09%	6.11%	7.22%
Salary increase rate	<u>4.00%</u>	<u>5.00%</u>	<u>4.00%</u>

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption of the defined benefit obligation as at the end of the reporting period, assuming if all other assumptions were held constant:

	2024	
	Increase(Decrease)	
Discount rate	1% (1%)	(178,747) 221,009
Future salary increases	1% (1%)	223,789 (184,030)
Improvement in employee turnover	10%	63,655
Increase in employee turnover	(10%)	(63,655)

Assumptions regarding future mortality experience are set based on advice from published statistics and mortality tables.

20 EQUITY

20.1 Capital Stock

Details of the Company's capital stock as of December 31, 2024, 2023 and 2022 are as follows:

	Shares			Amount		
	2024	2023	2022	2024	2023	2022
Preferred Shares- P.01 par value, voting Authorized – 5.00 billion shares						-
Issued and outstanding		-	-	-	-	-
Preferred Shares Series A – P1 par value, cumulative, non-voting, non- participating, non-convertible, redeemable 6.0263% per annum Authorized – 50 million shares						
Issued and outstanding	-	-	-	P -	P -	P -
Preferred Shares Series B – P1 par value, cumulative, non-voting, non-participating, non-convertible, redeemable 5.50% per annum Authorized – 50 million shares						
Issued and outstanding	-	37,000,000	37,000,000	-	37,000,000	37,000,000
Treasury shares – at cost preferred Shares Series B (see Note 20.3)		(166,900)	-		(15,604,614)	
Balance at end of year	-	36,833,100	37,000,000	P -	P 21,395,386	P 37,000,000
Common Shares – P1 par value Authorized shares – 6.850 billion shares						
Issued and outstanding:						
Balance at beginning of year	5,517,990,720	5,517,990,720	5,517,990,720	P 5,517,990,720	P 5,517,990,720	P 5,517,990,720
Treasury shares – at cost (see Note 20.3)	(256,808,900)	(126,591,700)	(126,591,700)	(3,043,595,037)	(1,806,540,154)	(1,806,540,154)
Balance at end of year	5,261,181,820	5,391,399,020	5,391,399,020	2,474,395,683	3,711,450,566	3,711,450,566
Total	5,261,181,820	5,428,232,120	5,428,399,020	P 2,474,395,683	P 3,732,845,952	P 3,748,450,566

20.2 Authorized Capital Stock

On October 20, 2010, the PSE approved the Company's application for the initial listing of 181.9 million common shares under the Second Board of the PSE.

On August 25, 2011, the Company entered into a Subscription Agreement (SA) with Intellectual Property Ventures Group (IPVG), wherein IPVG agrees to subscribe to 40.0 million shares of the common stock of the Company at a subscription price of P2.52 per share or a total subscription of P100.8 million. IPVG paid P25.0 million in cash as partial payment and agreed to pay the remaining balance of the subscription price upon call thereon by the Company's BOD.

As a result of an Asset Purchase Agreement dated September 28, 2011, the said SA and the related shares subscribed and partially paid were transferred to Intellectual Property Ventures, Inc. (IPVI).

On February 29, 2012, the stockholders approved the issuance of the 40.0 million shares in favor of IPVI. On the same date, the minority and unrelated stockholders waived the requirement to conduct a rights or public offering of the shares subscribed.

In April 2012, the Company received the remaining subscription receivable and issued the corresponding shares to IPVI. These shares were part of the shares acquired by the stockholders of the 8990 Group (former stockholders of the Company's subsidiaries). On May 6, 2013, the Company recognized deposits for future stock subscription amounting to P27.9 billion in exchange for its investments in subsidiaries through Share Swap with the stockholders of 8990 Group.

On September 23, 2013, the BOD of the Company approved the subscriptions and issuance of 465,580,467 shares at P1.00 per share to new public investors to comply with the minimum public ownership requirement of the PSE. Such issuance is subject to following conditions: (i) the approval of the SEC of the Company's application for the increase in authorized capital stock from P460.0 million to P7.0 billion and, (ii) the issuance of 3,968,357,534 shares to the stockholders of 8990 Group. The shares were issued subsequent to the approval by the SEC of the increase in authorized capital stock of the Company on October 1, 2013.

Subsequent also to the approval of the SEC of the increase in authorized capital stock, the deposits for future stock subscription of the Company was applied as payment for the issuance of shares which were recorded as part of the Company's Capital Stock and Additional Paid-in Capital accounts amounting to P4.0 billion and P23.9 billion, respectively.

On March 17, 2014, the Company's BOD approved the offering and issuance by way of a "follow-on" offering consisting of the following shares at an offer price of P6.50 per share:

Primary shares	862,186,050
Secondary shares	382,360,770
Over-all allotment shares	134,950,860

The registration by way of a follow-on offering of common shares was rendered effective by the SEC on April 15, 2014 and for which a Certificate of Permit to Offer Securities for Sale was issued by the SEC on April 30, 2014.

Total proceeds from the primary offer shares amounted to P5.6 billion and the related direct issue costs incurred in connection with the offering amounted to P341.9 million which were charged to additional paid-in capital.

As of December 31, 2024 and 2023, there are 5,261,181,820 and 5,428,232,120 listed shares, which are held by 41 and 32 holders (common shares), respectively. Such listed shares closed at P9.09 per share and P9.23 per share as of December 31, 2024 and 2023, respectively.

On January 31, 2017, the stockholders approved and ratified the creation of the preferred shares under the shelf registration. The SEC approved the Company's amended Articles of Incorporation creating the preferred shares on April 19, 2017.

On July 25, 2017, the BOD of the Company unanimously authorized the sale and offer of up to Ten Billion Pesos (P10,000,000,000) preferred shares, at an offer price of P100.00 per share, or 100,000,000 preferred shares with an initial tranche of 50,000,000 preferred shares, under a shelf registration to be issued within a period of three years.

The Company also applied with the PSE for the listing of the preferred shares, which the PSE approved for listing on the main board of the PSE on November 8, 2017. The PSE approval covers only the initial tranche of 50,000,000 preferred shares under the shelf registration.

The preferred shares were offered at the price of P100.00 per share resulting in an additional paid-in capital of P4.9 billion, net of direct share issuance cost. Direct issuance costs amounted to P46.5 million and listing fees paid to PSE amounted to P5.1 million.

On February 10, 2021, 37,000,000 Series B Preferred Shares were issued by the Company at P 100 per share. Said shares were listed at the Philippine Stock Exchange with ticket '8990B'. The APIC was further increased by P 3.6 billion (net of direct share issuance cost of P 59.90 million) as a result of shares offering.

On October 28, 2022, the Company's BOD approved the redemption of its 50,000,000 outstanding Series A Preferred Shares (8990P) at a redemption price of P 100 per share.

In 2023, total issued preferred shares by the company is at 37,000,000 shares with market value of P3,515,000,000.

In 2024, the Company's BOD approved the redemption of its outstanding series B Preferred Shares (8990B) at a redemption price of P 100 per share plus any accrued and unpaid cash dividends and arrears of dividends, less applicable transfer costs.

On February 10, 2024, the Parent Company completed the redemption of all Series B Preferred Shares. The cost amounted to P 3,693,700,000 and gain on redemption was also recognized amounting to P 1,085,386.

	2024			2023		
	Shares	Closing Rate	Amount	Shares	Closing Rate	Amount
Series B	-	-	-	37,000,000	95.00	3,515,000,000
Total	-	P	-	37,000,000	P	3,515,000,000

20.3 Treasury Shares

Treasury shares are shares of stock of the Parent Company that were reacquired but not cancelled. These are carried at acquisition cost and are presented as a deduction from equity until the shares are cancelled, reissued or disposed. The portion of treasury shares in the retained earnings is not allowed for dividends declaration.

On February 6, 2019, the Company's BOD announced its P2.0 billion share buyback program which is to be implemented for a period of 18 months or until August 1, 2020. The said buyback program excludes the participation of the majority shareholders.

On April 26, 2023, the Company's BOD approved the adoption of a buyback program in the amount of up to Php 1 billion, for the Company's outstanding Series B Preferred Shares.

Summary of Treasury Share Buyback for 2023:

Date of Buyback	No. of Shares Repurchased	Price per Share	Amount
05/02/2023	12,760	P 93.00	P 1,186,680
05/04/2023	30,240	93.00	2,812,320
05/12/2023	60	93.00	5,580
05/16/2023	180	94.30	16,974
05/16/2023	41,340	95.00	3,927,300
05/17/2023	31,000	93.00	2,883,000
05/25/2023	13,420	93.00	1,248,060
08/31/2023	9,730	93.00	904,890
09/06/2023	8,800	93.00	818,400
10/02/2023	17,900	93.00	1,664,700
10/02/2023	1,470	93.00	136,710
Total	166,900		P 15,604,614

On February 20, 2024, the company's BOD approved the expanded terms of the Company's share buyback program of its outstanding common shares as initially approved on February 1, 2019. It will be implemented for a period of up to 12 months or until February 20, 2025, unless this period is otherwise extended or shortened by the BOD. The amount allocated for the share buyback program is up to P 7.0 Billion worth of common shares.

Summary of Treasury Share Buyback for 2024:

Date of Buyback	No. of Shares Repurchased	Price per Share	Amount
06/24/2024	9,600	9.27	88,992
06/24/2024	1,000	9.28	9,280
06/24/2024	900	9.29	8,361
06/24/2024	15,400	9.32	143,528
06/24/2024	1,100	9.34	10,274
06/24/2024	900	9.35	8,415
06/24/2024	1,000	9.40	9,400
06/24/2024	900	9.45	8,505
06/24/2024	9,400	9.49	89,206
06/24/2024	10,550,800	9.50	100,232,600
06/25/2024	79,900	9.49	758,251
06/25/2024	10,555,100	9.50	100,273,450
06/26/2024	2,000	9.48	18,960
06/26/2024	9,900	9.49	93,951
06/26/2024	10,550,100	9.50	100,225,950
07/01/2024	10,550,000	9.50	100,225,000
07/02/2024	5,200,000	9.50	49,400,000
07/02/2024	5,200,000	9.50	49,400,000
07/02/2024	150,000	9.50	1,425,000
07/03/2024	1,000	9.40	9,400

Date of Buyback	No. of Shares Repurchased	Price per Share	Amount
07/03/2024	12,300	9.48	116,604
07/03/2024	29,800	9.49	282,802
07/03/2024	6,900	9.50	65,550
07/03/2024	5,200,000	9.50	49,400,000
07/03/2024	5,200,000	9.50	49,400,000
07/03/2024	150,000	9.50	1,425,000
07/04/2024	5,200,000	9.50	49,400,000
07/04/2024	5,200,000	9.50	49,400,000
07/04/2024	150,000	9.50	1,425,000
07/08/2024	5,200,000	9.50	49,400,000
07/08/2024	5,200,000	9.50	49,400,000
07/08/2024	150,000	9.50	1,425,000
07/09/2024	1,700	9.40	15,980
07/09/2024	5,000	9.41	47,050
07/09/2024	5,000	9.46	47,300
07/09/2024	11,700	9.49	111,033
07/09/2024	1,100	9.50	10,450
07/09/2024	5,200,000	9.50	49,400,000
07/09/2024	5,200,000	9.50	49,400,000
07/09/2024	600,000	9.50	5,700,000
07/10/2024	100	9.45	945
07/10/2024	200	9.48	1,896
07/10/2024	200	9.50	1,900
07/10/2024	5,200,000	9.50	49,400,000
07/10/2024	5,200,000	9.50	49,400,000
07/10/2024	600,000	9.50	5,700,000
07/11/2024	1,900	9.49	18,031
07/11/2024	5,200,000	9.50	49,400,000
07/11/2024	5,200,000	9.50	49,400,000
07/11/2024	1,300,000	9.50	12,350,000
07/15/2024	3,100	9.49	29,419
07/15/2024	5,250,000	9.50	49,875,000
07/15/2024	5,250,000	9.50	49,875,000
07/15/2024	1,399,200	9.50	13,292,400
Total	130,217,200		P 1,237,054,883

These repurchased shares are presented as Treasury Shares in the statements of financial position and do not form part of the outstanding shares. Below is the movement of treasury shares as at December 31, 2024 and 2023:

	2024		2023	
	Shares	Amount	Shares	Amount
Balance, January 1	126,758,600	P 1,822,144,768	126,591,700	P 1,806,540,154
Redemption – Preferred Shares (8990B)	(166,900)	(15,604,614)	-	-
Buyback	130,217,200	1,237,054,883	166,900	15,604,614
Balance, December 31	256,808,900	P 3,043,595,037	126,758,600	P 1,822,144,768

Under the Revised Corporation Code of the Philippines, a stock corporation can purchase or acquire its own shares provided that it has unrestricted retained earnings to cover the shares to be purchased or acquired. The equivalent amount of retained earnings is considered restricted.

20.4 Dividends

The Company's BOD approved the following cash dividend declarations in 2023 and 2022. No dividend was declared for the year 2024.

Amount Per Share	Date of			Amount
	Declaration	Record	Payment	
<u>2023</u>				
Preferred				
1.375	Feb. 7, 2023	Apr. 25, 2023	May. 10, 2023	50,875,000
1.375	Feb. 7, 2023	Jul. 27, 2023	Aug. 10, 2023	50,875,000
1.375	Feb. 7, 2023	Oct. 25, 2023	Nov. 10, 2023	50,875,000
1.375	Feb. 7, 2023	Jan. 29, 2024	Feb. 10, 2024	<u>50,875,000</u>
				P 203,500,000

Amount Per Share	Date of			Amount	
	Declaration	Record	Payment		
<u>2022</u>					
Preferred					
1.506575	Feb. 17, 2022	Feb. 16, 2022	Mar. 1, 2022	P	75,328,750
1.506575	Feb. 17, 2022	May 18, 2022	Jun. 1, 2022		75,328,750
1.506575	Feb. 17, 2022	Aug. 18, 2022	Sep. 1, 2022		75,328,750
1.506575	Feb. 17, 2022	Nov. 17, 2022	Dec. 1, 2022		75,328,750
1.375	Feb. 17, 2022	Apr. 16, 2022	May. 10, 2022		50,875,000
1.375	Feb. 17, 2022	Jul. 27, 2022	Aug. 10, 2022		50,875,000
1.375	Feb. 17, 2022	Oct. 24, 2022	Nov. 10, 2022		50,875,000
1.375	Feb. 17, 2022	Jan. 26, 2023	Feb. 10, 2023		50,875,000
				P	504,815,000

20.5 Capital Management

The primary objective of the Company's capital management is to ensure that debt and equity capital are mobilized efficiently to support business objectives and maximize shareholder value. The Company establishes the appropriate capital structure for its business, and thus, allowing the necessary financial flexibility for its operations and providing sufficient cushion to absorb cyclical industry risks.

The Company is not subject to externally-imposed capital requirements, which considers its total liabilities and equity as its capital.

For 2022 and 2021, the bonds require the Company to observe certain covenants, including, among others, maintenance of financial ratios, incurrence or guarantee of additional debt, encumbrance for borrowed money, and other covenants. These were complied with by the Company.

21 INCOME TAXES

The components of tax benefit (expense) reported in the statements of comprehensive income are as follows:

	2024	2023	2022
<i>Reported in profit or loss:</i>			
Current tax benefit (expense):			
Minimum corporate income tax MCIT) at applicable tax rate	P -	P -	(P 426,896)
Final tax at 20%	(2,682)	(1,482)	(4,398)
Subtotal	(2,682)	(1,482)	(431,294)
Deferred tax benefit (expense) relating to origination and reversal of temporary differences	30,698,403	(11,978,143)	(16,971,147)
Subtotal	30,698,403	(11,978,143)	(16,971,147)
Total	P 30,695,721	(P 11,979,625)	(P 17,402,441)
<i>Reported in other comprehensive income:</i>			
Deferred tax benefit (expense) relating to remeasurement of post-retirement defined benefit plan	(P 54,460)	P 132,963	P 1,151

The reconciliation of tax benefit (expense) on pretax income at the applicable statutory rates to tax benefit (expense) reported in the profit or loss section of statements of comprehensive income is shown below.

	2024	2023	2022
Income before tax at statutory tax rate	(P 949,411,767)	(P 701,991,270)	(P 501,927,947)
Adjustments for the income tax effects of:			
Dividend income exempt from income tax	937,679,508	685,575,943	488,269,355
Application of NOLCO	5,995,923	5,417,171	-
Derecognition of DTL	31,755,745	-	-
Unrecognized deferred tax assets	(1,101,145)	(521,081)	(8,476,245)
Nontaxable income	8,169,060	3,242,777	6,081,323
Nondeductible expenses	(2,392,293)	(3,704,631)	(1,350,163)
Interest income subject to final tax	690	1,466	1,236
Tax benefit (expense)	P 30,695,721	(P 11,979,625)	(P 17,402,441)

On March 26, 2021, the President signed into law the Republic Act (RA) 11534, also known as “Corporate Recovery and Tax Incentives for Enterprises Act or “CREATE” Act which reduced the corporate income tax rates and rationalized the current fiscal incentives by making it time bound, targeted and performance – based. CREATE Act introduces reforms in the areas of corporate income tax, value – added tax, and tax incentives, aside from providing COVID – 19 reliefs to taxpayers.

The salient provisions of the Create Act applicable to the Company are as follow:

1. Effective July 1, 2020, domestic corporation with total assets not exceeding P100 million and taxable income of P5 million and below shall be subject to 20% income tax rate while the other domestic corporations and resident foreign corporations will be subject to 25% income tax rate.
2. Minimum corporate income tax (MCIT) rate reduced from 2% to 1% effective July 1, 2020, to June 30, 2023. Accordingly, the rate shall now revert to 2% effective July 1, 2023;
3. The imposition of improperly accumulated earnings is repealed.

Details of the Company's NOLCO are as follows:

Year Incurred	Amount	Used/Expired	Balance	Expiry Year
2022	P 32,197,395	P -	P 32,197,395	2025
2021	50,562,351	-	50,562,351	2026
2020	450,088,862	(45,652,375)	404,436,487	2025
Total	P 532,848,608	P (45,652,375)	P 487,196,233	

NOLCO for 2021 and 2020 amounted to P 50,562,351 and P 404,436,487, which will expire in 2026 and 2025, respectively. NOLCO for 2021 and 2020 can be applied for five years instead of three years, in compliance with Revenue Regulation No. 25-2020 (issued last September 28, 2020) *“Notwithstanding the provision of existing laws to the contrary, the net operating loss of the business or enterprise for the taxable years 2020 and 2021 shall be carried over as a deduction from gross income for the next five (5) consecutive years immediately following the year of such loss; Provided that this subsection shall remain in effect even after the expiration of Republic Act No. 11494, otherwise known as the Bayaniban to Recover as One Act;”*.

During the year, the Company applied its NOLCO amounting to P23,983,692 against its taxable income.

On the other hand, the details of the Company's MCIT are as follows:

Year Incurred	Amount	Used/Expired	Balance	Expiry Year
2024	P 1,101,145	P -	P 1,101,145	2027
2023	534,250	-	534,250	2026
2022	426,896	-	426,896	2025
2021	612,357	(612,357)	-	2024
Total	P 2,674,648	P (612,357)	P 2,062,291	

The Company did not recognize deferred tax assets on the temporary differences presented below since the Company believes that it is not probable that the related benefits will be realized in the future.

	2024		2023		2022	
	Tax Base	Tax Effect	Tax Base	Tax Effect	Tax Base	Tax Effect
NOLCO	P 487,196,233	P 121,799,058	P 511,179,925	P 127,794,981	P 532,848,608	P 133,212,152
Impairment loss	283,820	70,955	283,820	70,955	313,621	78,405
Excess of depreciation and interest expense over lease payments	(29,768)	(7,442)	9,307	2,327	155,305	38,826
Excess MCIT over RCIT	2,062,291	2,062,291	1,573,503	1,573,503	2,281,563	2,281,563
	P 489,512,576	P 123,924,862	P 513,046,555	P 129,441,766	P 535,599,097	P 135,610,946

The components of recognized net deferred income tax liabilities are as follows:

	2024	2023	2022
Deferred tax asset			
Remeasurement of pension liability	P 250,364	P 261,022	P 107,426
Deferred tax liability			
Share in earnings of associate	-	(31,755,745)	(20,291,219)
Net, deferred tax asset (liability)	P 250,364	P (31,494,723)	P (20,183,793)

22 COMMITMENT AND CONTINGENCIES

There are other commitments and contingent liabilities that arise in the normal course of the Company's operations that are not reflected in the financial statements. Management is of the opinion that losses, if any, from these items will not have a material effect on the Company's financial statements.

23 RELATED PARTY TRANSACTION

The Company's transactions with related parties consist of granting of loans and advances and reimbursement of expenses, which can be settled in cash or through offsetting arrangement.

A summary of the Company's transactions and the related outstanding balance with its related parties is shown below.

		2024			
Category	Amount of Transaction		Outstanding Balance	Terms and Conditions	
Subsidiaries					
Due from related parties	P -	P	354,839,923	Noninterest-bearing, receivable on demand, unsecured, no impairment	
Due to related parties	1,220,209,867		2,309,110,429	Noninterest-bearing, payable on demand, unsecured	
Loans receivables (Note 9)					
Principal	-		943,726,834	Noninterest-bearing, payable on December 31, 2025 and July 16, 2025, unsecured, no impairment	
Accretion of discount	13,884,978		(7,947,660)		
Dividend income (Note 10)	3,750,718,033		-	Dividend declared by 8990 HDC	
Key Management Personnel	3,976,860		-		
		2023			
Category	Amount of Transaction		Outstanding Balance	Terms and Conditions	
Subsidiaries					
Due from related parties	P -	P	354,839,923	Noninterest-bearing, receivable on demand, unsecured, no impairment	
Due to related parties	5,942,623		1,387,894,726	Noninterest-bearing, payable on demand, unsecured	
Loans receivables (Note 9)					
Principal	-		943,726,834	Noninterest-bearing, payable on December 31, 2024 and July 16, 2025, unsecured, no impairment	
Accretion of discount	12,971,105		(21,832,638)		
Dividend income (Note 10)	2,742,303,771		-	Dividend declared by 8990 HDC	
Key Management Personnel	3,724,356		-		
		2022			
Category	Amount of Transaction		Outstanding Balance	Terms and Conditions	
Subsidiaries					
Due from related parties	P (432,021,780)	P	354,839,923	Noninterest-bearing, receivable on demand, unsecured, no impairment	
Due to related parties	5,338,714,977		4,291,235,562	Noninterest-bearing, payable on demand, unsecured	
Loans receivables (Note 9)					
Principal	-		943,726,834	Noninterest-bearing, payable on December 31, 2023, and July 16, 2025, unsecured, no impairment	
Accretion of discount	24,325,293		(34,803,743)		
Dividend income (Note 10)	1,953,077,419		-	Dividend declared by 8990 HDC	
Key Management Personnel	3,112,438		-		

The Company's accounting and administrative functions are being handled by the subsidiaries at no cost to the Company.

The total remuneration of the key management personnel of the Company, which is composed of short-term benefits, amounted to P4.0 million and P3.7 million in 2024 and 2023, respectively, and is presented as Salaries and wages under Expenses section in the statements of comprehensive income.

24 MISCELLANEOUS EXPENSE

This account pertains to infrequent transactions that are insignificant to have their own account, which are lumped into one general account. 2024 transactions include settlement of LOA for taxable year 2022, fines and penalties, out-of-pocket expenses and reimbursements. Meanwhile, 2023, transactions involve the settlement of LOA for taxable years 2021 and 2022 and reimbursement of out-of-pocket expenses.

The following are the amounts recorded on this account as of December 31:

	2024	2023	2022
Miscellaneous Expense	P 22,934,124	P 19,299,526	P 19,857,553

25 EARNINGS PER SHARE

Basic EPS is calculated by dividing the net profit for the year (after subtracting preferred dividends) by the weighted average number of common shares outstanding during the reporting period.

The following table reflect the net profit and share data used in the basic/diluted EPS computations:

	2024	2023	2022
Net profit attributable to equity holders of 8990 Holdings, Inc.	P 3,828,342,786	P 2,795,985,455	P 1,990,309,348
Less: preferred dividends	-	203,500,000	504,815,000
Net profit after preferred dividends	3,828,342,786	2,592,485,455	1,485,494,348
Divided by weighted average number of common shares	5,326,598,535	5,391,399,020	5,391,399,020
	P .72	P .48	P .28

There were no potential dilutive common shares in 2024, 2023, and 2022.

26 INFORMATION ON STATEMENTS OF CASH FLOWS

26.1 Reconciliation of Liabilities from Financing Activities

Presented below is the reconciliation of the Company's liabilities arising from financing activities, which includes both cash and non-cash changes.

	Due to Related Parties	Bonds Payable	Total
Balance at January 1, 2024	P 1,387,894,726	P -	P 1,387,894,726
Cash flows from a financing activities:			
Advances obtained	1,220,209,867	-	1,220,209,867
Repayment of advances obtained	(280,000,000)	-	(280,000,000)
Non-cash financing activity - Advances offset	(18,994,164)		(18,994,164)
Balance at December 31, 2024	P 2,309,110,429	P -	P 2,309,110,429
Balance at January 1, 2023	P 4,291,235,562	P -	P 4,291,235,562
Cash flows from a financing activities:			
Advances obtained	5,942,623	-	5,942,623
Repayment of advances obtained	(402,058,459)	-	(402,058,459)
Non-cash financing activity - Advances offset	(2,507,225,000)		(2,507,225,000)
Balance at December 31, 2023	P 1,387,894,726	P -	P 1,387,894,726
Balance at January 1, 2022	P 1,175,932,157	P 592,631,999	P 1,768,564,156
Cash flows from a financing activities:			
Advances obtained	5,338,714,977	-	5,338,714,977
Repayment of advances obtained	(1,044,069,003)	-	(1,044,069,003)
Payment of bonds		(599,882,750)	(599,882,750)
Loss on early redemption of bonds		6,592,275	6,592,275
Non-cash financing activity - Amortization of bond issue costs	-	658,476	658,476
Advances offset	(1,179,342,569)		
Balance at December 31, 2022	P 4,291,235,562	P -	P 4,291,235,562

27 SUPPLEMENTARY INFORMATION REQUIRED UNDER REVENUE REGULATION (RR) 15-2010

The information on taxes, duties and license fees paid or accrued during the taxable year required under RR No. 15-2010 are presented as follows:

(a) Value-Added tax

The NIRC of 1997 provides for the imposition of VAT on sales of goods and services. Accordingly, the Company's purchases from other VAT-registered individuals or corporations are subject to input VAT. The VAT rate is set at 12%.

The Company did not declare output VAT as it did not enter into transactions subject to output VAT during the year.

The movement in input VAT in 2024 are summarized below (see Note 14).

Balance at beginning of year	P 14,970,814
From domestic purchase of services	1,639,588
From domestic purchase of goods other than capital goods	<u>151,022</u>
Balance at end of year	<u>P 16,761,424</u>

(b) Taxes on Importations

The Company did not have any importation in 2024.

(c) Excise Tax

The Company did not have any transactions in 2024 that are subject to excise tax.

(d) Documentary Stamp Taxes

The Company did not have any documentary stamp in 2024.

(e) Taxes and Licenses

The Company's taxes and licenses for the year ended December 31, 2024 consist of license and permit fees amounting to P1,048,929 and is presented as Taxes and licenses under the Expenses in the 2024 statement of comprehensive income.

(f) Withholding Taxes

Withholding taxes paid and accrued and/or withheld by the Company for the year ended December 31, 2024 consists of:

Final withholding tax	P 3,610,063
Withholding tax on compensation	893,450
Expanded withholding taxes	<u>422,181</u>
Total	<u>P 4,925,694</u>

(g) Deficiency Tax Assessment and Tax Cases

As of December 31, 2024, the Company has no outstanding tax assessments.

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY SCHEDULES

The Shareholders and Board of Directors
8990 HOLDINGS, INC.
11TH Floor Liberty Center
104 H.V. Dela Costa, Salcedo Village
Makati City

We have audited in accordance with Philippine Standards on Auditing, the separate financial statements of **8990 HOLDINGS, INC.** ("the Parent Company"), as at and for the year ended December 31, 2024 and issued our report thereon dated April 14, 2025. Our audits were made for the purpose of forming an opinion on the separate financial statements taken as a whole. The schedules listed in the Index to the separate Financial Statements and Supplementary Schedules are the responsibility of the Parent Company's Management. These schedules are presented for purpose of complying with the Securities Regulation Code (SRC) 68, as amended, and are not part of the separate financial statements. These supplementary schedules have been subjected to the auditing procedures applied in the audit of the separate financial statements and in our opinion, the information fairly states in all material respects the financial data required to be set forth therein in relation to the separate financial statements taken as a whole.

RAMON F. GARCIA & CO., CPAs
By:



CHRISTOPHER C. ALCANTARA

Partner

CPA Certificate No. 0107764

PTR No. 10490132, January 21, 2025, Makati City

TIN 227-976-865-000

BOA/PRC Accreditation No.0207 (Valid until October 5, 2025)

Partner's BIR Accreditation No. 08-001759-004-2024 (May 22, 2024 to May 21, 2027)

Partner's SEC Accreditation No. 107764, Group A (Valid for the audit of 2022 to 2026 financial statements)

Firm's BIR Accreditation No. 08-001759-000-2023 (March 13, 2023 to March 12, 2026)

Firm's SEC Accreditation No. 0207-SEC, Group A (Valid for the audit of 2021 to 2025 financial statements)

April 14, 2025
Makati City

8990 HOLDINGS INC.
INDEX TO PARENT COMPANY FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
DECEMBER 31, 2024

Schedules Required under Annex 68-E of the Securities Regulation Code Rule 68

Schedule	Description	Page No.
A	Financial Assets	
	Financial Assets at Fair Value Through Other Comprehensive Income	None
B	Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)	1
C	Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements	2
D	Long-Term Debt	None
E	Indebtedness to Related Parties	3
F	Guarantees of Securities of Other Issuers	None
G	Capital Stock	4

Other Required Schedules/Information

Financial Indicators	5
Reconciliation of Retained Earnings Available for Dividend Declaration	6 - 7
Map Showing the Relationship Between and Among Related Entities	8 - 10

8990 HOLDINGS, 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 period		Additions		Amounts Collected		Amounts written off		Current		Non-Current		Balance at end of period	
Roan Torregozza	P	28,865,663	P	2,013,254	P	30,878,917	P	-	P	-	P	-	P	-
Teresa Secuya		382,600		820,000		1,189,337				13,263		-		13,263
TOTAL	P	29,248,263	P	2,833,254	P	32,068,254	P	-	P	13,263	P	-	P	13,263

8990 HOLDINGS, INC.
SCHEDULE C - AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED
DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS
DECEMBER 31, 2024

Name and Designation of Debtor	Balance at Beginning of Year	Additions	Deductions		December 31, 2024		Balance at December 31, 2024
			Amounts Collected	Amounts Written-off	Current	Not Current	
Primex Land, Inc.	P 54,839,923	P -	P -	P -	P 54,839,923	P -	P 54,839,923
Piccadilly Premier Land Inc.	<u>300,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>300,000,000</u>	<u>-</u>	<u>300,000,000</u>
TOTAL	<u>P 354,839,923</u>	<u>P -</u>	<u>P -</u>	<u>P -</u>	<u>P 354,839,923</u>	<u>P -</u>	<u>P 354,839,923</u>

8990 HOLDINGS, INC.
SCHEDULE E – INDEBTEDNESS TO RELATED PARTIES (Long-Term Loans from Related Parties)
DECEMBER 31, 2024

Name of related party	Balance at beginning of period	Balance at end of period
8990 Housing Development Corporation	P 813,044,742	P 1,727,330,445
Tondo Holdings Corporation	187,087,957	187,087,957
Euson Realty and Dev’t Corporation	113,800,000	113,800,000
8990 Davao Housing Development Corporation	189,895,361	189,895,361
8990 Mindanao Housing Development Corporation	80,066,666	80,066,666
The Mont Property Group Inc.	<u>4,000,000</u>	<u>10,930,000</u>
Total	<u>P 1,387,894,726</u>	<u>P 2,309,110,429</u>

8990 HOLDINGS, INC.
SCHEDULE G - CAPITAL STOCK
DECEMBER 31, 2024

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding	Number of Shares Reserved for Options, Warrants, Conversion and Other Rights	Number of Shares Held by		Others
				Related parties	Directors, Officers and Employees	
Common Shares at ₱1 par value	6,850,000,000	5,261,181,820	—	3,450,692,020	432,021,895	1,378,467,905
Preferred Shares Series A at ₱1 par value	50,000,000	—	—	—	—	—
Preferred Shares Series B at ₱1 par value	50,000,000	—	—	—	—	—
Preferred Shares ₱0.01 par value	5,000,000,000	—	—	—	—	—

8990 HOLDINGS, INC.
Supplemental Schedule of Financial Soundness Indicators
December 31, 2024 and 2023

Ratio	Formula	Dec-24	Ratio	Formula	Dec-23
Current ratio	Total Current Assets	1,410,510,242	Current ratio	Total Current Assets	1,166,158,726
	Divided by Total Current Liabilities	2,364,562,982		Divided by Total Current Liabilities	1,458,943,247
		0.60			0.80
Acid test ratio	Total Current Assets	1,410,510,242	Acid test ratio	Total Current Assets	1,166,158,726
	Less: Inventories			Less: Inventories	
	Other Current Assets	52,746,035		Other Current Assets	51,103,850
	Quick Assets	1,357,764,207		Quick Assets	1,115,054,876
	Divide by: Total Current Liabilities	2,364,562,982		Divide by: Total Current Liabilities	1,458,943,247
	Acid test ratio	0.57		Acid test ratio	0.76
Solvency ratio	Total Liabilities	2,367,787,250	Solvency ratio	Total Liabilities	1,491,482,058
	Divided by Total Assets	45,492,105,781		Divided by Total Assets	45,708,744,693
		0.05			0.03
Debt-to-equity ratio	Total Liabilities	2,367,787,250	Debt-to-equity ratio	Total Liabilities	1,491,482,058
	Divided by Total Equity	43,124,318,531		Divided by Total Equity	44,217,262,635
		0.05			0.03
Assets-to- equity ratio	Total Assets	45,492,105,781	Assets-to- equity ratio	Total Assets	45,708,744,693
	Divided by Total Equity	43,124,318,531		Divided by Total Equity	44,217,262,635
		1.05			1.03
Return on equity	Net Profit	3,828,342,786	Return on equity	Net Profit	2,795,985,455
	Divide by: Total Equity	43,124,318,531		Divide by: Total Equity	44,217,262,635
		0.09			0.06
Return on assets	Net Profit	3,828,342,786	Return on assets	Net Profit	2,795,985,455
	Divide by: Total Assets	45,492,105,781		Divide by: Total Assets	45,708,744,693
		0.08			0.06
Net profit margin	Net Profit	3,828,342,786	Net profit margin	Net Profit	2,795,985,455
	Divide by: Total Revenue	3,838,465,004		Divide by: Total Revenue	2,842,225,648
		1.00			0.98

Schedule I

**RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND
DECLARATION**

FOR THE REPORTING PERIOD ENDED DECEMBER 31, 2024

8990 HOLDINGS, INC.

11th Floor Liberty Center, 104 H.V. Dela Costa

Salcedo Village, Makati City

Unappropriated Retained Earnings, beginning of reporting period		6,546,049,038
(See footnote 2)		
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings		
Reversal of Retained Earnings Appropriation/s	—	
Effect of restatements or prior-period adjustments	—	
Others (describe nature)	—	
		—
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the reporting period	—	
Retained Earnings appropriated during the reporting period	—	
Effect of restatements or prior-period adjustments	—	
Others (describe nature)		—
		—
Unappropriated Retained Earnings, as adjusted		6,546,049,038
Add/Less: Net Income (loss) for the current year		3,828,342,786
Less: Category C.1: Unrealized Income recognized in the profit or loss during the reporting period (Net of tax)		
Equity in net income of associate/joint venture, net of dividends declared	(13,279,406)	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	—	
Unrealized fair value through profit or loss (FVTPL)	—	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	—	
		—
Sub-total		(13,279,406)
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax).		
Realized foreign exchange gain, except those attributable to cash and cash equivalents	—	
Realized fair value adjustments (market-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	—	
Realized fair value gain of Investment property	—	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS – disposal of investment in associate	108,546,642	
Sub-total		108,546,642
Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)		
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	—	
Reversal of previously recorded fair value adjustment (mark-to-mark gains) of financial instruments at fair value through profit or loss (FVTPL)	—	
Reversal of previously recorded fair value gain of investment property	—	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded (describe nature).	—	
		—
Sub-total		—

Adjusted Net Income/Loss **3,923,610,022**

Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)

Depreciation on revaluation increment (after tax)	-
Sub-total	-

Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP

(See Footnote 3)	
Amortization of the effect of reporting relief	-
Total amount of reporting relief granted during the year	-
Others (describe nature)	-
Sub-total	-

Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution

Net movement of treasury shares (except for reacquisition of redeemable shares)	(1,221,450,269)
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	-
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up right of use asset and lease liability, set-up asset and concession payable.	-
Adjustment due to deviation from PFRS/GAAP - gain (loss)	-
Others (describe nature)	-
Sub-total	(1,221,450,269)

Total Retained Earnings, end of the reporting period available for dividend

9,248,208,791

Footnotes:

(1) The amount of retained earnings of a company should be based on its separate ("Stand-alone") audited financial statements.

(2) Unappropriated Retained Earnings, beginning of reporting period refers to the ending balance as reported in the "Reconciliation of Retained Earnings Available for Dividend Declaration" of the immediately preceding period.

(3) Adjustments related to the relief provided by the SEC and BSP pertain to accounting relief (e.g. losses that are reported on a staggered basis) granted by regulators. However, these are actual losses sustained by the company and must be adjusted in the reconciliation to reflect the actual distributable amount.

(4) This reconciliation of Retained Earnings Available for Dividend Declaration is pursuant to Sec. 42 of the Revised Corporation Code, which prohibits stock corporations to retain surplus profits in excess of one hundred (100%) percent of their paid-in capital and their power to declare dividends. However, this reconciliation of Retained Earnings should not be used by the REIT companies as a basis to determine the amount of its distributable income should be in accordance with the REIT Act and its Implementing Rules and Regulations.

8990 HOLDINGS, INC. AND SUBSIDIARIES
MAP SHOWING THE RELATIONSHIP BETWEEN AND AMONG
THE PARENT COMPANY AND ITS SUBSIDIARIES
DECEMBER 31, 2024

