

3	1	1	6	8
---	---	---	---	---

SEC Registration  
Number

A		B	R	O	W	N		C	O	M	P	A	N	Y	,		I	N	C	.
---	--	---	---	---	---	---	--	---	---	---	---	---	---	---	---	--	---	---	---	---

(Company's Full Name)

X	A	V	I	E	R		E	S	T	A	T	E	S		U	P	T	O	W	N
A	I	R	P	O	R	T		R	O	A	D		B	A	L	U	L	A	N	G

C	A	G	A	Y	A	N		D	E		O	R	O		C	I	T	Y
---	---	---	---	---	---	---	--	---	---	--	---	---	---	--	---	---	---	---

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

Allan Ace R. Magdaluyo

Contact Person

02-8631 8890

Company Telephone Number

1	2	/	3	1
---	---	---	---	---

Month      Day  
Fiscal Year

1	7	-	C
---	---	---	---

FORM TYPE

0	6
---	---

Month      Day  
Annual Meeting

--	--

--

Secondary License Type, if applicable

M	S	R	D
---	---	---	---

Dept. Requiring this Doc.

--

Amended Articles Number/Section

Total Amount of Borrowings

--

Total No. of Stockholders

--

Domestic

- 0 -
-------

Foreign

-----  
To be accomplished by SEC Personnel concerned

--	--	--	--	--	--	--	--	--	--

File number

--	--	--	--	--	--	--	--	--	--

Document I.D.

\_\_\_\_\_  
LCU

\_\_\_\_\_  
Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17  
OF THE SECURITIES REGULATION CODE  
AND SRC RULE 17.2(c) THEREUNDER

03 November 2023

1. ....  
2. SEC Identification Number. **31168** 3. BIR Tax Identification No. **002-724-446-000**

**A BROWN COMPANY, INC.**

4. ....  
Exact name of issuer as specified in its charter  
**Metro Manila**  
5. .... 6. .... (SEC Use Only)  
Province, country or other jurisdiction Industry Classification Code:  
**Xavier Estates Uptown, Airport Road, Balulang, Cagayan de Oro City 9000**  
7. ....  
Address of principal office  
**Liaison Office - (02) 8631-8890 / (02) 8633-3135**  
8. ....  
Issuer's telephone number, including area code  
9. ....  
Former name or former address, if changed since last report  
10. 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 Stock.....	2,372,367,911.....
.....Preferred Stock.....	13,264,900.....

11. Indicate the item numbers reported herein: **Item No. 9**

Please refer to the attached letter to the Philippine Stock Exchange dated **November 03, 2023**.

**SIGNATURES**

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

**A BROWN COMPANY, INC.**

03 November 2023

  
**ALLAN ACE R. MAGDALUYO**  
Compliance Officer

03 November 2023

**PHILIPPINE STOCK EXCHANGE. INC.**

28<sup>th</sup> Street corner 5<sup>th</sup> Avenue  
PSE Tower, Bonifacio Global City  
Taguig City

Attention: **ALEXANDRA D. TOM WONG**  
Office-in-Charge - Disclosure Department

Re: Approval of Preferred Shares Offering and  
Issuance of Amended Unaudited Interim Condensed  
Consolidated Financial Statements as of June 30, 2023

Gentlemen:

In a meeting held today, 3 November 2023, the Board of Directors approved the following matters:

1. The offer and sale to the public of up to 15,000,000 Non-Voting Preferred Shares (the “Offer”), to be issued and offered under the Corporation’s 50,000,000 Preferred Shares Shelf Registration under MSRD Order No. 76 series of 2021 (the “Shelf Registration”).

The Board likewise authorized Management to cause the preparation and filing of (i) a Registration Statement and Offer Supplement in relation to the Offer under the Shelf Registration; (ii) a Listing Application with the Philippine Stock Exchange (“PSE”) for the Offer; (iii) the approval of all the disclosures contained in the Registration Statement, the Offer Supplement, and Listing Application to be filed with the Securities and Exchange Commission and the PSE.

2. In connection with the Offer, the amendment of the Company’s unaudited interim financial statements for the six months ended June 30, 2022 and June 30, 2023. The amended is being made arising from the review of the Company’s financial statements as part of the Offer.

The unaudited interim consolidated statement of comprehensive income for the six months ended June 30, 2022 filed by the group under SEC form 17-Q with the Philippine Stock Exchange in compliance with Section 17 of the Securities Regulations Code (SRC) and SRC Rule 17(2)(b) was restated due to the impact of December 31, 2022 annual audit adjustments to the June 30, 2022 quarterly report. As such, the adjustments resulted to 9.0 million decrease in revenues, 96.3 million increase in costs and general and administrative expenses, 20.8 million decrease in equity in net earnings of associates, 7.4 million increase in other income, 16.6 million decrease in



other comprehensive income and consequently a 57.0 million increase in provision for income tax, 175.7 million decrease in net income, 175.7 million decrease in retained earnings as of June 30, 2022 and 0.072 decrease in basic/diluted earnings per share previously reported in the interim consolidated statements of comprehensive income and changes in equity. Moreover, the unaudited interim consolidated statement of cash flows for the six months ended June 30, 2022 was also restated resulting to 44.9 million increase in net cash flows used in operating activities, 77.0 million increase in net cash flows from investing activities, 44.4 million increase in net cash flows used in financing activities, and 3.4 million decrease in effect of exchange rates changes on cash, resulting to 8.9 million additional net decrease in cash.

The adjustments have no impact on the consolidated statement of financial position as of December 31, 2022 presented as comparative period.

Except for the items above, there were no material, non-recurring adjustments made during the period that would require appropriate disclosures.

For the period covering the six months ended June 30, 2023, the following changes were made on the unaudited interim consolidated statement of comprehensive income: For revenues, the real estate sales increased by 3.5 million which amounted to about 683.9 million; sale of agricultural goods decreased by 3.2 million which amounted to about 74.4 million and water service decreased by 738 thousand with net effect of only a decrease of about 396 thousand. For cost of sales and services, a significant decrease in cost of agricultural goods sold amounted to 12.1 million with 62.8 million as amended. While the gross profit increased by 11.8 million as amended to 495.2 million, the general, administrative and selling expenses was increased to 221.0 million, up by 49.4 million in the amendment. Changes in other income (expenses) account include the increase of equity in net earnings of associates by 14 million; increase in interest expense by 6.3 million and decrease in other income-net by 4.5 million. Income before income tax amounted to 437.5 million as amended was decreased by 34.3 million. The provision for income tax account increased by 75.0 million after it was amended to 78.2 million. Net income was 359.3 million as amended, a decrease of 109.3 million. Other comprehensive income increased by 58.3 million resulting to total comprehensive income amounting to 409.6 million as amended.

The consolidated statement of financial position as of June 30, 2023 has the following changes: a 8.4 million decrease in cash; a 907.1 million decrease in the receivable; a 212.6 million increase in current portion of contract assets; a 127.8 million increase in other inventories and a 112.7 decrease in other current assets which reduced the current assets by 605.9 million, which was 5.7 billion as amended. Non-current assets increased by 587.8 million which was brought mainly by the increase of 440.2 million in non-current portion of contract assets-net of current portion; increase by 52.8 million on equity instruments at fair value through other comprehensive income and a 216.1 million increase in other non-current assets. This increase was off-setted by

the decrease of 82.2 million on property, plant and equipment – net and the decrease of 45.7 million on investment in associates. With changes in current and non-current assets, total assets decreased by 18.1 million which stood now at 11.3 billion.

The 52.6 million increase in current liabilities was a result of the 52.5 million increase in accounts and other payables; the 1.4 million increase in contract liabilities and the 1.3 million decrease in the current portion of long-term debt after amendment. Non-current liabilities which amounted to 1.8 billion, as amended was higher by 26.7 million as compared to its amount before the amendment. Deferred tax liabilities contributed 20.5 million of that change while that of long-term debt, net of current portion and retirement benefit obligations added some 2.0 million and 4.3 million, respectively. Total liabilities which amounted to 4.3 billion after amendment was higher by 79.3 million as compared before.

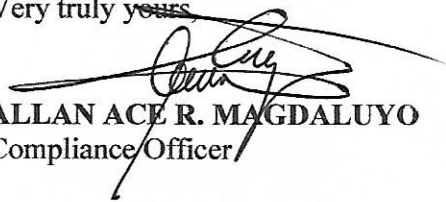
The amended 6.9 billion equity which is lower by 97.4 million before the adjustments has the following changes: retained earnings decreased by 155.8 million; fair value reserve of EIFVOCI increased by 52.8 million; cumulative translation adjustment increased by 5.6 million and re-measurement loss on retirement benefit obligation – net of tax decreased by 123 thousand.

Moreover, the unaudited interim consolidated statement of cash flows for the six months ended June 30, 2023 was also amended resulting to 13.3 million decrease in net cash flows used in operating activities, 24.3 million decrease in net cash flows used from investing activities, 45.1 million decrease in net cash flows from financing activities, and 921 thousand decrease in effect of exchange rates changes on cash, resulting to 8.4 million additional net decrease in cash.

Please refer to the Amended SEC Form 17-Q (Quarter Report) 2<sup>nd</sup> Quarter 2023 for the interim condensed consolidated financial statements as reviewed by independent accountant.

Thank you for your kind attention.

Very truly yours



ALLAN ACE R. MAGDALUYO  
Compliance Officer