3	1	1	6	8

SEC Registration Number

A BROWN COMPANY, INC.

(Company's Full Name)

XAVIER ESTATES UPTOWN AIRPORT ROAD BALULANG CAGAYAN DE ORO CITY

(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

2	0	-	I	S

FORM TYPE

0	6			

Month Day
Annual Meeting

Definitive Information Statement

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	Foreign
2,085 Common and 3 Preferred – Series A; 2 Preferred – Series B; 2 Preferred – Series C (April 30, 2025)	₱3,316,040,756 (December 31, 2024)	- 0 -

To be accomplished by SEC Personnel concerned

File number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

A BROWN COMPANY, INC.

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

TO: ALL STOCKHOLDERS

NOTICE is hereby given that the annual meeting of the stockholders of **A BROWN COMPANY, INC.** will be held on June 27, 2025 (Friday), at 1:00 p.m. The meeting will be conducted virtually via remote communication and can be accessed at the link provided in the Company's website at https://abrown.ph/annual-stockholders-meeting-2025/.

he agenda for the meeting shall be as follows:

1. Call to Order
2. Proof of Notice of Meeting
3. Certification of Quorum
4. Approval of the Minutes of the Previous Annual Stockholders' Meeting
5. Approval of 2024 Operations and Results
6. Ratification of All Acts of the Board of Directors and Officers
7. Retention of Independent Director
8. Election of Directors
9. Appointment of External Auditors
10. Other Matters
11. Adjournment

The close of business on **May 21, 2025** has been fixed as the record date for the determination of the stockholders entitled to notice of and vote at said meeting and any adjournment thereof.

The Annual Stockholders' Meeting will be held virtually through an online webinar platform for stockholders to attend by remote communication. They can join by registering online at https://www.abrown.ph/asmregister2025/ on or before 5:00 p.m. on June 17, 2025. The identities of those registering to participate online will be going through a process of verification, after which an email from the Company will be sent to them giving instructions as to how they will be able to watch the livestream of the annual stockholders' meeting. Please see attached *Guidelines for Participating by Remote Communication and Voting in Absentia.*

The stockholders are likewise encouraged to participate in the meeting by either of the following:

(i) by submitting duly accomplished proxies to the Office of the Corporate Secretary at 2704 East Tower, Philippine Stock Exchange Centre, Ortigas Center, Pasig City or via electronic copy by emailing corporatesecretary@abrown.ph on or before 5:00 p.m. on June 17, 2025. For corporate stockholders, the proxies should be accompanied by a Secretary's Certification on the appointment of the corporation's authorized signatory.

(ii) by registering your votes on the matters to be taken up during the meeting through the e-voting platform set up for the purpose which can be accessed at https://www.abrown.ph/asmevoting2025/. The e-voting portal will be open until 12:00 noon of June 17, 2025.

Validation of proxies is set on June 18, 2025 at 2:00 p.m. The votes already cast using the e-voting platform by that time will also be verified on said date.

This Notice of Meeting will be published in the business section of two (2) newspapers of general circulation, in print and online format, in accordance with the SEC's Guidelines on Alternative Mode of Distributing and Providing Copies of Notice of Meeting.

The following documents which are to be circulated in connection with the shareholders' meeting may be accessed in the links indicated below:

(i) Definitive Information Statement: https://abrown.ph/kooroast/2025/05/A-Brown-Company-Inc_SEC-Form-20-IS-Definitive_ASM-2025.pdf

(ii) Annual Report on SEC Form 17-A: https://abrown.ph/kooroast/2025/05/05_09_2025_A-Brown-Company-Inc._2024-SEC-Form-17A_Annual-Report_09May2025.pdf

(iii) Quarterly Report on SEC Form 17Q: https://abrown.ph/kooroast/2025/05/05_14_2025_A-Brown-Company-Inc_2025-1st-Quarter-SEC-Form-17Q_Quarter-Report_14May2025-1.pdf

City of Pasig, Metro Manila, May 15, 2025.

JASON C. NALUPTA
Corporate Secretary

DETAILS AND RATIONALE OF THE AGENDA

1.) Agenda Item No. 4 - Approval of the Minutes of the Previous Meeting of Stockholders

Copy of the minutes of the stockholders meeting held on July 12, 2024 is attached as Annex E of the Information Statement. The minutes are also available at the Company website, https://abrown.ph/kooroast/2024/07/Draft-Minutes-of-the-Annual-Meeting-of-the-Stockholders-of-ABCI-July-12-2024-.pdf

The stockholders will be requested to approve the draft minutes of previous stockholders' meeting and to acknowledge the completeness and accuracy thereof.

2.) Agenda Item No. 5 - President's Report and Presentation of Audited Financial Statements

A report on the highlights of the financial performance of the Corporation for the year ended December 31, 2024 will be presented to the Stockholders. A summary of the Corporation's performance for the year is also provided in the "Management Discussion and Analysis of Operating Performance and Financial Condition" section on page 33 hereof.

The Corporation's Audited Financial Statements, for which the external auditors have issued an unqualified opinion, have likewise been reviewed by the Audit Committee and the Board of Directors. A summary of the 2024 financial results shall also be presented to the Stockholders.

3.) Agenda Item No. 6 - Ratification of all Acts of the Board of Directors and Officers

The Chairman will request the stockholders to ratify all acts and resolutions adopted during the preceding year by the Board of Directors, the Board Committees, Management Committee and the officers of the Company.

The acts and resolutions of the Board and its Committees are reflected in the minutes of meetings and they include approval of contracts and agreements, projects and investments, treasury matters and acts and resolutions covered by disclosures to the SEC and PSE. The acts of the Management and officers were those taken to implement the resolutions of the Board or its Committees or taken in the general conduct of business.

4.) Agenda Item No. 7 – Retention of Independent Director

The Code of Corporate Governance for Listed Companies requires that independent directors should serve for a maximum cumulative term of nine (9) years, after which, the independent director will be perpetually barred from re-election as such in the same company. However, a company may seek the approval of the shareholders should it wish to retain an independent director to serve beyond 9 years, provided, that meritorious justification(s) is/are given therefor.

By the end of his current term, Engr. Elpidio M. Paras would have served the Company as Independent Director for more than 9 years. However, for the justifications provided in page 18 of this Information Statement, the Board of Directors has agreed to seek the approval of the shareholders that Engr. Paras be allowed to continue serving as Independent Director beyond the maximum period allowed.

5.) Agenda Item No. 8 - Election of Directors

Nine (9) of the current members of the Board of Directors, as reviewed, qualified and recommended by the Corporate Governance Committee, have been nominated for re-election.

The proven expertise and qualifications of the candidates, based on current regulatory standards and the Corporation's own criteria, will help sustain the Company's strong performance that will result to its stockholders' benefit. The profiles of the candidates for election as directors are available in the Company website, as well as in this Information Statement. If elected, they shall serve as Directors for a period of one (1) year from June 27, 2025 or until their successors shall have been duly elected and qualified.

6.) Agenda Item No. 9 - Appointment of External Auditor

The stockholders' approval for the re-appointment of Sycip Gorres & Velayo (SGV & Co.), the Company's external auditor, will be sought at the meeting.

The Audit Committee has recommended to the Board, and the Board is endorsing to the stockholders, the re-appointment of SGV & Co. as external auditor for the ensuing year. The profile of the external auditor is provided in the Information Statement.

Stockholders are given the opportunity to raise questions regarding the operations and report of the Corporation as well as other concerns, by emailing corporatesecretary@abrown.ph (Subject: Questions for ASM 2025) on or before 12:00 noon on June 27, 2025. Questions will be responded to during the question and answer portion of the annual stockholders' meeting before the end of the proceedings. Due to the limited time, however, not all questions may be responded to during the livestream of the annual stockholders' meeting. Questions not addressed at the meeting proper, including those that may be received after the livestream, will be responded to via email by the corporate officers concerned.

PROXY FORM

The undersigned stockholder of A Brown Company, Inc. (the "Company") hereby appoints the Chairman of the meeting, as attorney and proxy, with power of substitution, to represent and vote all shares registered in his/her/its name as proxy of the undersigned stockholder, at the Annual Meeting of Stockholders of the Company on June 27, 2025 and at any of the adjournments thereof for the purpose of acting on the following matters:

1. Approval of minutes of previous Annual Stockholders' Meeting.
____Yes ____No ____Abstain

2. Approval of 2024 Operations and Results
____Yes ___ No ____Abstain

3. Ratification of all acts and resolutions of the Board of Directors and Management from date of last Stockholders' Meeting to June 27, 2025.
____Yes ____ No ___Abstain

4. Retention of Independent Director Beyond the Nine (9) Years Maximum Term Allowed by Code of Corporate Governance

___ Yes ____No ___Abstain

5. Election of Directors.
____ 1.1. Vote for all nominees listed below:
1.1.1. Walter William B. Brown
1.1.2. Annabelle P. Brown
1.1.3. Robertino E. Pizarro
1.1.4. Antonio S. Soriano
1.1.5. Joselito H. Sibayan
1.1.6. Renato N. Migrino
1.1.7. Jun Hou
1.1.8. Elpidio M. Paras (Independent Director)
1.1.9. Wayne Y. Coherco (Independent Director)

____ 1.2. Withhold authority for all nominees listed above
____ 1.3. Withhold authority to vote for the nominees listed below:

_________________ _________________
_________________ _________________

6. Appointment of SyCip Gorres Velayo & Co. as external auditor.
___ Yes ___ No ___ Abstain

7. At their discretion, the proxy named above are authorized to vote upon such other matters as may be properly come before the meeting.
____Yes ____No ___Abstain

____
Printed Name of Stockholder

____
Signature of Stockholder /
Authorized Signatory

____
Date

THIS PROXY FORM SHOULD BE RECEIVED BY THE CORPORATE SECRETARY (IN HARDCOPY TO THE OFFICE OF THE CORPORATE SECRETARY AT 2704 EAST TOWER, PHILIPPINE STOCK EXCHANGE CENTRE, ORTIGAS CENTER PASIG CITY <u>OR</u> EMAILED TO <u>CORPORATESECRETARY@ABROWN.PH</u> ON OR BEFORE JUNE 17, 2025.

<u>WE ARE NOT SOLICITING PROXIES.</u>

SECRETARY'S CERTIFICATE

I, ____________________, Filipino, of legal age and with office address at ____________________________, do hereby certify that:

1. I am the duly elected and qualified Corporate Secretary of ___________________________ (the "Corporation"), a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with office address at _________________________;

2. Based on the records, during the lawfully convened meeting of the Board of Directors of the Corporation held on ______________________, the following resolution was passed and approved:

> "RESOLVED, that ____________________ be authorized and appointed, as he is hereby authorized and appointed, as the Corporation's Proxy (the "Proxy") to attend all meetings of the stockholders of A BROWN COMPANY, INC. (A Brown), whether the meeting is regular or special, or at any meeting postponed or adjourned therefrom, with full authority to vote the shares of stock of the Corporation held in A Brown and to act upon all matters and resolution that may come before or presented during meetings, or any adjournments thereof, in the name, place and stead of the Corporation.
>
> "RESOLVED, FINALLY, That A Brown be furnished with a certified copy of this resolution and A Brown may rely on the continuing validity of this resolution until receipt of written notice of its revocation."

3. The foregoing resolution has not been modified, amended or revoked in accordance with the records of the Corporation presently in my custody.

IN WITNESS WHEREOF, I have signed this instrument in on _________________________.

____
Printed Name and Signature of the
Corporate Secretary

SUBSCRIBED AND SWORN TO BEFORE ME on __________________ in _________________. Affiant exhibited to me his Competent Evidence of Identity by way of ________ issued on _______________ at ________________.

Doc. No. ______;
Page No. ______;
Book No. ______;
Series of 2025.

A BROWN COMPANY, INC.
2025 ANNUAL STOCKHOLDERS' MEETING

Guidelines for Participating via Remote Communication and Voting *in Absentia*

The 2025 Annual Stockholders' Meeting (**ASM**) of A Brown Company, Inc. (the "**Company"**) will be held on June 27, 2025 at 1:00 P.M. and the Board of Directors of the Corporation has fixed the end of trading hours of the Philippine Stock Exchange, Inc. on **May 21, 2025** ("**Record Date"**) as the record date for the determination of stockholders entitled to notice of, to attend, and to vote at such meeting and any adjournment thereof.

To allow broader and more convenient shareholder participation in the annual meeting, especially for those who reside outside the Company's principal office, the Board of Directors of the Company has approved and authorized stockholders to participate in the ASM via remote communication and to exercise their right to vote *in absentia* or by proxy.

REGISTRATION

The conduct of the meeting will be streamed live, and stockholders may attend the meeting by registering until June 17, 2025, 5:00 p.m. via abrown.ph/asmregister2025 and by submitting the following requirements and documents, subject to verification and validation:

1. Individual Stockholders
    1.1. Clear digital copy of the front and back portion of a valid government-issued identification card/s (ID/s), which include the passport, driver's license, SSS ID, senior citizen ID, among others in order to validate the registration of the shareholder (up to 2MB)
    1.2. Stock certificate number
    1.3. Active e-mail address/es
    1.4. Active contact number/s, with area and country codes

2. Multiple Stockholders or with joint accounts
    2.1. Clear digital copy of the front and back portion of a valid government-issued identification card/s (ID/s), which include the passport, driver's license, SSS ID, senior citizen ID, among others in order to validate the registration of the shareholders (up to 2MB)
    2.2. Stock certificate number/s
    2.3. Active e-mail addresses of the stockholders
    2.4. Active contact numbers, with area and country codes
    2.5. Digital copy of an authorization letter executed by all named holders, authorizing a holder to vote for and on behalf of the account

3. Corporate Stockholders
    3.1. Digital copy of the Secretary's Certificate (or equivalent for non-resident) attesting to the authority of the representative to vote for and on behalf of the corporation
    3.2. Clear digital copy of the front and back portion of a valid government-issued identification card/s (ID/s), which include the passport, driver's license, SSS ID, senior citizen ID, among others to validate the registration of the authorized representative (no more than 2MB)
    3.3. Active e-mail address/es of the authorized representative
    3.4. Active contact number of an authorized representative, with area and country codes

4. PCD Participants/Brokers
    4.1. Digital copy of the Secretary's Certificate (or equivalent for non-resident) attesting to the

authority of the representative to vote for and on behalf of the PCD participant/broker

4.2. Digital copy of the certificate of shareholdings issued by the PCD/broker

4.3. Clear digital copy of the front and back portion of a valid government-issued identification card/s (ID/s), which include the passport, driver's license, SSS ID, senior citizen ID, among others to validate the registration of the authorized representative (no more than 2MB)

4.4. Active e-mail address/es of the authorized representative

4.5. Active contact number of the authorized representative, with area and country codes

Important Reminders:

- **Please refrain from sending duplicate and inconsistent information/documents as these can result in failed registration. All documents/information shall be subject to verification and validation by the Company.**
- **Please be informed that by providing us with the above documents, you consent to the Company's processing of your personal data in accordance with the Data Privacy Act for the purpose of validating your credentials and registration to participate and vote at the Company's annual stockholders' meeting.**

ONLINE VOTING

1. Log-in to the voting portal by clicking the link, and using the log-in credentials, sent to the email address of the shareholder to the Company.

2. Upon accessing the portal, the stockholder can vote on each agenda item. A brief description of each item for stockholders' approval is appended to the Notice of Meeting.

   2.1 A stockholder has the option to vote "Yes", "No", or "Abstain" on each agenda item for approval.

   2.2 For the election of directors, the stockholder has the option to vote for all nominees, withhold vote for any of the nominees, or vote for certain nominees only.

   Note: A stockholder may vote such number of his/her shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected (9 directors) multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit, provided, that the total number of votes cast shall not exceed the number of shares owned by the stockholder.

3. Once the stockholder has finalized his vote, he can proceed to submit his vote by clicking the "Submit" button.

4. The stockholder can still change and re-submit votes, provided, such new votes are submitted within the Voting Period using the same log-in credentials. Previous votes will be automatically overridden and replaced by the system with the new votes cast.

ASM LIVESTREAM

The ASM will be broadcasted live and stockholders who have successfully registered will be provided access to participate via remote communication. Instructions on how to access the livestream will be sent to their emails upon registration.

OPEN FORUM

During the virtual meeting, after all items in the agenda have been discussed, the Company will have the Question and Answer Portion, during which, the meeting's moderator will read and where representatives of the Company shall answer questions and comments received from stockholders, as time will allow.

Stockholders may send their questions in advance by sending an email bearing the subject "Questions for ASM 2025" to corporatesecretary@abrown.ph on or before 12:00 noon on June 27, 2025. A section for stockholder comments/questions or a "chatbox" shall also be provided in the livestreaming platform.

Questions/comments received but not entertained during the Open Forum due to time constraints will be addressed separately by the Company via email.

For any concerns, please email us at corporatesecretary@abrown.ph***.***

For complete information on the annual meeting, please visit https://abrown.ph/annual-stockholders-meeting-2025/

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20-IS
INFORMATION STATEMENT PURSUANT TO SECTION 20
of the Securities Regulation Code

1. Check the appropriate box:
   (   ) Preliminary Information Statement
   (✔) Definitive Information Statement

2. Name of the Registrant as specified in its charter:
   A BROWN COMPANY, INC. (ABCI)

3. Province, country or other jurisdiction of incorporation or organization:
   Metro Manila, Philippines

4. SEC Identification Number**: 31168**

5. BIR Tax Identification Code: **002-724-446-000**

6. Address of Principal Office : **Xavier Estates Uptown**
   Airport Road, Balulang, Cagayan de Oro City
   Postal Code : **9000**

7. Registrant's telephone number, including area code:
   (63)(02) 8631-8890 or (63)(02) 8633-3135 (Liaison Office)

8. Date, time and place of the meeting of security holders:
   Date : 27 June 2025
   Time : 1 o'clock p.m.
   Place : Videoconferencing via [Zoom Webinar]

   The Corporation's President will be presiding over the shareholders' meeting by remote communication from the Corporation's principal office in Cagayan de Oro City.

9. Approximate date on which the Information Statement is first to be sent or given to security holders:
   04 June 2025

10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA

Titles of each Class	*Number of Shares of Stock Outstanding*
Common Shares (as of April 30, 2025)	**2,372,367,911**
Preferred Shares – Series A	**13,264,900**
Preferred Shares – Series B	**7,431,750**
Preferred Shares – Series C	**6,941,000**
(as of April 30, 2025)	

11. Are any or all of the registrant's securities listed on the Philippine Stock Exchange?
    (✔) Yes   (   ) No

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

INFORMATION REQUIRED IN INFORMATION STATEMENT
GENERAL INFORMATION

Date, Time and Place Meeting of security holders.

Date	:	**June 27, 2025**
Time	:	**1 o'clock p.m.**
Place	:	**Videoconferencing via Zoom Webinar**

The Corporation's President will be presiding over the shareholders' meeting by remote communication from the Corporation's principal office in Cagayan de Oro City.

Registrant's mailing address : **Ground Floor, 119 CSB Bldg., Dr. Lazcano St., Sacred Heart, 1103 Quezon City**
(Liaison Office)

Approximate date on which the Information Statement is first sent or given to security holders:
04 June 2025

Dissenter's Right of Appraisal

There is no matter or item to be submitted to a vote or acted upon in the annual stockholders' meeting of ABCI falls under the instances provided by law when dissenting stockholders can exercise their appraisal right. Generally, however, the stockholders of ABCI have the right of appraisal in the following instances: (i) in case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholders or class of shares of authorizing preferences over the outstanding shares or of extending or shortening the term of corporate existence; (ii) in case any sale, lease, mortgage, pledge or other disposition of all or substantially all of the corporate property or assets as provided in the Revised Corporation Code; and (iii) in case of merger or consolidation.

The appraisal right may be exercised by any shareholder who shall have voted against the proposed corporate action by making a written demand on ABCI within thirty (30) days after the date on which the vote was taken for payment of the fair market value of his share: *Provided*, that failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented or effected, ABCI shall pay to such stockholder, upon surrender of the certificate(s) of stock representing his shares, the fair value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

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

Interest of Certain Persons in or Opposition to Matters to be Acted Upon

No current director or officer of ABCI, or nominee for election as director of ABCI or any associate thereof, has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon other than election to office.

No director has informed ABCI in writing that he intends to oppose any action to be taken by the registrant at the meeting.

CONTROL AND COMPENSATION INFORMATION

Voting Securities and Principal Holders Thereof

(a) Class of Voting Securities — Common shares

Number of Shares Outstanding as of 30 April 2025 — 2,372,367,911

Common shares and "Series A, Series B and Series C" Preferred shares are the equity securities registered and issued by the Company. Common shares are the only voting securities since the Preferred shares are non-voting securities. As of April 30, 2025, 11,843,049 shares or 0.4992% of the total outstanding voting common shares are owned by Non-Filipinos.

(b) Record Date: All stockholders of record as of 21 May 2025 are entitled to notice and to vote at the Annual Stockholders' Meeting.

At present, ABCI's Articles of Incorporation (AOI) provide that the Board of Directors shall have nine (9) members.

(c) Manner of Voting: In the forthcoming annual stockholders' meeting, stockholders shall be entitled to elect nine (9) members to the Board of Directors. Each stockholder may vote such number of shares for as many as nine (9) persons he may choose to be elected from the list of nominees, or he may cumulate said shares and give one candidate as many votes as the number of his shares multiplied by nine (9) shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit, provided that the total number of votes cast by him shall not exceed the number of shares owned by him multiplied by nine (9).

(d) Security ownership of Certain Record and Beneficial Owners

1. Owners of more than 5% of any class of registrant's voting securities as of April 30, 2025.

Title of Class	Name, Address of Record Owner and Relationship with Issuer	Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent to Total Outstanding Common Stock
Common	**PCD Nominee Corporation (Filipino) ** (adjusted),** 29th Floor, BDO Equitable Tower, 8751 Paseo De Roxas, Makati City 1226		Various individuals/ Entities	Filipino	653,488,262	27.5458%
Common	**PCD Nominee Corporation (Non-Filipino),** 29th Floor, BDO Equitable Tower, 8751 Paseo De Roxas, Makati City 1226		Various individuals/ Entities	Foreign	11,468,545	0.4834%
Common	**Walter W. Brown,** [redacted]	Chairman	Direct and Indirect	Filipino	412,382,018	17.3827%
Common	**Annabelle P. Brown** [redacted]	Director	Direct and Indirect	Filipino	212,523,155	8.9552%

Common	**Brownfield Holdings, Inc.**, Unit 103B Cedar Mansion 1, Number 5 St., Josemaria Escriva Drive, Ortigas Center, Pasig City	Stockholder	Direct	Filipino	944,523,155	39.8135%
	TOTAL				**2,234,311,468**	**94.1806%**
	** PCD Nominee Corporation has a total number of shares of 2,006,338,483 or 84.5711% (Filipino - 1,994,869,938 or 84.0877% and Non-Filipino - 11,468,545 or 0.4834%) of the outstanding common stock including clients - beneficial owners owning 5% or more as enumerated below: ** The following are the PCD participants with shareholdings of 5% or more of the outstanding common stock:					
	COL Financial Group, Inc. *2401-B East Tower, PSE Centre, Exchange Road, Ortigas Center, Pasig City*				838,497,865	35.34%
	Campos, Lanuza & Company, Inc. *Unit 2003B East Tower, PSE Centre, Exchange Road, Ortigas Center, Pasig City*				328,122,461	13.83%
	Luna Securities, Inc. *Unit 601 Emerald Mansion F Ortigas Jr Road, Ortigas Center, Pasig City*				236,054,699	9.95%
	F. Yap Securities, Inc. *17F, Lepanto Building, 8747 Paseo de Roxas, Makati City*				193,980,974	8.18%
	Wealth Securities, Inc. *15F,PSE Tower, 5th Avenue cor 28th St., Bonifacio Global City, Taguig City*				133,052,012	5.61%
	*** The following are the clients - beneficial owners (Filipino) of the PCD participants owning 5% or more of the OCS:*					
	Walter W. Brown (direct and indirect) [redacted]				233,948,815	9.86%
	Annabelle P. Brown (direct and indirect) [redacted]				162,909,706	6.87%
	Brownfield Holdings, Inc. *Unit 103B Cedar Mansion 1, Number 5 St., Josemaria Escriva Drive, Ortigas Center, Pasig City*				944,523,155	39.81%

- PCD Nominee Corporation, a wholly-owned subsidiary of Philippine Central Depository, Inc. ("PCD"), is the registered owner of the shares in the books of the Company's transfer agent in the Philippines. The beneficial owners of such shares are PCD's participants who hold shares on their behalf or in behalf of their clients. PCD is a private company organized by major institutions actively participating in the Philippine capital markets to implement an automated book-entry system of handling securities transaction in the Phil.
- Brownfield Holdings Incorporated is represented by its authorized officer as approved by its Board of Directors to vote or direct the voting or disposition of its shares

2. Security Ownership of Management

Shares held by Directors and Executive Officers as of 30 April 2025.

Common Shares

Title of Class	Name of Beneficial Owner	Citizenship	Number of Shares Owned	Nature of Ownership (r/b)	Percentage of Class
Common	Walter William B. Brown	Filipino	412,382,018	Direct and Indirect	17.3827%
Common	Annabelle P. Brown	Filipino	212,449,488	Direct and Indirect	8.9552%
Common	Robertino E. Pizarro	Filipino	3,105,143	Direct and Indirect	0.1309%
Common	Antonio S. Soriano	Filipino	911,581	r/b	0.0384%
Common	Elpidio M. Paras	Filipino	1,581	r/b	0.0001%
Common	Wayne Y. Coherco	Filipino	1,000	r/b	0.0000%

Common	Joselito H. Sibayan	Filipino	146,400	r/b	0.0062%
Common	Renato N. Migriño	Filipino	120	r/b	0.0000%
Common	Jun Hou	Chinese	100	r/b	0.0000%
Common	Marie Antonette U. Quinito	Filipino	120	r/b	0.0000%
Common	John L. Batac	Filipino	-	-	-
Common	Paul Francis B. Juat	Filipino	10,706,410	r/b	0.4513%
Common	Victor M. Delgado, Jr.	Filipino	-	-	-
Common	Vivien M. Lawansa	Filipino	-	-	-
Common	Angela O. Fraga	Filipino	137	-	0.0000%
Common	Anna Marie Pulido-Montejo	Filipino	-	-	-
Common	Ma. Milagros M. Yu	Filipino	-	-	-
Common	Jason C. Nalupta	Filipino	-	-	-
Common	Daniel Winston C. Tan-Chi	Filipino	7,719,600	r/b	0.3254%
Common	Allan Ace R. Magdaluyo	Filipino	-	-	-
	TOTAL		**647,423,698**		

"Series A" Preferred Shares

Title of Class	Name of Beneficial Owner	Citizenship	Number of Shares Owned	Nature of Ownership (r/b)	Percentage of Class
Preferred Series A	Annabelle P. Brown	Filipino	10,000	Direct	0.0754%
Preferred Series A	Daniel Winston C. Tan-Chi	Filipino	54,000	Direct	0.4071%
	TOTAL		**64,000**		

"Series B" Preferred Shares

Title of Class	Name of Beneficial Owner	Citizenship	Number of Shares Owned	Nature of Ownership (r/b)	Percentage of Class
Preferred Series B	Annabelle P. Brown	Filipino	100,000	Direct	1.3456%
Preferred Series B	Marie Antonette U. Quinito	Filipino	50,000	r/b	0.6728%
	TOTAL		**150,000**		

"Series C" Preferred Shares

Title of Class	Name of Beneficial Owner	Citizenship	Number of Shares Owned	Nature of Ownership (r/b)	Percentage of Class
Preferred Series B	Marie Antonette U. Quinito	Filipino	100,000	r/b	1.4407%
	TOTAL		**100,000**		

(e) Changes in Control. There had been no change of control in the company that had occurred since the beginning of the last fiscal year. Furthermore, management is not aware of any arrangement which may result in a change in control of the company.

(f) Voting Trust Holder. No person holds 5% or more of the common stock of the company under a voting trust or similar agreement.

Directors and Executive Officers

Incumbent Directors and Executive Officers

The Company's Board of Directors is responsible for the overall management of the business and properties of the Company. The Board of Directors is composed of nine (9) members, each of whom serves for a term of one year until his/her successor is duly elected and qualified.

The following are the current members of the Board of Directors who were elected on July 12, 2024 during the ASM. The information on the business affiliations and experiences of the above-named directors, officers and new nominee/s, as shown below, are current and/or within the past five years:

WALTER WILLIAM B. BROWN, Director and Chairman

Walter William B. Brown, Filipino, 85, is Director and Chairman of A Brown Company, Inc. Prior to his re-election in December 2018 as Chairman of the Company, he was conferred as Chairman Emeritus in September 2016. He is also the Chairman of A Brown Energy & Resources Development Inc., Palm Thermal Consolidated Holdings Corporation, PeakPower Energy Inc. and Monte Oro Resources and Energy, Inc. He is Director and Executive Vice-President of Atok-Big Wedge Co., Inc. (PSE: AB), a listed in the Philippine Stock Exchange.

He received two undergraduate degrees: B.S. Physical Science (1959) and B.S. Geology (1960), both from the University of the Philippines, and postgraduate degrees from Stanford University: M.S. Economic Geology (1963), and Ph.D. in Geology, Major in Geochemistry (1965). He was also a candidate for Master of Business Economics (1980) from the University of Asia & Pacific (formerly Center for Research & Communications).

He was formerly associated with the following companies as Chairman or as President or Director: Apex Mining Co. Inc., Philex Mining Corporation, National Grid Corporation of the Philippines, Atlas Consolidated Mining Co., Philodrill Corporation, Petroenergy, Philippine Realty & Holdings Corporation, Dominion Asia Equities, Inc. (Belle Corp.), Palawan Oil & Gas Exploration (Vantage Equities), 7 Seas Oil Company, Inc. (Abacus), Universal Petroleum (Universal Rightfield), Sinophil Corporation, Asian Petroleum Corporation, Acoje Mining Corporation, Semirara Coal Corporation, Surigao Consolidated Mining Inc. (Suricon), Vulcan Industrial and Mining Corporation, San Jose Oil, Seafront Petroleum, and Basic Petroleum. He was also Technical Director of Dragon Oil, a company listed on the London Stock Exchange.

He is currently Chairman and Director of Family Farm School (PPAI), Chairman and President of Studium Theologiae Foundation, and President of Philippine Mine Safety & Environment Association (PMSEA), and lifetime member of the Geological Society of the Philippines. He was a member of the Board of Trustees of Xavier University from 2003 to 2014, concurrently serving as Vice Chairman from 2006 to 2014.

ANNABELLE P. BROWN, Director

Ms. Annabelle P. Brown, Filipino, 82. Director of A Brown Company, Inc. from 1992 to present. She holds the position of: Treasurer since 1993 to July 2011, and Member of the Executive Committee and Corporate Governance Committee.

She is Chair and Director of PBJ Corporation; Chairman of the Board of Petwindra Media Inc.; Treasurer of Brown Resources Corporation; Treasurer/ Director of Bendana-Brown Holdings Corporation, President and Director of Pine Mountain Properties Corporation. She is also a Director of the following corporations: North Kitanglad Agricultural Corp., Cogon Corporation, Shellac Petrol Corp and Palm Concepcion Power Corporation. She has no directorship in other listed companies.

Her civic involvement includes: Founding Chairperson of Alalay sa Pamilya at Bayan (APB) Foundation, Inc. (2009 to present), Development Advocacy for Women Volunteerism (DAWV) Foundation, Inc. (1988 to present), Professional and Cultural Development for Women (PCDW) Foundation, Inc. (1979 to present); Consultant/Moderator of EDUCHILD Foundation, Inc. (1985 to present) and Chair of the Rosevale School, CDO (2011 to present).

Mrs. Brown holds a Bachelor of Science in Business Administration degree from the University of the Philippines, Diliman, Quezon City and is a candidate for a degree in Masters in Business Economics at the University of Asia and Pacific (formerly CRC).

For her outstanding contribution to the academe, business and socio-community development, Mrs. Brown is a recipient of several awards and citation, latest are the 2010 Soroptimists Award and 2010 UPCBA Distinguished Alumna Award.

ROBERTINO E. PIZARRO, Director and President and Chief Executive Officer

Mr. Robertino E. Pizarro, Filipino, 70, was elected as President and Chief Executive Officer on December 7, 2018. Prior to his current position, he was an Executive Chairman beginning September 2016 until March 2017 when it was changed to Chairman. He was the President of the company from August 2003 to Sept. 2016. He finished the course on Strategic Business Economic Program at University of Asia and the Pacific (Aug 2002–Aug 2003). He was the former (2017 to 2018) and is the present President and Member of the Board of Directors of Cagayan de Oro Chamber of Commerce and Industry. He is also the President of ABERDI, Brown Resources Corporation, NAKEEN Corporation (February 26, 1997 to present), Xavier Sports and Country Club (1999 to present), Simple Homes Development, Inc., Bonsai Agricultural Corporation and Minpalm Agricultural Co., Inc. (2004 to present). He was the former President and now Director of Philippine Palmoil Development Council, Inc. (PPDCI).

As three-time elected President of Cagayan de Oro Chamber of Commerce and Industry Foundation (2017, 2018 and 2020), Mr. Pizarro presides over the 422-member chamber. He will espouse increased and satisfied membership; and calls for its members to take advantage of the Duterte administration's thrust to develop the countryside and to ramp up economic activities in the rural areas. These economic benefits mean development of the city and its neighboring areas, bringing in tourists, increasing the number of business meetings and conventions, and promoting a conducive business atmosphere. He is also an advocate of the Metro Cagayan de Oro.

Mr. Pizarro is in the forefront of introducing new concepts for urban planning, infrastructure and land management focusing on real estate development in Mindanao. Under his leadership, ABCI introduced Cagayan de Oro's first mixed-use, nature-themed, well-planned integrated residential subdivision, the Xavier Estates. ABCI also developed Northern Mindanao's first agri-residential subdivision in Bukidnon; first residential resort in Misamis Oriental; and the first residential estates in Caraga Region located beside a driving range and a golf course. The demand for ABCI real estate properties continue to be strong due to its idyllic views, high elevation and flood-free locations, well-developed infrastructure with wide main roads, centralized water system and tree-lined streets and landscaped roadways.

As Director and former President of the Philippine Palm Oil Development Council, Inc. (PPDCI), he espoused agriculture development and job creation in the countryside. New interests and investments in the oil palm industry were created during his term. During the 8th National Palm Oil Congress, which he chaired, the utilization of unproductive lands and promotion of economic stability through investments in the palm oil industry was highlighted.

He has no directorship in other publicly-listed companies.

ELPIDIO M. PARAS, Independent Director

Engr. Elpidio M. Paras, Filipino, 72, Independent Director, June 28, 2002 to present. He obtained his Bachelor of Science major in Mechanical Engineering from the De La Salle University (1974). He is the President and CEO of Parasat Cable TV, Inc. (1991 to present), UC-1 Corporation (2002 to present), President - Promote Northern Mindanao Foundation, Inc. (2019 to present), President – Cagayan de Oro Chamber (2007), Chairman of the Board of Trustees – Xavier University (2007 to 2016) and independent director of Southbank. He is a founding member of the Philippine Society for Orphan Disorders (PSOD). He was also a Board member of the Cagayan de Oro International Trade and Convention Center Foundation, Inc. (2005). He is also a member of PhilAAPA (Philippine Association of Amusement Parks& Attractions). He was also three-time President and Chairman of the Philippine Cable TV Association and currently he is a Vice President for the Mindanao area. He is the Co-Chair of the NEDA-Regional Development Council (RDC)-X.

He has no directorship in other publicly-listed companies.

WAYNE Y. COHERCO, Independent Director

Mr. Wayne Y. Coherco, Filipino, 32, is the Executive Vice-President and COO, effective March 2018, of Herco Trading, Inc., one of the country's leading hardware distributors. He is also the Vice President of the company's real estate holding companies covering commercial and industrial properties. He was the Country Product Lead of uber Philippines from 206 to 2018. He was also an Instructor at UP Diliman College of Engineering. He has no directorship in other listed companies.

He graduated cum laude with a Bachelor of Science in Industrial Engineering at the University of the Philippines- Diliman in 2015.

ANTONIO S. SORIANO, Director

Atty. Antonio S. Soriano, Filipino, 76, Director from Aug 2007 to present and Corporate Secretary (June 2002 to Nov. 2008). He obtained his Bachelor of Laws Degree from the University of the East in 1974 and was admitted to the Bar in 1975. He is the Senior Managing Partner of Soriano, Saarenas & Llido Law Office. He acts as the Corporate Secretary of the following: RISE Foundation, Inc. (1994 to present), ICS Development Corporation (1980 to present), PACEMAN General Services (1993 to present), Kagayhaan-Davao Resources Management Corporation (1994 to present), Kagayhaan - Cagayan de Oro City Resources Management Corporation (1993 to present), Chairman of Xavier Sports and Country Club (2000 to present), and Roadside Shops, Inc. (2000 to present). He is the Chairman of Cagayan de Oro Medical Centre, Philippine National Red Cross and First Industrial Plastic Ventures, Inc. (present). He is also active in civic and professional organizations like Integrated Bar of the Phils. – Misamis Oriental Chapter (Vice-President 1984-1986), Rotary Club of Cagayan de Oro City (IPP & SAG), Philippine Association of Voluntary Arbitrators (member - 1994) and Court of Appeals Mediation-Mindanao Station (member - 2007). He was also elected as Vice Mayor of Cagayan de Oro City from 1992-1995 and member of the City Council of the same city from 1988-1992. During his tenure he was able to pass several ordinances and resolutions that contributed to the development of the City. He has no directorship in other publicly-listed companies.

JOSELITO H. SIBAYAN, Director

Joselito H. Sibayan, Filipino, 66, was appointed as Director and Treasurer of A Brown Company, Inc. on March 28, 2017. His designation as Treasurer ceased on May 04, 2017. Currently, he is an Independent Director of Apex Mining Co. Inc. (PSE:APX), a publicly-listed company. He is also President and CEO of Mabuhay Capital.

Prior to forming Mabuhay Capital, he was the Vice-Chairman of Investment Banking-Philippines and Philippine Country Manager for Credit Suisse First Boston (1998-2005). He held various positions from Senior Vice-President, Head of International Fixed Income Sales to Executive Director and Chief Representative at Natwest Markets (1993-1998). He was also the Head of International Fixed Income Sales at Deutsche Bank in New York (1988-1993). He spent 35 years in investment banking with experience spanning securities sales and trading, capital-raising, and mergers & acquisitions advisory. He was previously an Independent Director of SM Prime Holdings, Inc. (PSE: SMPH).

Mr. Sibayan obtained his MBA from the University of California in Los Angeles and his B.S. Chemical Engineering from De La Salle University – Manila.

RENATO N. MIGRIÑO, Director and Treasurer

Mr. Renato N. Migriño, Filipino, 75, is the Director and Treasurer of A Brown Company, Inc. effective January 2, 2019. He was formerly an Independent Director of Mabuhay Vinyl Corporation and Treasurer of Apex Mining Co., Inc., both listed companies and former Director and Treasurer of Monte Oro Resources & Energy, Inc. Prior to his joining Apex Mining Co., Inc., Mr. Migriño was Treasurer, Chief Financial Officer, Senior Vice President for Finance, and Compliance Officer of Philex Mining Corporation, Director and Chief Financial Officer of Philex Gold Inc., and Director of FEC Resources Inc., Silangan Mindanao Mining Co., Inc., Brixton Energy & Mining Corporation and Lascogon Mining Corporation. He was also formerly Senior Vice President & Controller of Benguet Corporation. He has no directorship in other publicly-listed companies.

He was formerly the Treasurer (from September 1, 2015 to March 28, 2017) and a Director (from September 28, 2016 to March 28, 2017) of A Brown Company, Inc.

Mr. Migriño obtained his Bachelor of Science degree in Commerce (minor in Management) from Philippine College of Commerce (now the Polytechnic University of the Philippines) and thereafter his Certified Public Accountant (CPA) license. He also attended the Management Development Program (MDP) at Asian Institute of Management; Executive Program – Stanford University at the National University of Singapore; Allen

Management Program at Louis A. Allen Associates, Inc. and Strategic Business Economics Program (SBEP) at the University of Asia & the Pacific.

JUN HOU, Director

Mr. Jun Hou, Chinese, 54, holds the position of Executive Chairman of Huli Fund Philippines, a firm that specializes in buyout investments especially in real estate, energy, minerals, and health industries. He is the President of Yi Ding Tai International Corporation from 2012 to present, a company which conducts its operations in the Philippines and is based in the People's Republic of China. Mr. Hou has been with Bank of America Merrill Lynch in both the United States and Hong Kong branches. He has extensive experience in international investment banking. He has no directorship in other publicly-listed companies.

Mr. Hou obtained his Bachelor of Science degree from Northeastern Financial University and attended SBEP at the University of Asia & the Pacific.

Nomination of Regular and Independent Directors for 2025-2026 and Procedure for Nomination

The Corporate Governance Committee has endorsed the nominations for election of the following as regular and independent directors of the Company for 2025-2026. None of the board members and officers is employed with the government as certified by the corporate secretary. Please see Annex C.

Regular Directors:
1. Walter William B. Brown
2. Annabelle P. Brown
3. Robertino E. Pizarro
4. Antonio S. Soriano
5. Joselito H. Sibayan
6. Jun Hou
7. Renato Migriño

Independent Directors:
1. Elpidio M. Paras
2. Wayne Y. Coherco

Messrs. Elpidio Paras and Wayne Coherco, qualify as independent directors of the Company pursuant to Rule 38 of the Implementing Rules of the Securities Regulation Code and the Corporation's Manual on Corporate Governance.

In compliance with the requirements of the Securities and Exchange Commission's Guidelines on the Nomination and Election of Independent Directors which have been adopted and made part of the Corporation's By-Laws, the Corporate Governance Committee, in meetings held on 06 May 2025, considered the nominations given in favor of Messrs. Paras (by Atty. Marie Antonette U. Quinito) and Coherco (by Mr. Joselito H. Sibayan).The Corporate Governance Committee has determined that these nominees for independent directors possess all the qualifications and have none of the disqualifications for independent directors as set forth in Rule 38 of the Implementing Rules of the Securities Regulation Code. The nominated independent directors are in no way related to the stockholders who nominated them.

Approval of the extension of Mr. Elpido M. Paras' term as independent director of the Board for an additional one (1) term is also being sought for the following reasons: (a) his knowledge of the Mindanao overall business environment where most the Company's developments and investments are located b) his expertise and guidance on projects which are ongoing implementation for process improvement such as in digitalization and IT.

The Members of the Corporate Governance Committee are as follows:

Chairman: Engr. Elpidio M. Paras, Independent Director
Members: Wayne Y. Coherco, Independent Director
Annabelle P. Brown, Director
Robertino E. Pizarro, Director and President & Chief Executive Officer

Please see pages 29 to 31 for the Certification of Qualification of Independent Directors.

Company Officers of ABCI

WALTER W. BROWN, Chairman (refer above for his profile)

ROBERTINO E. PIZARRO, President & Chief Executive Officer
(refer above for his profile)

RENATO N. MIGRIÑO, Director and Treasurer (refer above for his profile)

PAUL FRANCIS B. JUAT, Executive Vice President

Mr. Paul Francis B. Juat, Filipino, 32, is the Executive Vice President of A Brown Company Inc. effective July 3, 2023. He was initially appointed as Vice President on January 1, 2019. He is also the President of various subsidiaries of the Group, namely, Irradiation Solutions Inc., Vires Energy Corp., and Northmin Renewables Corp. He is a director of Atok-Big Wedge Co. (PSE:AB), a publicly-listed company. He is also a director of Brownfield Holdings Corporation, North Kitanglad Agricultural Company, Inc., PBJ Corporation, and Pine Mountain Properties Holdings Corporation.

He started his career as Business Development Analyst under the Wind Business Unit of Energy Development Corporation. He also served as Assistant to President & CEO of Apex Mining Co., Inc. from 2016 to 2023.

He obtained his Bachelor's degree in Industrial Engineering from the University of the Philippines Diliman in 2015.

JOHN L. BATAC, Executive Vice-President

Engr. John L. Batac, Filipino, 55, is the Executive Vice President of A Brown Company Inc. who was elected on June 30, 2023. He was an AVP from Aug 2008 until he was appointed as VP effective June 2014. He was elected concurrently as Chief Operating Officer starting January 1, 2019. He is a Civil, Sanitary and Geodetic

Engineer. He graduated from the University of the East in 1991 for his Civil Engineering course, at National University in 1994 for Sanitary Engineering and at The University of Northern Eastern Philippines in 1998 for Geodetic Engineering. He used to be an Instructor at the International Training Center for Surveyors (Sept 1991 to April 1995), a Manager for Project Development of A Brown Company, Inc. (May 1995 to July 2000) and a Technical Consultant of Green Square Properties Corp. (2000 to 2008). He is also a member of the following organizations: Philippine Institute of Civil Engineers (PICE), Philippine Society of Sanitary Engineers (PSSE) and Geodetic Engineers of the Philippines (GEP).

MARIE ANTONETTE U. QUINITO, Chief Finance Officer

Atty. Marie Antonette U. Quinito, Filipino, 48, joined the A Brown Group of Companies in November 2013 as Comptroller. She was appointed as Chief Finance Officer effective September 1, 2015 until December 31, 2017. Thereafter, she was appointed as Vice President-Comptroller effective January 1, 2018. She assumed the Chief Finance Officer effective March 1, 2019. She was formerly a Director of the company.

She finished her Bachelor of Science in Accountancy at the University of San Carlos Cum Laude in 1997. She became a Certified Public Accountant in December the same year. She finished her Master's in Business Administration at Southwestern University last May 2003. She finished her Bachelor in Laws at Xavier University Ateneo de Cagayan last May 2009 and passed the bar examination given last November 2011. She is a candidate for Doctor in Education Planning and Supervision. She has also taken courses with institutions such as the Asian Institute of Management and American Management Association.

She started as a Staff Auditor of Sycip, Gorres Velayo and Company, CPAs in November 1997. She joined the Multi Stores Corporation, Operator of SM Department Store Cebu in July 1998. After almost five years she was promoted to Finance and Admin Manager and was transferred to Shopping Center Management Corporation-Cagayan de Oro, the operator of SM Mall Cagayan de Oro. She spent fifteen (15) years of her life with the SM Group of Companies.

VICTOR M. DELGADO, JR., Vice President for Business Development

Mr. Victor M. Delgado Jr., Filipino, 52, currently serves as the Vice President for Business Development at A Brown Company Inc. (ABCI), where he leads initiatives to identify and evaluate infrastructure projects for strategic business ventures. Prior to this role, he was Assistant Vice President from 2019 to 2024, and began his journey with ABCI in 2013 as Senior Manager at Hydro Link Projects Corp., a wholly owned subsidiary of the company.

Mr. Delgado started his professional career working for the National Power Corporation (NPC), beginning in 1991. He held various leadership roles, culminating in his position as Manager of the Civil Engineering and Architecture Division from 2003 to 2013. In this capacity, he significantly contributed to the country's renewable energy landscape, particularly in hydropower development. He led feasibility studies, policy creation, and economic evaluations aimed at encouraging private sector investments through Build-Operate-Transfer (BOT) schemes. His expertise extended to high-level contract negotiations involving local and international stakeholders, as well as contributions to the development of other conventional energy forms.

Mr. Delgado earned his Master of Applied Business Economics from the University of Asia and the Pacific in 2006, following his Bachelor of Science in Civil Engineering from Adamson University in 1986. He is a registered Civil Engineer, Career Executive Service (CES) eligible, and a Civil Service Professional eligible, underscoring his technical and managerial qualifications in both public and private sectors. He also pursued advanced studies in hydropower development at the University of Tasmania in Hobart, Australia, and training in renewable energy technologies at the CIEMAT Research Centre in Madrid, Spain.

VIVIEN M. LAWANSA, Vice President for Human Resource Development/ Chief People & Culture Officer

Ms. Vivien M. Lawansa, Filipino, 47, currently holds the position of Vice President & Chief People & Culture Officer at A Brown Company, Inc. She is also the Founding Chair, President, and CEO of A Brown Employees Credit Cooperative, promoting financial empowerment and welfare among the employees.

In addition to her corporate roles, Ms. Lawansa also holds several leadership positions. She is the Chairperson of the Western Misamis Oriental - Cagayan de Oro Family Welfare Committee, Inc., Vice Chairperson of the Regional Tripartite Industrial Peace Council in Region 10, and a Board Member of the Regional Tripartite Wages & Productivity Board for Region X. Furthermore, she serves as the Corporate Secretary of the Philippine Association on Voluntary Arbitration, Inc. (PAVA, Inc.). Ms. Lawansa is an Accredited Voluntary Arbitrator (AVA) of the National Conciliation and Mediation Board (NCMB), playing a crucial role in resolving labor-management disputes. She is also a volunteer lecturer for the Department of Trade and Industry – Region X Go Negosyo program, sharing her expertise in people management with entrepreneurs.

Ms. Lawansa's outstanding contributions to HR have earned her numerous accolades, including the 2017 PMAP National Presidential Award and being named as the Silver Awardee of the 2023 Chief Human Resources Executive of the Year at the prestigious Stevie Awards for Great Employers in New York.

After graduating cum laude with a degree in Psychology from Mindanao State University - Marawi, Ms. Lawansa earned both her Juris Doctor and MBA from Ateneo de Cagayan. She was also an adjunct faculty member at the Ateneo de Cagayan University School of Business, where she taught People Management. Her professional credentials include being an Associate Fellow in People Management (AFPM), conferred by the Philippine Society of Fellows (PSOF), a Certified Total Rewards Specialist (CTRS) by the ASEAN Total Rewards Institute, and a Certified Learning & Development Professional (CLDP) by the International HR Institute. Additionally, she completed the Certified Human Resource Leadership Development program at the Asian Institute of Management (AIM).

ANGELA O. FRAGA, Vice President - Strategy

Angela O. Fraga, Filipino, 40, is a seasoned leader in data governance, analytics, and digital transformation, with a proven track record of aligning technology strategies with business goals in top ASX companies. At Transurban, one of the world's leading toll-road operators in Australia and North America, they drove advanced analytics and sustainability initiatives, delivering significant cost savings and operational improvements. In Telstra, Australia's leading telecommunications and technology company, they formalized data strategies and enhanced data literacy at the Belong brand, creating a culture of collaboration and innovation. Their vision is to transform companies into agile, competitive, and digital-first organizations by strategically aligning technology with business objectives and unlocking the value of data and digital assets, ensuring long-term growth and success.

She graduated with a Master of Business Information Systems at Monash University - Caulfield in 2012 and Bachelor of Arts in Comparative Literature at the University of the Philippines – Diliman in 2009.

ANNA MARIE PULIDO-MONTEJO, Vice President for Sales and Marketing

Anna Marie Pulido-Montejo, Filipino, 52, is the Vice President for Sales and Marketing effective January 1, 2025. Her professional career spans decades in project management, institutional development, and marketing. She was Team Leader of United States Agency for International Development's Growth with Equity in Mindanao (USAID's GEM) Program prior to joining ABCI as Marketing Manager (2012-2023) and Assistant Vice President for Sales and Marketing (2023-2024). She has a diploma for Doctor of Management and was a recipient of the Academic Excellence Award from Capitol University. She majored in Marketing, Bachelor of Science in Business Administration at the Ateneo de Davao University.

MA. MILAGROS M. YU, Vice President for Treasury

Ma. Milagros M. Yu, Filipino, 57, is the Vice President for Treasury effective January 1, 2025. She was formerly the Assistant Vice President (AVP) – Treasury and prior to that, the Credit and Collection Manager from 2013 to 2020 and the Accounting Manager from 2003 to 2013 of A Brown Company, Inc. She also worked as an external auditor with Sycip, Gorres and Velayo (SGV) auditing firm. She is a licensed real estate broker and licensed real estate appraiser. She graduated BS Accountancy at Xavier University – Ateneo de Cagayan.

JASON C. NALUPTA, Corporate Secretary

Atty. Jason C. Nalupta, Filipino, 53, is the Corporate Secretary of the Corporation. He is also currently the Corporate Secretary of listed firms Asia United Bank, Belle Corporation, Crown Asia Chemicals Corporation and Pacific Online Systems Corporation. He is also a Director and/ or Corporate Secretary or Assistant Corporate

Secretary of private companies, Quantuvis Resources Corporation, Total Gaming Technologies, Inc., Parallax Resources, Inc., SLW Corporation, Belle Infrastructure Holdings, Inc. (Formerly: Metropolitan Leisure & Tourism Corporation), Belle Bay Plaza Corporation, Glyphstudios, Inc., Falcon Resources, Inc., Futurelab Interactive Corp., TGTI Services, Inc., Loto Pacific Leisure Corporation, FHE Properties, Inc., Stanley Electric Philippines, Inc., Sta. Clara International Corporation and PinoyLotto Technologies Corp.

He is a Partner at Tan Venturanza Valdez Law Offices specializing on corporate, securities, and business laws.

Atty. Nalupta earned his Juris Doctor degree, as well as his Bachelor of Science degree in Management (major in Legal Management), from the Ateneo de Manila University in 1996 and 1992, respectively. Atty. Nalupta was admitted to the Philippine Bar in 1997.

DANIEL WINSTON C. TAN-CHI, Assistant Corporate Secretary

Daniel Winston C. Tan-chi, Filipino, 46, is appointed Assistant Corporate Secretary of A Brown Company Inc. effective October 25, 2017.

Currently, he is the Corporate Secretary of Palm Thermal Consolidated Holdings, Hydro Link Projects Corp., Masinloc Consolidated Power, Inc., AB Bulk Water Company, Inc. and another 33 non-listed companies. He has 20 years of experience in the legal services industry with a solid background in the areas of Project and Debt Financing, Mergers & Acquisitions, Joint Ventures, Labor Disputes and Real Estate.

Mr. Tan-chi is a Partner in the law firm of Picazo Buyco Tan Fider & Santos where he started his career in 2005. He graduated from the Ateneo de Manila University with a degree in Bachelor of Science in Legal Management in 2000. He also received his Juris Doctor from the Ateneo de Manila Law School in 2004.

ALLAN ACE MAGDALUYO, Compliance Officer

Allan Ace Magdaluyo, Filipino, 44, is appointed Compliance Officer of A Brown Company Inc. effective October 25, 2017. He started his career in A Brown Company, Inc. as Investor Relations Officer in June 2010 and promoted as Finance Manager and Senior Finance Manager in 2012. He graduated his BS Accountancy degree at Mindanao State University – Marawi as Magna Cum Laude and College Leadership Awardee in 2000. He took and passed the May 2001 CPA Board Examination. After obtaining his CPA license, he worked as an Accountant II in the Department of Education – Division of Agusan del Sur before he embarked on his graduate studies. He graduated his Master of Science in Finance degree at University of the Philippines – Diliman in 2008 and had completed his academic units for a Master in Public Administration at Bukidnon State University – San Francisco External Studies in 2004. He obtained his license as a Real Estate Broker in 2011 and Real Estate Appraiser in 2013.

Previously, he worked as internal auditor for an IT software firm in Makati and had also a short stint as a college instructor when he was still working in his province.

Significant Employees

The Company values its human resources. It expects every employee to perform the function assigned to him and to contribute in achieving the Company's goals. While each employee's role is important, there is no employee, other than the executive officers, who is expected by the Company to make a significant contribution to the business.

Family Relationships

Walter W. Brown, the Chairman of the Company, is married to Annabelle Pizarro Brown. Robertino E. Pizarro, the President and Chief Executive of the Corporation, is the brother of Annabelle Pizarro Brown. Paul Francis B. Juat is the grandson of Walter William B. Brown and Annabelle P. Brown.

Involvement in Certain Legal Proceedings

The Company has no knowledge of any involvement by the members of the Board of Directors or Executive Officers in any legal proceeding affecting or involving themselves or their properties, or of said persons being subject to any order, judgment or decree before any court of law or administrative body in the Philippines. Neither have said persons filed any petition for suspension of payments or bankruptcy/ insolvency nor have been convicted by final judgment of any violation of a securities or commodities law or any offense punishable by laws of the Republic of the Philippines or any other country during the past five (5) years up to the latest date.

Certain Relationships and Related Transactions

The Company, being a Parent Company, in its regular course of trade or business, enters into transactions with its subsidiaries consisting of reimbursement of expenses, purchase of other assets, construction and development contracts, management, marketing and service agreements. Sales and purchases of goods and services to and from related parties are made at arms-length transaction.

No other transaction was undertaken by the Company in which any Director or Executive Officers was involved or had a direct or indirect material interest except as otherwise disclosed.

Company requires directors to disclose immediately their interests in transactions or any other conflict of interests and do not participate in the decision-making process.

No material related party transaction was made in 2024 and 2023 that breached the materiality threshold. However, related party transactions below the threshold apply the same principle of abstentions if the directors are involved in the transaction.

Other than what has been stated in this Information Statement and the Company's Annual Financial Statements, there are no other related party transactions entered into by the Company with related parties, including transactions with directors or self-dealings by the Company's directors.

Please refer to Note 15 of the accompanying Notes to the Consolidated Financial Statements for a discussion on other Related Party transactions.

For the past five years, the Company did not enter into any contract with promoters.

Disagreement with Director

None of the directors have resigned or declined to stand for re-election to the Board of Directors since the date of the last annual meeting of security holders because of disagreement with the Company on any matter relating to the Company's operations, policies or practices.

COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

Summary Compensation

Name and Position	Year	Salary (PhP)	Per Diem (PhP)	Others/Bonus (PhP)	Total (PhP)
Total compensation of the President and Chief Executive Officer and the four (4) most highly compensated officers of the Company:	**2023**	16,095,117	210,000	1,444,047	**17,749,164**
	2024	17,828,428	145,000	1,475,000	**19,448,428**
	2025*	17,828,428	145,000	1,475,000	**19,448,428**
1. Walter William B. Brown 2. Robertino E. Pizarro 3. Paul Francis B. Juat 4. John L. Batac 5. Marie Antonette U. Quinito					
All other officers and directors as a group unnamed	**2023**	16,178,392	885,000	1,603,283	**18,666,675**
	2024	22,586,454	605,000	2,092,657	**25,284,111**
**Estimates*	**2025***	22,586,454	605,000	2,092,657	**25,284,111**

Directors

The regular directors receive P10,000 while the Chairman of the Board and Independent Directors receive P15,000 as per diem for every board and committee meeting. As provided in the By-Laws Article V, Section 1 (as amended and adopted by the BOD on March 12, 2012 and approved by SEC on June 13, 2012), a bonus may be distributed to the members of the Board of Directors, officers and employees "upon the recommendation of the Compensation and Remuneration Committee and shall not exceed ten (10) per centum of the net income of the corporation (excluding the unrealized equity in the net earnings of affiliated and subsidiary corporations) before this bonus and taxes of the preceding year or preceding years if in a cumulative basis…" The said bonus is to be pro-rated with respect to Director's attendance and for those who have served for less than one year.

The total compensation received by each director for 2024:

Directors	Compensation	Per Diem	Total
Walter William B. Brown	3,308,428	75,000	3,383,428
Annabelle P. Brown		70,000	70,000
Robertino E. Pizarro	6,570,000	70,000	6,640,400
Elpidio M. Paras		165,000	165,000
Thomas G. Aquino		15,000	15,000
Wayne Y. Coherco		90,000	90,000
Antonio S. Soriano		90,000	90,000
Joselito H. Sibayan		65,000	65,000
Renato N. Migriño		50,000	50,000
Jun Hou		50,000	50,000

Officers

The Company adopts a performance-based compensation scheme as incentive. Payments to all senior personnel from Manager and up were all paid in cash. The total annual compensation includes the basic salary and other variable pay (performance bonus and other taxable income). Each executive officer executed an employment contract with the Company for an indefinite period (the terms and conditions of which are in accordance with existing laws) and is entitled to receive retirement benefits in accordance with the terms and conditions of the Company's BIR-registered Employees' Retirement Fund.

Other than the previously exercised stock option plan, there are no stock, non-cash compensation, warrants or options granted to the officers and directors. There are no other material term or other arrangement, other than the above to which any Director / officer named above was compensated.

INDEPENDENT PUBLIC ACCOUNTANTS

The Company's Board of Directors reviews and approves the engagement of services of the Company external auditors, including but not limited to the appointment, compensation, retention, rotation and oversight of the independent auditors, who are appointed upon the recommendation of the Audit Committee, and which appointment shall be ratified by the stockholders during the annual stockholders' meeting. Representatives of the external auditors shall be present during annual meetings and will be given the opportunity to make a statement if they desire to do so. They are also expected to respond to appropriate questions if needed.

Per SEC Memo Circular 19 of 2005 – Amendments to SRC Rules 68 and 68.1, "… the external auditors shall be rotated every after five (5) years of engagement. In case of a firm, the signing partner shall be rotated every after said period. The reckoning date for such rotation shall commence in year 2002…"

SRC Rule 68(3)(b)(ix), as amended (published on October 3, 2019), provided the following on the rotation of external auditors:
"The independent auditors or in the case of an auditing firm, key audit partners, as defined under Section 1 (B) (viii) of Part I of this Rule, of the aforementioned SEC-regulated entities under Groups A to C, except for non-stock, non-profit corporations, shall comply with the provisions on long association of personnel (including partner rotation) with an audit client as prescribed in the Code of Ethics for Professional Accountants in the Philippines as adopted by the BOA and PRC and such other standards as may be adopted by the Commission."

The provisions of the International Ethics Standards Board for Accountants (IESBA) Code of Ethics for professional accountants has been adopted by the Board of Accountancy (BOA) and Professional Regulations Commission (PRC). The IESBA Code provides sufficient guidance on partner rotation which provides that in respect of an audit of a public interest entity, an individual shall not act in any of the following roles, or a combination of such roles, for a period of more than seven cumulative years (the "time-on" period): (a) the engagement partner; (b) the individual appointed as responsible for the engagement quality control review or (c) any other key audit partner role. After the time-on period, the individual shall serve a "cooling-off" period in accordance with the provisions of the IESBA Code.

External Auditor Prior to 2018

The accounting firm Constantino Guadalquiver and Co. ("CG & Co"), a member practice of Baker Tilly International with address at Citibank Office 22nd Floor,Citibank Tower, 8741 Paseo De Roxas, Salcedo Village, Makati City. CG & Co. was the Corporation's external auditor since 28 August 2009. For five consecutive years, from 2009 to 2013, Rogelio M. Guadalquiver had been the Partner-In-Charge of the independent examination. For the Audit Year 2014 and 2015, Annalyn B. Artuz was the Partner-In-Charge. After the two (2) years cooling off period, Rogelio M. Guadalquiver was again the Partner-In-Charge. There was no instance that CG & Co and the Company had any disagreement with regard to any matter relating to accounting principles or practices, disclosure of financial statements or auditing scope or procedure.

External Auditor Beginning 2018

In 2018, the principal independent accountant and external auditor of the Company was the accounting firm of Sycip Gorres Velayo & Co. ("SGV & Co."), a member practice of Ernst & Young International with address at SGV Building, 6760 Ayala Avenue, 1226 Makati City. SGV & Co. has been retained as the Corporation's external auditor since 28 June 2018 during the Company's Annual Stockholders' Meeting after the approval of the Board of Directors on 02 May 2018. There was no instance that SGV & Co. and the Company had any disagreement with regard to any matter relating to accounting principles or practices, disclosure of financial statements or auditing scope or procedure. For the Audit Year 2018, John T. Villa was the Partner-In-Charge while for the Audit Year 2019 to 2024, Alvin M. Pinpin is the Partner-In-Charge.

The Company is compliant with SRC Rule 68, paragraph 3(b) on the rotation requirement for external auditors.

In the interest of greater transparency and in accordance with good corporate governance practices mandated by SRC Rule 68(3)(b), as amended, the Board of Directors upon the recommendation of the Audit Committee has decided to re-appoint **Sycip Gorres Velayo & Co**. (SGV & Co.) as the external auditor for 2025 for approval of the stockholders of ABCI at the forthcoming Annual Stockholders' Meeting on June 27, 2025. SGV's Partner-In-Charge for the 2025 audit is Alvin M. Pinpin.

Members of the Audit Committee are as follows:

Chairman: Engr. Elpidio M. Paras, Independent Director
Members: Wayne Y. Coherco, Independent Director
Atty. Antonio S. Soriano, Director

ISSUANCE AND EXCHANGE OF SECURITIES

Financial and Other Information

Please see Management Report and Annexes:
- Annex A – Management's Discussion and Analysis
- Annex B – Audited Consolidated Financial Statements for 2024
- Annex C – Certification that none of the board members and officers are employed with the Government except one
- Annex D – SEC Form 17-Q for the 1st Quarter of 2025
- Annex E – Draft Minutes of the Previous Annual Stockholders' Meeting (July 12, 2024)

AUTHORIZATION OR ISSUANCE OF SECURITIES OTHER THAN FOR EXCHANGE

No action is to be taken during the 2025 ASM with respect to this item.

AMENDMENTS OF CHARTER, BY-LAWS & OTHER DOCUMENTS

No action will be taken with respect to any amendment to the Corporation's Articles of Incorporation or By-Laws.

OTHER MATTERS

Action with Respect to Reports

The Company will seek the approval by the stockholders of the Minutes of the Annual Stockholders' Meeting held on July 12, 2024 during which the following were taken up: (1) Call to Order, (2) Proof of Notice of Meeting, (3) Certification of Quorum, (4) Approval of the Minutes of the previous Annual Stockholders' Meeting, (5) Approval of 2023 Operations and Results, (6) Ratification of All Acts of the Board of Directors and Officers, (7) Retention of Independent Director (8) Election of Directors, (9) Appointment of External Auditors, (10) Other Matters, and (11) Adjournment.

The Company will seek the approval by the stockholders of the 2024 Operations and Results, contained and discussed in the annual report attached and made part of this Information Statement. Approval of the reports will constitute approval and ratification of the acts of Management and of the Board of Directors for the past year.

The minutes of the 2024 Annual Stockholders Meeting had been uploaded to the Company's website within five (5) days from the date of the meeting and may be viewed through the following link:
https://abrown.ph/kooroast/2024/07/Draft-Minutes-of-the-Annual-Meeting-of-the-Stockholders-of-ABCI-July-12-2024-.pdf

In compliance of Section 49 of the Revised Corporation Code (RCC), the minutes contain the following information:

1. A description of the voting and vote tabulation procedures used in the previous meeting;
2. A description of the opportunity given to stockholders or members to ask questions and a record of the questions asked and answers given;
3. The matters discussed and resolutions reached;
4. A record of the voting results for each agenda item; and
5. A list of the directors, officers and the percentage of outstanding and voting shares of stockholders who attended and participated in the meeting

Other Proposed Actions

The following are to be proposed for approval during the stockholders' meeting:

1. Minutes of the Previous Meeting of Stockholders
2. 2024 Operations and Results
3. Ratification of all Acts of the Board of Directors and Officers
4. Retention of Independent Director
5. Election of Directors for 2025-2026
6. Appointment of External Auditor
7. Other Matters

2024 Operations and Results. Management reports which summarize the acts of management for the year 2024 are included in the company's Annual Report to be sent to the stockholders together with this Information Statement and shall be submitted for approval by the stockholders at the meeting. Accordingly, approval of the Annual Report will constitute approval and ratification of the acts of Management stated in the Management Report during the period covered thereby.

Ratification of Acts of Directors and Officers. The items covered with respect to the ratification of the acts of the Board of Directors and officers for the past year up to the date of the meeting are those items entered into in the ordinary course of business, with those of significance having been covered by appropriate disclosures such as:

a.) Membership in the relevant committees such as the Executive, Audit, Risk, Related Party Transaction and Corporate Governance including its subsumed Committees on Nomination, Compensation, and Corporate Culture and Values Formation Committees and;
b.) Designation of authorized signatories;
c.) Financing activities;
d.) Opening of accounts;
e.) Appointments in compliance with corporate governance policies; and
f.) Funding support for projects

Retention of Independent Director. The Code of Corporate Governance for Listed Companies requires that independent directors should serve for a maximum cumulative term of nine (9) years, after which, the independent director will be perpetually barred from reelection as such in the same company. However, a company may seek the approval of the shareholders should it wish to retain an independent director to serve beyond 9 years, provided, that meritorious justification(s) is/are given therefore.

By the end of his current term, Engr. Elpidio M. Paras would have served the Company as Independent Director for more than 9 years. However, for the justifications provided in page 18 of this Information Statement, the Board of Directors has agreed to seek the approval of the shareholders for Engr. Paras be allowed to continue serving as Independent Directors beyond the maximum period allowed.

Voting Procedure

(a) Actions to be taken at the Annual Stockholders' Meeting shall require the vote of the stockholders representing at least a majority of the Company's outstanding capital stock.

(b) Two inspectors shall be appointed by the Board of Directors before or at each meeting of the stockholders, at which an election of directors shall take place. If no such appointment shall have been made or if the inspectors appointed by the Board of Directors refused to act or fail to attend, then the appointment shall be made by the presiding officer of the meeting. For purposes of the Annual Stockholders' Meeting on June 27, 2025, the Corporate Secretary and/or his representative, together with the Audit Partner of the External Auditor and/or his representative, have been designated as inspectors who have been tasked to oversee the counting of votes.

(c) Stockholders may vote at all meetings either in person or by proxy duly given in writing in favor of any person of their confidence and each stockholder shall be entitled to one vote for each share of stock standing in his name in the books of the corporation; provided, however, that in the election of directors, each stockholder shall be entitled to cumulate his votes in the manner provided for by law. For the purpose of this year's annual stockholders' meeting, which will be held only in a virtual format, the stockholders may only vote through proxies or by remote communication (*in absentia*). The stockholders are encouraged to participate in the meeting by either of the following:

i. by submitting duly accomplished proxies to the Office of the Corporate Secretary at 2704 East Tower, Philippine Stock Exchange Centre, Ortigas Center, Pasig City or via electronic copy by emailing corporatesecretary@abrown.ph on or before 5:00 p.m. on June 17, 2025.

For corporate stockholders, the proxies should be accompanied by a Secretary's Certification on the appointment of the corporation's authorized signatory.

ii. by registering your votes on the matters to be taken up during the meeting through the e-voting platform set up for the purpose which can be accessed at abrown.ph/asmregister2025. The e-voting portal will be open until 12:00 noon of 27 June 2025.

(d) The method of counting votes shall be in accordance with the general provisions of the Revised Corporation Code. The counting shall be done by the inspectors abovementioned, witnessed and the results verified by a duly appointed validator.

OMITTED ITEMS

Items 10 to 14 and Item 16 are not responded to herein the Corporation not intending to take any action with regard to the same during the stockholders' meeting.

Ratification of All Acts of the Board of Directors and Officers

1. Approval of Unaudited Quarterly Financial Reports

- Second Quarter 2024
- Third Quarter 2024
- First Quarter 2025

2. Availment of Loan/Credit Facilities

- Philippine Bank of Communications
- Union Bank of the Philippines

3. Matters Done in the Ordinary Course of Business

- Opening/Closing of Bank Accounts
- Renewal of Bank Loans
- Amendment/Updating of Bank Signatories for Various Banks
- Purchase/Disposition of Motor Vehicles and Equipment
- Renewal of Business Permits and Licenses
- Accreditation with PAG-IBIG Fund for Takeout Mechanism for Developer Assisted Housing Program
- Purchase of Properties for Development
- Other Regulatory Matters
  - ➢ Registration with Anti-Money Laundering Council
  - ➢ Transactions with Land Registration Authority

CERTIFICATION OF INDEPENDENT DIRECTOR

I, ELPIDIO M. PARAS, Filipino, of legal age with address at [redacted] after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee as Independent Director of **A BROWN COMPANY, INC.** and I have holding said position since June 2002.

2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
Parasat Cable TV, Inc.	President & CEO	1991 - present
Kismet Cable TV, Inc.	President	2022 - present
Pagadian Cable TV, Inc.	President	2022 - present
PCTA, Inc.	Past Chairman of the Board	2000 - 2008
PCTA, Inc.	Past President	2010 - 2012
PCTA, Inc.	Vice President for Mindanao Area	2015 - 2017
PCTA, Inc.	Director	2017 - present
Promote Northern Mindanao Foundation, Inc.	President	2019 - present
Cagayan de Oro Chamber	Past President	2007 - 2008
Xavier University	Past Chairman of the Board of Trustees	2007 - 2016
CDO ICT Committee	Member	2005 - present
Cagayan de Oro International Trade and Convention Center Foundation, Inc.	Director	2005 - 2010
UC-1 Corporation	President & CEO	2002 - present
Philippine Association of Amusement Park & Attractions	Member	2012 - present
Jade Cable TV Systems, Inc.	President & CEO	1991 - present
Accolade Resources, Inc.	Director	2012 - present
Southbank	Independent Director	2014 - present
Maria Reyna – Xavier University Hospital, Inc.	Member of the Board of Trustees	2012 - 2016
Tourism Congress of the Philippines	Trustee	2017 - 2019
Barra Bay Properties, Inc.	President & CEO	2019 - present
NEDA RDC-X	Co-Chairman	2023 - 2025
PCTA IX, Inc.	Director	2022 - present
G. Telecoms, Inc.	Director	2017 - present
GSAT Inc.	Director	2010 - present
Philippine Aerial Ropeway and Cable Transit Corp.	President	2023 - present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **A Brown Company, Inc.**, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other SEC issuances.

4. I am not related to any of the other director/officer/substantial shareholder of **A BROWN COMPANY INC. and its subsidiaries and affiliates** other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I am not affiliated with any agency or instrumentality of the Philippine Government, including any of the government-owned and controlled corporations.

7. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC Issuances.

8. I shall inform the Corporate Secretary of **A BROWN COMPANY, INC.** of any changes in the abovementioned information within five days from its occurrence.

Done, this ____ day of MAY 13 2025, at Cagayan de Oro City

ELPIDIO M. PARAS
Affiant

SUBSCRIBED AND SWORN to before me this ____ day of MAY 13 2025 at Cagayan de Oro City, affiant personally appeared before me and exhibited to me his [redacted] issued on [redacted] and [redacted] at [redacted] as his competent evidence of identity.

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Page No. 39;
Book No. 257;
Series of 2025

RODOLFO D. UY
NOTARY PUBLIC
For Cagayan de Oro City, Mis. Or.
Notarial Commission No. 2025-81
Until December 31, 2026
Roll of Attorneys No. 32628 - 1983
IBP Lifetime No. 00528, Mis. Or.
PTR No. 6098732A, 12/18/24 (for 2025), CDOC
TIN 114-753-532
MCLE Compliance No. VIII-0010394
Issued on July 10, 2024

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **WAYNE Y. COHERCO,** Filipino, of legal age with address at [redacted] after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee as Independent Director of **A BROWN COMPANY, INC.** and I have been holding the said position since July 2024.

2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
Herco Trading Inc.	Vice President and COO	2015-2016; 2018 - present
Uber Philippines	Country Product Lead	2016 - 2018
University of the Philippines – College of Engineering	Instructor	2016 - 2017
7-Eleven	Franchisee	2012 - 2022

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **A Brown Company, Inc.**, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other SEC issuances.

4. I am not related to any of the other director/officer/substantial shareholder of **A BROWN COMPANY INC. and its subsidiaries and affiliates** other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I am not affiliated with any agency or instrumentality of the Philippine Government, including any of the government-owned and controlled corporations.

7. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC Issuances.

8. I shall inform the Corporate Secretary of **A BROWN COMPANY, INC.** of any changes in the abovementioned information within five days from its occurrence.

Done, this 2 6 ~~day of~~ MAY 2025, at QUEZON CITY.

WAYNE Y. COHERCO
Affiant

SUBSCRIBED AND SWORN to before me this 2 day of MAY 2025 at QUEZON CITY, affiant personally appeared before me and exhibited to me his [redacted] issued on [redacted] and valid until [redacted] as his competent evidence of identity.

Doc. No. 493;
Page No. 99;
Book No. XVIII-B
Series of 2025

ATTY. RIZAL JOSE F. VALMORES
NOTARY PUBLIC
UNTIL DECEMBER 31, 2026
ADM MATTER NO 003
PTR NO. 7016197 / 01-02-2025 / Q.C
IBP NO. 472850 / 10-23-2024 / Q.C
ROLL NO. 28435
MCLE NO. VIII-0008500 / 05-07-2024
Add. #473 Boni Serrano Road, Barangay San Roque, Murphy Quezon City

UPON THE WRITTEN REQUEST OF A STOCKHOLDER, THE COMPANY WILL PROVIDE WITHOUT CHARGE A COPY OF THE COMPANY'S ANNUAL REPORT ON SEC FORM 17-A. THE STOCKHOLDER MAY BE CHARGED A REASONABLE COST FOR PHOTOCOPYING THE EXHIBITS.

ALL REQUESTS MAY BE SENT TO THE FOLLOWING ADDRESS:

Office of the Corporate Secretary
A BROWN COMPANY, INC.
Ground Floor, 119 CSB Bldg., Dr. Lazcano St.,
Sacred Heart, 1103 Quezon City
(Liaison Office)

Attention: **Atty. Jason C. Nalupta**
Corporate Secretary

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in Quezon City on MAY 27, 2025.

A BROWN COMPANY, INC.
Issuer

By:

ROBERTINO E. PIZARRO
President & Chief Executive Officer

ANNEX A

MANAGEMENT REPORT 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

Statement of Income- Consolidated
Current Period 2024 vs 2023

	Years Ended December 31			
			Horizontal Analysis Increase (Decrease)	
	2024	2023	in ₱	in %
REVENUES				
Real estate sales	**₱1,527,959,172**	₱1,454,786,129	73,173,043	5%
Sale of agricultural goods	**250,550,825**	142,563,286	107,987,539	76%
Water and other service	**29,462,585**	27,433,584	2,029,001	7%
	1,807,972,582	1,624,782,999	183,189,583	11%
COSTS OF SALES AND SERVICE				
Cost of real estate sales	**681,546,593**	559,113,808	122,432,785	22%
Cost of agricultural goods sold	**242,092,717**	122,358,936	119,733,781	98%
Cost of water and other service revenue	**12,045,256**	16,660,359	-4,615,103	-28%
	935,684,566	698,133,103	237,551,463	34%
GROSS PROFIT	**872,288,016**	926,649,896	-54,361,880	-6%
GENERAL, ADMINISTRATIVE AND SELLING EXPENSES	**543,502,027**	541,469,373	2,032,654	0%
OTHER INCOME (EXPENSES)				
Equity in net earnings of associates	**140,933,418**	339,947,514	-199,014,096	-59%
Interest expense	**(127,661,586)**	(67,121,886)	-60,539,700	90%
Unrealized foreign exchange gain (loss)	**92,371**	(1,200)	93,571	-7798%
Interest Income	**34,509,378**	486,154	34,023,224	6998%
Income from forfeited deposits	**23,846,049**	20,026,646	3,819,403	19%
Rental income	**19,624,353**	14,944,353	4,680,000	31%
Other income	**30,184,315**	6,352,615	23,831,700	375%
	121,528,298	314,634,196	-193,105,898	-61%
INCOME BEFORE INCOME TAX	**450,314,287**	699,814,719	-249,500,432	-36%
PROVISION FOR INCOME TAX				
Current	**18,219,312**	6,250,555	11,968,757	191%
Deferred	**97,986,385**	147,087,524	-49,101,139	-33%
	116,205,697	153,338,079	-37,132,382	-24%
NET INCOME	**₱334,108,590**	₱546,476,640	-212,368,050	-39%

Revenues
The Group recorded consolidated revenues of ₱1.80B in 2024, an increase of ₱11% from ₱1.62B in 2023, and is broken down as follows:

Real estate sales
Revenue from real estate sales of ₱1.52B in 2024, an increase of 5% from ₱1.45B in 2023 due to higher percentage completion of ongoing real estate projects. Real estate sales contributed to 85% of total consolidated revenues.

Sale of agricultural goods
Revenue from sale of agricultural goods of ₱250.55M in 2024, an increase of 76% from ₱142.56M in 2023. The agricultural products are palm oil products consisting of Crude Palm Oil, Palm Acid Oil, and Kernel.

Water and other service income
Revenue from water and other services of ₱29.46M in 2024, an increase of 7% from ₱27.43M in 2023 due to the increase in the turn-over of and actual move-in to units and consumption of water by residents. Additional income from irradiation service was also earned in 2024.

Costs and Expenses
The Group recorded consolidated costs and expenses of ₱935.68M in 2024, an increase of 34% from ₱698.13M in 2023, due to the following:

Cost of real estate sales
Cost of real estate sales of ₱681.54M in 2024, an increase of 22% from ₱559.11M in 2023. The real estate costs recorded are directly related to the real estate sales for the period 2024. Gross profit from real estate sales is ₱846.41M, with a gross profit margin of 55%.

Cost of sales of agricultural goods
Cost of sales of agricultural goods ₱242.09M in 2024, an increase of 98% from ₱122.35M in 2023. The increased cost of sales is due to the higher production and sales for the period. Gross profit from the sales of agricultural products is ₱8.45M, with a gross profit margin of 3%.

Cost of water and other service income
Costs of water and other services of ₱12.04M in 2024, a decrease of 28% from ₱16.66M in 2023 due to increase in fuel efficiency in the utilization of the pumps and lesser spillage and increased volume of water sales.

General, Administrative and Selling Expenses
The Group recorded general, administrative and selling expenses of ₱543.50B in 2024, an increase of less than 1% from ₱541.46B in 2023. The general, administrative, and selling expenses were just slightly higher in 2024 compared to 2023 even as the group delivered on higher total consolidated revenue. General, administrative, and selling expenses include personnel expenses, marketing expenses, impairment loss, taxes and licenses, outside services, professional fees, depreciation, provision for inventory losses, rental expenses, and utilities and supplies.

Other Income/Expenses

Share in net income (loss) of associates
The Group recognized ₱140.93M in equity in net earnings of associates for 2024, a 59% decrease from ₱339.94M in 2023. The decline reflects lower reported profits from associate Palm Concepcion Power Corporation due to plant breakdown from March 2024 to August 2024.

Unrealized foreign exchange gain (loss)
An unrealized foreign exchange gain of ₱92,371 was recorded in 2024, compared to a loss of ₱1,200 in 2023. The gain resulted from favorable exchange rate movements affecting the Group's foreign currency-denominated balances.

Interest Expense
Interest expense increased to ₱127.66M in 2024, 90% increase from ₱67.12M in 2023. The increase is attributed to increased loan drawdowns and adoption of new PFRS standard on accounting for borrowing cost limiting the capitalization of incurred interest to qualifying assets.

Interest Income
Interest income increased to ₱34.50M in 2024, a 6998% increase from ₱486k in 2023. The increase was due to the adoption of the new PFRS standard that considers the financing component of the selling price. In 2023, prior to the adoption of the new PFRS 15, the significant financing component of the selling price was treated as part of real estate sales. In 2024, the Company adopted the new PFRS 15 that considers the significant financing component of the selling price as an interest income.

As disclosed in Note 5 – Receivables of the Notes to the Audited Consolidated FS, interest earned from contract assets and ICR amounted to ₱33.9M and ₱0.3M in 2024 and 2023, respectively. This is the amount recorded as a result of the adoption of new PFRS (PFRS 15) and as discussed in Note 2 – Material Accounting Policy Information of the Notes to the Audited Consolidated FS.

Income from forfeited deposits
Income from forfeited deposits increased to ₱23.84M in 2024, a 19% increase from ₱20.02M in 2023. Income from forfeited deposits pertains to collections from potential buyers deemed nonrefundable due to prescription of the period for entering into a contracted sale and/or payment from defaulting buyers upon prescription of the period for payment of the required amortizations subject to the provisions of Republic Act 6552, *Realty Installment Buyer Act*.

Rental income
Rental income increased to ₱19.62M in 2024, a 31% increase from ₱14.94M in 2023.

Other Income – net
Other income increased to ₱30.18M in 2024, an increase of 375% from ₱6.35M in 2023.

Provision for Income Tax
Total provision for income tax decreased by 24% to ₱116.20M in 2024 from ₱153.33M in 2023.

Net Income
Net income of ₱334.10M in 2024, a 39% decline from ₱546.47M in 2023. The decrease was mainly due to lower equity earnings from associates and one-time impairment costs. However, the group recorded record top-line revenues for its real estate and agribusiness segment.

Statement of Financial Position - Consolidated
Current Period 2024 vs 2023

	Years Ended December 31			
			Horizontal Analysis Increase (Decrease)	
	2024	2023	in ₱	in %
ASSETS				
Current Assets				
Cash	**₱677,964,213**	₱118,082,483	559,881,730	474%
Receivables	**955,284,846**	366,814,874	588,469,972	160%
Contract assets	**131,239,842**	494,203,019	-362,963,177	-73%
Receivables from related parties	**50,894,936**	50,894,936	0	0%
Real estate inventories	**4,057,995,302**	3,571,105,773	486,889,529	13%
Other inventories	**48,750,406**	116,293,063	-67,542,657	-58%
Other current assets	**1,272,275,513**	693,028,502	579,247,011	83%
Total Current Assets	**7,194,405,058**	5,410,422,650	1,783,982,408	33%
Noncurrent Assets				
Contract assets - net of current portion	**1,542,267,524**	1,375,188,278	167,079,246	12%
Equity instruments at fair value through other comprehensive income (EIFVOCI)	**428,856,522**	362,386,957	66,469,565	18%
Investments in associates	**1,839,745,991**	1,821,756,979	17,989,012	1%
Investment properties	**631,838,036**	455,941,317	175,896,719	38%
Property, plant and equipment	**1,715,734,159**	1,472,098,680	243,635,479	16%
Other noncurrent assets	**735,687,707**	811,706,849	-76,019,142	-9%
Total Noncurrent Assets	**6,894,129,939**	6,299,079,060	595,050,879	9%
TOTAL ASSETS	**₱14,088,534,997**	₱11,709,501,710	2,379,033,287	20%

LIABILITIES AND EQUITY				
Current Liabilities				
Accounts and other payables	**₱1,315,630,677**	₱1,160,270,667	155,360,010	13%
Short-term debt	**972,187,000**	745,414,000	226,773,000	30%
Current portion of long-term debt	**602,633,723**	480,838,826	121,794,897	25%
Contract liabilities	**481,762,306**	319,515,433	162,246,873	50%
Total Current Liabilities	**3,372,213,706**	2,706,038,926	666,174,780	24%
Noncurrent Liabilities				
Long-term debt - net of current portion	**1,741,220,033**	1,398,737,070	342,482,963	24%
Retirement benefit obligation	**84,475,120**	76,982,380	7,492,740	9%
Deferred tax liabilities - net	**490,298,012**	455,771,239	34,526,773	7%
Total Noncurrent Liabilities	**2,315,993,165**	1,931,490,689	384,502,476	19%
Total Liabilities	**5,688,206,871**	4,637,529,615	1,050,677,256	22%

	Years Ended December 31		Horizontal Analysis Increase (Decrease)	
	2024	2023	in ₱	in %
Equity Attributable to Equity Holders of the Parent Company				
Capital stock				
Common stock	**₱2,477,668,925**	₱2,477,668,925	0	0%
Preferred stock	**27,637,650**	13,264,900	14,372,750	108%
Additional paid-in capital	**3,331,502,966**	1,931,178,758	1,400,324,208	72%
Retained earnings	**2,694,454,515**	2,834,608,536	-140,154,021	-4%
Fair value reserve of EIFVOCI	**(5,214,271)**	(71,683,836)	66,469,565	-92%
Remeasurement loss on retirement benefit obligation - net of tax	**(20,218,050)**	(21,570,632)	1,352,582	6%
Remeasurement loss on defined benefit plan of an associate	**(2,165,918)**	(1,221,512)	-944,406	77%
Cumulative translation adjustment	**(8,155,192)**	4,878,649	-13,033,841	-267%
Treasury shares - common	**(94,932,275)**	(94,932,275)	0	0%
	8,400,578,350	7,072,191,513	1,328,386,837	18%
Noncontrolling interest	**(250,224)**	(219,418)	-30,806	14%
Total Equity	**8,400,328,126**	7,071,972,095	1,328,356,031	18%
TOTAL LIABILITIES AND EQUITY	**14,088,534,997**	₱11,709,501,710	2,379,033,287	20%

Assets

The Group recorded total assets of ₱14.08B as of December 31, 2024, an increase of ₱2.37B or 20% from ₱11.70B as of December 31, 2023. The net increase was due to the following:

Current Assets

- Cash amounted to ₱677.96M in 2024, compared to ₱118.08M in 2023, a 474% increase due to collections and loan availments.
- Receivables amounted to ₱955.28M in 2024, up by 160% from ₱366.81M in 2023, due to increased progress completion of real estate projects include Mountain Pines Farm 2, Adelaida Meadows Residences and Teakwood Crest Subdivision.
- Contract assets amounted to ₱131.23M in 2024, lower by 73% than the ₱494.20M in 2023, due to collections from real estate projects.
- Real estate inventories amounted to ₱4.05B in 2024, a 13% rise compared to ₱3.57B in 2023, due to increased progress completion of real estate projects.
- Other inventories amounted to ₱48.75M in 2024, a 58% drop compared to ₱116.29M in 2023, due to the utilization of construction materials in the development
- Other current assets increased to ₱1.27B in 2024, an 83% surge from ₱693.02M in 2023, due to advances for land purchases, creditable withholding taxes, advances to suppliers and prepayments

Noncurrent Assets

- Contract assets – net of current portion amounted to ₱1.54B in 2024, a 12% increase from ₱1.37B in 2023, due to increased billable revenues.
- Equity instruments at fair value through OCI increased to ₱428.85M in 2024, up by 18% from ₱362.38M in 2023.

- Investments in associates slightly increased to ₱1.83B in 2024, an uptick of 1% from ₱1.82B in 2023.
- Investment properties amounted to ₱631.83M in 2024, 38% higher than ₱455.94M in 2023, due to reclassification into investment properties.
- Property, plant and equipment increased to ₱1.71B in 2024, a 16% increment from ₱1.47B in 2023.
- Other noncurrent assets decreased to ₱735.68M in 2024, a 9% decline from ₱811.70M in 2023.

Liabilities

Total liabilities amounted to ₱5.68B as of December 31, 2024, compared to ₱4.63B as of December 31, 2023, an increase of ₱1.05B or 22%.

Current Liabilities

- Accounts and other payables amounted to ₱1.31B in 2024, a 13% jump from ₱1.16B in 2023.
- Short-term debt increased to ₱972.18M in 2024, a 30% swell from ₱745.41M in 2023.
- Current portion of long-term debt amounted to ₱602.63M in 2024, a 25% rise from ₱480.83M in 2023.
- Contract liabilities increased by 50% to ₱481.76M in 2024 from ₱319.51M in 2023.

Noncurrent Liabilities

- Long-term debt – net of current portion amounted to ₱1.74B in 2024, a 24% climb from ₱1.39B in 2023.
- Retirement benefit obligation increased by 9% to ₱84.47M in 2024 from ₱76.98M in 2023.
- Deferred tax liabilities – net amounted to ₱490.29M in 2024 from ₱455.77M in 2023, a 7% increase.

Equity

Total equity amounted to ₱8.40B as of December 31, 2024, up by ₱1.32B or 18% from ₱7.07B as of December 31, 2023.

- Capital stock remained at ₱2.47B in both 2024 and 2023.
- Preferred stock increased by 108% to ₱27.63M in 2024 from ₱13.26M in 2023 due to the issuance of new Preferred Shares – Series B (7,431,750 shares with par value of ₱1.00 per share) and Series C (6,941,000 shares with par value of ₱1.00 per share)
- Additional paid-in capital increased to ₱3.33B in 2024, a 72% build-up from ₱1.93B in 2023 mainly due to the issuance of new Preferred Shares – Series B (7,431,750 shares with par value of ₱1.00 per share) and Series C (6,941,000 shares with par value of ₱1.00 per share) at a premium in excess of par with an issue price of ₱100 per share
- Retained earnings decreased to ₱2.69B in 2024, a 4% decline from ₱2.83B in 2023.
- Fair value reserve of EIFVOCI improved to ₱(5.21M) in 2024, a 92% reduction of loss from ₱(71.68M) in 2023.
- Remeasurement loss on retirement benefit obligation - net of tax decreased to ₱(20.21M) in 2024, a 6% reduction from ₱(21.57M) in 2023.
- Remeasurement loss on defined benefit plan of an associate increased by 77% to ₱(2.16M) in 2024 from ₱(1.22M) in 2023.
- Cumulative translation adjustment decreased to ₱(8.15M) in 2024, a 267% decline from ₱4.87M in 2023.
- Treasury shares remained at ₱94.93M in both 2024 and 2023.
- Non-controlling interest amounted to ₱(0.25M) in 2024 and ₱(0.21M) in 2023.

Key Performance Indicators

Financial Ratios Consolidated Figures	**Audited 12/31/2024**	**Audited 12/31/2023**
Current ratio	2.13:1	2.00:1
Current Debt to Equity Ratio	0.40:1	0.38:1
Total Debt to Equity ratio	0.68:1	0.66:1
Return on Assets	2.59%	5.03%
Return on Equity	4.32%	8.02%

[1]*Current assets/Current liabilities*
[2]*Current liabilities/Stockholders' equity*
[3]*Total liabilities/Stockholders' equity*
[4]*Net income/Average Total assets*
[5]*Net income/ Average Stockholders' equity*

The Group's current ratio improved to 2.13:1 in 2024 from 2.00:1 in 2023, indicating a stronger short-term liquidity position.

The current debt-to-equity ratio increased slightly to 0.40:1 in 2024 from 0.38:1 in 2023 due to additional loans. Similarly, the total debt-to-equity ratio rose to 0.68:1 from 0.66:1, due to additional borrowings to support project expansion.

Return on assets declined to 2.59% in 2024 from 5.03% in 2023 while return on equity decreased to 4.32% from 8.02%, primarily as a result of lower net income during the year.

<u>Prior Period (2023 & 2022) Operational and Financial Information</u>

Financial Condition

In Philippine-Peso	Audited 2023	Audited 2022	Horizontal Analysis Increase (Decrease) Amount	%	Vertical Analysis Audited 2023	Audited 2022
Current Assets	**5,410,422,650**	4,895,903,573	514,519,077	11%	**46%**	49%
Noncurrent Assets	**6,299,079,060**	5,109,943,219	1,189,135,841	23%	**54%**	51%
Total Assets	**11,709,501,710**	10,005,846,792	1,703,654,918	17%	**100%**	100%
Current Liabilities	**2,706,038,926**	2,093,509,315	612,529,611	29%	**23%**	21%
Noncurrent Liabilities	**1,931,490,689**	1,352,475,218	579,015,471	43%	**16%**	14%
Equity	**7,071,972,095**	6,559,862,259	512,109,836	8%	**60%**	66%
Total Liabilities and Equity	**11,709,501,710**	10,005,846,792	1,703,654,918	17%	**100%**	100%

A Brown Company - CONSOLIDATED
Statement of Financial Position items – December 2023 vs. December 2022

The Group's total assets increased by 17**% or ₱1.7 billion,** from a balance of **₱10.0 billion** as of end of the year 2022 to **₱11.7 billion** as of December 31, 2023.

The increase was contributed through the build-up in real estate held for sale by ₱609.7M; non-current contract assets by **₱590.2*M***; property, plant and equipment by **₱332.5*M***; prepayments by **₱227.5*M***; other non-current assets by **₱137.0*M***; receivables by **₱98.9*M***; investments in associates by **₱83.2*M*** and, among others as cash declined by **₱91.8M**; current portion of contract assets by **₱190.0M** and the inventories reduced by **₱84.0M**. The increase in the consolidated assets is coupled with the increase in short-term and long-term debt and the after-income tax earned as the sources of funds.

Current Assets increased by 11% or ₱514.5 million as a result of the net effect of the following:

44% or* ₱91.8M *decrease in Cash – due to the net effect of cash utilized for real estate development and landbanking as against the cash generated from collection of sales. The net cash flows used in operating and investing activities and net cash flows provided by financing activities were as follows: Net cash flows used in operating activities amounted to **₱483.9M which** included increase of real estate inventories by **₱497.2M**; increases in contract assets by **₱400.2M**; other current assets by **₱233.8M** and receivables by **₱109.9M** as against the decrease of other inventories by **₱84.0M**; increase in accounts and other payables by **₱36.6M**; increase in contract liabilities of **₱99.7M** and the **₱536.3M** operating income before working capital changes. Interest received amounted **₱486k.** Net cash flows used in investing activities amounted to **₱205.8M which** included acquisition of property, plant and equipment amounting to **₱388.0M** and increase in other non-current assets by **₱140.4M** against the cash provided from the dividends received from associates which amounted to **₱266.7M** and collection of receivables from related parties at **₱55.9M.** Net cash flows provided from financing activities amounted to **₱599.7M** which also included the receipt of the proceeds from long-term debt of **₱1.0B** and short-term debt of **₱830.7M;** payments made to short-term debt-net and the long-term debt amounted to **₱ 557.3M and ₱405.7M**, respectively. Interest payments amounted to **₱181.3M** and debt issue cost-unamortized of **₱7.4M**. Preferred share dividends paid also amounted to **₱92.9M.** The negative effect of exchange rate changes on cash amounted to **₱1.7M.**

37% or* ₱98.9*M increase in Current Portion of Receivables – net due to the net effect of:

a) **55% or ₱11.0M decrease in dividend receivable -** due to collection of previously declared dividend net of the recently declared dividend
b) **85% or ₱137.9M increase in installment contract receivables on sale of real estate** - higher collection of non-current ICRs this year as compared from last year
c) **34% or ₱5.7M increase in Trade Receivable** – directly related from the receivable from water service and sale of crude palm oil (CPO), palm olein, palm stearin and other palm products

d) **15% or ₱1.2M increase in advances to officers and employees** – due to the increase in the advances of employees for liquidation
e) **49% or ₱34.1M decrease in other receivables –** due to the liquidation of advances made to an investment
f) **11% or ₱828k increase in allowance for credit losses** – due to the increase in the recognition of allowance for credit losses

28% or ₱189.9M decrease in Current portion of Contract Assets – pertains to the decrease in the amount collected from buyers that will be billed and collected within the year against the booking of sale based on completed portion of the contract.

21% or* ₱609.7*M increase in Real estate inventories – due to the net effect of the newly acquired land held for sale which increased by ***13% or* ₱103.6*M*** and the increase in construction and development costs of new projects and new phases of existing projects by ***23% or* ₱506.1*M*** as against units sold in all projects: increase pertains to the newly acquired land for development and development costs in newly launches phases of existing projects, namely Coral Resorts Estates, Ignatius Enclave and Teakwood Hills and Adelaida Homes and Adelaida Mountain Residences.

42% or* ₱84.0M *decrease in Other Inventories – due to an adjustment in the cost of sales as well as the reevaluation of assets used in the production

52% or* ₱55.9*M decrease in Receivables from related parties – this pertains to receipt of payments from advances to a related party made during the year

49% or* ₱227.5*M increase in Other current assets – due to the net effect of:

a) **64% or ₱163.3M** increase in deposit for land acquisition – as a result of additional land purchase to be held for sale, for development in the future and for land banking
b) **13% or ₱15.4M** increase in creditable withholding taxes – as a result of higher creditable withholding taxes on sale of real estate
c) **22% or ₱2.0M** increase in input taxes – directly related to the increase in the balance of input VAT passed on by the Company's suppliers and contractors in the ordinary course of its business which is applied against the output VAT payable by the Company on the sale of its goods and services
d) **29% or ₱20.5M** increase in prepaid expenses – directly related to increase in prepaid expenses made by the Group during the year
e) **407% or ₱9.7M** increase in cost to obtain contract – directly related to the increase of commission related to booked sales accounts under equity payments
f) **₱7.4M** increase in deposit in escrow - pertains to the established escrow account of the Parent Company which is held restrictedly in compliance with the Memorandum Circular No. 2020-06 issued by Department of Human Settlements and Urban Development (DHSUD) to undertake socialized housing projects and for the issuance of License to Sell for the ongoing Coral Real Estate Project Phase 3 under incentivized scheme.
g) **2% or ₱16k** increase in refundable deposits - the increase is related to the new connections to the homeowners on their electric utilities
h) **294% or ₱9.5M** increase in advances to suppliers - increase in advances to suppliers and contractors for materials to be used for the construction of its irradiation facility
i) **37% or ₱355k** decrease in other current assets – miscellaneous – decrease due to the redemption of deposit from the suppliers

Non-Current Assets increased by 23% or ₱1.2 billion as a result of the net effect of the following:

75% or ₱590.2M increase in Non-current portion of Contract Assets – due to the increase of the completed portion of the contracted house and lot as against the receivable from the end buyers subject to billing within the next 12 months.

20% or ₱61.4M *increase in Equity Instruments at Fair Value through Other Comprehensive Income (EIFVOCI)* – due to the increase in value of the investment

5% or ₱83.2M increase in Investment in Associates – due to the Group's share/equity in the net profit of associates which is higher amounting to **₱339.9*M versus* ₱316.4M** for 2023 and 2022, respectively as compared to dividends declared, amounting to **₱255.7*M*** during the year versus **₱130.0*M*** from previous year. The share in other comprehensive income amounted to **₱1.1*M in 2023 while in 2022 it amounted to* ₱208k.**

0% or* ₱521k *increase in Investment Properties – due to the net effect on increase in acquisition of land held for capital appreciation by **1% or ₱*3.4M*** and decrease in land and building held for lease by 2% or **₱2.9*M*** during the year

29% or* ₱332.5*M increase in Property, Plant and Equipment - net due to the net effect in:

a) 456% or ₱59.2M increase in Land due to new acquisitions
b) 7% or ₱2.7M decrease in Leasehold improvements – net due to depreciation
c) 10% or ₱26.1M decrease in Bearer Plants – net due to the ₱26.7M impairment of bearer plants-trees and ₱637k additions of bearer plants
d) 8% or ₱16.7M decrease in RBD and Fractionation Machineries - net due to depreciation
e) 348% or ₱26.0M increase in Building and Improvements - net due to ₱24.0M additions; ₱3.1M reclassifications and the new recorded ₱1.1M depreciation
f) 3% or ₱3.2M decrease in Machinery and Equipment- net due to lower new acquisitions at ₱22.5M as compared to the ₱25.7M depreciation
g) 81% or ₱280.7M increase in Construction in Progress - net due to additional development cost of new projects e.g. Irradiation Solutions Inc. (ISI) with ₱290.1M additions and ₱9.4M reclassification
h) 4% or ₱1.1M decrease in Right-of-Use Assets – net due to depreciation
i) 13% or ₱16.4M increase in Other equipment – net due to ₱42.7M new purchases; ₱2.3M reclassifications which is higher than the ₱28.5M depreciation and ₱765k disposal

***100% or* ₱15.6M *decrease in Deferred Tax Assets* –** directly related to the decrease this year in the tax effect of the allowance for impairment loss on PPE, the increase in tax effect of allowance for impairment – receivables; PFRS 16 adjustment and increase in tax effect of retirement liability of the Group recorded as compared last year.

20% or* ₱137.0*M increase in Other Non-current assets* –** due to the increase in refundable deposits - net of current portion by **7% or ₱3*.2M; increase in advances to third party by 50% or ***₱108.0M*** and increase in deferred input VAT by 46% or ***₱29.3M*** as against the decrease in deposits for land acquisition – noncurrent portion by **1% or ₱3.4*M***;

Total liabilities increased by 35% or ₱1.2 billion as a result of the net effect on current and non-current liabilities:

Current liabilities increased by 29*% or ₱612.5 million* as a result of the net effect of the following:

7% or ₱76.2M *increase* ***in Accounts payable and accrued expenses*** – primarily due to the net effect of the following:

~~a)~~ 3% or ₱20.9M decrease in trade accounts payable – due to settlement of accounts
b) 2% or ₱2.4M increase in accrued expenses – due to 4% or ₱2.1*M* increase in the accrual of contractual services, ₱107k increase in the accrual of payroll; 6% or ₱517k increase in the accrual of professional fees and 15% or ₱1.9M decrease in other accrued expenses on rentals and other recurring expenses and 24% or ₱1.6M increase in accrued interest payable
c) 64% or ₱28.1M increase in retention payable- due to increase in the amount withheld by the Group on contractor's billings
d) 40% or ₱66.6M increase in statutory payables – due to increase in dues for remittance to SSS, PHIC, HDMF and withholding taxes

58% or* ₱273.4*M increase in Short-term Debt – due to the net effect additional loan availed and payments made by the group during the year

***51% or* ₱163.2*M increase in Current portion of long-term debt* –** effect on the higher current year due portion of the long-term debt against paid in 2023

45% or ₱99.7M increase in Contract Liabilities – due to increase in sales to which collections exceeds over the total recognized ICR and contract assets.

Non-Current liabilities increased by 43% or* ₱579.0 *million as a result of the net effect of the following:

46% or ₱*439.5M increase in Non-current portion of long-term debt* – due to the net effect of the increase in long term loans availed against the reclassification of the principal amount that will be due within one year and repayments.

***13% or* ₱8.8*M increase in Retirement benefit obligation* –** as a result of the actuarial valuation of the retirement benefit obligation of the existing employees. There's a 15% or ₱10.8M increase in the present value of defined benefit obligation and a 48% or ₱2.0M decrease in the fair value of plan assets

***40% or* ₱130.7*M increase in Deferred tax liabilities-net* –** primarily due to the increase in the tax effect of sales on deferred payment scheme; unamortized debt issue cost and prepaid commission off-setted by NOLCO, retirement benefit liability; MCIT ; fair value adjustment arising from business combination among others.

Equity increased by 8% or ₱512.1 million as a result of the net effect of the following:

19% or* ₱453.7*M increase in the Retained Earnings – the increase pertains to the net income of the Group

46% or ₱61.4*M decrease in Fair Value Reserve of EIFVOCI* – due to the increase in market value of equity instruments at fair value through other comprehensive income

1% or* ₱112k *increase in Re-measurement loss on retirement benefits obligation, net of tax - related to the actuarial valuation of retirement benefits obligation

775% or* ₱1.1M *increase in Re-measurement loss on retirement benefits obligation of an associate, net of tax – pertains to the increase of actuarial loss incurred by an associate's retirement plan

26% or* ₱1.7M *decrease in Cumulative translation adjustment – related to the exchange differences in foreign currency translation

Results of Operation

In Philippine Pesos	Audited 2023	Audited 2022	Audited 2021	Horizontal Analysis Increase (Decrease) Amount 2023 vs 2022	%	Amount 2022 vs 2021	%	Vertical Analysis Audited 2023	Audited 2022	Audited 2021
Real estate sales	**1,454,786,129**	1,378,739,155	628,452,425	76,046,974	6%	750,286,730	119%	**90%**	91%	88%
Sale of agricultural goods	**142,563,286**	116,143,469	56,980,212	26,419,817	23%	59,163,257	104%	**9%**	8%	8%
Water service income	**27,433,584**	25,323,973	24,836,284	2,109,611	8%	487,689	2%	**2%**	2%	3%
REVENUES	**1,624,782,999**	1,520,206,597	710,268,921	104,576,402	7%	809,937,676	114%	**100%**	100%	100%
Cost of real estate sales	**559,113,808**	477,722,261	219,690,454	81,391,547	17%	258,031,807	117%	**34%**	31%	31%
Cost of agricultural goods sold	**122,358,936**	87,730,319	42,016,968	34,628,617	39%	45,713,351	109%	**8%**	6%	6%
Cost of water service income	**16,660,359**	14,212,257	9,579,082	2,448,102	17%	4,633,175	48%	**1%**	1%	1%
COST OF SALES AND SERVICES	**698,133,103**	579,664,837	271,286,504	118,468,266	20%	308,378,333	114%	**43%**	38%	38%
GROSS PROFIT	**926,649,896**	940,541,760	438,982,417	(13,891,864)	-1%	501,559,343	114%	**57%**	62%	62%
General, Administrative and Selling Expenses	**541,469,373**	472,282,218	284,537,926	69,187,155	15%	187,744,292	66%	**33%**	31%	40%
Equity in net earnings of associates	**339,947,514**	316,397,960	273,498,337	23,549,554	7%	42,899,623	16%	**21%**	21%	39%
Impairment loss	**-**	-	-	-		-	-	**0%**	0%	0%
Interest expense	**(67,121,886)**	(24,354,370)	(26,678,756)	42,767,516	176%	(2,324,386)	-9%	**-4%**	-2%	-4%
Realized gain (loss) on sale of EIFVPL	**-**	-	-	-		-	-	**0%**	0%	0%
Gain on bargain purchase	**-**	-	-	-		-	-	**0%**	0%	0%
Unrealized foreign exchange gain (loss)	**(1,200)**	2,472	(1,834)	(3,672)	-149%	4,306	235%	**0%**	0%	0%
Other income (expense) - net	**41,809,768**	28,183,979	19,565,759	13,625,789	48%	8,618,221	44%	**3%**	2%	3%
Other Income (Expenses)	**314,634,196**	320,230,041	266,383,506	(5,595,845)	-2%	53,846,536	20%	**19%**	21%	38%
Income (Loss) Before Income Tax	**699,814,719**	788,489,583	420,827,997	(88,674,864)	-11%	367,661,586	87%	43%	52%	59%
Provision for (Benefit from) Income Tax	**153,338,079**	152,952,243	23,277,566	385,836	0%	129,674,677	557%	9%	10%	3%
NET INCOME (LOSS)	**546,476,640**	635,537,340	397,550,431	(89,060,700)	-14%	237,986,909	60%	34%	42%	56%
Cumulative translation adjustment	**(1,674,818)**	55,193	2,497,714	(1,730,011)	-3134%	(2,442,521)	-98%			
Net change in fair value of EIFVOCI	**61,356,522**	61,618,982	63,824,348	(262,460)	0%	(2,205,366)	-3%			
Remeasurement gain (loss) on defined benefit plan-net of tax	**(112,236)**	5,792,145	(1,956,732)	(5,904,381)	-102%	7,748,877	396%			
Equity in other comprehensive loss of associate	**(1,081,972)**	207,803	384,182	(1,289,775)	-621%	(176,379)	-46%			
OTHER COMPREHENSIVE INCOME (LOSS)	**58,487,496**	67,674,123	64,749,512	(9,186,627)	-14%	2,924,611	5%			
TOTAL COMPREHENSIVE INCOME (LOSS)	**604,964,136**	703,211,463	462,299,943	(98,247,327)	-14%	240,911,520	52%			

A Brown Company, Inc. - CONSOLIDATED
Results of Operations
For the Year Ended December 31, 2023

The Consolidated Statement of Comprehensive Income (CSCI) for the year ending December 31, 2023 resulted to an after-tax net income of **₱546.5 million** which was lower by 14% or **₱89.1 million** compared to a **₱635.5 million** net income of last year.

The resulting after-tax income was primarily contributed by the gross profit from real estate sales amounting to **₱895.7 million** and the equity in net earnings of associates amounting to **₱339.9 million**. Although the revenues increased by 7% or **₱104.6 million**, the 20% or **₱118.5 million** increase in cost of sales and service has reduced the gross profit by 1% or **₱13.9 million** from previous year's **₱940.5 million** to current year's **₱ 926.6 million.** The 15% or **₱69.2 million increase in** general, administrative and selling expenses amounting to **₱541.5 million** as against the previous year's **₱472.3 million** as well as the 176% or **₱42.8 million** increase in interest expense further lowered the net income before income tax to **₱699.8 million** from previous year's **₱ 788.5 million.** The equity in net earnings of associates which grew by 7% or **₱23.5 million** and other income – net which expanded by 48% or **₱41.8 million** weren't enough to compensate the incremental interest payments. The provision for income tax amounting **₱153.3 million** has resulted to an after-tax net income of **₱ 546.5 million.**

The **₱61.4 million** net change in fair value of equity instruments through other comprehensive income (EIFVOCI) as reduced by the **₱1.7 million** cumulative translation adjustment, **₱1.1 million** equity in other comprehensive income (loss) of an associate and **₱112 thousand** remeasurement loss on defined benefit plan, net of tax effect resulted to the **₱605.0 million** total comprehensive income in 2023.

Comparative results between the CSCIs accounts of the two periods (2023 against 2022) are as follows:

7% or ₱104.6M increase in Revenues due to:

a) ***Increase in Real estate Sales by 6% or ₱76.0M*** - Sales in 2023 were mostly house and lots with higher completion than last year
b) ***Increase in Sale of agricultural goods by 23% or ₱26.4M*** – due to the following:
    a. ***Increase in Sales of crude palm oil by 24% or ₱24.4M –*** this is due to the increase in quantity sold by 76% or 1,181 metric tons, from a volume of 1,553 metric tons in 2022 to 2,734 metric tons in 2023 with the average selling price decreased by 30% amounting **₱19,580** per metric ton from **₱65,976** per metric ton last year to **₱46,396** per metric ton in 2023.
    b. ***Increase in Palm Fatty Acid Distillate Sales by 132% or ₱1.2M –*** this is due to the increase in quantity sold by 315% or 57 metric tons, from a volume of 18 metric tons in 2022 to about 76 metric tons in 2023 even if the average selling price decreased by 44% or **₱21,146** per metric ton from **₱48,000** per metric ton last year to **₱26,854** per metric ton in 2023.
    c. ***Decrease in Palm Olein Sales by 6% or ₱270k –*** this is due to the decrease in the average selling price by 23% or **₱11,856** per metric ton from **₱51,567** per metric ton in 2022 to **₱39,711** per metric ton in 2023 though there was an increase in quantity sold by 22% or 19 metric tons, from a volume of 86 metric tons in 2022 to 105 metric tons in 2023.
    d. ***Increase in Palm Stearin Sales by 127% or ₱2.3M -*** this is due to the increase in average selling price by 12% or **₱3,769** per metric ton from **₱30,426** per metric ton in 2022 to **₱34,195** per metric ton in 2023 coupled with an increase in quantity sold by 102% or 61 metric tons, from a volume of 60 metric tons in 2022 to 121 metric tons in 2023.
    e. ***Increase in Kernel by 85% or ₱785k -*** the increase is due to higher quantity sold by 360% or 298 metric tons from 83 metric tons in 2022 to 381 metric tons in 2023, although the average selling price decreased by 60% or **₱6,664** per metric tons
    f. ***Decrease in sale of Palm acid oil by 5% or ₱194k -*** this is due to the decrease in the average selling price by 62% or **₱19,896** per metric ton from **₱32,034** per metric ton in 2022 to **₱12,137** per metric ton in 2023 though the quantity sold increased by 151% or 182 metric tons from a volume of 121 metric tons in 2022 to 303 metric tons in 2023.
    g. Decrease in sale of refined bleached deodorized oil (RBDO) by 100% or **₱**1.8M - this is due to the sale of RBDO in 2022 but none in 2023 with average selling price of ₱85,281 and 21 metric tons of quantity sold.

c) ***Increase in Sales from water services by 8% or* ₱2.1M** due to the increase in the turn-over of units and consumption of water by residents

20% or ₱118.5M increase in Cost of Sales and Services due to:

a) ***17% or* ₱81.4*M increase in cost of real estate –*** the increase is relatively due to higher cost of sales of mostly house and lots with higher completion than what were sold last year

b) Increase in Cost of Sale of agricultural goods by 39% or **₱34.6*M*** – due to the following:

   a. ***31% or* ₱25.2*M increase in cost of production of Crude palm oil –*** the increase is relatively due to the proportionate increase in the quantity sold by 390% or 6,052 metric tons with a lower average cost of sale by 73% or **₱38,324 per metric ton.**

   b. ***1561% or* ₱2.1*M increase in cost of Palm Fatty Acid Distillate -*** the decrease is to the proportionate increase in the quantity sold by 315% or 57 metric tons with increase in average cost of sale by 300% or **₱22,144 per metric ton.**

   c. ***Increase in cost of Kernel Nuts by 282% or ₱962k -*** the increase is due to the increase in ***quantity sold by 360% or 298 metric tons*** despite the decrease in average cost of sale by 17% or ***₱699 per metric ton***

   d. ***Increase in cost of Palm Acid Oil by 37% or* ₱879k** – the increase is related to higher cost of production in the quantity sold by 151% or 182 metric tons with decrease average cost of sale by 46% or ₱9,056 per metric ton as compared last year

   e. ***Increase in cost of Palm Olein by 161% or* ₱2.8*M*** - the increase is due to the increase in the cost of producing palm olein in the quantity sold by 22% or ₱19 per metric ton with increase in average cost of sale by 114% or ₱23,262 per metric ton.

   f. **Increase in cost of Palm Stearin by 253% or ₱3.3M** - the increase is directly related to the increase in the quantity sold by 102% or 61 metric tons with increase in average cost of sale by 75% or **₱16,068 per metric ton.**

   g. Decrease in cost of sale of refined bleached deodorized oil (RBDO) by 100% or **₱**551k - this is due to the sale of RBDO in 2022 but none in 2023 with average cost sale of ₱26,855 and 21 metric tons of quantity sold.

c) ***Increase in cost of water services by 17% or* ₱2.4*M –*** due to the increased costs related to rendering water services

15% or* ₱69.2*M increase in General, Administrative and Selling Expenses - due to the following net effect of:

a) ***30% or* ₱30.4*M increase in Personnel expenses -*** due to the increase in compensation and other benefits and increase in manpower in 2022

b) ***8% or* ₱5.9*M decrease in Marketing expenses –*** due to the decrease in various sponsorships of events for ads and promotions and launching of new projects

c) ***17% or* ₱5.3*M decrease in Impairment Loss*** – this pertains to the net of the impairment loss due to HLPC's CIP and MCPI's refundable deposit recorded in 2022 which was offset by the additional impairment loss recorded for Nakeen Corporation's bearer plants this year

d) **115%** or **₱23.4M increase in Taxes and Licenses** – pertains to the increase in business permit fees

e) **21%** or **₱5.4M de*crease*** in **Outside Services** - due to the decrease in requirement of non-professional services on additional projects

f) ***36% or* ₱4.9*M increase in Professional Fees*** – directly related to the increase in professional services incurred on the review of consolidated financial statements related to the Preferred Shares Offering – Series B and Series C

g) ***112% or* ₱37.9M *increase in Depreciation –*** due to additional depreciation on assets used in the CPO production as well as additional depreciation from new equipment purchased

h) **100% or ₱50.2M *decrease in Provision for inventory losses -*** due to the identified obsolete and damaged inventories which was recorded in 2022 but none in 2023

i) ***7% or* ₱530k *increase in Rental expense*** – due to higher rental fee paid for an office space

j) ***65% or* ₱10.6M *increase in Utilities and supplies –*** due to the increase in usage of utilities and supplies during the year.

k) ***2% or ₱898k increase in Transportation and Travel***– directly related to the various site visitations for real estate projects, plantation operations and power group operations.

l) ***7% or* ₱778k *increase in Retirement Benefits expense –*** *due to the* increase in interest expense on defined benefit obligation of **₱2.6M** off-setted by the *decrease in current service cost of* **₱1.7M** and increase in interest income on plan assets of 190k

m) ***66% or ₱6.3M increase in Repairs and Maintenance*** – due to the increase in cost of repairs and maintenance to upkeep assets for lease during the year.
n) ***82% or* ₱1.8M *increase in Insurance –*** due to additional properties and units insured
o) ***17% or* ₱162k *increase in Director Fees –*** directly related to the per diem paid to directors on various directors' meetings conducted during the year which increased due to higher number of meetings that were being paid this year as compared to last year.
p) ***74% or* ₱19.3M *increase in Others –*** includes notarization, insurance, bank charges, and expenses arising from business and research development and software maintenance.

7% or* ₱23.5*M increase in Equity in net earnings of associates – this pertains to the Group's 20% share on the net income of associates, e.g. PCPC and Peakpower Energy, Inc. and 33.33% share in the net loss of EWRTC, amounting to **₱339.9*M versus* ₱316.4**M for 2023 and 2022, respectively.

149% or* ₱4k *decrease in Unrealized foreign exchange loss – this pertains to the related higher foreign exchange gain translation from previous year's unrealized foreign exchange gain of **₱2.5k** to current year's unrealized foreign exchange loss of **₱1.2k**

176% or* ₱42.8M *increase in Interest Expense – directly related to the group's various loan availments

44% or* ₱8.6*M increase in Other Income - net – due to the net effect of the following:

a.) ***Increase in Income from forfeited deposits by 9% or ₱1.6M*** – foreclosed accounts in 2023 is higher compared last year.
b.) ***Decrease in Dividend Income by 50% or 5k*** – this pertains dividend income received from EIFVOCI
c.) ***Decrease in Gain on disposal of PPE by 100% or* ₱100k** – this pertains to the sale of other equipment in 2022 but none in 2023
d.) ***Decrease in Interest income by 79% or* ₱1.8M** – due to the decrease in the in-house financing of real estate sales this year as compared last year.
e.) ***Increase in Rental income by 360% or* ₱11.7M** – due to the increase in the rental income from the lease of ABERDI's milling plant
f.) ***Increase in Other income- Tapping fees, transfer fees and other water charges by 55% or* ₱ 2.3M** – income from tapping fees due to increase turn-over of units; transfer fees and other water charges

₱386k increase in Income Tax Expense - caused by the increased income tax expense applicable to the corresponding increase in taxable income before income tax.

With the foregoing decrease of after-tax income, total comprehensive income also decreased by **14%** or **₱98.2*M*** due to additional net effect of the following*:*

a.) decrease by **₱262k** of the net change in fair value of EIFVOCI
b.) decrease by **102%** or **₱5.9*M*** of the remeasurement loss on defined benefit plan-net of tax from prior year's remeasurement gain on defined benefit plan-net
c.) decrease by **621%** or **₱1.3M** of the share in other comprehensive loss of associates from prior year's share in other comprehensive loss of associates
d.) decrease by **3134%** or **₱1.7*M*** of the exchange differences in foreign currency translation

Key Performance Indicator

Financial Ratios Consolidated Figures	Audited 12/31/2023	Audited 12/31/2022
Current ratio[1]	2.00:1	2.34:1
Current Debt to Equity Ratio[2]	0.38:1	0.32:1
Total Debt to Equity ratio[3]	0.66:1	0.53:1
Return on Assets[4]	5.03%	6.82%
Return on Equity[5]	8.02%	10.14%

[1]Current assets/Current liabilities
[2]Current liabilities/Stockholders' equity
[3]Total liabilities/Stockholders' equity
[4]Net income/Average Total assets
[5]Net income/ Average Stockholders' equity

Current ratio decreased from 2.34:1 to 2.00:1 in 2023 primarily due to lower net increase in current assets with only 11% or ₱514.5 million relative to the increase by 29% or ₱612.5 million of current liabilities. The lower increment in current assets relative to the increase in current liabilities was brought by the decrease in cash; lower current portion of contract assets; decrease in other inventories and receivables from related parties in 2023 while the increase in current liabilities is due to the increase in accounts and other payables; short-term debt and the current portion of the long-term debt. This ratio is a liquidity ratio that measures the Company's ability to pay short-term obligations or those within one year.

Current debt to equity ratio increased from 0.32:1 to 0.38:1 in 2023 was due to the increase in current liabilities by 29% or ₱612.5 million as against the increase in equity of only 8% or ₱512.1 million. The ratio indicates how much equity is available to cover the current debt.

Total debt to equity ratio increased from 0.53:1 to 0.66:1 in 2023 as a result of net increase in total liabilities by 35% or ₱1.2 billion as compared to the increase in equity by only 8% or ₱512.1 million. This ratio evaluates a company's financial leverage and is a measure of the degree to which a company is financing its operations through debt versus wholly-owned funds.

Return on assets (ROA) decreased in 2023 from 6.82% to 5.03% due to the net income after tax of ₱546.5 million which decreased by 11% or ₱88.7 million relative to the increase in the average total assets. ROA measures how efficient the company uses the assets it owns to generate profits.

Return on equity (ROE) also decreased from 10.14% to 8.02% in 2023 due to the decrease in net income after tax by 11% or ₱88.7 million relative to the increase in the average total equity. ROE measures the Corporation's profitability in relation to stockholders' equity.

Prior Period (2022 & 2021) Operational and Financial Information

Financial Condition

			Horizontal Analysis Increase (Decrease)		Vertical Analysis	
In Philippine Peso	**Audited 2022**	**Audited 2021**	**Amount**	**%**	**Audited 2022**	**Audited 2021**
Current Assets	**4,895,903,573**	4,642,563,369	253,340,204	5%	**49%**	54%
Noncurrent Assets	**5,109,943,219**	3,983,181,145	1,126,762,074	28%	**51%**	46%
Total Assets	**10,005,846,792**	8,625,744,514	1,380,102,278	16%	**100%**	100%
Current Liabilities	**2,093,509,315**	1,554,622,976	538,886,339	35%	**21%**	18%
Noncurrent Liabilities	**1,352,475,218**	1,097,296,114	255,179,104	23%	**14%**	13%
Equity	**6,559,862,259**	5,973,825,424	586,036,835	10%	**66%**	69%
Total Liabilities and Equity	**10,005,846,792**	8,625,744,514	1,380,102,278	16%	**100%**	100%

A Brown Company - CONSOLIDATED
Statement of Financial Position items – December 2022 vs. December 2021

The Group's total assets increased by 16**% or ₱1.4 billion,** from a balance of **₱8.6 billion** as of end of the year 2021 to **₱10.0 billion** as of December 31, 2022.

The increase was contributed through the build-up in real estate held for sale by **₱871.4M**; contract assets by **₱ 799.1M**; other non-current assets **₱396.9M**; property, plant and equipment by **₱218.5M**; investments in associates by **₱186.6M** and prepayments by **₱117.9M**, among others as cash declined by **₱1.1B** and the receivables reduced by **₱218.5M.** The increase in the consolidated assets is coupled with the increase in short-term and long-term debt and the after-income tax earned as the sources of funds.

Current Assets increased by 5% or ₱253.3 million as a result of the net effect of the following:

84% or* ₱1.1B *decrease in Cash – due to the net effect of cash utilized for real estate development, landbanking, funding requirements of subsidiary ISI all sourced through the preferred shares offering as well as generated from collection of sales. The net cash used in operating and investing activities and net cash provided by financing activities are as follows: Net cash used in operating activities include acquisition of real estate properties and construction and development costs by **₱863.0M**; increases in contract assets by **₱ 799.1M**; other inventories by **₱72.3M** and other current assets by **₱133.6M** against the decrease of receivables by **₱158.5M**; increase of accounts and other payables by **₱400.9M**; increase in contract liabilities of **₱50.4M** and the **₱620.8M** operating income before working capital changes. Net cash used in investing activities include acquisition of property, plant and equipment amounting to **₱285.1M** and increase in other non-current assets by **₱396.9M** against the cash provided from the dividends received from associates which amounted to **₱ 190.0M** and collection of receivables from related parties at **₱19.5M.** Financing activities also include the receipt of the proceeds from long-term debt of **₱484.7M** and short-term debt of **₱326.9M;** payments made to short-term debt-net and the long-term debt amounted to **₱298.3M and ₱257.2M**, respectively. Interest payments amounted to **₱96.0M** and shares buy-back totalled **₱24.3M**. Preferred share dividends paid also amounted to **₱ 92.9M.**

39% or* ₱171.5*M decrease in Current Portion of Receivables – net due to the net effect of:

a) 75% or ₱60.0M decrease in dividend receivable - due to collection of previously declared dividend net of the recently declared dividend

b) 43% or ₱121.9M decrease in installment contract receivables on sale of real estate - higher collection of current ICRs and no reclassification of non-current ICRs this year as compared from last year

c) 29% or ₱6.7M decrease in Trade Receivable – directly related from the receivable from water service and sale of crude palm oil (CPO), palm olein, palm stearin and other palm products

d) 157% or ₱5M increase in advances to officers and employees – due to the increase in the advances of employees for liquidation

***e)* 25% or ₱13.8M increase in other receivables -** due to the advances made to homeowners' association of one of the Company's projects

***f)* 28% or ₱1.7M increase in allowance for credit losses -** due to the additional provision of expected credit losses

270% or ₱499.1M increase in Current portion of Contract Assets – pertains to the increase in the completed portion of the contract against the amount collected from buyers that will be billed and collected within the year.

42% or* ₱871.4*M increase in Real estate inventories – due to the net effect of the newly acquired land held for sale which increased by ***55% or* ₱287.6*M*** and the increase in construction and development costs of new projects and new phases of existing projects by ***37% or* ₱583.7*M*** as against units sold in all projects: increase pertains to the newly acquired land for development and development costs in newly launches phases of existing projects, namely Coral Resorts Estates, Ignatius Enclave and Teakwood Hills and Adelaida Homes and Adelaida Mountain Residences.

14% or* ₱24.1M *increase in Inventories – due to lower inventory turn-over of palm olein thereby increasing its inventory and the growing piles of construction materials ready for use

15% or* ₱19.5*M decrease in Receivables from related parties – this pertains to receipt of payments from advances to a related party made during the year

34% or* ₱117.9*M increase in Prepayments and Other current assets – due to the net effect of:

a) **62% or ₱98.0M** increase in deposit for land acquisition – as a result of additional land purchase to be held for sale, for development in the future and for land banking
b) **26% or ₱25.1M** increase in creditable withholding taxes – as a result of higher creditable withholding taxes on sale of real estate and the increase in withholding by suppliers and contractors related to development costs versus utilization of creditable withholding taxes.
c) **4% or ₱371k** increase in input taxes – directly related to the increase in the balance of input VAT passed on by the Company's suppliers and contractors in the ordinary course of its business which is applied against the output VAT payable by the Company on the sale of its goods and services
d) **13% or ₱7.9M** increase in prepaid expenses – directly related to increase in prepaid expenses made by the Group during the year

e) **81% or ₱10.3M** decrease in prepaid commission – directly related to the increase in booked sales and completion of the sales transaction
f) **89% or ₱6.6M** decrease in refundable deposits - the decrease is related to the turnover to the homeowners the electric utilities
g) **480% or ₱3.4M** increase in other current assets – miscellaneous – increase in advances to suppliers and contractors.

Non-Current Assets increased by 28% or ₱1.1 billion as a result of the net effect of the following:

100% or **₱47.0M** ***decrease in Non-current portion of Receivables-net*** – due to reclassification to current Installment Contracts Receivable (ICR) already due for collection

62% or ₱300.1M increase in Non-current portion of Contract Assets – due to increase in sales to which revenue is already recognized to the extent of percentage-of-completion (POC) prior to billing for the next 12 months.

26% or ₱61.6M ***increase in Equity Instruments at Fair Value through Other Comprehensive Income (EIFVOCI)*** – due to the increase in value of the investment

12% or **₱*186.6*M** ***increase in Investment in Associates*** – due to the Group's share/equity in the net profit of associates which is higher amounting to **₱316.4M** ***versus*** **₱273.5M** for 2022 and 2021, respectively as compared to dividends declared, amounting to **₱130.0M** during the year versus **₱152.4M** from previous year.

1% or **₱*6.0*M** ***increase in Investment Properties*** – due to the net effect on increase in acquisition of land held for capital appreciation by 3% or **₱*8.8*M** and decrease in land and building held for lease by 2% or **₱2.8M** during the year

24% or **₱218.5*M*** ***increase in Property, Plant and Equipment*** - net due to the net effect in:
a) **15% or ₱6.5M** decrease in Leasehold improvements – net due to depreciation
b) **7% or ₱20.3M** decrease in Bearer Plants – net due to depreciation and impairment of bearer plants-trees
c) **5% or ₱10.1M** decrease in RBD and Fractionation Machineries - net due to depreciation
d) **5% or ₱427k** decrease in Building and Improvements - net due to ₱412k new additions and the new recorded ₱839k depreciation
e) **26% or ₱22.9M** increase in Machinery and Equipment- net due to higher new acquisitions at ₱29.6M as compared to the ₱6.7M depreciation
f) **131% or ₱196.1M** increase in Construction in Progress - net due to additional development cost of new projects e.g. ISI and VEC
g) **₱135k** decrease in Right-of-Use Assets – net due to depreciation
h) **43% or ₱37.0M** increase in Other equipment – net due to ₱54.4M new purchases which is higher than the ₱17.4M depreciation and ₱375k disposal

35% or **₱4.0M** ***increase in Deferred Tax Assets –*** directly related to the increase this year in the tax effect of the allowance for impairment loss on PPE, the increase in tax effect of allowance for impairment – receivables and increase in tax effect of retirement liability of the Group recorded as compared last year.

143% or **₱397.0*M*** ***increase in Other Non-current assets –*** due to the increase in deposits for land acquisition – noncurrent portion by **₱347.3*M***; increase in refundable deposits - net of current portion by **18% or ₱7.*6M***; increase in advances to third party by **6% or ₱*12.6M*** and increase in deferred input VAT by **87% or ₱*29.5M***

Total liabilities increased by 30% or ₱794.1 million as a result of the net effect on current and non-current liabilities:

Current liabilities increased by 35*% or ₱538.9 million* as a result of the net effect of the following:

46% ***or ₱343.9M*** *increase* ***in Accounts payable and accrued expenses*** – primarily due to the net effect of the following:
a) **62% or ₱294.0M** increase in trade accounts payable – due to increase in development costs to be settled in the subsequent year
b) **7% or ₱14.6M** increase in accrued expenses – due to accrual of contractual services, professional fees, rentals and other recurring expenses

c) **14% or ₱5.5M** increase in retention payable- due to increase in the amount withheld by the Group on contractor's billings
d) **97% or ₱26.2M** increase in statutory payables – due to increase in dues for remittance to SSS, PHIC, HDMF and withholding taxes
e) **126% or ₱3.6M** increase in accrued interest payable – due to increase in accrued interest from loans availed by the Group

6% or* ₱28.6*M increase in Short-term Debt – due to the net effect additional loan availed and payments made by the group during the year

***58% or* ₱116.0*M increase in Current portion of long-term debt* –** effect on the higher current year due portion of the long-term debt against paid in 2022

30% or ₱50.4M increase in Contract Liabilities – due to increase in sales to which collections exceeds over the total recognized ICR and contract assets.

Non-Current liabilities increased by 23% or* ₱255.2 *million as a result of the net effect of the following:

13% or ₱*108.4M increase in Non-current portion of long-term debt* – due to the net effect of the increase in long term loans availed against the reclassification of the principal amount that will be due within one year and repayments.

***2% or ₱1.0M decrease in Retirement liability* –** as a result of the actuarial valuation of the retirement benefit obligation of the existing employees. Although there's an increase in the present value of defined benefit obligation of ₱207k, the decrease in the fair value of plan assets of ₱1.3M is much higher, which resulted to a net decrease in retirement liability.

83% or* ₱147.8*M increase in Deferred tax liabilities - due to the increase in the tax effect of sales on deferred payment scheme

Equity increased by 10% or ₱586.0 million as a result of the net effect of the following:

30% or* ₱546.1*M increase in the Retained Earnings – the increase pertains to the net income of the Group

34% or* ₱*24.3M increase in the Treasury Shares – the increase pertains to the shares buy-back program of the Company which started on August 17, 2020 and extended on May 25, 2021 until its last transaction in April 2022, with 26,545,000 and 53,092,000 acquired shares in 2022 and 2021, respectively.

32% or ₱61.6*M decrease in Fair Value Loss of EIFVOCI* – due to the increase in market value of equity instruments at fair value through other comprehensive income or available for sale investments

21% or* ₱5.8*M decrease in Re-measurement loss on retirement benefits obligation, net of tax - related to the actuarial valuation of retirement benefits obligation

60% or* ₱208k *decrease in Re-measurement loss on retirement benefits obligation of an associate, net of tax – pertains to the reduction of actuarial loss incurred by an associate's retirement plan

1% or* ₱55k *increase in Cumulative translation adjustment – related to the exchange differences in foreign currency translation

106% or* ₱3.5M *decrease in Non-controlling interest – related to the share of the non-controlling interest on the net losses of subsidiary

Results of Operation

In Philippine Pesos	Audited 2022	Audited 2021	Audited 2020	Horizontal Analysis Increase (Decrease) Amount 2022 vs 2021	%	Amount 2021 vs 2020	%	Vertical Analysis Audited 2022	Audited 2021	Audited 2020
Real estate sales	**1,378,739,155**	628,452,425	761,538,359	750,286,730	119%	(133,085,934)	-17%	**91%**	88%	88%
Sale of agricultural goods	**116,143,469**	56,980,212	79,088,786	59,163,257	104%	(22,108,574)	-28%	**8%**	8%	9%
Water service income	**25,323,973**	24,836,284	23,417,340	487,689	2%	1,418,944	6%	**2%**	3%	3%
REVENUES	**1,520,206,597**	710,268,921	864,044,485	809,937,676	114%	(153,775,564)	-18%	**100%**	100%	100%
Cost of real estate sales	**477,722,261**	219,690,454	353,431,663	258,031,807	117%	(133,741,209)	-38%	**31%**	31%	41%
Cost of agricultural goods sold	**87,730,319**	42,016,968	60,135,511	45,713,351	109%	(18,118,543)	-30%	**6%**	6%	7%
Cost of water service income	**14,212,257**	9,579,082	5,733,021	4,633,175	48%	3,846,061	67%	**1%**	1%	1%
COST OF SALES AND SERVICES	**579,664,837**	271,286,504	419,300,195	308,378,333	114%	(148,013,691)	-35%	**38%**	38%	49%
GROSS PROFIT	**940,541,760**	438,982,417	444,744,290	501,559,343	114%	(5,761,873)	-1%	**62%**	62%	51%
General, Administrative and Selling Expenses	**472,282,218**	284,537,926	273,385,676	187,744,292	66%	11,152,250	4%	**31%**	40%	32%
Equity in net earnings of associates	**316,397,960**	273,498,337	175,888,940	42,899,623	16%	97,609,397	55%	**21%**	39%	20%
Interest expense	**(24,354,370)**	(26,678,756)	(25,245,886)	(2,324,386)	-9%	1,432,870	6%	**-2%**	-4%	-3%
Realized gain (loss) on sale of EIFVPL	**-**	-	12,478,111	-		(12,478,111)	-100%	**0%**	0%	1%
Gain on bargain purchase	**-**	-	2,659,077	-		(2,659,077)	-100%	**0%**	0%	0%
Unrealized foreign exchange gain (loss)	**2,472**	(1,834)	1,129	4,306	235%	(2,963)	-262%	**0%**	0%	0%
Other income (expense) - net	**28,183,979**	19,565,759	8,784,492	8,618,220	44%	10,781,267	123%	**2%**	3%	1%
Other Income (Expenses)	**320,230,041**	266,383,506	174,565,863	53,846,535	20%	91,817,643	53%	**21%**	38%	20%
Income (Loss) Before Income Tax	**788,489,583**	420,827,997	345,924,477	367,661,586	87%	74,903,520	22%	52%	59%	40%
Provision for (Benefit from) Income Tax	**152,952,243**	23,277,566	51,820,371	129,674,677	557%	(28,542,805)	-55%	10%	3%	6%
NET INCOME (LOSS)	**635,537,340**	397,550,431	294,104,106	237,986,909	60%	103,446,325	35%	42%	56%	34%
Cumulative translation adjustment	**55,193**	2,497,714	2,993,975	(2,442,521)	-98%	(496,261)	-17%			
Net change in fair value of EIFVOCI	**61,618,982**	63,824,348	8,025,652	(2,205,366)	-3%	55,798,696	695%			
Remeasurement gain (loss) on defined benefit plan-net of tax	**5,792,145**	(1,956,732)	(5,209,889)	7,748,877	396%	(3,253,157)	-62%			
Equity in other comprehensive loss of an associate	**207,803**	384,182	(731,525)	(176,379)	-46%	1,115,707	-153%			
OTHER COMPREHENSIVE INCOME (LOSS)	**67,674,123**	64,749,512	5,078,213	2,924,611	5%	59,671,299	1175%			
TOTAL COMPREHENSIVE INCOME (LOSS)	**703,211,463**	462,299,943	299,182,319	240,911,520	52%	163,117,624	55%			

A Brown Company, Inc. - CONSOLIDATED
Results of Operations
For the Year Ended December 31, 2022

The Consolidated Statement of Comprehensive Income (CSCI) for the year ending December 31, 2022 resulted to an after-tax net income of **₱635.5 million** which increased by 60% or **₱238.0 million** compared to a **₱397.6 million** net income of last year.

The resulting after-tax income was primarily contributed by the gross profit from real estate sales amounting to **₱901.0 million** and the share in net income of associates amounting to **₱316.4 million**. Although the increase by 114% or **₱501.6 million** in gross profit was tremendous this year amounting to **₱940.5 million** as compared from previous year's **₱439.0 million**, the same was reduced by the 66% or **₱187.7 million** increase in the general, administrative and selling expenses amounting to **₱472.3 million** and the 557% or **₱129.7 million** increase in income tax expense amounting to **₱153.0 million** this year. The **₱61.6 million** net change in fair value of equity instruments through other comprehensive income (EIFVOCI) and the **₱5.8 million** remeasurement gain on defined benefit plan, net of tax effect contributed the increase in the total comprehensive income from **₱462.3 million** in 2021 to **₱703.2 million** in 2022.

Comparative results between the CSCIs accounts of the two periods (2022 against 2021) are as follows:

114% or ₱809.9M increase in Revenues due to:

- ***a) Increase in Real estate Sales by 119% or ₱750.3M*** - Sales in 2022 were mostly high end and economic units from the new projects during the year compared to the sales last year. For 2021, there is a decrease in lots that were available for sale for high end and economic units
- ***b) Increase in Sale of agricultural goods by 104% or ₱59.2M*** – due to the following:
  - a. ***Increase in Sales of crude palm oil by 193% or ₱70.1M –*** this is due to the increase in quantity sold by 87% or 724 metric tons, from a volume of 830 metric tons in 2021 to 1,553 metric tons in 2022 with the average selling price increased by **₱25,107** per metric ton from **₱40,869** per metric ton last year to **₱65,976** per metric ton in 2022.
  - b. ***Decrease in Palm Fatty Acid Distillate Sales by 54% or ₱1.0M –*** this is due to the decrease in quantity sold by 76% or 59 metric tons, from a volume of 77 metric tons in 2021 to 18 metric tons in 2022 even if the average selling price increased by **₱23,485** per metric ton from **₱24,515** per metric ton last year to **₱48,000** per metric ton in 2022.
  - c. ***Decrease in Palm Olein Sales by 73% or ₱12.0M –*** this is due to the decrease in the average selling price by 22% or **₱14,623** per metric ton from **₱66,190** per metric ton in 2021 to **₱51,567** per metric ton in 2022 and the decrease in quantity sold by 65% or 162 metric tons, from a volume of 248 metric tons in 2021 to 86 metric tons in 2022.
  - d. ***Increase in Palm Stearin Sales by 3% or ₱61k -*** this is due to the increase in average selling price by 71% or **₱12,619** per metric ton from **₱17,808** per metric ton in 2021 to **₱30,426** per metric ton in 2022 despite the decrease in quantity sold by 39% or 39 metric tons, from a volume of 99 metric tons in 2021 to 60 metric tons in 2022.
  - e. ***Increase in Kernel and Kernel Nuts by ₱270k -*** the increase is due to higher quantity sold by 47% or 27 metric tons from 56 metric tons in 2021 to 83 metric tons in 2022, although the average selling price decreased by 4% or 473 metric tons,
  - f. ***Increase in sale of refined bleached deodorized oil (RBDO) by ₱1.8M -*** this is due to the sale of RBDO in 2022 but none in 2021 with average selling price of ₱85,281 and 21 metric tons of quantity sold.

- ***c) Increase in Sales from water services by 2% or ₱488k*** due to the increase in the turn-over of units and consumption of water by residents

114% or ₱308.4M increase in Cost of Sales and Services due to:

- a) ***117% or ₱258.0M increase in cost of real estate –*** the increase is relatively due to higher sales of high end and economic units during year as compared in 2021
- b) ***Increase in Cost of Sale of agricultural goods by 109% or ₱45.7M*** – due to the following:
  - a. ***223% or ₱57.8M increase in cost of production of Crude palm oil –*** the increase is relatively due to the proportionate increase in the quantity sold by 87% or 724 metric tons with an increase in average cost of sale by 60% or **₱18,127 per metric ton.**
  - b. ***90% or ₱1.2M decrease in cost of Palm Fatty Acid Distillate -*** the decrease is relatively to the proportionate to the decrease in the quantity sold by 76% or 59 metric tons with decrease in average cost of sale by 56% or **₱9,317 per metric ton.**

c. ***Increase in cost of Kernel and kernel Nuts by 139% or ₱199k -*** the increase is due to the increase in *in quantity sold by 47% or 27 metric tons* despite the decrease in average cost of sale by 29% or ***₱1,723 per metric ton***

d. ***Decrease in cost of Palm Olein by 86% or*** **₱10.7*M* -** the decrease is due to the decrease in the cost of producing palm olein in the quantity sold by 65% or ₱162 per metric ton with decrease in average cost of sale by 22% or ₱14,624 per metric ton.

e. **Increase in cost of Palm Stearin by 5% or ₱63k** - the increase is directly related to the increase sale of palm stearin with the increase in average cost of sale of ₱12,619 per metric ton despite a decrease in quantity sold by 39% or 39 metric tons.

f. ***Increase in cost of sale of refined bleached deodorized oil (RBDO) by ₱551k*** - this is due to the sale of RBDO in 2022 but none in 2021 with average cost sale of ₱26,855 and 21 metric tons of quantity sold.

c) ***Increase in cost of water services by 48% or*** **₱4.6*M* –** due to the increased costs related to rendering water services

66% or **₱187.7*M*** ***increase in General, Administrative and Selling Expenses -*** due to the following net effect of:

a) ***49% or*** **₱33.1*M*** ***increase in Personnel expenses -*** due to the increase in compensation and other benefits and increase in manpower in 2022
b) ***51% or*** **₱25.8*M*** ***increase in Marketing expenses –*** due to the increase in various sponsorships of events for ads and promotions and launching of new projects
c) ***90% or*** **₱15.2*M*** ***increase in Impairment Loss*** – this pertains to the impairment of HLPC's Construction-In-Progress (CIP) and MCPI's refundable deposit
d) **17%** or **₱4.2M decrease in Taxes and Licenses** – pertains to the decrease in business permit fees
e) **76%** or **₱11.3M in*crease*** in **Outside Services** - due to the increase in requirement of non-professional services on additional projects
f) ***19% or*** **₱2.1*M*** ***increase in Professional Fees*** – directly related to the increase in consultancy services incurred by the Group
g) ***2% or*** **₱605k** ***increase in Depreciation –*** due to increase wear and tear and usage of PPEs
h) **₱50.2M** ***increase in Provision for inventory losses -*** due to increase in the identified obsolete and damaged finished agricultural goods inventories
i) ***8% or*** **₱647k** ***decrease in Rental expense*** – due to lower rental fee paid for an office space
j) ***145% or*** **₱9.6M** ***increase in Utilities and supplies –*** due to the increase in usage of utilities and supplies during the year.
k) ***119% or ₱23.5M increase in Transportation and Travel***– directly related to the various site visitations for real estate projects, plantation operations and power group operations.
l) **37*% or*** **₱2.9M** ***increase in Retirement Benefits expense –*** *due to* the increase in current service *cost by* **₱2.6M**; increase in interest expense on defined benefit obligation by **₱275k** and decrease in interest income on plan assets by 16k
m) ***130% or*** **₱5.4*M*** ***increase in Repairs and Maintenance*** – due to the increase in cost of repairs and maintenance during the year.
n) ***159% or*** **₱1.3M** ***increase in Insurance –*** due to additional properties and units insured
o) ***17% or*** **₱141k** ***increase in Director Fees –*** directly related to the per diem paid to directors on various directors' meetings conducted during the year which increased due to higher number of meetings that were being paid this year as compared to last year.
p) **7% or ₱122k** decrease in Provision for expected credit losses – due to decrease in expected credit losses or bad debts
q) ***78% or*** **₱11.5M** ***increase in Others –*** includes notarization, trainings and seminars, bank charges, and expenses arising from business and research development and software maintenance.

16% or **₱42.9*M*** ***increase in Equity in net gain (loss) of an associates*** – this pertains to the Group's 20% share on the net earnings of associates, e.g. PCPC and Peakpower Energy, Inc., amounting to **₱316.4M *versus*** **₱273.5M** for 2022 and 2021, respectively.

235% or **₱4k** ***increase in Unrealized foreign exchange gain (loss)*** – this pertains to the related higher foreign exchange gain translation from previous year's unrealized foreign exchange loss of 1.8k to current year's unrealized foreign exchange gain of 2.5k

9% or **₱2.3M** ***decrease in Interest Expense*** – directly related to the group's various loan availment

44% or ₱8.6M increase in Other Income - net – due to the net effect of the following:

a) ***Increase in Income from forfeited deposits by 52% or ₱6.3M*** – foreclosed accounts in 2022 is higher compared last year.
b) ***Increase in Dividend Income by 43% or 3k*** – this pertains dividend income received from EIFVOCI
c) ***Decrease in Gain on disposal of PPE by 65% or*** **₱189k** – this pertains to the sale of other equipment which is higher in 2021 as compared in 2022
d) ***Increase in Interest income by 7% or*** **₱147k** – due to the increase in the in-house financing of real estate sales this year as compared last year.
e) ***Increase in Rental income by 2991% or*** **₱3.1M** – due to the increase in the rental income from real estate properties for lease this year as compared from last year.
f) ***Decrease in Other income- Tapping fees, transfer fees and other water charges by 16% or P767k*** – income from tapping fees due to decrease turn-over of units; transfer fees and other water charges

557% or ₱129.7M increase in Provision for Income Tax due to increased taxable income from increased collections compared to the same YTD period last year

With the foregoing increase of after-tax income, total comprehensive income also increased by **52%** or **₱240.9*M*** due to additional net effect of the following other comprehensive income (loss) items*:*

a.) decrease by **3%** or **₱2.2*M*** of the net change in fair value of EIFVOCI
b.) increase by **396%** or **₱7.7*M*** of the remeasurement gain on defined benefit plan-net of tax from prior year's remeasurement loss on defined benefit plan-net
c.) decrease by **46%** or **₱176k** of the share in other comprehensive income of associates
d.) decrease by **98%** or **₱2.4*M*** of the exchange differences in foreign currency translation

Key Performance Indicator

Financial Ratios Consolidated Figures	**Audited 12/31/2022**	**Audited 12/31/2021**
Current ratio[1]	2.34:1	2.99:1
Current Debt to Equity Ratio[2]	0.32:1	0.26:1
Total Debt to Equity ratio[3]	0.53:1	0.44:1
Return on Assets[4]	6.82%	5.26%
Return on Equity[5]	10.14%	7.77%

[1]Current assets/Current liabilities
[2]Current liabilities/Stockholders' equity
[3]Total liabilities/Stockholders' equity
[4]Net income/Average Total assets
[5]Net income/ Average Stockholders' equity

Current ratio decreased from 2.99:1 to 2.34:1 in 2022 primarily due to lower net increase in current assets with only 5% or **₱253.3** million relative to the increase by 35% or **₱538.9** million of current liabilities. The decrease in current assets was brought by the cash disbursements in 2022 of the bulk of the proceeds of preferred shares offering received in 2021 while the increase in current liabilities is due to the increase in accounts and other payables and the current portion of the long-term debt. This ratio is a liquidity ratio that measures the Company's ability to pay short-term obligations or those within one year.

Current debt to equity ratio increased from 0.26:1 to 0.32:1 in 2022 was due to the increase in current liabilities by 35% or **₱538.9** million as against the increase in equity of only 10% or **₱586.0** million. The ratio indicates how much equity is available to cover the current debt.

Total debt to equity ratio increased from 0.44:1 to 0.53:1 in 2022 as a result of net increase in total liabilities by 30% or **₱794.1 million** as compared to the increase in equity by only 10% or **₱586.0 million**. This ratio evaluates a company's financial leverage and is a measure of the degree to which a company is financing its operations through debt versus wholly-owned funds.

Return on assets (ROA) increased in 2022 from 5.26% to 6.82% due to the net income after tax of **₱635.5 million** which increased by 60% or **₱238.0 million** relative to the increase in the average total assets. ROA measures how efficient the company uses the assets it owns to generate profits.

Return on equity (ROE) also increased from 7.77% to 10.14% in 2022 due to the increase in net income after tax by 60% or **₱238.0 million** relative to the increase in the average total equity. ROE measures the Corporation's profitability in relation to stockholders' equity.

Financial soundness indicators are also shown on Exhibit I, page 98.

Material Event/s and Uncertainties

The Company has no other events to report on the following:

a) Any known trends, demands, commitments, events or uncertainties that will have a material impact on its liquidity.
b) Any material commitments for capital expenditures.
c) Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations.
d) Any significant elements of income or loss that did not arise from the issuer's continuing operations.
e) Any seasonal aspects that had a material effect on the financial condition or results of operations.
f) Events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation
g) All material off-balance sheet transactions, arrangement, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

Prospects of Real Property Development:

The Philippines is projected to experience significant demographic changes by 2025, characterized by continued population growth and urbanization, which will substantially influence the demand for housing in the country. With population in the country increasing, there is a pressing need for adequate housing solutions.

The labor market is expanding and this compounds the housing needs. With the advancement of industries, there are new job opportunities. The prospects in the workforce will create a demand for diverse housing options that cater to different income levels and lifestyles and family structures. More particularly, the housing target population now are the Gen X and the Millennials because they compose the workforce.

Developers should explore creating new developments outside the traditional urban centers, leading to emerging economic activities and new urban hubs. Townships are in demand combining residential living, with commercial and leisure facilities. This intensified demand for new housing townships necessitates the development of infrastructure and services to support a growing community.

Affordability concerns must also be addressed by exploring mid-income and affordable housing segments. This ensures that housing remains accessible to a broader segment of the population. Developers should balance affordability with quality to attract buyers. This approach helps bridge the gap between the housing backlog, the financial capabilities of families, and the diverse needs of potential buyers. (Sources: Philippine Property Hub, 2025 and Santos, Knight, and Frank, 2025)

Real estate is and will still continue to be a good investment at all economic levels of society (Villegas, 2020). As shelter is one of the three basic necessities of human beings including food and clothing.

The Philippines is a place to seriously consider for those looking for a profitable return on their real estate investment. This country has a burgeoning population of young professionals and an economy that is expanding quickly, which presents enormous opportunities for real estate investors (Romano, 2023).

A number of factors have contributed to the notable progress in the Philippine residential sector over the last ten years: Increased housing supply due to developers constructing more residential units; urbanization and migration led to the development of more housing projects; government initiatives for affordable housing: infrastructure improvements that create new spaces for residential construction; more adaptable financing choices provided by financial institutions; and, the discerning tastes of a burgeoning middle class.

Due to population growth, urbanization, and the emergence of the middle class, there is an increasing demand for residential real estate in urban areas. Developers concentrate on creating mixed-use areas with a range of spaces, including retail, business, and residential. These projects offer premium real estate, mid-range condominiums, and economical homes to suit various market niches.

With its wide-ranging effects throughout the nation, the Philippine economy counts significantly on the real estate sector. Statistica (2023) reported that the Philippine real estate industry contributed 536.44 billion pesos to the national economy in 2022.

The real estate sector has also historically contributed significantly to employment growth. In the fields of construction, real estate development, property management, sales, and associated businesses, it has generated a great deal of job opportunities. According to the 2020 Annual Survey of Philippine Business and Industry (ASPBI), more than 97,000 individuals were employed in real estate, renting and business activities. (PSA, 2023)

An important driver of economic growth, infrastructure expansion and the construction of both residential and non-residential buildings contributed to a 1.8% increase in the number of building permits authorized in the first quarter of 2022. Data from PSA reported that these developments amount to 86.78 billion pesos. (PSA, 2022)

In 2024, the Philippine real estate market offers a variety of prospects, driven by a robust economy and evolving market patterns. Increased public spending has been a significant accelerator in this trajectory, which was evident in the third quarter of 2023. Opportunities for real estate development are created by government programs focused on urban revitalization and infrastructure development, especially in the neighborhoods

surrounding these new projects. Growing demand for real estate locations will help developers, and as these places gain in a following, landlords will profit from increased rental returns. (Taleon in SKF, 2024)
As per report from the Bangko Sentral ng Pilipinas, residential property values increased in the third quarter of 2023, rising by 12.9% coming mostly from single detached and attached houses outside of the National Capital Area. This growth indicates changing consumer preferences and opportunities for market expansion outside Metro Manila. Communities and townships provide a combination of residential, educational, commercial and recreational establishment and stands to gain from the increasing desire for homes outside of the capital.

In 2024, the Philippine real estate market is expected to undergo a significant shift. With the demand for housing and office space outside of Metro Manila increasing, landlords and developers may find it advantageous to go outside of the core business districts due to shifting market dynamics. The real estate industry is still at the forefront of these dynamic changes, with the retail sector's resiliency, the demand for social and collaborative office spaces, and the recovery of the hospitality industry all contributing to the positive outlook. (Santos Knight Frank, 2024)

Sources:
Invest in the Philippine Real Estate Market Today, Housing Interactive Real Estate News, Minerva Romano, June 2023

Statista, March 10, 2023: Real estate sector gross value added Philippines 2020-2022

PSA: Release Date: January 17, 2023: 2020 Annual Survey of Philippine Business and Industry (ASPBI) – Real Estate Activities Sector: Preliminary Results

PSA, Release Date: 13 May 2022: Construction Statistics from Approved Building Permits, First Quarter 2022

Santos, Knight, and Frank, 2024: Philippines Real Estate Outlook 2024 Growth Paths

Philippine Property Hub, 2025

Santos, Knight, and Frank, 2025

However, despite the annual increase in real estate developments, the Philippine housing backlog is still high. Industry players foresee that this may even increase in the next years through 2030 if the demand for socialized houses or mass houses in particular is not addressed. Sixty-seven percent (67%) of the housing needs in the country are economic and socialized houses. Demand for low cost and socialized housing is actually increasing faster than what the developers can deliver.

New Housing Need, 2012-2030

Market Segment	*Price Range*	*Units Needed*	*% of TOTAL Need*
Can't Afford/Needs Subsidy	400K & below	1,449,854	23%
Socialized Housing	400K & below	1,582,497	25%
Economic Housing	400K – 1.25M	2,588,897	42%
Low Cost Housing	1.25M – 3M	605,692	10%
Mid Cost Housing	3M – 6M	No need	
High End Housing	> 6M	No need	
TOTAL Need		6,226,940	

Total New Need Average: **345,941** housing units per year

Estimated Backlog by 2030*	
Those who can't afford	832,046
Backlog, as of 2011	3,087,520
Total Housing Backlog, as of 2011	3,919,566

New Housing Need, 2012-2030 (345,941 units/yr X 18 yrs.)	6,226,540
Housing Production Capacity (200,000 units/yr X 18 yrs.)	3,600,000
Backlog by 2030	6,546,106

**If no special housing program is created.*

Source: http://industry.gov.ph/industry/housing/

Plan of Action

Short Term Prospects

Real Property Development:

Being at the forefront in real estate development in Mindanao, the management and the Board of ABCI will continue to pursue its real estate projects in key cities in the Land of Promise. Overtime, ABCI was able to build a reputation and credibility to deliver first class development. It has created a niche in Mindanao and has carved a name to beckon with when it comes to property development. It shall take advantage of the continuous demand in **Xavier Estates** lots since it is still the preferred place due to its aura. **Xavier Estates Phase V-A Ventura Residences** offered Ventura Lane and Clusters B&C for the lot-only market. The strongest factor especially among the OFWs and foreigners married to a Filipino are its tree-lined streets now fully-grown, its in-house water system, strict security system, the largest clubhouse in Mindanao as well as having a luxurious view of nature on top of a plateau. Teakwood sales are beginning to pick-up and are also the preferred place compared to its competitors due to its magnificent location which is overlooking the Macajalar Bay. **Coral Resort Estates** is gaining popularity among local residents due to the tranquility the water front offers**.** **Adelaida Park Residences** is ABCI's response to the growing demand for economic house and lot packages. The project gained edge because of its ridgeview linear park and single houses sufficiently spaced from each other. **Mountain View Homes Phase 2** attracted teachers, government employees and managers. ABCI will continue to focus on increasing revenue generation and profit through innovation by introducing new products and services that would meet customer expectations and satisfaction, reduction of costs and expenses, and increasing efficiency in its operations to continuously provide the growth of shareholder value. Through its subsidiaries' diversified ventures, it will keep on pursuing businesses which will eventually replace the adhesive and chemical business ABCI was known for.

ABCI's foresight to provide healthy, environment-friendly, and low-dense community concepts to the market served as the pillar of continuing unprecedented sales. Despite the effect of COVID-19 pandemic to the economy, ABCI remained strong and continues to expand and diversify in other business segments.

Cagayan de Oro City projects:
Teakwood Hills: Horizontal development has three (3) phases. Phase 1 & 2 are expected to produce a total of 543 saleable lots after an alteration has been made for the development area of 40 and 5.2 hectares, respectively. Phase 1 is 68% complete while Phase 2 is 100% complete. Phase 3 (Belle del Mar) with development area of 2.138 hectares and 42 saleable lots only is 100% complete.

Teakwood Crest Subdivision which is located a kilometer away from Teakwood Hills is now about 77% complete. On the other hand, Xavierville Homes is already 100% complete as to horizontal works. There were 131 saleable lots that were subdivided from the 4.8 hectares of development.

Xavier Estates Phase 5A – Ventura Residences is 100% complete. Cluster A is subdivided to produce 130 saleable house and lot packages which were already completed. Cluster B and C also provided 139 saleable lots. Ventura Lane on the other hand is already 100% developed, it offers 30 lots with cuts starting at 250sq.m. Clusters B & C have lot cuts at 110 sq.m.

Xavier Estates Phase 5B – Ventura Residences II also features house and lot units and prime lots. Located at the back of Ventura Residences I, this second phase have the identical house colors of orange and cream as the first phase. House and Lot units are single detached with a lot area of 110 to 170 sq.m. and floor area of 80 sq.m.. Prime lots with lot cuts of 110 to 500 sq.m. are located by the ridge. Its horizontal development is 100%

complete while its vertical construction is at 100% complete. The project has 74 units (50 house and lot with 24 lot only) which is 100 % complete.

ABCI launched **Adelaida Park Residences**, located in Upper Balulang, Cagayan de Oro. Economic house and lot units are sold in 90sq.m. lot area with floor area of 60 sq.m. and single detached houses in 115-161 sq.m. of 65.5 sq.m. Total development area is 4.4 hectares with a total of 215 saleable units. Its horizontal development is 100% complete while its vertical construction is at 97% complete.

Xavier Estates Phase 6 – Ignatius Enclave features house and lot units and prime lots. House and Lot units are single detached with lot area of 110 to 120 sq.m. and floor area of 60 sq.m. Prime lots have lot cuts of 250 to 400 sq.m. Its horizontal development is 100% complete while its vertical construction is at 98% complete.

Xavier Estates Phase 6 – Ignatius Enclave 2 features house and lot units. These single detached two-storey units have floor area of 120 sqm and are located in 120 sqm lot areas. House could also be built in bigger lots ranging from 150 sqm to 415 sqm. Its horizontal development is 100% complete while its vertical construction is at 68% complete.

The Terraces in Xavier Estates highlights prime cascading ridge lots of 180 to 400 sq.m. in size. Located in the terraces-like land configuration, this area commands a 180-view of the city of Cagayan de Oro and the mountains of Bukidnon and is low dense with less than 46 lots for sale. Its horizontal development is 97% complete.

Cagayan de Oro City - Socialized Housing project:
St. Therese Subdivision located in mid-Balulang, Cagayan de Oro is a 1.67-hectare socialized housing that will provide 155 lots of which 91 lots have row houses with lot area of 50 sq.m. while 38 units are duplexes and 26 are single-attached with lot area of either 68 sq.m. or 75 sq.m. The project is already 100% done.

St. Therese Subdivision 2, which is a socialized housing project located adjacent the St. Therese 1 is about 66% complete with its horizontal development while its vertical development is about 47% complete.

Mountain View Homes Phase 1 is located in mid-Balulang, Cagayan de Oro City. This has a development area of 2.3 hectares with 216 saleable house and lots. Project development is 100% accomplished with amenities.

Mountain View Homes Phase 2 with 1.3 hectares development area, it offers 83 saleable houses and lot units. The row houses have lot area of 50 sq.m. and floor area of 26sq.m. while single detached units for economic housing have a lot area of 75-143 sq.m. and floor area of 36-38 sq.m. The project is already 100% done.

Mangoville. The “Sosyal Socialized Housing” project of A Brown Company located in Barangay Agusan, Cagayan de Oro features duplex house designs and with own parking space; with 10-meter wide main roads and 8-meter wide inner roads; with guardhouse and perimeter fence; and with an elevation of 169 meters above sea level overlooking Macajalar Bay. Mangoville is built on a 3.5 hectares area with a total of 235 housing units. Each unit of the duplex house has a lot area of 67.5 sq. m. and a floor area of 22 sq.m. Its horizontal development is 100% complete while its vertical construction is at 90% complete.

Misamis Oriental project:
Another residential development is located in Initao, Misamis Oriental with a total land area of 10 hectares. This development, **Coral Resort Estates** is currently working on its Phase 1 with two clusters. Cluster A has 40 saleable lots and 2 house and lot units with a development area of 2.5 hectares. Cluster B has developmental area of 2.9 hectares with 40 saleable lots. The project has already been 100% accomplished for Cluster A and Cluster B. Phase 2 with development area of 4.2225 hectares and 103 saleable lots only is 100% complete. Phase 3 with development area of 5.2764 hectares and 69 saleable lots only is 80% complete.

Bukidnon projects:
Mountain Pines Farm 2 is located in Brgy. Kalugmanan, Manolo Fortich in the Province of Bukidnon. This is the first residential farm-lot type or the gentleman’s farm concept. Presenting sweater-weather at 1,200 meters above sea level it is located in the cool pine tree-bordered confines at the foothills of Mt Kitanglad Range. The horizontal development is about 81% done.

Butuan project:
West Highlands Phase 1 is a residential estate located in Brgy. Bonbon, Butuan City with a total development area of 25.9 hectares. Phase 1 of the project is expected to generate 322 saleable lots. The project development is 100% accomplished with spillway, concrete barrier, riprap and spine road.

In October 2017, **West Highlands Phase 2** was launched. West Highlands Phase 2 is a community located beside holes Number 5, 6, 7, 8 of the West Highlands Golf Club. Lot cuts range from 350 sq.m. to 717 sq.m. for Fairway Lots; while Inner Fairway Lots range from 219 sq.m. to 344 sq.m. The project development of Phase 2A is 100% done. For Phase 2B, the horizontal development is 28% done while its vertical development is 16% done.

Adelaida Meadow Residences is situated in Brgy Bancasi, less than a kilometer away from Butuan City Airport. It is within the 7-kilometer radius of schools, malls, churches and hospitals in the downtown area. It lies 5 kilometers from Caraga’s first paspalum te golf course, the West Highlands Golf Club. It offers single detached house and lot packages in 120 sqm lot area. The horizontal development is about 39% done while its vertical development for Blocks 1 to 7 is about 27% to 47% done and for Blocks 10 to 12, about 5% to 26% done.

Rizal project:
Adelaida Homes is the 1st socialized housing project of ABCI in Luzon, specifically situated in Brgy. Sampaloc, Tanay, Rizal. It opened with 137 house and lot units. The row houses have a lot area that starts at 40sqm and floor area that starts at 26sqm. Its horizontal development is 100% complete while its vertical construction is at 99% complete.

Adelaida Mountain Residences is a new master planned integrated community rising in the cool hills of Tanay, Rizal. It overlooks views of Sierra Madre Mountains and the Laguna Lake. Being anywhere around 400 to 500 meters above sea level, weather stays relatively cool. With approximately 12 hectares of development, saleable lots range from 252sqm to 834sqm. Its horizontal development is 99% complete.

Medium to Long-Term Prospects.
Real Property Development:

There is a rise in the demand of housing requirements for middle income, starter families and single market. To address these markets, ABCI intends to develop socialized and economic housing in Cagayan de Oro City.

The Uptown Metropolis located in the east side of Xavier Estates shall soon rise. It shall have a space for a commercial mall, shoppe houses, town houses, condominium and a central business district. This plan shall soon put the uptown area of Cagayan de Oro City in the new places to be.

ABCI is in the planning stage for the vertical market. In the pipeline are three condominium projects to be located in Uptown, Cagayan de Oro; Initao, Misamis Oriental; and Butuan City.

Another master-planned community will soon rise Tanay, Rizal.

PROSPECTS OF PALM OIL:

The palm oil industry is a promising enterprise as the palm oil continuously being considered as the most important tropical vegetable oil in the global oils and fats industry, in terms of production and trade.

Key industry players are positive about the bright prospects of increasing palm oil production in the world market not to mention the great demand from the domestic market and the prospect of eventually exporting palm oil globally. This growing demand presents an opportunity for ABERDI to expand its current crude oil capacity of 10 tons per hour to 30 tons per hour. This expansion requires an additional 2,800 hectares of oil palm plantation representing 50% of the additional requirement of 5,500 hectares. Suitable lands for expansion are available in Misamis Oriental and Bukidnon Provinces due to its strategic proximity to the mill. More importantly, these areas have adequate and ideal available land; in good climatic conditions; and has a vast potential area for oil palm plantation.

There are now seven (7) out of nine (9) milling plants in the country which are located in Mindanao. On top of this, two (2) additional milling plants are in the pipeline. Out of the nine (9) plants, two (2) have upgraded into refinery plants. ABERDI is the second next to Caraga Oil Refinery Inc. (CORI).

Plan of Action

To respond to the lack of adequate local production, the management has targeted to develop 2,000 hectares of oil palm plantation in Province of Bukidnon and Misamis Oriental areas through a growership program. As of the end of 2024, about 3,699.085 (gross area) hectares were already acquired for development, of which almost 1,547.96 hectares were planted while about 2,652.62 hectares total area potential for planting on these areas. The Company is anticipating the signing of agreements with local communities in Misamis Oriental and Bukidnon interested for its expansion program aggregating to 2,000 hectares.

The Company is also looking to pursue further growth opportunities in the Group's palm oil business in Surigao and Agusan region. Surigao Greens Agri Corp. (SGAC), a newly incorporated subsidiary of A Brown Company, had executed an Asset Purchase Agreement consisting of several parcels of land with total land area of Seventy Thousand (70,000) square meters and a Palm Oil Milling Plant located in Tambis, Barobo, Surigao del Sur. The Palm Oil Milling Plant consists of a factory building and machineries with a rated capacity of 10 metric tons (MT) per hour. The purchase of the Palm Oil Milling Plant in Surigao del Sur will allow access to an existing and operational and cost-efficient crude palm oil milling plant that is able to source palm oil fresh fruit bunches from nearby plantation farms in the region (Surigao and Agusan).

ABERDI's refinery with fractionation machine has a capacity to generate RBDO at 50 MT/day if operating at full capacity. Likewise, the company is producing Palm Olein, Palm Stearin and Palm Fatty Acid Distillate in bulk sales. If the selling price of Palm Olein and Palm Stearin are not within the targeted sales price to generate income, the refinery plant will not be operating. In 2016, it had already engaged in branding and packaging of premium cooking oil labelled as "Golden Belle" but stopped in 2021 when sales were not enough to generate expected income.

PROSPECTS OF POWER GENERATION:

Vision

The Philippine power sector's roadmap by 2040 is anchored on three main goals namely:

- Energy security, resiliency, affordability, and sustainability;
- Transparent and fair playing field in the power industry; and
- Electricity access for all.

At present, the country is still on its quest to obtain energy security and equity, considering the affordability and access of electric supply. However, the Philippine Power System remained generally stable and that the DOE will ensure the sustainable implementation of the rules and laws for the security of our energy supply through competition, access to bilateral markets, anti-monopoly measures, least-cost power, and the protection of the environment.

Demand and Forecast

Increase in energy demand are expected from the distinct growth in the industrial, commercial, and domestic sectors of the country. In addition, electrification continues—households in areas which are not fully grid-connected, are likely to gain better access to electricity supply in the coming years with the target to reach 100% household electrification across the Philippines by 2028.

By 2040, the country's electricity demand is projected to grow by about 5% annually. And to meet this demand including reserve requirements, a total of 43,765 MW additional capacities must come online.

Peak electricity demand is predicted at 12,285 megawatts (MW) for Luzon; 2,519 MW for Visayas and 2,278 MW for Mindanao, for 2020, according to DOE.

With the additional 237MW on 2017—comprising of 63% coal, 33% solar, and 4% oil-based sources, the energy department is expecting that enough power reserves will meet the demand. In addition, 19,934 MW of capacity is still under development with committed and "indicative" projects until 2025.

Adequate power supply across all three grids—Luzon, Visayas, Mindanao, is forecasted assuming that nothing deviates from the projections based on planned outages, the maintenance program, and the historical peaks and these projected rise in demand by DOE.

Solutions
To solve the country's energy security woes, DOE initiated the issuance of policies for resiliency, conducted of performance assessment and technical audit for all energy facilities, and reactivated the Inter-Agency Task Force on Securing Energy Facilities, among others.

DOE also called for the full cooperation of all industry stakeholders in monitoring and responding to the power demand-supply situations, they also encourage consumers to practice energy efficiency and conservation measures.

Coal Power Generation
Coal consumption in the Philippines is relatively high as the energy sector is highly reliant on coal-fired power plants. Coal power plants generated 46.8 million MWh in 2017, making up half of the country's power generation mix.

According to forecasts, the share of coal power plants will increase from about 30% in 2010 to around 50% in 2030. This share will further increase to 65% by 2050 since the existing natural gas plants are retired in the future. Over 25% of 2050 capacity will be diesel. It is also assumed that all of electricity demand will be supplied through electricity grids in which plants are dispatched to minimize variable costs.

In conclusion, energy remains a crucial element in economic growth and development of any country. According to the National Economic and Development Authority (NEDA), the potential of the Philippines of reaching high-income status by 2040 provided the economy grows consistently by 7.0 percent annually.

Meanwhile, the Philippines scored 4.2 out of 7 in terms of sufficiency and reliability of power supply, as showed in a World Economic Forum report, and still showing great probability of improvement in the energy industry. Strong coordination among energy stakeholders, coupled with the additional power generation capacities, are paving way in responding to the challenges of the industry.

Sources: DOE, NGCP, ADB, NEDA, Philippine Star

Plan of Action

Coal-Fired Power Project:

As economic activities continue to expand in the Visayas, specifically in Panay, a need for a more stable and sufficient power supply situation is a must. The 2 x 135 MW coal-fired power plant project in Concepcion, Iloilo was developed due to the foreseen power capacity requirements in the Visayas region. The first unit of this new base load plant was designed to address the power supply requirements of the Visayas grid and provide a steady flow of power when it goes on line. Palm Concepcion Power Corporation (PCPC), the project proponent, constructed the power plant in 2013. The power plant is equipped with a steam turbine generator manufactured by Alstom of Europe.

PCPC started commercial operations of the first unit of the 135 MW Circulating Fluidized Bed Combustion (CFBC) power plant on August 16, 2016. It was inaugurated by the Philippine President Rodrigo R. Duterte in Malacañang on November 28, 2016. It is now delivering power supply to Panay, Negros, and the rest of Visayas.

Ten (10) distribution utilities and electric cooperatives have signed up with PCPC for their base load power capacity requirements in order to deliver reliable and stable power generation supply to industrial, commercial, and residential consumers.

For the second unit, requirements for the Environment Compliance Certificate (ECC) have been completed and were already submitted to the Department of Environment and Natural Resources (DENR).

The power plant takes pride with the capability of its CFBC Technology and the sound environmental measures being practiced in the power plant as it maintained its excellent emission performance vis-a-vis the DENR standards.

At present, PCPC is fulfilling its purpose by serving the needs of its customers, helping ensure that homes and businesses have dependable and uninterrupted power supply, which they can afford, as it continues to uphold its commitment to the environment and host communities.

Bunker-Fired Power Project:

Peakpower Energy, Inc. (PEI) was set up in 2013 to implement projects designed to generate peaking energy across various A+/Green rated electric cooperatives in Mindanao. These are Build-Operate-Transfer agreements for brand new bunker-fired engines, which will last for 15 years.

After signing a Power Purchase and Transfer Agreements for 20-megawatt of peaking power supply with South Cotabato II Electric Cooperative (SOCOTECO II) and 5-megawatt supply with Agusan del Sur Electric Cooperative (ASELCO) in 2013, the respective plants Peakpower Soccsargen, Inc. (PSI) and Peakpower San Francisco, Inc. (PSFI) are commercially operational, supplying the very much needed power capacities in their franchise areas.

Expansion of these two plants are also completed and has already declared their commercial operations last September 2017 and January 2018, respectively. A third plant, Peakpower Bukidnon, Inc. (PBI) which is a 2 x 5.2MW peaking plant and embedded to Bukidnon Second Electric Cooperative (BUSECO) declared commercial operations on March 2018, and was inaugurated a year after.

Recently, PEI officially appointed Wartsila Philippines Inc., a leading supplier of power solutions in the country, to operate the mobilization and maintain the facilities of PEI’s three diesel power plants in Mindanao. On October 11, 2019, PEI and Wartsila Philippines Inc. signed an operations and maintenance contract agreement for all its three power plants.

Renewable Energy Project:

Northmin Renewables Corp. (NRC), formerly Hydro Link Projects Corp. (HLPC) is a registered renewable energy developer with the Department of Energy. NRC is focused on renewable energy projects in Northern Mindanao. NRC is currently managing two greenfield wind energy projects. On November 28, 2023, Northmin secured Wind Energy Service Contracts for the Bukidnon Wind Power Project and the Misor Wind Power Project.

The Bukidnon Wind Power Project is located in Malaybalay City, Cabanglasan and San Fernando, Bukidnon which is covered by Wind Energy Service Contract No. 2023-10-333.

The Misor Wind Power Project is located in Balingoan, Claveria, Salay, Sugbongcogon, Kinoguitan, Talisayan, and Medina, Misamis Oriental which is covered by Wind Energy Service Contract No. 2023-10-335. NRC is appointed by the Department of Energy as having the exclusive right to explore, develop, and utilize the Wind Energy Resources within the applied contract areas.

NRC is currently undertaking pre-development activities for both projects in line with the approved DOE work program. Preliminary wind assessments have been completed. The wind measurement campaign using Lidar for the Misor Project began in the 4th quarter of 2024, while the campaign using Met Mast is scheduled to start in the 2nd quarter of 2025.

Significant Change in the number of employees

The Brown Group of Companies foresees to maintain the number of employees. Hiring of employees will continue in the regular course of the business as the need arises.

External Audit Fees and Services

A) Aggregate fees billed for the calendar years 2024 and 2023 for the audit of financial statements:

	2024	2023
1) Regular Annual Audit of Financial Statements (inclusive of VAT)	₱ 3,549,280	₱ 3,086,720
Review of Interim Financial Statements (2nd and 3rd Quarter 2023) (inclusive of VAT)	₱ -	₱11,480,000

2) The nature of services comprising the fees includes the following:
   a) Audit in accordance with generally accepted auditing standards.
   b) Examination of the company's internal control structure for the purpose of establishing a basis for determining the nature, timing and extent of auditing procedures necessary for expressing an opinion.
   c) Procedures designed to provide reasonable assurance of detecting errors and irregularities that are material to the financial statements.
   d) Audit and Business Advisory

The above annual audit fee was charged to the Parent Company and its subsidiaries for its stand-alone financial statements and the Group's consolidated financial statements. The audit fee inclusive of VAT of the Parent Company's twelve (12) subsidiaries in 2024 and in 2023 were ₱1,792,000 and ₱1,597,120, respectively.

The review of interim consolidated financial statements of the Parent Company covered 2nd and 3rd Quarter of 2023 during the Preferred Shares Offering – Series B and Series C.

B) Aggregate fees billed for the calendar years 2024 and 2023 for Tax Compliance Audit/ Tax Services are as follows:

	2024	2023
1) Tax Compliance Audit/ Tax Services (Inclusive of VAT)	₱ -	₱ -

2) The nature of services comprising the fees includes the following:
   a) In-depth review of company's records to ascertain compliance with the rules and regulations of the Bureau of Internal Revenue and the local government;
   b) Review completeness of documents for BIR and local government purposes;
   c) Evaluation of income and business tax positions based on past and current operations to determine tax savings and/or exposures;
   d) Recommend corrective measures to ensure compliance with tax laws; and
   e) Recommend measures for tax- savings purposes.

C) Services other than the services reported under items (a) and (b) include the agreed-upon procedures on the use of the proceeds from the preferred shares offering.

	2024	2023
1) Agreed-upon procedures on the annual and quarterly report on the use of the proceeds from the preferred shares offering	₱ 364,000	₱ -

The engagement involves the performance of agreed-upon procedures on the Quarterly Progress Report/Annual Summary Report on the Application of Proceeds from the Series B and Series C Preferred Shares offering of the Parent Company for the four (4) quarters of 2024 and the year ending December 31, 2024 as requirement by the Philippine Stock Exchange and the Securities and Exchange Commission. The engagement fee as shown above is inclusive of VAT.

2)	Financial Accounting Advisory Services	₱ 2,240,000	₱ -

The engagement (inclusive of VAT) involves the assessment of the impact of applying Philippine Financial Reporting Standard (PFRS) 15, Revenues from Contracts with Customers and extended deferral in the application of such under the Securities and Exchange Commission Memorandum. The engagement fee as shown above is (inclusive of VAT).

The ABCI Audit Committee recommends to the Board and stockholders the appointment of the external auditor and the fixing of audit fees. The Board and stockholders approve the Audit Committee's recommendation.

During end-of-audit, an initial conference by the external auditors with the management's authorized representatives discuss the initial findings. After the clarification conference, the external auditors together with the partner in-charge will discuss before the rest of the Audit Committee. If there are any revisions, another round of discussion will be set before the audited reports are finalized, accepted and approved.

CHANGES IN AND DISAGREEMENT WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURES

In the best interest of the Corporation, as well as the shareholders, higher standards of governance have been followed including the change of external auditor as mandated by SRC Rule 68(3)(b), as amended. Accordingly, the Board of Directors on 02 May 2018, upon the recommendation of the Audit Committee, with the approval of the stockholders of A Brown Company, Inc. on 28 June 2018, has appointed SGV & Co. as the new external auditor for the year ended December 31, 2018. The recommendation has not been prompted by any disagreement that has arisen between the Corporation and the previous external auditor.

For the year 2018, the Partner-In-Charge of the independent examination is John T. Villa. For the audit years 2019 to 2024, Alvin M. Pinpin is the Partner-In-Charge.

Representatives of the external auditor shall be present during annual meetings and will be given the opportunity to make a statement if they desire to do so. They are also expected to respond to appropriate questions if needed.

External Auditor Prior to 2018

The accounting firm of Constantino Guadalquiver & Co., (CG & Co.) was duly appointed as the Independent Public Accountants on 28 August 2009.

There was no instance that CG & Co. had any disagreement relating to accounting principles or practices, financial statement disclosures or auditing scope or procedure. Per SEC Memo Circular of 2005 – Amendments to SRC Rules 68 and 68.1, "… the external auditors shall be rotated every after five (5) years of engagement. In case of a firm, the signing partner shall be rotated every after said period. The reckoning date for such rotation shall commence in year 2002 …". For five consecutive years (2009 to 2013), Rogelio M. Guadalquiver is the Partner-In-Charge of the independent examination who was replaced by Annalyn B. Artuz for audit year 2014 to 2016. For the audit year 2017, Rogelio M. Guadalquiver is the Partner-In-Charge.

Discussion of Compliance with leading practices on Corporate Governance:

a. The Company's Board of Directors approved on May 31, 2017 the Revised Manual on Corporate Governance pursuant to SEC Memorandum Circular No. 19, Series of 2016.

b. The Company has participated in the Corporate Governance Survey per SEC Memorandum Circular No. 8, series of 2008 and used the CG Scorecard as its performance evaluation checklist for year 2009 to 2012. With the issuance of SEC Memorandum Circular No. 5 Series of 2013, as amended, the Company submitted its Annual Corporate Governance Report (SEC Form ACGR) for 2012 on July 1, 2013 and the Consolidated Annual CGR with the updates thereafter until 2017.

c. The Company's Corporate Governance Compliance Officer submitted the Certification on Compliance with its Revised Manual on Corporate Governance for Year 2012 to the SEC on January 29, 2013 and to the PSE on February 04, 2013 confirming that ABCI has conformed to and complied with the provisions and leading practices and principles on good corporate governance as set forth in the Manual and SEC Code of Corporate Governance, as amended. The Company likewise submitted its 2015 PSE Corporate Governance Guidelines Disclosure Template to the exchange and duly posted on the PSE website on March 29, 2016 reflecting the company's level of adoption of the PSE recommended corporate governance guidelines as embodied under PSE Memorandum No. 2010-0574 dated November 26, 2010. The 2016 PSE Corporate Guidelines Disclosure Template was submitted to the exchange on March 30, 2017.

The Securities and Exchange Commission (SEC) and the Philippine Stock Exchange, Inc. (PSE) have completed the harmonization of the SEC Annual Corporate Governance Report (ACGR) and PSE Corporate Governance Guidelines Disclosure Survey (CGR-1) into one report dubbed as the "Integrated Annual Corporate Governance Report" (I-ACGR). For the year 2017, listed companies are no longer required to submit the ACGR and CGR-1. SEC mandated all publicly-listed companies to submit an Integrated Annual Corporate Governance Report ("I-ACGR") on May 30 of the following year per Memorandum Circular No. 15, Series of 2017. The Company submitted its I-ACGR on May 31, 2019 and May 30, 2018 covering the year 2018 and 2017, respectively. The SEC Form I-ACGR for 2019 was filed on August 28, 2020 through PSE Edge and emailed to SEC-CGFD and posted on PSE Website and acknowledged through email by SEC on September 1, 2020. For the SEC Form I-ACGR covering 2020, the report was filed on June 25, 2021 through PSE Edge and posted on PSE Website on June 28, 2021. The same report was emailed to SEC-CGFD and the receipt was acknowledged thereof through email from SEC-CGFD on June 25, 2021. For the SEC Form I-ACGR covering 2021, the report was filed on May 30, 2022 through PSE Edge and posted on PSE Website on the same day. The same report was emailed to SEC-CGFD on May 30, 2022 and the receipt was acknowledged thereof through email from SEC-CGFD on May 31, 2022. For the SEC Form I-ACGR covering 2022, the report was filed on May 30, 2023 through PSE Edge and posted on PSE Website on the same day. The same report was emailed to SEC-CGFD on May 30, 2023 and the receipt was acknowledged thereof through email from SEC-CGFD on the same day. For the SEC Form I-ACGR covering 2023, the report was filed on May 30, 2024 through PSE Edge and posted on PSE Website on the same day. The same report was submitted to the SEC through eFAST on May 30, 2024 with final acceptance dated May 31, 2024.

d. The Company's Corporate Secretary submitted to the SEC on January 6, 2017 the Certification on attendance of members of Board of Directors for the year 2016. For the year 2017, pursuant to the provision of Memorandum Circular No. 15, Series of 2017, the companies are no longer required to file updates and changes on the I-ACGR within five (5) days from the occurrence of the reportable changes. The directors' attendance to the twelve (12) Board meetings held for the year is as follows:

	Date of BOD Meeting - 2024											
	Feb 1	Apr 8	May 20	June 5	July 12	July 12*	Aug 14	Aug 29	Oct 15	Oct 24	Nov 14	Dec 12
Walter William B. Brown	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Annabelle P. Brown	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Robertino E. Pizarro	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Elpidio M. Paras	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-
Thomas G. Aquino	✓	-	✓	-	-							
Wayne Y. Coherco***						✓	✓	✓	✓	✓	✓	✓
Antonio S. Soriano	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Joselito H. Sibayan	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Renato N. Migriño	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Jun Hou	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Note:
** Organizational Meeting*
*** - ceased as independent director on July 12, 2024*
****- elected as independent director on July 12, 2024*

The attendance of Directors in Board Committee Meetings for 2024 is as follows:

Board Committee	**Directors**	**Position**	**No. of Meetings Attended**	**Attendance (%)**
Audit Committee	Elpidio M. Paras	Chair / ID	6 out of 6	100.00%
	Thomas G. Aquino	Member/ ID	1 out of 3	33.33%
	Wayne Y. Coherco	Member/ ID	3 out of 3	100.00%
	Antonio S. Soriano	Member	6 out of 6	100.00%
Risk Committee	Thomas G. Aquino	Chair/ ID	1 out of 1	100.00%
	Wayne Y. Coherco	Chair/ ID	2 out of 2	100.00%
	Elpidio M. Paras	Member/ ID	3 out of 3	100.00%
	Antonio S. Soriano	Member	3 out of 3	100.00%
Corporate Governance Committee	Elpidio M. Paras	Chair / ID	4 out of 4	100.00%
	Thomas G. Aquino	Member/ ID	1 out of 3	33.33%
	Wayne Y. Coherco	Member/ ID	1 out of 1	100.00%
	Annabelle P. Brown	Member	3 out of 3	100.00%
	Robertino E. Pizarro	Member	3 out of 3	100.00%
Related Party Transaction Committee	Thomas G, Aquino	Chair/ ID	0 out of 1	0.00%
	Wayne Y. Coherco	Chair/ ID	1 out of 1	100.00%
	Elpidio M. Paras	Member / ID	2 out of 2	100.00%
	Joselito H. Sibayan	Member	2 out of 2	100.00%

Note: ID – Independent Director

e. Part of the measures being adopted by ABCI in order to comply with the leading practices is the participation and attendance by members of the Board and top level management in corporate governance conducted by accredited institutions. For the year 2024, nineteen (19) directors and officers attended a seminar/webinar on Corporate Governance.

f. Annual self-assessment of the Board of Directors to determine compliance not only with its Manual of Corporate Governance but also all other regulations and rules prescribing good corporate governance is regularly being done.

   The Board conducts an annual self-assessment of its performance, including the performance of the Chairman, individual members and its Board Committees to measure the Board's effectiveness and to identify areas for improvement through a self-rating and evaluation system. The directors assess the Board as a whole, the Board Committees they're members of and on their individual capacity as a director.

   The assessment criteria for the Collective Board and the Board Committees include its structure or composition, efficiency, and effectiveness of the Board and participation and engagement of each member of the Board during Board meetings and the contribution of each member director to their respective Committees. The individual director's self-assessment criteria include how the directors assess their independence, participation and value contribution. The criteria also reflect the specific duties, responsibilities and accountabilities of each party assessed as provided in the Company's By-Laws, Manual on Corporate Governance, Board Committee Charters and governing policies.

   The results of the Board performance assessment will be part of the report during the Annual Stockholders' Meeting.

g. Adoption of best practices and creation of different committees such as Audit, Nomination, Compensation and Governance. The Board of Directors organized the committee - Committee on Corporate Culture and Values Formation to promote, foster, and institutionalize the corporate vision, mission, core values, good corporate governance and ethical conduct among the members of the Board, officers and employees of the Company. The formation of the Risk Committee to effectively manage financial and business risks in accordance with company's risk profile and risk culture will strengthen the company's position in terms of mitigated exposures. The different board and management committees also perform oversight functions over compliance with the Manual and other corporate policies of ABCI. On December 20, 2018, the Board of Directors re-organized its Board Committees, with the Compensation Committee and Corporate Culture and Values Formation Committee being subsumed under the Corporate Governance Committee. The existing Board Committees are as follows: Executive Committee, Audit Committee, Risk Committee, Corporate Governance Committee and Related Party Transaction Committee.

h. The Board of Directors through the recommendation of the Governance Committee has approved in December 2014 the Company's whistle blowing policy which provided the guidelines on handling employee disclosure or complaints of violation of the corporate governance rules which protects whistleblower from retaliation and ensures confidentiality and fairness in the handling of a disclosure or complaint. Likewise, the Insider Trading Policy has been approved to apprise and ensure compliance by all members of the Board of Directors, officers and employees of their obligations under the applicable securities laws to refrain from trading (buying and selling) the Issuer's securities based on inside information and tipping or passing information to someone who may use such information to trade Issuer's securities during prescribed blackout periods. The policy also includes the requirement to report their direct and indirect beneficial ownership of the Issuer's shares as well as any changes in such beneficial ownership within the prescribed period. The policy was adopted in keeping with the trend on sound corporate governance practices that support the integrity of capital market based on the principle of "equal opportunity based on equal access of information".

i. The Company acknowledges the importance of the role of stakeholders in corporate governance which includes customers' welfare, supplier/contractor selection practices, environmentally friendly value-chain, community interaction, anti-corruption programs and procedures and creditors' rights.

   The Company is dedicated to satisfying its customers, listening to their requests and understanding their expectations. It likewise strives to meet their expectations in affordability, quality and on-time delivery. The suppliers deserve fair and equitable treatment, clear agreements and honest feedback on performance and delivery. While cultivating professional relationships with the suppliers, the Company shall maintain an honest, objective and efficient procurement process which is in accordance with Company's procurement policies and procedures. The Company's officers and employees may not solicit or accept gifts, payment or gratuities from our suppliers. (Promotional items of nominal value may be accepted.) Any financial interests in a Company's supplier or someone seeking to become a supplier must be reported to the Company. The Company's policies in this area go beyond the law of prohibiting kickbacks. It must avoid even the appearance of improper conduct in all our business dealings. The Company has been long committed to minimizing our environmental impact by complying with all the laws and regulations relating to environmental protection in the communities we operate: developing land into residential communities, from planting to milling of the agricultural produce and building essential energy infrastructure. In the communities where we operate, the company works to make a positive and lasting difference in people's lives. The Company does so by building homes for happier families, by producing basic products sustainably for the world, by energizing the country's development and by providing financial support on improving its road networks, rehabilitation of its utility systems, promoting and preserving the cultural beliefs, customs and education of indigenous people and by protecting the environment. The Company's Employee Code of Conduct seeks a behavior that manifests Love for Truth. This includes the practice of such virtues as honesty, concern and loyalty towards our company which should go beyond self-interest. This hopes to instill a true spirit of service with a high sense of responsibility. Employees are re-oriented of Company's procedures and policies and it sponsors retreat and recollection for renewal including attendance to seminar and workshops for improvement of skills and competence as part of Company's employee's health, safety and welfare. The company acknowledges the creditors' rights to transparency or full disclosure of financial and key performance information, compliance to the loan covenants and their rights of possession of the collateral and reorganization and liquidation rights. Their rights shall be protected and shall hold appropriate means of redress for infringement of right. The Corporation shall notify beforehand the creditors concerned for matters that may bring changes in the creditors' priority or may have material influence on the possibility of collecting credit.

j. The Compliance Officer of ABCI coordinates with the Board and management committees in monitoring compliance with the Manual, determine the violations, if any, and recommend penalties for such violations. He/She also helps identify, monitor and control compliance risks.

k. ABCI was recognized as one of the 2-Golden Arrow Awardees in the 2024 Golden Arrow Recognition Night on September 19, 2024 at the Manila Ballroom – Manila Marriott Hotel given by the Institute of Corporate Directors (ICD). This award is an improvement from the results as compared with the previous two years. At this event, 111 publicly-listed companies and 25 insurance companies received the Golden Arrow Awards based on the 2023 ASEAN Corporate Governance Scorecard (ACGS) and Corporate Governance Scorecard (CGS) Assessment Results, respectively.

   ABCI was recognized as one of the 1-Golden Arrow Awardees during the ACGS Golden Arrow Awards Night on January 20, 2023, Friday at Sheraton Manila Hotel. At this event, over 80 companies were recognized as the top Philippine publicly listed companies in corporate governance based on the 2021 ASEAN Corporate Governance Scorecard (ACGS) Assessment Results.

The Company was again recognized as one of the 1-Golden Arrow Awardees during the ACGS Golden Arrow Awards Night on September 28, 2023 at Okada Manila Hotel. The in-person event recognized the top Philippine publicly listed companies and insurance companies in corporate governance based on the 2022 ASEAN Corporate Governance Scorecard (ACGS) and Corporate Governance Scorecard (CGS) Assessment Results, respectively.

The ACGS measures the performance of the companies in the areas of facilitating the rights and the equitable treatment of shareholders, how they relate to their different stakeholders, ensuring transparency and accountability through timely disclosure of material information, and how the board guides the company strategically, monitors the management, and ensures the board's accountability to the company and the shareholders. The scorecard is composed of 184 questions based on publicly available disclosures on the companies' websites. It aims to raise the corporate governance standards and practices of the country and to make well-governed Philippine publicly listed companies attractive to investors.

The Golden Arrow is awarded to companies that achieved a score of at least 80 points in the ACGS Assessment. At this point, the company has exhibited observable conformance with the Philippine Code of Corporate Governance and internationally recommended corporate governance practices as espoused by the ACGS. Five (5) levels of performance in corporate governance will be conferred. Each ascending level is depicted by an increasing number of golden arrows, as follows:

• ACGS score of 80 to 89 points 1-arrow recognition
• ACGS score of 90 to 99 points 2-arrow recognition
• ACGS score of 100 to 109 points 3-arrow recognition
• ACGS score of 110 to 119 points 4-arrow recognition
• ACGS score of 120 to 130 points 5-arrow recognition

There are no known material deviations from the Revised Manual on Corporate Governance by ABCI.

2024 Corporate Social Responsibility

CSR Initiative	Beneficiaries
A Brown Goes Green: Tree Growing Activity	In the third year of the A Brown Goes Green initiative, ABCI employees have planted over 2,100 trees across ABCI's operational sites. Additionally, the initiative extended its efforts to the neighboring community of Barangay Indahag, where 400 more trees were planted through a collaborative effort. In total, 2,500 trees were planted this year, reinforcing ABCI's commitment to environmental sustainability and contributing to a greener community.
Learn First Aid & Basic Life Support with BFP Reg-10	ABCI initiated training for safety-designated employees and other A Brown Group affiliates to ensure safety in the workplace and in their respective households.
Dugong A Brown: Year 14	In the 14th year of Dugong A Brown: A Blood Letting Activity, an accumulated total of 499 bags or 173,450 cc of blood were successfully donated in partnership with the Philippine Red Cross.
Series of Health & Wellness Sessions	With the Initiatives to promote health and wellness session with our HMO-Intellicare in the workplace ABCI give health talks and awareness to employees and ABCI affiliates.
Drug-Free Workplace Seminar - Cagayan de Oro and Tanay, Rizal	The activity benefits various stakeholders the Employees, Employers, the family of the employees that enhance the work place safety, improved employee health and well-being and also a stronger Company reputation.

Work Immersion & OJT Program	Accommodated 80 senior high school students from partnered and neighboring schools, equipping them with practical skills and real-world experience. This initiative aims to support the future leaders of our community, preparing them for successful careers through hands-on training in a professional setting.
Gift Giving to agency workers	ABCI spread the Christmas spirit by showing appreciation to its agency workers through a special gift. Each received 5 kg of rice, a gift pack and a christmas basket. This heartfelt gesture reinforces ABCI's commitment to valuing and recognizing its workforce, especially during the festive season.
Project Angel Tree	A Brown actively supports DOLE's Project Angel Tree, an initiative dedicated to improving the lives of child workers by providing essential support such as food, education, and medical care. This initiative aligns with the United Nations' Sustainable Development Goals (SDGs), particularly No Poverty, Good Health and Well-Being, Quality Education, and Decent Work and Economic Growth. Through this effort, A Brown reaffirms its commitment to social responsibility, empowering communities, and fostering a better future for all.
Basketball League for Agency Workers	A Brown's Corporate Social Responsibility (CSR) initiative through the ABECCo Basketball League offers a unique way for agency workers to engage in healthy competition, build teamwork, and foster a sense of community. By participating in the league, agency workers and security guards have an opportunity to develop both physical and social skills while strengthening bonds with their colleagues. This ongoing event, held every Wednesday and Friday, provides a fun and supportive environment for agency workers to showcase their talents, culminating in the championship game on September 25, 2024.
Water: Sharing a Basic Human Need During Crisis	ABCI through its residential development, Adelaida Meadow Residences which was equipped with its own production well, shared a total of 58.5 cubic meters of water to 60 households of Butuan City particularly the residents of Barangay Bonbon, Bancasi, JP Rizal, Ambago, Holy Redeemer and City Hall. The city was under a state of calamity because of "extreme water shortage" brought about by the long dry spell in May 2024. When you live in a place like Adelaida Meadow Residences where water is in abundance, peace of mind is at its foremost when shortage strikes.

BUSINESS AND GENERAL INFORMATION

Item 1. BUSINESS

On 01 October 1992, the Securities and Exchange Commission (SEC) approved the amended Articles of the Incorporation and By-laws of Bendana, Brown, Pizarro & Associates, Inc. (incorporated on December 21, 1966) which changed the parent Company's name to Epic Holdings Corporation and effected a 5:1 stock split by reducing the par value of shares from ₱5 to ₱1 while increasing the total number of authorized shares from 20,000,000 to 100,000,000.

On 25 June 1993, the SEC approved the plan of merger of Brown Chemical Corporation and Brown Chemical Sales Corporation (absorbed corporations) into Epic Holdings Corporation as the surviving corporation. Subsequently, Epic Holdings Corp. changed its name to A Brown Company, Inc. (its current name) as approved by SEC on 01 July 1993. ABCI was thereafter listed with the Philippine Stock Exchange on February 8, 1994 and became the holding company of the Brown Group of Companies.

On 24 December 1999, the SEC approved the plan of merger of A Brown Company, Inc. ("ABCI") (surviving company) and five of its wholly-owned subsidiaries, namely: A Brown Chemical Corporation, Geoex Farms, Inc., East Pacific Investors Corporation, Terra Asia Pacific Development Manager, Inc and Victorsons Trans Cargo System, Inc. (absorbed corporations).

On 27 June 2002, the Securities and Exchange Commission approved the plan of merger of A Brown Company, Inc. (surviving corporation) and five (5) of its wholly owned subsidiaries (absorbed corporations) namely: Another Brown Co., Inc. (formerly W. Brown Co., Inc.), Geoex Drilling Corp., Northmin Mining and Development Corp., Manresa Golf and Country Club and Norphil Properties, Inc.

<u>Investment in Power Companies</u>

Mid 2006 marked the entry of ABCI in the energy business through its investment in Monte Oro Resources and Energy, Inc. (MORE). ABCI's 11.70% equity interest in MORE was reduced to 7.59% after the non-subscription to the increase in authorized capital stock (ACS).

In October 2014, the Parent Company sold all its 388,694,698 shares in MORE to Apex Mining Company, Inc. (APEX).

In 2010, the Parent Company subscribed 2,850,000 shares and 3,000,000 shares of Palm Thermal Consolidated Holdings Corp. (PTCHC) and Panay Consolidated Land Holdings Corp. (PCLHC) representing 95% and 100% shareholdings, respectively, at par value. On December 8, 2010, Palm Thermal Consolidated Holdings Corp. (PTCHC) acquired 100% of the outstanding capital stock of DMCI Concepcion Power Corporation, the former corporate name of Palm Concepcion Power Corporation (PCPC). PCLHC acquired thirty (30) hectares of land from DMCI Power Corporation ("DPC") with the intention of using it as the site for a coal-fired power plant project. PTCHC is the corporate entity that initiated the ABCI's entry in the power generation business. PCPC is the corporate vehicle that constructed and operated a 1x135MW coal-fired power plant project in Concepcion, Iloilo.

In 2012, Palm Thermal entered into various agreements and deeds which decreased its shareholdings in Palm Concepcion Power Corporation (PCPC) from 100% to 30% and acquired 30% equity stake in Panay Consolidated Land Holdings Corporation (PCLHC) from the previous shares of the Parent Company as of December 31, 2012.

With the divestment of AC Energy Holdings, Inc. (ACEHI) in May 2013, PTCHC acquired ACEHI's 40% interest in PCPC and PCLHC, increasing PTCHC interest in the coal-fired project to 70%. With the entry of new investor, Oriental Knight Limited (OKL) in PCPC and new subscription of the PTCHC and Jin Navitas Resources, Inc. (JNRI) in December 2013, the equity interest resulted to the following: PTCHC (39.54%); JNRI (30%) and OKL (30.46%). PTCHC's interest in PCLHC remained at 70% as of December 31, 2013.

During the third quarter of 2014, the SEC approved the Plan of Merger of PCPC and PCLHC with PCPC as the surviving entity as well as the increase in authorized capital stock (ACS) of PCPC. The merger and the increase in ACS resulted to the 30% equity interest of the Company in PCPC.

On December 2014, PCPC applied for an increase in its authorized capital stock which was approved by SEC on January 6, 2015. Palm Thermal's shareholdings have been reduced from 30% to 20% due to non-subscription on the increase of PCPC's authorized capital stock.

On January 12, 2011, ABCI and Hydro Link Projects Corp. (HLPC) (now renamed to Northmin Renewables Corp. (NRC)) entered into a deed of subscription with an aggregate share of 37,500 common shares which will be taken from the 150,000 increase of the authorized capital stock which represents 93.75% of the outstanding capital. HLPC/NRC amended its articles of incorporation to effect the deed of subscription and subsequently approved by the SEC on July 21, 2011. On December 2011, a deed of assignment was entered into by ABCI and HLPC/NRC's stockholder, assigning the remaining 6.25% of HLPC/NRC shares to ABCI bringing the total subscription to 40,000 shares. On October 2012, ABCI subscribed to the remaining 120,000 unsubscribed share capital of HLPC/NRC.

In February 2013, the company caused the incorporation of Peakpower Energy, Inc. (PEI), the holding company that ventured on projects designed to generate peaking energy in Mindanao using brand new bunker-fired engines. The company is working to develop, construct, and operate diesel power plants in Mindanao through PEI's subsidiaries: Peakpower SOCCSARGEN, Inc. (PSI) and Peakpower San Francisco, Inc. (PSFI).

On July 24, 2014, a new subsidiary, Peakpower Bukidnon Inc. (PBI), was incorporated for a 15-year Build-Operate-Maintain and Transfer agreement with the Bukidnon II Electric Cooperative Inc. (Buseco). PBI and Buseco signed a Power Purchase and Transfer Agreement for 10.4MW Diesel/Bunker-fired power plant to be constructed in Manolo Fortich, Bukidnon. On October 16, 2016, the company sold all its 100% interest in PBI to Peakpower Energy Inc. (PEI) to consolidate its investment in peaking project under one holding company.

	2024			
Equity Pick-up	PCPC	PEI	EWRTC	Total
Net income (loss)	328,724,463	376,285,655	(205,839)	704,804,279
% of ownership	20%	20%	33.33%	
Share in net income (loss)	65,744,893	75,257,131	(68,606)	140,933,418
Other comprehensive income (loss)	(4,722,028)	-	-	(4,722,028)
Share in other comprehensive income (loss)	(944,406)	-	-	(944,406)

Investment in Mining Company

In November 2011, ABCI acquired the 22.87% outstanding equity of PhiGold Limited. It is a holding company incorporated in the Cayman Islands on October 20, 2010 with its principal activity of investing in gold mining assets. It has invested 40% in the total voting rights in PhiGold Metallic Ore Inc. (PMOI), a gold mining company incorporated in the Philippines last January 7, 2008. PMOI is the contractor of its acquired mining property covered by Mineral Production Sharing Agreement 190-2009-XIII (MPSA 190) granted by the Philippine Government. As of December 31, 2020, the company's equity interest was reduced to 18.7% with the entry of new investors.

Amendment to Articles of Incorporation and By-Laws

Reclassification of Unissued Common Shares to Preferred Shares

On April 12, 2021 and June 24, 2021, the BOD and shareholders representing at least 2/3 of the outstanding capital stock, respectively, approved the proposal to amend the Parent Company's AOI to create preferred shares by reclassifying its authorized capital stock from the from the current Three Billion Three Hundred Million Pesos (₱ 3,300,000,000.00) divided into Three Billion Three Hundred Million (3,300,000,000) Common Shares to Three Billion Three Hundred Million Pesos (₱ 3,300,000,000.00) divided into Three Billion Two Hundred Fifty Million Pesos (₱ 3,250,000,000) divided into Three Billion Two Hundred Fifty Million (3,250,000,000) Common Shares and Fifty Million Pesos (₱ 50,000,000) divided into Fifty Million (50,000,000) Preferred Shares. The reclassification of the Unissued Common Shares to create Preferred Shares will provide flexibility for the Group with respect to its prospective capital raising activities. On October 5, 2021, the SEC approved the said amendment to the AOI.

The provision of the amendment of Article VII of the Parent Company's AOI including the description of the different classes of stock of the Corporation and a statement of the designations and powers, preferences and rights, and conversions, limitations, or restrictions thereof, in respect of each class of stock can be gleaned to the link below:

https://abrown.ph/kooroast/2021/10/10_05_2021_Amended-Articles-of-Incorporation-Article-VII-Reclassification-of-Shares.pdf

Others – Change in Principal Office, Change in Number of Directors, Increase in Capital Stock, Extension of Corporate Term

The Board of Directors during their meeting held on November 28, 2011 and by the stockholders of the Parent Company holding at least two-thirds (2/3) of the outstanding capital stock, through written assent on December 27, 2011, amended the Articles of Incorporation, changing the principal office to Xavier Estates Uptown, Airport Road, Balulang, Cagayan de Oro City. The amendment was approved by SEC on December 28, 2011.

On June 13, 2012, the SEC approved the amendment of the Company's By-Laws to amend and define the functions of its Executive Chairman and President, remove the requirement that the Company's vice presidents must be a member of the Board and to impose certain requirements on granting of bonuses to its BOD, officers and employees.

In a Board of Directors meeting held on May 2, 2012 and the annual stockholders meeting on June 1, 2012, the Board of Directors and the shareholders representing 2/3 of the outstanding capital stock approved the following amendments in the Articles of Incorporation:

a. Amendment to paragraph 4: "That the term for which the Corporation is to exist is extended for another fifty (50) years from and after the date of the expiration of the original corporate term on 20 December 2016".

b. Amendment to paragraph 6: "That the number of directors of this Corporation shall be Nine (9)……"

c. Amendment to paragraph 7: "That the amount of the capital stock of this Corporation is One Billion Six Hundred Twenty Million Pesos (₱ 1,620,000,000.00), Philippine Currency, and the said capital stock is divided into One Billion Six Hundred Twenty Million (1,620,000,000) shares with a par value of One Peso (₱ 1.00) each, provided that, stockholders shall have no pre-emptive right to subscribe to unissued shares unless otherwise approved by the Board of Directors".

The SEC approved the said amendments on December 28, 2012.

Pursuant to Section 11 (Corporate Term) of the Revised Corporation Code of the Philippines with effectivity date on February 23, 2019, the law provides in part:

"Corporations with certificates of incorporation issued prior to the effectivity of this Code, and which continue to exist, shall have perpetual existence, unless the corporation, upon a vote of its stockholders representing a majority of its outstanding capital stock, notifies the Commission that it elects to retain its specific corporate term pursuant to its articles of incorporation: Provided, That any change in the corporate term under this section is without prejudice to the appraisal right of dissenting stockholders in accordance with the provisions of this Code."

SEC Memorandum Circular No. 22 Series of 2020 dated August 18, 2020 provides the guidelines on corporate term. The Company has not notified the Commission that it elects to retain its specific corporate term pursuant to its articles of incorporation.

During the annual stockholders' meeting on June 7, 2013, the shareholders approved the amendment of the Corporation's Articles of Incorporation to increase the authorized capital stock from One Billion Six Hundred Twenty Million Pesos (₱ 1,620,000,000.00) and the declaration of 25% stock dividend, equivalent to 346,573,307 common shares which will be issued out of the increase in the Corporation's authorized capital stock. The SEC approved the amendment on August 16, 2013.

In the Board of Directors meeting held on April 4, 2014 and the annual stockholders meeting on May 9, 2014, the Board of Directors and shareholders representing 2/3 of the outstanding capital stock approved the increase in authorized capital stock (ACS) to Three Billion (₱ 3,000,000,000). This proposal to increase ACS to 3 Billion was superseded with the approval of the increase in ACS as approved by the Board on May 19, 2016 and August 8, 2016.

On May 19, 2016, the Board of Directors initially approved the amendment of the Corporation's Articles of Incorporation to increase its authorized capital stock (ACS) from the current Two Billion Pesos (P2,000,000,000.00) divided into Two Billion (2,000,000,000) Common Shares to up to Four Billion Pesos (P4,000,000,000.00) divided into Five Billion (4,000,000,000) Common Shares. On August 8, 2016, the BOD's earlier approved amendment was further amended to increase It was later on amended on August 8, 2016 to increase its authorized capital stock (ACS) from the current Two Billion Pesos (P2,000,000,000.00) divided into Two Billion (2,000,000,000) Common Shares to up to Five Billion Pesos (P5,000,000,000.00) divided into Five Billion (5,000,000,000) Common Shares.

The increase in the Corporation's authorized capital stock, however, will be implemented in two tranches, as follows:

a.) First, an increase by One Billion Three Hundred Million Pesos (P1,300,000,000.00), divided into One Billion Three Hundred Million (1,300,000,000) Common Shares will be immediately implemented, and out of said increase, the Twenty Percent (20%) stock dividend declared on May 19, 2016 will be issued. This was approved by the Securities and Exchange Commission (SEC) on January 11, 2017.

b.) Second, an increase of up to One Billion Seven Hundred Million Pesos (P1,700,000,000.00), divided into One Billion Seven Hundred Million (1,700,000,000) Common Shares, to be issued, together with the remaining authorized but unissued capital stock of the Corporation in a capital raising exercise that may be undertaken by the Corporation subsequent to the issuance and listing of the 20% stock dividend declaration.

The August 8, 2016 BOD's proposed amendments in the Articles of Incorporation were approved by stockholders representing at least 2/3 of the outstanding capital stock during the Annual Stockholders' Meeting on September 28, 2016.

The application on the first tranche of the increase in authorized capital stock was submitted to the Securities and Exchange Commission on December 29, 2016 and subsequently approved the amendment on January 11, 2017, to wit:

> "Amendment to paragraph 7: "That the amount of capital stock of this Corporation is Three Billion Three Hundred Million Pesos (P 3,300,000,000.00), Philippine Currency and the said capital stock is divided into Three Billion Three Hundred Million (3,300,000,000) shares with a par value of One Peso (P1.00) each, provided that, stockholders shall have no preemptive right to subscribe to unissued shares unless otherwise approved by the Board of Directors."

The documents required on the application to the increase in authorized capital stock for the second tranche were not yet submitted to the SEC as of May 9, 2025.

On March 8, 2017 the Parent Company distributed 20% stock dividend totaling 346,572,301 shares, net of fractional shares, of the Parent Company's outstanding shares to the stockholders of record as at February 10, 2017.

On November 28, 2018, the Corporation's Board of Directors approved to amend the Corporation's By-Laws to enshrine the positions of Chairman of the Board of Directors and the Chief Executive Officer shall be held by different persons. Accordingly, Section 3, Article III of the Corporation's By-Laws shall be amended to delete "shall be the chief executive officer" as part of the functions of the Chairman; while the succeeding Section 4 shall likewise be amended to indicate that the President shall be the Chief Executive Officer.

Article and Section Numbers	From	To
Article III, Section 3	*"The Chairman of the Board shall be the chief executive officer of the Corporation and shall have a general control and management of the business affairs of the Corporation. He shall preside xxxx"*	*"The Chairman of the Board of Directors shall preside xxxx"*

Article III, Section 4	*"The President, subject to the control of the Board, shall have general supervision of the business affairs of the Corporation."*	*"The President, subject to the control of the Board, shall be the chief executive officer and shall have general control of the business and affairs of the Corporation."*

The amendment of the Corporation's By-Laws shall no longer require approval by the shareholders since the power to do so was previously delegated to the Board of Directors by the Corporation's shareholders.

The documents required on the application to the amendment of By-Laws were not yet submitted to the SEC as of May 9, 2025.

The Company is not under bankruptcy, receivership or similar proceedings. There is no material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets not in the ordinary course of business during the past three years.

As a holding company, the following are the other businesses and investments (refer also to Note 1 – *Corporate Information* and Note 2 – *Material Accounting Policy Information* - *Basis of Preparation and Basis of Consolidation* of the attached Notes to Consolidated Financial Statement):

A BROWN ENERGY AND RESOURCES DEVELOPMENT, INC. is 100% owned by ABCI

ABERDI (formerly A Brown Energy, Inc. amended on August 27, 2002) was registered with the Securities and Exchange Commission on 21 February 2001 under SEC Registration No. A200102288 and started commercial operations in April 2002. The main purpose is to engage in the business of manufacturing and trading goods such as crude oil and petroleum products on wholesale/retail basis. Its principal place of business is at Malubog, Impasug-ong, Bukidnon. It has 30 employees as of December 31, 2023.

Likewise, on August 2006, ABERDI entered into a Development Contract (DC) with Kapunungan Sa Mga Mag-Uuma sa Kaanibungan (KASAMAKA) now Kaanibungan Farmers Association (KAFA) at the Barangay Kalabugao, Municipality of Impasugong, Bukidnon concerning the development of Oil Palm Commercial Plantation.

The Peoples Organization (PO) has been granted Community Based Forest Management Agreement (CBFMA) No. 55093, by the Department of Environment and Natural Resources (DENR) on December 22, 2000, covering an area of 2,510.80 hectares of forest lands located at Sitio Kaanibungan, Barangay Kalabugao, Impasugong, Bukidnon. Under the said CBFMA No. 55093, the PO is mandated to develop, manage, and protect the allocated Community Forest Project Area. Article II, Sec. 2 (vii) of DENR Administrative Order (DAO) No. 96-29 dated October 10, 1966, otherwise known as the CBFM Implementing Rules and Regulations, the PO is allowed to "enter into agreements or contracts with private or government entities for the development of the whole or portion of the CBFM area; provided that the development is consistent with the approved Community Resource Management Framework (CRMF) Plan of the CBFM area. The PO is desirous in engaging the participation of ABERDI Inc. for the development of the said area into an Oil Palm commercial plantation.

The project's objective is to establish approximately 894 hectares into a commercial palm plantation. ABERDI (the Developer) may intercrop suitable agricultural crops in the plantation and raise livestock, the harvest and produce of which shall belong to the Developer. The responsibilities of KASAMAKA now KAFA in regard to the project are: 1) to provide the land area of 894 hectares within the CBFMA area 2) to provide manpower needs of the Developer in all developmental activities such as land preparation, planting, weeding, fertilization, harvesting, maintenance and others 3) To secure all the required documents pertinent to this agreement from concerned agencies. On the other hand, ABERDI will provide the technical and financial resources to develop the 894 hectares into Palm Oil Plantation. The rights and responsibilities of the Development Contract were transferred to Nakeen Corporation starting year 2006.

The status of the other development contracts between ABERDI and other Peoples' Organization are as follows:

- Kalabugao Ulayanon Farmer's Association (KUFA) Kalabugao, Impasugong, Bukidnon –DENR survey of plantation perimeter map done. The issue on the Free Prior Informed Consent (FPIC)-Certification Precondition (CP) with the National Commission on Indigenous Peoples (NCIP) is yet to be resolved. The Environmental Compliance Certificate (ECC) has been issued by DENR-Environment Management Bureau in 2007.

- Kapunungan sa mga Mag-uuma sa Barangay Tingalan (KMBT) in Tingalan, Opol, Bukidnon – The CP-FPIC has been approved and issued by the NCIP in 2013 that covers two other big tribal groups – the Dulanga Unified Tribal Council and the Unified Higaonon Tribal Council of Bagocboc. However, the issuance of the ECC was still pending in the EMB- DENR.
- Kapunungan sa mga Mag-uuma sa Barangay Tignapoloan (KMBT) – CBFM application submitted to DENR. Tribal resolution supporting CBFM application is done. CP-FPIC application on process with NCIP as well as the ECC.

The Company has paid advance rental of ₱ 6 million for 20 years up to 2026. On 26 March 2007, the Board of Directors passed and approved the transfer of its oil palm nursery and plantation operations to its subsidiary Nakeen Corporation (NC) effective 1 March 2007 to facilitate efficiency and profitability. Likewise, ABERDI is into palm oil milling operations. Its mini mill constructed in 2006 is located in Impasug-ong, Bukidnon. The refinery with fractionation machine has a capacity to generate RBDO at 50 MT/day if operating at full capacity. Since March 2023, ABERDI has leased out its milling plant to a third party.

Fresh Fruit Bunches (FFB) processed for year 2023 was 223 MT. A total of 38 MT of Crude Palm Oil (CPO) was recovered at an oil extraction rate (OER) of 17.08% in 2023. The Refined Bleached Deodorized Oil (RBDO) produced this year was processed further into Palm Olein. Thus, there were no RBDO sales in 2023.

On March 6, 2012, the BOD of ABERDI and NC approved and authorized the application of merger of the two subsidiaries. Before the SEC approved the Articles and Plan of Merger, the BOD and the stockholders of both companies approved and ratified the subscription of ABERDI to the 750,000 unsubscribed shares of Nakeen Corp. at P1.00 per share with 50M as additional paid-in capital. The BOD and shareholders of the company also approved the filing with Securities and Exchange Commission (SEC) the amended Articles and Plan of Merger reflecting the new capital structure of the Nakeen Corp. and specifying the effectivity date of the revised merger to be the first day of the subsequent month following the SEC approval.

On February 19, 2013, the BOD of Nakeen approved the filing of the amended Articles and Plan of Merger using the 2012 audited Financial Statements. The amended articles and plan was filed with the SEC on July 24, 2013 to amend certain provision on the articles and plan of merger as follows:

1. Issuance of the Company's shares to Nakeen's shareholders in exchange of the net assets of the latter as result of the merger.
2. Specify the effectivity date of the merger which will be the first day of the month succeeding the month of approval of the merger by the SEC.

On February 11, 2015, SEC denied the petition to amend plan of merger. The Company and Nakeen's management filed a request for reconsideration to approve the petition. On August 2, 2022, the motion for reconsideration has been denied before the SEC. ABERDI and Nakeen Corporation shall continue to operate as a separate entity based on its primary purpose of existence.

The Company entered into a lease agreement with Nakeen Corporation for the plantation area inclusive of the standing crops, properties and equipment effective January 1, 2013 which expired on December 31, 2013 with an option to pre-terminate the lease agreement as agreed by both parties. Also provided in the lease agreement, from October 1, 2012 up to December 31, 2012, the Company shall be given access to enter Nakeen's premises for the set-up, construction and preparation for its intended use of the plantation area. The lease was extended up to April 1, 2020. The lease contract with NAKEEN was renewed and expired on April 1, 2022. The same was renewed and extended for another three (3) years which will expire on April 1, 2025. The lease agreement will be extended for another three (3) years which will expire on April 1, 2028.

SURIGAO GREENS AGRI CORP. (SGAC) is 100% owned by ABCI

Surigao Greens Agri Corp. was incorporated on February 11, 2023, with SEC Registration No. 2023020085735-42. ABCI has subscribed one hundred percent (100%) of SGAC's outstanding capital stock at incorporation. SGAC's primary purpose is to engage in the business of processing, milling and refining palm oil to manufacture crude palm oil, Refined Beached Deodorized Palm Oil, Palm Olein, and other products and to distribute such products on a wholesale or retail basis, provided that the Corporation shall not solicit accept or take investments/placements from the public and neither shall it issue investment contracts. Its principal place of business is in Barobo, Surigao del Sur.

Surigao Greens Agri Corp. (SGAC) has executed an Asset Purchase Agreement consisting of several parcels of land with total land area of Seventy Thousand (70,000) square meters and a Palm Oil Milling Plant located in Tambis, Barobo, Surigao del Sur. The Palm Oil Milling Plant consists of a factory building and machineries with a rated capacity of 10 metric tons (MT) per hour.

The purchase of the Palm Oil Milling Plant in Surigao del Sur will allow access to an existing and operational and cost-efficient crude palm oil milling plant that is able to source palm oil fresh fruit bunches from nearby plantation farms in the region (Surigao and Agusan).

The acquisition will also provide operational and supply chain synergies with existing palm oil milling and refinery facilities in Impasug-ong, Bukidnon that are currently operated by A Brown Energy and Resources Development Inc. (ABERDI), another A Brown subsidiary. Operational and cost-cutting synergies within the group can be realized by having access to more palm oil fresh fruit bunches from nearby plantations, reduced logistics and transport costs, and being better positioned to pursue further growth opportunities in the Group's palm oil business.

SIMPLE HOMES DEVELOPMENT INC. is 100% owned by ABCI

Andesite Corporation was originally registered as Andesite Holdings Corporation, it was incorporated in 1997 under SEC Registration No. A199703502. Its registered office address is at Cagayan de Oro City. Its primary purpose prior to the new amendment application is to engage in the business of agriculture.

ABCI bought Andesite Corporation from A Brown Energy Resources and Development Inc. (ABERDI) to undertake its socialized housing projects in December 2014.

On March 13, 2015, an application to amend its Articles of incorporation was filed to the Securities and Exchange Commission (SEC) to amend its corporate name to **Simple Homes Development, Inc**. (SHDI) and its primary purpose to invest in, purchase or otherwise acquire and own, hold sell, assign, transfer, mortgage, pledge, exchange, or otherwise dispose of real and personal property of every kind and description, including shares of stocks, bonds, debentures, notes, evidences of indebtedness, and other securities or obligations of any other corporation or association, domestic or foreign, for whatever legal purpose or purposes the same may have been organized without being a stock broker or dealer, and to pay therefore in money or by exchanging therefore stocks, bonds, or other evidences of indebtedness or securities of this or any other corporation and while the owner or holder of any such real or personal property, stocks, bonds, debentures, contracts or obligations, to receive, collect and dispose of the interest, dividends, and income arising from such property and to possess and exercise in respect thereof all the rights, powers, and privileges of ownership, provided the corporation shall not exercise the functions of a trust corporation. This was approved by SEC on April 10, 2015.

PHIVIDEC Industrial Authority (PIA) has awarded to the Corporation's subsidiary, Simple Homes Development, Inc. (SHDI), a twenty-five (25)-year land lease, renewable for another 25 years, and with option to purchase, over a 400-hectare land in Misamis Oriental subject to conditions to be approved by both parties. SHDI plans to partner with Huili Investment Fund Philippines to develop the property leased from PIA into a steel mill complex.

As of May 9, 2025, SHDI has not yet started its commercial operations.

NAKEEN CORPORATION is 100% owned by ABERDI

Nakeen Corporation (the "Company") was incorporated on February 26, 1997 under SEC Registration No. A199703509. Its primary purpose, as amended, is to engage in the business of agriculture in all aspects, including but not limited to, the operation of fishponds and fish pens, the raising of cattle, both large and small, the raising of hogs and chicken and any and all other activities related to or incidental to the foregoing markets. The Company is also engaged in selling palm seedlings and bunch.

The Company's registered office address and principal place of business is Lonucan, Manolo Fortich, Bukidnon. Its commercial operations started on March 1, 2007 in line with the approval of the Board of Directors of ABERDI (parent company) to transfer the oil palm nursery and plantation operations.

On August 30, 2012, the Philippine Securities and Exchange Commission (SEC) approved the Company and ABERDI's Articles and Plan of Merger which was approved by their Board of Directors (BOD), in their meeting on March 6, 2012.

However, on July 31, 2012, before the SEC approved the Company's Articles and Plan of Merger which was filed on July 12, 2012, the BOD and the Stockholders of the Company approved and ratified the subscription by ABERDI to the 750,000 unsubscribed shares of the Company at ₱1 per share with ₱50 million as Additional paid-in capital. The BOD and the Stockholders of the Company also approved the filing with SEC of the amended Articles and Plan of Merger reflecting the new capital structure of the Company and specifying the effectivity date of the revised merger to be the first day of the subsequent month following the SEC approval.

On February 19, 2013, the BOD of Nakeen approved the filing of the amended Articles and Plan of Merger using the 2012 audited financial statements. The amended articles and plan was filed to the SEC on July 24, 2013 to amend certain provision on the Articles and Plan of Merger. On February 11, 2015, SEC denied the petition to amend the plan of merger. The Company filed for a request for reconsideration to approve the petition. On August 2, 2022, the motion for reconsideration has been denied before the SEC. Nakeen Corporation and ABERDI shall continue to operate as a separate entity based on its primary purpose of existence.
ABERDI entered into a lease agreement with the Company for the plantation area inclusive of the standing crops, properties and equipment effective January 1, 2013 with the option to pre-terminate the lease agreement as agreed by both parties. Also, as provided in the lease agreement, that from October 1, 2012 up to December 31, 2012, ABERDI shall be given access to enter the Company's premises for the set-up, construction and preparation for its intended use of the plantation area. The lease was extended up to April 1, 2020. The lease contract with ABERDI was renewed and expired on April 1, 2022. The same was renewed and extended for another three (3) years which will expire on April 1, 2025. The lease agreement will be extended for another three (3) years which will expire on April 1, 2028.

Kalabugao and Impasug-ong plantation and/or nursery are all located in Bukidnon, while Opol and Tignapoloan are located in Misamis Oriental.

BONSAI AGRI CORPORATION is 100% owned by ABERDI

The Company is wholly owned subsidiary of ABERDI. It was incorporated on February 26, 1997 under SEC Registration No. A199703510. The primary purpose of the Company as amended, is to engage in the business of agriculture in all aspect, including but not limited to, the operation of fishponds and fish pens, the raising of cattle, both large and small, the raising of hogs and chicken and any and all other activities related to or incidental to the foregoing, and to market, sell, or otherwise dispose of any and all produce and products in both local and foreign markets. The Company has not started its commercial operations as of April 8, 2024. Its principal place of business is in Manolo Fortich, Bukidnon.

MASINLOC CONSOLIDATED POWER, INC. (MCPI) 49% owned by ABCI

MCPI was registered with the Securities and Exchange Commission on 4 July 2007 with SEC Registration No. CS200710562. Its primary purpose is to engage in, conduct and carry on the business of construction, planning, purchasing, management and operation of power plants and the purchase, generation, production, supply and sale of electricity, to enter into all kinds of contracts for the accomplishment of the aforementioned purpose. Its address is at Unit 103-B Cedar Mansion 1 Saint Jose Maria Escriva Drive, Ortigas Center, Brgy San Antonio, Pasig City**.**

On March 22, 2023, Masinloc Consolidated Power, Inc. (MCPI) has secured the approval of the Securities and Exchange Commission (SEC) on the shortening of its corporate term from fifty (50) years from and after the date of incorporation to seventeen years (17) years from and after the date of issuance of the Certificate of Incorporation, or on 3 July 2024.

ABC Energy Inc. (ABCEI) – formerly PALM THERMAL CONSOLIDATED HOLDINGS CORP. (PTCHC) is 100% owned by ABCI

Palm Thermal Consolidated Holdings Corp. (PTCHC) was registered with the Securities and Exchange Commission on 22 November 2010 with SEC Registration No. CS201018744. Its current address is at Unit 103-B Cedar Mansion 1 Saint Jose Maria Escriva Drive, Ortigas Center, Brgy San Antonio, Pasig City. Its primary purpose is to purchase, acquire, own, hold, lease, sell and convey properties of every kind and description, including lands, buildings, factories and warehouses and machinery, equipment, the goodwill, shares of stock, equity, rights, and property of any person, firm, association, or corporation and other personal properties as may be necessary or incidental to the conduct of the corporate business, and to pay in cash, shares of its capital stock, debentures and other evidences of indebtedness, or other securities, as may be deemed expedient, for any business or property acquired by the corporation.

Palm Thermal is the corporate vehicle for ABCI’s entry in the power generation business. After the acquisition of PCPC by PTCHC, it entered into various agreements with other investors. PCPC and PCLHC had merged with PCPC as the surviving entity.

On January 6, 2015, the SEC approved PCPC’s application of the increase in authorized capital stock to 6,000,000,000 shares divided into 1,500,000,000 common shares and 4,500,000,000 redeemable preferred shares both with a par value of P1.00 per share which reduced PTCHC equity interest in PCPC to 20%.

On August 29, 2024, PTCHC approved the following amendments to its Articles of Incorporation (AOI):
1. FIRST ARTICLE changing the name of the Corporation to "ABC Energy Inc."
2. SECOND ARTICLE changing the primary purpose of the Corporation to:
“To engage in the business of a holding company to hold shares for energy-related investments, whether common, preferred, treasury, founders or other kinds of shares, and to pay for such shares, in whole or in part, in cash or by exchanging therefor, stocks, or securities of this or any other corporation, and while the owner or holder of any such shares, to receive and dispose of the dividends and to exercise all the rights, powers and privileges of ownership, including voting any stock so owned, without however engaging in dealership in securities or in stock brokerage business, to the extent permitted by law, to aid, either by loans or by guaranty of securities or in any other manner, any corporation, any share of stock, or any evidence of indebtedness or other security whereof are held by this corporation, and to do any act designed to protect, preserve, improve or enhance the value of any property at any time held or controlled by this corporation, Provided that the corporation shall not solicit, accept or take investments/placements from the public neither shall it issue investment contracts.”
3. THIRD ARTICLE changing the principal office of the Corporation to "Unit 1001 Exquadra Tower, 1 Jade Drive, Ortigas Center, Pasig City, Metro Manila."

The corporate name change to ABC Energy Inc. will improve the company's image as an energy holding entity, aligning with its future role in owning and managing energy-related investments within the A Brown Group. The Board of Directors of ABCI likewise authorized the conversion of ABCI's Deposit For Future Subscription in PTCHC amounting to Php750.0 Million to form part of Additional Paid-In Capital (APIC).

On January 23, 2025, the Securities and Exchange Commission approved the amendments to its Articles of Incorporation (AOI).

MANOLO FORTICH POWER CORPORATION (MFPC) is 100% owned by ABCEI

Manolo Fortich Power Corporation (MFPC) was registered with the Securities and Exchange Commission on 17 March 2025 with SEC Registration No. 2025030193699-12. Its primary purpose is to acquire, scheme, develop, construct, invest in, and operate power generating plants, including solar power plants, and engage in the business of a Generation Company, and to develop, assemble and operate other power related facilities, appliances and devices, and develop and operate conventional and renewable energy resources, sell electricity and carbon credits, act as a wholesale and retail electricity supplier and aggregator, operate and maintain power plants, securing any needed licenses."

PALM CONCEPCION POWER CORPORATION (PCPC) is 20% owned by PTCHC

Palm Concepcion Power Corporation (formerly DMCI Concepcion Power Corporation) (PCPC) was registered with the Securities and Exchange Commission on 08 November 2007 with SEC Registration No. CS200718932. Its primary purpose is to acquire, design, construct, invest in, and operate power generating plants in the Municipality of Concepcion, Province of Iloilo and engage in the business of a Generation Company in accordance with Republic Act No. 9136 otherwise known as the Electric Power Industry Reform Act of 2001 (the "EPIRA"); and its implementing rules and regulations; and to design, develop assemble and operate other power related facilities, appliances and devices. Its principal place of business is at Sitio Puntales, Brgy. Nipa, Concepcion, Iloilo, Philippines (as amended on 07 January 2011 by the Board of Directors and approved by the SEC on 09 March 2011).

PCPC is the project company for the 2 x 135-megawatt coal-fired power plant in Concepcion, Iloilo. The power plant project is a base load plant that uses Circulating Fluidized Bed Combustion (CFBC) technology that is highly efficient and low-pollution. The first 135MW unit was designed to address the power supply requirements of the Visayas grid and provide a steady flow of power to the growing businesses and economic development in the islands of Panay, Negros, Cebu and even Leyte.

In July 2013, the lending banks signed the term loan financing totaling to Php 10B to partially finance the Engineering, Procurement and Construction (EPC) and finance costs of the project. These were China Banking Corporation (Php 3.5B); Asian United Bank (Php 2.5B) and BDO Unibank, Inc. (Php 4B). BDO Capital & Investment Corporation acted as the Lead Arranger and Sole Bookrunner for the term loan facilities.

PCPC started construction of the first 135MW in 2013 and was able to complete the project after 37 months and 22 days. Its commercial operations commenced on August 16, 2016. Ten (10) electric cooperatives have signed up offtake agreements with PCPC's first 135MW unit for their base load power capacity requirements.

The new Environmental Compliance Certificate (ECC-OC-1911-0033) was released by the Environmental Management Bureau of Department of Environment and Natural Resources (DENR) on October 8, 2020 which now covers both Units 1 and 2 of the 2 x 135-MW CFBC Coal-Fired Power Plant Project of PCPC.

PCPC has taken steps to synergize both traditional and renewable technologies to reduce our carbon footprint through the PCPC Solar Project, which was inaugurated and launched in August 2023.

The 5.5MWp PCPC Solar Farm is now nearing completion of its energization process and is expected to be commissioned in May 2024.

NORTHMIN RENEWABLES CORP. (NRC) - formerly HYDRO LINK PROJECTS CORP. (HLPC) is 100% owned by ABCI

Northmin Renewables Corp. (NRC), formerly Hydro Link Projects Corp. (HLPC) was registered with the Securities and Exchange Commission on 6 May 2010 with SEC Registration No. CS201006733.

NRC is focused on renewable energy projects in Northern Mindanao. NRC is currently managing two greenfield wind energy projects. On November 28, 2023, Northmin secured Wind Energy Service Contracts for the Bukidnon Wind Power Project and the Misor Wind Power Project.

The Bukidnon Wind Power Project is located in Malaybalay City, Cabanglasan and San Fernando, Bukidnon which is covered by Wind Energy Service Contract No. 2023-10-333.

The Misor Wind Power Project is located in Balingoan, Claveria, Salay, Sugbongcogon, Kinoguitan, Talisayan, and Medina, Misamis Oriental which is covered by Wind Energy Service Contract No. 2023-10-335. NRC is appointed by the Department of Energy as having the exclusive right to explore, develop, and utilize the Wind Energy Resources within the applied contract areas.

NRC is currently undertaking pre-development activities for both projects in line with the approved DOE work program. Preliminary wind assessments have been completed. The wind measurement campaign using Lidar for the Misor Project began in the 4th quarter of 2024, while the campaign using Met Mast is scheduled to start in the 2nd quarter of 2025.

NRC has not started commercial operations as of May 9, 2025.

PEAKPOWER ENERGY, INC. (PEI) is 20% owned by ABCI

Peakpower Energy, Inc. (PEI) was registered with the Securities and Exchange Commission on 19 February 2013 with SEC Registration No. CS201303004. Its primary purpose is to purchase, acquire, own and hold, shares of stock, equity, rights and property of energy companies and to others and to provide management services and/or shared services to its subsidiaries and affiliates or to third parties engaged in the energy business. Its principal place of business is at 3/F Joy-Nostalg Center, # 17 ADB Ave., Ortigas Center, Pasig City.

PEI was formed in 2013 to construct diesel/bunker-fired power plant projects designed to generate peaking energy in various A+/Green-rated electric cooperatives in Mindanao. These projects are Build-Operate-Maintain and Transfer (BOMT) agreements for brand new engines, which will last for 15 years through its subsidiaries as operating units: Peakpower Soccsargen, Inc., Peakpower San Francisco, Inc. and Peakpower Bukidnon, Inc.

PEAKPOWER SOCCSARGEN, INC. (PSI) is 100% owned by PEI

Peakpower SOCCSARGEN Inc. (PSI) was registered with the Securities and Exchange Commission on 18 February 2013 with SEC Registration No. CS201302468. Its primary purpose is to acquire, design, develop, invest in, and operate power generating plants in the General Santos City and engage in the business of a generation company in accordance with Republic Act No. 9136 otherwise known as the Electric Power Industry Reform Act of 2001 (EPIRA) and its implementing rules and regulations, develop and operate conventional and renewable energy resources, sell electricity and carbon credits, act as a wholesale and retail electricity supplier and aggregator and maintain power plants, among others.

PSI is a 34.8MW diesel/bunker-fired power plant located in General Santos City. It has a 15-year BOMT agreement with the South Cotabato II Electric Cooperative Inc. (SOCOTECO II).

The Energy Regulatory Commission (ERC) issued the Certificate of Compliance (COC) for PSI's first 20.9MW (3 units of 6.97MW) capacity last December 1, 2014. Commercial operations started on January 27, 2015.

The 13.9MW (2 units of 6.97MW) Power Plant expansion declared commercial operations last September 12, 2017. ERC granted the COC of the expansion on February 20, 2018.

SOCOTECO II is the largest distribution utility in Mindanao and its franchise area includes General Santos City, the municipalities of Glan, Malapatan, Alabel, Malungon, Kiamba, Maasim and Maitum in Saranggani and the municipalities of Polomolok and Tupi in South Cotabato.

PEAKPOWER SAN FRANCISCO, INC. (PSFI) is 100% owned by PEI

Peakpower San Francisco, Inc. (PSFI) was registered with the Securities and Exchange Commission on 22 May 2013 with SEC Registration No. CS201309160. Its primary purpose is to acquire, design, develop, invest in, and operate power generating plants in the Agusan del Sur and engage in the business of a generation company in accordance with Republic Act No. 9136 otherwise known as the Electric Power Industry Reform Act of 2001 (EPIRA) and its implementing rules and regulations, develop and operate conventional and renewable energy resources, sell electricity and carbon credits, act as a wholesale and retail electricity supplier and aggregator and maintain power plants, among others.

Peakpower San Francisco Inc. (PSFI) is a 10.4MW diesel/bunker-fired power plant with business address located in San Francisco, Agusan del Sur. It has a 15-year BOMT agreement with the Agusan del Sur Electric Cooperative Inc. (ASELCO).

ERC issued the Certificate of Compliance (COC) for the first 5.2MW capacity on March 23, 2015. Another COC was issued for the increased 10.4MW capacity on February 18, 2020. Commercial operations started on January 26, 2018.

ASELCO's franchise area includes the municipalities of San Francisco, Prosperidad, Rosario, Trento, Bunawan, Veruela, Sta. Josefa, Loreto, Sibagat, Esperanza, Talacogon, La Paz, San Luis and Bayugan City.

PEAKPOWER BUKIDNON, INC. (PBI) - 100% owned by PEI

Peakpower Bukidnon Inc. (PBI) was registered with the Securities and Exchange Commission (SEC) on July 24, 2014 with SEC Registration No. CS201414293 primarily to acquire, develop, construct, invest in and operate power generating plants in Bukidnon and engage in the business of a generation company in accordance with Republic Act No. (RA) 9136 otherwise known as the Electric Power Industry Reform Act of 2001 (the "EPIRA") and its implementing rules and regulations , and to develop, assemble and operate other power related facilities, appliances, and devices, and develop and operate conventional and renewable energy resources, sell electricity and carbon credits, act as a wholesale and retail electricity supplier and aggregator, operate and maintain power plants, securing any needed licenses to engage in such business activities and purchasing or otherwise acquiring, for the purpose of holding or disposing of the same, shares of stock, equity, rights, and property of any person, firm, association, or corporation engaged in industries or activities related to energy development, paying for the same in cash, shares of stocks, or bonds of this corporation.

PBI is a 10.4MW diesel/bunker-fired power plant with business address located in Barangay Alae, Manolo Fortich, Bukidnon. It has a 15-year BOMT agreement with the Bukidnon Second Electric Cooperative Inc. (BUSECO).

ERC issued a Certificate of Compliance for the 10.4MW on December 19, 2018 which was extended until November 20, 2024. PBI commenced commercial operation on March 26, 2018.

BUSECO's franchise area includes the municipalities of Libona, Manolo Fortich, Sumilao, Baungon, Malitbog, Talakag, Impasug-ong, Malaybalay, Lantapan and Cabanglasan, all in the Province of Bukidnon.

AB BULK WATER COMPANY, INC. (ABWCI) is 100% owned by ABCI

AB Bulk Water Company, Inc. (ABWCI) was incorporated on March 31, 2015 with SEC Registration No. CS201506364 to engage in the business of holding and providing rights to water, to public utilities and cooperatives or in water distribution or to engage in business activities related to water development.

ABWCI's initial project scheme focused on sourcing water from the Lumayagan River to serve the Municipality of Opol and adjacent growth areas, including Cagayan de Oro, El Salvador, Alubijid, Laguindingan, and Gitagum, with a projected capacity of 40 million liters per day (MLD). The technical viability of the Lumayagan project was confirmed through the completion of the detailed engineering design phase. The company secured a Water Permit from the National Water Resources Board (NWRB) and an Environmental Compliance Certificate (ECC) from the Department of Environment and Natural Resources (DENR). A Watershed Management Study was also completed in coordination with local government units and stakeholders.

In parallel, ABWCI has also pursued the New CDO Bulk Water Project, which is considered more viable in terms of scalability and alignment with current and future demand. The project is located in Barangay Bayanga, Cagayan de Oro City, drawing from the Cagayan de Oro River, and is designed to be phased up to 200 MLD. This bulk water facility is envisioned to support the rapidly developing Uptown CDO area as well as the broader Cagayan de Oro City market.

The project is currently undergoing pre-development, with detailed engineering design targeted for completion by 2025. Planned infrastructure includes a water intake system, treatment plant, and transmission pipelines. ABWCI is actively exploring bulk water supply partnerships with subdivisions, cooperatives, distribution companies and utilities such as the Cagayan de Oro Water District (COWD) to secure long-term distribution and access agreements.

BLAZE CAPITAL LIMITED – 100% owned by ABCI

Blaze Capital Limited is a British Virgin Islands company, incorporated and registered on August 8, 2011. It was acquired by ABCI on May 22, 2017. Blaze Capital limited has a 33.33% ownership in East West Rail Transit Corporation (EWRTC) which is part of a consortium for the East-West Railway Project (EWRP).

The East-West Rail Project is a proposed 9.67-km railway line starting at Lerma St. in Sampaloc, Manila and terminating at University Ave. in Diliman, Quezon City. The proposed line will serve the Espana Blvd.-Quezon Ave. corridor located in the City of Manila and Quezon City.

The Consortium, composed of EWRTC and Alloy MTD Group (represented by MTD Philippines Inc.), submitted an unsolicited proposal to the Philippine National Railways to finance, build and then operate and maintain the East West Rail Project. The PNR granted the Original Proponent Status to the Consortium and remains in good standing.

An updated Feasibility Study was commissioned and completed in 2024 incorporating the impacts of completed, on-going and planned infrastructure projects that will affect the project.

The Consortium is currently working on updating the proposal to align with the changes in the revised 2022 Implementing Rules and Regulations of the BOT Law. The proposal will present an updated technical proposal, ridership post-pandemic era, project cost, and other pertinent changes as will be presented to the current PNR Board and subsequently for PNR endorsement to NEDA Board.

VIRES ENERGY CORPORATION (VEC) – 100% owned by ABCI

ABCI acquired 99.995% of the outstanding capital of Vires Energy Corporation (“VEC”) from Argo Group Pte. Ltd. of Singapore in June 2020. It was incorporated on March 11, 2015 with SEC Registration No. CS201504660. In March 2023, ABCI completed its 100% ownership by acquiring the remaining 0.005% of shares.

VEC is the proponent of a 2 x 450 MW onshore LNG Combined Cycle Power Plant, to be located in Barangay Simlong, Batangas City. This proposed power generation facility will operate under a Third-Party Access (TPA) model, sourcing natural gas through long-term supply agreements from existing LNG terminals and available indigenous gas sources.

Originally, the project was envisioned as an Integrated Floating LNG Storage and Regasification Terminal paired with a 500 MW Floating Power Plant (FPP). However, market developments, including the completion of two operational LNG terminals in Batangas and the availability of domestic gas supply, prompted a reconfiguration of the project. On August 30, 2024, VEC formally notified the Department of Energy (DOE) of its decision to discontinue the floating LNG terminal and withdrew its Notice to Proceed (NTP).

VEC is currently assessing the most effective options for connecting to existing gas pipeline infrastructure to ensure secure access to third-party gas supply. The project is in the pre-development stage, with ongoing evaluations related to permitting, engineering design, grid interconnection, and other commercial arrangements.

IRRADIATION SOLUTIONS INC. (ISI) – 100% owned by ABCI

In January 2021, the Securities and Exchange Commission (SEC) approved the incorporation of the ABCI’s new subsidiary, Irradiation Solutions, Inc. (ISI) with SEC Registration No. 2021010004587-27. ISI owns and operates the Tanay E-Beam and Cold Storage Facility, the first commercial electron beam (E-Beam) facility in the Philippines offering contract sterilization services across multiple industries.

The facility can provide sterilization services for medical products such as masks, dressings, syringes, and surgical staplers, as well as other single-use medical devices. In addition, it offers commercial sterilization services for agricultural and fishery products, enhancing the quality and export potential of local fruits, seafood, and other food items. The E-Beam technology, used in over 60 countries, is considers the most cost-effective among commercial sterilization methods and leaves no residue after treatment. It also allows for sterilization in final packaging.

The Board of Investments (BOI) has granted approval for the project as Pioneering status under the Republic Act No. 11534 or the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act. All necessary approvals and permitting required for the operations have either secured or applied/waiting for its release.

The commercial operations date of the facility started August 02, 2024. On-going activities include product qualification and testing of product samples; activities that are crucial prior to routine processing of each product. Likewise, the facility started accepting product for routine processing by 4th quarter of 2024. The facility currently services products in the herbals and spices industries.

ISI has announced a strategic investment of ₱12.5 million in Accudata Analytical Labs Corporation (Accudata), acquiring a 35% equity stake. This partnership aims to enhance ISI E-Beam’s microbiological testing capabilities and expand its integrated service offerings to clients across the food, pharmaceutical, and medical sectors. Based in Calamba, Laguna, Accudata is a specialized diagnostics and product safety laboratory offering microbial testing and regulatory compliance services. The lab supports multiple industries by detecting pathogens, spoilage organisms, and mycotoxins in food and feed products, while also performing microbial analysis on raw materials, water, and industrial inputs. In addition, Accudata plans to offer future services including sterility, bioburden, pathogen, and antimicrobial resistance testing for food, medical devices, and pharmaceutical products. Accudata is recognized for offering the fastest African Swine Fever (ASF) diagnostics in the market using RT-PCR and ELISA, with a 24-hour turnaround time. This collaboration enables ISI E-Beam to offer a fully integrated service model, combining its electron beam (E-Beam) sterilization services with advanced laboratory diagnostics. Clients will benefit from a streamlined process for safety assurance, faster turnaround times, enhanced regulatory support, and the convenience of working with a single provider for both sterilization and lab verification. The investment will support the expansion of Accudata’s laboratory infrastructure, equipment upgrades, and additional services, including advanced sterility, bioburden, pathogen, and antimicrobial resistance testing. These enhancements reinforce Accudata’s position as a trusted partner for quality assurance and diagnostics in the Philippines.

PHIGOLD LTD. (PhiGold) - 18.70%

PhiGold Limited, a company incorporated in the Cayman Islands on October 20, 2010, is the holding company of the Group comprising PhiGold Plc (100%) and its wholly owned subsidiary PhiGold Mining Limited, both incorporated in England and Wales. The two subsidiaries, however, are currently inactive. PhiGold with its principal activity of investing in gold mining assets has invested 40% in the total voting rights in PhiGold Metallic Ore Inc. (PMOI), a gold mining company incorporated in the Philippines last January 7, 2008. Upon the sale of PMOI shares from PhiGold Mining Limited to PhiGold Limited in March 2011, PMOI is already a direct subsidiary of PhiGold Limited.

PMOI is the contractor of its acquired mining property covered by Mineral Production Sharing Agreement 190-2009-XIII (MPSA 190) granted by the Philippine Government through the Mines and Geosciences Bureau (MGB) under the Department of Environment and Natural Resources (DENR). It has a term of 25 years and is renewable for another term of 25 years. MPSA 190, which has gold and other mineral deposits, is situated in Barobo, Surigao del Sur and has an area of 449.49 hectares. Its exploration period is two (2) years initially and renewable every two years but not to exceed eight (8) years in total. On August 24, 2011, all documentary requirements submitted to MGB Regional Office in Surigao have been forwarded to MGB Central Office in Manila. These documents are required in the conversion of MPSA from Exploration status into Development and Production. On October 11, 2011, the provincial board of Surigao del Sur has resolved to approved and endorsed the mining operations of PMOI. The provincial board resolution has also been submitted to MGB.

With the promising prospect in mining industry due to the increasing gold prices in the world market, A Brown Company's Board of Directors approved on November 29, 2011 the acquisition of 29,376,039 of PhiGold Limited shares representing 22.87% of its outstanding equity. With the entry of the new investor in Phigold, ABCI’s equity interest reduced to 18.7%.

Southern Electric Transport Inc. (SETI) - Joint Venture with GET Philippines on ABC Electric Shuttle Service

On February 21, 2023, the Board of Directors of A Brown Company, Inc. **("ABCI")** authorized the Corporation to enter into a joint venture with GET Philippines, Inc. **("GET")** to create, promote, operate and manage the ABC Electric Shuttle Service as a clean, efficient, modern and green mass transport system in Cagayan de Oro **('the Project").**

GET will incorporate and set up a new company **("JV Co.")** to be jointly owned with ABCI for the purpose of initially owning ten (10) Community Optimized Managed Electric Transport (COMET) electric vehicles that will be deployed for the Project.

On December 12, 2023, the Board of Directors of A Brown Company, Inc. ("ABCI") has approved some proposed amendments to the Joint Venture Agreement with GET Philippines, Inc. ("GET").

The following terms of the Joint Venture Agreement will be amended:
1.) The JV Co. will now have an authorized capital stock of Thirty Million Pesos (Php30,000,000.00) divided into Thirty Million (30,000,000) shares with par value of One Peso (Php1.00), instead of the previously planned authorized capital stock of One Hundred Million Pesos (Php100,000,000.00).

2.) Upon incorporation, the initial subscription to JV Co.'s shares shall be Ten Million Pesos (Php10,000,000.00), which is a reduction from the initial planned subscription of Forty-Five Million Pesos (Php45,000,000.00).

3.) GET will no longer be the sole initial subscriber to the JV Co.'s authorized capital stock upon incorporation with a subsequent transfer of fifty percent (50%) of its shareholdings to ABCI, as originally planned.

4.) Thus, upon incorporation, each of GET and ABCI will now initially subscribe to Five Million (5,000,000) shares each at a subscription price of Twenty-Two Million Five Hundred Thousand Pesos (Php22,500,000,00). The additional paid-in capital ("APIC") in the amount of Seventeen Million Five Hundred Thousand Pesos (Php17,500,000,00) shall be paid into JV Co. either upon incorporation or immediately after its incorporation. The JV Co. will be owned upfront by GET and ABCI in equal shares of fifty percent (50%) each.

5.) GET has an option to make its equity contribution in the JV Co. in the form of new COMET electric vehicles in lieu of cash.

6.) Upon incorporation, the fifth member of the Board shall initially be vacant and the Board seat shall be reserved to be filled by an independent director, as defined under Title III Section 22 of the Revised Corporation Code, who shall be jointly nominated by ABCI and GET after incorporation.

The reduction in the capitalization of the JV Co. at incorporation has been agreed upon by ABCI and GET to reduce the filing fees and the documentary stamp taxes.

On May 7, 2024, the Securities and Exchange Commission approved the incorporation of Southern Electric Transport, Inc. (SETI).

Joint Venture Agreement for the Misamis Oriental Capitol Compound Development Project

A Brown Company, Inc. entered into a Joint Venture Agreement (JVA) with the Provincial Government of Misamis Oriental on January 23, 2025. The JVA covers the Misamis Oriental Capitol Compound Development Project (the "Project") which seeks to develop, under an integrated Master Development Plan, a portion of the Misamis Oriental Provincial Capitol Compound into a mixed-use complex including the development of necessary public infrastructure, construction of a high-rise multi-purpose building, commercial and office buildings, a dormitory, and a public park. The Project is to be developed in four (4) parts with total investment committed by the Corporation of Two Billion Five Hundred Million Pesos (Php 2,500,000,000.00)(the "Investment Commitment").

Parts 1-3 (Phase One) of the Project will include the development and construction of Office Spaces, a Commercial/Shopping Center, a Park and Parking facilities. Part 4 (Phase Two) of the Project will include the development and construction of a Multilevel Mixed-Use building with a Dormitory.

In addition, the JVA also contemplates the acquisition by the Corporation of a Four Thousand Twenty-Four (4,024) square meter portion of the area earmarked for the Project which the Corporation shall develop, for its own account, into a modern urban center consisting of a multi-level mixed-use building having the same or complementing design with the other structures in the Project. The purchase by the Corporation of the aforesaid property and the development of the Project Site are integral and inseparable components of the Joint Venture such that the execution of a Deed of Sale in favor of the Corporation shall obligate the Corporation to complete the development of the Project in accordance with the timetable and comply with its other obligations for the full term of the JVA, provided that if the Corporation is prevented from purchasing the property, the Corporation shall be under no obligation to develop the Project Site.

The required clearance from the Commission on Audit (COA) has already been secured.

(2) Business of Issuer

Principal Products and Services

A Brown Company, Inc. ("ABCI") is a publicly listed corporation which has major interest in the property development and investment in listed and non-listed companies. It is engaged in the business of real estate development located in Cagayan de Oro City and Initao in Misamis Oriental, Cainta, Rizal; Valencia City, Bukidnon and Butuan City, Agusan del Norte. ABCI, through its subsidiaries, also ventured into palm oil milling, power generation, investment in gold mining assets and real estate brokerage.

Real estate is one of the core businesses of A Brown. Its prime real estate development property is Xavier Estates in Cagayan de Oro City. It is Mindanao's most successful high-end residential subdivision. All real estate developments follow the concept of a mixed-use, nature-themed, well-planned integrated community. In recent years, the Company has expanded to economic and socialized housing projects.

HIGH-END PROPERTIES

Xavier Estates ("XE") - located in Fr. Masterson Avenue, Upper Balulang, is the pioneer in premier mixed-use development in Northern Mindanao. This 220-hectare development sprawled on a panoramic plateau overlooking the City has now become 288 hectares through additional acquisitions of adjacent developable areas over the years. It is a perfectly master planned community which guarantees luxury, elegance, prestige, convenience and security. It has 24-hour security, tree-lined streets and landscaped roadways, high pressure sodium streetlamps, centralized water supply system and water treatment facility, parks and playground, jogging and bicycle paths, forest park and bird sanctuary. Within the Estates, there is a fully air-conditioned chapel. Nearby is a school offering preparatory and elementary education, convenience stores, gasoline station and the Xavier Sports and Country Club – *the first and only country club with proprietary membership.* Other modern conveniences are also within reach such as SM mall and a par 72-hole golf course. Just across it, is Xavier University – a grade school and high school university run by the Jesuits including the newly built IT College. Corpus Cristi School, a grade and high school, non-sectarian institution run by lay Christians is also minutes away from Xavier Estates.

Teakwood Hills Subdivision is located in Barangay Agusan, Cagayan de Oro City, some 2.3 kilometers from the national highway going uphill. This new and idyllic enclave has a breathtaking endless view of the mountains and the sea. It was inaugurated on September 22, 2007. Part of its master plan development is a perimeter fence with ingress and egress controlled by two gates, 24 hour security, private cul-de-sac with esplanades and parks designed to create a pastoral ambience. The roads are eight meters wide and lined with trees. It has a club house with recreational amenities such as infinity swimming pool and basketball court. Lot sizes starts from a minimum cut of 250 sq.m., all with a 180-degree scenic view of the famous Macajalar bay and an elevation of 220 meters above sea level.

Teakwood Hills Phase 3 occupies three (3) hectares in the northern portion of the upscale property. It is coined as Belle del Mar *(Charm of the Sea)* as it overlooks the waters. It offers lots for sale at 180sqm to 316sqm.

Teakwood Crest Subdivision is located a kilometer away from Teakwood Hills Subdivision in Barangay Balubal, Cagayan de Oro City. Overlooking Macajalar Bay, this property provides a refreshing take from the sea breeze. This property is classified under open market housing, shall have a minimum lot cut of 150 sqm for sale. Total saleable area is 3.7 hectares.

Valencia Estates is located in Barangay Lumbo, Valencia City, Bukidnon was launched in October 2008. It is a 11.72 hectares project with an estimated 351 saleable lots ranging from 150 to 293 sq.m. each. Valencia Estates' amenities are patterned after the excellent standards of a plush subdivision with a road network of 15 meters for the main road, 10 meters for the service roads complete with sodium street lamps; a basketball court, a clubhouse with a swimming pool. It also has open spaces and playground, perimeter fence and a 24-hour security service.

Coral Resort Estates is a mixed-use development located at Brgy. Pagahan, Initao, Misamis Oriental, between the cities of Cagayan de Oro and Iligan. The project is 60 kilometers from Cagayan de Oro and is 27 kilometers away from the Laguindingan International Airport. The development includes a ₱ 30 million clubhouse. The total land area is 10 hectares with a total development area of 5.397 hectares with an average lot cut of 250 sqm. Phase 1 of the project will comprise 82 lots. Cluster A has 42 saleable lots with an area of 2.5 hectares while Cluster B has 40 saleable lots with an area of 2.9 hectares.

Coral Resort Estates Phase 2 is situated in the southern part of Coral Resort Estates. It covers approximately 4 hectares comprising of lots for sale ranging from 180 to 398 sqm. **Coral Resort Estates Phase 3** which is approximately 5 hectares offers saleable lots with an area ranging from 180 to 380 sqm.

Coral Resort offers a one-of-a-kind experience to its residents, away from the city, and nature's breeze at its greatest. Residents get the best spot of the breathtaking infinite view of the blue sea while enjoying the coolness of the fresh breeze.

West Highlands is a residential estate located in Brgy. Bonbon, Butuan City. The project is just 3 kilometers from the JC Aquino Avenue junction and approximately a five-kilometer drive to all major establishments and service facilities in the city. The total area of development of Phase 1 is 25.9 hectares and 289 feet above sea level which gives you an opportunity to have an exclusive view of the historic Mt. Mayapay or the cityscape. Situated at the delta of the mighty Agusan River, Butuan was a trading entrepot that flourished about 900-1000AD within the Southeast Asian maritime trading empire. It is also in Butuan that actual specimens of the ancient boats known as balanghai-today aptly renamed the Butuan Boats- were found.

West Highlands Phase 2 was launched in October 2017 with a total of 156 lots for sale. There are 75 fairway and 81 inner lots. Fairway Lots have an average of 360 sq.m. lot cut while inner lots have an average of 250 sq.m. lot cut.

West Highlands Golf Club features a 9-hole golf course. Opened for public use in November 2016, the golf course is frequented by local and national golfers. This one-of-a-kind executive all-weather golf course offers Mindanao's first paspalum re: eco-friendly turf grass and moderately undulated green and fairways. A 16-lane driving range is also one of the features in the area.

Xavier Estates Phase 6 – Ignatius Enclave features house and lot units and prime lots. House and Lot units are single detached with lot area of 110 to 120 sq.m. and floor area of 60 sq.m. Prime lots have lot cuts of 250 to 400 sq.m. Aimed at fostering The Happy Community concept, the modern minimalist houses introduced ABCI's first venture into the vibrant house colors of yellow, orange, blue and green accents. Abundant green open spaces shall also highlight the subdivision.

Xavier Estates Phase 6 – Ignatius Enclave 2 located in the lower tier of the Balulang scape. It features house and lot units. These single detached two-storey units have floor area of 120 sqm and are located in 120 sqm lot areas. House could also be built in bigger lots ranging from 150 sqm to 415 sqm.

The Terraces in Xavier Estates highlights prime cascading ridge lots of 180 to 400 sq.m. in size. Located in the terraces-like land configuration, this area commands a 180-view of the city of Cagayan de Oro and the mountains of Bukidnon and is low dense with less than 46 lots for sale.

Mountain Pines Farm 2 is located in Brgy. Kalugmanan, Manolo Fortich in the Province of Bukidnon. This is the first residential farm-lot type or the gentleman's farm concept. Presenting sweater-weather at 1,200 meters above sea level it is located in the cool pine tree-bordered confines at the foothills of Mt Kitanglad Range. It is a stone's throw away from Mindanao's famous adventure forest park and is surrounded by well-appointed high value crop farms.Total land area covers approximately 20 hectares with saleable lots with maximum lot cuts at 1,600sqm. It features a clubhouse and community center with parks and open spaces.

Adelaida Meadow Residences is situated in Brgy Bancasi, less than a kilometer away from Butuan City Airport. It is within the 7-kilometer radius of schools, malls, churches and hospitals in the downtown area. It lies 5 kilometers from Caraga's first paspalum te golf course, the West Highlands Golf Club. It offers single detached house and lot packages in 120 sqm lot area. Buyers have a choice between two model houses: Amethyst and Sapphire. Amethyst is a two-storey modern house with a total of 64.88 sqm floor area while Sapphire is a two-storey modern house with a 117.5 sqm floor area. This gated community has its parks and playground and community facility.

Economic Housing

Xavier Estates Ventura Residences (Phase V-A) is the first venture of A Brown Company, Inc. into the middle market house-and-lot package. Ventura Residences is nestled inside the Xavier Estates, a secluded place in a guarded gated community. Alicia-modified model house has three rooms and a master's bedroom; three toilet and bath (T & B); a maid's quarter with separate T & B; a carport and terrace. Ventura Residences has parks and playground and 6-meter wide service roads.

Ventura Lane is located beside Ventura Residences with lot cuts of 250 sq.m. while Cluster B & C have lots cut at 110sq.m.

Xavierville Homes Subdivision is adjacent to the Xavier Estates project. It is an economic housing development under BP 220. Phase 1 has an area of 1.8 hectares while Phase 2 has an area of 0.60 hectares for a total of 131 saleable lots.

East Cove Village is located in Barangay Sto. Domingo, Cainta, Rizal which is conveniently situated at the back of Robinsons shopping center and very accessible by public transportation along Ortigas Extension. This master planned mini subdivision will have the atmosphere of resolute safety and conspicuous ambiance of a first-rate community and neighborhood, truly an affordable world of enclave living. It is a 2.6 hectares project with 140 lots. It was opened to the market in 2005 and was sold out in less than 2 years. It has a perimeter fence for security and privacy, landscaped entrance gate, wide cemented roads – 10 meters wide main road and 8 meters wide auxiliary roads, concrete curbs and gutters, paved sidewalks lined with trees, storm drainage system, mercury lamps along the road, park and playground, street lamps and centralized water system. The HLURB had issued the Certificate of Completion of the project in February 2009 and the Local Government Unit has already accepted the donation of its open spaces and road lots. On January 21, 2012, the village administration was turned over by ABCI to the new set of officers of the Homeowner's Association.

Adelaida Park Residences located below Xavier Estates is the first residential subdivision in the region offering a ridgeview linear park. The linear park is 410 linear meters in length with park lights along the jogging path/bicycle path. Single detached and attached house and lot units are offered with lot area ranging 90-161 sq.m. with floor area ranging 60-60.5 sq.m. Adelaida Park Residences has single houses sufficiently spaced from each other with its own parking space; is a gated community with ranch-type perimeter fence; has proposed pavilion; and is certified flood-free with an elevation of 157 feet above river bank.

Xavier Estates Phase 5B – Ventura Residences II also features house and lot units and prime lots. Located at the back of Ventura Residences I, this second phase have the identical house colors of orange and cream as the first phase. House and Lot units are single detached with a lot area of 110 to 170 sq.m. and floor area of 80 sq.m.. Prime lots with lot cuts of 110 to 500 sq.m. are located by the ridge.

Adelaida Mountain Residences is a new master planned integrated community rising in the cool hills of Tanay, Rizal. It overlooks views of Sierra Madre Mountains and the Laguna Lake. Being anywhere around 400 to 500 meters above sea level, weather stays relatively cool. With approximately 12 hectares of development, saleable lots range from 252sqm to 834sqm.

Socialized Housing

St. Therese Subdivision is a socialized housing project located in mid-Balulang, Cagayan de Oro City. It is about 1.67-hectare project with 155 saleable lots ranging from 50 to 75 sq. m. with floor area of 25 to 28 square meters. There are 91 units of row houses; 38 units of duplexes and 17 units of single-attached that have been for the project.

St. Therese Subdivision 2 is a socialized housing project located adjacent the St Therese 1. Total area is about 6,111 square meters with 48 saleable house & lots units. Ground floor area of these units is at 28 square meters with provision for loft.

Mountain View Homes. is another socialized housing project of ABCI. Phase 1 opened in February 2015 with 215 houses and lot units while Phase 2 was opened in November 2016 with 83 house and lots units. Located in Mid-Balulang, Cagayan de Oro City. Mountain View Homes is accessible to churches, schools, malls and commercial establishments. The socialized housing project has row houses with lot area of 50 sq.m. and floor area of 26sq.m. Single detached units for economic housing have a lot area of 75-143 sq.m. and floor area of 36-38 sq.m.

Mangoville. The “Sosyal Socialized Housing” project of A Brown Company located in Barangay Agusan, Cagayan de Oro features duplex house designs and with own parking space; with 10-meter wide main roads and 8-meter wide inner roads; with guardhouse and perimeter fence; and with an elevation of 169 meters above sea level overlooking Macajalar Bay. Mangoville is built on a 3.5 hectares area with a total of 235 housing units. Each unit of the duplex house has a lot area of 67.5 sq. m. and a floor area of 22 sq.m.

Adelaida Homes is the 1st socialized housing project of ABCI in Luzon, specifically situated in Brgy. Sampaloc, Tanay, Rizal. It opened with 137 house and lot units. The row houses have a lot area that starts at 40sqm and floor area that starts at 26sqm.

Similar to Adelaida Mountain Residences, these properties are very accessible to most places of interest like town malls, restaurants, town markets, churches and tourist attractions like swim resorts, eco parks, falls and others within 200m to less than 10km in distance from the project site.

Foreign Sales

not applicable

Product Lines:

Net Sales	87.89%
Equity in Net Earnings of an Associate	6.85%
Rental Income	1.68%
Financial Income	0.95%
Others	2.63%
	100.00%

The Company has five categories for products and services. The ***first*** category covers real estate activities, sale of agricultural products like palm olein, palm stearin, refined bleached deodorized oil, palm acid oil, palm fatty acid distillate, kernels, and crude palm oil processed from the mill plant of ABERDI, and water services. The revenue from this category accounts for about 87.89% of the total income. The second category covers equity in net earnings of associates. The third category includes interest income for saving accounts and in-house financed lot sales. The fourth category covers rental income from investment property. The ***fifth*** category is an income derived from water tapping fees, transfer fees and other water charges, service fees, penalties on late payments and income from forfeited deposits and dividend income.

Distribution Methods of Products and Services

Acknowledging the dynamism of the marketplace, ABCI started opening its sellers' market. From five (5) partner realties, it has accredited various realties selling ABCI properties in Cagayan de Oro; Initao, Misamis Oriental; Butuan; and Tanay.

In 2024, the performing realties from Cagayan de Oro are A TWR Group Corp, ANJY Realty, Arka Brokers and Partners Co, Atty. Tatiana Chun-Oh, Bachelors Realty and Brokerage Inc, Casa Tierra Real Estate Corp, Cdo Brokers and Associates, Cedric Arce Real Estate Agency, Chee Realty and Devt Corp, Chosen's Real Estate Brokerage, CLM Realty, D&G Realty, Eagleridge Realty, ES Realty, GMZ Realty, Golden Nest Realty & Brokerage, Home Solution Realty, Icon Ideal Concepts, JSB Realty, JYA Real Estate Services, LA Keystone Real Estate Services, Land Asis Global Properties, Leuterio Realty and Brokerage, MLVJ Realty Corp. MYNP Realty, Philhomes Devt Corp, Right Deal Real Estate, Ro-land Harvest Ranoa Realty, Ryra Realty and Consultancy, Seankirsten Realty, Sit Benedictus Realty, Surprising Star Realty, SVF Realty, U1st Realty and Brokerage, VA Realty, and VEFF Realty Services.

Butuan Performing Realties are Asunto-Yecyec & Associates, DK Realty Philippines Inc, Goshen Treasure Realty, Leuterio Realty and Brokerage, Marian Realty, Property Provider Realty, Right at Home Realty, Singco Real Estate Brokerage, VZ Stellar Realty.

Different realties for the Tanay, Rizal projects were also accredited. They are AAAA Realty, Alfonso Group, Angela Real Estate Brokers, Bernados Group, Brilliant North Realty OPC, Esguerra Group, GST Realty, Lavinaland Realty Services, LQR Group, Mensu Realty & Mktg, Move-in Realty, Propertysurf Realty, and Vill's Group.

Significantly, on top of the regular commissions, sellers receive novel incentives such as huge cash incentives, travel perks, sacks of rice and branded bags or watches or jackets.

The first Hall of Famer Award was presented to Rizalinda Chee-de Jong of Chee Realty and Development Corporation. A loyal broker of ABCI for 25 years, Ms. de Jong was a consistent gold awardee and has exhibited outstanding sales leadership and exemplary and unparalleled sales performance all these years. Moreso, outstanding brokers and realties are recognized through Monthly Sales Achievers Ceremonies, Quarterly Awarding Ceremonies and the Annual Sales Conference.

The Brokers' Care and Engagement Programs were instituted and has significantly increased the brokers' attention to ABCI projects, making it top-of-the-mind when selling. Aside from the personal chat and exchange with the individual brokers, company activities included them such as health and wellness programs and the women's talk. Regular personal exchanges between ABCI heads and sellers have boosted loyalty.

There is an increased number of site activities such as kick-off sales conferences, project launchings and blessings, groundbreaking ceremonies, product knowledge seminars and site tours. These projects intensify product awareness for sellers.

Online engagements are also increased. Presence in the social media is intensified with regular postings, immediate response mechanism and provision of marketing materials to sellers for their own boosting efforts.

ABCI feted performing brokers to an all-expense paid trip to Japan and South Korea in 2024.

Under the Chief Executive Officer, the ABCI Sales and Marketing Department continues to brainstorm for promotions and advertisements aimed to respond to the market's preferred choice of real estate products.

Lastly, these changes are all anchored on the ABCI vision of "Creating enlightened and happier communities for the common good".

New Products or Services

After the introduction to the market of the Company's projects like Coral Resort Estates Phase 2 and Phase 3; Teakwood Hills Phase 3; Ignatius Enclave 2; Adelaida Homes and Adelaida Mountain Residences, the recent addition to the Company's real estate portfolio includes Mountain Pines Farm 2; Adelaida Meadow Residences and Teakwood Crest Subdivision.

ABCI is in the planning stage for the vertical market. In the pipeline are three condominium projects to be located in Uptown, Cagayan de Oro; Initao, Misamis Oriental; and Butuan City.

Another masterplanned community shall soon rise Tanay, Rizal.

The sterilization facility seeks to cater to the following products: medical products such as masks, dressings, syringes, and surgical staplers, as well as other single-use medical devices that are manufactured in the Philippines; frozen seafood; fresh and frozen fruits; herbal products such as lagundi and malunggay powder; spices both local and imported and onions.

Competition

Among several real estate business developments in Cagayan de Oro City, Wee Comm Magnum Properties, Camella Homes and Johndorf Ventures Inc. **Pueblo de Oro Development Corporation, and Cebu Landmasters** are competitors offering same product and pricing packages as that of Adelaida Park Residences, Ignatius Enclave and Ventura Residences under the economic housing category. Ayala Land's Alegria Hills claim to be a competitor of Teakwood Hills' magnificent and endless view. For the project in Valencia City, Mountain Breeze is the project in the same category. For Butuan City, other players are the developers of Camella, Filinvest and VCDU projects. Ayala Land, Johndorf Ventures Inc., and Camella are competitors in the socialized housing. For the lot only market in Cagayan de Oro, competitor is Pueblo de Oro Development Corporation (mixed use development) **and Robinson's.**

Most buyers of ABCI real estate projects regard its value appreciation potentials as highly attractive. Another plus factor is the dynamism of its marketing group which is ably handled by its very able marketing personnel in tandem with its well-trained sales agents/brokers. This is the Company's commitment to offer affordable lot and house and lot packages for a well-planned project focused on family oriented and nature-themes environment. The key is security, good location and accessibility to basic locations (supermarkets, churches, public utilities, etc.). It is able to compete for its ability to attract customers which greatly depend on the quality and location of the projects, reputation as a developer, and reasonable prices and pricing schemes and the concept of a well-planned integrated community.

For the Oil Palm Mill, the competitors are Filipinas Palm Oil Plantation, Inc. (Rosario, Agusan del Sur), Kenram Industrial & Development, Inc. (Kenram, Isulan Kultan Kudarat), Agumil Philippines, Inc. (Trento, Agusan del Sur), Univanich Palm Oil Inc. (Carmen, North Cotabato) and Palm Asia Milling Corp. (Matanao, Davao del Sur).

In the sterilization sector, ISI competes with other sterilization methods, such as ethylene oxide (EtO) treatment and in-house sterilization processes. However, ISI is the only commercial provider of E-Beam sterilization in the Philippines. E-Beam sterilization has distinct advantages, including the absence of residues and the ability to treat products in their final packaging.

Currently, no other private entities offer commercial E-Beam sterilization services in the country. The Philippine Nuclear Research Institute (PNRI), a government agency, provides sterilization services on a semi-commercial basis, mainly for research and development purposes.

Sources and Availability of Raw Materials

Construction materials for the Cagayan de Oro project were mostly sourced within the city while those used for Manila Operations were also sourced in Manila. The company is not dependent upon any single supplier. Projects are awarded to qualified bidders. Thus, the Company's suppliers are just related to supplies needed for maintenance and/or office needs. List of its principal suppliers are provided on Exhibit IIa and IIb, page 100-101.

For Palm Oil Operations, fresh fruit bunch suppliers are from nearby towns of Surigao del Sur, Bukidnon, Misamis Oriental, Cagayan de Oro City, Cotabato City, Agusan del Sur, Sultan Kudarat, and North Cotabato while the buyers for the crude palm oil (CPO) are from Cagayan de Oro City, Surigao del Norte, Iligan City and Butuan City and Davao del Sur.

ISI does not require raw materials for its operations, as it provides sterilization services and does not manufacture goods.

Customer Profile

For projects offered in 2024, there is 57% representation from businessmen and professionals from Northern Mindanao and the Caraga Region. There is also a notable increase of house purchases from Overseas Filipino

Workers (OFW) from 19% in 2021 to 28% in 2024. A Brown's profile of OFW buyers has considerably increased and this can be attributed to the type of products being offered and the increased presence of the company and its sales partners in social media platforms. The remaining markets are for government employees and those married to foreigners. There is also a new market coming from the retirees market, those with Cagayan de Oro roots and have stayed abroad, and are starting to invest in local properties.

Payment habits are good and very keen on the project's completion. For East Cove Village, the lot buyers were 72 local and 68 from OFWs. On the other hand, the buyers for Teakwood Hills Subdivision, Valencia Estates and West Highlands are local businessmen and professionals and OFWs who want to upgrade their location. Buyers for Mountain View Homes are teachers, government employees and professionals. Adelaida Park Residences' buyers are local professionals and businessmen while Ignatius Enclave and Ventura Residences II attracted OFWs, managers and executives of private companies, businessmen, and second-home buyers. Mountain Pines Farm attracted a majority of businessmen.

Buyers for Crude Palm Oil (CPO) are from Davao, Bukidnon, Butuan, Cagayan De Oro, Iligan City. While other processed palm oil by products like Palm Acid Oil are sold in Luzon and to export buyers. Palm kernel nuts are sold in Davao and Cotabato area.

ISI currently provides sterilization services for products in the herbals and spices industries. In addition, the facility's capabilities cover a wide range of product types, including frozen goods, dry goods, and medical devices. As of now, ISI is actively conducting dose validation for over 30 product types across the herbals, spices, and medical device sectors, as part of its preparation for routine processing.

Related Parties

The Company and its subsidiaries and certain affiliates, in the ordinary course of business have entered into transactions with each other principally consisting of reimbursement of expenses and management agreements. All transactions were done on commercial terms and arms-length basis. See Note 15 of the attached Notes to the Consolidated Financial Statements.

Patents, Trademarks, etc. Not applicable

Government Regulations

There are no existing governmental regulations which may have adverse effects on the business. Licenses to sell for all on-going projects have been secured.

Phases 1 to 4 of Xavier Estates have accordingly been secured and compliance with all the requirements of HLURB have been undertaken. The existing real estate project called Xavier Estates has been granted an Environmental Clearance Certificate (ECC) No. 10(43)00-01-31-1502-50110 which was released on January 31, 2000 consolidating the four phases (I, II, III, IV) of the project. The said certificate supersedes the ECCs previously issued to Phases I, II and III. Xavier Estates Block 62 and 63 belong to Phase 1 of XE project which has an alteration permit no. 026-2008 while its ECC is 10(43)00 01-31-1502-50110. Phase V of Xavier Estates has been issued an ECC No. R10-0912-0091. It supersedes ECC No. 10(43)00 01-31-1502-50110. The project is being visited twice a year by the Multi-partite Monitoring Team to check the Company's compliance to the ECC issued. ABCI pays an annual fee for its Mindanao projects and its being handled by the Guardians of the Earth Association, Inc.

Teakwood Hills Subdivision's ECCs are (43)06 09-11 4294-50200 and R10-0912-0090, Development Permit No. is 014-2007, and License to Sell are 25268 and 030226 which amends LTS Nos. 18507/24800/28390. For Xavierville Homes Subdivision its ECC is 10(43)05 05-16 4004-50200, Development permit no. is 010-2007 and License to Sell are 18500/22399. Valencia Estates ECC license is R10-1001-0009/10(13)07 07-30 4456-50200 while its Development Permit is 07/01 and its License to Sell are 19846 and 24770. For the Cainta project, an ECC has been issued last November 6, 2003 under no. 4A-2003-1100-8410 and a development permit issued by the Sangguniang Bayan of Cainta, Rizal under Resolution No. 2003-084. The HLURB License to Sell No. 11990 was released in February 2005. Saint Therese Socialized Housing has been issued with ECC No. R10-0912-0089, Development Permit No. 002-2011 and License to Sell No. 24799 while Initao Coral Resort Estates has an ECC No. R10-1001-0013 with Development Permit No. 2011-04-01 and License to Sell Nos. 28380/28404/029461. Ventura Residences ECC License is R10-0912-0091, Development Permit No. 007-2011 and License to Sell are 25834/25265/029473/030205 while for Ventura Lane's ECC No. is R10-0912-0091, Development Permit is 007-2011 and License to Sell No. is 02469. In Butuan City's West Highlands, the only golf and residential estates in Caraga region has an ECC No. R13-1204-037, Certificate of Registration No. 23586 and License to Sell Nos. 25889 which was amended to 28412, 28413 & 029465. The LTS for West Highland Phase 2A is 031773. Mt. View Homes has an ECC No. R10-1408-0217 with Development Permit No. 005-2014 and License to Sell No. 029442 for its socialized housing and License to Sell No. 029443 for its economic housing. Mt. View Homes 2 has License to Sell No. 031712 for its economic housing and License to Sell No. 031713 for its socialized housing. Adelaida Park Residences has License to Sell No. 031714.

The Mangoville project has secured its Development Permit No. 004-2017 and License to Sell No. 031789. Xavier Estates Phase 6 - Ignatius Enclave has an ECC No. R10-0912-0091, Development Permit No. 006-2018 and License to Sell No. 033723. Xavier Estates Phase 5B - Ventura Residences 2 has an ECC No. OL-R10-2018-0091, Development Permit No. 007-2018 and License to Sell No. 033724. Development Permit No. 005-2018 and License to Sell No. 033722 were also issued for The Terraces in Xavier Estates.

Xavier Estates Phase 6 Ignatius Enclave Phase 2 - issued Provisional License to Sell REM-LS-22-001 on December 27, 2021. Teakwood Hills Belle del Mar (Phase 3) - issued Provisional License to Sell REM-LS-22-002 on December 27, 2021. Coral Resort Estates Phase 2 - issued Provisional License to Sell REM-LS-21-017 on July 23, 2021. Teakwood Crest – issued License to Sell No. 0000931 in December 2023.

The Palm Oil Mill's ECC 10(13)06 04-19 4210-31171 was issued on April 19, 2006. It was amended to include Palm Oil Refinery with Fractionation Plant which was approved on February 6, 2013. For the oil palm plantation project, its ECC no. 10(13)07 03-20 4384-31171 was issued on March 20, 2007. For Kalabugao nursery, the Philippine Coconut Authority registration was approved and released last December 24, 2008. While the permit to import oil palm seeds were released on January 12, 2009. SGAC has been issued an Environmental Compliance Certificate (ECC)-OL-R13-2022-0154 dated February 26, 2025 for the Palm Oil Plant Project located in Sitio Remedios, Brgy. Tambis, Barobo, Surigao del Sur.

ABERDI received its License to Operate as Food Manufacturer with LTO NO. CFRR-RX-FM-1195 from Food and Drug Administration on July 1, 2016. In addition, the company also received the HALAL registration certificate for the Refined Palm Oil Products on April 29, 2016 with IDCP-NO. 2016-F-828.

Palm Concepcion Power Corp. (formerly DMCI Concepcion Power Corp.) was granted ECC No. 0606-006-4021 dated May 27, 2007 as amended in November 4, 2010 for the proposed construction of the power plant. Endorsements from different levels of the local government units were also issued for the project, namely: Sangguniang Barangay Resolution No. 2004-17 dated December 22, 2004; SB Resolution No. 2005-06 dated January 24, 2005 and SB Resolution No. 2011-068 dated June 13, 2011 (which affirms earlier Resolution and recognizing new corporate name), Provincial Development Council through Resolution No.2005-031 dated July 5, 2005 which favorably endorsing the project to the Regional Development Council; from the Office of the Provincial Governor of Iloilo dated November 10, 2011 and from the Office of the Municipal Mayor of Concepcion, Iloilo dated November 10, 2011.

The Department of Energy (DOE) endorsed the project to the National Grid Corporation of the Philippines (NGCP) to conduct Grid Impact Study (GIS) on February 16, 2011 and classified the project from "Indicative" to "Committed" on February 10, 2012.

The Department of Natural Resources (DENR) granted PCPC's request for ECC extension on May 9, 2012 and likewise approved the request for ECC amendment for the increase in capacity from 100 MW to 135 MW and relocation of certain project components on October 12, 2012.

With the ECC amendment, the company once again consulted the local government units and appropriate Resolutions interposing no objections were passed and issued as follows: "Sangguniang Barangay Resolution No. 2012-19 dated October 17, 2012 affirming Resolution No. 2012-04; Sangguniang Bayan Resolution No. 2012-99 dated November 5, 2012 affirming SB Resolution No, 2011-69 and Provincial Development Council Executive Committee Resolution No. 2013-034 dated March 13, 2013 affirming the Provincial Development Council's Resolution No. 2005-031.

The Board of Investments (BOI) issued the Certificate of Registration (2012-114) to PCPC on June 27, 2012 and approved PCPC's request for amendment for the change in ownership and increase in capacity from 100 MW to 135 MW on October 2, 2012.

The Environmental Management Bureau (EMB)- Region 6, granted PCPC the Authority to Construct (14-AC-F-0630-1258) and Permit to Operate (14-POA-F-0630-1258) Air Pollution Source and Control Installations on November 3, 2014. A Discharge Permit (15-DPW-F-0630-1258) was also issued by EMB on January 5, 2015, allowing PCPC to discharge treated wastewater to Concepcion Bay.

With the request of PCPC to DENR to amend its ECC for the extension of the 350-meter pier conveyor facility, DENR issued a new ECC (ECC-CO-1409-0022) to PCPC on June 19, 2015.

The National Water Resources Board (NWRB) issued a Conditional Water Permit (CWP No. 11-26-14-036) to PCPC on November 26, 2014 granting PCPC to use Concepcion Bay as water source for its desalination plant. Thereafter, the CWP issued was superseded by NWRB as they issued a Water Permit to PCPC with No. 023707 on January 22, 2016.

The Philippine Ports Authority (PPA) granted a Permit to Construct with No. 2015-001 to PCPC on April 24, 2015 granting PCPC to construct a Private Non-commercial port in Barangay Nipa, Concepcion, Iloilo. PPA, then, issued a Certificate of Registration/Permit to Operate (No.491) to PCPC effective February 29, 2016.

The Energy Regulatory Commission issued to PCPC a Provisional Authority to Operate on July 14, 2016 for its 135 MW Circulating Fluidized Bed Coal-Fired Power Plant. Moreover, the Department of Labor & Employment (DOLE) issued to PCPC Permit to Operate for its various power plant equipment in August 2016. Hence, on August 16, 2016, the said plant started its commercial operations. Ten (10) distribution utilities and electric cooperatives have signed up with PCPC for their base load power capacity requirements.

To date, PCPC has renewed its permits as required by various government agencies and is continuously fulfilling its purpose by serving the needs of its customers, helping ensure that homes and businesses have dependable and uninterrupted power supply, which they can afford, as it continues to uphold its commitment to the environment and host communities.

Personnel complement of A Brown Group of Companies as of December 31, 2024 is presented below.

As to position:

Positions	No. of Personnel
Officers	13
Managers (including AVPs)	27
Supervisors	52
Rank and File	219
Total	**311**

As to function:

Positions	No. of Personnel
Operations	141
Sales and Marketing	23
Accounting/Credit and Collection/Finance	38
Administration	109
Total	**311**

The Company expects to maintain its number of employees in the next 12 months.

Risks

A Brown Company, Inc. and its subsidiaries are exposed to financial, operational and administrative risks which are normal in the course of the business, depending on the business industry sector where each of the subsidiaries operate. It is subject to significant competition in each of its principal businesses. ABCI competes with other developers and developments to attract lot buyers and customers for its real estate and palm oil operation. Other risks that the company may be exposed to are the following: changes in Philippine interest rates, changes in the value of the Peso, changes in construction material and labor costs, power rates and other costs, changes in laws and regulations that apply to the Philippine real estate industry and changes in the country's political and economic conditions as well as global health risk or pandemic. Please refer to Note 23 of the Notes to the Audited Consolidated Financial Statements for the discussion on Financial Risk Management Objectives and Policies.

The Company and its subsidiaries have formed board committees composed by their respective directors to mitigate if not to avoid these risks. The Audit Committee and Risk Committee in cooperation with the Company's external and internal auditors exercise the oversight role in managing these risks. It also manages the financial and business risks in accordance with the company's risk profile and risk culture to strengthen the company's position when faced with these risks.

Even larger economies are confronted with downside risk on its credit ratings. Other sovereignties have also been feared to default on its obligations. Global financial crisis if not contained will have a ripple effect to other volatile economies as investors lost confidence and hold back investment.

In recent years, the Philippines enjoys an unprecedented level of confidence among international business community and has improved its global competitiveness rankings. It has received an investment grade and stable outlook on its long-term sovereign credit ratings among the three major credit ratings agencies. The improvement of credit ratings will provide a lower cost of capital on its borrowings.

In spite of opportunities, downside risks to growth exist with the presence of external and domestic shocks. The slowdown in large emerging economies, and conflicts in Middle East and Europe particularly the Ukraine-Russia conflict are some of the external forces that would pull growth opportunities down. Disasters arising from natural hazards, delays in infrastructure and reconstruction projects, logistics bottlenecks and thin power reserves are perceived to be internal forces that will hamper growth.

As the heat of the global recession hampers growth, the country may be able to weather a global economic slowdown for as long as the fiscal reforms are sustained. Regulatory agencies are also key partners in combating financial crisis through continued vigilance in their examination of compliance to rules and regulations, pro-active in implementing economic programs to sustain pump-priming activities and responsive to the needs of time like the implementation of economic bail-out plan in order to curtail the systemic effect of sectoral crisis trickling down to the whole economy that will affect all local business sectors. Bangko Sentral ng Pilipinas in particular should remain steadfast in its mandate to maintain effective financial system and institute preventive and corrective measures to alleviate the ill-effects of the startling financial difficulty i.e. credit crunch resulting to home foreclosures that became the housing crisis which will ultimately affect the whole economy if not resolved in immediacy. The government should also have the capacity to fix and clean-up the mess that scandals and accusations of graft and corruption within the bureaucracy to encourage and boast foreign and domestic investors' confidence. Although this may have an indirect impact on the company's growth but if the economic slowdown will set in, inevitably this will weaken the business volume, revenue and profits. It may affect the Company's business activity – low demand, higher interest rates and stiff competition. Global pandemic like COVID-19 is creating unprecedented economic havoc due to lockdowns that limit economic activities and to practice physical distancing to curb widespread infection to the populace.

The Company is also subject to risks inherent in real estate development. There is a risk that financing for development may not be available on favourable terms; that construction may not be completed on schedule or within budget due to shortages of materials, work stoppages due to unfavourable weather conditions, unforeseen engineering, environmental and geological problems and unanticipated cost increases; that new governmental regulations including changes in building and planning regulations and delays to obtain requisite construction and occupancy permits; and developed properties may not be leased or sold in profitable terms and the risk of purchaser and/or tenant defaults.

On the other hand, there are also factors that expose the Plantation to risks. These are the peace and order condition of the plantation sites, infestation of pests and diseases and farm to market road (provincial and barangay roads). Generally, the peace and order situation in the plantation area is stable. Coordination for security is made with the cooperation from the local government. Weather disturbance which causes landslides making the roads impassable also delay transporting the fruit bunches to the mill plant.

Risk factors for the mill business are as follows: i) breakdown of one major equipment such as purifier, steam boiler, turbo-alternator and/or fruit digester will paralyze the operation for days, weeks or months; ii) non-adherence to environmental restrictions may cause plant closure or work stoppage; iii) unplanned breakdown of High Power Boiler equipment for Refinery and Chiller for Fractionation can cause to cease operation.

Market risk is a potential concern for sterilization sector as demand may fluctuate due to changes in industry regulations, shifts in customer preferences, supply chain disruptions, or increased competition from alternative sterilization methods. Equipment breakdown risk is also a risk as it relies on highly specialized machinery. Any significant equipment failure could disrupt operations for an extended period, ranging from days to even months. Additionally, regulatory risks pose a threat, as non-compliance with industry regulations and restrictions could result in facility closure, penalties, or a complete operational stoppage.

Risk factors for the mill business are as follows: i) breakdown of one major equipment such as purifier, steam boiler, turbo-alternator and/or fruit digester will paralyze the operation for days, weeks or months; ii) non-adherence to environmental restrictions may cause plant closure or work stoppage; iii) unplanned breakdown of High Power Boiler equipment for Refinery and Chiller for Fractionation can cause to cease operation.

Disclaimer: This Information Statement may contain certain forward-looking statements, which involve risks, uncertainties, and assumptions. The forward-looking statements contained in this Information Statement are based upon what management of the Company believes are reasonable assumptions at the date of this report. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements.

Research and Development

The Company is currently doing market studies for possible projects related to energy and power.

While the ISI does not anticipate engaging in significant product-focused R&D unrelated to its core business, it continues to support product development through free dose testing and validation services. This initiative enables customers in the herbal, spice, and medical device sectors to assess compatibility and treatment efficacy for new product types prior to routine processing. These R&D support activities are designed to expand the facility’s service portfolio and build customer confidence.

The Company does not expect to conduct any significant product research and development in the foreseeable future other than related to its existing operations.

Item 2. PROPERTIES

Real properties owned by A Brown Company, Inc. and its subsidiaries are shown on Exhibit IIIa, IIIb and IIIc, page 102-118. Most of the properties were already transferred under ABCI’s name. The merger of ABCI and several of its subsidiaries in December 1999 and June 2002 as mentioned in Item 1 of Part 1, has caused the inclusion of properties under East Pacific Investors Corp. (EPIC), but legally, the owner is already ABCI. For properties with individual names indicated, the documentation on the transfer of ownership is still on process. Some real properties were on lease with contracts providing for renewal options subject to mutual agreement of the parties. Rental rates are based on prevailing market rates for the said properties. Other real properties that the Company intends to acquire are still under review depending on the factor/s such as demographics and accessibility to public transport. ABCI’s preferred mode of acquisition would be thru purchase or joint ventures with landowners. It continues to assess its landholdings to identify properties which no longer fit its overall business strategy and hence, can be disposed of.

EXHIBIT- I

FINANCIAL SOUNDNESS INDICATORS

Financial Ratios Consolidated Figures	Audited 12/31/2024	Audited 12/31/2023	Audited 12/31/2022
Current ratio[1]	2.13:1	2.00:1	2.34:1
Quick ratio[2]	0.50:1	0.20:1	0.28:1
Solvency ratio[3]	0.07:1	0.13:1	0.19:1
Total Debt to Equity ratio[4]	0.68:1	0.66:1	0.53:1
Asset to Equity ratio[5]	1.68:1	1.66:1	1.53:1
Interest coverage ratio[6]	2.85x	4.62x	8.82x
Return on Equity[7]	4.32%	8.02%	10.14%
Return on Assets[8]	2.59%	5.03%	6.82%
Net Profit Margin ratio[9]	18.5%	33.6%	41.8%

[1]*Current assets/Current liabilities*
[2]*Current assets less contract assets, inventories and prepayments/Current liabilities*
[3]*Net Income plus depreciation/Total liabilities*
[4]*Total liabilities/Stockholders' equity*
[5]*Total assets/Stockholders' equity*
[6]*Earnings before income tax, interest, depreciation and amortization/Total Interest Payment*
[7]*Net Income/ Average Total stockholders' equity*
[8]*Net income/Average Total assets*
[9]*Net income/Revenue*

Current Ratio
The current ratio is a liquidity ratio that measures a company's ability to pay short-term obligations or those due within one year. It tells investors and analysts how a company can maximize the current assets on its statement of financial position (balance sheet) to satisfy its current debt and other payables.

Acid test Ratio or Quick Ratio
The acid-test, or quick ratio, compares a company's most short-term assets to its most short-term liabilities to see if a company has enough cash to pay its immediate liabilities, such as short-term debt.

Solvency Ratio
Solvency ratio is one of the various ratios used to measure the ability of a company to meet its long term debts. Moreover, the solvency ratio quantifies the size of a company's after-tax income, not counting non-cash depreciation expenses, as contrasted to the total debt obligations of the firm. Also, it provides an assessment of the likelihood of a company to continue congregating its debt obligations.

Debt-to-equity Ratio
The debt-to-equity (D/E) ratio is used to evaluate a company's financial leverage and is calculated by dividing a company's total liabilities by its shareholder equity. It is a measure of the degree to which a company is financing its operations through debt versus wholly owned funds. More specifically, it reflects the ability of shareholder equity to cover all outstanding debts in the event of a business downturn. The debt-to-equity ratio is a particular type of gearing ratio.

Asset-to-equity Ratio
The asset to equity ratio reveals the proportion of an entity's assets that has been funded by shareholders. A low ratio indicates that a business has been financed in a conservative manner, with a large proportion of investor funding and a small amount of debt. A high asset to equity ratio can indicate that a business can no longer access additional debt financing, since lenders are unlikely to extend additional credit to an organization in this position.

Interest Coverage Ratio
The interest coverage ratio measures the number of times a company can make interest payments on its debt before interest and taxes (EBIT). In general, the lower the interest coverage ratio is, the higher the company's debt burden, which increases the possibility of bankruptcy.

Return on Assets (ROA)
The Return on Assets (ROA) figure gives investors an idea of how efficient the company uses the assets it owns to generate profits. The higher the ROA number, the better, because the company is earning more money on less investment.

Return on equity (ROE)
Return on equity (ROE) is a measure of financial performance calculated by dividing net income by shareholders' equity. It is considered a measure of a corporation's profitability in relation to stockholders’ equity. Whether ROE is deemed good or bad will depend on what is normal among a stock’s peers. A good rule of thumb is to target an ROE that is equal to or just above the average for the peer group.

Net Profit Margin
The net profit margin is a ratio formula that compares a business's profits to its total expenses. The net profit margin allows analysts to gauge how effectively a company operates. The higher the net profit margin, the more money a company keeps.

EXHIBIT- IIa

LIST OF ACCREDITED SUPPLIERS (TOP 20) – ABCI
FOR THE YEAR 2024

Name	Address
All Weather Construction	Back of Redbull, Kauswagan Highway, Cagayan de Oro City
BME Partners, Inc.	Dr 7 GSC/RA Bldg., Gusa, Cagayan de Oro City
Butuan Champion Hardware	570 Conception cor. Lopez Jaena St., Butuan City
Butuan Metro Hardware Incorporated	Mont. Boulevard cor. Burgos St., Tandang Sora, Butuan City
Cabadbaran Concrete Products	Mabini, Cabadbaran, Agusan del Norte 8605
Caraga Fuel Distributor Inc.	JC Aquino Ave cor. Montalban St., Imadejas, Butuan City 8600
Daccus Plumbing Supplies and Distribution Inc.	Unit 4A G/F Neo Central Arcade, Cugman Highway, Cagayan de Oro City
Davao Golden Hardware Inc.	Goldcrest Bldg., KM 3, McArthur Highway, Brgy. Matina, Davao City
EFCO Philippines, Ltd.	Cupang, Muntinlupa City
Filmix Concrete Industries, Inc.	Purok 4A, Alubijid, Buenavista, Agusan del Norte 8601
GTS Construction Supply and Development Corp.	Corrales Ext., Cagayan de Oro City
Henan Daswell Machinery (Philippines) Inc.	Unit 1&2 ES I Place Capitoline St BF Resort Village City of Las Pinas
JOPCA Corporation	Phase 1/57 Aries St., Villa Ernesto, Gusa 9000 Cagayan de Oro City
KJL Industrial Tools Trading	Kolambog, National Hi-way, Lapasan, Cagayan de Oro City
MDS Aggregates and Trucking Services	Zone 9 Anhawon Bulua, Cagayan de Oro City
MLE Aggregates OPC	Ground Flr. Cornerstone Bldg. Ramon Chavez St., Cagayan de Oro City
Oro Mighty Enterprises	Lapasan, Cagayan de Oro City
S-So Corporation	T.Neri St., Baloy, Tablon, Cagayan de Oro City
Vistabuena Soil Quarrying	Brgy. 7 Buenavista, Agusan Del Norte
Wilcon Depot, Inc. - CDO	Zone 5 Cugman, Cagayan de Oro City (Capital) Misamis Oriental Philipines 9000

EXHIBIT- IIb

LIST OF ACCREDITED SUPPLIERS – SGAC
For the Year 2024

Name	Address
Goodwish Enterprises	Osmena Extension, Cagayan de Oro City
Agusan Legacy Hardware & Construction Supply	San Francisco, Agusan del Sur
EML Sacks Store	Cugman Hi-way, Cagayan de Oro City
Oro Solid Hardware, Inc.	Osmena St., Cagayan de Oro City
IC Marketing	Velez St., Cagayan de Oro City
Mana Petron Station	Brgy. 5, San Francisco, Agusan del Sur
Grace Ong Enterprises	Obedoza St. cor Quirino St., San Francisco, Agusan del Sur
Mr. Electric Industrial Supply	Macasandig, Cagayan de Oro City
BME Partners, Inc.	Gusa Hi-way, Cagayan de Oro City
Isalama Industries, Inc.	Osmena St., Cagayan de Oro City
Fargo Motor Parts, Inc.	Osmena St., Cagayan de Oro City
Beta Technologies, Inc.	301F Ramos St., Cebu City
Joelmar Trading	#21 Mercury St., Rabago, Iligan City
Trans World Trading Company, Inc.	114 Amorsolo St., Legaspi Village, Makati City
Jasha Hardware & Construction Supply	Poblacion, Prosperidad, Agusan del Sur
Castle Power Solutions Phils., Inc.	80E Rodriguez Jr. Ave., Libis, Quezon City
Indophil Jet Tech Energy, Inc.	Gen. Alejo Santos Hi-way, Plaridel, Bulacan
Goodwish Enterprises	Osmena Extension, Cagayan de Oro City
Agusan Legacy Hardware & Construction Supply	San Francisco, Agusan del Sur
EML Sacks Store	Cugman Hi-way, Cagayan de Oro City

EXHIBIT- IIIa

List of Properties as of December 31, 2024

Location	Area in Square Meters	Transfer Certificate of Title No.	Owned By
		Luzon	
Simlong, Batangas	22,302	Tax Dec Nos. 0085-01079, 0085-00288, 0085-00656, 0085-00377, 0085-01078, 0085-01077, 0085-00037, 0085-00405, 0085-00106	A Brown Company, Inc.
Tungkod Sta. Maria, Laguna	48,947	TCL-1637, TCL-2170, TCL-2172	Esteban B. Alviz, Mercedita A. Ildefonso, Zosimo B. Alvis *(Title pending transfer to A Brown Company, Inc.)*
Brgy. Toro & Culiat, Quezon City	2,949	N-259913	Bendaña Brown Pizarro Association *(Title under the former name of A Brown Company, Inc.)*
	2,601	368563 (T-124809)	Bendaña Brown Pizarro Association *(Title under the former name of A Brown Company, Inc.)*
Angono, Rizal	263	683785	A Brown Company, Inc.
Binangonan, Rizal	100,962	M-57817	A Brown Company, Inc.
	17,619	M-57815	A Brown Company, Inc.
	12,152	M-57818	A Brown Company, Inc.
	1,396	M-57816	A Brown Company, Inc.
	8,238	M-61843	A Brown Company, Inc.
	8,568	M-116204	A Brown Company, Inc.
Halang na Gubat, Plaza-Aldea, Tanay, Rizal	10,441	M-119613	A Brown Company, Inc. *9,696 retained* *745 donated to LGU as ROW*
Sampaloc, Tanay, Rizal	201,491	069-2010000935	A Brown Company, Inc.
	455	069-2010000938	A Brown Company, Inc.
	38,474	069-2011000172	A Brown Company, Inc.
	104,032	069-2011000173	A Brown Company, Inc.
	2,414	069-2011000170	A Brown Company, Inc.
	62,112	069-2011000174	A Brown Company, Inc.
	3,847	069-2011000168	A Brown Company, Inc.
	2,363	069-2011000169	A Brown Company, Inc.
Bayukan Sampaloc, Tanay, Rizal	248.60	069-2011000166	A Brown Company, Inc.
Cuyambay Tanay, Rizal	58,020	069-2010000910	A Brown Company, Inc.
	135,094	M-29489	A Brown Company, Inc.
	71,675	M-29486	A Brown Company, Inc.
	55,551	M-145741	A Brown Company, Inc.
	44,563	M-145742	A Brown Company, Inc.
	25,871	Tax Dec No. 18 TN 003 01436	A Brown Company, Inc.
	12,409	Tax Dec No. 18 TN 003 01434	A Brown Company, Inc.
	162,211	'069-2024003213	A Brown Company, Inc.
	138,790	'069-2024003212	A Brown Company, Inc.

Inasaran Cuyambay, Tanay, Rizal	71,203	M-120978 *069-2023010010* *069-2023010011*	A Brown Company, Inc.
Tanay, Rizal	36,095	Tax Dec No. 18 TN 011 03007	A Brown Company, Inc.
	268,814	069-2017005788	A Brown Company, Inc.
	8,163	069-2017005789	A Brown Company, Inc.
Inasaran Tandang Kutyo, Tanay, Rizal	69,085	M-29491	A Brown Company, Inc.
Inasaran Cuyambay, Tanay, Rizal	12,962	M-84261	A Brown Company, Inc.
Bayukan Sampaloc Tanay, Rizal	16,601	Tax Dec No. 18 TN 003 01715	Jerry Baltazar *(Title pending transfer to A Brown Company, Inc.)*
	21,855.80	M-116205	A Brown Company, Inc.
Malapapaya Sampaloc Tanay (Goat Farm), Rizal	38,474	OCT# M-4728	Renato Sapico *(Title pending transfer to A Brown Company, Inc.)*
	9,000	069-2023010349	A Brown Company, Inc.
Napatir Sampaloc, Tanay, Rizal	28,327	069 2010000582	A Brown Company, Inc.
	9,375.63	069-2022007434	A Brown Company, Inc.
	10,716	069-2022003394	A Brown Company, Inc.
	8,765	069-202211955	A Brown Company, Inc.
	1,342	069-202211970	A Brown Company, Inc.
	18,489	069-202211954	A Brown Company, Inc.
	4,248	069-202211953	A Brown Company, Inc.
	12,841	069-202211957	A Brown Company, Inc.
	7,350	069-202211956	A Brown Company, Inc.
	1,133	069-2023005580	A Brown Company, Inc.
Sampaloc, Tanay, Rizal	16,500	M-1238	Renee S.R. Indiongco *(Title pending transfer to A Brown Company, Inc.)*
	938	M-1205	Renee S.R. Indiongco *(Title pending transfer to A Brown Company, Inc.)*
	150,010	M-97624	A Brown Company, Inc.
Malapapaya Sampaloc Tanay	10,000	069-2022006363	A Brown Company, Inc.
	33,798	069-2022006363	A Brown Company, Inc.
Inasaran Cuyambay, Tanay	104,043.64	069-2023001676	A Brown Company, Inc.
Sampaloc Road, Sampaloc, Tanay, Rizal	115,483	069-2021001076	A Brown Company, Inc.
	12,952	069-2021001073	A Brown Company, Inc.
	1,080	069-2021001074	A Brown Company, Inc. *672 retained* *408 donated to BFP*
	41,300	069-2021003854	A Brown Company, Inc.
	41,300	069-2022001044	A Brown Company, Inc.
	41300	069 2022012113	A Brown Company, Inc.
	27057	069 2022009675	A Brown Company, Inc.
	2200	069 2023000108	A Brown Company, Inc.
	2300	069 2023000109	A Brown Company, Inc.
	2300	069 2023000110	A Brown Company, Inc.

	2700	069 2023000111	A Brown Company, Inc.
	2700	069 2023000112	A Brown Company, Inc.
	2750	069 2023000113	A Brown Company, Inc.
	2800	069 2023000114	A Brown Company, Inc.
	3201	069 2023000118	A Brown Company, Inc.
	3006	069 2023000122	A Brown Company, Inc.
	6357	069 2023000123	A Brown Company, Inc.
Sampaloc Road, Sampaloc, Tanay, Rizal	2187	069 2023000116	A Brown Company, Inc.
	3054	069 2023000115	A Brown Company, Inc.
	2188	069 2023000119	A Brown Company, Inc.
	2187	069 2023000117	A Brown Company, Inc.
	2188	069 2023000120	A Brown Company, Inc.
	2188	069 2023000121	A Brown Company, Inc.
	2022	TCT# M-9935	A Brown Company, Inc.
Banlic Sampaloc Tanay	42,563	069-2023003251	A Brown Company, Inc.
	42,565	069-2023003249	A Brown Company, Inc.
	42,565	069-2023003252	A Brown Company, Inc.
	42,564	069-2023003250	A Brown Company, Inc.
	40,785	069-2022011390	Sps. Miguel M. De Guia and Erlinda B. De Guia *(Title pending transfer to A Brown Company, Inc.)*
	40,785	069-2022011388	Sps. Miguel M. De Guia and Erlinda B. De Guia *(Title pending transfer to A Brown Company, Inc.)*
	40,785	069-2022011389	Sps. Miguel M. De Guia and Erlinda B. De Guia *(Title pending transfer to A Brown Company, Inc.)*
Plaza Aldea, Tanay, Rizal	121 121 121 2863 121 121 100 49 143	069 2023003247 069 2023003248 069 2023003246 069 2024 001675 069 2023005699 069 2023005698 069 2023005700 069 2023003253 069 2024001676	A Brown Company, Inc.

EXHIBIT- IIIb

Location	Area in Square Meters	Transfer of Certificate of Title No.	Owned By
Mindanao			
Balubal, Cagayan de Oro	19,054	OCT-2012000116	A Brown Company, Inc.
	30,914	T-190653	
	21,761	Various Lots 1. T-189737 2. T-189740 3. T-189742 4. T-189761 5. T-189765 6. T-189776 7. T-189779 8. T-189785 9. T-189786 10. T-189795 11. T-189796 12. T-189797 13. T-189801 14. T-189802 15. T-189803 16. T-189804 17. T-189809 18. T-189811 19. T-189817 20. T-189822 21. T-189823 22. T-189825 23. T-189826 24. T-189827 25. T-189832 26. T-189850 27. T-189859 28. T-189866 29. T-189867 30. T-189868 31. T-189869 32. T-189870 33. T-189871 34. T-189872 35. T-189873 36. T-189876 37. T-189877 38. T-189893 39. T-189894 40. T-189895 41. T-189896 42. T-189897 43. T-189898 44. T-189899 45. T-189900 46. T-189901 47. T-190273 48. T-190274 49. T-190286 50. T-190287 51. T-190288 52. T-190289 53. T-190290	A Brown Company, Inc.

		54. T-190291 55. T-190292 56. T-190293 57. T-190294 58. T-190295 59. T-190296 60. T-190297 61. T-190298 62. T-190299 63. T-190300 64. T-190301 65. T-190302 66. T-190303 67. T-190304 68. T-190305 69. T-190306 70. T-190307 71. T-190308 72. T-190309 73. T-190310 74. T-190311 75. T-190312 76. T-190313 77. T-190328 78. 137-2012007474 79. 137-2012007475 80. 137-2012007476 81. 137-2012007477 82. 137-2012007478 83. 137-2012007479 84. 137-2012007480 85. 137-2012007481 86. 137-2012007482 87. 137-2012007483 88. 137-2012007484 89. 137-2012007485 90. 137-2012007486 91. 137-2012007487 92. 137-2012007488 93. 137-2012007489 94. 137-2012007490 95. 137-2012007491 96. 137-2012007492 97. 137-2012007493 98. 137-2012007494 99. 137-2012007495 100. 137-2012007496 101. 137-2012007497 102. 137-2012007506 103. 137-2012007507 104. 137-2012007508 105. 137-2012007509 106. 137-2012007520 107. 137-2012007521 108. 137-2012007522 109. 137-2012007523 110. 137-2012007524 111. 137-2012007525 112. 137-2012007526 113. 137-2012007527 114. 137-2012007528	

		115. 137-2012007529 116. 137-2012007530 117. 137-2012007531 118. 137-2012007532 119. 137-2012007533 120. 137-2012007534 121. 137-2012007535 122. 137-2012007536 123. 137-2012007537 124. 137-2012007538 125. 137-2012007539 126. 137-2012007540 127. 137-2012007541 128. 137-2012007550 129. 137-2012007551 130. 137-2012007552 131. 137-2012007553 132. 137-2012007572 133. 137-2012007573 134. 137-2012007574 135. T-189891 136. T-189892 137. 137-2012007449 138. 137-2012007450 139. 137-2012007454 140. 137-2012007455 141. 137-2012007456 142. 137-2012007457 143. 137-2012007458 144. 137-2012007473 145. 137-2012007571 146. 137-2012007576 147. 137-2012007599	
	28,610	T-203935	Manuel Engwa
	13,355	137-2011004268	Brown Resources Corporation
	44,300	P-2124	Deed of Absolute Sale executed in favor of A Brown Company, Inc. *(Title to be transferred to A Brown Company, Inc.)*
	32,300	P-2123	Deed of Absolute Sale executed in favor of A Brown Company, Inc. *(Title to be transferred to A Brown Company, Inc.)*
	12,863	P-5273	Deed of Absolute Sale executed in favor of A Brown Company, Inc. *(Title to be transferred to A Brown Company, Inc.)*
Balulang, Cagayan de Oro	100	137-2019008753	A Brown Company, Inc.
	151	137-2019008769	A Brown Company, Inc.
	115	137-2019008855	A Brown Company, Inc.
	164	137-2019008938	A Brown Company, Inc.
	142	137-2019008957	A Brown Company, Inc.
	250	137-2019009000	A Brown Company, Inc.
	34,696	137-2019009006	A Brown Company, Inc.

	13,430	137-2019009008	A Brown Company, Inc.
	28,764	137-2022005832-92	A Brown Company, Inc.
	47,549	137-2011003402	Deed of Absolute Sale executed in favor of A Brown Company, Inc. *(Title to be transferred to A Brown Company, Inc.)*
	59,388	137-2011003401	Deed of Absolute Sale executed in favor of A Brown Company, Inc. *(Title to be transferred to A Brown Company, Inc.)*
	3,033	Various Lots 1. T-166075 2. T-181555 3. T-113584 4. T-113708 5. T-113828 6. T-148878 7. T-176854 8. 137-2014002455 9. 137-2014002456 10. 137-2014002457 11. 137-2014002458	A Brown Company, Inc.
	40,854	137-2022007121-212	A Brown Company, Inc.
	23,618	OCT-0502	A Brown Company, Inc.
	26,389	2022000119	Deed of Absolute Sale executed in favor of A Brown Company, Inc. *(Title to be transferred to A Brown Company, Inc.)*
	18,887	2022000117	Deed of Absolute Sale executed in favor of A Brown Company, Inc. *(Title to be transferred to A Brown Company, Inc.)*
	10,568	2022000118	Deed of Absolute Sale executed in favor of A Brown Company, Inc. *(Title to be transferred to A Brown Company, Inc.)*
	10,569	2022000126	Deed of Absolute Sale executed in favor of A Brown Company, Inc. *(Title to be transferred to A Brown Company, Inc.)*
Macasandig, Cagayan de Oro	1,193	Lot 2771-D-6-A-2-A	Deed of Absolute Sale executed in favor of A Brown Company, Inc. *(Title to be transferred to A Brown Company, Inc.)*
	39,582	137-2015000374	Deed of Absolute Sale executed in favor of A Brown

			Company, Inc. *(Title to be transferred to A Brown Company, Inc.)*
Mambuaya, Cagayan de oro	28,464	OCT P-3115	Deed of Absolute Sale executed in favor of A Brown Company, Inc. *(Title to be transferred to A Brown Company, Inc.)*
Bayanga Cagayan de Oro	10,795	TCT No 1192	Deed of Absolute Sale executed in favor of A Brown Company, Inc. *(Title to be transferred to A Brown Company, Inc.)*
	21,468	TCT No 48646	Deed of Absolute Sale executed in favor of A Brown Company, Inc. *(Title to be transferred to A Brown Company, Inc.)*
	39,691	T-116620	Deed of Absolute Sale executed in favor of A Brown Company, Inc. *(Title to be transferred to A Brown Company, Inc.)*
	30,000	T-617	Deed of Absolute Sale executed in favor of A Brown Company, Inc. *(Title to be transferred to A Brown Company, Inc.)*
	30,000	T-618	Deed of Absolute Sale executed in favor of A Brown Company, Inc. *(Title to be transferred to A Brown Company, Inc.)*
	30,000	T-619	Deed of Absolute Sale executed in favor of A Brown Company, Inc. *(Title to be transferred to A Brown Company, Inc.)*
	30,000	T-620	Deed of Absolute Sale executed in favor of A Brown Company, Inc. *(Title to be transferred to A Brown Company, Inc.)*
	30,000	T-621	Deed of Absolute Sale executed in favor of A Brown Company, Inc. *(Title to be transferred to A Brown Company, Inc.)*
	37,500	137-2024004484	Deed of Absolute Sale executed in favor of A Brown

			Company, Inc. *(Title to be transferred to A Brown Company, Inc.)*
	43,843	Tax Declaration No. G-214453	Deed of Absolute Sale executed in favor of A Brown Company, Inc. *(Title to be transferred to A Brown Company, Inc.)*
	25,188	TCT CARP 2016000013	Deed of Absolute Sale executed in favor of A Brown Company, Inc. (Title to be transferred to A Brown Company, Inc.)
	29,999	TCT CARP 2016000016	Deed of Absolute Sale executed in favor of A Brown Company, Inc. (Title to be transferred to A Brown Company, Inc.)
	25,188	TCT CARP 2016000014	Deed of Absolute Sale executed in favor of A Brown Company, Inc. (Title to be transferred to A Brown Company, Inc.)
	25,187	TCT CARP 2016000012	Deed of Absolute Sale executed in favor of A Brown Company, Inc. (Title to be transferred to A Brown Company, Inc.)
	94,882	T-61695	Deed of Absolute Sale executed in favor of A Brown Company, Inc. (Title to be transferred to A Brown Company, Inc.)
	50,000	OCT P-845	Deed of Absolute Sale executed in favor of A Brown Company, Inc. (Title to be transferred to A Brown Company, Inc.)
	84,576	TAX DECLARATION NO. G-364364	Deed of Absolute Sale executed in favor of A Brown Company, Inc. (Title to be transferred to A Brown Company, Inc.)
	30,000	T-1001	Deed of Absolute Sale executed in favor of A Brown Company, Inc. (Title to be transferred to A Brown Company, Inc.)
	30,000	T-1002	Deed of Absolute Sale

			executed in favor of A Brown Company, Inc. (Title to be transferred to A Brown Company, Inc.)
	30,000	T-1003	Deed of Absolute Sale executed in favor of A Brown Company, Inc. (Title to be transferred to A Brown Company, Inc.)
	30,000	T-1004	Deed of Absolute Sale executed in favor of A Brown Company, Inc. (Title to be transferred to A Brown Company, Inc.)
	77,825	OCT-68 *(portion only)*	Deed of Absolute Sale executed in favor of A Brown Company, Inc. *(Title to be transferred to A Brown Company, Inc.)*
Dansolihon, Cagayan de Oro	300	RT-3023	A Brown Company, Inc.
Butuan, Agusan del Norte	373	T-50346	A Brown Company, Inc.
	2,277	RT-50356	A Brown Company, Inc.
	1,237	T-50356	A Brown Company, Inc.
	5,671	T-50352	A Brown Company, Inc.
	5,671	T-50349	A Brown Company, Inc.
	2,903	157-2014000948	A Brown Company, Inc.
	30,771	157-2018001091	A Brown Company, Inc.
	92,933	157-2018001110	A Brown Company, Inc.
	2,813	157-2018001181	A Brown Company, Inc.
	42,922	157-2018001182	A Brown Company, Inc.
	6,276	157-2021000420	A Brown Company, Inc.
	5,091	157-2021004058	A Brown Company, Inc.
	9,694	157-2021004059	A Brown Company, Inc.
	49,746	157-2022003246	A Brown Company, Inc.
	49,817	157-2022003503	A Brown Company, Inc.
	36,698	157-2010000675	A Brown Company, Inc.
	53,694	08-07-0001-02183	Deed of Absolute Sale executed in favor of A Brown Company, Inc. *(Title to be transferred to A Brown Company, Inc.)*
	4,938	Various Lots 1. 157-2018001079 2. 157-2018001083 3. 157-2018001086 4. 157-2018001087 5. 157-2018001095 6. 157-2018001096 7. 157-2018001097 8. T-33904 9. T-33908 10. T-34187 11. T-34192 12. T-34193	A Brown Company, Inc.

		13. T-34196 14. T-33957 T-33958	
	35,606	15. 157-2021003474	A Brown Company, Inc.
	32,012	RT-3883	Deed of Absolute Sale executed in favor of A Brown Company, Inc. *(Title to be transferred to A Brown Company, Inc.)*
Manapa, Buenavista, Agusan del Norte	50,000	OCT-2021000289	Deed of Absolute Sale executed in favor of A Brown Company, Inc. *(Title to be transferred to A Brown Company, Inc.)*
	50,000	OCT-2021000290	Deed of Absolute Sale executed in favor of A Brown Company, Inc. *(Title to be transferred to A Brown Company, Inc.)*
	39,908	OCT-2021000291	Deed of Absolute Sale executed in favor of A Brown Company, Inc. *(Title to be transferred to A Brown Company, Inc.)*
	6,224	OCT-2021000292	Deed of Absolute Sale executed in favor of A Brown Company, Inc. *(Title to be transferred to A Brown Company, Inc.)*
	45,309	OCT-2021000293	Deed of Absolute Sale executed in favor of A Brown Company, Inc. *(Title to be transferred to A Brown Company, Inc.)*
	42,031	Lot 42031*(portion only)*	Deed of Absolute Sale executed in favor of A Brown Company, Inc. *(Title to be transferred to A Brown Company, Inc.)*
	2,624	Lot 2488	Deed of Absolute Sale executed in favor of A Brown Company, Inc. *(Title to be transferred to A Brown Company, Inc.)*
	3,515	158-2017000299 *(portion only)*	Deed of Absolute Sale executed in favor of A Brown Company, Inc. *(Title to be transferred to A Brown Company, Inc.)*
	7,490	35082	Deed of Absolute Sale executed in favor of A Brown

			Company, Inc. *(Title to be transferred to A Brown Company, Inc.)*
Libertad, Agusan del Norte	2,500	35081	Deed of Absolute Sale executed in favor of A Brown Company, Inc. *(Title to be transferred to A Brown Company, Inc.)*
	46,874	157-2023001746	A Brown Company, Inc.
	20,000	157-2023002948	A Brown Company, Inc.
	36,769	157-2018003791	Deed of Absolute Sale executed in favor of A Brown Company, Inc. (Title to be transferred to A Brown Company, Inc.)
Ampayon, Butuan City	36,769	157-2018003792	Deed of Absolute Sale executed in favor of A Brown Company, Inc. (Title to be transferred to A Brown Company, Inc.)
	36,769	157-2018003793	Deed of Absolute Sale executed in favor of A Brown Company, Inc. (Title to be transferred to A Brown Company, Inc.)
	3,386	157-2018003794	Deed of Absolute Sale executed in favor of A Brown Company, Inc. (Title to be transferred to A Brown Company, Inc.)
	45,108	RT-19854	Deed of Absolute Sale executed in favor of A Brown Company, Inc. (Title to be transferred to A Brown Company, Inc.)
	8,387	133-2023002347	A Brown Company, Inc.
Casisang, Bukidnon	9,551	133-2023002348	A Brown Company, Inc.
	9,709	133-2023002349	A Brown Company, Inc.
	9,251	133-2023002350	A Brown Company, Inc.
	35,606	157-2021003474	A Brown Company, Inc.
Valencia, Bukidnon	**(1)** 76,478	**(2)** T-59889	A Brown Company, Inc.
	37,787	T-59814	A Brown Company, Inc.
	2,979	T-59813	A Brown Company, Inc.
	42,151	T-61498	A Brown Company, Inc.
	47,865	T-61499	A Brown Company, Inc.
	61,036	T-62236	A Brown Company, Inc.
	32,933	T22705	Deed of Absolute Sale executed in favor of A Brown Company, Inc. *(Title to be transferred to A Brown Company, Inc.)*

Damilag, Bukidnon	31,070	P-21787	Deed of Absolute Sale executed in favor of A Brown Company, Inc. *(Title to be transferred to A Brown Company, Inc.)*
Kalugmanan,Manolo Fortich, Bukidnon	11,653	T-122618	Deed of Absolute Sale executed in favor of A Brown Company, Inc. *(Title to be transferred to A Brown Company, Inc.)*
	36,430	Untitled Property	Deed of Absolute Sale executed in favor of A Brown Company, Inc. *(Title to be issued to be issued in favor of A Brown Company, Inc.)*
	29,257	P-75403	Deed of Absolute Sale executed in favor of A Brown Company, Inc. *(Title to be transferred to A Brown Company, Inc.)*
	27,290	P-21747	Deed of Absolute Sale executed in favor of A Brown Company, Inc. *(Title to be transferred to A Brown Company, Inc.)*
	26,515	P-7053	Deed of Absolute Sale executed in favor of A Brown Company, Inc. *(Title to be transferred to A Brown Company, Inc.)*
	38,522	P-75138	Deed of Absolute Sale executed in favor of A Brown Company, Inc. *(Title to be transferred to A Brown Company, Inc.)*
	120,854	AO-6717 (CLOA No.00073648)	Deed of Absolute Sale executed in favor of A Brown Company, Inc. (Title to be transferred to A Brown Company, Inc.)
	214	Untitled Property	Deed of Absolute Sale executed in favor of A Brown Company, Inc. *(Title to be issued to be issued in favor of A Brown Company, Inc.)*
Initao, Misamis Oriental	2,204	21-0013-06953 (tax dec only)	Deed of Absolute Sale executed in favor of A Brown Company, Inc. *(Title to be transferred to*

			A Brown Company, Inc.)
	2,696	F-944	Deed of Absolute Sale executed in favor of A Brown Company, Inc. *(Title to be transferred to A Brown Company, Inc.)*
	3,278	TCT No. 24134	A Brown Company, Inc.
	9,303	TCT No. 37641	A Brown Company, Inc.
	10,272	TCT No. 48473	Deed of Absolute Sale executed in favor of A Brown Company, Inc. *(Title to be transferred to A Brown Company, Inc.)*
	21,368	OCT No. 0-884	A Brown Company, Inc.
	12,318	136-2013000765	A Brown Company, Inc.
	22,227	136-2013000766	A Brown Company, Inc.
	5,673	136-2013000767	A Brown Company, Inc.
	6,547	136-2013000768	A Brown Company, Inc.
	5,999	KOT CARP2014000977	Deed of Absolute Sale executed in favor of A Brown Company, Inc. *(Title to be transferred to A Brown Company, Inc.)*
	6,409	21-0013-09029	Deed of Absolute Sale executed in favor of A Brown Company, Inc. *(Title to be transferred to A Brown Company, Inc.)*
	5,447	21-0013-06944	Deed of Absolute Sale executed in favor of A Brown Company, Inc. *(Title to be transferred to A Brown Company, Inc.)*
	10,422	P-35226	Deed of Absolute Sale executed in favor of A Brown Company, Inc. *(Title to be transferred to A Brown Company, Inc.)*
	39,606	OCT#2024000281	Deed of Absolute Sale executed in favor of A Brown Company, Inc. *(Title to be transferred to A Brown Company, Inc.)*
	1,592	Oct No. P-20462	Deed of Absolute Sale executed in favor of A Brown Company, Inc. *(Title to be transferred to A Brown Company, Inc.)*
	300	Tax Declaration No. 23-21001303748	Deed of Absolute Sale executed in favor of A Brown Company, Inc.

			(Title to be transferred to A Brown Company, Inc.)

EXHIBIT- IIIc

Properties owned by the Subsidiaries

Location	Area in Square Meters	Transfer Certificate of Title No.	Owned By
Pagahan, Initao, Misamis Oriental	7,840	T-2764	Bonsai Agri Corporation (*a subsidiary of A Brown Company, Inc.*)
Impasug-ong, Bukidnon	160,000	T-90115	50,000 sqm. each owned by A Brown Energy and Resources Development, Inc. and Nakeen Corporation; 40,000 sqm. owned by Bonsai Agri Corporation; and 20,000 sqm. owned by Brown Resources Corporation. *includes ABERDI's Palm Oil Milling Plant and RBDO Plant
Libertad, Butuan City	20,000	RT-19966	Simple Homes Development, Inc. (*a subsidiary of A Brown Company, Inc.*)
Tambis, Barobo, Surigao del Sur	18,573 20,000 3,442 27,985	CARP2018000236* CARP201800023* TD NO. 01-0019-00399 TD NO. 01-0019-00260	Deed of Absolute Sale executed in favor of Surigao Greens Agri Corp. *(Title to be transferred to Surigao Greens Agri Corp., a subsidiary of A Brown Company, Inc.)* *Palm Oil Mill plant is erected.
Tanay, Rizal	11,700	T- 069-2025000284	Irradiation Solutions Inc. (*a subsidiary of A Brown Company, Inc.*) *E-Beam, Cold Storage Facility, and Office Building are erected.
	57	T- 069-2025000285	Irradiation Solutions Inc. (*a subsidiary of A Brown Company, Inc.*) *with improvement
	43	T- 069-2025000286	Irradiation Solutions Inc. (*a subsidiary of A Brown Company, Inc.*) *with improvement
	43	T- 069-2025000287	Irradiation Solutions Inc. (*a subsidiary of A Brown Company, Inc.*) *with improvement
	43	T- 069-2025000288	Irradiation Solutions Inc. (*a subsidiary of A Brown Company, Inc.*) *with improvement
	43	T- 069-2025000289	Irradiation Solutions Inc. (*a subsidiary of A Brown Company, Inc.*) *with improvement
	43	T- 069-2012005937	Deed of Absolute Sale executed in favor of Irradiation Solutions Inc. *(Title to be transferred to*

			Irradiation Solutions Inc.) *with improvement
	43	T- 069-2025000290	Irradiation Solutions Inc. (*a subsidiary of A Brown Company, Inc.*) *with improvement
	43	T- 069-2025000291	Irradiation Solutions Inc. (*a subsidiary of A Brown Company, Inc.*) *with improvement
	43	T- 069-2025000292	Irradiation Solutions Inc. (*a subsidiary of A Brown Company, Inc.*) *with improvement
	43	T- 069-2025000293	Irradiation Solutions Inc. (*a subsidiary of A Brown Company, Inc.*) *with improvement
	43	T- 069-2025000294	Irradiation Solutions Inc. (*a subsidiary of A Brown Company, Inc.*) *with improvement
	57	T- 069-2025000295	Irradiation Solutions Inc. (*a subsidiary of A Brown Company, Inc.*) *with improvement
	203	T- 069-2025000296	Irradiation Solutions Inc. (*a subsidiary of A Brown Company, Inc.*) *with improvement
	244	T- 069-2025000297	Irradiation Solutions Inc. (*a subsidiary of A Brown Company, Inc.*) *with improvement

Item 3. LEGAL PROCEEDINGS

The Company has contingent liabilities for lawsuits and various other matters occurring in the ordinary course of business. On the basis of information furnished by the legal counsel, management believes that none of these contingencies will materially affect the Company's financial position and results of operation.

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

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

PART II SECURITIES OF THE REGISTRANT

Item 5. MARKET FOR REGISTRANT'S COMMON SHARES AND RELATED STOCKHOLDER MATTERS

Market Information – Common Shares

The common shares of ABCI have been listed at the Philippine Stock Exchange (PSE) since February 1994. The table below shows the high and low sales prices of the Company's shares on the PSE for each quarter within the last two (2) fiscal years, to wit:

Quarter	Year 2024		Year 2023	
	High	Low	High	Low
Jan-Mar	0.68	0.61	0.84	0.70
Apr-Jun	0.65	0.55	0.79	0.71
Jul-Sept	0.71	0.51	0.77	0.64
Oct-Dec	0.59	0.52	0.71	0.61

The Company's common stock price was trading as high as ₱0.71 and as low as ₱0.51 for the four quarters of the year. It also closed lower at ₱0.506 on December 27, 2024 as compared to the closing price of ₱0.65 on December 29, 2023.

The table below shows the high and low sales prices of the Company's common shares on the PSE for the first four (4) months of 2025 to wit:

Quarter		**Year 2025**	
		High	Low
1st	January	0.57	0.50
	February	0.57	0.51
	March	0.56	0.50
2nd	April	0.54	0.50

On April 30, 2025, ABCI's common stocks were traded at a high of ₱0.54 and a low of ₱0.52 at the Philippine Stock Exchange with closing price of ₱0.54. The common stocks are not traded in any foreign market.

Market Information – "Series A" Preferred Shares

The "Series A" preferred shares of ABCI had been listed at the Philippine Stock Exchange (PSE) on November 29, 2021. The table below shows the high and low sales prices of the Company's "Series A" preferred shares on the PSE for each quarter within the last two (2) fiscal years, to wit:

Quarter	Year 2024		Year 2023	
	High	Low	High	Low
Jan-Mar	99.50	95.00	103.00	99.70
Apr-Jun	98.00	93.50	103.00	100.00
Jul-Sept	100.00	93.50	101.00	90.00
Oct-Dec	99.80	94.05	99.50	95.00

The Company's "Series A" preferred stock price was trading as high as ₱100.00 and as low as ₱93.50 for the four quarters of the year. It also closed at ₱96.50 on December 27, 2024 as compared to the ₱96.15 on December 28, 2023.

The table below shows the high and low sales prices of the Company's "Series A" preferred shares on the PSE for the first four (4) months of 2025 to wit:

Quarter		**Year 2025**	
		High	Low
1st	January	99.00	97.00
	February	99.00	97.00
	March	99.00	90.00
2nd	April	96.95	94.00

On April 30, 2025, ABCI's "Series A" preferred stocks were traded at a high of ₱96.95 and a low of ₱94.00 at the Philippine Stock Exchange with closing price of ₱95.05. The stocks are not traded in any foreign market.

Market Information – "Series B" Preferred Shares

The "Series B" preferred shares of ABCI have been listed at the Philippine Stock Exchange (PSE) on February 23, 2024. The table below shows the high and low sales prices of the Company's "Series B" preferred shares on the PSE for each quarter within the last two (2) fiscal years, to wit:

Quarter	Year 2024		Year 2023	
	High	Low	High	Low
Jan-Mar	103.50	100.00	-	-
Apr-Jun	103.00	100.00	-	-
Jul-Sept	106.00	96.00	-	-
Oct-Dec	110.00	100.20	-	-

The Company's "Series B" preferred stock price was trading as high as ₱110.00 and as low as ₱96.00 for the four quarters of the year. It also closed at ₱104.00 on December 19, 2024.

The table below shows the high and low sales prices of the Company's "Series B" preferred shares on the PSE for the first four (4) months of 2025 to wit:

Quarter		**Year 2025**	
		High	Low
1st	January	107.90	101.00
	February	129.00	101.00
	March	110.00	100.00
2nd	April	105.00	100.00

On April 29, 2025, ABCI's "Series B" preferred stocks were traded at a high and a low of P102.50 at the Philippine Stock Exchange with closing price of ₱102.50. The stocks are not traded in any foreign market.

Market Information – "Series C" Preferred Shares

The "Series C" preferred shares of ABCI have been listed at the Philippine Stock Exchange (PSE) on February 23, 2024. The table below shows the high and low sales prices of the Company's "Series C" preferred shares on the PSE for each quarter within the last two (2) fiscal years, to wit:

Quarter	Year 2024		Year 2023	
	High	Low	High	Low
Jan-Mar	103.50	100.20	-	-
Apr-Jun	102.50	100.10	-	-
Jul-Sept	106.00	101.00	-	-
Oct-Dec	108.00	95.30	-	-

The Company's "Series C" preferred stock price was trading as high as ₱108.00 and as low as ₱95.30 for the four quarters of the year. It also closed at ₱107.20 on December 26, 2024.

The table below shows the high and low sales prices of the Company's "Series C" preferred shares on the PSE for the first four (4) months of 2025 to wit:

Quarter		**Year 2025**	
		High	Low
1st	January	107.40	102.00
	February	107.70	103.00
	March	105.00	101.00
2nd	April	104.90	101.00

On April 30, 2025, ABCI's "Series C" preferred stocks were traded at a high of P104.60 and a low of P104.00 at the Philippine Stock Exchange with closing price of ₱104.00. The stocks are not traded in any foreign market.

Holders of Common and Preferred Equity

The number of holders of common; "Series A" preferred stock; "Series B" preferred stock and "Series C" preferred stock as of December 31, 2024 are 2,086; three (3), two (2) and two (2), respectively, based on the records of the Company's stock and transfer agent. As of April 30, 2025, the number of holders of common and "Series A, Series B and Series C" preferred stock is 2,085 and three (3), two (2) and two (2), respectively.

Shown below are top twenty (20) common shareholders; three (3) registered "Series A" preferred shareholders, two (2) registered "Series B" preferred shareholders and two (2) registered "Series C" preferred shareholders with the number of shares and the percentage of the total shares outstanding held by each as of April 30, 2025.

A BROWN COMPANY, INC.
LIST OF TOP 20 COMMON STOCKHOLDERS
AS OF APRIL 30, 2025

Rank	Name of Shareholder	Total Shares	Percentage (%)
1.	PCD Nominee Corporation – Filipino ** (Excluding Treasury Shares)	1,994,869,938	84.0877
2.	Brown, Walter W.	176,880,000	7.4558
3.	Jin Natura Resources Corporation	102,000,000	4.2995
4.	PBJ Corporation	49,537,664	2.0881
5.	PCD Nominee Corporation – Non-Filipino	11,468,545	0.4834
6.	Tan, A. Bayani K.	2,033,120	0.0857
7.	Brown, Walter W. or Annabelle P. Brown	1,550,566	0.0654
8.	Tan, Ma. Gracia P.	1,123,089	0.0473
9.	Pizarro, Robertino E.	1,060,613	0.0447
10.	Davila, Regina	938,462	0.0396
11.	Fernandez, Luisito Gandionco, Andrea L.	853,147 853,147	0.0360 0.0360
12.	Lorenzo, Alicia P.	750,769	0.0316
13.	Lagdameo, Jr., Ernesto R.	602,690	0.0254
14.	Kalinangan Youth Foundation, Inc.	561,123	0.0237
15.	King, Josefina B.	557,334	0.0235
16.	Gamilla, Juliana	544,615	0.0230
17.	EBC Securities Corporation	518,221	0.0218
18.	Tan, Joaquin T.Q.	511,885	0.0216
19.	Trifels, Inc.	481,905	0.0203
20.	Ignacio, Edgardo	472,512	0.0199
	TOTAL SHARES	**2,348,169,345**	**98.9800%**
	*** The following are the clients - beneficial owners (Filipino) of the PCD participants owning 5% or more of the outstanding common stock:*		
	Walter William B. Brown (direct and indirect)	233,948,815	9.8614%
	Annabelle P. Brown (direct and indirect)	162,909,706	6.8670%
	Brownfield Holdings, Inc.	944,523,155	39.8135%

A BROWN COMPANY, INC.
LIST OF "SERIES A" PREFERRED STOCKHOLDERS
AS OF APRIL 30, 2025

Rank	Name of Shareholder	Total Shares	Percentage (%)
1.	PCD Nominee Corporation – Filipino	13,124,840	98.9441
2.	PCD Nominee Corporation – Non-Filipino	135,060	1.0182
3.	G.D. Tan & Co., Inc.	5,000	0.0377
	TOTAL SHARES	**13,264,900**	**100.0000%**

A BROWN COMPANY, INC.
LIST OF "SERIES B" PREFERRED STOCKHOLDERS
AS OF APRIL 30, 2025

Rank	Name of Shareholder	Total Shares	Percentage (%)
1.	PCD Nominee Corporation – Filipino	7,407,700	99.6764
2.	PCD Nominee Corporation – Non-Filipino	24,050	0.1813
	TOTAL SHARES	**7,431,750**	**100.0000%**

A BROWN COMPANY, INC.
LIST OF "SERIES C" PREFERRED STOCKHOLDERS
AS OF APRIL 30, 2025

Rank	Name of Shareholder	Total Shares	Percentage (%)
1.	PCD Nominee Corporation – Filipino	6,819,560	98.2504
2.	PCD Nominee Corporation – Non-Filipino	121,440	1.7496
	TOTAL SHARES	**6,941,000**	**100.0000%**

Public Float

As of December 31, 2024 and 2023, the Company is compliant with the minimum public float requirement of the Philippine Stock Exchange (PSE) at 32.96% and 33.88%, respectively. The Company's public float of 32.96% is equivalent to 782,020,058 shares out of the 2,372,367,911 outstanding common shares.

As of April 30, 2025, the Company's public float is at 32.90%.

Shares Buy-Back Program – Common Shares

On August 17, 2020, the Board of Directors approved the implementation of a share buyback program of up to Fifty Million Pesos (₱50,000,000.00) worth of the Company's common shares to be sourced from its internally generated funds, with the following terms and conditions:

a. The objective of the share buyback program is to enhance shareholder value. Through the buying back of common shares, capital is distributed back to the shareholders while taking advantage of the undervalued market price.

b. Subject to appropriate disclosures to the Philippine Stock Exchange and the Securities and Exchange Commission, the share buyback program shall commence upon approval by the Board of Directors of the Company and will be effective for a period of One (1) year from commencement or upon utilization of the approved amount, or as may otherwise be approved by the Board of Directors.

c. The share buyback program will be implemented in the open market through trading facilities of the Philippine Stock Exchange.

d. Mr. Robertino E. Pizarro, President and CEO, and Mr. Paul B. Juat, Vice President have been authorized by the Board to implement the share buyback program.

e. The share buyback program will not affect the Company's ability to invest in existing business and projects in development.

As of December 31, 2020, the Company bought back its 25,663,000 own common shares for a total amount of Php 21,172,800.00 thereby increasing its total treasury shares to 25,664,014 which included the 1,014 aggregate fractional shares.

On May 25, 2021, the Board of Directors approved the extension of the share buy-back program for an additional amount of One Hundred Million Pesos (₱100,000,000.00) from the initial Fifty Million Pesos (₱50,000,000.00) worth of the Company's common shares which was approved on August 17, 2020 with the same terms and conditions.

The program will be effective for a period of one (1) year from the date of approval of the Board of Directors. The fund sources will be the dividends from the investment in power companies and internally generated income.

As of December 31, 2021, the Company bought back its 78,755,000 own common shares for a total amount of Php 70,427,490.00 thereby increasing its total treasury shares to 78,756,014 which included the 1,014 aggregate fractional shares.

As of December 31, 2022, with last buy-back transaction on April 1, 2022, the Company bought back its 105,300,000 own common shares for a total amount of Php 94,679,070.00 thereby increasing its total treasury shares to 105,301,014 which included the 1,014 aggregate fractional shares.

Dividend – Common Shares

A Php 0.05/share cash dividend was declared by the Company for the year 2006 and was given to stockholders of record as at the close of business on January 15, 2007 and paid on February 8, 2007. The previous declaration was on June 1998 where a 10% stock dividend was given to stockholders of record as at the close of business on July 17, 1998.

On July 9, 2010, the BOD of the Parent Company resolved to declare a cash dividend equal to Php .20/share to shareholders of record as of August 6, 2010 payable on August 30, 2010.

On August 18, 2010, the Parent Company's Board of Directors approved the declaration of a total 63,120,433 of the Parent's treasury shares as property dividends. After the regulatory examination of the Securities and Exchange Commission (SEC), the Parent Company was directed on October 4, 2010 to set the record date. The Parent Company's Board of Directors set November 3, 2010 as the record date for the determination of Company's shareholders entitled to receive the property dividend. Shareholders as of the record date owning sixteen (16) shares shall be entitled to one (1) BRN treasury share. No fractional shares shall be issued. The Company was expected to complete the distribution of the property dividends by November 29, 2010.

The Board of Directors approved the 25% stock dividend equivalent to 346,573,307 shares on June 7, 2013. The record date was set on September 12, 2013 after the approval by the Securities and Exchange Commission of the Corporation's increase of its authorized capital stock from which the stock dividends were to be issued. The Corporation was to issue the said stock dividend shares on or before October 8, 2013.

On November 27, 2013, the company notified the investing public of the publication in a newspaper of general circulation of the Notice that the cash dividends which remain unpaid will be reverted to the corporation after thirty (30) days from publication. The said Notice was published in Manila Bulletin on November 28, 2013.

On 7 June 2013, the shareholders of A Brown Company, Inc. (the "Corporation") approved the issuance of stock dividends to the Corporation's shareholders. The stock dividend shares were to be issued out of an increase in the Corporation's authorized capital stock, which increase was approved by the Securities and Exchange Commission on 16 August 2013. The Corporation further indicated that it was not to issue fractional shares which were expected to arise from the stock dividend declaration; instead, the Corporation undertook to acquire said fractional shares from the shareholders concerned and pay the latter the monetary value thereof.

As of 28 November 2016, pursuant to the authority granted under Section 41 of the Corporation Code, the Corporation has acquired all of the unissued fractional shares arising from the 2013 stock dividend declaration, constituting an aggregate of One Thousand Fourteen (1,014) shares. These 1,014 shares shall henceforth be treated as Treasury Shares in the books of the Corporation.

On May 19, 2016 the Board of Directors approved the declaration of a twenty percent (20%) stock dividend, consisting of approximately 346,573,104 shares, to the Corporation's shareholders. The same was approved by SEC on January 27, 2017.

On March 8, 2017 the Parent Company distributed 20% stock dividend totalling to 346,572,301 shares, net of fractional shares, of the Parent Company's outstanding shares to the stockholders of record as at February 10, 2017.

On July 12, 2024, the Parent Company's Board of Directors approved the declaration of cash dividends on common shares at Php 0.025/share with entitled shareholders of record as of 01 August 2024 and payable on 15 August 2024.

There was no dividend declaration from 2017 to 2023.

Dividend – "Series A" Preferred Shares

As and if cash dividends are declared by the Board of Directors on the Company's "Series A" preferred dividends, the cash dividends shall be at the fixed rate of 7.00% per annum which will be payable quarterly on March 1, May 29, August 29 and November 29 of each year subject to the certain limitations as provided for in the Prospectus and Offer Supplement dated November 11, 2021. The cash dividends on "Series A" preferred shares is computed as 7% x Php 100.00 x 90/360 amounting to Php 1.75 per share.

The following are the dividend declarations of the Company on "Series A" preferred shares in 2022:

Declaration Date	Record Date	Payment Date
February 2, 2022	February 16, 2022	March 1, 2022
April 29, 2022	May 17, 2022	May 30, 2022
April 29, 2022	August 3, 2022	August 30, 2022
April 29, 2022	November 3, 2022	November 29, 2022

Considering that 29 May 2022 (Sunday) and 29 August 2022 (National Heroes Day) are not Banking Days, dividends were paid on the next succeeding Banking Day which is 30 May 2022 and 30 August 2022, respectively, without adjustment on the amount of dividends to be paid.

The cash dividend for this period – for 2022 were paid out of the Corporation's unrestricted retained earnings as of 31 December 2021.

The following are the dividend declarations of the Company on "Series A" preferred shares in 2023:

Declaration Date	Record Date	Payment Date
February 3, 2023	February 17, 2023	March 1, 2023
February 3, 2023	May 3, 2023	May 29, 2023
February 3, 2023	August 1, 2023	August 29, 2023
February 3, 2023	October 31, 2023*	November 29, 2023

*On October 19, 2023, it was disclosed that the Record Date for the 29 November 2023 cash dividend was to be adjusted from 31 October 2023 to 03 November 2023 on account of the declaration of 30 October 2023 as a non-working holiday because of the Barangay and Sangguniang Kabataan Elections.

The cash dividend for this period – for 2023 will be paid out of the Corporation's unrestricted retained earnings as of 31 December 2022.

The following are the dividend declarations of the Company on "Series A" preferred shares in 2024:

Declaration Date	Record Date	Payment Date
February 1, 2024	February 16, 2024	March 1, 2024
February 1, 2024	May 3, 2024	May 29, 2024
February 1, 2024	August 1, 2024	August 29, 2024
February 1, 2024	November 5, 2024	November 29, 2024

The cash dividend for this period – for 2024 will be paid out of the Corporation's unrestricted retained earnings as of 31 December 2023.

The following were the dividend declarations of the Company on "Series A" preferred shares in 2025:

Declaration Date	Record Date	Payment Date
February 3, 2025	February 17, 2025	March 3, 2025
February 3, 2025	May 5, 2025	May 29, 2025
February 3, 2025	August 5, 2025	August 29, 2025
February 3, 2025	November 5, 2025	December 1, 2025

Considering that 01 March 2025 (Saturday) and 29 November 2025 (Saturday) are not Banking Days, dividends will be paid on the next succeeding Banking Day which is 03 March 2025 and 01 December 2025, respectively, without adjustment on the amount of dividends to be paid.

Dividend – "Series B and Series C" Preferred Shares

The terms of the issuance of the "Series B" and "Series C" Preferred Shares provide a yearly cash dividend at the rate of 8.25% and 8.75%, respectively of the Offer Price of Php100.00 per share, payable quarterly in arrears, on May 23, August 23, November 23 and February 23 of each year. On April 8, 2024, the Board approved the declaration of cash dividend for the four quarters of the year in the amount of Php 2.0625 per "Series B" Preferred Share and Php 2.1875 per "Series C" Preferred Share, computed as follows:

Series B: 8.25% x Php 100.00 x 90/360 = Php 2.0625 per share
Series C: 8.75% x Php 100.00 x 90/360 = Php 2.1875 per share

The Board likewise approved the following schedule of the record and payment/distribution dates of the quarterly cash dividends for the "Series B" and "Series C" Preferred Shares in the three quarters of 2024 and 1st Quarter of 2025:

Declaration Date	Record Date	Payment Date
April 8, 2024	May 3, 2024	May 23, 2024
April 8, 2024	August 1, 2024	August 23, 2024*
April 8, 2024	November 5, 2024	November 25, 2024
April 8, 2024	February 10, 2025	February 24, 2025

Considering that 23 November 2024 (Saturday) and 23 February 2025 (Sunday) are not Banking Days, dividends will be paid on the next succeeding Banking Day which is 25 November 2024 and 24 February 2025, respectively, without adjustment on the amount of dividends to be paid.

*On August 20, 2024, it was disclosed that the Payment Date for the 23 August 2024 cash dividend was to be adjusted to 27 August 2024 on account of the declaration moving the observance of the Ninoy Aquino Day from August 21, 2024 to August 23, 2024 as per Proclamation No. 665, to promote domestic tourism and because August 26, 2024 was also National Heroes Day. The change of the payment date was paid without adjustment on the amount of the dividends.
 was also National Heroes Day. The change of the payment date was paid without adjustment on the amount of the dividends.

The cash dividend will be paid out of the Corporation's unrestricted retained earnings as of 31 December 2023.

The following were the dividend declarations of the Company on "Series B" and "Series C" preferred shares in the three quarters of 2025 and 1st Quarter of 2026:

Declaration Date	Record Date	Payment Date
February 3, 2025	May 5, 2025	May 23, 2025
February 3, 2025	August 5, 2025	August 26, 2025
February 3, 2025	November 5, 2025	November 24, 2025
February 3, 2025	February 9, 2026	February 23, 2026

Considering that 23 August 2025 (Saturday) and 23 November 2025 (Sunday) are not Banking Days, dividends will be paid on the next succeeding Banking Day which is 26 August 2025 and 24 November 2025, respectively, without adjustment on the amount of dividends to be paid.

The cash dividends for this period – for 2025 are paid out of the Corporation's unrestricted retained earnings as of 31 December 2024.

Dividend policy:

Dividends are declared by the Company on its shares of stocks and are payable in cash or in additional shares of stock. The declaration and payment of dividends in the future will depend upon the earnings, cash flow and financial condition of the Company and other factors affecting the availability of unrestricted retained earnings, as prescribed under the Revised Corporation Code. Dividend declaration must also take into account the Company's capital expenditure and project requirements and settlement of its credit. Cash and property dividends are subject to approval by the Company's Board of Directors while stock dividends require the approval of both the Company's Board of Directors and Stockholders. In addition, the payment of stock dividends is likewise subject to the approval of the SEC and PSE, if shares are to be listed with the Exchange. Other than the restrictions imposed by the Revised Corporation Code of the Philippines, there is no other restriction that limits the Company's ability to pay dividends on common equity.

Recent Sales of Unregistered Securities or Exempt Securities, Including Recent Issuance of Securities Constituting an Exempt Transaction

On May 19, 2016, the Board of Directors initially approved the amendment of the Corporation's Articles of Incorporation to increase its authorized capital stock (ACS) which was amended later on August 8, 2016 to increase its authorized capital stock (ACS) from the current Two Billion Pesos (P2,000,000,000.00) divided into Two Billion (2,000,000,000) Common Shares to up to Five Billion Pesos (P5,000,000,000.00) divided into Five Billion (5,000,000,000) Common Shares.

The first tranche of the increase in the Corporation's authorized capital stock, is implemented with an increase by One Billion Three Hundred Million Pesos (P1,300,000,000.00), divided into One Billion Three Hundred Million (1,300,000,000) Common Shares and out of said increase, the Twenty Percent (20%) stock dividend declared on May 19, 2016 are issued. This was approved by stockholders representing at least 2/3 of the outstanding capital stock during the Annual Stockholders' Meeting on September 28, 2016 and by the Securities and Exchange Commission (SEC) on January 11, 2017. On January 20, 2017, an SEC Order Fixing of Record Date of Stock Dividend as payment for the increase of capital stock was issued which authorized February 10, 2017 as record date of shareholders entitled on the stock dividends. On March 8, 2017, 346,572,301 shares were distributed to stockholders as 20% stock dividend.

On 12 October 2017, the Board approved the conversion of the Company's debt and deposits for future subscription amounting to Php 450,000,000 to equity at Php 1.13/share based on the 15-day volume weighted average price for the period ending on October 11, 2017. This conversion is broken down as follows:

Debt	Liability	Number of Shares
Brownfield Holdings Incorporated	₱250,000,000.00	221,238,938
Deposits for future subscription		
Valueleases, Inc.	₱100,000,000.00	88,495,575
RMEscalona Consulting, Inc.	100,000,000.00	88,495,575
Total	₱450,000,000.00	398,230,088

The transaction is intended to settle outstanding loan obligations as well as convert the deposits and at the same time strengthen the balance sheet of the Company. This allowed the Company to raise funds for expansion of existing businesses and investments in new projects.

Brownfield Holdings Incorporated (BHI) is an existing shareholder and a related party to the Issuer with an equity interest of 20.49% as of the transaction date. Valueleases Inc. and RMEscalona Consulting, Inc. were new investors as of such date and are not related parties to the Issuer or any existing shareholder.

The new issuance of shares to BHI, Valueleases, Inc. and RMEscalona Consulting, Inc. represent 8.93%; 3.57% and 3.57%, respectively to the resulting total issued and outstanding shares. The three subscribers are not related to each other and are not acting in concert. This represents the culmination of several months of fund-raising exercises that A Brown Company, Inc. has undertaken to enable it to strengthen its financial base as well as fund some of its on-going investments to ensure growth for the company.

The SEC-CRMD has issued SEC Order No. 001 - 2019 dated 11 June 2019 with regard to the debt-to-equity conversion as an exempt transaction under Section 10.1 (k) of the Securities Regulation Code.

There was no sale of unregistered securities by the registrant during the past three years except as discussed above.

Preferred Shares Offering – Registration, Issuance and Listing

<u>Preferred Shares – Series A</u>

On May 25, 2021, the BOD approved the offering and issuance of cumulative, non-voting, non-participating, non-convertible, peso-denominated perpetual preferred shares out of the authorized but unissued capital of the Corporation, with an aggregate issue amount of up to One Billion Five Hundred Million Philippine Pesos (₱1,500,000,000.00) to be registered with the Securities and Exchange Commission and listed on the Philippine Stock Exchange, Inc.

The preferred shares offering and issuance were subject to the SEC's approval on the Parent Company's amendment to the AOI approved by the BOD and shareholders on April 12, 2021 and June 24, 2021, respectively, to create preferred shares by reclassifying its authorized capital stock. On July 19, 2021, the Company filed with SEC the Registration Statement for the shelf registration of the preferred shares.

On 15 October 2021, the SEC issued the Certificate of Filing of Enabling Resolution dated 14 October 2021 in connection with the offer and issue of 50,000,000 cumulative, non-voting, non-participating, and non-convertible perpetual preferred shares, at an offer price of up to Php100.00 per share which was approved by the Board of Directors of the Company on July 15, 2021 and was filed with the SEC pursuant to Section 6 of the Revised Corporation Code of the Philippines (R.A. No. 11232).

The Parent Company received a "Pre-effective letter" dated 22 October 2021 on the same day issued by the SEC which confirmed that it favorably considered the Company's Registration Statement in relation to the Company's proposed shelf registration subject to compliance by the Company with the conditions prescribed in the Pre-effective letter.

On 10 November 2021, the Parent Company secured approval from the Philippine Stock Exchange (PSE) for the shelf-listing of up to 50 million preferred shares and the follow-on public offer of up to 15 million preferred shares. For the first tranche, A Brown will offer 10 million preferred shares at an offer price of P100 per share or P1B worth with an oversubscription option of up to 5 million preferred shares worth P500 million. On 11 November 2021, A Brown approved the preferred shares offering with an initial dividend rate of 7.0% p.a. to be paid quarterly.

On 12 November 2021, the Company received from the Securities and Exchange Commission (SEC):

(i) SEC MSRD Order No. 76 s. 2021 ("Order of Registration") for the shelf registration of up to 50,000,000 cumulative, non-voting, non-participating, non-convertible, and redeemable perpetual Preferred Shares of which the Initial Offer Shares are a part, dated 12 November 2021; and

(ii) Permit to Offer Securities for Sale ("Permit to Sell") covering the Initial Offer Shares, dated 12 November 2021.

On November 29, 2021, there were 13,264,900 "Series A" preferred shares that were issued and listed in the Philippine Stock Exchange with "BRNP" as its ticker symbol.

The Corporation designated and appointed PNB Capital and Investment Corporation as the sole issue manager.

The Offer Shares shall be offered and sold in tranches within a period of three (3) years from the effective date of the Registration Statement (the “Shelf Period”), at an offer price of Php 100.00 per share. The Parent Company may offer from time to time, in one (1) or more tranches in such amounts/issue price and under such terms and conditions as may be determined by Corporation in light of prevailing market and other conditions at the time of sale.

Preferred Shares – Series B and Series C

On November 3, 2023, the Board of Directors approved 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. 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 was submitted. The amendment is being made arising from the review of the Company’s financial statements as part of the Offer.

The Company filed on November 7, 2023 with the Securities and Exchange Commission an Amended Registration Statement together with a Preliminary Offer Supplement for the issuance of 10,000,000 Preferred Shares with an oversubscription option of 5,000,000 Preferred Shares to be offered at an issue price of Php100.00 per share (the “Offer Shares”). The Offer Shares will be issued from the Company’s 50,000,000 Preferred Shares shelf registration under MSRD Order No. 76 Series of 2021.

On 23 January 2024, the SEC issued the Certificate of Filing of Enabling Resolution dated 12 January 2024 in connection with the offer and issue of up to 15,000,000 cumulative, non-voting, non-participating, non-convertible, peso-denominated, redeemable, perpetual preferred shares to be issued and offered under the Corporation’s 50,000,000 Preferred Shares registration which was approved by the Board of Directors of the Company on November 3, 2023 and was filed with the SEC pursuant to Section 6 of the Revised Corporation Code of the Philippines (R.A. No. 11232).

On 30 January 2024, the Parent Company secured approval from the Philippine Stock Exchange (PSE) of its listing application for the follow-on offering and listing of up to 15,000,000 Series B and C Preferred Shares (the “Offer Shares”) which is the second tranche of the Company’s 50,000,000 Preferred Shares Shelf Registration. On 05 February 2024, A Brown approved the preferred shares offering with an initial dividend rate of 8.25% and 8.75% p.a. for Series B and Series C, respectively to be paid quarterly.

On 08 February 2024, the Company received from the Securities and Exchange Commission (SEC) the Permit to Offer Securities for Sale (“Permit to Sell”) covering the Second Tranche Offer Shares, dated 08 February 2024.

On February 23, 2024, there were 7,431,750 “Series B” preferred shares and 6,941,000 “Series C” preferred shares that were issued and listed in the Philippine Stock Exchange with “BRNPB” and “BRNPC”, respectively as their ticker symbol.

For further information, kindly refer to the Prospectus and Offer Supplement dated November 11, 2021 (including the Order of Registration and Permit to Sell issued by the SEC dated November 12, 2021) with regard to “Series A” preferred shares offering and the Offer Supplement dated February 5, 2024 (including the Permit to Sell issued by the SEC dated February 8, 2024) with regard to “Series B” and “Series C” preferred shares offering which are accessible through the link: https://abrown.ph/investor-relations/prospectus/

Uses of Proceeds from “Series A” Preferred Shares Offering

For the year ending December 31, 2021, the proceeds of the Preferred Stocks Offering – Series A of 13.2649 million shares of A Brown Company, Inc. (BRNP) were applied as follows:

In Php Millions

Gross Proceeds	₱ 1,326.49
Expenses Related to the Offering	20.62
Net Proceeds[1]	**₱ 1,305.87**

.For the year ending December 31, 2022, the proceeds of the Preferred Stocks Offering – Series A of 13.2649 million shares of A Brown Company, Inc. (BRNP) were applied as follows:

In Php Millions

Purpose	Per Offer Supplement	Net Proceeds	Actual Disbursements -Annual-2021	Balance for Disbursement -December 31, 2021	Actual Disbursements -Annual-2022	Balance for Disbursement -December 31, 2022
Development of Real Estate Projects	₱ 600.00	₱ 600.00	₱ -	₱ 600.00	₱ 600.00	₱ -
Landbanking	400.00	400.00	74.02	325.98	325.98	-
Finance Future Funding Requirements for ISI	350.00	200.00	87.36	112.64	112.64	-
General Corporate Purposes	150.00	105.87	6.10	99.77	99.77	-
	₱1,500.00	**₱1,305.87**	**₱167.48**	**₱1,138.39**	**₱1,138.39**	**₱ -**

As of the 3rd Quarter Report ending September 30, 2022 on the disbursement on the proceeds, the Company reported the entire proceeds being fully utilized.

Uses of Proceeds from "Series B and Series C" Preferred Shares Offering

For the quarter ending March 31, 2024, the proceeds of the Preferred Stocks Offering – Series B and Series C of 7.43175 million and 13.2649 million shares, respectively of A Brown Company, Inc. (BRNPB and BRNPC) that were listed on February 23, 2024 were applied as follows:

In Php Millions

Gross Proceeds	₱ 1,437.28
Expenses Related to the Offering	22.58
Net Proceeds[1]	**₱ 1,414.70**

In Php Millions

Purpose	Per Offer Supplement	[1]Net Proceeds	Actual Disbursements – Annual - 2024	Balance for Disbursement as of December 31, 2024
Development of Real Estate Projects	₱ 1,000.00	₱965.12	₱ 965.12	₱ -
Landbanking	300.00	289.54	289.54	-
General Corporate Purposes	165.82	160.04	160.04	-
	₱1,465.82	**₱1,414.70**	**₱ 1,414.70**	**₱ -**

[1] *Expenses Related to the Offering include: (i) Underwriting and selling fees; (ii) SEC and PSE Filing Fee; (iii) Taxes; (iv) Legal fees; (v) Receiving agent, paying agent and stock transfer agent professional fees; (vi) other expenses (i.e., cost of printing, publication, accounting and consultancy fees, public relations, media expenses)*

As of the 4th Quarter Report ending December 31, 2024 on the disbursement on the proceeds, the Company reported the entire proceeds of Series B and Series C offering being fully utilized.

ANNEX B

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

0 0 0 0 0 0 3 1 1 6 8

COMPANY NAME

A BROWN COMPANY, INC. AND SUBSIDIARIES

PRINCIPAL OFFICE *(No. / Street / Barangay / City / Town / Province)*

XAVIER ESTATES, MASTERSON AVENUE, UPPER BALULANG, CAGAYAN DE ORO CITY

Form Type	Department requiring the report	Secondary License Type, If Applicable
AACFS	CRMD	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
abci_headoffice@abrown.ph	N/A	(+63)9178737268

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
Common - 2,090; Preferred - 7	During the month of June	December 31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Atty. Marie Antonette U. Quinito	maquinito@abrown.ph	(088) 324-0150	(+63)9173146242

CONTACT PERSON's ADDRESS

Xavier Estates, Uptown, Airport Road, Balulang, Cagayan de Oro City, Philippines

NOTE 1 : *In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.*

2 : *All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.*

A BROWN COMPANY, INC.

The Securities and Exchange Commission
The SEC Headquarters, 7907 Makati Avenue
Salcedo Village, Bel-Air, Makati City

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The management of **A Brown Company, Inc. and its Subsidiaries** (the "Group) is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the years ended December 31, 2024, 2023 and 2022, 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 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.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

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

Sycip Gorres Velayo & Co., the independent auditor appointed by the stockholders, has audited the consolidated financial statements of the Group in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

WALTER WILLIAM B. BROWN
Chairman

ROBERTINO E. PIZARRO
President and Chief Executive Officer

MARIE ANTONETTE U. QUINITO
Chief Finance Officer

Signed this 9TH day of MAY 2025

SUBSCRIBED AND SWORN to before me this 09 day of MAY 2025, affiants exhibiting to me their respective passports, as follows:

Names	Competent Evidence of Identity	Date of Issue	Place of Issue
Walter William B. Brown	P0742117C	June 30, 2022	DFA – NCR Central
Robertino E. Pizarro	P8882731B	February 8, 2022	DFA – Cagayan de Oro
Marie Antonette U. Quinito	P6933691B	June 5, [illegible]	DFA – Cagayan de Oro

Doc. No. 459
Page No. 101
Book No. XLI-D
Series of 2025

ATTY. RIZAL JOSE F. VA[illegible]
NOTARY PUBLIC
UNTIL DECEMBER 31, 2026
ADM MATTER NO. 003
PTR NO. 7016197 / 01-02-2025/ Q.C
IBP NO. 472850 / 10-23-2024 / Q.C
ROLL NO. 28435
MCLE NO. VIII-0008500 / 05-07-2024
Add. #473 Boni Serrano Road, Barangay
San Roque, Murphy Quezon City

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
sgv.ph

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
A Brown Company, Inc. and Subsidiaries
Xavier Estates, Masterson Avenue
Upper Balulang, Cagayan de Oro City

Opinion

We have audited the consolidated financial statements of A Brown Company, Inc. and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the 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 financial position of the Group as of December 31, 2024 and 2023, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2024 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's 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 that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit 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 audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the 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 for our audit opinion on the accompanying consolidated financial statements.

Real Estate Revenue Recognition

The Group's revenue recognition process, policies and procedures are significant to our audit because these involve application of significant judgment and estimation in the following areas: (1) assessment of the probability that the entity will collect the consideration from the buyer; (2) determination of the transaction price; and (3) application of the output method as the measure of progress in determining real estate revenue.

In evaluating whether collectability of the amount of consideration is probable, the Group considers the significance of the buyer's initial payments in relation to the total contract price (or buyer's equity). Collectability is also assessed by considering factors such as past history with the buyer, age and pricing of the property. Management regularly evaluates the historical sales cancellations and back-outs, if it would still support its current threshold of buyers' equity before commencing revenue recognition.

Effective January 1, 2024, the Group adopted Philippine Interpretations Committee (PIC) Q&A 2018-12-D (as amended by PIC Q&A 2020-04) in assessing if the transaction price includes significant financing component. The Group applied the modified retrospective in its initial adoption.

In measuring the progress of its performance obligation over time, the Group uses the output method. This method measures progress based on physical proportion of work done on the real estate project which requires technical determination by the Group's specialists (project engineers).

The disclosures related to real estate revenue are included in Notes 2, 3 and 26 to the consolidated financial statements.

Audit Response

We obtained an understanding of the Group's revenue recognition process.

For the buyers' equity, we evaluated management's basis of the buyer's equity by comparing this to the historical analysis of sales cancellations from buyers with accumulated payments above the collection threshold. On a sampling basis, we traced the historical analysis to supporting documents such as the buyer's collection report and official receipts.

For the determination of the transaction price, we obtained an understanding of the Group's process in implementing PIC Q&A 2018-12-D (as amended by PIC Q&A 2020-04), including the determination of the population of contracts with customers related to real estate sale, the selection of the transition approach and election of available practical expedient. We obtained the financing component calculation of the management which includes an analysis whether the financing component of the Group's contract with customers is significant. We selected sample contracts from the sales contract database and trace these selected contracts to the calculation prepared by management.

For selected contracts, we traced the underlying data and assumptions used in the financing component calculation such as contract price, cash discount, payment scheme, payment amortization table and percentage of completion to the contract provision and projected percentage of completion schedule. We also recomputed the financing component for each sample selected.

For the application of the output method in determining real estate revenue, we obtained an understanding of the Group's processes for determining the percentage of completion (POC). We obtained the certified POC reports prepared by the project engineers and assessed their competence and objectivity by reference to their qualifications, experience and reporting responsibilities. For selected ongoing projects, we conducted ocular inspections, made relevant inquiries and inspected the supporting details of POC reports showing the completion of the major activities of the project construction.

We performed test computation of the transition adjustments and evaluated the relevant disclosures made on the initial adoption of the above PIC Q&A.

Impairment of Bearer Plants

The Group's bearer plants has not been reaching its optimal fruiting stages. This indicates that the carrying amount of the Group's bearer plants of ₱191.4 million as of December 31, 2024, may not be recoverable. The Group performed an impairment testing on its property, plant and equipment of the palm oil business which resulted in the recognition of an impairment loss of ₱44.2 million in 2024. The impairment testing is significant to our audit because the assessment of the recoverable amount of the bearer plants requires significant judgment and involves estimation and assumptions about future fresh fruit bunches (FFB) production, FFB prices, direct costs, and discount rate.

The disclosures in relation to bearer plants are included in Notes 3 and 12 to the consolidated financial statements.

Audit Response

We involved our internal specialist in evaluating the methodologies and the assumptions used. We compared the key assumptions used such as: (a) future FFB production against the forecasted FFB production in accordance with the industry standard yield, and (b) FFB prices and direct costs with externally published data.

We tested the parameters used in the determination of the discount rate against market data. We also reviewed the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive; specifically those that have the most significant effect on the determination of the recoverable amount of property, plant and equipment of palm oil business.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024, but does not include the consolidated financial statements and our auditor's 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 auditor's 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 when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Management is responsible for the preparation and fair presentation of these 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 financial reporting process.

Auditor's 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 auditor's 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 consolidated financial statements.

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 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 auditor's 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 auditor's 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 hat achieves fair presentation.

- Plan and perform the group audit to 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 review of the 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 audit.

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

The engagement partner on the audit resulting in this independent auditor's report is Alvin M. Pinpin.

SYCIP GORRES VELAYO & CO.

Alvin M. Pinpin
Partner
CPA Certificate No. 94303
Tax Identification No. 198-819-157
BOA/PRC Reg. No. 0001, August 16, 2024, valid until August 23, 2026
BIR Accreditation No. 08-001998-070-2023, October 23, 2023, valid until October 22, 2026
PTR No. 10465360, January 2, 2025, Makati City

May 9, 2025

A BROWN COMPANY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31	
	2024	2023
ASSETS		
Current Assets		
Cash (Note 4)	**₱677,964,213**	₱118,082,483
Receivables (Note 5)	**955,284,846**	366,814,874
Contract assets (Note 14)	**131,239,842**	494,203,019
Receivables from related parties (Note 15)	**50,894,936**	50,894,936
Real estate inventories (Note 6)	**4,057,995,302**	3,571,105,773
Other inventories (Note 7)	**48,750,406**	116,293,063
Other current assets (Note 8)	**1,272,275,513**	693,028,502
Total Current Assets	**7,194,405,058**	5,410,422,650
Noncurrent Assets		
Contract assets - net of current portion (Note 14)	**1,542,267,524**	1,375,188,278
Equity instruments at fair value through other comprehensive income (EIFVOCI) (Note 9)	**428,856,522**	362,386,957
Investments in associates (Note 10)	**1,839,745,991**	1,821,756,979
Investment properties (Note 11)	**631,838,036**	455,941,317
Property, plant and equipment (Note 12)	**1,715,734,159**	1,472,098,680
Other noncurrent assets (Note 8)	**735,687,707**	811,706,849
Total Noncurrent Assets	**6,894,129,939**	6,299,079,060
TOTAL ASSETS	**₱14,088,534,997**	₱11,709,501,710
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts and other payables (Note 13)	**₱1,315,630,677**	₱1,160,270,667
Short-term debt (Note 16)	**972,187,000**	745,414,000
Current portion of long-term debt (Notes 15 and 16)	**602,633,723**	480,838,826
Contract liabilities (Note 14)	**481,762,306**	319,515,433
Total Current Liabilities	**3,372,213,706**	2,706,038,926
Noncurrent Liabilities		
Long-term debt - net of current portion (Notes 15 and 16)	**1,741,220,033**	1,398,737,070
Retirement benefit obligation (Note 19)	**84,475,120**	76,982,380
Deferred tax liabilities - net (Note 20)	**490,298,012**	455,771,239
Total Noncurrent Liabilities	**2,315,993,165**	1,931,490,689
Total Liabilities	**5,688,206,871**	4,637,529,615

(Forward)

	December 31	
	2024	2023
Equity Attributable to Equity Holders of the Parent Company		
Capital stock (Note 17)		
Common stock	**₱2,477,668,925**	₱2,477,668,925
Preferred stock	**27,637,650**	13,264,900
Additional paid-in capital (Note 17)	**3,331,502,966**	1,931,178,758
Retained earnings (Note 17)	**2,694,454,515**	2,834,608,536
Fair value reserve of EIFVOCI (Note 9)	**(5,214,271)**	(71,683,836)
Remeasurement loss on retirement benefit obligation - net of tax (Note 19)	**(20,218,050)**	(21,570,632)
Remeasurement loss on defined benefit plan of an associate (Note 10)	**(2,165,918)**	(1,221,512)
Cumulative translation adjustment	**(8,155,192)**	4,878,649
Treasury shares - common (Note 17)	**(94,932,275)**	(94,932,275)
	8,400,578,350	7,072,191,513
Noncontrolling interest	**(250,224)**	(219,418)
Total Equity	**8,400,328,126**	7,071,972,095
TOTAL LIABILITIES AND EQUITY	**₱14,088,534,997**	₱11,709,501,710

See accompanying Notes to Consolidated Financial Statements.

A BROWN COMPANY, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2024	2023	2022
REVENUE			
Real estate sales (Note 26)	**₱1,527,959,172**	₱1,454,786,129	₱1,378,739,155
Sale of agricultural goods (Note 26)	**250,550,825**	142,563,286	116,143,469
Water and other service (Note 26)	**29,462,585**	27,433,584	25,323,973
	1,807,972,582	1,624,782,999	1,520,206,597
COSTS OF SALES AND SERVICE			
Cost of real estate sales (Note 6)	**681,546,593**	559,113,808	477,722,261
Cost of agricultural goods sold (Note 7)	**242,092,717**	122,358,936	87,730,319
Cost of water and other service revenue	**12,045,256**	16,660,359	14,212,257
	935,684,566	698,133,103	579,664,837
GROSS PROFIT	**872,288,016**	926,649,896	940,541,760
GENERAL, ADMINISTRATIVE AND SELLING EXPENSES (Note 18)	**543,502,027**	541,469,373	472,282,218
OTHER INCOME (EXPENSES)			
Equity in net earnings of associates (Note 10)	**140,933,418**	339,947,514	316,397,960
Interest expense (Notes 14 and 16)	**(127,661,586)**	(67,121,886)	(24,354,370)
Unrealized foreign exchange gain (loss)	**92,371**	(1,200)	2,472
Interest income (Notes 4 and 5)	**34,509,378**	486,154	2,331,406
Income from forfeited deposits (Note 26)	**23,846,049**	20,026,646	18,401,162
Rental income (Note 21)	**19,624,353**	14,944,353	3,245,353
Other income (Note 22)	**30,184,315**	6,352,615	4,206,058
	121,528,298	314,634,196	320,230,041
INCOME BEFORE INCOME TAX	**450,314,287**	699,814,719	788,489,583
PROVISION FOR INCOME TAX (Note 20)			
Current	**18,219,312**	6,250,555	5,331,878
Deferred	**97,986,385**	147,087,524	147,620,365
	116,205,697	153,338,079	152,952,243
NET INCOME	**₱334,108,590**	₱546,476,640	₱635,537,340

(Forward)

	Years Ended December 31		
	2024	2023	2022
OTHER COMPREHENSIVE INCOME (LOSS)			
Item that will be reclassified to profit or loss in subsequent periods:			
Cumulative translation adjustment	**(₱13,033,841)**	(₱1,674,818)	₱55,193
Items that will not be reclassified to profit or loss in subsequent periods:			
Net change in fair value of EIFVOCI (Note 9)	**66,469,565**	61,356,522	61,618,982
Remeasurement gain (loss) on defined benefit plan - net of tax effect (Note 19)	**1,352,582**	(112,236)	5,792,145
Equity in other comprehensive income (loss) of an associate (Note 10)	**(944,406)**	(1,081,972)	207,803
	53,843,900	₱58,487,496	67,674,123
TOTAL COMPREHENSIVE INCOME	**₱387,952,490**	₱604,964,136	₱703,211,463
Net Income (Loss) Attributable to:			
Equity holders of the Parent Company	**₱334,139,396**	₱546,514,853	₱639,005,498
Noncontrolling interest	**(30,806)**	(38,213)	(3,468,158)
	₱334,108,590	₱546,476,640	₱635,537,340
Total Comprehensive Income (Loss) Attributable to:			
Equity holders of the Parent Company	**₱387,983,296**	₱605,002,349	₱706,679,621
Noncontrolling interest	**(30,806)**	(38,213)	(3,468,158)
	₱387,952,490	₱604,964,136	₱703,211,463
Basic/Diluted Earnings per Share (Note 17)	**₱0.06**	₱0.20	₱0.23

See accompanying Notes to Consolidated Financial Statements.

A BROWN COMPANY, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

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

	Common Stock	Preferred Stock	Additional Paid-in Capital	Retained Earnings	Fair Value Reserve of EIFVOCI	Remeasurement Gain (Loss) on Retirement Obligation - net of tax	Remeasurement Gain (Loss) on Defined Benefit Plan of an Associate	Cumulative Translation Adjustment	Treasury Shares - Common	Total	Noncontrolling Interest	Total
At January 1, 2024	**₱2,477,668,925**	**₱13,264,900**	**₱1,931,178,758**	**₱2,834,608,536**	**(₱71,683,836)**	**(₱21,570,632)**	**(₱1,221,512)**	**₱4,878,649**	**(₱94,932,275)**	**₱7,072,191,513**	**(₱219,418)**	**₱7,071,972,095**
Effect of adoption of standards (Note 2)	–	–	–	**(222,923,928)**	–	–	–	–	–	**(222,923,928)**	–	**(222,923,928)**
As of January 1, 2024, as restated	**2,477,668,925**	**13,264,900**	**1,931,178,758**	**2,611,684,608**	**(71,683,836)**	**(21,570,632)**	**(1,221,512)**	**4,878,649**	**(94,932,275)**	**6,849,267,585**	**(219,418)**	**6,849,048,167**
Issuance of preferred stocks, net of issue costs (Note 17)	–	**14,372,750**	**1,400,324,208**	–	–	–	–	–	–	**1,414,696,958**	–	**1,414,696,958**
Dividend declaration (Note 17)	–	–	–	**(244,697,755)**	–	–	–	–	–	**(244,697,755)**	–	**(244,697,755)**
Realized deferred tax asset previously recognized directly in equity (Note 20)	–	–	–	**(6,671,734)**	–	–	–	–	–	**(6,671,734)**	–	**(6,671,734)**
Net income (loss)	–	–	–	**334,139,396**	–	–	–	–	–	**334,139,396**	**(30,806)**	**334,108,590**
Other comprehensive income (loss)	–	–	–	–	**66,469,565**	**1,352,582**	**(944,406)**	**(13,033,841)**	–	**53,843,900**	–	**53,843,900**
Total comprehensive income (loss)	–	–	–	**334,139,396**	**66,469,565**	**1,352,582**	**(944,406)**	**(13,033,841)**	–	**387,983,296**	**(30,806)**	**387,952,490**
At December 31, 2024	**₱2,477,668,925**	**₱27,637,650**	**₱3,331,502,966**	**₱2,694,454,515**	**(₱5,214,271)**	**(₱20,218,050)**	**(₱2,165,918)**	**(₱8,155,192)**	**(₱94,932,275)**	**₱8,400,578,350**	**(₱250,224)**	**₱8,400,328,126**
At January 1, 2023	₱2,477,668,925	₱13,264,900	₱1,931,178,758	₱2,380,947,983	(₱133,040,358)	(₱21,458,396)	(₱139,540)	₱6,553,467	(₱94,932,275)	₱6,560,043,464	(₱181,205)	₱6,559,862,259
Dividend declaration (Note 17)	–	–	–	(92,854,300)	–	–	–	–	–	(92,854,300)	–	(92,854,300)
Net income (loss)	–	–	–	546,514,853	–	–	–	–	–	546,514,853	(38,213)	546,476,640
Other comprehensive income (loss)	–	–	–	–	61,356,522	(112,236)	(1,081,972)	(1,674,818)	–	58,487,496	–	58,487,496
Total comprehensive income (loss)	–	–	–	546,514,853	61,356,522	(112,236)	(1,081,972)	(1,674,818)	–	605,002,349	(38,213)	604,964,136
At December 31, 2023	₱2,477,668,925	₱13,264,900	₱1,931,178,758	₱2,834,608,536	(₱71,683,836)	(₱21,570,632)	(₱1,221,512)	₱4,878,649	(₱94,932,275)	₱7,072,191,513	(₱219,418)	₱7,071,972,095
At January 1, 2022	₱2,477,668,925	₱13,264,900	₱1,931,178,758	₱1,834,803,085	(₱194,659,340)	(₱27,250,541)	(₱347,343)	₱6,498,274	(₱70,618,247)	₱5,970,538,471	₱3,286,953	₱5,973,825,424
Acquisitions of treasury shares (Note 17)	–	–	–	–	–	–	–	–	(24,314,028)	(24,314,028)	–	(24,314,028)
Dividend declaration (Note 17)	–	–	–	(92,860,600)	–	–	–	–	–	(92,860,600)	–	(92,860,600)
Net income (loss)	–	–	–	639,005,498	–	–	–	–	–	639,005,498	(3,468,158)	635,537,340
Other comprehensive income (loss)	–	–	–	–	61,618,982	5,792,145	207,803	55,193	–	67,674,123	–	67,674,123
Total comprehensive income (loss)	–	–	–	639,005,498	61,618,982	5,792,145	207,803	55,193	–	706,679,621	(3,468,158)	703,211,463
At December 31, 2022	₱2,477,668,925	₱13,264,900	₱1,931,178,758	₱2,380,947,983	(₱133,040,358)	(₱21,458,396)	(₱139,540)	₱6,553,467	(₱94,932,275)	₱6,560,043,464	(₱181,205)	₱6,559,862,259

See accompanying Notes to Consolidated Financial Statements.

A BROWN COMPANY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱450,314,287**	₱699,814,719	₱788,489,583
Adjustments for:			
Equity in net earnings of associates (Note 10)	**(140,933,418)**	(339,947,514)	(316,397,960)
Depreciation (Notes 11, 12 and 18)	**62,685,538**	71,646,895	33,790,156
Interest expense (Notes 14 and 16)	**127,661,586**	67,121,886	24,354,370
Impairment loss (Notes 12 and 18)	**45,928,044**	26,755,369	32,068,874
Retirement expense, net of benefits paid and contribution (Note 19)	**9,512,461**	8,677,162	6,679,996
Interest income (Notes 4 and 5)	**(34,509,378)**	(486,154)	(2,331,406)
Dividend income (Notes 9 and 22)	**–**	(5,354)	(10,618)
Unrealized foreign exchange loss (gain)	**(92,371)**	1,200	(2,472)
Provision for inventory losses (Note 18)	**–**	–	50,241,232
Gain on sale of property, plant and equipment (Notes 12 and 22)	**(18,666)**	–	(99,685)
Operating income before working capital changes	**520,548,083**	533,578,209	616,782,070
Decrease (increase) in:			
Receivables	**(588,469,972)**	(109,919,021)	158,495,105
Contract assets	**174,093,198**	(400,240,824)	(799,123,017)
Real estate inventories	**(610,259,268)**	(497,155,957)	(787,727,299)
Other inventories	**67,542,657**	83,991,255	(72,320,568)
Other current assets	**(597,466,323)**	(233,754,017)	(133,574,083)
Increase in:			
Accounts and other payables	**192,271,664**	39,376,181	329,573,208
Contract liabilities	**125,912,257**	99,688,960	50,423,854
Net cash used in operations	**(715,827,704)**	(484,435,214)	(637,470,730)
Interest received	**34,509,378**	486,154	2,331,406
Net cash flows used in operating activities	**(681,318,326)**	(483,949,060)	(635,139,324)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment (Note 12)	**(383,755,522)**	(387,997,352)	(285,121,797)
Dividends received from associates (Note 10)	**122,000,000**	266,714,239	190,010,618
Proceeds from sale of property, plant and equipment	**18,666**	–	99,685
Decrease (increase) in:			
Other noncurrent assets	**(117,800,445)**	(140,434,655)	(396,925,016)
Receivables from related parties	**–**	55,916,911	19,498,427
Net cash flows used in investing activities	**(379,537,301)**	(205,800,857)	(472,438,083)

(Forward)

	Years Ended December 31		
	2024	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES			
Availments of:			
Long-term debt (Note 25)	**₱995,706,150**	₱1,013,535,044	₱484,720,800
Short-term debt (Note 25)	**880,192,000**	830,721,000	326,857,000
Payments of:			
Short-term debt (Note 25)	**(653,419,000)**	(557,326,208)	(298,298,812)
Long-term debt (Note 25)	**(526,849,274)**	(405,725,063)	(257,176,255)
Interest (Notes 16 and 25)	**(224,554,173)**	(181,316,214)	(95,992,851)
Share dividends (Notes 17 and 25)	**(244,697,755)**	(92,854,300)	(92,860,600)
Debt issue cost (Notes 16 and 25)	**(7,396,079)**	(7,372,997)	(3,555,000)
Acquisition of treasury shares (Note 17)	**–**	–	(24,314,028)
Issuance of preferred stock, net of issue costs (Note 17)	**1,414,696,958**	–	–
Net cash flows from financing activities	**1,633,678,827**	599,661,262	39,380,254
EFFECT OF EXCHANGE RATE CHANGES ON CASH	**(12,941,470)**	(1,676,018)	57,665
NET INCREASE (DECREASE) IN CASH	**559,881,730**	(91,764,673)	(1,068,139,488)
CASH AT BEGINNING OF YEAR	**118,082,483**	209,847,156	1,277,986,644
CASH AT END OF YEAR (Note 4)	**₱677,964,213**	₱118,082,483	₱209,847,156

See accompanying Notes to Consolidated Financial Statements.

A BROWN COMPANY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. **Corporate Information**

A Brown Company, Inc. (the Parent Company or ABCI), a publicly-listed company, was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on December 21, 1966 as Bendana Brown Pizarro and Associates, Inc. to primarily engage in the business of property development and to invest in shares of stocks of listed companies.

The Parent Company is engaged in the business of real estate development in Cagayan de Oro City and Initao in Misamis Oriental; Cainta and Tanay in Rizal; Valencia City, Bukidnon and Butuan City and Buenavista in Agusan del Norte.

The Parent Company's common and preferred shares of stock are listed and are currently traded at the Philippine Stock Exchange (PSE) (see Note 17).

The principal place of business and registered office address of the Parent Company is Xavier Estates, Masterson Avenue, Upper Balulang, Cagayan de Oro City.

The Subsidiaries
The Parent Company, through its subsidiaries, also ventured into palm oil milling, power generation and holdings of investments. The following are the subsidiaries of the Parent Company:

A Brown Energy and Resources Development, Inc. (ABERDI)
ABERDI is a 100% owned subsidiary of the Parent Company incorporated and registered with the SEC on February 1, 2001 to primarily engage in the business of manufacturing and trading of palm oil and other palm products including, but not limited to refined bleached deodorized oil, palm olein, crude palm oil, palm stearin, palm acid oil, palm fatty acid distillate, and palm kernels.

Palm Thermal Consolidated Holdings, Corp. (PTCHC)
PTCHC is a 100% owned subsidiary of the Parent Company registered with the SEC on November 22, 2010. Its primary purpose is to engage in the business of a holding company to hold shares for energy-related investments, whether common, preferred, treasury, founders or other kinds of shares, and to pay for such shares, in whole or in part, in cash or by exchanging therefor, stocks, or securities of this or any other corporation, and while the owner or holder of any such shares, to receive and dispose of the dividends and to exercise all the rights, powers and privileges of ownership, including voting any stock so owned, without however engaging in dealership in securities or in stock brokerage business, to the extent permitted by law, to aid, either by loans or by guaranty of securities or in any other manner, any corporation, any share of stock, or any evidence of indebtedness or other security whereof are held by this corporation, and to do any act designed to protect, preserve, improve or enhance the value of any property at any time held or controlled by this corporation, Provided that the corporation shall not solicit, accept or take investments/placements from the public neither shall it issue investment contracts. The Company holds 20% equity ownership to Palm Concepcion Power Corporation (PCPC) as of December 31, 2024 and 2023.

In 2024, Parent Company converted its deposits for future stock subscription as an additional investment in PTCHC amounting to ₱750.0 million.

In 2024, PTCHC amended its AOI, renaming it to ABC Energy, Inc. which was approved by the SEC on January 23, 2025.

Blaze Capital Limited (BCL)
BCL is a 100% owned subsidiary of the Parent Company registered with BVI Financial Services Commission as a British Virgin Island (BVI) Business Company on August 8, 2011 under the BVI Business Companies Act 2004. Subject to the Act and any other BVI legislation, the Company has irrespective of corporate benefit (a) full capacity to carry on or undertake any business or activity, do any act or enter into any transactions; and (b) for the purposes of (a), full rights, powers and privileges. Since its incorporation, BCL has not started its commercial operations.

NRC (formerly HLPC)
NRC was registered with the SEC on May 6, 2010. On July 24, 2023, the BOD and stockholders of NRC has approved the amendments of the Articles of Incorporation. The amendment includes changing the name of the Corporation to Northmin Renewables Corp. (NRC), changing its primary purpose to “to invest in renewable energy projects and all other energy related investments”, changing the principal office of the subsidiary; and increasing the authorized capital stock from ₱16.0 million to ₱100.0 million.

In 2023, the Parent Company authorizes the reclassification of its deposits for future stock subscription for the additional capital in NRC amounting to ₱35.0 million to enable the latter to meet the capital adequacy and other requirements of Department of Energy. The said amendment was approved by SEC on December 29, 2023.

On December 6, 2023, the Department of Energy (DOE) has awarded the Company service contracts for Bukidnon Wind Power Project and Misamis Oriental Wind Power Project. The service contracts are effective November 28, 2023. With the award of the service contract, the Company is currently undertaking pre-development activities for both projects on the work program approved by the Department of Energy

In 2024, the Parent Company subscribed additional capital amounting to ₱15.75 million, of which ₱5.75 million remain unpaid as of December 31, 2024, and was recognized as an additional investment in the subsidiary.

AB Bulk Water Company, Inc. (ABBWCI)
ABBWCI is a 100% owned subsidiary of the Parent Company registered with the SEC on March 31, 2015. ABBWCI was organized primarily to engage in the business of holding and providing rights to water to public utilities and cooperatives or in water distribution in the Municipality of Opol and related activities. Since its incorporation, ABBWCI has not started its commercial operations.

Masinloc Consolidated Power, Inc. (MCPI)
MCPI is a 49% owned subsidiary of the Parent Company registered with the SEC on July 4, 2007. MCPI was organized primarily to engage in, conduct and carry on the business of construction, planning, purchase, supply and sale of electricity. MCPI is registered under the Foreign Investments Act of 1991 on July 6, 2007. MCPI has not yet started its commercial operations. On March 22, 2023, the Company has secured the approval of the Securities and Exchange Commission (SEC) on the shortening of its corporate life from fifty (50) years from and after the date of incorporation to seventeen (17) years from and after the date of issuance of the Certificate of Incorporation, or on July 3, 2024.

Simple Homes Development, Inc. (SHDI)
SHDI is a 100% owned subsidiary of the Parent Company registered with the SEC on February 26, 1997. SHDI was organized primarily to invest in, purchase or otherwise acquire and own, hold, sell, assign, transfer, mortgage, pledge, exchange, or otherwise dispose of real and

personal property of every kind and description, and related activities. Since its incorporation, SHDI has not started its commercial operations.

Nakeen Corporation (NC)
NC is a 100% owned subsidiary of the Parent Company through ABERDI registered with the SEC on February 2, 1997. Its primary purpose is to engage in the business of agriculture in all aspects, including but not limited to, the operation of fishponds and fish pens, the raising of cattle, both large and small, the raising of hogs and chicken and any and all other activities related to or incidental to the foregoing markets. NC is also engaged in selling palm seedlings and bunch.

Bonsai Agri Corporation (BAC)
BAC is a 100% owned subsidiary of the Parent Company through ABERDI registered with the SEC on February 2, 1997. BAC was organized to engage in business of agriculture in all aspect, including but not limited to operation of fishponds and fish pens, the raising of cattle, both large and small, the raising of hogs and chickens and all other activities related to or incidental to the foregoing, and to market, sell, or otherwise dispose of any produce and products in both local and foreign markets. Since its incorporation, the Company has not started its commercial operations.

Vires Energy Corporation (VEC)
VEC is a 100% owned subsidiary of the Parent Company registered with the SEC on March 11, 2015. It was organized primarily to operate, engage in, conduct and carry on the business of exploring, developing, converting, producing, processing, and refining of power energy, fuel and/or any other source of power energy, including importation, handling, distributing and marketing at wholesale either within or outside the Philippines; to develop, manage, lease, and operate refineries for the power and fuel products or any other source of power energy; to enter into business undertaking to establish, develop, explore and operate business that will provide the technical manpower to persons and institutions engaged in aforesaid energy production; and in general to carry on and undertake such activities which may seem to the Company capable of being conveniently carried on in connection with the above purposes, or calculated, directly, to enhance the value of or render profitable, any of the Company's property or rights. Since its incorporation, the Company has not started its commercial operations.

Irradiation Solutions Inc. (ISI)
ISI is a 100% owned subsidiary of the Parent Company incorporated and registered with the SEC on January 4, 2021. ISI was organized in providing irradiation services for all types of goods e.g., food products and non-food products through exposing such goods to ionizing radiation such as gamma rays, x-rays, or accelerated electrons from electron beam machines. Commercial operations started on August 4, 2024.

Surigao Greens Agri Corp. (SGAC)
SGAC is a 100% owned subsidiary of the Parent Company registered with the SEC on February 13, 2023. The Company was organized to engage in the business of processing, milling and refining palm oil to manufacture crude palm oil, refined beached deodorized palm oil, palm olein and other products and to distribute such products on a wholesale or retail basis, provided that the corporation shall not solicit accept or take investments/placements from the public and neither shall it issue investment contracts.

Approval of Consolidated Financial Statements
The accompanying consolidated 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, were approved and authorized for issue by the BOD on May 9, 2025.

2. Material Accounting Policy Information

Basis of Preparation
The consolidated financial statements include the financial statements of the Parent Company and its subsidiaries (collectively referred to as “the Group”).

The accompanying consolidated financial statements have been prepared using the historical cost basis, except for EIFVOCI that are carried at fair value. The consolidated financial statements are presented in Philippine Peso (₱), which is the functional currency of the Parent Company. All subsidiaries and associates also use ₱ as functional currency, except for BCL whose functional currency is US Dollar ($). All amounts are rounded off to the nearest Philippine Peso, except when otherwise indicated.

Statement of Compliance
The consolidated financial statements of the Group have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis of Consolidation
The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as at December 31, 2024 and 2023, and for each of the three years in the period ended December 31, 2024.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the noncontrolling interests (NCI), even if this results in the NCI having a deficit balance. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other similar events. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group’s accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The consolidated financial statements comprise the financial statements of the Parent Company and the following subsidiaries:

	Effective Percentage of Ownership (%)		
	2024	2023	2022
ABERDI	100	100	100
NC	100	100	100
BAC*	100	100	100
SGAC	100	100	–
PTCHC	100	100	100
NRC*	100	100	100
ABWCI*	100	100	100
BCL*	100	100	100
SHDI*	100	100	100
MCPI**	49	49	49
VEC*	100	100	100
ISI	100	100	100

* *pre-operating subsidiaries*
** *non-operating subsidiary*

NCI
NCI are presented separately in the consolidated statement of comprehensive income, and within equity in the consolidated statement of financial position, separately from parent shareholder's equity. Any losses applicable to the NCI are allocated against the interests of the NCI even if this results to the NCI having a deficit balance. The acquisition of an additional ownership interest in a subsidiary without a change of control is accounted for as an equity transaction. Any excess or deficit of consideration paid over the carrying amount of the NCI is recognized in equity of the parent in transactions where the NCI are acquired or sold without loss of control.

As at December 31, 2024 and 2023, percentage of NCI pertaining to MCPI amounted to 51%. The voting rights held by the NCI are in proportion of their ownership interest.

Business Combination and Goodwill
Business combinations are accounted for using the acquisition method. As of the acquisition date, the acquirer shall recognize, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any NCI in the acquiree. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value, and the amount of any NCI in the acquiree. For each business combination, the acquirer has the option to measure the NCI in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When a business is acquired, the financial assets and financial liabilities assumed are assessed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Changes in Accounting Policies and Disclosures
The accounting policies adopted are consistent with those of the previous financial year, except that the Group has adopted the following new accounting pronouncements starting January 1, 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Adoption of these pronouncements did not have any significant impact on the Company's financial position or performance, unless otherwise indicated.

The nature and impact of each new standard and amendment are described below:

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
  The amendments clarify:
  - That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right.
  - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

- Amendments to PFRS 16*, Lease Liability in a Sale and Leaseback*
  The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.

- Amendments to PAS 7 and PFRS 7*, Disclosures: Supplier Finance Arrangements*
  The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

- Adoption of the 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 Philippine Interpretations Committee (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 8, 2019, the Philippine Securities and Exchange Commission (SEC) issued SEC Memorandum Circular (MC) No. 14-2018 and SEC MC No. 3-2019, respectively, providing relief to the real estate industry by deferring the application of certain provisions of this PIC &A for a period of three years until December 31, 2020. On December 15, 2020, the Philippine SEC issued SEC 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 the remaining provisions of PIC Q&A 2018-12, specifically on the: i) significant financing component, (ii) exclusion of land in the determination of percentage-of-completion (POC), and (iii) implementing the IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23, Borrowing Cost). The Group opted to adopt the changes using modified retrospective approach effective January 1, 2024 and the impact was recorded in the opening retained earnings. The comparative information is not restated.

  The modified retrospective effects of the adoption of the above changes are detailed below.

  i. The 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 (CTS) constitute a significant financing component. The Group's adoption of significant financing component resulted to adjustment to the Group's beginning balance of retained earnings, contract assets and liabilities and deferred income tax assets and liabilities, as presented below.
  ii. The Group's adoption of the impact of implementation of the exclusion of land in the determination of POC discussed in PIC Q&A No. 2018-12-E did not have an impact as the Group does not consider land costs in the determination of its projects' POC.
  iii. The Group recognized the application of IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23, *Borrowing Cost*) which provides that borrowing costs capitalized to real estate inventories related to projects which do not meet the definition of a qualifying assets should have been expensed out in the period incurred, as an adjustment to Group's beginning balance of retained earnings, real estate inventories and deferred tax liabilities, as presented below.

The impact of modified retrospective adoption of the above changes are detailed below as at January 1, 2024:

Statements of Financial Position

	As at January 1, 2024		
	As previously stated	Adjustments	**As restated**
Assets			
Real estate inventories	₱3,571,105,773	(₱239,106,554)	**₱3,331,999,219**
Contract assets - current	494,203,019	(21,790,733)	**472,412,286**
	₱4,065,308,792	(260,897,287)	**₱3,804,411,505**
Liabilities			
Deferred tax liabilities	₱455,771,239	(₱74,307,975)	**₱381,463,264**
Contract liabilities	319,515,433	36,334,616	**355,850,049**
	₱775,286,672	(₱37,973,359)	**₱737,313,313**
Equity			
Retained earnings	₱2,834,608,536	(₱222,923,928)	**₱2,611,684,608**

The details of the adjustments are as follows:

	Nature of Adjustments Increase (Decrease)		
	Borrowing Cost	**Significant Financing Component**	**Total Adjustment**
Assets			
Real estate inventories	(₱239,106,554)	₱–	(₱239,106,554)
Contract assets - current	–	(21,790,733)	(21,790,733)
	(₱239,106,554)	(₱21,790,733)	(260,897,287)
Liabilities			
Deferred tax liabilities	(₱59,776,638)	(₱14,531,337)	(₱74,307,975)
Contract liabilities	–	36,334,616	36,334,616
	(₱59,776,638)	₱21,803,279	(₱37,973,359)
Equity			
Retained earnings	(₱179,329,916)	(₱43,594,012)	(₱222,923,928)

Standards Issued but Not Yet Effective

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Group does not expect that the future adoption of the said pronouncements will have a significant impact on its financial statements. The Group intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2025

- Amendments to PAS 21, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

Effective beginning on or after January 1, 2026

- Amendments to PFRS 9 and PFRS 7, *Financial Instruments and Financial Instruments: Disclosures – Amendments to the Classification and Measurement of Financial Instruments*

Effective beginning on or after January 1, 2027

- PFRS 17, *Insurance Contracts*
- PFRS 18, *Presentation and Disclosure in Financial Statements*
- PFRS 19*, Subsidiaries without Public Accountability: Disclosures*

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*

Material Accounting Policies

The material accounting policies that have been used in the preparation of the consolidated financial statements are summarized below. These policies have been consistently applied to all years presented, unless otherwise stated.

Fair Value Measurement

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 Group 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.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether or not 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 period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Financial Instruments - Initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity to another entity.

Financial assets

(i) Initial recognition and measurement

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs. Receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

(ii) Subsequent measurement
The Group subsequently classifies its financial assets into the following measurement categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVPL

Financial assets at amortized cost (debt instruments). The Group measures financial assets at amortized cost if both of the following conditions are met:

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

These financial assets are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at amortized cost using the effective interest rate (EIR) method, less any impairment in value. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the EIR. Losses arising from impairment are recognized in the consolidated statement of comprehensive income under "Provision for impairment".

The Group's financial assets at amortized cost include cash, receivables, receivables from related parties and deposit in escrow and refundable deposits included under "Other assets" in the consolidated statements of financial position (see Notes 4, 5, 8 and 15).

Financial assets designated at FVOCI (equity instruments). Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under PAS 32 Financial Instruments:

Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group made irrevocable election to present in OCI subsequent changes in the fair value of all the Group's investments in golf shares and unlisted shares of stock (see Note 9).

(iii) Derecognition
When the Group transfers its rights to receive cash flows from an asset or enters into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

(iv) Impairment of financial assets
The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk (SICR) 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 (a lifetime ECL).

For cash and deposit in escrow, the Group applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from Standard and Poor's (S&P), Moody's and Fitch to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

Financial assets are credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of those financial assets have occurred. For these credit exposures, lifetime ECLs are also recognized and interest revenue is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset.

The Group applies a simplified approach in calculating ECLs for receivables. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. For trade receivables, the Group has established a provision matrix that is based on its historical credit loss experience.

For ICR and contract assets, the Group uses the vintage analysis for ECL by calculating the cumulative loss rates of a given ICR pool. It derives the probability of default from the historical data of a homogenous portfolio that share the same origination period. The information on the number of defaults during fixed time intervals of the accounts is utilized to create the probability model. It allows the evaluation of the loan activity from its origination period until the end of the contract period.

As these are future cash flows, these are discounted back to the time of default (i.e., is defined by the Group as upon cancellation of CTS) using the appropriate effective interest rate, usually being the original EIR or an approximation thereof.

For all debt financial assets other than receivables, ECLs are recognized using the general approach wherein the Group tracks changes in credit risk and recognizes a loss allowance based on either a 12-month or lifetime ECLs at each reporting date.

At each reporting date, the Group assesses whether there has been an SICR for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis.

Exposures that have not deteriorated significantly since origination, or where the deterioration remains within the Group's investment grade criteria are considered to have a low credit risk. The provision for credit losses for these financial assets is based on a 12-month ECL. The low credit risk exemption has been applied on debt investments that meet the investment grade criteria of the Group from the time of origination.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities
(i) Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.
(ii) Subsequent measurement
For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at FVPL
- Financial liabilities at amortized cost

Financial liabilities at amortized cost. This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost under the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as interest in the consolidated statement of comprehensive income.

The Group's financial liabilities measured at amortized cost as of December 31, 2024 and 2023 includes the following (see Notes 13 and 16):

- Short-term debt
- Long-term debt
- Accounts and other payables (excluding statutory payables)

(iii) Derecognition
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of comprehensive income.

<u>Classification of Financial Instruments Between Liability and Equity</u>
Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument or a component that is a financial liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity, net of any related income tax benefits.

A financial instrument is classified as debt if it provides for a contractual obligation to:

- deliver cash or another financial asset to another entity; or,
- exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company; or,
- satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the Group does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

<u>Offsetting Financial Instruments</u>
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

<u>Real Estate Inventories</u>
Real estate inventories consists of subdivision land and residential houses and lots for sale and development initially recorded at cost. Subsequent to initial recognition, these are valued at the lower of cost and net realizable value (NRV). Cost includes the acquisition cost of the land plus

all costs incurred directly attributable to the construction and development of the properties. Repossessed real estate inventories are recorded at original cost.

NRV is the estimated selling price in the ordinary course of business, based on market prices at the reporting date, less estimated cost of completion and estimated costs necessary to make the sale.

The costs of inventory 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 based on the relative size of the property sold.

Debt Issue Costs.
Debt issue costs are deducted against long-term debt and are amortized over the terms of the related borrowings using the effective interest method.

Other inventories
Other inventories pertain to finished agricultural goods, construction materials and agricultural materials and supplies which are measured at the lower of cost and NRV. Provision for inventory losses is established for estimated losses on other inventories which are determined based on specific identification of slow-moving, damaged, and obsolete inventories.

Finished agricultural goods
Cost of processed inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The costs of conversion include raw materials, direct labor and overhead costs. NRV is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Construction materials and agricultural materials and supplies
Construction materials and agricultural materials and supplies are valued at the lower of cost or NRV. Cost is determined using the moving average method. NRV is the replacement cost.

Deposits for Land Aquisition
This represents deposits made to landowners for the purchase of certain parcels of land which are intended to be held for sale or development in the future. These are recognized at cost. The deposits made are presented under other current and noncurrent assets in the consolidated statement of financial position as these are expected to be used for the Group's real estate development projects and landbanking, respectively.

Prepayments
Prepayments are initially recorded as assets and measured at the amount paid. Subsequently, these are charged to the consolidated statement of comprehensive income as they are consumed in operations or expire with the passage of time.

Investments in Associates
The Group's investments in associates are accounted for using the equity method. Under the equity method, the investments in associate is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortized and is not tested for impairment separately.

The consolidated statement of comprehensive income reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. The aggregate of the Group's share of profit or loss of an associate is shown on the face of the consolidated statement of comprehensive income outside operating profit as 'Equity in net earnings of associates'. If the Group's share of losses of an associate equals or exceeds its interest in the associate, the Group discontinues recognizing its share to the extent of the interest in associate. The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Investment Properties
Investment property is property (land or a building or part of a building or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both.

Investment properties are initially recognized at cost plus directly attributable cost incurred. Subsequent to initial recognition, the building and improvements is carried at cost less accumulated depreciation and amortization and any impairment in value while the land is carried at cost less any impairment in value.

The Group depreciates and amortizes its land improvements using the straight-line method over the 10-30 years estimated useful lives.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use

Property, Plant and Equipment
Property, plant and equipment, except for land and construction in progress, are stated at cost less accumulated depreciation and any impairment in value. Land is stated at cost, less any impairment in value.

The initial cost of property, plant and equipment comprises its purchase price including legal and brokerage fees, import duties, nonrefundable purchase taxes and any directly attributable costs of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Expenditures incurred after the property and equipment have been put into operation, such as maintenance, repairs and costs of day-to-day servicing, are recognized in profit or loss in the period the costs are incurred.

In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional cost of property, plant and equipment.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstance indicate that the carrying values may not be recoverable.

Depreciation and amortization are computed using the straight-line method over the following estimated useful lives, except for leasehold improvements and right-of-use assets, which are amortized over their estimated lives or term of the lease, whichever is shorter, and bearer plants, which are depreciated using units-of-production (UOP) method.

	Years
Land improvements	10
Leasehold improvements	2-5 or lease term, whichever is shorter
Refined bleached deodorized (RBD) and fractionation machineries	21
Building and improvements	5-30
Machineries and equipment	2-10
Other equipment	2-10
Right-of-use assets	17 or lease term, whichever is shorter

If there is an indication that there has been a significant change since the last annual reporting date in the pattern by which the Group expects to consume an asset's future economic benefits, the Group shall review its present depreciation method and, if current expectations differ, change the depreciation method to reflect the new pattern. The Group shall account for the change prospectively as a change in an accounting estimate.

Fully depreciated assets are retained in the accounts until these are no longer in use.

Construction in progress represents property, plant and equipment under construction or development and is stated at cost. This includes cost of construction and other direct costs. Construction in progress is not depreciated until such time the relevant assets are completed and is available for use.

Bearer plants
Bearer plants pertain to the Group's palm oil trees used in the production or supply of fresh fruit bunches (FFB) as its agricultural produce and are expected to bear produce for more than twelve months and have a remote likelihood of being sold as a plant or harvested as agricultural produce, (except for incidental scrap sales).

Bearer plants are measured at cost less accumulated depreciation and any impairment in value. Bearer plants are presented as part of property, plant and equipment. Costs to grow include purchase cost of various chemicals and fertilizers, land preparation expenses and other direct costs necessary to cultivate such plants before they are brought into the location and condition necessary to be capable of operating in the manner intended by management.

UOP method is used for depreciating the bearer plants. Depreciation is charged according to units of FFB harvested over the estimated units of FFB to be harvested during the life of the bearer plants or remaining contract period, whichever is shorter. The Group estimates its total units of FFB to be harvested based on the average yield over which the bearer plants are expected to be available for use. In addition, the estimate is based on collective assessment of internal technical evaluation and experience. Changes in the estimated total units of FFB to be harvested may impact the depreciation of bearer plants.

Impairment of Nonfinancial Assets
This accounting policy applies primarily to the Group's investments in associates, investment properties, property plant, and equipment and other assets excluding refundable deposits and deposit in escrow (see Notes 8, 10, 11 and 12).

The Group assesses at each reporting date whether there is an indication that an asset may be impaired when events or changes in circumstances indicate the carrying values may not be recoverable. If any such indication exists or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's estimated recoverable amount is the higher of the asset's or cash generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

Where the carrying values exceed the estimated recoverable amount, the assets or CGUs are written down to their estimated recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses of continuing operations are directly charged or credited to operations in those expense categories consistent with the function of the impaired asset.

Equity

Capital stock and additional paid-in capital

Capital stock consists of common shares and preferred shares which are measured at par value for all common and preferred shares issued. When the shares are sold at a premium, the difference between the proceeds and the par value is credited to 'Additional paid-in capital' account. Direct cost incurred related to the equity issuance, such as underwriting, accounting and legal fees, printing costs and taxes are charged to 'Additional paid-in capital' account.

Treasury shares

Own equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in additional paid-in capital.

The retained earnings is restricted to payments of dividends to the extent of the cost of treasury shares.

Retained earnings

Retained earnings include all current and prior period results of operations, net of dividends declared and the effects of retrospective application of changes in accounting policies or restatements, if any. Dividends on common and preferred stocks are recognized as a liability and deducted from equity when declared and approved by the BOD or shareholders of the Parent Company. Dividends for the year that are declared and approved after the reporting date, if any, are dealt with as an event after the reporting date and disclosed accordingly.

Revenue and Cost Recognition

Revenue from contracts with customers

The Group is primarily engaged in real estate development, production and sale of agricultural goods, and water services. Revenue from contracts with customers is recognized when control of the goods and services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. The Group has generally concluded that it is the principal in its revenue arrangements since it is the primary obligor in these revenue arrangements.

The disclosures of material accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 3.

Real estate sales. The Group derives its real estate revenue from sale of lots and developed residential house and lots. Revenue from the sale of these real estate projects under pre-completion stage are recognized over time during the construction period (or percentage of completion) since based on the terms and conditions of its contract with the buyers, the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

Starting January 1, 2024, in determining the transaction price, the Group considers whether the selling price of the real estate property includes significant financing component.

In measuring the progress of its performance obligation over time, the Group uses the output method. The Group recognizes revenue on the basis of direct measurements of the value to customers of the goods or services transferred to date, relative to the remaining goods or services promised under the contract. Progress is measured using physical proportion of work done. This is based on the bi-monthly project accomplishment report prepared by the Group's in-house technical team approved by the construction manager which integrates the surveys of performance to date of the construction activities for both sub-contracted and those that are fulfilled by the Group itself.

Buyer's equity represents a certain percentage of buyer's payments of total selling price that the buyer has paid the Group and it is at this collection level that the Group assesses that it is probable that the economic benefits will flow to the Group because of certainty of collection of the remaining balance of the selling price. This gives the buyer, a stake in the property, the level of which is sufficient enough to mitigate the risks of loss through default which would motivate the buyer to honor its obligations to the Group. Management regularly evaluates the historical cancellations and back-outs if it would still support its current collection threshold before commencing revenue recognition. Any excess of progress of work over the right to an amount of consideration that is unconditional, is recognized under 'Contract assets' in the assets section of the consolidated statement of financial position.

Any excess of collections over the total of recognized ICR and contract assets are recognized under 'Contract liabilities' account in the liabilities section of the consolidated statement of financial position.

Sales cancellation is accounted for as a modification of the contract (from non-cancelable to being cancelable) resulting to the reversal of the previously recognized real estate sales and cost of real estate sales and reinstating the real estate inventories at cost.

Cost of real estate sales. The Group recognizes costs relating to satisfied performance obligations as these are incurred taking into consideration the contract fulfillment assets such as connection fees. These include costs of land, land development costs, building costs, professional fees, depreciation, permits and licenses and capitalized borrowing costs. These costs are allocated to the saleable area, with the portion allocable to the sold area being recognized as costs of sales while the portion allocable to the unsold area being recognized as part of real estate inventories.

Contract costs include all direct materials and labor costs and those indirect costs related to contract performance. Expected losses on contracts are recognized immediately when it is probable that the total contract costs will exceed total contract revenue. Changes in contract performance, contract conditions and estimated profitability, including those arising from contract penalty provisions, and final contract settlements which may result in revisions to estimated costs and gross margins are recognized in the year in which the changes are determined.

In addition, the Group recognizes cost as an asset that gives rise to resources that will be used in satisfying performance obligations in the future and that are expected to be recovered.

Sale of agricultural goods. Revenue from sale of agricultural goods is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods and acceptance by the buyer. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, noncash consideration, and consideration payable to the customer, if any.

Variable consideration - rights of return. Certain contracts provide a customer with a right to return the goods within a specified period. The Group uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in PFRS 15 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price.

Cost of agricultural goods sold. Costs of sales include direct material costs, manufacturing expenses and monetary value of inventory adjustments. This is recognized upon delivery of the goods or when the control of the asset is transferred and when the cost is incurred, or the expense arises.

Water service, tapping fees, transfer fees and other water charges. Revenue is recognized over time as the customer receives and consumes the benefit from the performance of the related water services. Water services are billed every month. The Group recognizes revenue in the amount to which the Company has a right to invoice since the Group bills a fixed amount for every cubic meter of water delivered.

Income from forfeited deposits. Income from forfeited collections recorded under 'Other income' in the consolidated statement of comprehensive income is recognized when the deposits from potential buyers are deemed nonrefundable due to prescription of the period for entering into a contracted sale. Such income is also recognized, subject to the provisions of Republic Act 6552, *Realty Installment Buyer Act*, upon prescription of the period for the payment of required amortizations from defaulting buyers.

Rental income. Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the respective lease terms.

Contract Balances

ICR. An ICR represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract assets. A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

For the Group's real estate sales, contract assets are initially recognized for revenue earned from development of real estate projects as receipt of consideration is conditional on successful completion of development. The amounts recognized as contract assets are reclassified to ICR when the monthly amortization of the customer is due for collection. It is recognized under ‘Receivables’ in the consolidated statement of financial position.

Costs to obtain contract. The incremental costs of obtaining a contract with a customer are recognized under ‘Other current assets’ in the consolidated statement of financial position if the Group expects to recover them. The Group has determined that commissions paid to brokers and marketing agents on the sale of pre-completed real estate units are deferred when recovery is reasonably expected and are charged to expense in the period in which the related revenue is recognized over time using the POC method. Commission expense is included in the ‘General, administrative expenses and selling expenses’ account in the consolidated statement of comprehensive income.

Costs incurred prior to obtaining a contract with customer are not capitalized but are expensed as incurred.

Contract liabilities. A contract liability is the 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 a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

The contract liabilities also include payments received by the Group from the customers for which revenue recognition has not yet commenced.

Costs and Expenses

Costs and expenses are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants. Costs and expenses are generally recognized when the services are used, or the expense arises while interest expenses are accrued in the appropriate period.

This consist of general administrative expenses which constitute costs of administering the business and selling expenses which constitute commission on real estate sales and advertising expenses. General administrative and selling expenses (excluding amortization of capitalized costs to obtain contracts) are recognized as incurred.

Post-employment Benefits

Pension benefits are provided to employees through a defined benefit plan. The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.

The following comprise the defined benefit costs:

- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs, which include current service costs, past service costs, and gains or losses on non-routine settlements are recognized as expense in consolidated statement of comprehensive income. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in the consolidated statement of comprehensive income.

Remeasurements comprising actuarial gains and losses, return on plan assets, and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held in trust and managed by a trustee bank. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. The fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

Borrowing Costs

Borrowing costs that are directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale while the asset, which includes real estate inventories, is being constructed are capitalized as part of the cost of that asset. All other borrowing costs are expensed in the period in which they occur.

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 of those borrowings.

For investment properties, interest is capitalized from the commencement of the development work until the date of practical completion. The capitalization of borrowing 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.

Interest is capitalized if the properties are currently undertaking activities necessary to prepare the assets for its intended sales, including but not limited to pre-construction such as permitting, design, planning and actual land development activities and are not ready to be sold in its current condition.

Prior to January 1, 2024, interest is capitalized if the properties are currently undertaking activities necessary to prepare the assets for its intended use. Subsequent to January 1, 2024, these are no longer considered as a qualifying asset and thus, the related borrowing cost are expensed as incurred.

Borrowings originally made to develop a specific qualifying asset are transferred to general borrowings (a) when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete, and (b) the entity chooses to use its funds on constructing other qualifying assets rather than repaying the loan.

Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the asset for its intended sale are completed.

If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recorded.

All other borrowing costs are expensed as incurred.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As Lessor. Leases where the Group retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same bases as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

As Lessee. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets.

Short-term leases. The Group applies the short-term lease recognition exemption to its short-term leases of office spaces and transportation equipment 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.

Taxes

Current income tax. Current income tax liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authority. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted as of reporting date.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the consolidated statement of comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or,

- In respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or,

- In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

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

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Creditable withholding taxes (CWT). CWT pertains to taxes withheld on income payments and may be applied against income tax due. The balance of taxes withheld is recovered in future period. The balance as of end of each reporting period represents the unutilized amount after deducting any income tax payable. Creditable withholding tax is stated at its realizable value.

Value-added tax (VAT). Revenues, expenses and assets are recognized net of amount of VAT, if applicable.

When VAT from provision of services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as output VAT under ‘Accounts and other payables’ in the consolidated statement of financial position. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from provision of services (output VAT), the excess is recognized as input taxes under ‘Other current assets’ in the consolidated statement of financial position up to the extent of the recoverable amount.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

Foreign Currencies
The Group's consolidated financial statements are presented in Philippine Peso (₱), which is also the Parent Company's functional currency. For each entity, the Group determines the functional currency and items included in the consolidated financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and balances. Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Nonmonetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the dates of initial transactions. Nonmonetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Group companies. The functional currency of BCL is the US Dollar. On consolidation, the assets and liabilities of foreign operations are translated into Philippine Peso (₱) at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognized under 'Cumulative translation adjustment' in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

Basic and Diluted Earnings Per Share (EPS)
Basic EPS is computed by dividing net income attributable to common stockholders of the Parent Company less the cumulative preferred shares dividends divided by the weighted average number of common stocks issued and outstanding during the year and adjusted to give retroactive effect to any stock dividends declared during the period.

Diluted EPS is computed by dividing net income attributable to common stockholders of the Parent Company by the weighted average number of common shares issued and outstanding during the year plus the weighted average number of common shares that would be issued on conversion of all the dilutive potential common shares. The calculation of diluted EPS does not assume conversion, exercise or other issue of potential common shares that would have an anti-dilutive effect on earnings per share.

As of December 31, 2024, and 2023, the Group has no potentially dilutive common shares.

Segment Reporting
The Group's operating segments are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Financial information on operating segments is presented in Note 24 to the consolidated financial statements.

Provisions
Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingencies
Contingent liabilities are not recognized in the consolidated financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

Events After the Reporting Period
Events after the reporting period are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the consolidated financial statements are authorized for issue. Post year-end events that provide additional information about the Group's financial 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 notes to consolidated financial statements when 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 accompanying 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. Actual results could differ for such estimates.

Judgments
In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements.

Revenue from contracts with customers
The Group is primarily engaged in real estate sales and development, sale of palm oil and other palm products including, but not limited to refined bleached deodorized oil, palm olein, crude palm oil, palm stearin, palm acid oil, palm fatty acid distillate, and palm kernels, and water services. The Group accounts for all of the goods and services in each contract with customer as a single performance obligation capable of being distinct.

The Group applied the following judgments that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Real estate revenue recognition. Revenue recognition under PFRS 15 involves the application of significant judgment and estimation in the: (a) identification of the contract for sale of real estate property that would meet the requirements of PFRS 15; (b) assessment of the probability that the entity will collect the consideration from the buyer; (c) determination of the transaction price; and (d) application of the output method as the measure of progress in determining real estate revenue.

- *Identifying performance obligations.* The Group has various CTS covering subdivision land and residential houses and lots. The Group concluded that the goods and services transferred in each contract constitute a single performance obligation. In particular, the promised goods and services in contracts for the sale of property under development mainly include design work, procurement of materials and development of the property. Generally, the Group is responsible for all of these goods and services and the overall management of the project. Although these goods and services are capable of being distinct, Group accounts for them as a single performance obligation because they are not distinct in the context contract. The Group uses those goods and services as inputs and provides a significant service of integrating them into a combined output. Included also in this performance obligation is the Group's service to transfer the title of the real estate unit to the buyer.

- *Existence of a contract.* The Group's primary document for a contract with a customer for real estate sales is a signed CTS supported by other signed documentations such as reservation agreement, official receipts, buyers' amortization schedule and invoices and it met all the criteria to qualify as contract with a customer under PFRS 15.

  In addition, part of the assessment process of the Group before revenue recognition is to assess 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, an entity considers the significance of the customer's initial payments in relation to the total contract price. Collectability is also assessed by considering factors such as past history with the customer, age of receivables, and pricing of the property. Management regularly evaluates the historical sales cancellations and back-outs after considering the impact of coronavirus pandemic, if it would still support its current threshold of buyers' equity before commencing revenue recognition.

- *Determining transaction price.* The 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 (CTS) constitute a significant financing component. The Group adjusts the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be more than one year.

- *Revenue recognition method and measure of progress.* The Group concluded that revenue for real estate sales is to be recognized over time because: (a) the Group's performance does not create an asset with an alternative use and; (b) the Group has an enforceable right for performance completed to date. The promised property is specifically identified in the contract and the contractual restriction on the Group's ability to direct the promised property for another use is substantive. This is because the property promised to the customer is not interchangeable with other properties without breaching the contract and without incurring significant costs that otherwise would not have been incurred in relation to that contract. In addition, under the current legal framework, the customer is contractually obliged to make payments to the developer up to the performance completed to date.

  The Group has determined that output method used in measuring the progress of the performance obligation faithfully depicts the Group's performance in transferring control of real estate development to the customers. This method measures progress based on physical proportion of work done on the real estate project which requires technical determination by the Group's specialists (project engineers).

The Group requires a collection threshold of 10% of buyer's payments of total selling price (buyer's equity), to be collected as one of the criteria in order to initiate revenue recognition. Reaching this level of collection is an indication of buyer's continuing commitment and the probability that economic benefits will flow to the Group.

Revenue recognition - sales of agricultural goods and water services. Revenue recognition under PFRS 15 involves the application of significant judgment and estimation in the: (a) identification of the contract for sale of goods that would meet the requirements of PFRS 15; (b) assessment of performance obligation and the probability that the entity will collect the consideration from the buyer; (c) determining method to estimate variable consideration and assessing the constraint; and (d) recognition of revenue as the Group satisfies the performance obligation.

- *Identifying performance obligations*. The Group accounts for all of the goods or services in each contract with customer as a single performance obligation capable of being distinct.

- *Recognition of revenue as the Group satisfies the performance obligation of sale of agricultural goods and water services*. The Company concluded that the revenue for sale of palm oil and other palm products to be recognized at a point in time when the goods are delivered and water services to be recognized over time as the customer receives and consumes the benefit from the performance of the related water services and it has a present right to payment for the services rendered.

  In addition, part of the assessment process of the Group before revenue recognition is to assess the probability that the Group will collect the consideration to which it will be entitled in exchange for the goods sold or services rendered.

- *Method to estimate variable consideration and assess constraint for agricultural goods*. The Group uses historical experience from the past 12 months to determine the expected value of rights to return and constrain the consideration accordingly. The Group updates its assessment of expected returns and refund liability. Estimates of expected returns are sensitive to changes in circumstances and the Group's past experience regarding returns may not be representative of customers' actual returns in the future. As at December 31, 2024 and 2023, no refund liability was recognized in the consolidated statements of financial position.

Distinction between real estate inventories, investment properties and owner-occupied properties. The Group determines whether a property will be classified as real estate inventories, investment properties or owner-occupied properties. In making this judgment, the Group considers whether the property will be sold in the normal operating cycle (real estate inventories) and whether the property generates cash flow largely independent of the other assets held by an entity.

Real estate inventories comprise of property that is held for sale in the ordinary course of business. Principally, this is residential property that the Group develops and intends to sell before or on completion of construction. Investment property comprises land and buildings which are not occupied substantially for use by, or in the operations of the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and for capital appreciation. Owner-occupied properties classified and presented as property, plant and equipment, generate cash flows that are attributable not only to property but also to the other assets used in the production or supply process.

Significant influence on Palm Concepcion Power Corporation (PCPC), Peakpower Energy, Inc. (PEI) and East West Rail Transit Corporation (EWRTC). In determining whether the Group has significant influence over an investee requires significant judgment. Generally, a shareholding of 20% to 50% of the voting rights of an investee is presumed to give the Group a significant influence. The Group considers that it has significant influence over its investees when it has board representation which allows them to participate in the financial and operating policy decisions but is not control or joint control of those policies.

Management's Use of Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Revenue recognition on real estate projects. The Group's revenue recognition policy require management to make use of estimates and assumptions that may affect the reported amounts of revenues. The Group's revenue from real estate sales are recognized based on the POC which is measured principally on the basis of the estimated completion of a physical proportion of the contract work which requires technical determination by management's specialists (project engineers) and involves significant judgment and estimation.

For the years ended December 31, 2024, 2023 and 2022, the real estate sales recognized over time amounted to ₱1,528.0 million, ₱1,454.8 million and ₱1,378.7 million, respectively (see Note 26).

Provision for expected credit losses of receivables and contract assets. The Group uses a provision matrix to calculate ECLs for trade receivables other than ICRs. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information such as inflation rate. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The Group uses vintage analysis approach to calculate ECLs for ICRs and contract assets. The vintage analysis accounts for expected losses by calculating the cumulative loss rates of a given loan pool. It derives the probability of default from the historical data of a homogenous portfolio that share the same origination period. The information on the number of defaults during fixed time intervals of the accounts is utilized to create the PD model. It allows the evaluation of the loan activity from its origination period until the end of the contract period.

The Group considers an ICR and contract asset in default when the Group forfeits and repossesses the property from the customer through cancellation. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

The PD is applied to the estimate of the loss arising on default which is based on the difference between the contractual cash flows due and those that the Group would expect to receive, including from the repossession of the subject real estate property, net of cash outflows. For purposes of calculating LGD, accounts are segmented based on facility/collateral type and completion. In calculating the recovery rates, the Group considered collections of cash and/or cash from resale of real estate properties after foreclosure, net of direct costs of obtaining and selling the real estate properties after the default event such as commission, association dues, refurbishment, payment required under Republic Act 6552, *Realty Installment Buyer Act*, and cost to complete (for incomplete units). As these are future cash flows, these are discounted back to the reporting date using the appropriate effective interest rate, usually being the original EIR or an approximation thereof.

The resulting recovery rate coming from the above process, resulted to zero LGD, thus resulting to no recognized ECL for ICR and conract assets in 2024, 2023 and 2022.

In 2024, 2023 and 2022, the Group recognized provision for expected credit loss on trade receivables amounting to nil, ₱0.8 million and ₱1.7 million, respectively (see Notes 5 and 18).

Estimating NRV of real estate inventories. The Group reviews the NRV of real estate inventories and compares it with the cost. Real estate inventories are written down below cost when the estimated NRV is found to be lower than the cost.

NRV for completed real estate inventories 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 inventory under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction and less estimated costs to sell.

The carrying values of real estate inventories are disclosed in Note 6.

Estimating fair values of financial assets and liabilities. When the fair values of financial assets and liabilities recorded in the consolidated statement of financial position cannot be measured based on quoted prices in active markets, their fair value is determined using average selling price of price per share of similar or identical assets traded in an active market. As at December 31, 2024 and 2023, the fair values of the financial assets and liabilities are disclosed in Note 23.

Impairment of property, plant and equipment. The Group performs annual impairment review of property, plant and equipment. Management is required to make estimates and assumptions to determine the future cash flows to be generated from the continued use and ultimate disposition of the assets in order to determine the value of these assets. While the Group believes that the assumptions used are reasonable and appropriate, these estimates and assumptions can materially affect the consolidated financial statements. In addition, adverse events may cause management to conclude that the affected assets are impaired and may have a material impact on the financial condition and results of operations of the Group.

In 2024 and 2023, the Group has assessed that its bearer plants has indications of impairment due to the palm oil plantation's bearer plants not reaching their optimal fruiting stages. In 2024, 2023 and 2022, the Group recognized impairment loss of ₱44.2 million, ₱26.7 million and ₱20.7 million, respectively, to account for the estimated fruit loss due to some trees not reaching the optimal fruiting stages in accordance with the industry standard yield (see Note 12).

No additional impairment was recognized by the Group for the remaining bearer plants since management estimated that the recoverable amount exceeds the carrying value of the bearer plants excluding the specific impairment as of December 31, 2024 and 2023. The recoverable amount was computed using discounted cash flows approach and considered certain assumptions such as future FFB production, FFB prices, direct costs, and discount rate.

The Group recognized an allowance for impairment loss on property, plant and equipment as of December 31, 2024 and 2023 as disclosed in Note 12. As at December 31, 2024 and 2023, the carrying values of the property, plant and equipment are disclosed in Note 12.

Post-employment defined benefit plan. The cost of defined benefit pension plan and the present value of the pension obligation are 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. All assumptions are reviewed at each reporting date.

As of December 31, 2024 and 2023, the Group's retirement obligations are disclosed in Note 19.

Estimating realizability of deferred tax assets. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. The Group's assessment on the recognition of deferred tax assets on deductible temporary differences is based upon the likely timing and level of future taxable profits determined from the tax planning strategies of the Group. This forecast is based on the Group's past results and future expectations on revenue and expenses.

As at December 31, 2024 and 2023, deferred tax assets that were not recognized in the consolidated statements of financial position since it is not probable that sufficient taxable income may be available in the future against which the deferred tax assets can be utilized are disclosed in Note 20. As at December 31, 2024 and 2023, the carrying values of deferred tax assets are disclosed in Note 20.

4. **Cash**

	2024	2023
Cash on hand	**₱40,576,191**	₱16,661,055
Cash in banks	**637,388,022**	101,421,428
	₱677,964,213	₱118,082,483

Cash in banks pertain to savings and current accounts that generally earn interest based on prevailing respective bank deposit rates. The Group earned interest from cash in banks amounting to ₱0.6 million and ₱0.1 million in 2024 and 2023, respectively.

5. **Receivables**

	2024	2023
ICR	**₱857,300,438**	₱299,571,418
Trade receivables	**25,747,387**	22,398,533
Advances to officers and employees	**14,231,056**	9,489,854
Dividend receivable (Notes 10 and 25)	**9,000,000**	9,000,000
Other receivables	**57,639,806**	34,988,910
	963,918,687	375,448,715
Less allowance for credit losses from other receivables	**8,633,841**	8,633,841
	₱955,284,486	₱366,814,874

ICR consists of accounts collectible in equal monthly installments with over a period of 2 to 10 years. Certain ICRs bear interest ranging from 14% to 18% in 2024 and 2023, depending on the projects and units. The transfer certificates of title remain in the possession of the Group until full payment has been made by the customers. Interest earned from contract assets and ICR amounted to ₱33.9 million and ₱0.3 million in 2024 and 2023, respectively.

Trade receivables include receivables from water service and sale of palm oil and other palm products which are noninterest-bearing and are normally collected within seven (7) to sixty (60) days.

In 2024 and 2023, the Parent Company assigned accounts receivable with recourse as collateral with its short-term loan discounting agreement with a bank. The outstanding balance of the assigned accounts receivable amounted to ₱250.1 million and ₱230.8 million as of December 31, 2024 and 2023, respectively (see Note 16).

Dividend receivable pertains to the cash dividends declared by the associates, PCPC and PEI, which is due and demandable (see Notes 10 and 25).

Advances to officers and employees pertain to salary and other loans granted to the Group's employees that are collectible through salary deduction. These are noninterest-bearing and are due within one year.

Other receivables mainly pertain to advances made to homeowners' association of one of the projects and nontrade receivables. These receivables are noninterest-bearing and are due within one (1) year.

Movement in the allowance for impairment of other receivables is as follows:

	2024	2023
Balances at beginning of year	**₱8,633,841**	₱7,805,537
Provision for expected credit losses (Note 18)	–	828,304
Balances at end of year	**₱8,633,841**	₱8,633,841

6. Real Estate Inventories

	2024	2023
Land for sale and development - at cost	**₱817,297,857**	₱910,893,338
Construction and development costs	**3,240,697,445**	2,660,212,435
	₱4,057,995,302	₱3,571,105,773

The rollforward of this account follows:

	2024	2023
Balance at beginning of the year	**₱3,571,105,773**	₱2,961,366,258
Construction and development costs incurred	**1,291,805,871**	849,357,773
Transfers from deposits for land acquisition (Note 8)	–	206,911,992
Borrowing costs capitalized (Note 16)	**79,123,832**	102,046,099
Depreciation expense capitalized (Note 12)	**21,601,442**	10,537,459
Transfers from investment properties (Note 11)	**15,011,531**	–
Adjustment on borrowing cost (Note 2)	**(239,106,554)**	–
Cost of real estate sales	**(681,546,593)**	(559,113,808)
	₱4,057,995,302	₱3,571,105,773

The real estate inventories are carried at cost. No real estate inventories are recorded at amounts lower than cost in 2024 and 2023.

Land for sale and development represents real estate subdivision projects in which the Group has been granted License to Sell (LTS) by the Department of Human Settlements and Urban Development. It also includes raw land inventories that are under development and those that are about to undergo development.

Construction and development costs incurred pertain to amounts paid to contractors and development costs in relation to the development of land and construction of housing units, and other costs directly attributable to bringing the real estate inventories to its intended condition.

Borrowing costs capitalized to real estate inventories in 2024 and 2023 amounted to ₱79.0 million and ₱102.0 million, respectively (Note 16). The capitalization rate used to determine the borrowing costs eligible for capitalization in 2024 and 2023 is 14.8% and 8.3% , respectively.

Collateralized properties
Pursuant to the loan agreement, certain real estate inventories were collateralized in favor of the bank to secure the Group's short-term and long-term debts (see Note 16). As at December 31, 2024 and 2023, the carrying values of the collateralized real estate inventories amounted to ₱1.2 billion and ₱1.5 billion, respectively.

7. Other Inventories

	2024	2023
Construction materials	**₱41,213,558**	₱109,473,887
Finished agricultural goods	**7,536,848**	6,819,176
At lower of cost and NRV	**₱48,750,406**	₱116,293,063

Construction materials pertain to supplies used in the construction and development of the real estate projects.

The cost of inventories recognized under cost of agricultural goods sold in the consolidated statements of comprehensive income are as follows:

	2024	2023	2022
Purchase and harvest of FFB	**₱44,929,007**	₱22,213,262	₱45,970,076
Crude palm oil purchased during the year	**172,082,600**	–	17,562,630
FFB used in production	**217,011,607**	22,213,262	63,532,706
Direct labor	**13,892,039**	8,867,022	11,945,998
Manufacturing overhead	**11,906,743**	8,248,589	13,838,956
Total manufacturing cost	**242,810,389**	39,328,873	89,317,660
Finished goods at beginning of year	**6,819,176**	89,849,239	88,261,898
Finished goods at end of year	**(7,536,848)**	(6,819,176)	(89,849,239)
Total cost of agricultural goods sold	**₱242,092,717**	₱122,358,936	₱87,730,319

Agricultural materials and other supplies pertain to fertilizers, fuel and oil and other consumables.

The Group recognized inventory loss of ₱50.2 million in 2022 in the consolidated statement of comprehensive income to account for the identified obsolete and damaged inventories recognized under "Provision for inventory lossess" (nil in 2024 and 2023, see Note 18).

8. **Other Assets**

	2024	2023
Current:		
Deposits for land acquisition	**₱903,173,965**	₱420,109,448
Creditable withholding taxes	**162,271,670**	138,100,616
Prepaid expenses	**109,234,851**	90,160,709
Advances to suppliers	**31,278,980**	12,712,251
Costs to obtain contracts (Note 26)	**25,037,298**	12,077,001
Input VAT	**32,802,641**	10,999,438
Deposit in escrow	**7,424,332**	7,424,332
Refundable deposits	**908,313**	843,263
Others	**143,463**	601,444
	₱1,272,275,513	₱693,028,502
Noncurrent:		
Deposits for land acquisition - net of current portion	**₱347,307,831**	₱343,907,831
Advances to third parties	**238,298,242**	323,282,361
Input VAT - net of current portion	**95,469,983**	92,413,249
Refundable deposits - net of current portion	**54,568,644**	52,060,401
Goodwill	**43,007**	43,007
	₱735,687,707	₱811,706,849

Deposits for land acquisition pertain to installment payments made by the Group to the sellers of lands based on the sales contracts. The lands are intended to be held for sale, for development in the future and for land banking. The Group made additional deposits for its land acquisition amounting to ₱715.5 million and ₱370.2 million as of December 31, 2024 and 2023, respectively. The Group made transfers of land from deposits to real estate inventory amounting to nil and ₱206.9 million in 2024 and 2023 respectively (see Note 6). The Group also made transfers of land from deposits for land acquistion to investment properties upon transfer of control of the land to the Group amounting to ₱193.8 million and ₱3.4 million in 2024 and 2023, respectively (see Note 11).

Deposits for purchased land is presented as current assets if it is intended for land for sale and development (i.e. real estate inventory). Otherwise if it is held for capital appreciation or investment property, it is presented as noncurrent assets.

Creditable withholding taxes pertain to carry over of unapplied income tax credits and are recoverable and can be applied against the income tax payable in future periods.

Prepaid expenses consist mainly of prepaid supplies, employee benefits, rent, insurance and taxes and licenses, which are applicable in the future period.

Input VAT pertains to the 12% indirect taxes passed on to the Company by its supplier and contractors in the course of its business on its acquisition of goods and services under Philippine taxation laws and regulations. Input tax is applied against output VAT.

Advances to third parties pertain to payments made by the Group to its suppliers for materials to be used for the construction of its irradiation facility and for potential joint venture partners for acceptable business projects. The advances to potential joint venture partners are to be applied to the cost of the business project.
Costs to obtain contracts pertain to commissions paid to brokers and marketing agents on the sale of pre-completed real estate units. These capitalized costs are amortized as marketing expense under

"General, administrative and selling expenses" in the consolidated statements of comprehensive income over the expected construction period using the POC following the pattern of real estate revenue recognition (see Note 26).

Deposit in escrow pertains to the established escrow account of the Parent Company which is held restrictedly in compliance with the Memorandum Circular No. 2020-06 issued by Department of Human Settlements and Urban Development (DHSUD) to undertake socialized housing projects and for the issuance of License to Sell for the ongoing Coral Real Estate Project Phase 3 under incentivized scheme.

9. Investments in Equity Instruments

The Group's EIFVOCI include golf club shares. The fair values of the golf club shares are determined based on average selling price per share of the assets which is traded in an active market (Level 2 input).

The changes in the fair value of these financial instruments are recognized under "Net change in fair value of EIFVOCI" in other comprehensive income.

The rollforward analysis of investments in EIFVOCI in 2024 and 2023 follows:

	2024	2023
Cost:		
At January 1 and December 31	**₱434,070,793**	₱434,070,793
Cumulative unrealized loss:		
At January 1	**(71,683,836)**	(133,040,358)
Fair value adjustment	**66,469,565**	61,356,522
At December 31	**(5,214,271)**	(71,683,836)
Carrying values	**₱428,856,522**	₱362,386,957

The Group's dividend income from EIFVOCI amounted to nil, ₱5,354 and ₱10,618 in 2024, 2023, and 2022, respectively (see Note 22)

Changes in fair value of the unquoted investments at FVOCI resulted to a gain of ₱66.5 million, ₱61.4 million, and ₱61.6 million in 2024, 2023, and 2022, respectively. This is the "Net change in fair value of EIFVOCI" in the statement of comprehensive income.

10. Investments in Associates

	2024	2023
PCPC	**₱1,359,328,462**	₱1,292,639,163
PEI	**427,184,915**	475,816,596
EWRTC	**53,232,614**	53,301,220
	₱1,839,745,991	₱1,821,756,979

	2024	2023
Acquisition cost, beginning and end of year	**₱1,105,595,917**	₱1,105,595,917
Accumulated share in net earnings:		
Balances at beginning of year	**717,382,574**	633,149,300
Equity in net earnings	**140,933,418**	339,947,514
Dividends	**(122,000,000)**	(255,714,240)
Balances at end of year	**736,315,992**	717,382,574
Accumulated share in OCI:		
Balances at beginning of year	**(1,221,512)**	2,303,484
Equity in other comprehensive loss	**(944,406)**	(1,081,972)
Balances at end of year	**(2,165,918)**	(1,221,512)
	₱1,839,745,991	₱1,821,756,979

In 2024, 2023 and 2022, PEI declared cash dividend to the Group amounting to ₱122.0 million, ₱65.7 million and ₱80.0 million respectively, while PCPC declared no cash dividend to the Group in 2024 but declared ₱190.0 million and ₱50.0 million in 2023 and 2022, respectively.

Dividends received from associates amounted to ₱122.0 million, ₱266.7 million and ₱190.0 million for the years ended December 31, 2024, 2023 and 2022, respectively.

The Group's share in net income (loss) of its associates are shown below:

	2024	2023	2022
PCPC	**₱65,744,893**	₱217,611,680	₱185,596,441
PEI	**75,257,131**	122,449,983	130,898,993
EWRTC	**(68,606)**	(114,149)	(97,474)
	₱140,933,418	₱339,947,514	₱316,397,960

Investment in PCPC
The Group has 20% investment in PCPC. PCPC was registered with the SEC on December 18, 2007 primarily to acquire, design, develop, construct, invest in and operate power generating plants. The Group accounts its investment in PCPC as investment in associate as it exercises significant influence over PCPC.

The following table sets out the summarized financial information of PCPC as of December 31, 2024 and 2023:

	2024	2023
Assets		
Current assets	**₱2,531,323,001**	₱2,930,650,671
Noncurrent assets	**7,119,318,957**	7,391,354,352
Less liabilities		
Current liabilities	**1,851,910,053**	1,728,806,246
Noncurrent liabilities	**1,276,856,554**	2,410,475,338
Equity	**₱6,521,875,351**	₱6,182,723,439
Group's carrying amount of the investment	**₱1,359,328,462**	₱1,292,639,163

As of December 31, 2024 and 2023, the Group's share in PCPC's net assets amounted to ₱1,303.2 million and ₱1,236.5 million, respectively. As of December 31, 2024 and 2023, the excess of the carrying value over the Group's share in PCPC's net assets is attributable to the notional goodwill.

	2024	2023	2022
Revenue	**₱7,385,464,842**	₱7,970,643,496	₱9,531,241,773
Costs and expenses	**7,056,740,379**	6,882,585,095	8,603,259,570
Net income	**328,724,463**	1,088,058,401	927,982,203
Other comprehensive income (loss)	**(944,406)**	(5,409,860)	1,039,017
Total comprehensive income	**₱327,780,057**	₱1,082,648,541	₱929,021,220
Group's equity in net earnings	**₱65,744,893**	₱217,611,680	₱185,596,441

Investment in PEI
The Group has 20% investment in PEI. PEI was incorporated and registered with the SEC on February 19, 2013 primarily to purchase, acquire, own and hold shares of stock, equity, and property of energy companies. Through its subsidiaries, PEI's focus is to develop, construct, and operate diesel power plants in Mindanao to address the ongoing power shortages in the region.

The following table sets out the summarized financial information of PEI as of December 31, 2024 and 2023:

	2024	2023
Assets		
Current assets	**₱509,137,455**	₱483,719,546
Noncurrent assets	**1,916,446,128**	2,091,488,478
Less liabilities		
Current liabilities	**208,013,326**	117,269,429
Noncurrent liabilities	**165,390,783**	133,564,099
Equity	**₱2,052,179,474**	₱2,324,374,496
Group's carrying amount of the investment	**₱427,184,915**	₱475,816,596

As of December 31, 2024 and 2023, the Group's share in PEI's net assets amounted to ₱416.3 million and ₱464.9 million, respectively. As of December 31, 2024 and 2023, the excess of the carrying value over the Group's share in PEI's net assets is attributable to the notional goodwill.

	2024	2023	2022
Revenue	**₱1,165,390,793**	₱989,597,574	₱1,057,097,713
Costs and expenses	**789,105,138**	377,347,660	402,602,749
Net income	**₱376,285,655**	₱612,249,914	₱654,494,964
Group's equity in net earnings	**₱75,257,131**	₱122,449,983	₱130,898,993

Investment in EWRTC
The Group has 33.33% investment in EWRTC. The Consortium composed of EWRTC and Alloy MTD Group (represented by MTD Philippines Inc.) has submitted an unsolicited proposal to the Philippine National Railways (PNR) to build and then operate and maintain the East-West Rail Project. The East-West Rail Project is an integrated light rail mass transportation system and is intended to help alleviate the gap in the transportation infrastructure in the metropolis. This project is in line with the objective of the government to increase the ratio of rail transport systems to the rocketing ridership demand in Metro Manila and other major urban cities. The Project will involve

the development, design, construction, supply, completion, testing, commissioning, and operation & maintenance of the East-West Rail Project.

On October 2022, the Revised 2022 Implementing Rules and Regulations (IRR) of the Build-Operate-Transfer (BOT) Law took into effect. Amendments to key provisions addressing concerns over the financial viability and bankability of public-private partnership (PPP) projects as well as clarification to ambiguous provisions may have caused the delays in the PPP process. The Consortium is in continuous coordination with PNR as the implementing agency and preparing a resubmission of project related documents for approval of the PPP project to be in line with new BOT IRR provisions. As of December 31, 2024, the Consortium has been granted the Original Proponent Status (OPS) by the PNR and is endorsed to the National Economic and Development Authority (NEDA) for evaluation and approval by the Investment Coordination Committee (ICC).

The following table sets out the summarized financial information of EWRTC as of December 31, 2024 and 2023:

	2024	2023
Assets		
Current assets	**₱53,197,537**	₱51,628,625
Noncurrent assets	**7,205,176**	6,990,310
Less liabilities		
Current liabilities	**532,394,217**	516,508,266
Capital deficiency	**(₱471,991,504)**	(₱457,889,331)
Group's carrying amount of the investment	**₱53,232,614**	₱53,301,220

As of December 31, 2024 and 2023, the Group's share in EWRTC's capital deficiency amounted to ₱53.2 million and ₱53.3 million, respectively. As of December 31, 2024 and 2023, the excess of the carrying value over the Group's share in EWRTC's net assets is attributable to the notional goodwill and translation adjustment.

	2024	2023	2022
Revenue	**₱–**	₱–	₱–
Costs and expenses	**205,839**	342,482	292,451
Net loss	**₱205,839**	₱342,482	₱292,451

11. **Investment Properties**

The Group's investment properties as at December 31 are classified as follows:

	2024	2023
Land held for capital appreciation	**₱492,230,588**	₱313,422,532
Land and building held for lease	**139,607,448**	142,518,785
	₱631,838,036	₱455,941,317

The aggregate fair values of investment properties as of December 31, 2024 and 2023 amounted to ₱805.2 million and ₱760.1 million, respectively.

The value of the land was arrived at using the Market Data Approach. In this approach, the value of the land is based on sales and listings of comparable property registered in the vicinity. The technique of this approach requires the establishment of comparable property by reducing reasonable comparative sales and listings to a common denominator. This is done by adjusting the differences between the subject property and those actual sales and listings regarded as comparable. The properties used as basis of comparison are situated within the immediate vicinity of the subject property. This valuation approach are categorized as Level 3 in the fair value hierarchy as at December 31, 2024 and 2023. The significant unobservable input to the valuation is the price per square meter.

For land, significant increases or decreases in estimated price per square meter in isolation would result in a significantly higher or lower fair value on a linear basis.

The fair value of the building was arrived using the Cost Approach. This is a comparative approach that considers as a substitute for the purchase of a given property, the possibility of constructing another property that is an equivalent to the original or one that could furnish equal utility with no undue cost resulting from delay. This valuation approach is categorized as Level 3 in the fair value hierarchy as at December 31, 2024 and 2023. The significant unobservable input to the valuation is the price per square meter.

For buildings, significant increases or decreases in the replacement and reproduction costs, in isolation, would result in a significantly higher or lower fair value of the properties.

The details of land held for capital appreciation are as follows:

	2024	2023
Cost:		
Balances at beginning of year	**₱313,422,532**	₱309,990,532
Reclassification from deposits for purchased land (Note 8)	**193,819,587**	3,432,000
Reclassification to real estate inventories (Note 6)	**(15,011,531)**	–
Net carrying value	**₱492,230,588**	₱313,422,532

Land and building held for lease for 2024 and 2023 are as follows:

2024	**Land**	**Building**	**Land Improvements**	**Total**
Cost:				
Balances at beginning and end of year	**₱63,908,760**	**₱7,142,749**	**₱87,340,123**	**₱158,391,632**
Accumulated depreciation:				
Balances at beginning of year	**–**	**7,142,749**	**8,730,098**	**15,872,847**
Depreciation (Note 18)	**–**	**–**	**2,911,337**	**2,911,337**
Balances at end of year	**–**	**7,142,749**	**11,641,435**	**18,784,184**
	₱63,908,760	**₱–**	**₱75,698,688**	**₱139,607,448**

2023	Land	Building	Land Improvements	Total
Cost:				
Balances at beginning and end of year	₱63,908,760	₱7,142,749	₱87,340,123	₱158,391,632
Accumulated depreciation:				
Balances at beginning of year	–	7,142,749	5,818,761	12,961,510
Depreciation (Note 18)	–	–	2,911,337	2,911,337
Balances at end of year	–	7,142,749	8,730,098	15,872,847
	₱63,908,760	₱–	₱78,610,025	₱142,518,785

Rental income generated from land held under lease in the consolidated statements of comprehensive income amounted to ₱19.6 million and ₱14.9 million in 2024 and 2023, respectively. Direct operating expense related to land held for lease included under "General, administrative and selling expenses" in the consolidated statements of comprehensive income amounted to ₱2.9 million both in 2024 and 2023.

12. Property, Plant and Equipment

2024	Land	Leasehold Improvements	Bearer Plants	RBD and Fractionation Machineries	Building and Improvements	Machineries and Equipment	Other Equipment	Construction in Progress	Right of Use Assets	Total
Cost										
At January 1	**₱72,162,848**	**₱69,574,255**	**₱367,150,604**	**₱253,060,820**	**₱84,086,226**	**₱327,911,629**	**₱332,067,802**	**₱645,462,948**	**₱30,535,735**	**₱2,182,012,867**
Additions	**31,944,196**	**1,060,017**	**636,748**	**–**	**1,660,403**	**20,715,740**	**62,600,715**	**252,958,095**	**–**	**371,575,914**
Reclassifications	**–**	**3,700,000**	**–**	**–**	**437,876,690**	**264,245**	**202,705,833**	**(644,546,768)**	**–**	**–**
Disposals	**–**	**–**	**–**	**–**	**–**	**–**	**(1,025,892)**	**–**	**–**	**(1,025,892)**
At December 31	**104,107,044**	**74,334,272**	**367,787,352**	**253,060,820**	**523,623,319**	**348,891,614**	**596,348,458**	**253,874,275**	**30,535,735**	**2,552,562,889**
Accumulated depreciation										
At January 1	**–**	**36,334,161**	**11,989,939**	**61,646,953**	**50,654,735**	**221,106,465**	**193,585,884**	**–**	**3,773,279**	**579,091,416**
Depreciation	**–**	**6,990,411**	**113,680**	**875,935**	**10,352,620**	**16,757,793**	**43,192,625**	**–**	**3,729,327**	**82,012,391**
Disposals	**–**	**–**	**–**	**–**	**–**	**–**	**(1,025,892)**	**–**	**–**	**(1,025,892)**
At December 31	**–**	**43,324,572**	**12,103,619**	**62,522,888**	**61,007,355**	**237,864,258**	**235,752,617**	**–**	**7,502,606**	**660,077,915**
Allowance for impairment										
At January 1	**–**	**–**	**112,173,529**	**–**	**–**	**–**	**–**	**18,649,242**	**–**	**130,822,771**
Addition	**–**	**–**	**44,228,076**	**–**	**–**	**–**	**–**	**1,699,968**	**–**	**45,928,044**
At December 31	**–**	**–**	**156,401,605**	**–**	**–**	**–**	**–**	**20,349,210**	**–**	**176,750,815**
Net Book Value	**₱104,107,044**	**₱31,009,700**	**₱199,282,128**	**₱190,537,932**	**₱462,615,964**	**₱111,027,356**	**₱360,595,841**	**₱233,525,065**	**₱23,033,129**	**₱1,715,734,159**

2023	Land	Leasehold Improvements	Bearer Plants	RBD and Fractionation Machineries	Building and Improvements	Machineries and Equipment	Other Equipment	Construction in Progress	Right of Use Assets	Total
Cost										
At January 1	₱12,967,297	₱65,501,304	₱366,513,856	₱253,060,820	₱56,993,298	₱305,413,645	₱287,879,709	₱364,780,373	₱30,535,735	₱1,743,646,037
Additions	59,195,551	–	636,748	–	24,042,871	22,497,984	42,654,294	290,104,700	–	439,132,148
Reclassifications	–	4,072,951	–	–	3,050,057	–	2,299,117	(9,422,125)	–	–
Disposals	–	–	–	–	–	–	(765,318)	–	–	(765,318)
At December 31	72,162,848	69,574,255	367,150,604	253,060,820	84,086,226	327,911,629	332,067,802	645,462,948	30,535,735	2,182,012,867
Accumulated depreciation										
At January 1	–	29,596,836	11,989,939	44,935,552	49,538,300	195,368,061	165,846,967	–	2,671,314	499,946,969
Depreciation	–	6,737,325	–	16,711,401	1,116,435	25,738,404	28,504,235	–	1,101,965	79,909,765
Disposals	–	–	–	–	–	–	(765,318)	–	–	(765,318)
At December 31	–	36,334,161	11,989,939	61,646,953	50,654,735	221,106,465	193,585,884	–	3,773,279	579,091,416
Allowance for impairment										
At January 1	–	–	85,440,060	–	–	–	–	18,649,242	–	104,089,302
Addition	–	–	26,733,469	–	–	–	–	–	–	26,733,469
At December 31	–	–	112,173,529	–	–	–	–	18,649,242	–	130,822,771
Net Book Value	₱72,162,848	₱33,240,094	₱242,987,136	₱191,413,867	₱33,431,491	₱106,805,164	₱138,481,918	₱626,813,706	₱26,762,456	₱1,472,098,680

There are no contractual commitments to purchase property and equipment.

The depreciation from property, plant and equipment in 2024 and 2023 are recognized as:

	2024	2023
General, administrative and selling expense (Note 18)	**₱59,774,201**	₱68,735,558
Capitalized as part of:		
Real estate inventories (Note 6)	**21,601,442**	10,537,459
Bearer plants	**636,748**	636,748
	₱82,012,391	₱79,909,765

In 2024 and 2023, the Group has assessed that its bearer plants have indications of impairment due to the palm oil plantation's bearer plants not reaching their optimal fruiting stages. In 2024, 2023, and 2022, the Group recognized impairment loss amounting to ₱44.2 million, ₱26.7 million, and ₱20.7 million respectively, to account for the estimated fruit loss due to some trees not reaching the optimal fruiting stages in accordance with the industry standard yield.

Other than the impairment loss due to the bearer plants inability to reach optimal fruiting stagest, no additional impairment was recognized by the Group for the remaining bearer plants since management estimated that the recoverable amount exceeds the carrying value of the bearer plants excluding the specific impairment as of December 31, 2024 and 2023. The recoverable amount was computed using discounted cash flows approach.

The calculation of value in use of the bearer plants are most sensitive to the following assumptions:

- Revenue - Projected revenue is derived by multiplying the forecasted selling price of FFB per metric ton (MT) to total projected FFB production considering management's best estimates on the future FFB prices and FFB production level considering factors such as the annual growth rate based on average values achieved in the three years preceding the beginning of the budget period, palm oil yields adjusted to the Philippine climate and setting, historical experiences and other economic and agricultural factors.

  Projected FFB yield per hectare (ha.) used was 9.89 MT per ha. and 10.05 MT per ha. in 2024 and 2023, respectively. Forecasted FFB selling price per MT used was ₱8,000.0 per MT and ₱6,300.0 per MT with annual growth rate of 3.0% in 2024 and 2023, respectively.

- Direct costs and price inflation - Projected costs are based on the Group's historical experience of the plantation costs incurred (fertilizers, labor and other plantation supplies) per hectare adjusted for inflation based on projected increase in prices with reference to the Philippine market. Forecast figures are used if data is publicly available, otherwise past actual material price movements are used as an indicator of future price movement. Management has considered the possibility of greater-than-forecast increases in price inflation. This may occur if anticipated regulatory changes result in an increase in demand that cannot be met by suppliers.

  Projected direct costs related to the plantation in terms of revenue is 33.86% and 42.60% in 2024 and 2023, respectively.

- Discount rate - Discount rate represents the current market assessment of the risks specific to the CGU, taking into consideration the time value of money and risk of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

After-tax discount rate used is 10.41% and 9.35% in 2024 and 2023, respectively.

Management have reflected future economic uncertainty in the risk-adjusted cash flows, giving a more accurate representation of the risks specific to the CGU.

In 2023, the Group purchased property and equipment comprising of land, building and machineries related to palm oil milling operations amounting to ₱100.0 million. As of December 31, 2023, the outstanding payable in relation to the purchase amounted to ₱34.5 million presented as “Accounts and other payables” in the consolidated statements of financial position (nil as of December 31, 2024).

Borrowing costs capitalized as construction in progress in relation to the Tanay E-Beam & Cold Storage Facility Project amounted to ₱21.7 million and ₱16.0 million in 2024 and 2023, respectively (see Note 16).

The Group’s property, plant and equipment are not used as collateral to its short-term and long-term debts.

13. Accounts and Other Payables

	2024	2023
Trade payables	**₱906,068,492**	₱747,826,307
Statutory payables	**255,943,481**	234,896,985
Retention payable	**69,932,635**	72,003,266
Accruals:		
Services	**22,809,193**	49,851,464
Payroll	**33,393,129**	26,691,451
Professional fee	**8,563,303**	9,873,659
Others	**18,920,444**	19,127,535
	₱1,315,630,677	₱1,160,270,667

Trade payables are noninterest-bearing and are generally on a 30 to 60-day credit terms.

Statutory payables pertains to the output tax on the sale of real estate units, dues for remittance to Social Security System, Philippine Health Insurance Corporation, Home Development Mutual Fund, and Bureau of Internal Revenue. These are noninterest-bearing and are normally settled within one year.

Retention payable are noninterest-bearing and pertains to the amount withheld by the Group on contractor’s billings to be settled upon completion and acceptance of the relevant contracts within the year. The retention serves as a holdout amount withheld from the contractor to cover for back charges that may arise from quality issues in affected projects.

Others pertain to rentals, administrative expenses and other recurring expenses incurred by the Group.

14. Contract Assets and Liabilities

Contract assets represent the right to consideration that was already delivered by the Group in excess of the amount recognized as ICR. This is reclassified as ICR when the monthly amortization of the customer is already due for collection. The movement in contract asset is mainly due to new real estate sales contract recognized during the period and increase in POC, less reclassification to ICR.

The Group requires buyers of real estate units to pay a minimum percentage of the total contract price as reservation fee before the parties enter into a sale transaction. Payments from buyers which have not yet reached the buyer's equity to qualify for revenue recognition and excess of collections over the recognized receivables and contract assets based on POC are presented as "Contract liabilities" in the consolidated statements of financial position.

When the Group's current collection threshold is reached by the buyer, revenue is recognized, and these deposits and down payments are recorded as either ICR or contract asset depending on the right to demand collection. The excess of collections over the recognized revenue is applied against the receivables or contract assets in the succeeding years. The movement in contract liabilities is mainly due to the reservation sales and advance payments of buyers less real estate sales recognized upon reaching the collection threshold and from increase in POC.

The Group's contract assets and liabilities as at December 31, 2024 and 2023 are as follows:

	2024	2023
Current portion of contract assets	**₱131,239,842**	₱494,203,019
Noncurrent portion of contract assets	**1,542,267,524**	1,375,188,278
Contract assets	**₱1,673,507,366**	₱1,869,391,297
Contract liabilities	**₱481,762,306**	₱319,515,433

The amount of revenue recognized in 2024 and 2023 from amounts included in contract liabilities at the beginning of the year amounted to ₱114.7 million and ₱132.4 million, respectively. In 2024 and 2023, interest expense from contract liability amounted to ₱18.0 million and nil, respectively.

15. Related Party Transactions

Related party relationship exists when one party has the ability to control, directly, or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party making financial and operating decisions. Such relationship also exists between and/or among entities, which are under common control or common significant influence which include affiliates. In considering each possible related party relationship, attention is directed to the substance of relationship and not merely the legal form. Related parties may be individuals or corporate entities.

Material related party transactions refer to any related party transactions, either individually, or in aggregate, amounting to 10% or higher of the Group's total consolidated assets based on its latest audited financial statements.

The Group, in the normal course of business has significant transactions with related parties, which principally consist of the following:

- Loan by the Group from shareholder (see Note 16).

  Shareholder Loan - A
  As of December 31, 2024 and 2023, the Group has outstanding loan from shareholder, which is classified under "Long term debt" in the consolidated statements of financial position amounting to ₱60.9 million and ₱124.3 million, respectively, to be paid in equal monthly amortization until December 31, 2025. The loan bears a fixed annual interest rate of 6.0%.

- Noninterest-bearing cash advances to the Group's associates, PEI and EWRTC.

The consolidated statements of financial position include the following amounts resulting from the above transactions with related parties:

		2024		
Category	**Settlements**	***Receivable (Payable)**	**Terms**	**Conditions**
Shareholders				
Long-term debt *(see Note 16):*				
Shareholder Loan – A				
Current	**(₱63,473,072)**	**(₱60,861,940)**	**5-year, 6% interest-bearing**	**Unsecured; no collateral**
Noncurrent	**–**	**–**		
		(₱60,861,940)		
Associates				
Receivable from related parties:				
EWRTC	**₱–**	**₱50,894,936**	**On demand; non-interest bearing**	**Unsecured; no imppairment**
		₱50,894,936		

**interest payable, if any, is presented under Accounts and other payables. Interest expense paid is disclosed in Note 16.*

		2023		
Category	Settlements	*Receivable (Payable)	Terms	Conditions
Shareholders				
Long-term debt (see Note 16):				
Shareholder Loan – A				
Current	(₱59,785,625)	(₱63,473,072)	5-year, 6.0% interest-bearing	Unsecured; no collateral
Noncurrent	–	(60,861,940)		
		(₱124,335,012)		
Associates				
Receivable from related parties:				
EWRTC	₱–	₱50,894,936	On demand; non-interest bearing	Unsecured; no impairment
		₱50,894,936		

**interest payable, if any, is presented under Accounts and other payables. Interest expense paid is disclosed in Note 16.*

<u>Terms and Conditions of Transactions with Related Parties</u>
The outstanding accounts with related parties, except for the advances to key management personnel, shall be settled in cash. There have been no guarantees provided or received for any related party receivables or payables. These accounts are generally unsecured. Impairment assessment is undertaken each financial year through a review of the financial position of the related party and the market in which the related party operates. The Group has approval process and established limits when entering into material related party transactions.

The compensation of the key management personnel, included as part of salaries, wages and employee benefits under "General and administrative expenses" in the consolidated statements of comprehensive income follows:

	2024	2023	2022
Short-term employee benefits	**₱36,717,750**	₱28,352,364	₱33,073,565
Other employee benefits	**10,444,658**	8,554,263	3,657,175
	₱47,162,408	₱36,906,627	₱36,730,740

Key management personnel of the Group include all directors and senior management.

16. Loans Payable

Loans payable represents various secured and unsecured loans obtained from local financial institutions and shareholder to finance the Group's real estate development projects, working capital requirements and for general corporate purposes.

The Group entered into loan agreements with the following banks: Union Bank of the Philippines (UBP), Development Bank of the Philippines (DBP), Landbank of the Philippines (LBP), China Bank Corporation (CBC), and Philippine Bank of Communication (PBCOM). The Parent Company also entered into loan agreements from a financial services company, Caterpillar Financial Services Phils. Inc. (CFSPI), and from a shareholder.

Short-term debt
Short-term debt represents peso loans obtained from local banks and shareholder for working capital and financing requirements. These loans, except loan from shareholder, bear annual interest rates ranging from 4.13% to 9.8% and 5.5% to 9.8%in 2024 and 2023. Loan from shareholder is on demand and noninterest-bearing.

	2024	2023
DBP	**₱244,661,000**	₱201,154,000
LBP	**233,706,000**	199,600,000
CBC	**170,000,000**	150,000,000
UBP	**130,000,000**	150,000,000
PNB	**150,000,000**	–
PBCOM	**43,820,000**	44,660,000
	₱972,187,000	₱745,414,000

Interest expense arising from these loans amounts to ₱64.9 million, ₱49.5 million and ₱25.0 million in 2024, 2023 and 2022, respectively.

In 2024 and 2023, the Company assigned accounts receivable with recourse as collateral with its short-term loan discounting agreement with a bank. The outstanding balance of the assigned accounts receivable amounted to ₱250.1 million and ₱230.8 million as of December 31, 2024 and 2023, respectively (see Note 5).

Long-term debt
The long-term debt represents various loans obtained from local financial institutions and shareholder to finance the Group's real estate projects and for general corporate purposes.

	2024	2023
UBP	**₱902,507,344**	₱691,761,016
PNB	**500,000,000**	–
LBP	**318,718,669**	435,283,200
CBC	**431,814,458**	422,636,307
DBP	**142,764,000**	213,794,000
Shareholder Loan - A (Note 15)	**60,861,940**	124,335,012
	2,356,666,411	1,887,809,535
Less unamortized debt issue cost	**12,812,655**	8,233,639
	2,343,853,756	1,879,575,896
Less current portion	**602,633,723**	480,838,826
	₱1,741,220,033	₱1,398,737,070

Loans from UBP
Loans from UBP are comprised of loans subject to fixed interest rates which are payable in monthly installments and secured by real estate mortgage. Fixed-rate loans have annual interest rates ranging from 6.5% to 9.8% payable for 5 years.

On October 28, 2022, the Parent Company entered into a loan agreement with UBP for a term loan that grants a maximum aggregate principal of ₱330.0 million available for drawing within 1 year from the date of approval. Interest rate is fixed at BVAL plus 2% spread and floor rate of 8%, whichever is higher, payable monthly. The Parent Company has availed ₱300.0 million in 2022. On June 23, 2023, the remaining ₱30.0 million of the term loan was availed carrying a nominal interest rate of 8.0% and effective interest of 8.3%, payable in monthly installments for 5 years.

On October 3, 2023, the Parent Company entered into a loan agreement with UBP for a term loan that grants a maximum aggregate principal of ₱120.0 million available for drawing within 1 year from the date of approval. Interest rate is fixed at BVAL plus 2% spread and floor rate of 8.3%, whichever is higher, payable monthly. On October 31, 2023, the maximum aggregate principal of ₱120.0 million was availed with this agreement carrying a nominal interest rate of 8.1% and effective interest rate of 8.5%, payable in monthly installments for 5 years.

On August 27, 2024, the Parent Company entered into a loan agreement with UBP for a term loan that grants a maximum aggregate principal of ₱470.0 million available for drawing within 1 year from the date of approval. Interest rate is fixed at BVAL plus 2% spread and floor rate of 8.3%, whichever is higher, payable monthly. On August 28, 2024, the maximum aggregate principal of ₱470.0 million was availed with this agreement carrying a nominal interest rate of 7.9% and effective interest rate of 8.3%, payable in monthly installments for 5 years.

Loans from LBP
These loans are payable in quarterly installments for 5 years secured by real estate mortgage which are subject to fixed interest rate of 7.0% to 8.0%.

On November 29, 2022, the Parent Company entered into a loan agreement with LBP for a term loan that grants a maximum aggregate principal of ₱500.0 million available for drawing within 1 year from the date of signing of loan documents. On March 27, 2023, the maximum aggregate principal of ₱500.0 million was availed with this agreement carrying a nominal interest rate of 8.0% and effective interest of 8.3%, payable in quarterly installments for 5 years.

Loans from CBC
These loans are payable in monthly installments for 2 to 5 years pertaining to secured car loans subject to fixed annual interest rates ranging from 6.0% to 10.6%.

On September 30, 2022, ISI was granted a 10-year ₱400 million credit facility by CBC of various drawdown depending on the percentage of completion of its E-Beam and Cold Storage Facility project, with interest rate of 8.0% payable quarterly. In 2024 and 2023, the Group has availed ₱16.1 million and ₱333.1 million, respectively, carrying a nominal interest rate of 8.0% and effective interest of 8.3%. Principal is payable in quarterly amortizations starting after the grace period of 13 quarters of the first drawdown on December 19, 2022 and will mature on December 19, 2032.

In addition, the Group has availed ₱9.6 million and ₱30.4 million in 2024 and 2023, respectively, as various car loans from CBC carrying a nominal interest rate of 9.5% to 10.6%, payable in monthly installments for 2 to 5 years.

Loan from DBP
This loan is payable in quarterly installments for 6 years secured by real estate mortgage which is subject to a fixed annual interest rate of 6.0%.

Loan from PNB
On December 23, 2024, the Parent Company entered into a loan agreement with PNB for a term loan that grants a maximum aggregate principal of ₱500.0 million with the agreement carrying a nominal interest rate of 8.0% and effective interest of 8.3% payable in quarterly installments for 7 years.

Shareholder Loan - A
This loan is payable in monthly installments for 5 years, unsecured and subject to a fixed annual interest rate of 6.0% (see Note 15). As of December 31, 2024 and 2023, total payments made to shareholder amounted to ₱63.5 million and ₱59.8 million, respectively. In 2024 and 2023, total interest expense paid on the shareholder loan amounted to ₱6.1 million and ₱9.8 million, respectively.

Borrowing Cost
Total interest expense arising from long-term loans and from those due to related parties amounted to ₱142.7 million, ₱133.3 million and ₱74.4 million in 2024, 2023 and 2022, respectively.

Total borrowing costs for short-term and long-term debt recognized in 2024, 2023 and 2022 amounted to ₱79.0 million, ₱102.0 million and ₱75.3 million, respectively, are capitalized as part of real estate inventories (see Note 6), while ₱21.7 million, ₱16.0 million and ₱0.1 million, respectively, are capitalized as construction in progress under property, plant and equipment (see Note 12).

The capitalization rate used to determine the borrowing costs eligible for capitalization is 14.8%, 8.3% and 6.9% for 2024, 2023 and 2022, respectively.

The movement of the unamortized debt issue cost follows:

	2024	2023
At January 1	**₱8,233,638**	₱3,122,766
Additions	**7,396,079**	7,372,997
Amortization	**(2,817,062)**	(2,262,124)
At December 31	**₱12,812,655**	₱8,233,639

Repayment schedule
The repayment schedule of the long-term debt follows:

Year	**2024**	2023
2023	**₱–**	₱483,256,690
2024	**609,182,046**	1,404,552,845
2025-2032	**1,747,484,366**	–
	₱2,356,666,412	₱1,887,809,535

Security and Debt Covenants
Real estate inventories with carrying amounts of ₱1.2 billion and ₱1.5 billion as of December 31, 2024 and 2023, respectively, are collateralized for its long-term debts for UBP, LBP, DBP and CBC (see Note 6).

Accounts receivable with carrying amounts of ₱250.1 million and ₱230.8 million are assigned to short-term loans for LBP as of December 31, 2024 and 2023 (see Note 5).

The Group is not subject to any financial covenants from its short-term and long-term debts.

17. **Equity**

Common Stock
As of December 31, 2024 and 2023, the Group's common stock consists of:

	Authorized Capital Stock	Number of Outstanding Shares
Subscribed and issued common shares, ₱1 par value	3,250,000,000	2,477,668,925
Less treasury shares		105,301,014
		2,372,367,911

Preferred Stock
On April 12, 2021, the BOD approved the amendment of the Articles of Incorporation (AOI) of the Parent Company to reclassify and divide the authorized capital stock into: (i) 3,250.0 million common shares with a par value of ₱1.00 per share; and (ii) 50.0 million preferred shares with a par value of ₱1.00 per share. The amendment of AOI was approved by the shareholders representing at least 2/3 of the outstanding capital stock during the Annual Stockholders' Meeting on June 24, 2021.

On May 25, 2021, the BOD authorized the shelf registration of 50 million preferred shares, and the offer and sale of up to 15.0 million preferred shares at an offer price of ₱100.00 per share. On October 5, 2021, the SEC approved the Parent Company's proposal to create preferred shares by reclassifying its authorized capital stock from the current 3,300.0 million common shares to 3,250.0 million common shares and 50.0 million preferred shares.

On November 10, 2021, the Parent Company secured the approval from PSE for the shelf-listing of up to 50.0 million preferred shares and the follow-on public offer of up to 15.0 million preferred shares.

On November 12, 2021, the Parent Company secured the approval from SEC for the offer and sale of 15.0 million cumulative, non-voting, non-participating, non-convertible, redeemable “Series A” preferred shares at the option of the Parent Company. The “Series A” preference shares are entitled to fixed rate cash dividends at 7% per annum, payable quarterly in arrears on March 1, May 29, August 29 and November 29 each year. The offering allowed the Parent Company to raise ₱1,326.5 million as new capital.

The Parent Company received on the same day from the Securities and Exchange Commission (SEC) the Permit to Offer Securities for Sale (“Permit to Sell”), dated 08 February 2024, covering the Second Tranche Offer Shares - Preferred Shares Series B and Series C.

On February 12, 2024, the Parent Company secured the approval from PSE for the offer and sale of 15.0 million cumulative, non-voting, non-participating, non-convertible, redeemable “Series B and C” preferred shares at the option of the Parent Company. The “Series B” and “Series C” preference shares are entitled to fixed rate cash dividends at 8.25% and 8.75% per annum, respectively.

On February 23, 2024, the Parent Company concluded its follow-on offering (FOO) and has listed its Series B and Series C preferred shares on the Philippine Stock Exchange. A total of 7,341,750 and 6,941,000 Series B and Series C preferred shares were issued, respectively. The offering allowed the Parent Company to raise ₱1,414.7 million as new capital with ₱1,400.3 million recognized as additional paid-in capital net of stock issuance costs.

The details of the Parent Company’s preferred stock as at December 31 follow:

	2024		2023	
	No. of shares	**Amount**	No. of shares	Amount
Authorized:				
Preference shares:				
Series A, ₱1 par value	**13,264,900**	**₱13,264,900**	13,264,900	₱13,264,900
Series B, ₱1 par value	**7,431,750**	**7,431,750**	–	–
Series C, ₱1 par value	**6,941,000**	**6,941,000**	–	–
	27,637,650	**₱27,637,650**	13,264,900	₱13,264,900

Record of Registration of Securities with the SEC

Common Stock

The Securities and Exchange Commission (SEC) issued the following orders related to the Group's registration of its securities which are offered to the public: SEC-BED Order No. 1179 issued on December 17, 1993 of 200.0 million shares at an issue price of ₱4.50 per share; SEC-BED Order No. 847 issued on August 15, 1994 of 230.0 million shares; and, SEC-CFD Order No. 64 issued on March 12, 1996 of 530.0 million shares.

There were 2,086 common stockholders as of December 31, 2024 and, 2023 in the records of the transfer agent, Professional Stock Transfer, Inc. (PSTI).

The share price closed at ₱0.56 and ₱0.65 on December 27, 2024 and 2023, respectively.

Preferred Stock

The SEC issued the following orders related to the Group’s registration and issuance of its "Series A" preferred shares securities which are offered to the public: (1) SEC MSRD Order No. 76 s. 2021 (“Order of Registration”) for the shelf registration of up to 50.0 million cumulative, non-voting, non-participating, non-convertible, and redeemable perpetual preferred shares; and (2) Permit to Offer Securities for Sale (“Permit to Sell”) covering the Initial Offer Shares dated November 12, 2021. The

“Series A” preference shares are entitled to fixed rate cash dividends at 7% per annum, payable quarterly in arrears on March 1, May 29, August 29, and November 29 each year.

On November 29, 2021, there were 13,264,900 “Series A” preferred shares that were issued and listed in the PSE with “BRNP” as its ticker symbol.

On February 23, 2024, there were 7,431,750 “Series B” preferred shares that were issued and listed in the PSE with “BRNPB” as its ticker symbol. Moreover, there were 6,941,000 “Series C” preferred shares that were issued and listed in the PSE with “BRNPC” as its ticker symbol

The Parent Company received on the same day from the Securities and Exchange Commission (SEC) the Permit to Offer Securities for Sale (“Permit to Sell”), dated 08 February 2024, covering the Second Tranche Offer Shares - Preferred Shares Series B and Series C.

As of December 31, 2024, there were three (3) registered “Series A” preferred stockholders, 2 (two) registered “Series B” preferred stockholders and 2 (two) registered “Series C” preferred stockholders in the records of the transfer agent, PSTI.

For “Series A” share price closed at ₱96.5 and ₱96.2 on December 27, 2024 and 2023.

For “Series B” share price closed at ₱104 on December 19, 2024.

For “Series C” share price closed at ₱107.2 on December 26, 2024.

Additional Paid-In Capital (APIC)
APIC pertains to the excess proceeds over the par value of the issued shares. APIC for common shares amounted to ₱638.0 million as of December 31, 2024 and 2023.

In 2024, the Parent Company has recognized APIC for preferred shares for the excess proceeds of subscriptions over the par value amounting to ₱1,422.9 million in relation to its issuance of preferred shares. Incremental costs directly attributable to the issue of new shares such as underwriter fees, legal fees, and other professional fees are presented in equity as a deduction from APIC amounting to ₱22.6 million.

As of December 31, 2024 and 2023, APIC on preferred shares amounted to ₱2,693.5 million and ₱1,293.2 million, respectively.

Treasury Shares
In 2016, the Group has acquired all of the unissued fractional common shares arising from the stock dividend declaration in 2013, constituting an aggregate of 1,014 shares. These 1,014 shares were reflected as subscribed and issued shares and recognized as treasury shares at cost equal to par value of ₱1.00.

On August 17, 2020, the BOD of the Parent Company has approved the implementation of a share buyback program of up to ₱50.0 million worth of the Parent Company’s common shares. On May 25, 2021, the initial approved budget of the program has been extended from ₱50.0 million to ₱100.0 million as recommended and approved by the BOD.

In 2022, the Parent Company has bought back from the market a total of 105,301,014 common shares with cost of ₱94.9 million. These treasury shares are recorded at cost and are not entitled for dividends.

There is no movement in treasury shares as of December 31, 2024 and 2023.

Retained Earnings
Retained earnings amounting to ₱2,694.4 million and ₱2,834.6 million as of December 31, 2024 and 2023, respectively, include the accumulated equity in undistributed net earnings of consolidated subsidiaries. These amounts are not available for dividend declaration until these are declared by the subsidiaries.

Declaration of Dividends
On February 2, 2022, the BOD declared a cash dividend for its preferred share amounting to ₱1.75 per share out of the Company's unrestricted retained earnings as of December 31, 2021 or a total of ₱23.2 million to all preferred stockholders of record as of February 16, 2022, paid in arrears on March 1, 2022.

On April 29, 2022, the BOD declared a cash dividend for its preferred share amounting to ₱1.75 per share out of the Company's unrestricted retained earnings as of December 31, 2021 to all preferred stockholders of record as of May 17, 2022 payable on May 30, 2022, all preferred stockholders of record August 3, 2022 payable on August 30, 2022 and all preferred stockholders of record as of November 3, 2022 payable on November 29, 2022. In 2022, the Company has declared and paid dividends amounting to ₱92.9 million.

On February 3, 2023, the BOD declared a cash dividend for its preferred share amounting to ₱1.75 per share out of the Company's unrestricted retained earnings as of December 31, 2022 to all preferred stockholders of record as of February 17, 2023, payable on March 1, 2023, all preferred stockholders of record as of May 3, 2023, payable on May 29, 2023, all preferred stockholders of record as of August 1, 2023, payable on August 29, 2023 and all preferred stockholders of record as of November 3, 2023, payable on November 29, 2023. In 2023, the Company declared and paid dividends amounting to ₱92.9 million.

On February 1, 2024, pursuant to the yearly cash dividends on "Series A" preferred shares, the BOD approved the declaration of cash dividends in the amount of ₱1.75 per share out of the Parent Company's unrestricted retained earnings as of December 31, 2023 to all holders of "Series A" preferred shares on record as of February 16, 2024, payable on March 1, 2024, all preferred stockholders of record as of May 3, 2024, payable on May 29, 2024, all preferred stockholders of record as of August 1, 2024, payable on August 29, 2024 and all preferred stockholders of record as of November 5, 2024, payable on November 29, 2024.

On April 8, 2024, the BOD approved the declaration of quarterly cash dividends for Series B and Series C Preferred Shares. Series B carries a dividend rate of 8.25% per annum, amounting to ₱2.0625 per share per quarter, while Series C carries a rate of 8.75% per annum, or ₱2.1875 per share per quarter. These dividends have payment dates set on May 23, 2024. The cash dividends will be paid out of the Corporation's unrestricted retained earnings as of December 31, 2023.

On July 12, 2024, the BOD approved the declaration of a cash dividend of ₱0.025 per share for the Corporation's common shareholders. The record date for entitlement was set on August 1, 2024, with the payment date scheduled for August 15, 2024. This dividend will also be sourced from the Corporation's unrestricted retained earnings as of December 31, 2023. In 2024, the Company declared and paid dividends totaling to ₱244.7 million.

Capital Management
The primary objective of the Group's capital management is to ensure that it maintains strong and healthy consolidated statements of financial position to support its current business operations and drive its expansion and growth in the future.

The Group undertakes to establish the appropriate capital structure for each business line, to allow it sufficient financial flexibility, while providing it sufficient cushion to absorb cyclical industry risks.

The Group considers debt as a stable source of funding. The Group attempts to continually lengthen the maturity profile of its debt portfolio and makes it a goal to spread out its debt maturities by not having a significant percentage of its total debt maturing in a single year.

The Group manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. It monitors capital using leverage ratios on both a gross debt and net debt basis. To maintain or adjust the capital structure, the Group may issue new shares, obtain loan from local banks or obtain additional funding from shareholders as additional paid-up capital or debt.

The Group is not subject to externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital in 2024 and 2023. The table below pertains to the account balances the Group considers as its core economic capital:

	2024	2023
Short-term debt	**₱972,187,000**	₱745,414,000
Long-term debt	**2,343,853,756**	1,879,575,896
Common stock	**2,477,668,925**	2,477,668,925
Preferred stock	**27,637,650**	13,264,900
Additional paid-in capital	**3,331,502,966**	1,931,178,758
Treasury shares	**(94,932,275)**	(94,932,275)
Retained earnings	**2,694,454,515**	2,834,608,536
	₱11,752,372,537	₱9,786,778,740

Earnings Per Share
Basic and diluted earnings per share amounts attributable to common equity holders of the Parent Company are as follows:

	2024	2023	2022
Net income attributable to the common shareholders of the Parent Company	**₱334,139,396**	₱546,514,853	₱639,005,498
Less cumulative preferred shares dividends, net of tax	**181,413,909**	82,307,912	83,568,870
Net income attributable to the common shareholders of the Parent	**152,725,487**	464,206,941	555,436,628
Weighted average number of outstanding common shares*	**2,372,367,911**	2,372,367,911	2,377,280,455
Basic and diluted earnings per share	**₱0.06**	₱0.20	₱0.23

**Weighted average common shares considering the effect of treasury shares*

Earnings per share are calculated using the consolidated net income attributable to the common shareholders of the Parent Company less cumulative preferred shares dividends divided by the weighted average number of outstanding common shares.

For the years ended December 31, 2024 and 2023, there were no issued and outstanding share options that could potentially dilute the Group's earnings per share.

18. General, Administrative and Selling Expenses

	2024	2023	2022
Personnel cost	**₱138,004,668**	₱131,444,467	₱101,055,056
Marketing (Note 26)	**107,098,376**	70,975,998	76,838,008
Depreciation (Notes 11 and 12)	**62,685,538**	71,646,895	33,790,156
Taxes and licenses	**53,194,642**	43,590,207	20,235,932
Impairment loss (Notes 8 and 12)	**45,928,044**	26,733,469	32,068,874
Transportation and travel	**25,484,655**	44,131,525	43,233,406
Outside services	**19,400,060**	20,731,060	26,127,585
Professional fees	**14,235,123**	18,410,290	13,556,796
Retirement benefits expense (Note 19)	**11,949,765**	11,408,597	10,630,252
Utilities and supplies	**10,475,158**	26,808,571	16,214,613
Rental (Note 21)	**9,419,407**	8,166,192	7,636,596
Repairs and maintenance	**4,600,864**	15,867,354	9,541,551
Insurance	**2,799,807**	3,989,566	2,190,367
Directors' fee	**721,000**	1,121,000	958,600
Provision for expected credit loss (Note 5)	–	828,304	1,711,427
Provision for inventory losses (Note 7)	–	–	50,241,232
Others	**37,504,920**	45,615,878	26,251,767
	₱543,502,027	₱541,469,373	₱472,282,218

Marketing expenses significantly include amortization of the costs to obtain contracts on real estate sales and advertising expenses incurred by the Group.

Others includes notarization, bank charges, subscription fees and expenses arising from business and research development and software maintenance.

19. Retirement Benefit Obligation

The Group has a funded non-contributory retirement plan covering all regular and full-time employees effective July 1, 2002 (anniversary date was amended to take effect every January 1, retroactive 2003). Benefits are dependent on the years of service and the respective employee's compensation.

The defined benefit obligation is determined using the Projected Unit Credit method. There was no plan of termination, curtailment or settlement for the years ended December 31, 2024 and 2023.

Responsibilities of Trustee

The retirement fund is being administered and managed through a Multi-Employer Retirement Plan (the "Plan") by a trustee bank. The Retirement Plan Trustee, as appointed by the Group in the Trust Agreement executed between the Group and the duly appointed Retirement Plan Trustee, is responsible for the general administration of the Plan and the management of the retirement fund.

The Retirement Plan Trustee may seek the advice of counsel and appoint an investment manager or managers to manage the retirement fund, an independent accountant to audit the fund, and an actuary to value the retirement fund.

The following tables summarize the components of retirement benefit costs recognized in the consolidated statements of comprehensive income and the amounts recognized in the consolidated statements of financial position.

The components of retirement benefit expense recognized as retirement benefits under "General, administrative and selling expenses" in the consolidated statements of comprehensive income are as follows (see Note 18):

	2024	2023	2022
Current service cost	**₱6,230,549**	₱6,236,494	₱7,893,633
Interest expense on defined benefit obligation	**6,233,285**	5,470,422	2,845,181
Interest income on plan assets	**(514,069)**	(298,319)	(108,562)
Total retirement benefit expense	**₱11,949,765**	₱11,408,597	₱10,630,252

The components of remeasurements loss (gain) on defined benefit plan recognized in OCI are as follows:

	2024	2023	2022
Remeasurement loss (gain) on plan assets	**₱96,682**	₱149,647	(₱873,184)
Remeasurement gain on defined benefit obligation	**(2,116,403)**	–	(6,849,675)
Income tax effect	**667,139**	(37,411)	1,930,714
Remeasurement loss (gain) at end of year	**(₱1,352,582)**	₱112,236	(₱5,792,145)

Remeasurement loss on defined benefit obligation recognized in the consolidated statements of financial position are as follows:

	2024	2023
At January 1	**₱21,570,632**	₱21,458,396
Remeasurement loss on fair value of plan assets	**96,682**	149,647
Remeasurement gain on defined benefit obligation	**(2,116,403)**	–
Income tax effect	**667,139**	(37,411)
At December 31	**₱20,218,050**	₱21,570,632

The breakdown of the retirement benefit obligation recognized in the consolidated statements of financial position follow:

	2024	2023
Present value of defined benefit obligation	**₱93,062,888**	₱83,152,761
Fair value of plan assets	**(8,587,768)**	(6,170,381)
Retirement benefit obligation	**₱84,475,120**	₱76,982,380

Changes in the present value of the defined benefit obligation follow:

	2024	2023
Balance at beginning of year	**₱83,152,761**	₱72,316,882
Current service cost	**6,230,549**	6,236,494
Interest cost	**6,233,285**	5,470,422
Benefits paid from retirement fund	**–**	(871,037)
Benefits paid from company operating fund	**(437,304)**	–
Remeasurement gain	**(2,116,403)**	–
Balance at end of year	**₱93,062,888**	₱83,152,761

Changes in the fair value of plan assets follow:

	2024	2023
Balance at beginning of year	**₱6,170,381**	₱4,161,311
Contributions to the retirement fund	**2,000,000**	2,731,435
Benefits paid from retirement fund	**–**	(871,037)
Interest income	**514,069**	298,319
Remeasurement loss	**(96,682)**	(149,647)
Balance at end of year	**₱8,587,768**	₱6,170,381

The fair values of plan assets by each class as of December 31 are as follows:

	2024	2023
Equity investments	**₱4,854,002**	₱4,171,598
Investment in UITF	**1,946,292**	–
Debt instruments	**1,686,656**	1,979,673
Deposits in banks	**3,865**	2,599
Others	**96,953**	16,511
Balance at end of year	**₱8,587,768**	₱6,170,381

For determination of the retirement benefit obligation as of December 31, 2024 and 2023, the following actuarial assumptions were used:

	2024	2023
Discount rates used	**6.12%**	7.17%
Expected rate of salary increases	**2.00%**	5.00%

Assumptions regarding future mortality and disability are based on the 2001 CSO table-Generational and The Disability Study, Period 2, Benefit 5, respectively.

The sensitivity analysis below has been determined based on reasonable possible changes of each significant assumption on the defined benefit obligation as of December 31, 2024 and 2023, assuming all other assumptions were held constant.

	Increase	Effect	
	(Decrease)	**2024**	2023
Discount rate	+1.00%	**(₱4,280,883)**	(₱3,859,849)
	-1.00%	**4,813,298**	4,364,061
Salary increase rate	+1.00%	**5,330,701**	4,721,387
	-1.00%	**(4,811,057)**	(4,240,785)

The average duration of the defined benefit obligation is 8.4 and 7.2 years in December 31, 2024 and 2023, respectively.

Shown below is the maturity analysis of the undiscounted benefit payments as at December 31, 2024 and 2023.

	2024	2023
Less than 1 year	**₱35,958,544**	₱35,549,670
1 to less than 5 years	**27,276,594**	26,678,255
5 to less than 10 years	**41,739,840**	40,538,255
10 to less than 15 years	**52,514,154**	52,053,617
15 to less than 20 years	**40,453,605**	42,821,108
20 years and above	**78,033,638**	80,832,476

20. **Income Taxes**

Provision for current income tax pertains to regular corporate income tax (RCIT) and minimum corporate income tax (MCIT) as follows:

	2024	2023	2022
RCIT	**₱930,620**	₱1,092,402	₱279,580
MCIT	**17,288,692**	5,158,153	5,052,298
	₱18,219,312	₱6,250,555	₱5,331,878

The reconciliation of provision for income tax computed at the statutory tax rate to provision for income tax reported in the consolidated statements of comprehensive income follows:

	2024	2023	2022
Provision for income tax computed at 25%	**₱112,578,572**	₱174,953,680	₱197,122,396
Adjustments for:			
Equity in net earnings of associates	**(35,233,355)**	(84,986,879)	(79,099,490)
Nondeductible expenses	**30,887,537**	42,816,889	21,127,109
Change in unrecognized deferred tax assets	**19,048,572**	20,586,222	14,046,067
Interest income already subjected to final tax	**(145,908)**	(31,833)	(243,839)
Preferred share issue costs recognized in APIC	**(12,316,244)**	–	–
Expiration of MCIT	**1,386,523**	–	–
	₱116,205,697	₱153,338,079	₱152,952,243

The components of net deferred tax liabilities as of December 31, 2024 and 2023 follow:

	2024	2023
In profit and loss:		
Deferred tax liabilities on:		
Excess of real estate sales based on POC over real estate sales based on tax rules	**(₱537,176,224)**	(₱558,695,556)
Unamortized debt issue cost	**(3,203,164)**	(2,049,785)
Prepaid commission	**(6,259,325)**	(3,019,250)
Unrealized foreign exchange gain	**(32,695)**	–
	(546,671,408)	(563,764,591)
Deferred tax assets on:		
Fair value adjustment arising from business combination	**13,301,338**	13,301,338
NOLCO	–	56,662,648
Retirement benefit liability	**14,505,315**	12,210,115
MCIT	**24,940,746**	10,963,577
Allowance for impairment on receivables	**698,549**	698,549
Unrealized foreign exchange loss	–	60,551
	53,445,948	93,896,778
In equity:		
Deferred tax assets (liabilities) on:		
Preferred share issue costs deducted to APIC recognized as NOLCO	–	6,671,734
Remeasurement loss on retirement benefit plan	**6,417,738**	7,084,877
Cumulative translation adjustment	**(3,490,290)**	339,963
	2,927,448	14,096,574
Deferred tax liabilities - net	**(₱490,298,012)**	(₱455,771,239)

Unrecognized deferred tax assets
The Group has NOLCO and MCIT that are available for offset against future taxable income or tax payable for which deferred tax assets have not been recognized amounting to ₱72.0 million and ₱52.8 million as of December 31, 2024 and 2023, respectively, as the management believes that there is no sufficient future taxable income for which these deferred tax assets can be utilized. These come from the following subsidiaries: ABERDI, BAC, PTCHC, ABBWCI, NRC, SHDI, MCPI, VEC and ISI.

The details of unrecognized deferred tax assets as at December 31, 2024 and 2023 are as follows:

	2024		2023	
	Temporary Difference	**Tax Effect**	Temporary Difference	Tax Effect
NOLCO	**₱287,587,405**	**₱71,896,851**	₱208,099,593	₱52,024,898
Excess MCIT	**633,396**	**633,396**	783,045	783,045
	₱288,220,801	**₱72,530,247**	₱208,882,638	₱52,807,943

In 2024 and 2023, The Group also did not recognize deferred tax assets on allowance for impairment losses on property, plant and equipment amounting to ₱44.2 million and ₱32.71 million, respectively, as based on management's assessment, it is not probable that sufficient future taxable profits will be available to allow all or part of the deferred income tax assets to be utilized..

NOLCO.
The details of NOLCO are as follow:

Year Incurred	Expiry Date	At December 31, 2023	Application	Additions	At December 31, 2024
2020	December 31, 2025	₱41,586,606	₱–	₱–	₱41,586,606
2021	December 31, 2026	117,351,600	(78,935,828)	–	38,415,772
2022	December 31, 2025	45,461,857	–	–	45,461,857
2023	December 31, 2026	257,123,523	(174,401,699)	–	82,721,824
2024	December 31, 2027	–	–	79,401,346	79,401,346
		₱461,523,586	(₱253,337,527)	₱79,401,346	₱287,587,405

In 2024, the Group applied NOLCO totalling ₱253.3 million and reversed the deferred taxes on NOLCO recognized including the ₱6.7 million deferred taxes on preferred share issue costs recognized directly in equity.

MCIT.
The details of excess MCIT are as follow:

Year Incurred	Expiry Date	At December 31, 2023	Addition	Expired	At December 31, 2024
2021	December 31, 2024	₱1,536,172	₱–	(₱1,536,172)	₱–
2022	December 31, 2025	5,052,298	–	–	5,052,298
2023	December 31, 2026	5,158,153	–	–	5,158,153
2024	December 31, 2027	–	15,363,691	–	15,363,691
		₱11,746,623	₱15,363,691	(₱1,536,172)	₱25,574,142

Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act
On June 20, 2023, the Bureau of Internal Revenue issued Revenue Memorandum Circular (RMC) No. 69-2023 reverting the Minimum Corporate Income Tax (MCIT) rate to 2% of gross income effective July 1, 2023 pursuant to Republic Act (RA) No. 11534, otherwise known as the "Corporate Recovery and Tax Incentives for Enterprises (CREATE)" Act. MCIT rate was previously reduced from 2% to 1% effective July 1, 2020 to June 30, 2023 upon the effectivity of CREATE Act in 2021.

Consequently, the ABCI and ABERDI recognized MCIT using the effective rate of 1.5% in 2023 in accordance with RMC 69-2023. In 2024, the MCIT rate is at 2%.

21. Lease Agreements

Group as a Lessor
The Group leased its various properties under operating leases. The term of the lease agreements is for 8 months to one year and is renewable upon mutual agreement of both parties. The agreements provide that the lessees shall pay for all major and minor repairs, business taxes, and charges for water, light, telephone and other utilities expense. There is no escalation clause and the leases are classified as operating leases.

Rental income from third parties under these operating leases amounted to ₱19.6 million, ₱14.9 million and ₱3.2 million in 2024, 2023 and 2022, respectively.

Group as a Lessee
In 2024 and 2023, the Group entered into lease agreements with related and non-related parties for its office spaces in Cagayan de Oro City, Impasug-ong and Metro Manila which have

lease terms of 8 to 12 months or less and are renewable upon the agreement of both parties. The Group applies the 'short-term lease' recognition exemption for these leases.

There are no other significant restrictions imposed by lease agreements such as those concerning dividends, additional debt and further leasing.

In 2024, 2023 and 2022, rent expense amounted to ₱9.4 million, ₱8.2 million, and ₱7.6 million, respectively (see Note 18).

The Group paid advance rentals for the rights to use parcels of land in Impasugong, Kalabugao, Salawaga Tingalan, Opol, Misamis Oriental and Tignapoloan, Cagayan de Oro City and to develop them as palm oil commercial plantations under the Group's development contracts (DC) with KASAMAKA and KMBT identified as contracts containing leases scoped in under PFRS 16. There are no future lease payments related to these lease contracts. The lease agreement will expire on 2036.

In 2024 and 2023, the movements in the Group's right-of-use asset follows (see Note 12):

	2024	2023
Cost		
Balance at beginning and end of year	**₱30,535,735**	₱30,535,735
Accumulated depreciation		
At January 1	**3,773,279**	2,671,314
Depreciation	**3,729,327**	1,101,965
At December 31	**7,502,606**	3,773,279
Net book value	**₱23,033,129**	₱26,762,456

22. Other Income

	2024	2023	2022
Tapping fees, transfer fees and other water charges	**₱30,165,649**	₱6,347,261	₱4,095,755
Dividend income (Note 9)	**–**	5,354	10,618
Gain on sale of property and equipment (Note 12)	**18,666**	–	99,685
	₱30,184,315	₱6,352,615	₱4,206,058

23. Financial Risk Management Objectives and Policies

The Group is exposed to a variety of financial risks, which resulted from its operating, investing and financing activities in relation to its financial instruments which include financial assets comprising cash, receivables (excluding advances to officers and employees), receivables from related parties, EIFVOCI and deposit in escrow and refundable deposits included under "Other assets". This also includes financial liabilities comprising accounts and other payables (excluding statutory payables), short-term and long-term debts. The main types of risks are market risk (mainly interest rate and equity price risks), credit risk and liquidity risk which arise in the normal course of the Group's business activities.

The objective of financial risk management is to contain, where appropriate, exposures in these financial risks to limit any negative impact on the Group's results and financial position. The Group actively measures, monitors and manages its financial risk exposures by various functions pursuant to the segregation of duties principle. The management takes charge of the Group's overall risk management strategies and for approval of risk strategies and policies under the direction of the Group's BOD.

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

There were no changes in the Group's financial risk management objectives and policies in 2024 and 2023.

The main risks arising from the use of financial instruments are credit risk, liquidity risk, interest rate risk and equity price risk. The Group's BOD reviews and agrees with policies for managing each of these risks. These are summarized below:

Credit Risk
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The Group trades only with recognized, creditworthy third parties. The Group's receivables are monitored on an ongoing basis to manage exposure to bad debts and to ensure timely execution of necessary intervention efforts. The Group's debt financial assets are not subject to collateral and other credit enhancement except for ICRs. Real estate buyers are subject to standard credit check procedures, which are calibrated based on payment scheme offered. The Group's respective credit management units conduct a comprehensive credit investigation and evaluation of each buyer to establish creditworthiness.

In addition, the credit risk for ICRs is mitigated as the Group has the right to cancel the sales contract without need for any court action and take possession of the subject real estate property in case of refusal by the buyer to pay on time the due ICR. This risk is further mitigated because the corresponding title to the subdivision units sold under this arrangement is transferred to the buyers only upon full payment of the contract price. In case of default, after enforcement activities, the Group has the right to cancel the sale and enter into another CTS to another customer after certain proceedings (e.g. grace period, referral to legal, cancellation process, reimbursement of previous payments) had been completed. Given this, based on the experience of the Group, the maximum exposure to credit risk at the reporting date is nil considering that fair value less cost to repossess of the real estate projects is higher than the exposure at default (i.e., recovery rate is more than 100%).

With respect to credit risk arising from the other debt financial assets of the Group, which comprise cash and due to a related party, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. The Group transacts only with institutions or banks which have demonstrated financial soundness for the past 5 years.

For financial assets recognized on the consolidated statements of financial position, the gross exposure to credit risk equals their carrying amount except for ICR and contract assets where exposure to credit risk is not significant given that title of the real estate property is only transferred to the customer if the consideration had been fully paid.

The Group's maximum exposure to credit risk is equal to the carrying values of its debt financial assets except for ICR and contract assets as discussed above. The table below shows the credit quality and aging analysis of the Group's financial assets and contract assets:

	2024	2023
Financial assets:		
Cash in banks (Note 4)	**₱637,388,022**	₱101,421,428
Receivables (Note 5)	**963,918,687**	375,448,715
Receivables from related parties (Note 15)	**50,894,936**	50,894,936
Refundable deposits (Note 8)	**55,476,957**	52,903,664
Deposit in escrow (Note 8)	**7,424,332**	7,424,332
Contract assets (Note 14)	**1,673,507,366**	1,869,391,297
	₱3,388,610,300	₱2,457,484,372

The aging analysis per class of financial assets as at December 31 is as follows:

	2024						
			Past Due But not Impaired				
	Total	**Neither Past Due nor Impaired**	**Less than 30 Days**	**30-60 Days**	**61-90 Days**	**More than 90 Days**	**Impaired**
Financial assets:							
Cash in banks	**₱637,388,022**	**₱637,388,022**	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**
Receivables	**963,918,687**	**924,476,861**	**9,291,525**	**13,276,811**	**4,786,224**	**3,453,425**	**8,633,841**
Receivables from related parties	**50,894,936**	**50,894,936**	**–**	**–**	**–**	**–**	**–**
Refundable deposits	**55,476,957**	**55,476,957**	**–**	**–**	**–**	**–**	**–**
Deposit in escrow	**7,424,332**	**7,424,332**	**–**	**–**	**–**	**–**	**–**
	₱1,715,102,934	**₱1,675,661,108**	**₱9,291,525**	**₱13,276,811**	**₱4,786,224**	**₱3,453,425**	**₱8,633,841**

	2023						
			Past Due But not Impaired				
	Total	Neither Past Due nor Impaired	Less than 30 Days	30-60 Days	61-90 Days	More than 90 Days	Impaired
Financial assets:							
Cash in banks	₱101,421,428	₱101,421,428	₱–	₱–	₱–	₱–	₱–
Receivables	375,448,715	353,529,087	4,711,034	3,420,087	2,813,567	2,341,098	8,633,842
Receivables from related parties	50,894,936	50,894,936	–	–	–	–	–
Refundable deposits	52,903,664	52,903,664	–	–	–	–	–
Deposit in escrow	7,424,332	7,424,332					
	₱588,093,075	₱566,173,447	₱4,711,034	₱3,420,087	₱2,813,567	₱2,341,098	₱8,633,842

The following are the details of the Group's assessment of credit quality and the related ECLs as at December 31, 2024 and 2023.

Low credit risk simplification approach

- *Cash and Deposit in Escrow* - These are of high quality as the amounts are deposited in reputable banks which have good bank standing and is considered to have a low credit risk. Accordingly, management assessed that no ECL relating to the cash and deposit in escrow of the Group is recognized.

General approach

- *Receivables (except ICR and trade receivables), receivables from related parties and refundable deposits* - These are high grade since these pertain to counterparties who have a very remote likelihood of default and have consistently exhibited good paying habits. Accordingly, management assessed that no ECL relating to these receivables and deposits of the Group is recognized. This assessment is undertaken each financial year through examining the financial position of the counterparties and the markets in which they operate.

Simplified approach

- *ICR and contract assets* - These are high grade since these pertain to counterparties who have a very remote likelihood of default and have consistently exhibited good paying habits. Accordingly, management assessed that no ECL relating to these receivables of the Group is recognized. Exposure to bad debts is not significant as title to real estate properties are not transferred to the buyers until full payment has been made and the requirement for remedial procedures is minimal given the profile of buyers. This assessment is undertaken each financial year through examining the financial position of the counterparties and the markets in which they operate.

- *Trade receivables* - These are high grade since these pertain to receivables from customers who have established good credit standing with the Company. The Group applied the simplified approach under PFRS 9, using a 'provision matrix'. Accordingly, management assessed and recognized ECL relating to trade receivables amounting to nil and ₱0.8 million in 2024 and 2023, respectively. Trade receivables are regarded as short-term and while there are certain accounts that are past-due, the Group evaluates the credit risk with respect to trade receivables as low as there were no history of default payments.

	2024				
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Lifetime ECL Simplified Approach**	**Total**
Gross carrying amount	**₱840,688,950**	**₱–**	**₱–**	**₱2,556,555,191**	**₱3,397,244,141**
ECL allowance	**–**	**–**	**–**	**(8,633,841)**	**(8,633,841)**
Carrying amount	**₱840,688,950**	**₱–**	**₱–**	**₱2,547,921,350**	**₱3,388,610,300**

	2023				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Lifetime ECL Simplified Approach	Total
Gross carrying amount	₱274,756,965	₱–	₱–	₱2,191,361,248	₱2,466,118,213
ECL allowance	–	–	–	(8,633,841)	(8,633,841)
Carrying amount	₱274,756,965	₱–	₱–	₱2,182,727,407	₱2,457,484,372

Applying the expected credit risk model resulted to recognition of impairment loss of nil and ₱0.8 million from receivables in 2024 and 2023, respectively.

Liquidity risk
Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from either the inability to sell financial assets quickly at their fair values; or the counterparty failing on repayment of a contractual obligation; or inability to generate cash inflows as anticipated.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and advances from related parties. The Group monitors its cash flow position and overall liquidity position in assessing its exposure to liquidity risk. The Group maintains a level of cash deemed adequate by management to finance its operations and capital requirements and to mitigate the effects of fluctuations in cash flows. The Group considers its available funds and its liquidity in managing its long-term financial requirements. It matches its projected cash flows to the projected amortization of long-term borrowings. For its short-term funding, this is backed up by contracts to sell and collaterals. Further, the Group's policy is to ensure that there are sufficient operating inflows to match repayments of short-term debt. In addition, the Group also has credit lines available if immediate payment is needed.

The tables below summarize the Group's financial assets that can be used to manage its liquidity risk and the maturity profile of its financial liabilities as of December 31, 2024 and 2023 based on contractual undiscounted payments:

	2024			
	On Demand	**One Year and Below**	**More than One Year**	**Total**
Financial Assets				
Financial assets at amortized cost				
Cash	**₱677,964,213**	**₱–**	**₱–**	**₱677,964,213**
Receivables	**9,000,000**	**946,284,846,**	**–**	**955,284,846**
Receivables from related parties	**50,894,936**	**–**	**–**	**50,894,936**
Refundable deposits	**–**	**908,313**	**54,568,644**	**55,476,957**
Deposit in escrow	**7,424,332**	**–**	**–**	**7,424,332**
Contract assets	**–**	**131,239,842**	**1,542,267,524**	**1,673,507,366**
Financial assets at FVOCI				
EIFVOCI	**–**	**–**	**428,856,522**	**428,856,522**
	745,283,481	**1,078,433,001**	**2,025,692,690**	**3,849,409,172**
Financial Liabilities	**–**	**–**	**–**	**–**
Financial liabilities at amortized cost				
Accounts and other payables*	**–**	**1,059,687,196**	**–**	**1,059,687,196**
Short-term debt				
Principal	**–**	**972,187,000**	**–**	**972,187,000**
Interest	**–**	**35,021,066**	**–**	**35,021,066**
Long-term debt				
Principal		**606,037,475**	**1,750,628,936**	**2,356,666,411**
Interest	**–**	**167,102,999**	**332,969,459**	**500,072,458**
	–	**2,840,035,736**	**2,083,598,395**	**4,923,634,131**
Net Inflow (Outflow)	**₱745,283,481**	**(₱1,761,602,735)**	**(₱57,905,705)**	**(₱1,074,224,959)**

** Excluding statutory payables*

	2023			
	On Demand	One Year and Below	More than One Year	Total
Financial Assets				
Financial assets at amortized cost				
Cash	₱118,082,483	₱–	₱–	₱118,082,483
Receivables	9,000,000	357,814,874		366,814,874
Receivables from related parties	50,894,936	–	–	50,894,936
Refundable deposits	–	843,263	52,060,401	52,903,664
Deposits in escrow	7,424,332	–	–	7,424,332
Contract Assets		494,203,019	1,375,188,278	1,869,391,297
Financial Assets at FVOCI				
EIFVOCI	–	–	362,386,957	362,386,957
	185,401,751	852,861,156	1,789,635,636	2,827,898,543
Financial Liabilities				
Financial liabilities at amortized cost				
Accounts and other payables*	–	925,373,682	–	925,373,682
Short-term debt				
Principal	–	745,414,000	–	745,414,000
Interest	–	47,219,304	–	47,219,304
Long-term debt				
Principal		483,256,690	1,404,552,845	1,887,809,535
Interest	–	18,465,688	53,669,269	72,134,957
	–	2,219,729,364	1,458,222,114	3,677,951,478
Net Inflow (Outflow)	₱185,401,751	(₱1,366,868,208)	₱331,413,522	(₱850,052,935)

** Excluding statutory payables*

Market Risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchanges rates, commodity prices, equity prices and other market changes.

Interest Rate Risk. Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's interest rate risk management policy centers on reducing the overall interest expense and exposure to changes in interest rates. Changes in market interest rates relate primarily to the Group's interest-bearing debt obligations with floating interest rates or rates subject to repricing as it can cause a change in the amount of interest payments.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all variables held constant, of the Group's income before tax and equity, through the impact on floating rate borrowings:

2024		2023	
Increase (decrease) in basis points	**Effect on profit before tax**	Increase (decrease) in basis points	Effect on profit before tax
200	**(₱25,976,066)**	200	(₱23,314,561)
100	**(12,988,033)**	100	(11,657,281)
(100)	**12,988,033**	(100)	11,657,281
(200)	**25,976,066**	(200)	23,314,561

Equity Price Risk. The Group's equity investments in golf and club shares are susceptible to market price risk arising from uncertainties about future values of the investment securities.

As of December 31, 2024 and 2023, the Group's exposure to equity price risk with respect to EIFVOCI is minimal.

Fair Value of Financial Assets and Liabilities
The following table presents a comparison by category of carrying values and estimated fair values of the Group's financial instruments as at December 31:

	2024		2023	
	Carrying Values	**Fair Values**	Carrying Values	Fair Values
Financial Assets				
Cash	**₱677,964,213**	**₱677,964,213**	₱118,082,483	₱118,082,483
Receivables	**955,284,846**	**955,284,846**	366,814,874	366,814,874
Receivables from related parties	**50,894,936**	**50,894,936**	50,894,936	50,894,936
EIFVOCI	**428,856,522**	**428,856,522**	362,386,957	362,386,957
Refundable deposits	**55,476,957**	**55,476,957**	52,903,664	52,903,664
Deposit in escrow	**7,424,332**	**7,424,332**	7,424,332	7,424,332
	₱2,175,901,806	**₱2,175,901,806**	₱958,507,246	₱958,507,246
Financial Liabilities				
Accounts and other payables*	**₱1,059,687,196**	**₱1,059,687,196**	₱925,373,682	₱925,373,682
Short-term debt	**972,187,000**	**972,187,000**	745,414,000	745,414,000
Long-term debt	**2,356,666,411**	**2,425,654,442**	1,887,809,535	1,915,364,480
	₱4,388,540,607	**₱4,457,528,638**	₱3,558,597,217	₱3,586,152,162

** Excluding statutory payables*

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

- *Cash, receivables*, *deposit in escrow*, *accounts and other payables and short term-debt*. The fair values approximate their carrying amounts as of reporting dates due to the short-term maturity of these financial instruments.
- *ICR*. The fair value of ICR due within one year approximates its carrying amount.

- *Receivables from related parties*. Carrying amounts of receivables from related parties which are collectible on demand approximate their fair values. Receivables from related parties are unsecured and have no foreseeable terms of repayments.

- *EIFVOCI.* For unquoted equity securities, the fair value is determined using valuation techniques with inputs and assumptions that are based on market observable data and conditions and reflect appropriate risk adjustments that market participants would make for credit and liquidity risks existing at the end each of reporting period. The fair values are determined based on average selling price of price per share of similar or identical assets traded in an active market (Level 2 input).

- *Refundable deposits*. The fair values of refundable deposits are not determinable since the timing of each refund is not reasonably predictable, hence presented at cost.

- *Long-term debt.* The fair value of borrowings with fixed interest rate is based on the discounted net present value of cash flows using the PH BVAL. Discount rates used range from 7.7% to 8.2% and 7.1% to 8.3% in 2024 and 2023, respectively. The Group classifies the fair value of its long-term debt under Level 3.

Fair Value Hierarchy
The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and,
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at December 31, 2024, the Group held the following financial instruments that are measured and carried or disclosed at fair value:

	Total	Level 1	Level 2	Level 3
Carried at fair value:				
EIFVOCI	₱428,856,522	₱–	₱428,856,522	₱–
Disclosed at fair value:				
Long-term debt	2,425,654,442	–	–	2,425,654,442

As at December 31, 2024 and 2023, 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.

24. Segment Information

Business segment information is reported on the basis that is used internally for evaluating segment performance and deciding how to allocate resources among operating segments. Accordingly, the segment information is reported based on the nature of service the Group is providing.

The segments where the Group operate follow:

- Real estate development - Development of land into commercial and residential subdivision, sale of lots and residential houses and the provision of customer financing for sales;
- Agricultural - Development of land for palm oil production and sale of palm oil and other palm products including, but not limited to refined bleached deodorized oil, palm olein, crude palm oil, palm stearin, palm acid oil, palm fatty acid distillate, and palm kernels.
- Power and utilities - Operating of power plants and/or purchase, generation, production supply and sale of power. However, there was no commercial operations yet as of December 31, 2024. The results of oeprations of the associates operating in the power and utilities industry are presented in this segment.
- Holding - Holding of properties of every kind and description.
- Services - Provide irradiation services for all types of goods.

Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

For the years ended December 31, 2024, 2023 and 2022, there were no revenue transactions with a single external customer which accounted for 10% or more of the consolidated revenue from external customers.

The financial information about the operations of these operating segments is summarized below (in thousands):

	For the Year Ended December 31, 2024						
	Real Estate Development	Agricultural	Power and Utilities	Holding	Services	Eliminations	Consolidated
Revenue	₱1,557,313	₱432,816	₱–	₱–	₱109	(₱182,265)	₱1,807,973
Costs and expenses	693,396	424,358	–	–	196	(182,265)	935,685
Gross profit	863,917	8,458	–	–	(87)	–	872,288
General, administrative and selling expenses	(387,973)	(110,176)	(10,575)	(1,460)	(39,979)	6,661	(543,502)
Other income (expenses)	(20,002)	19,388	261,128	1	(10,914)	-128,072	121,529
Income (loss) before income tax	455,942	(82,330)	250,553	(1,459)	(50,980)	-121,411	450,315
Provision for (benefit from) income tax	105,750	933	–	–	5,204	4,319	116,206
Net income (loss)	₱350,192	(₱83,263)	₱250,553	(₱1,459)	(₱56,184)	(₱125,730)	₱334,109

	As of December 31, 2024						
	Real Estate Development	Agricultural	Power and Utilities	Holding	Services	Eliminations	Consolidated
Other information							
Segment assets	₱13,812,730	₱1,155,096	₱1,839,026	₱1,079,184	₱753,872	(₱4,551,408)	₱14,088,534
Deferred tax assets	–	–	–	–	–	–	–
Total Assets	13,812,730	1,155,096	1,839,026	1,079,184	753,872	(4,551,408)	₱14,088,534
Segment liabilities	4,759,405	1,433,474	32,344	140,488	766,680	(1,934,516)	5,197,909
Deferred tax liabilities	489,017	-	-	-	9,867	(8,586)	490,298
Total Liabilities	₱5,248,422	₱1,433,474	₱32,344	₱140,488	₱776,547	(₱1,943,068)	₱5,680,207

	For the Year Ended December 31, 2023						
	Real Estate Development	Agricultural	Power and Utilities	Holding	Services	Eliminations	Consolidated
Revenue	₱1,482,220	₱255,768	₱–	₱–	₱–	(₱113,205)	₱1,624,783
Costs and expenses	575,774	235,564	–	–	–	(113,205)	698,133
Gross profit	906,446	20,204	–	–	–	–	926,650
General, administrative and selling expenses	(339,373)	(191,566)	(7,184)	(566)	(9,503)	6,723	(541,469)
Other income (expenses)	(37,879)	15,452	805,782	2	(2)	(468,721)	314,634
Income (loss) before income tax	529,194	(155,910)	798,598	(564)	(9,505)	(461,998)	699,815
Provision for (benefit from) income tax	135,654	12,784	(3)	–	584	4,319	153,338
Net income (loss)	₱393,540	(₱168,694)	₱798,601	(₱564)	(₱10,089)	(₱466,317)	₱546,477

	As of December 31, 2023						
	Real Estate Development	Agricultural	Power and Utilities	Holding	Services	Eliminations	Consolidated
Other information							
Segment assets	₱11,255,743	₱1,155,565	₱1,796,770	₱1,045,440	₱559,424	(₱4,103,440)	₱11,709,502
Deferred tax assets	–	–	–	–	–	–	–
Total Assets	₱11,255,743	₱1,155,565	₱1,796,770	₱1,045,440	₱559,424	(₱4,103,440)	₱11,709,502
Segment liabilities	₱3,704,983	₱1,345,085	₱16,251	₱853,432	₱521,052	(₱2,259,044)	₱4,181,759
Deferred tax liabilities	467,523	–	1	–	663	(12,416)	455,771
Total Liabilities	₱4,172,506	₱1,345,085	₱16,252	₱853,432	₱521,715	(₱2,271,460)	₱4,637,530

	For the Year Ended December 31, 2022						
	Real Estate Development	Agricultural	Power and Utilities	Holding	Services	Eliminations	Consolidated
Revenue	₱1,404,064	₱116,143	₱–	₱–	₱–	₱–	₱1,520,207
Costs and expenses	491,935	87,730	–	–	–	–	579,665
Gross profit	912,129	28,413	–	–	–	–	940,542
General, administrative and selling expenses	(311,379)	(153,611)	(16,047)	(489)	(2,401)	11,645	(472,282)
Other income (expenses)	3,841	2,860	556,512	(10)	16	(242,989)	320,230
Income (loss) before income tax	604,591	(122,338)	540,465	(499)	(2,385)	(231,344)	788,490
Provision for (benefit from) income tax	151,464	(2,478)	2	–	80	3,885	152,953
Net income (loss)	₱453,127	(₱119,860)	₱540,463	(₱499)	(₱2,465)	(₱235,229)	₱635,537

	As of December 31, 2022						
	Real Estate Development	Agricultural	Power and Utilities	Holding	Services	Eliminations	Consolidated
Other information							
Segment assets	₱9,780,302	₱1,181,316	₱1,704,755	₱1,065,751	₱241,398	(₱3,983,254)	₱9,990,268
Deferred tax assets	-	11,410	–	–	–	4,169	15,579
Total Assets	₱9,780,302	₱1,192,726	₱1,704,755	₱1,065,751	₱241,398	(₱3,979,085)	₱10,005,847
Segment liabilities	₱2,997,934	₱1,228,878	₱41,834	₱853,463	₱193,600	(₱2,194,769)	₱3,120,940
Deferred tax liabilities	336,862	–	3	–	–	(11,820)	325,045
Total Liabilities	₱3,334,796	₱1,228,878	₱41,837	₱853,463	₱193,600	(₱2,206,589)	₱3,445,985

25. Notes to Consolidated Statements of Cash Flows

Changes in liabilities arising from financing activities:

	2024				
	Beginning Balance	**Availments**	**Payments**	**Others**	**Ending Balance**
Short-term debt	**₱745,414,000**	**₱880,192,000**	**(₱653,419,000)**	**₱–**	**₱972,187,000**
Long-term debt*	**1,879,575,897**	**995,706,150**	**(534,245,353)**	**2,817,062**	**2,343,853,756**
Interest payable	**8,102,638**	**–**	**(224,554,173)**	**225,652,000**	**9,200,465**
	₱2,633,092,535	**₱1,875,898,150**	**(₱1,412,218,526)**	**₱228,469,062**	**₱3,325,241,221**

*inclusive of debt issue costs

	2023				
	Beginning Balance	Availments	Payments	Others	Ending Balance
Short-term debt	₱472,019,208	₱830,721,000	(₱557,326,208)	₱–	₱745,414,000
Long-term debt	1,276,876,788	1,013,535,044	(413,098,060)	2,262,124	1,879,575,896
Interest payable	6,514,943	–	(181,316,214)	182,903,909	8,102,638
	₱1,755,410,939	₱1,844,256,044	(₱1,151,740,482)	₱185,166,033	₱2,633,092,534

*inclusive of debt issue costs

"Others" includes interest expenses paid, capitalized borrowing costs and amortized debt issue costs during the year.

The Group's noncash investing and financing activities pertain to the following:

- Dividend receivable amounted to ₱9.0 million as of December 31, 2024 and 2023, respectively.
- In 2024 and 2023, capitalized borrowing cost on real estate inventories amounted to ₱79.1 million and ₱102.0 million, respectively.
- In 2024 and 2023, capitalized borrowing cost on property, plant and equipment amounted to ₱21.7 million and ₱16.0 million, respectively.
- In 2024 and 2023, capitalized depreciation expense to property, plant and equipment amounted to ₱0.6 million and ₱0.6 million, respectively.
- In 2024 and 2023, capitalized depreciation expense to real estate inventory amounted to ₱21.6 million and ₱10.5 million, respectively.
- In 2024 and 2023, the Group has outstanding payable in relation to the additions in property, plant and equipment amounting to nil and ₱34.5 million, respectively.

26. Revenue from Contracts with Customers

Revenue Disaggregation

The Group derives revenue from the transfer of services and goods over time and at a point in time, respectively, in different product types. The Group's disaggregation of each sources of revenue from contracts with customers are presented below:

	2024	2023	2022
Type of product:			
Real estate sales			
Lot-only units	**₱939,288,549**	₱836,143,956	₱892,937,107
House and lot units	**588,670,623**	618,642,173	485,802,048
Sale of agricultural goods			
Crude palm oil	**236,460,385**	126,844,087	102,474,075
Palm acid oil	**7,132,300**	3,679,120	3,873,180
Palm kernel nut	**4,839,702**	1,571,894	–
Palm olein	**1,112,053**	4,152,175	4,422,098
Palm stearin	**655,203**	4,148,250	1,824,045
Palm fatty acid distillate	**351,182**	2,030,160	873,887
Palm kernel	–	137,600	924,944
Refined bleached deodorized oil	–	–	1,751,240
Water service	**29,353,533**	27,433,584	25,323,973
	₱1,807,863,530	₱1,624,782,999	₱1,520,206,597

The real estate sales and water service revenue are revenue from contracts with customers that are recognized over time while revenue from sale of agricultural goods are recognized at a point in time.

Cost to obtain contract are derecognized if sales are subsequently cancelled. The balances below pertain to the costs to obtain contracts:

	2024	2023
Balance at January 1	**₱12,077,001**	₱2,383,406
Additions	**36,878,172**	50,429,909
Amortization (Note 18)	**(23,917,875)**	(40,736,314)
Balance at December 31	**₱25,037,298**	₱12,077,001

The amortization of prepaid commissions which are expensed as the related revenue is recognized totaling ₱23.9 million, ₱40.7 million, and ₱48.8 million in 2024, 2023 and 2022, respectively, are recognized as marketing expenses presented under "General, administrative and selling expenses" account in the consolidated statements of comprehensive income (see Note 18).

Performance obligation
Information about the Parent Company's significant performance obligation is summarized below:

Real estate sales
The Parent Company entered into contracts to sell with one identified performance obligation, which is the sale of the real estate unit together with the services to transfer the title to the buyer upon full payment of contract price. The amount of consideration indicated in the contract to sell is fixed and has no variable consideration. The sale of real estate unit may cover the contract for either the (i) serviced lot; (ii), and service lot and house and the Parent Company concluded that there is one performance obligation in each of these contracts. The Parent Company recognizes revenue from the sale of these real estate projects under pre-completed contract over time during the course of the construction.

Payment commences upon signing of the contract to sell and the consideration is payable in cash or under various financing schemes entered with the customer. The financing scheme would include payments of 10% to 25% of the contract price spread over a certain period (e.g., three months to four years) at a fixed monthly payment with the remaining balance payable (a) in full at the end of the period either through cash or external financing; or (b) through in-house financing which ranges from two (2) to ten (10) years with fixed monthly payment. The amount due for collection under the amortization schedule for each of the customer does not necessarily coincide with the progress of construction, which results to either a contract asset or contract liability.

The remaining performance obligation is expected to be recognized within one year which relate to the continuous development of the Group's real estate projects. The Group's real estate projects are completed within 6 months to 12 months, from start of construction.

Income from forfeited deposits
Income from forfeited deposits amounting to ₱23.8 million, ₱20.0 million and ₱18.4 million in 2024, 2023 and 2022, respectively pertains to collections from potential buyers deemed nonrefundable due to prescription of the period for entering into a contracted sale and/or payment from defaulting buyers upon prescription of the period for payment of the required amortizations subject to the provisions of Republic Act 6552, *Realty Installment Buyer Act*.

27. **Subsequent Events**

On February 3, 2025, the Company approved the declaration of cash dividends on its Series A, Series B, and Series C Preferred Shares for the year 2025. For Series A Preferred Shares, a quarterly dividend of ₱1.75 per share will be paid, with payment dates on March 3, May 29, August 29, and December 1, 2025. The corresponding record dates are February 17, May 5, August 5, and November 5, 2025. If the payment dates fall on non-banking days, dividends will be paid on the next banking day without adjustment.

For Series B and Series C Preferred Shares, the approved quarterly dividends are ₱2.0625 per share for Series B and Php2.1875 per share for Series C. The payment dates are May 23, August 25, November 24, 2025, and February 23, 2026, with record dates on May 5, August 5, November 5, 2025, and February 9, 2026. Similar to Series A, dividends will be paid on the next banking day if the payment dates fall on non-banking days, without any changes to the dividend amounts. All dividend payments will be sourced from the Company's unrestricted retained earnings as of December 31, 2024.

SGV
Building a better working world

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
A Brown Company, Inc.
Xavier Estates, Masterson Avenue
Upper Balulang, Cagayan de Oro City

We have audited the accompanying financial statements of A Brown Company, Inc. (the Parent Company), as at December 31, 2024 and for the year then ended, on which we have rendered the attached report dated May 9, 2025.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the Parent Company has 2,016 common stockholders and 7 preferred stockholders owning one hundred (100) or more shares each.

SYCIP GORRES VELAYO & CO.

Alvin M. Pinpin
Partner
CPA Certificate No. 94303
Tax Identification No. 198-819-157
BOA/PRC Reg. No. 0001, August 16, 2024, valid until August 23, 2026
BIR Accreditation No. 08-001998-070-2023, October 23, 2023, valid until October 22, 2026
PTR No. 10465360, January 2, 2025, Makati City

May 9, 2025

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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Board of Directors and Stockholders
A Brown Company, Inc. and Subsidiaries
Xavier Estates, Masterson Avenue
Upper Balulang, Cagayan de Oro City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of A Brown Company, Inc. and its subsidiaries (the Group) as at December 31, 2024 and 2023, and for each of the three years in the period ended December 31, 2024, and have issued our report thereon dated May 9, 2025. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Alvin M. Pinpin
Partner
CPA Certificate No. 94303
Tax Identification No. 198-819-157
BOA/PRC Reg. No. 0001, August 16, 2024, valid until August 23, 2026
BIR Accreditation No. 08-001998-070-2023, October 23, 2023, valid until October 22, 2026
PTR No. 10465360, January 2, 2025, Makati City

May 9, 2025

SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
sgv.ph

INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Board of Directors and Stockholders
A Brown Company, Inc. and Subsidiaries
Xavier Estates, Masterson Avenue
Upper Balulang, Cagayan de Oro City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of A Brown Company, Inc. and its subsidiaries (the Group) as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024, and have issued our report thereon dated May 9, 2025. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards, and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2024 and 2023, and for each of the three years in the period ended December 31, 2024 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Alvin M. Pinpin
Partner
CPA Certificate No. 94303
Tax Identification No. 198-819-157
BOA/PRC Reg. No. 0001, August 16, 2024, valid until August 23, 2026
BIR Accreditation No. 08-001998-070-2023, October 23, 2023, valid until October 22, 2026
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May 9, 2025

A BROWN COMPANY, INC. AND SUBSIDIARIES
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A BROWN COMPANY, INC. AND SUBSIDIARIES
INDEX TO THE SUPPLEMENTARY SCHEDULES

Annex I: Reconciliation of Retained Earnings Available for Dividend Declaration

Annex II: Map Showing the Relationships Between and Among the Company and its Ultimate Parent Company, Middle Parent, Subsidiaries or Co-subsidiaries, Associates, Wherever Located or Registered

Annex III: Supplementary Schedules Required by Annex 68-J

- Schedule A. Financial Assets
- Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)
- Schedule C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements
- Schedule D. Long-term Debt
- Schedule E. Indebtedness to Related Parties
- Schedule F. Guarantees of Securities of Other Issuers
- Schedule G. Capital Stock
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SCHEDULE I

A BROWN COMPANY, INC. AND SUBSIDIARIES
RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
DECEMBER 31, 2024

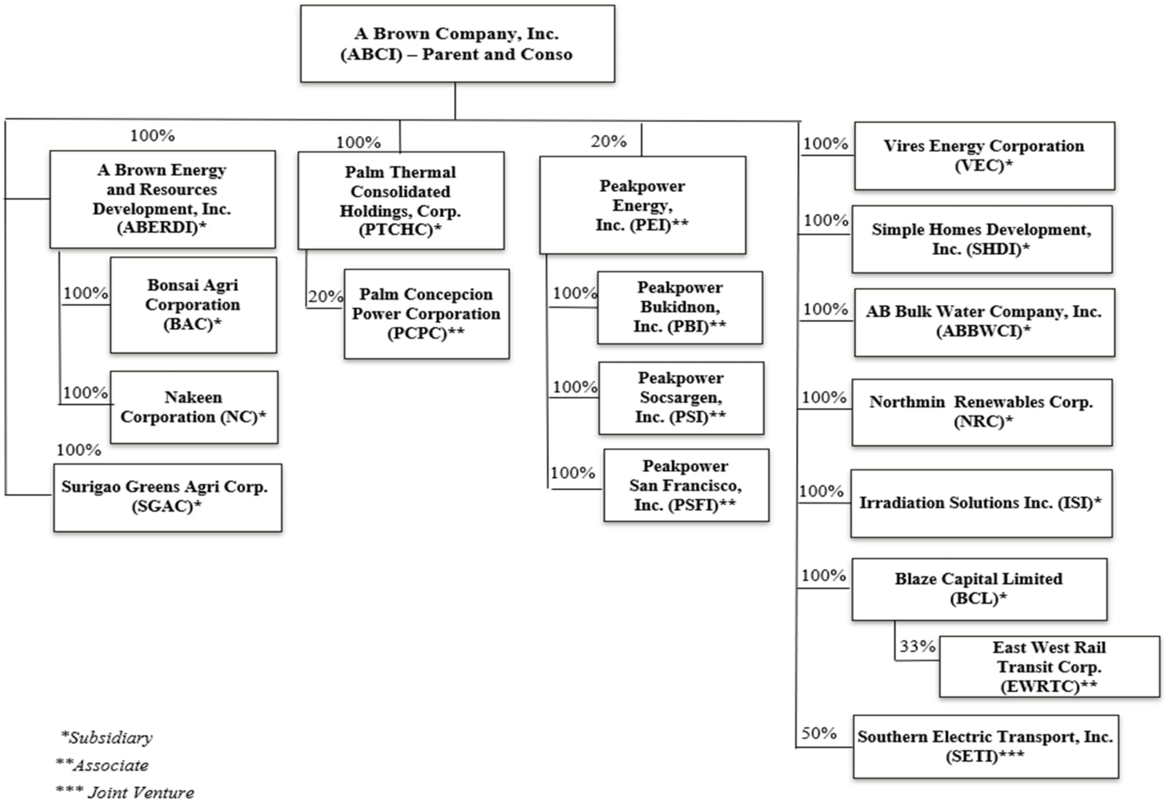
Items		Amount
Unappropriated Retained Earnings, Beginning		₱2,851,218,909
Net adjustment in prior years for portion not available for dividend declaration		
Treasury shares	(94,932,275)	
Deferred tax assets	(81,821,231)	(176,753,506)
Unappropriated retained earnings as of December 31, 2024 available for dividend declaration		2,674,465,403
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the reporting period	244,697,755	
Effect of restatements or prior-period adjustments	222,923,928	
Others	–	467,621,683
Unappropriated Retained Earnings, as adjusted		2,206,843,720
Add: Net Income for the current year		472,445,715
Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of deferred tax asset not considered in the reconciling items under the previous categories		40,450,063
Others		–
Subtotal		40,450,063
TOTAL RETAINED EARNINGS, END OF THE YEAR FOR DIVIDEND DECLARATION		₱2,719,739,498

SCHEDULE II

A BROWN COMPANY, INC. AND SUBSIDIARIES

MAP SHOWING THE RELATIONSHIPS BETWEEN AND AMONG THE COMPANIES IN THE GROUP, ITS ULTIMATE PARENT COMPANY AND CO-SUBSIDIARIES

DECEMBER 31, 2024



A BROWN COMPANY, INC. AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF FINANCIAL ASSETS
DECEMBER 31, 2024

	Number of shares or principal amount of bonds and notes	Amount shown in the consolidated statement of financial position	Income received or accrued
Cash		₱677,964,213	₱610,410
Receivables			
Dividend receivable	–	9,000,000	–
Trade receivable	–	25,747,387	–
ICR	–	857,300,438	33,865,722
Advances to officers and employees		14,231,056	–
Other receivables*	–	57,639,806	–
EIFVOCI	588	428,856,522	–
Deposit in escrow	–	7,424,332	–
Receivables from related parties		50,894,936	
Refundable deposits	–	55,476,957	–
	588	₱2,184,535,647	₱34,476,132

**Gross of allowance for credit losses*

SCHEDULE III - B

A BROWN COMPANY, INC. AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF 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	Current	Not Current	Balance at the end of the period
Not applicable. The Group's receivables from officers and employees pertain to ordinary purchases subject to usual terms, travel and expense advances and other transactions arising from the Group's ordinary course of business.						

A BROWN COMPANY, INC. AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS
DECEMBER 31, 2024

Intercompany receivable and payable

	Receivable Balance	Payable Balance	Current Portion
ABCI	₱154,972,976	(₱106,745,316)	₱48,227,660
ABERDI	36,818,388	(34,664,018)	2,154,370
ABBWCI	–	(15,521,874)	(15,521,874)
SHDI	–	(2,497,830)	(2,497,830)
BAC	–	(1,901,679)	(1,901,679)
NC	25,954,888	(1,442,150)	24,512,738
BCL	–	(49,844,680)	(49,844,680)
MCPI	–	(295,183)	(295,183)
ISI	–	(14,005,633)	(14,005,633)
VEC	–	(4,875,433)	(4,875,433)
SGAC	15,110,994	(136,102)	14,974,892
PTCHC	–	(722,058)	(722,058)
NRC		(205,290)	(205,290)
Total Eliminated Receivables/Payables	₱232,857,246	(₱232,857,246)	₱–

Deposit for future stock subscription (DFFS) classified as liability

	Receivable Balance	Payable Balance	Current Portion
ABCI	₱1,594,121,740	₱–	₱ 1,594,121,740
ABERDI	248,047,978	(951,401,679)	(703,353,701)
NC	–	(248,037,603)	(248,037,603)
PTCHC	–	(12,500,000)	(12,500,000)
ABBWCI		(11,500,000)	(11,500,000)
BCL	–	(12,109,707)	(12,109,707)
ISI	–	(351,727,000)	(351,727,000)
VEC	–	(121,000,000)	(121,000,000)
SGAC	–	(133,893,729)	(133,893,729)
Total Eliminated DFFS	₱1,842,169,718	(₱1,842,169,718)	₱–

A BROWN COMPANY, INC. AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF LONG-TERM DEBT
DECEMBER 31, 2024

Long-term Debt			
Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under caption "current portion of long-term debt” in related consolidated statement of financial position	Amount shown under caption “long-term debt” in related consolidated statement of financial position
Term Loan	₱3,777,571,749	₱602,633,723	₱1,741,220,033

A BROWN COMPANY, INC. AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF INDEBTEDNESS TO RELATED PARTIES (LONG-TERM LOANS FROM RELATED COMPANIES)
DECEMBER 31, 2024

Indebtedness to related parties (Long-term loans from Related Companies)

Name of related party	Balance at beginning of period	Balance at end of period
Shareholders	₱124,335,012	₱60,861,940

A BROWN COMPANY, INC. AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF GUARANTEES OF SECURITIES OF OTHER ISSUERS
DECEMBER 31, 2024

Guarantees of Securities of Other Issuers

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is file	Nature of guarantee
		Not applicable		

SCHEDULE III - G

A BROWN COMPANY, INC. AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF CAPITAL STOCK
DECEMBER 31, 2024

	Number of shares			Number of shares held by		
Title of Issue	Number of shares authorized	Number of shares issued and outstanding as shown under related consolidated statement of financial position caption	Number of shares reserved for options warrants, conversion and other rights	Affiliates	Directors, officers and employees	Others
Common stock	3,250,000,000	2,372,367,911	–	1,370,909,368	219,438,485	782,020,058
Preferred stock – Series A		13,264,900	–	–	64,000	13,200,900
Preferred stock - Series B	50,000,000	7,431,750	–	100,000	100,000	7,231,750
Preferred stock – Series C		6,491,000	–		100,000	6,841,000
Preferred stock Total		27,637,650	–	100,000	264,000	27,273,650
Total	3,300,000,000	2,400,005,561	–	1,371,009,368	219,702,485	809,293,708

*Preferred Shares Series A were issued on November 29, 2021

**Preferred Shares Series B and C were issued on February 23, 2024

A BROWN COMPANY, INC. AND SUBSIDIARIES
SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
DECEMBER 31, 2024

Below are the financial ratios that are relevant to the Group for the years ended December 31, 2024 and 2023.

Ratios	**Formula**	**2024**	2023
Current ratio	Current assets / Current liabilities	2.13	2.00
Acid test ratio	Quick assets / Current liabilities	0.50	0.20
Solvency ratio	Net income + Depreciation / Total liabilities	0.07	0.13
Debt to equity ratio	Total liabilities / Total equity	0.68	0.66
Asset to equity ratio	Total assets / Total equity	1.68	1.66
Interest rate coverage ratio	EBITDA / Total interest paid	2.85	4.62
Return on equity	Net income / Average total equity	0.04	0.08
Return on assets	Net income / Average total assets	0.03	0.05
Net profit margin	Net income / Net revenue	0.18	0.34

A BROWN COMPANY, INC. AND SUBSIDIARIES

SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE-RELATED INFORMATION
DECEMBER 31, 2024

Below are the audit fees of the Group for the years ended December 31, 2024 and 2023:

	2024	2023
Total Audit Fees	**₱3,169,000**	₱2,756,000
Non-audit service fees:		
Other assurance services	**–**	10,250,000
Tax services	**–**	–
All other services	**2,325,000**	–
Total Non-audit Fees	**2,325,000**	10,250,000
Total Audit and Non-audit Fees	**₱5,494,000**	₱13,006,000

EXHIBIT VIII

A BROWN COMPANY, INC. AND SUBSIDIARIES
SCHEDULE FOR LISTED COMPANIES WITH A RECENT OFFERING SECURITIES TO THE PUBLIC
(SERIES B AND SERIES C - PREFERRED SHARES OFFERING)
FOR THE YEAR ENDED DECEMBER 31, 2024

The information below is in connection with the Preferred Shares – Series B and Series C issued by A Brown Company, Inc. and listed on the Philippine Stock Exchange on February 23, 2024.

1. Gross and net proceeds as disclosed in the final prospectus

	Base Offer	Oversubscription Option	Total
Gross proceeds	₱ 1,000,000,000	₱ 500,000,000	₱ 1,500,000,000
Net proceeds	₱ 971,491,530	₱ 494,325,000	₱ 1,465,816,530

2. Actual gross and net proceeds

Gross proceeds	₱ 1,437,275,000
Net proceeds	₱ 1,414,696,959

3. Each expenditure item where the proceeds were used

	Beginning Balance	For the Year 2024	As of December 31, 2024
Development for Real Estate Projects	₱ -	₱ 965,123,247	₱ 965,123,247
Landbanking	-	289,536,974	289,536,974
General Corporate Purposes	-	160,036,737	160,036,737
Total	**₱ -**	**₱ 1,414,696,959**	**₱ 1,414,696,959**

4. Balance of the proceeds as of December 31, 2024 ₱ -

ANNEX C

REPUBLIC OF THE PHILIPPINES)
PASIG CITY, METRO MANILA) S.S

CERTIFICATION

JASON C. NALUPTA, of legal age, Filipino, with office address at 2704 East Tower, Tektite Towers, Exchange Road, Ortigas Center, Pasig City, Metro Manila, after having been sworn to in accordance with law, does hereby certify that:

I am the duly elected and incumbent Corporate Secretary of **A BROWN COMPANY, INC.** (the "Corporation"), a corporation organized and existing under the laws of the Philippines with principal office at Xavier Estates, Uptown, Airport Road, Balulang, Cagayan de Oro City and business office at Ground Floor, 119 CSB Bldg., Dr. Lazcano St., Sacred Heart, 1103 Quezon City;

Based on the information provided to the Corporation by the members of its Board of Directors and its principal executive officers, none of said members of the Board of Directors and principal executive officers of the Corporation are presently employed by any office or agency of the Philippine Government.

IN ATTESTATION OF THE ABOVE, this certificate was signed this 27 MAY 2025 day of May 2025 at Pasig City, Metro Manila.

JASON C. NALUPTA
Corporate Secretary

SUBSCRIBED AND SWORN to before me this 27 MAY 2025 day of May 2024 at Pasig City, Metro Manila, affiant exhibiting to me his [redacted] issued on [redacted] at [redacted] as his competent evidence of identity. [redacted]

Doc. No. 410;
Page No. 83;
Book No. VI;
Series of 2025

GIANNA CHRIS GAILE E. BITANCOR
Notary Public for Cities of Pasig
and in the Municipality of Pateros
Appointment No. 189 (2024-2025)
Commission Expires on December 31, 2025
2704 East Tower, Tektite Towers, Exchange Road
Ortigas Center, 1605 Pasig City
PTR No. 3040444/01.04.25/Pasig City
IBP No. 499763/01.06.25/Quezon City
Roll of Attorneys No. 84862

ANNEX D

3	1	1	6	8

SEC Registration Number

A BROWN COMPANY, INC.

(Company's Full Name)

XAVIER ESTATES UPTOWN
AIRPORT ROAD BALULANG
CAGAYAN DE ORO CITY

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

Allan Ace R. Magdaluyo
Contact Person

02-8631 8890
Company Telephone Number

2025 1st Quarter Report

1	2		3	1

Month Day
Fiscal Year

1	7	-	Q

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

2,085 Common and 3 Preferred – Series A; 2 Preferred – Series B; 2 Preferred – Series C (March 31, 2025)	Php 3,153,020,590 (March 31, 2025)	- 0 -
Total No. of Stockholders	Domestic	Foreign

To be accomplished by SEC Personnel concerned

File number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the **1st Quarter** ended **March 31, 2025**
2. Commission Identification Number: 31168
3. BIR Tax identification No. 002-724-446-000
4. **A BROWN COMPANY, INCORPORATED**
5. Metro Manila, Philippines
6. Industry Classification Code: (SEC use only)
7. **Xavier Estates Uptown, Airport Road, Balulang, Cagayan de Oro City 9000**
8. Telephone Nos. **(02) 8631-8890** or (02) 8633-3135 (Liaison Office)
9. Former address in last report is: -
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each class	Number of shares outstanding
Common shares	2,372,367,911
Preferred shares – Series A	13,264,900
Preferred shares – Series B	7,431,750
Preferred shares – Series C	6,941,000

11. Are any or all of the securities listed on a Stock Exchange?
Yes, all of the outstanding common shares and "Series A, Series B and Series C" preferred shares are listed in the Philippine Stock Exchange.

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

12.b Yes, we have been subject to such filing requirements for the past 90 days.

TABLE OF CONTENTS

PART I – Financial Information

Item 1. Financial Statements

Please find attached herein the Interim Consolidated Financial Statements (Unaudited) (as Exhibit 1) for the First (1st) Quarter ending March 31, 2025.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Quarter Ended March 31

			Horizontal Analysis Increase (Decrease)	
	2025 (Unaudited)	2024 (Unaudited)	in ₱	in %
REVENUES				
Real estate sales	**₱285,641,266**	₱248,760,779	36,880,488	15%
Sale of agricultural goods	**66,001,857**	28,136,672	37,865,185	135%
Water and other service	**7,356,150**	10,732,653	(3,376,504)	-31%
	358,999,273	287,630,104	71,369,170	25%
COSTS OF SALES AND SERVICE				
Cost of real estate sales	**148,046,405**	106,764,194	41,282,211	39%
Cost of agricultural goods sold	**56,307,579**	22,525,473	33,782,106	150%
Cost of water and other service revenue	**2,262,865**	3,936,298	(1,673,433)	-43%
	206,616,849	133,225,965	73,390,884	55%
GROSS PROFIT	**152,382,424**	154,404,138	(2,021,714)	-1%
GENERAL, ADMINISTRATIVE AND SELLING EXPENSES	**131,488,482**	84,613,661	46,874,821	55%
OTHER INCOME (EXPENSES)				
Equity in net earnings of associates	**90,074,525**	41,960,847	48,113,678	115%
Interest expense	**(36,348,571)**	(20,568,510)	(15,780,061)	77%
Other income	**52,032,696**	14,251,642	37,781,055	265%
	105,758,650	35,643,979	70,114,671	197%
INCOME BEFORE INCOME TAX	**126,652,592**	105,434,456	21,218,136	20%
PROVISION FOR INCOME TAX				
Current	**3,049,538**	2,210,213	839,326	38%
Deferred	**17,870,999**	23,859,575	(5,988,575)	-25%
	20,920,537	26,069,787	(5,149,250)	-20%
NET INCOME	**₱105,732,055**	₱79,364,669	(26,367,386)	33%

Revenues
The Group recorded consolidated revenues of ₱358.99M in the 1st quarter 2025, an increase of ₱25% from ₱287.63M in the 1st quarter of 2024, and is broken down as follows:

Real estate sales
Revenue from real estate sales of ₱285.64M in the 1st quarter 2025, an increase of 15% from ₱248.76M for the same period in 2023 due to increase in the completion of various sold projects amortizing over the collection period. Real estate sales contributed to 80% of total consolidated revenues.

Sale of agricultural goods
Revenue from sale of agricultural goods of ₱66.00M in the 1st quarter 2025, an increase of 135% from ₱28.13M in the same period in 2024. The agricultural products are palm oil products consisting of Crude Palm Oil, Palm Acid Oil, and Kernel.

Water and other service income
Revenue from water and other services of ₱7.35M in the first three months in 2025, a decrease of 31% from ₱10.73M in the same period in 2024 due to the decrease consumption of water by residents.

Costs and Expenses
The Group recorded consolidated costs and expenses of ₱206.61M in the 1st quarter of 2025, an increase of 55% from ₱133.22M in the same period of last year, due to the following:

Cost of real estate sales
Cost of real estate sales of ₱148.04M in the 1st quarter of 2025, an increase of 39% from ₱106.76M for the same period in 2024. The real estate costs recorded are directly related to the real estate sales for the period 2025. Gross profit from real estate sales is ₱137.59M, with a gross profit margin of 48%.

Cost of sales of agricultural goods
Cost of sales of agricultural goods amounted to ₱56.30M in the 1st quarter of 2025, an increase of 150% from ₱22.52M for the same period in 2024. The increased cost of sales is due to the higher production and sales for the period. Gross profit from the sales of agricultural products is ₱9.69M, with a gross profit margin of 15%.

Cost of water and other service income
Costs of water and other services of ₱2.26M in the first three months of 2025, a decrease of 43% from ₱3.93M for the same period in 2024 due to increase in fuel efficiency in the utilization of the pumps and lesser spillage.

General, Administrative and Selling Expenses
The Group recorded general, administrative and selling expenses of ₱131.48M in the 1st quarter of 2025, an increase of 55% from ₱84.61M for the same period in 2024. The general, administrative, and selling expenses were higher in 2025 compared to 2024 even as the group delivered on higher total consolidated revenue. General, administrative, and selling expenses include personnel expenses, marketing expenses, impairment loss, taxes and licenses, outside services, professional fees, depreciation, provision for inventory losses, rental expenses, and utilities and supplies. There was a **33% increase in Personnel Costs** to attract and retain top talent, compensate the rising cost of living due to inflation and to manage company growth; a 336% increase in Taxes and Licenses sustained in the Business Permits as well as other licensing requirements and 25% increase in the Maintenance paralleled with 137% increase in the depreciation of the capital assets.

Other Income/Expenses

Share in net income (loss) of associates
The Group recognized ₱90.07M in equity in net earnings of associates for the 1st quarter of 2025, a 115% increase from ₱41.96M for the same period in 2024. The increase reflects higher reported profits from associated companies like Palm Concepcion Power Corporation and Peakpower Energy Inc.

Interest Expense
Interest expense increased to ₱36.34M in the 1st quarter of 2025, a 77% increase from ₱20.56M for the same period in 2024. The increase is attributed to increased loan drawdowns and adoption of new PFRS standard on accounting for borrowing cost limiting the capitalization of incurred interest to qualifying assets.

Other Income – net
Other income increased to ₱52.03M in the 1st quarter of 2025, an increase of 265% from ₱14.25M in the 1st quarter of 2024.

Provision for Income Tax
Total provision for income tax decreased by 20% to ₱20.92M in 1st quarter of 2025 from ₱26.06M for the same period last year.

Net Income
Net income of ₱105.73M in the 1st quarter of 2025, a 33% increase from ₱79.36M in the 1st quarter of 2024. The increase was mainly due to higher equity earnings from associates and other income. The Group recorded record top-line revenues for its real estate and agribusiness segment.

Financial Position – Interim Consolidated (Unaudited)

			Horizontal Analysis Increase (Decrease)	
	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)	in ₱	in %
ASSETS				
Current Assets				
Cash	**₱338,473,984**	₱677,964,213	(339,490,229)	-50%
Receivables	**1,141,665,380**	1,006,179,782	135,485,598	13%
Contract assets	**183,112,898**	131,239,842	51,873,056	40%
Real estate inventories	**4,264,892,375**	4,057,995,302	206,897,073	5%
Other inventories	**44,710,669**	48,750,406	(4,039,737)	-8%
Other current assets	**1,482,146,545**	1,274,260,806	209,871,032	16%
Total Current Assets	**7,455,001,852**	7,194,405,058	260,596,794	4%
Noncurrent Assets				
Contract assets - net of current portion	**1,501,259,843**	1,542,267,524	(41,007,681)	-3%
Equity instruments at fair value through other comprehensive income (EIFVOCI)	**428,856,522**	428,856,522	-	0%
Investments in associates	**1,889,820,516**	1,839,745,991	50,074,525	3%
Investment properties	**631,988,035**	631,838,036	149,999	0%
Property, plant and equipment	**1,972,571,147**	1,715,734,159	256,836,988	15%
Other noncurrent assets	**813,030,529**	735,687,707	77,342,822	11%
Total Noncurrent Assets	**7,237,526,591**	6,894,129,939	343,396,652	5%
TOTAL ASSETS	**₱14,692,528,443**	₱14,088,534,997	603,993,446	4%

LIABILITIES AND EQUITY				
Current Liabilities				
Accounts and other payables	**₱1,965,684,290**	₱1,315,630,677	650,053,613	49%
Short-term debt	**1,031,252,900**	972,187,000	59,065,900	6%
Current portion of long-term debt	**599,545,796**	602,633,723	(3,087,927)	-1%
Contract liabilities	**451,919,218**	481,762,306	(29,843,089)	-6%
Total Current Liabilities	**4,048,402,204**	3,372,213,706	676,188,498	20%
Noncurrent Liabilities				
Long-term debt - net of current portion	**1,522,221,894**	1,741,220,033	(218,998,139)	-13%
Retirement benefit obligation	**90,493,425**	84,475,120	6,018,305	7%
Deferred tax liabilities - net	**578,019,390**	490,298,012	87,721,378	18%
Total Noncurrent Liabilities	**2,190,734,709**	2,315,993,165	(125,258,456)	-5%
Total Liabilities	**6,239,136,913**	5,688,206,871	550,930,042	10%

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)	Horizontal Analysis Increase (Decrease) in ₱	in %
Equity Attributable to Equity Holders of the Parent Company				
Capital stock				
Common stock	**2,477,668,925**	2,477,668,925		
Preferred stock	**27,637,650**	27,637,650		
Additional paid-in capital	**3,331,502,966**	3,331,502,966		
Retained earnings	**2,746,465,283**	2,694,454,515	52,010,768	2%
Fair value reserve of EIFVOCI	**(5,214,271)**	(5,214,271)		
Remeasurement loss on retirement benefit obligation - net of tax	**(20,218,050)**	(20,218,050)		
Remeasurement loss on defined benefit plan of an associate	**(2,165,918)**	(2,165,918)		
Cumulative translation adjustment	**(7,098,846)**	(8,155,192)	1,056,364	-13%
Treasury shares - common	**(94,932,275)**	(94,932,275)		
	8,453,645,464	8,400,578,350	53,067,114	1%
Noncontrolling interest	**(2503,934)**	(250,224)	(3,710)	1%
Total Equity	**8,453,391,531**	8,400,328,126	53,063,405	1%
TOTAL LIABILITIES AND EQUITY	**14,682,528,443**	₱14,088,534,997	603,993,446	4%

A Brown Company, Inc. - CONSOLIDATED
Financial Condition Items – March 31, 2025 vs. December 2024

Assets

The Group recorded total assets of ₱14.69B as of March 31, 2025, an increase of ₱603.99B or 4% from ₱14.08B as of December 31, 2024. The net increase was due to the following:

Current Assets

- Cash amounted to ₱338.47M in March 2025, compared to ₱677.96M in December 2024, a 50% decrease due to utilization of the cash collections on the development of the different projects
- Receivables amounted to ₱1.14B in March 2025, up by 13% from ₱1.00B in December 2024, due to increased progress completion of real estate projects
- Contract assets amounted to ₱183.11M in March 2025, higher by 40% than the ₱131.23M in December 2024, principally from the increase of completion of various sold amortizing units as against collection of the respective amortizations.
- Real estate inventories amounted to ₱4.26B in March 2025, a 5% rise compared to ₱4.05B in December 2024, mainly from the development of the different projects.

- Other inventories amounted to ₱44.71M in March 2025, an 8% drop compared to ₱48.75M in December 2024, due to the utilization of construction materials in the development of real estate projects.
- Other current assets increased to ₱1.48B in March 2025, a 16% increase from ₱1.27B in December 2024, due to advances for land purchases, creditable withholding taxes, advances to suppliers and prepayments

Noncurrent Assets

- Contract assets – net of current portion amounted to ₱1.50B in March 2025, a 3% decrease from ₱1.54B in December 2024, due to increased billable revenues.
- Investments in associates slightly increased to ₱1.88B in March 2025, an uptick of 3% from ₱1.83B in December 2024 due to the recognition of the Group's share in the net income of its associates for the period.
- Investment properties amounted to ₱631.98M in March 2025, slightly higher than ₱631.834M in December 2024, due to increase in investment properties.
- Property, plant and equipment increased to ₱1.97B in March 2025, a 15% increment from ₱1.71B in December 2024, principally from the purchase of heavy equipment to be operated in the development of the various projects as well as enjoyed in the production of Crude Palm Oil and its consequent by-products performed by a subsidiary.
- Other noncurrent assets increased to ₱735.68M in March 2025, an 11% growth from ₱813.03M in December 2024, due to the recognition of the equivalent input tax incurred on the purchase of inventories utilized in the production as well as additional equipment purchased during the period.

Liabilities

Total liabilities amounted to ₱6.23B as of March 31, 2025, compared to ₱5.68B as of December 31, 2024, an increase of ₱550.93M or 10%.

Current Liabilities

- Accounts and other payables amounted to ₱1.96B in March 2025, a 49% jump from ₱1.31B in December 2024 due to the 150% increase in the accrual of the expenses incurred during the period but settled and paid in the immediate month and the 38% increase in the trade payables caused by purchase of inventories and equipment to be utilized in the operations.
- Short-term debt increased to ₱1.03B in March 2025, which grew by 6% from ₱972.18M in December 2024, attributed by the additional short-term loan availed of by the parent.
- Current portion of long-term debt amounted to ₱599.54M in March 2025, a 1% decline from ₱602.63M in December 2024.
- Contract liabilities decreased by 6% to ₱451.91M in March 2025 from ₱481.76M in December 2024.

Noncurrent Liabilities

- Long-term debt – net of current portion amounted to ₱1.52B in March 2025, a 13% decline from ₱1.74B in December 2024, owing to the reclassification of the loan amortization amount due within the next 12 months
- Retirement benefit obligation increased by 7% to 90.49M in March 2025 from ₱84.47M in December 2024.
- Deferred tax liabilities – net amounted to ₱578.01M in March 2025 from ₱490.29M in December 2024, an 18% increase.

Equity

Total equity amounted to ₱8.45B as of March 31, 2025, up by ₱153.06M or 1% from ₱8.40B as of December 31, 2024. The net increase was due to the following:

- Retained earnings increased to ₱2.74B in March 2025, a 2% increment from ₱2.69B in December 2024, due to the recognition of income earned during the period.
- Cumulative translation adjustment decreased to ₱7.09M in March 2025, a 13% decline from ₱8.15M in December 2024.

<u>Financial Soundness Indicators/Top Key Performance Indicators</u>
<u>(Consolidated Figures)</u>

The table below sets forth the comparative performance indicators of the Company and its majority-owned subsidiaries:

Financial Ratios Consolidated Figures	**Unaudited 03/31/2025**	**Unaudited 03/31/2024**	**Audited 12/31/2024**
Current ratio[1]	1.84:1	2.25:1	2.13:1
Quick ratio[2]	0.37:1	0.50:1	0.50:1
Solvency ratio[3]	0.02:1	0.02:1	0.07:1
Total Debt to Equity ratio[4]	0.74:1	0.53:1	0.68:1
Asset to Equity ratio[5]	1.74:1	1.53:1	1.68:1
Interest coverage ratio[6]	3.25x	3.84x	2.85x
Return on Equity[7]	1.08x	1.02x	4.32%
Return on Assets[8]	0.69%	0.64%	2.59%
Profit Margin ratio[9]	29.45%	27.59%	18.5%

[1]*Current assets/Current liabilities*
[2]*Current assets less contract assets, inventories and prepayments/Current liabilities*
[3]*Net Income plus depreciation (YTD)/Total liabilities*
[4]*Total liabilities/Stockholders' equity*
[5]*Total assets/Stockholders' equity*
[6]*Earnings before income tax, interest, depreciation and amortization (YTD)/Total Interest Payment*
[7]*Net Income (YTD)/ Average Total stockholders' equity*
[8]*Net income (YTD)/Average Total assets*
[9]*Net income (YTD)/Total Revenue (YTD)*

Current Ratio
The current ratio is a liquidity ratio that measures a company's ability to pay short-term obligations or those due within one year. It tells investors and analysts how a company can maximize the current assets on its statement of financial position (balance sheet) to satisfy its current debt and other payables.

Acid test Ratio or Quick Ratio
The acid-test, or quick ratio, compares a company's most short-term assets to its most short-term liabilities to see if a company has enough cash to pay its immediate liabilities, such as short-term debt.

Solvency Ratio
Solvency ratio is one of the various ratios used to measure the ability of a company to meet its long-term debts.
Moreover, the solvency ratio quantifies the size of a company's after-tax income, not counting non-cash depreciation expenses, as contrasted to the total debt obligations of the firm. Also, it provides an assessment of the likelihood of a company to continue congregating its debt obligations.

Debt-to-equity Ratio
The debt-to-equity (D/E) ratio is used to evaluate a company's financial leverage and is calculated by dividing a company's total liabilities by its shareholder equity. It is a measure of the degree to which a company is financing its operations through debt versus wholly owned funds. More specifically, it reflects the ability of shareholder equity to cover all outstanding debts in the event of a business downturn. The debt-to-equity ratio is a particular type of gearing ratio.

Asset-to-equity Ratio
The asset to equity ratio reveals the proportion of an entity's assets that has been funded by shareholders. A low ratio indicates that a business has been financed in a conservative manner, with a large proportion of investor funding and a small amount of debt. A high asset to equity ratio can indicate that a business can no longer access additional debt financing, since lenders are unlikely to extend additional credit to an organization in this position.

Interest Coverage Ratio
The interest coverage ratio measures the number of times a company can make interest payments on its debt before interest and taxes (EBIT). In general, the lower the interest coverage ratio is, the higher the company's debt burden, which increases the possibility of bankruptcy.

Return on Assets (ROA)
The Return on Assets (ROA) figure gives investors an idea of how efficient the company uses the assets it owns to generate profits. The higher the ROA number, the better, because the company is earning more money on less investment.

Return on equity (ROE)
Return on equity (ROE) is a measure of financial performance calculated by dividing net income by shareholders' equity. It is considered a measure of a corporation's profitability in relation to stockholders' equity. Whether ROE is deemed good or bad will depend on what is normal among a stock's peers. A good rule of thumb is to target an ROE that is equal to or just above the average for the peer group.

Net Profit Margin
The net profit margin is a ratio formula that compares a business profits to its total expenses. The net profit margin allows analysts to gauge how effectively a company operates. The higher the net profit margin, the more money a company keeps.

Real Property Development:

High-end Housing

Xavier Estates: It is the pioneer in premier mixed-use development in Northern Mindanao. This 220-hectare development located at Fr. Masterson Avenue, Upper Balulang, and sprawled on a panoramic plateau overlooking the City has now become 288 hectares through additional acquisitions of adjacent developable areas over the years. It is a perfectly master-planned community which guarantees luxury, elegance, prestige, convenience and security.

Xavier Estates Phase 5B – Ventura Residences II was launched in June 2018. It features house and lot units and prime lots. Located at the back of **Ventura Residences**, this second phase shall have the identical house colors of orange and cream as the first phase. House and Lot units are single detached with a lot area of 110 to 170 sq.m. and floor area of 80 sq.m. Prime lots with lot cuts of 110 to 500 sq.m. are located by the ridge. The project is 100% completed.

Xavier Estates Phase 6 - Ignatius Enclave was launched in June 2018. It is located in Upper Balulang, Cagayan de Oro City, a 3-kilometer drive to Mastersons Avenue where major commercial establishments are located. There are also churches, grade schools, high schools and educational centers nearby. It features house and lot units and prime lots. Aimed at fostering a Happy Community concept, the single modern home design introduces ABCI's first venture into the vibrant house colors of yellow, orange, blue and green accents. The project is 100% completed with the houses 98% completed.

Xavier Estates Phase 6 – Ignatius Enclave 2 located in the lower tier of the Balulang scape. It features house and lot units. These single detached two-storey units have floor area of 120 sqm and are located in 120 sqm lot areas. House could also be built in bigger lots ranging from 150 sqm to 415 sqm. This project is 100% completed. The units are 68% completed programmed to be finished upon full collection from the buyers.

Teakwood Hills: It is located in Barangay Agusan, Cagayan de Oro City, some 2.3 kilometers from the national highway going uphill. This idyllic enclave has a breathtaking endless view of the mountains and the sea. The roads are eight meters wide and lined with trees. It has a club house with recreational amenities such as swimming pool, billiards, darts and table tennis. Lot sizes start from a minimum cut of 250 sq. m., all with a 180-degree scenic view of the famous Macalajar bay and an elevation of 220 meters above sea level. Phase 1 is 68% complete while Phase 2 is 100% complete.

Teakwood Hills Phase 3 occupies three (3) hectares in the northern portion of the upscale property. It is coined as Belle del Mar *(Charm of the Sea)* as it overlooks the waters. It offers lots for sale at 180sqm to 316sqm. This project is 100% completed.

Teakwood Crest Subdivision is located a kilometer away from Teakwood Hills Subdivision in Barangay Balubal, Cagayan de Oro City. Overlooking Macajalar Bay, this property provides a refreshing take from the sea breeze. This property is classified under open market housing, shall have a minimum lot cut of 150 sqm for sale. Total saleable area is 3.7 hectares. The project is now 76% completed.

Valencia Estates: It is located in Barangay Lumbo, Valencia City, Bukidnon. The amenities are patterned after the excellent standards of a plush subdivision with a road network of 15 meters for the main road, 10 meters for the service roads complete with sodium street lamps; a basketball court, a clubhouse with a swimming pool. It also has open spaces and playground, perimeter fence and a 24-hour security service. The project is 100% complete.

Coral Resort Estates: The project is considered as the first residential resort estates in Northern Mindanao. It is strategically located in Initao, Misamis Oriental with a total development area of 5.4 hectares. Phase 1-Cluster A and Cluster B of the project with development area of 2.5 hectares and 2.9 hectares, respectively are 100% complete.

Coral Resort Estates Phase 2 is situated in the southern part of Coral Resort Estates. It covers approximately 4 hectares comprising of lots for sale ranging from 180 to 398 sqm. **Coral Resort Estates Phase 3** with approximately 5 hectares offers saleable lots with an area ranging from 180 to 380 sqm. Phase 2 is 100% complete while Phase 3 is 80% complete.

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Coral Resort offers a one-of-a-kind experience to its residents, away from the city, and nature's breeze at its greatest. Residents get the best spot of the breathtaking infinite view of the blue sea while enjoying the coolness of the fresh breeze.

West Highlands is a residential estate beside a golf course community located in Brgy. Bonbon, Butuan City. The estate has a total developmental area of 25.9 hectares and is 289 feet above sea level which gives lot owners a panoramic view of historic Mt. Mayapay or the cityscape. **West Highlands Phase 2** was launched last October 2017 highlighting fairway and inner fairway lots. Percentage-of-completion for Phase 1 is at 100% while Phase 2A is 100% complete on horizontal development and 100% for vertical development. For Phase 2B, the horizontal development is 39% done while its vertical development is 25% done.

The Terraces in Xavier Estates was launched last September 2018. This prime property is highlighted by prime cascading ridge lots of 180 to 400 sq.m. in size. Located in the terraces-like land configuration, this area commands a 180-view of the city of Cagayan de Oro and the mountains of Bukidnon and is low dense with less than 50 lots for sale. The horizontal development is 97% complete.

Mountain Pines Farm 2 is located in Brgy. Kalugmanan, Manolo Fortich in the Province of Bukidnon. This is the first residential farm-lot type or the gentleman's farm concept. Presenting sweater-weather at 1,200 meters above sea level it is located in the cool pine tree-bordered confines at the foothills of Mt. Kitanglad Range. It is a stone's throw away from Mindanao's famous adventure forest park and is surrounded by well-appointed high value crop farms.Total land area covers approximately 20 hectares with saleable lots with maximum lot cuts at 1,600sqm. It features a clubhouse and community center with parks and open spaces. The project is 80% completed.

Adelaida Meadow Residences is situated in Brgy Bancasi, less than a kilometer away from Butuan City Airport. It is within the 7-kilometer radius of schools, malls, churches and hospitals in the downtown area. It lies 5 kilometers from Caraga's first paspalum te golf course, the West Highlands Golf Club. It offers single detached house and lot packages in 120 sqm lot area. Buyers have a choice between two model houses: Amethyst and Sapphire. Amethyst is a two-storey modern house with a total of 64.88 sqm floor area. The master's bedroom, kitchen, dining, living room, and terrace are in the ground floor. While there are 2 bedrooms in the second floor with its own balconies. Sapphire is a two-storey modern house with a 117.5 sqm floor area. The kitchen, dining, living room, and one bedroom are located in the ground floor. The second floor hosts the master's bedroom, another bedroom and a 15sqm balcony where parties and family bonding activities can be held al fresco. This gated community has its parks and playground and community facility. The horizontal development is 45% complete. The vertical development for Blocks 1 to 7 is about 40% to 82% done and for Blocks 10 to 13, about 12% to 31% done.

Economic Housing

Phase 5-Ventura Residences is the first venture of A Brown Company, Inc. into the middle market house-and-lot package nestled inside the Xavier Estates. Ventura Residences is 100% complete. This project has a saleable area of 5.8 hectares.

Xavierville Homes: It is an economic housing development project adjacent to the Xavier Estates. Phase 1 and 2 are 100% complete. This project has development area of 4.84 hectares and a saleable area of 2.59 hectares.

Adelaida Park Residences located beside Mountain View Homes is the first residential subdivision in the region offering a ridgeview linear park. The linear park is 410 linear meters in length with park lights along the jogging path/bicycle path. Single detached and attached house and lot units are offered with lot area ranging 90-161 sq.m. with floor area ranging 60-110 sq.m. Adelaida Park Residences has single houses sufficiently spaced from each other with its own parking space; is a gated community with ranch-type perimeter fence; has proposed pavilion; and is certified flood free with an elevation of 157 feet above river bank. The horizontal development is 100% complete while the vertical development is at 97% complete.

Adelaida Mountain Residences is a new master planned integrated community rising in the cool hills of Tanay, Rizal. It overlooks views of Sierra Madre Mountains and the Laguna Lake. Being anywhere around 400 to 500 meters above sea level, weather stays relatively cool. With approximately 12 hectares of development, saleable lots range from 252sqm to 834sqm. The horizontal development is at 99% complete.

<u>Socialized Housing</u>

St. Therese Subdivision: The subdivision is a 1.67-hectares socialized housing project located in Balulang, Cagayan de Oro that will provide 155 house and lots of which 91 units are row houses, 38 units are duplex, and 26 units are single attached. The project is 100% complete.

St. Therese Subdivision 2 is a socialized housing project located adjacent the St Therese 1. Total area is about 6,111 square meters with 48 saleable house & lots units. Ground floor area of these units are at 28 square meters with provision for loft. It is about 66% complete with its horizontal development.

Mountain View Homes: This project has a development area of 2.3 hectares with 216 saleable house and lots with guard house and basketball court. **Mountain View Homes Phase 2** is a new venture into the socialized and economic housing which is adjacent to the original Mountain View Homes. It is accessible to churches, schools, malls and commercial establishment. The socialized housing project has row houses with lot area of 50sq.m. and floor area of 26sq.m. Single detached units for economic housing have a lot area of 75-143 sq. m. and floor area of 36-38 sq. m. The percentage-of-completion for Phase 1 and Phase 2 are both 100% complete.

Mangoville is a socialized housing which was launched on Feb 10, 2018. It is located in Barangay Agusan, Cagayan de Oro, just 1.8 kilometers away from the highway. Mangoville boasts of duplex design houses with its own parking space in a lot area of 67.5 sq.m. with floor area of 22 sq.m. It has a 10-meter-wide main road and 8-meter wide inner roads, with perimeter fence and guardhouse. Mangoville homeowners will enjoy a view of the Macajalar Bay in its elevation of 169 meters above sea level. In 5.5 hours, all 235 units were reserved. The horizontal development is 100% complete while the vertical development is at 90% complete.

Adelaida Homes is the 1st socialized housing project of ABCI in Luzon, specifically situated in Brgy. Sampaloc, Tanay, Rizal. It opened with 137 house and lot units. The row houses have a lot area that starts at 40sqm and floor area that starts at 26sqm. The horizontal development is 100% complete while the vertical development is at 99% complete.

Similar to Adelaida Mountain Residences, these properties are very accessible to most places of interest like town malls, restaurants, town markets, churches and tourist attractions like swim resorts, eco parks, falls and others within 200m to less than 10km in distance from the project site.

Recent Projects:

After the introduction to the market of the Company's projects like Coral Resort Estates Phase 2 and Phase 3; Teakwood Hills Phase 3; Ignatius Enclave 2; Adelaida Homes and Adelaida Mountain Residences, the recent addition to the Company's real estate portfolio projects include Mountain Pines Farm 2; Adelaida Meadow Residences; Teakwood Crest Subdivision and St. Therese Subdivision 2.

Agri-business

Palm Oil Mill

A total of 5,110.65 metric tons of Fresh Fruit Bunches (FFB) derived from internal and external sources were processed by SGAC for the 1st Quarter of 2025, compared to 2,746.76 metric tons in the same period of last year. This has an average of 1,703.55 metric tons of fresh fruit bunch processed per month as against 915.59 metric tons of the same period last year. The yield for the 1st quarter of this year was 933.02 metric tons of crude palm oil with an average oil extraction rate of 18.26% as compared to 515.14 metric tons having an average extraction rate of 18.46% for the same period last year. There was no production of CPO by ABERDI since March 2023 because ABERDI has leased out its milling plant to a third party.

The kernels that were produced totalled to 322.59 metric tons as compared to 152.60 metric tons of the same 1st quarter of last year.

Refined Bleached Deodorized Oil (RBDO) Plant

For the 1st Quarter of 2024, there was no operation of the refinery due to repairs and maintenance, thus, no production of RBDO. For the 1st Quarter of 2025, the RBDO plant is not operating.

Fractionation Plant

The production of Palm Olein and Palm Stearin started in June 2015. The Crude Palm Oil that was produced is further processed into Refined Bleached and Deodorized Oil, the raw material of Palm Olein and Palm Stearin. In the 1st Quarter of 2024, there was no production of palm olein and palm stearin due to the repairs and maintenance of the fractionation plant. In the 1st Quarter of 2025, the fractionation plant is not operating.

Surigao Greens Agri Corp. (SGAC)

Surigao Greens Agri Corp. was incorporated on February 11, 2023, with SEC Registration No. 2023020085735-42. ABCI has subscribed one hundred percent (100%) of SGAC's outstanding capital stock at incorporation. SGAC's primary purpose is to engage in the business of processing, milling and refining palm oil to manufacture crude palm oil, Refined Beached Deodorized Palm Oil, Palm Olein, and other products and to distribute such products on a wholesale or retail basis, provided that the Corporation shall not solicit accept or take investments/placements from the public and neither shall it issue investment contracts.

Surigao Greens Agri Corp. (SGAC) has executed an Asset Purchase Agreement consisting of several parcels of land with total land area of Seventy Thousand (70,000) square meters and a Palm Oil Milling Plant located in Tambis, Barobo, Surigao del Sur. The Palm Oil Milling Plant consists of a factory building and machineries with a rated capacity of 10 metric tons (MT) per hour.

The purchase of the Palm Oil Milling Plant in Surigao del Sur will allow access to an existing and operational and cost-efficient crude palm oil milling plant that is able to source palm oil fresh fruit bunches from nearby plantation farms in the region (Surigao and Agusan).

The acquisition will also provide operational and supply chain synergies with existing palm oil milling and refinery facilities in Impasug-ong, Bukidnon that are currently operated by A Brown Energy and Resources Development Inc. (ABERDI), another A Brown subsidiary. Operational and cost-cutting synergies within the group can be realized by having access to more palm oil fresh fruit bunches from nearby plantations, reduced logistics and transport costs, and being better positioned to pursue further growth opportunities in the Group's palm oil business.

Power Generation

Coal-Fired Power Project

Palm Concepcion Power Corp. (PCPC) – 20% owned by PTCHC

Palm Thermal Consolidated Holdings Corp. (PTCHC) is 100% owned by A Brown Company Inc. which currently has 20% equity interest in Palm Concepcion Power Corporation (PCPC).

PCPC is the project company for the 2 x 135-megawatt coal-fired power plant in Concepcion, Iloilo. The power plant project is a base load plant that uses Circulating Fluidized Bed Combustion (CFBC) technology that is highly efficient and low-pollution. The first 135MW unit was designed to address the power supply requirements of the Visayas grid and provide a steady flow of power to the growing businesses and economic development in the islands of Panay, Negros, Cebu and even Leyte.

In July 2013, the lending banks signed the term loan financing totaling to Php 10B to partially finance the Engineering, Procurement and Construction (EPC) and finance costs of the project. These were China Banking Corporation (Php 3.5B); Asian United Bank (Php 2.5B) and BDO Unibank, Inc. (Php 4B). BDO Capital & Investment Corporation acted as the Lead Arranger and Sole Bookrunner for the term loan facilities.

PCPC started construction of the first 135MW in 2013 and was able to complete the project after 37 months and 22 days. Its commercial operations commenced on August 16, 2016. The project site is designed to operate and support two units of 135MW. Ten (10) electric cooperatives have signed up offtake agreements with PCPC's first 135MW unit for their base load power capacity requirements.

The new Environmental Compliance Certificate (ECC-OC-1911-0033) was released by the Environmental Management Bureau of Department of Environment and Natural Resources (DENR) on October 8, 2020 which now covers both Units 1 and 2 of the 2 x 135-MW CFBC Coal-Fired Power Plant Project of PCPC.

PCPC has taken steps to synergize both traditional and renewable technologies to reduce our carbon footprint through the PCPC Solar Project, which was inaugurated and launched in August 2023.

The 5.5MWp PCPC Solar Farm is now nearing completion of its energization process and is expected to be commissioned in May 2024.

Bunker-Fired Power Project

Peakpower Energy Inc. (PEI) – 20% owned by ABCI

Peakpower Energy, Inc. was formed in 2013 to construct diesel/bunker-fired power plant projects designed to generate peaking energy in various A+/Green-rated electric cooperatives in Mindanao. These projects are Build-Operate-Maintain and Transfer (BOMT) agreements for brand new engines, which will last for 15 years through its subsidiaries as operating units: Peakpower Soccsargen, Inc., Peakpower San Francisco, Inc. and Peakpower Bukidnon, Inc.

Peakpower Soccsargen Inc. (PSI) – 100% owned by PEI

Peakpower Soccsargen Inc. (PSI) is a 34.8MW diesel/bunker-fired power plant located in General Santos City. It has a 15-year BOMT agreement with the South Cotabato II Electric Cooperative Inc. (SOCOTECO II).

The Energy Regulatory Commission (ERC) issued the Certificate of Compliance (COC) for PSI's first 20.9MW (3 units of 6.97MW) capacity last December 1, 2014. Commercial operations started on January 27, 2015.

The 13.9MW (2 units of 6.97MW) Power Plant expansion declared commercial operations last September 12, 2017. ERC granted the COC of the expansion on February 20, 2018.

SOCOTECO II is the largest distribution utility in Mindanao and its franchise area includes General Santos City, the municipalities of Glan, Malapatan, Alabel, Malungon, Kiamba, Maasim and Maitum in Saranggani and the municipalities of Polomolok and Tupi in South Cotabato.

Peakpower San Francisco Inc. (PSFI) – 100% owned by PEI

Peakpower San Francisco Inc. (PSFI) is a 10.4MW diesel/bunker-fired power plant with business address located in San Francisco, Agusan del Sur. It has a 15-year BOMT agreement with the Agusan del Sur Electric Cooperative Inc. (ASELCO).

ERC issued the Certificate of Compliance (COC) for the first 5.2MW capacity on March 23, 2015. Another COC was issued for the increased 10.4MW capacity on February 18, 2020. Commercial operations started on January 26, 2018.

ASELCO's franchise area includes the municipalities of San Francisco, Prosperidad, Rosario, Trento, Bunawan, Veruela, Sta. Josefa, Loreto, Sibagat, Esperanza, Talacogon, La Paz, San Luis and Bayugan City.

Peakpower Bukidnon Inc. (PBI) – 100% owned by PEI

Peakpower Bukidnon Inc. (PBI) is a 10.4MW diesel/bunker-fired power plant with business address located in Barangay Alae, Manolo Fortich, Bukidnon. It has a 15-year BOMT agreement with the Bukidnon Second Electric Cooperative Inc. (BUSECO).

ERC issued a Certificate of Compliance for the 10.4MW on December 19, 2018 which was extended until November 20, 2024. PBI commenced commercial operation on March 26, 2018.

BUSECO's franchise area includes the municipalities of Libona, Manolo Fortich, Sumilao, Baungon, Malitbog, Talakag, Impasug-ong, Malaybalay, Lantapan and Cabanglasan, all in the Province of Bukidnon.

Outlook for the Year and Onwards

Real Estate Business:

The Philippines is projected to experience significant demographic changes by 2025, characterized by continued population growth and urbanization, which will substantially influence the demand for housing in the country. With population in the country increasing, there is a pressing need for adequate housing solutions.

The labor market is expanding and this compounds the housing needs. With the advancement of industries, there are new job opportunities. The prospects in the workforce will create a demand for diverse housing options that cater to different income levels and lifestyles and family structures. More particularly, the housing target population now are the Gen X and the Millennials because they compose the workforce.

Developers should explore creating new developments outside the traditional urban centers, leading to emerging economic activities and new urban hubs. Townships are in demand combining residential living, with commercial and leisure facilities. This intensified demand for new housing townships necessitates the development of infrastructure and services to support a growing community.

Affordability concerns must also be addressed by exploring mid-income and affordable housing segments. This ensures that housing remains accessible to a broader segment of the population. Developers should balance affordability with quality to attract buyers. This approach helps bridge the gap between the housing backlog, the financial capabilities of families, and the diverse needs of potential buyers. (Sources: Philippine Property Hub, 2025 and Santos, Knight, and Frank, 2025)

Real estate is and will still continue to be a good investment at all economic levels of society (Villegas, 2020). As shelter is one of the three basic necessities of human beings including food and clothing.

The Philippines is a place to seriously consider for those looking for a profitable return on their real estate investment. This country has a burgeoning population of young professionals and an economy that is expanding quickly, which presents enormous opportunities for real estate investors (Romano, 2023).

A number of factors have contributed to the notable progress in the Philippine residential sector over the last ten years: Increased housing supply due to developers constructing more residential units; urbanization and migration led to the development of more housing projects; government initiatives for affordable housing: infrastructure improvements that create new spaces for residential construction; more adaptable financing choices provided by financial institutions; and, the discerning tastes of a burgeoning middle class.

Due to population growth, urbanization, and the emergence of the middle class, there is an increasing demand for residential real estate in urban areas. Developers concentrate on creating mixed-use areas with a range of spaces, including retail, business, and residential. These projects offer premium real estate, mid-range condominiums, and economical homes to suit various market niches.

With its wide-ranging effects throughout the nation, the Philippine economy counts significantly on the real estate sector. Statistica (2023) reported that the Philippine real estate industry contributed 536.44 billion pesos to the national economy in 2022.

The real estate sector has also historically contributed significantly to employment growth. In the fields of construction, real estate development, property management, sales, and associated businesses, it has generated a great deal of job opportunities. According to the 2020 Annual Survey of Philippine Business and Industry (ASPBI), more than 97,000 individuals were employed in real estate, renting and business activities. (PSA, 2023)

An important driver of economic growth, infrastructure expansion and the construction of both residential and non-residential buildings contributed to a 1.8% increase in the number of building permits authorized in the first quarter of 2022. Data from PSA reported that these developments amount to 86.78 billion pesos. (PSA, 2022)

In 2024, the Philippine real estate market offers a variety of prospects, driven by a robust economy and evolving market patterns. Increased public spending has been a significant accelerator in this trajectory, which was evident in the third quarter of 2023. Opportunities for real estate development are created by government programs focused on urban revitalization and infrastructure development, especially in the neighborhoods surrounding these new projects. Growing demand for real estate locations will help developers, and as these places gain in a following, landlords will profit from increased rental returns. (Taleon in SKF, 2024)

As per report from the Bangko Sentral ng Pilipinas, residential property values increased in the third quarter of 2023, rising by 12.9% coming mostly from single detached and attached houses outside of the National Capital Area. This growth indicates changing consumer preferences and opportunities for market expansion outside Metro Manila. Communities and townships provide a combination of residential, educational, commercial and recreational establishment and stands to gain from the increasing desire for homes outside of the capital.

In 2024, the Philippine real estate market is expected to undergo a significant shift. With the demand for housing and office space outside of Metro Manila increasing, landlords and developers may find it advantageous to go outside of the core business districts due to shifting market dynamics. The real estate industry is still at the forefront of these dynamic changes, with the retail sector's resiliency, the demand for social and collaborative office spaces, and the recovery of the hospitality industry all contributing to the positive outlook. (Santos Knight Frank, 2024)

Sources:
Invest in the Philippine Real Estate Market Today, Housing Interactive Real Estate News, Minerva Romano, June 2023

Statista, March 10, 2023: Real estate sector gross value added Philippines 2020-2022

PSA: Release Date: January 17, 2023: 2020 Annual Survey of Philippine Business and Industry (ASPBI) – Real Estate Activities Sector: Preliminary Results

PSA, Release Date: 13 May 2022: Construction Statistics from Approved Building Permits, First Quarter 2022

Santos, Knight, and Frank, 2024: Philippines Real Estate Outlook 2024 Growth Paths

Philippine Property Hub, 2025

Santos, Knight, and Frank, 2025

Palm Oil Business:

The palm oil industry is a promising enterprise as the palm oil continuously being considered as the most important tropical vegetable oil in the global oils and fats industry, in terms of production and trade.

Key industry players are positive about the bright prospects of increasing palm oil production in the world market not to mention the great demand from the domestic market and the prospect of eventually exporting palm oil globally. This growing demand presents an opportunity for ABERDI to expand its current crude oil capacity of 10 tons per hour to 30 tons per hour. This expansion requires an additional 2,800 hectares of oil palm plantation representing 50% of the additional requirement of 5,500 hectares. Suitable lands for expansion are available in Misamis Oriental and Bukidnon Provinces due to its strategic proximity to the mill. More importantly, these areas have adequate and ideal available land; in good climatic conditions; and has a vast potential area for oil palm plantation.

There are now seven (7) out of nine (9) milling plants in the country which are located in Mindanao. On top of this, two (2) additional milling plants are in the pipeline. Out of the nine (9) plants, two (2) have upgraded into refinery plants. ABERDI is the second next to Caraga Oil Refinery Inc. (CORI).

Plan of Action

To respond to the lack of adequate local production, the management has targeted to develop 2,000 hectares of oil palm plantation in Province of Bukidnon and Misamis Oriental areas through a growership program. As of the end of the period, about 3,699.085 (gross area) hectares were already acquired for development in this region, of which almost 1,547.96 hectares were planted while about 2,652.62 hectares total area potential for planting. The company is anticipating the signing of agreements with local communities in Misamis Oriental and Bukidnon interested for its expansion program aggregating to 2,000 hectares.

The Company is also looking to pursue further growth opportunities in the Group's palm oil business in Surigao and Agusan region. Surigao Greens Agri Corp. (SGAC), a newly incorporated subsidiary of A Brown Company, has executed an Asset Purchase Agreement consisting of several parcels of land with total land area of Seventy Thousand (70,000) square meters and a Palm Oil Milling Plant located in Tambis, Barobo, Surigao del Sur. The Palm Oil Milling Plant consists of a factory building and machineries with a rated capacity of 10 metric tons (MT) per hour. The purchase of the Palm Oil Milling Plant in Surigao del Sur will allow access to an existing and operational and cost-efficient crude palm oil milling plant that is able to source palm oil fresh fruit bunches from nearby plantation farms in the region (Surigao and Agusan).

ABERDI's refinery with fractionation machine has a capacity to generate RBDO at 50 MT/day if operating at full capacity. Likewise, the company is producing Palm Olein, Palm Stearin and Palm Fatty Acid Distillate in bulk sales. If the selling price of Palm Olein and Palm Stearin are not within the targeted sales price to generate income, the refinery plant will not be operating. In 2016, it had already engaged in branding and packaging of premium cooking oil labelled as "Golden Belle" but stopped in 2021 when sales were not enough to generate expected income.

IRRADIATION AND COLD STORAGE SERVICES

Irradiation Solutions Inc. – 100% owned by ABCI

In January 2021, the Securities and Exchange Commission (SEC) approved the incorporation of the ABCI's new subsidiary, Irradiation Solutions, Inc. (ISI) with SEC Registration No. 2021010004587-27. ISI owns and operates the Tanay E-Beam and Cold Storage Facility, the first commercial electron beam (E-Beam) facility in the Philippines offering contract sterilization services across multiple industries.

The facility can provide sterilization services for medical products such as masks, dressings, syringes, and surgical staplers, as well as other single-use medical devices. In addition, it offers commercial sterilization services for agricultural and fishery products, enhancing the quality and export potential of local fruits, seafood, and other food items. The E-Beam technology, used in over 60 countries, is considered the most cost-effective among commercial sterilization methods and leaves no residue after treatment. It also allows for sterilization in final packaging.

The Board of Investments (BOI) has granted approval for the project as Pioneering status under the Republic Act No. 11534 or the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act. All necessary approvals and permitting required for the operations have either secured or applied/waiting for its release.

The commercial operations date of the facility started August 02, 2024. On-going activities include product qualification and testing of product samples; activities that are crucial prior to routine processing of each product. Likewise, the facility started accepting product for routine processing by 4th quarter of 2024. The facility currently services products in the herbals and spices industries.

ISI has announced a strategic investment of ₱12.5 million in Accudata Analytical Labs Corporation (Accudata), acquiring a 35% equity stake. This partnership aims to enhance ISI E-Beam's microbiological testing capabilities and expand its integrated service offerings to clients across the food, pharmaceutical, and medical sectors. Based in Calamba, Laguna, Accudata is a specialized diagnostics and product safety laboratory offering microbial testing and regulatory compliance services. The lab supports multiple industries by detecting pathogens, spoilage organisms, and mycotoxins in food and feed products, while also performing microbial analysis on raw materials, water, and industrial inputs. In addition, Accudata plans to offer future services including sterility, bioburden, pathogen, and antimicrobial resistance testing for food, medical devices, and pharmaceutical products. Accudata is recognized for offering the fastest African Swine Fever (ASF) diagnostics in the market using RT-PCR and ELISA, with a 24-hour turnaround time. This collaboration enables ISI E-Beam to offer a fully integrated service model, combining its electron beam (E-Beam) sterilization services with advanced laboratory diagnostics. Clients will benefit from a streamlined process for safety assurance, faster turnaround times, enhanced regulatory support, and the convenience of working with a single provider for both sterilization and lab verification. The investment will support the expansion of Accudata's laboratory infrastructure, equipment upgrades, and additional services, including advanced sterility, bioburden, pathogen, and antimicrobial resistance testing. These enhancements reinforce Accudata's position as a trusted partner for quality assurance and diagnostics in the Philippines.

PROSPECTS OF POWER GENERATION:

Vision

The Philippine power sector's roadmap by 2040 is anchored on three main goals namely:

- Energy security, resiliency, affordability, and sustainability;
- Transparent and fair playing field in the power industry; and
- Electricity access for all.

At present, the country is still on its quest to obtain energy security and equity, considering the affordability and access of electric supply. However, the Philippine Power System remained generally stable and that the DOE will ensure the sustainable implementation of the rules and laws for the security of our energy supply through competition, access to bilateral markets, anti-monopoly measures, least-cost power, and the protection of the environment.

Demand and Forecast

Increase in energy demand are expected from the distinct growth in the industrial, commercial, and domestic sectors of the country. In addition, electrification continues—households in areas which are not fully grid-connected, are likely to gain better access to electricity supply in the coming years with the target to reach 100% household electrification across the Philippines by 2028.

By 2040, the country's electricity demand is projected to grow by about 5% annually. And to meet this demand including reserve requirements, a total of 43,765 MW additional capacities must come online.

Peak electricity demand is predicted at 12,285 megawatts (MW) for Luzon; 2,519 MW for Visayas and 2,278 MW for Mindanao, for 2020, according to DOE.

With the additional 237MW on 2017—comprising of 63% coal, 33% solar, and 4% oil-based sources, the energy department is expecting that enough power reserves will meet the demand. In addition, 19,934 MW of capacity is still under development with committed and "indicative" projects until 2025.

Adequate power supply across all three grids—Luzon, Visayas, Mindanao, is forecasted assuming that nothing deviates from the projections based on planned outages, the maintenance program, and the historical peaks and these projected rise in demand by DOE.

Solutions

To solve the country's energy security woes, DOE initiated the issuance of policies for resiliency, conducted of performance assessment and technical audit for all energy facilities, and reactivated the Inter-Agency Task Force on Securing Energy Facilities, among others.

DOE also called for the full cooperation of all industry stakeholders in monitoring and responding to the power demand-supply situations, they also encourage consumers to practice energy efficiency and conservation measures.

Coal Power Generation

Coal consumption in the Philippines is relatively high as the energy sector is highly reliant on coal-fired power plants. Coal power plants generated 46.8 million MWh in 2017, making up half of the country's power generation mix.

According to forecasts, the share of coal power plants will increase from about 30% in 2010 to around 50% in 2030. This share will further increase to 65% by 2050 since the existing natural gas plants are retired in the future. Over 25% of 2050 capacity will be diesel. It is also assumed that all of electricity demand will be supplied through electricity grids in which plants are dispatched to minimize variable costs.

In conclusion, energy remains a crucial element in economic growth and development of any country. According to the National Economic and Development Authority (NEDA), the potential of the Philippines of reaching high-income status by 2040 provided the economy grows consistently by 7.0 percent annually.

Meanwhile, the Philippines scored 4.2 out of 7 in terms of sufficiency and reliability of power supply, as showed in a World Economic Forum report, and still showing great probability of improvement in the energy industry. Strong coordination among energy stakeholders, coupled with the additional power generation capacities, are paving way in responding to the challenges of the industry.

Sources: DOE, NGCP, ADB, NEDA, Philippine Star

Plan of Action

Coal-Fired Power Project:

As economic activities continue to expand in the Visayas, specifically in Panay, a need for a more stable and sufficient power supply situation is a must. The 2 x 135 MW coal-fired power plant project in Concepcion, Iloilo was developed due to the foreseen power capacity requirements in the Visayas region. The first unit of this new base load plant was designed to address the power supply requirements of the Visayas grid and provide a steady flow of power when it goes on line. Palm Concepcion Power Corporation (PCPC), the project proponent, constructed the power plant in 2013. The power plant is equipped with a steam turbine generator manufactured by Alstom of Europe.

PCPC started commercial operations of the first unit of the 135 MW Circulating Fluidized Bed Combustion (CFBC) power plant on August 16, 2016. It was inaugurated by the Philippine President Rodrigo R. Duterte in Malacañang on November 28, 2016. It is now delivering power supply to Panay, Negros, and the rest of Visayas.

Ten (10) distribution utilities and electric cooperatives have signed up with PCPC for their base load power capacity requirements in order to deliver reliable and stable power generation supply to industrial, commercial, and residential consumers.

For the second unit, requirements for the Environment Compliance Certificate (ECC) have been completed and were already submitted to the Department of Environment and Natural Resources (DENR).

The power plant takes pride with the capability of its CFBC Technology and the sound environmental measures being practiced in the power plant as it maintained its excellent emission performance vis-a-vis the DENR standards.

At present, PCPC is fulfilling its purpose by serving the needs of its customers, helping ensure that homes and businesses have dependable and uninterrupted power supply, which they can afford, as it continues to uphold its commitment to the environment and host communities.

Bunker-Fired Power Project:

Peakpower Energy, Inc. (PEI) was set up in 2013 to implement projects designed to generate peaking energy across various A+/Green rated electric cooperatives in Mindanao. These are Build-Operate-Transfer agreements for brand new bunker-fired engines, which will last for 15 years.

After signing a Power Purchase and Transfer Agreements for 20-megawatt of peaking power supply with South Cotabato II Electric Cooperative (SOCOTECO II) and 5-megawatt supply with Agusan del Sur Electric Cooperative (ASELCO) in 2013, the respective plants Peakpower Soccsargen, Inc. (PSI) and Peakpower San Francisco, Inc. (PSFI) are commercially operational, supplying the very much needed power capacities in their franchise areas.

Expansion of these two plants are also completed and has already declared their commercial operations last September 2017 and January 2018, respectively. A third plant, Peakpower Bukidnon, Inc. (PBI) which is a 2 x 5.2MW peaking plant and embedded to Bukidnon Second Electric Cooperative (BUSECO) declared commercial operations on March 2018, and was inaugurated a year after.

Recently, PEI officially appointed Wartsila Philippines Inc., a leading supplier of power solutions in the country, to operate the mobilization and maintain the facilities of PEI’s three diesel power plants in Mindanao. On October 11, 2019, PEI and Wartsila Philippines Inc. signed an operations and maintenance contract agreement for all its three power plants.

Natural Gas Power Plant Project:

Vires Energy Corporation –100% owned by ABCI

ABCI acquired 99.995% of the outstanding capital of Vires Energy Corporation ("VEC") from Argo Group Pte. Ltd. of Singapore in June 2020. It was incorporated on March 11, 2015 with SEC Registration No. CS201504660. In March 2023, ABCI completed its 100% ownership by acquiring the remaining 0.005% of shares.

VEC is the proponent of a 2 x 450 MW onshore LNG Combined Cycle Power Plant, to be located in Barangay Simlong, Batangas City. This proposed power generation facility will operate under a Third-Party Access (TPA) model, sourcing natural gas through long-term supply agreements from existing LNG terminals and available indigenous gas sources.

Originally, the project was envisioned as an Integrated Floating LNG Storage and Regasification Terminal paired with a 500 MW Floating Power Plant (FPP). However, market developments, including the completion of two operational LNG terminals in Batangas and the availability of domestic gas supply, prompted a reconfiguration of the project. On August 30, 2024, VEC formally notified the Department of Energy (DOE) of its decision to discontinue the floating LNG terminal and withdrew its Notice to Proceed (NTP).

VEC is currently assessing the most effective options for connecting to existing gas pipeline infrastructure to ensure secure access to third-party gas supply. The project is in the pre-development stage, with ongoing evaluations related to permitting, engineering design, grid interconnection, and other commercial arrangements.

Renewable Energy Projects:

Northmin Renewables Corp. (NRC) – formerly Hydro Link Projects Corp. (HLPC) - 100% owned by ABCI

Northmin Renewables Corp. (NRC), formerly Hydro Link Projects Corp. (HLPC) was registered with the Securities and Exchange Commission on 6 May 2010 with SEC Registration No. CS201006733.

NRC is focused on renewable energy projects in Northern Mindanao. NRC is currently managing two greenfield wind energy projects. On November 28, 2023, Northmin secured Wind Energy Service Contracts for the Bukidnon Wind Power Project and the Misor Wind Power Project.

The Bukidnon Wind Power Project is located in Malaybalay City, Cabanglasan and San Fernando, Bukidnon which is covered by Wind Energy Service Contract No. 2023-10-333.

The Misor Wind Power Project is located in Balingoan, Claveria, Salay, Sugbongcogon, Kinoguitan, Talisayan, and Medina, Misamis Oriental which is covered by Wind Energy Service Contract No. 2023-10-335. NRC is appointed by the Department of Energy as having the exclusive right to explore, develop, and utilize the Wind Energy Resources within the applied contract areas.

NRC is currently undertaking pre-development activities for both projects in line with the approved DOE work program. Preliminary wind assessments have been completed. The wind measurement campaign using Lidar for the Misor Project began in the 4th quarter of 2024, while the campaign using Met Mast is scheduled to start in the 2nd quarter of 2025.

NRC has not started commercial operations as of May 9, 2025.

Bulk Water Supply Projects:

AB Bulk Water Company, Inc. (ABWCI) - 100% owned by ABCI

AB Bulk Water Company, Inc. (ABWCI) was incorporated on March 31, 2015 with SEC Registration No. CS201506364 to engage in the business of holding and providing rights to water, to public utilities and cooperatives or in water distribution or to engage in business activities related to water development.

ABWCI's initial project scheme focused on sourcing water from the Lumayagan River to serve the Municipality of Opol and adjacent growth areas, including Cagayan de Oro, El Salvador, Alubijid, Laguindingan, and Gitagum, with a projected capacity of 40 million liters per day (MLD). The technical viability of the Lumayagan project was confirmed through the completion of the detailed engineering design phase. The company secured a Water Permit from the National Water Resources Board (NWRB) and an Environmental Compliance Certificate (ECC) from the Department of Environment and Natural Resources (DENR). A Watershed Management Study was also completed in coordination with local government units and stakeholders.

In parallel, ABWCI has also pursued the New CDO Bulk Water Project, which is considered more viable in terms of scalability and alignment with current and future demand. The project is located in Barangay Bayanga, Cagayan de Oro City, drawing from the Cagayan de Oro River, and is designed to be phased up to 200 MLD. This bulk water facility is envisioned to support the rapidly developing Uptown CDO area as well as the broader Cagayan de Oro City market.

The project is currently undergoing pre-development, with detailed engineering design targeted for completion by 2025. Planned infrastructure includes a water intake system, treatment plant, and transmission pipelines. ABWCI is actively exploring bulk water supply partnerships with subdivisions, cooperatives, distribution companies and utilities such as the Cagayan de Oro Water District (COWD) to secure long-term distribution and access agreements.

Infrastructure Projects:

Blaze Capital Limited – 100% owned by ABCI

Blaze Capital Limited is a British Virgin Islands company, incorporated and registered on August 8, 2011. It was acquired by ABCI on May 22, 2017. Blaze Capital Limited has a 33.33% ownership in East West Rail Transit Corporation (EWRTC) which is part of a consortium for the East-West Railway Project (EWRP).

The East-West Rail Project is a proposed 9.67-km railway line starting at Lerma St. in Sampaloc, Manila and terminating at University Ave. in Diliman, Quezon City. The proposed line will serve the Espana Blvd.-Quezon Ave. corridor located in the City of Manila and Quezon City.

The Consortium, composed of EWRTC and Alloy MTD Group (represented by MTD Philippines Inc.), submitted an unsolicited proposal to the Philippine National Railways to finance, build and then operate and maintain the East West Rail Project. The PNR granted the Original Proponent Status to the Consortium and remains in good standing.

An updated Feasibility Study was commissioned and completed in 2024 incorporating the impacts of completed, on-going and planned infrastructure projects that will affect the project.

The Consortium is currently working on updating the proposal to align with the changes in the revised 2022 Implementing Rules and Regulations of the BOT Law. The proposal will present an updated technical proposal, ridership post-pandemic era, project cost, and other pertinent changes as will be presented to the current PNR Board and subsequently for PNR endorsement to NEDA Board.

Southern Electric Transport, Inc. (SETI) -
Joint Venture with GET Philippines on ABC Electric Shuttle Service

On February 21, 2023, the Board of Directors of A Brown Company, Inc. ("ABCI") has authorized the Corporation to enter into a joint venture with GET Philippines, Inc. ("GET") to create, promote, operate and manage the ABC Electric Shuttle Service as a clean, efficient, modern and green mass transport system in Cagayan de Oro ('the Project").

GET will incorporate and set up a new company ("JV Co.") to be jointly owned with ABCI for the purpose of initially owning ten (10) Community Optimized Managed Electric Transport (COMET) electric vehicles that will be deployed for the Project.

On December 12, 2023, the Board of Directors of A Brown Company, Inc. ("ABCI") has approved some proposed amendments to the Joint Venture Agreement with GET Philippines, Inc. ("GET").

The following terms of the Joint Venture Agreement was amended:

1.) The JV Co. will now have an authorized capital stock of Thirty Million Pesos (Php30,000,000.00) divided into Thirty Million (30,000,000) shares with par value of One Peso (Php1.00), instead of the previously planned authorized capital stock of One Hundred Million Pesos (Php100,000,000.00).

2.) Upon incorporation, the initial subscription to JV Co.'s shares shall be Ten Million Pesos (Php10,000,000.00), which is a reduction from the initial planned subscription of Forty-Five Million Pesos (Php45,000,000.00).

3.) GET will no longer be the sole initial subscriber to the JV Co.'s authorized capital stock upon incorporation with a subsequent transfer of fifty percent (50%) of its shareholdings to ABCI, as originally planned.

4.) Thus, upon incorporation, each of GET and ABCI will now initially subscribe to Five Million (5,000,000) shares each at a subscription price of Twenty-Two Million Five Hundred Thousand Pesos (Php22,500,000,00). The additional paid-in capital ("APIC") in the amount of Seventeen Million Five Hundred Thousand Pesos (Php17,500,000,00) shall be paid into JV Co. either upon incorporation or immediately after its incorporation. The JV Co. will be owned upfront by GET and ABCI in equal shares of fifty percent (50%) each.

5.) GET has an option to make its equity contribution in the JV Co. in the form of new COMET electric vehicles in lieu of cash.

6.) Upon incorporation, the fifth member of the Board shall initially be vacant and the Board seat shall be reserved to be filled by an independent director, as defined under Title III Section 22 of the Revised Corporation Code, who shall be jointly nominated by ABCI and GET after incorporation.

The reduction in the capitalization of the JV Co. at incorporation has been agreed upon by ABCI and GET to reduce the filing fees and the documentary stamp taxes.

On May 7, 2024, the Securities and Exchange Commission approved the incorporation of Southern Electric Transport, Inc. (SETI).

Joint Venture Agreement for the Misamis Oriental Capitol Compound Development Project

A Brown Company, Inc. entered into a Joint Venture Agreement (JVA) with the Provincial Government of Misamis Oriental on January 23, 2025. The JVA covers the Misamis Oriental Capitol Compound Development Project (the "Project") which seeks to develop, under an integrated Master Development Plan, a portion of the Misamis Oriental Provincial Capitol Compound into a mixed-use complex including the development of necessary public infrastructure, construction of a high-rise multi-purpose building, commercial and office buildings, a dormitory, and a public park. The Project is to be developed in four (4) parts with total investment committed by the Corporation of Two Billion Five Hundred Million Pesos (Php 2,500,000,000.00)(the "Investment Commitment").

Parts 1-3 (Phase One) of the Project will include the development and construction of Office Spaces, a Commercial/Shopping Center, a Park and Parking facilities. Part 4 (Phase Two) of the Project will include the development and construction of a Multilevel Mixed-Use building with a Dormitory.

In addition, the JVA also contemplates the acquisition by the Corporation of a Four Thousand Twenty-Four (4,024) square meter portion of the area earmarked for the Project which the Corporation shall develop, for its own account, into a modern urban center consisting of a multi-level mixed-use building having the same or complementing design with the other structures in the Project. The purchase by the Corporation of the aforesaid property and the development of the Project Site are integral and inseparable components of the Joint Venture such that the execution of a Deed of Sale in favor of the Corporation shall obligate the Corporation to complete the development of the Project in accordance with the timetable and comply with its other obligations for the full term of the JVA, provided, that if the Corporation is prevented from purchasing the property, the Corporation shall be under no obligation to develop the Project Site.

The required clearance from the Commission on Audit (COA) has already been secured.

Masinloc Consolidated Power, Inc. (MCPI) - 49% owned by ABCI

MCPI was registered with the Securities and Exchange Commission on 4 July 2007 with SEC Registration No. CS200710562. Its primary purpose is to engage in, conduct and carry on the business of construction, planning, purchasing, management and operation of power plants and the purchase, generation, production, supply and sale of electricity, to enter into all kinds of contracts for the accomplishment of the aforementioned purpose.

On March 22, 2023, Masinloc Consolidated Power, Inc. (MCPI) has secured the approval of the Securities and Exchange Commission (SEC) on the shortening of its corporate term from fifty (50) years from and after the date of incorporation to seventeen years (17) years from and after the date of issuance of the Certificate of Incorporation, or on 3 July 2024.

Impact of Economic/Political Uncertainties:

The Company's performance will continue to hinge on the overall economic performance of the country. Interest rate movements may affect the performance of the real estate industry, including the Company. Good governance will definitely lead to better economy and better business environment and vice-versa. After the change of leadership as the result of the May 2022 National Elections and of the 2025 Midterm elections, political stability encourages people to work better and spend more and the investors to infuse funds for additional investment. Given the other positive economic indicators like recovery in exports, sustained rise in remittances and growing liquidity in the domestic financial market, the government's projected growth targets are attainable.

The annual average headline inflation (2018=100) of the country for the year 2024 stood at 3.2% which was lower than the 2023 annual average inflation rate of 6.0% and still lower than the 2022 and 2021 average inflation rate of 5.8% and 3.9%, respectively.

The government should continue its commitment to take on a more intensified approach to mitigate the effects of inflation. Investments in flood control infrastructure and post-harvest facilities should be prioritized in order to stabilize the supply of key agriculture commodities. Subsidies and financial assistance to farmer beneficiaries are also available for managing rising production costs and to sustain the productivity of the sector. Other measures include increasing the agriculture sector's productivity, filling the domestic supply gap through timely and adequate importation based on ex-ante demand and supply analysis, and further strengthening the government's commitment to address anti-competitive practices.
Inflation is projected by the government to settle at 2 to 4 percent range over 2025 to 2026 mainly due to the decline in rice prices. The reduction in tariff on rice imports is expected to have a moderating effect on inflation in the first half of 2025. The BSP stated that the lower rice tariff is anticipated to lower landed costs of rice imports with the benefits passed on the wholesale and retail prices. BSP also said that the risks to the inflation outlook for 2025 and 2026 have become broadly balanced. Upside risks include potential increases in electricity rates, transport charges and pork prices. The main downside risk stems from the spillover effects of lower tariffs on imported rice to domestic rice prices. Likewise, monetary tightening that came as a response to curb inflation, is expected to drag economic growth. In previous years, the inflation target was an appropriate quantitative representation of the BSP's medium-term price stability goal that is conducive to the balanced and sustainable growth of the Philippine economy.

The BSP Governor believed that continued and effective implementation of direct non-monetary interventions and policy reforms to alleviate supply constraints remains crucial in keeping the trajectory of inflation within the target band. Nevertheless, the BSP is closely monitoring developments and challenges to ensure that the monetary policy stance remains consistent with its price and financial stability objectives.

As part of the 8-point Socioeconomic Agenda of the Marcos Administration and as laid out in the Philippine Development Plan (PDP) 2023-2028, the government will continue to prioritize addressing the impact of inflation as it remains to be a challenge not only in the country, but throughout the globe.

The Philippines has maintained a steady gross domestic product (GDP) growth of 5.6% in 2024 – the second fastest in ASEAN – despite multiple challenges from external and local challenges such as extreme weather events, geopolitical tensions and subdued global demand. However, the GDP growth fall short of its growth target of 6.5 to 7.5 percent for the 2024 and was lower than the 7.6 percent growth in 2022. The 2022 GDP growth was the highest since 1976. This was also a reverse from 2020 that shrank the economy by 9.5%, the worst contraction since 1946 and sharpest among the largest economies of Asia-Pacific due to uncontrolled COVID-19 outbreak combined with strict nationwide lockdowns and mobility restrictions, a succession of natural disasters, and delays in budget execution which weighed on public investment. The contraction in 2020 was the low end of the -8.5 to -9.5 percent estimate of the Development Budget and Coordination Committee (DBCC) in light of the lingering public health crisis.

For 2025, the government targets the GDP growth hitting the lower end of 6-8% as elevated global commodity prices and trade uncertainties could weigh on the growth. The headwinds are partially offset by the BSP's monetary policy easing but uncertainty surrounding global economic policies, particularly the potential impact from the proposed US tariffs, pose additional risks to domestic growth. The central bank also cited "weaker investment demand amid subdued global economic activity and geopolitical tensions".

To achieve these goals, there are risks that lie ahead. Extreme weather disturbances like global warming and strong typhoons will be the biggest roadblock. The agriculture sector challenge is to make it resilient to such shocks. Reducing the cost of food, especially of rice, is important in reducing poverty. At the same time, there's need to raise productivity in the agricultural sector by helping farmers transition to higher value crops and making technology easily accessible. Other potential downside risks also include greater volatility in capital flows, and geopolitical risks and global pandemic. Thus, the government needs to remain vigilant and consider potential repercussions to the Philippine economy.

<u>Global Health Crisis – Pandemic (e.g. COVID-19)</u>

However, health crisis that became pandemic will certainly have tremendous impact on the economy.

After the spread of COVID-19 led to the lockdown of the entire island of Luzon, which accounts for 73 percent of the country's GDP, economic managers were not so optimistic of its impact. In May 2023, the head of the UN World Health Organization (WHO) has declared 'with great hope" an end to COVID-19 as a public health emergency, stressing that it does not mean the disease is no longer a global threat.

On July 21, 2023, President Ferdinand R. Marcos, Jr. issued Proclamation No. 297 lifting the State of Public Health Emergency throughout the Philippines due to COVID-19 which was declared by former President Rodrigo Duterte through Proclamation No. 922 dated March 8, 2020.

The government has adopted measures including the relaxation of regulation for those affected by the epidemic, utilized programs providing unemployment/sickness benefits and established strategic commodities inventory, among others. The Socioeconomic Planning Office recommended in preparing the economy for a rebound by taking advantage of the situation and boosting infrastructure, rehabilitate the ecosystem, craft local government tourism master plans and the upgrading of facilities by the private sector. Additional suggestions include promoting domestic tourism by developing a new campaign for domestic travel, the provision of retooling measures like livelihood training, encouraging strategic investments in the field of medicine and the establishment of a Center for Disease Control-like network.

<u>Impact on Real Estate Sales</u>

There is a continued rise in the demand for real estate in Northern Mindanao and Caraga shown in the current sales reservations. The Company made an unprecedented move to immediately shift to the digital platform. These include regular online presence through Facebook and direct messaging to the brokers. These are also online facilities implemented to ensure continuity in equity payments and sales reservation.

A challenge was posted by buyers who had difficulty transitioning from their traditional banking style to online payments but these were being responded to. There were reduced foot traffic at the onset of COVID-19 to sites. However, this has gradually increased as the Company implemented safety protocols on site. Website is already upgraded.

Supply Chain Risks
There is a potential risk of shortage of construction materials and supplies because of supply issues from sources affected countries by the pandemic. Shortage of imported construction materials might lead to an increase in development costs. To mitigate the impact of potential shortages, we have implemented contingency strategies such as increased inventory and advanced procurement of construction materials.

With the recommended social distancing and adoption of flexible work arrangements, our personnel and brokers' efficiency in handling administrative work (e.g. processing of sale documents; processing of government permits and license; etc.) may be impaired during the pandemic time. We have also instituted increased health awareness in all our offices and project sites. Constant disinfecting and sanitation of the offices and model houses in all project sites are done. Constant hand-washing is promoted and health monitoring is conducted.

Source: NEDA Reports, PNA Report and Various News Articles

No extraordinary purchase or sale of plant and equipment are expected beyond those in the regular course of the Company's operations. There are no events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation nor material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

Disclaimer: This Quarter Report may contain certain forward-looking statements, which involve risks, uncertainties, and assumptions. The forward-looking statements contained in this Quarter Report are based upon what management of the Company believes are reasonable assumptions at the date of this report. There can be no assurance that forward looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements.

Amendment to Articles of Incorporation and By-Laws

Reclassification of Unissued Common Shares to Preferred Shares

On April 12, 2021 and June 24, 2021, the BOD and shareholders representing at least 2/3 of the outstanding capital stock, respectively, approved the proposal to amend the Parent Company's AOI to create preferred shares by reclassifying its authorized capital stock from the from the current Three Billion Three Hundred Million Pesos (₱ 3,300,000,000.00) divided into Three Billion Three Hundred Million (3,300,000,000) Common Shares to Three Billion Three Hundred Million Pesos (₱ 3,300,000,000.00) divided into Three Billion Two Hundred Fifty Million Pesos (₱ 3,250,000,000) divided into Three Billion Two Hundred Fifty Million (3,250,000,000) Common Shares and Fifty Million Pesos (₱ 50,000,000) divided into Fifty Million (50,000,000) Preferred Shares. The reclassification of the Unissued Common Shares to create Preferred Shares will provide flexibility for the Group with respect to its prospective capital raising activities. On October 5, 2021, the SEC approved the said amendment to the AOI.

The provision of the amendment of Article VII of the Parent Company's AOI including the description of the different classes of stock of the Corporation and a statement of the designations and powers, preferences and rights, and conversions, limitations, or restrictions thereof, in respect of each class of stock can be gleaned in the Company's website (under Our Company/Articles of Incorporation and By-Laws).

Preferred Shares Offering – Registration, Issuance and Listing

Preferred Shares – Series A
On May 25, 2021, the BOD approved the offering and issuance of cumulative, non-voting, non-participating, non-convertible, peso-denominated perpetual preferred shares out of the authorized but unissued capital of the Corporation, with an aggregate issue amount of up to One Billion Five Hundred Million Philippine Pesos (₱1,500,000,000.00) to be registered with the Securities and Exchange Commission and listed on the Philippine Stock Exchange, Inc.

The preferred shares offering and issuance were subject to the SEC's approval on the Parent Company's amendment to the AOI approved by the BOD and shareholders on April 12, 2021 and June 24, 2021, respectively, to create preferred shares by reclassifying its authorized capital stock. On July 19, 2021, the Company filed with SEC the Registration Statement for the shelf registration of the preferred shares.

On 15 October 2021, the SEC issued the Certificate of Filing of Enabling Resolution dated 14 October 2021 in connection with the offer and issue of 50,000,000 cumulative, non-voting, non-participating, and non-convertible perpetual preferred shares, at an offer price of up to Php100.00 per share which was approved by the Board of Directors of the Company on July 15, 2021 and was filed with the SEC pursuant to Section 6 of the Revised Corporation Code of the Philippines (R.A. No. 11232).

The Parent Company received a "Pre-effective letter" dated 22 October 2021 on the same day issued by the SEC which confirmed that it favorably considered the Company's Registration Statement in relation to the Company's proposed shelf registration subject to compliance by the Company with the conditions prescribed in the Pre-effective letter.

On 10 November 2021, the Parent Company secured approval from the Philippine Stock Exchange (PSE) for the shelf-listing of up to 50 million preferred shares and the follow-on public offer of up to 15 million preferred shares. For the first tranche, A Brown will offer 10 million preferred shares at an offer price of P100 per share or P1B worth with an oversubscription option of up to 5 million preferred shares worth P500 million. On 11 November 2021, A Brown approved the preferred shares offering with an initial dividend rate of 7.0% p.a. to be paid quarterly.

On 12 November 2021, the Company received from the Securities and Exchange Commission (SEC):
(i) SEC MSRD Order No. 76 s. 2021 ("Order of Registration") for the shelf registration of up to 50,000,000 cumulative, non-voting, non-participating, non-convertible, and redeemable perpetual Preferred Shares of which the Initial Offer Shares are a part, dated 12 November 2021; and
(ii) Permit to Offer Securities for Sale ("Permit to Sell") covering the Initial Offer Shares, dated 12 November 2021.

On November 29, 2021, there were 13,264,900 "Series A" preferred shares that were issued and listed in the Philippine Stock Exchange with "BRNP" as its ticker symbol.

The Corporation designated and appointed PNB Capital and Investment Corporation as the sole issue manager.

The Offer Shares shall be offered and sold in tranches within a period of three (3) years from the effective date of the Registration Statement (the "Shelf Period"), at an offer price of Php 100.00 per share. The Parent Company may offer from time to time, in one (1) or more tranches in such amounts/issue price and under such terms and conditions as may be determined by Corporation in light of prevailing market and other conditions at the time of sale.

Preferred Shares – Series B and Series C
On November 3, 2023, the Board of Directors approved 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. 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 was submitted. The amendment is being made arising from the review of the Company's financial statements as part of the Offer.

The Company filed on November 7, 2023 with the Securities and Exchange Commission an Amended Registration Statement together with a Preliminary Offer Supplement for the issuance of 10,000,000 Preferred Shares with an oversubscription option of 5,000,000 Preferred Shares to be offered at an issue price of Php100.00 per share (the "**Offer Shares**"). The Offer Shares will be issued from the Company's 50,000,000 Preferred Shares shelf registration under MSRD Order No. 76 Series of 2021.

On 23 January 2024, the SEC issued the Certificate of Filing of Enabling Resolution dated 12 January 2024 in connection with the offer and issue of up to 15,000,000 cumulative, non-voting, non-participating, nonconvertible, peso-denominated, redeemable, perpetual preferred shares to be issued and offered under the Corporation's 50,000,000 Preferred Shares registration which was approved by the Board of Directors of the Company on November 3, 2023 and was filed with the SEC pursuant to Section 6 of the Revised Corporation Code of the Philippines (R.A. No. 11232).

On 30 January 2024, the Parent Company secured approval from the Philippine Stock Exchange (PSE) of its listing application for the follow-on offering and listing of up to 15,000,000 Series B and C Preferred Shares (the "Offer Shares") which is the second tranche of the Company's 50,000,000 Preferred Shares Shelf Registration. On 05 February 2024, A Brown approved the preferred shares offering with an initial dividend rate of 8.25% and 8.75% p.a. for Series B and Series C, respectively to be paid quarterly.

On 08 February 2024, the Company received from the Securities and Exchange Commission (SEC) the Permit to Offer Securities for Sale ("Permit to Sell") covering the Second Tranche Offer Shares, dated 08 February 2024.

On February 23, 2024, there were 7,431,750 "Series B" preferred shares and 6,941,000 "Series C" preferred shares that were issued and listed in the Philippine Stock Exchange with "BRNPB" and "BRNPC", respectively as their ticker symbol.

For further information, kindly refer to the Prospectus and Offer Supplement dated November 11, 2021 (including the Order of Registration and Permit to Sell issued by the SEC dated November 12, 2021) with regard to "Series A" preferred shares offering and the Offer Supplement dated February 5, 2024 (including the Permit to Sell issued by the SEC dated February 8, 2024) with regard to "Series B" and "Series C" preferred shares offering which are accessible through the Company's website (under Investor Relations/Prospectus).

Uses of Proceeds from "Series A" Preferred Shares Offering

For the year ending December 31, 2022, the proceeds of the Preferred Stocks Offering – Series A of 13.2649 million shares of A Brown Company, Inc. (BRNP) listed on November 29, 2021 were applied as follows:

In Php Millions

Gross Proceeds	₱ 1,326.49
Expenses Related to the Offering	20.62
Net Proceeds[1]	**₱ 1,305.87**

In Php Millions

Purpose	Per Offer Supplement	Net Proceeds	Actual Disbursements -Annual - 2021	Balance for Disbursement -December 31, 2021	Actual Disbursements -Annual - 2022	Balance for Disbursement -December 31, 2022
Development of Real Estate Projects	₱ 600.00	₱ 600.00	₱ -	₱ 600.00	₱ 600.00	-
Landbanking	400.00	400.00	74.02	325.98	325.98	-
Finance Future Funding Requirements for ISI	350.00	200.00	87.36	112.64	112.64	-
General Corporate Purposes	150.00	105.87	6.10	99.77	99.77	-
	₱ 1,500.00	**₱ 1,305.87**	**₱ 167.48**	**₱ 1,138.39**	**₱ 1,138.39**	**-**

As of the 3rd Quarter Report ending September 30, 2022 on the disbursement on the proceeds, the Company reported the entire proceeds being fully utilized.

Uses of Proceeds from "Series B and Series C" Preferred Shares Offering

For the year ending December 31, 2024, the proceeds of the Preferred Stocks Offering – Series B and Series C of 7.43175 million and 13.2649 million shares, respectively of A Brown Company, Inc. (BRNPB and BRNPC) that were listed on February 23, 2024 were applied as follows:

In Php Millions

Gross Proceeds	₱ 1,437.28
Expenses Related to the Offering	22.58
Net Proceeds[1]	**₱ 1,414.70**

In Php Millions

Purpose	Per Offer Supplement	[1]Net Proceeds	Actual Disbursements – Annual - 2024	Balance for Disbursement as of December 31, 2024
Development of Real Estate Projects	₱ 1,000.00	₱965.12	₱ 965.12	₱ -
Landbanking	300.00	289.54	289.54	-
General Corporate Purposes	165.82	160.04	160.04	-
	₱1,465.82	**₱1,414.70**	₱ 1,414.70	**₱ -**

[1] Expenses Related to the Offering include: (i) Underwriting and selling fees; (ii) SEC and PSE Filing Fee; (iii) Taxes; (iv) Legal fees; (v) Receiving agent, paying agent and stock transfer agent professional fees; (vi) other expenses (i.e., cost of printing, publication, accounting and consultancy fees, public relations, media expenses)

As of the 4th Quarter Report ending December 31, 2024 on the disbursement on the proceeds, the Company reported the entire proceeds of Series B and Series C offering being fully utilized.

Dividend – "Series A" Preferred Shares

As and if cash dividends are declared by the Board of Directors on the Company's "Series A" preferred dividends, the cash dividends shall be at the fixed rate of 7.00% per annum which will be payable quarterly on March 1, May 29, August 29 and November 29 of each year subject to the certain limitations as provided for in the Prospectus and Offer Supplement dated November 11, 2021. The cash dividends on "Series A" preferred shares is computed as 7% x Php 100.00 x 90/360 amounting to Php 1.75 per share.

The following are the dividend declarations of the Company on “Series A” preferred shares in 2022:

Declaration Date	Record Date	Payment Date
February 2, 2022	February 16, 2022	March 1, 2022
April 29, 2022	May 17, 2022	May 30, 2022
April 29, 2022	August 3, 2022	August 30, 2022
April 29, 2022	November 3, 2022	November 29, 2022

Considering that 29 May 2022 (Sunday) and 29 August 2022 (National Heroes Day) are not Banking Days, dividends will be paid on the next succeeding Banking Day which is 30 May 2022 and 30 August 2022, respectively, without adjustment on the amount of dividends to be paid.

The cash dividend will be paid out of the Corporation’s unrestricted retained earnings as of 31 December 2021.

The following are the dividend declarations of the Company on “Series A” preferred shares in 2023:

Declaration Date	Record Date	Payment Date
February 3, 2023	February 17, 2023	March 1, 2023
February 3, 2023	May 3, 2023	May 29, 2023
February 3, 2023	August 1, 2023	August 29, 2023
February 3, 2023	October 31, 2023*	November 29, 2023

*On October 19, 2023, it was disclosed that the Record Date for the 29 November 2023 cash dividend was to be adjusted from 31 October 2023 to 03 November 2023 on account of the declaration of 30 October 2023 as a non-working holiday because of the Barangay and Sangguniang Kabataan Elections.

The cash dividend for this period – for 2023 will be paid out of the Corporation’s unrestricted retained earnings as of 31 December 2022.

The following are the dividend declarations of the Company on “Series A” preferred shares in 2024:

Declaration Date	Record Date	Payment Date
February 1, 2024	February 16, 2024	March 1, 2024
February 1, 2024	May 3, 2024	May 29, 2024
February 1, 2024	August 1, 2024	August 29, 2024
February 1, 2024	November 5, 2024	November 29, 2024

The cash dividend for this period – for 2024 will be paid out of the Corporation’s unrestricted retained earnings as of 31 December 2023.

The following were the dividend declarations of the Company on “Series A” preferred shares in 2025:

Declaration Date	Record Date	Payment Date
February 3, 2025	February 17, 2025	March 3, 2025
February 3, 2025	May 5, 2025	May 29, 2025
February 3, 2025	August 5, 2025	August 29, 2025
February 3, 2025	November 5, 2025	December 1, 2025

Considering that 01 March 2025 (Saturday) and 29 November 2025 (Saturday) are not Banking Days, dividends will be paid on the next succeeding Banking Day which is 03 March 2025 and 01 December 2025, respectively, without adjustment on the amount of dividends to be paid.

The cash dividends for this period – for 2025 will be paid out of the Corporation’s unrestricted retained earnings as of 31 December 2024.

Dividend – “Series B and Series C” Preferred Shares

The terms of the issuance of the “Series B” and “Series C” Preferred Shares provide a yearly cash dividend at the rate of 8.25% and 8.75%, respectively of the Offer Price of Php100.00 per share, payable quarterly in arrears, on May 23, August 23, November 23 and February 23 of each year. On April 8, 2024, the Board approved the declaration of cash dividend for the four quarters of the year in the amount of Php 2.0625 per “Series B” Preferred Share and Php 2.1875 per “Series C” Preferred Share, computed as follows:

Series B: 8.25% x Php 100.00 x 90/360 = Php 2.0625 per share
Series C: 8.75% x Php 100.00 x 90/360 = Php 2.1875 per share

The Board likewise approved the following schedule of the record and payment/distribution dates of the quarterly cash dividends for the “Series B” and “Series C” Preferred Shares in the three quarters of 2024 and 1st Quarter of 2025:

Declaration Date	Record Date	Payment Date
April 8, 2024	May 3, 2024	May 23, 2024
April 8, 2024	August 1, 2024	August 23, 2024
April 8, 2024	November 5, 2024	November 25, 2024
April 8, 2024	February 10, 2025	February 24, 2025

Considering that 23 November 2024 (Saturday) and 23 February 2025 (Sunday) are not Banking Days, dividends will be paid on the next succeeding Banking Day which is 25 November 2024 and 24 February 2025, respectively, without adjustment on the amount of dividends to be paid.

The cash dividend will be paid out of the Corporation’s unrestricted retained earnings as of 31 December 2023.

The following were the dividend declarations of the Company on “Series B” and “Series C” preferred shares in the three quarters of 2025 and 1st Quarter of 2026:

Declaration Date	Record Date	Payment Date
February 3, 2025	May 5, 2025	May 23, 2025
February 3, 2025	August 5, 2025	August 26, 2025
February 3, 2025	November 5, 2025	November 24, 2025
February 3, 2025	February 9, 2026	February 23, 2026

Considering that 23 August 2025 (Saturday) and 23 November 2025 (Sunday) are not Banking Days, dividends will be paid on the next succeeding Banking Day which is 26 August 2025 and 24 November 2025, respectively, without adjustment on the amount of dividends to be paid.

The cash dividends for this period – for 2025 are paid out of the Corporation’s unrestricted retained earnings as of 31 December 2024.

We believe that the Company’s available cash, including cash flow from operations and drawings from existing and anticipated credit facilities and the proceeds of preferred shares offering, will provide sufficient liquidity to fund our projected operating, investment, capital expenditures and debt service requirements for the next twelve months. We have also implemented a number of initiatives under our liability management program to meet our debt service requirements in the short and medium term.

Material Event/s and Uncertainties:

The Company has no other events to report on the following:

a) Any known trends, demands, commitments, events or uncertainties that will have a material impact on its liquidity.

b) Any material commitments for capital expenditures.

c) Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/ revenues/ income from continuing operations.

d) Any significant elements of income or loss that did not arise from the issuer's continuing operations.

e) Any seasonal aspects that had a material effect on the financial condition or results of operations.

f) Any event/s that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.

g) Any material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

The Company has no other information that needs to be disclosed other than disclosures made under SEC Form 17-C (if any).

SIGNATURES:

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

Registrant: **A BROWN COMPANY, INC.**

ROBERTINO E. PIZARRO	**MARIE ANTONETTE U. QUINITO**
President & Chief Executive Officer	Chief Finance Officer

DATE: MAY 14,2025

EXHIBIT 1

A BROWN COMPANY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	MARCH 31, 2025 (Unaudited)	December 31, 2024 (Audited)
ASSETS		
Current Assets		
Cash (Note 4)	**₱338,473,984**	₱677,964,213
Current portion of receivables (Note 5)	**1,141,665,380**	1,006,179,782
Current portion of contract assets (Note 12)	**183,112,898**	131,239,842
Real estate held for sale (Note 6)	**4,264,892,375**	4,057,995,302
Inventories (Note 7)	**44,710,669**	48,750,406
Prepayments and other current assets (Note 8)	**1,482,146,545**	1,272,275,513
Total Current Assets	**7,455,001,852**	7,194,405,058
Noncurrent Assets		
Noncurrent portion of receivables (Note 5)	**-**	
Noncurrent portion of contract assets (Note 12)	**1,501,259,843**	1,542,267,524
Equity instruments at fair value through other comprehensive income (EIFVOCI) (Note 9)	**428,856,522**	428,856,522
Investments in associates (Note 9)	**1,889,820,516**	1,839,745,991
Investment properties (Note 10)	**631,988,035**	631,838,036
Property, plant and equipment (Note 10)	**1,972,571,147**	1,715,734,159
Other noncurrent assets (Notes 8)	**813,030,529**	735,687,707
Total Noncurrent Assets	**7,237,526,591**	6,894,129,939
TOTAL ASSETS	**₱14,692,528,443**	₱14,088,534,997
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts and other payables (Note 11)	**₱1,965,684,290**	₱1,315,630,677
Short-term debt (Note 13)	**1,031,252,900**	972,187,000
Current portion of long-term debt (Note 13)	**599,545,796**	602,633,723
Contract liabilities (Note 12)	**451,919,218**	481,762,306
Total Current Liabilities	**4,048,402,204**	3,372,213,706
Noncurrent Liabilities		
Long-term debt - net of current portion (Note 13)	**1,522,221,894**	1,741,220,033
Retirement benefit obligation	**90,493,425**	84,475,120
Deferred tax liabilities - net (Note 15)	**578,019,390**	490,298,012
Total Noncurrent Liabilities	**2,190,734,709**	2,315,993,165
Total Liabilities	**6,239,136,913**	5,688,206,871
Equity		
Common stock (Note 14)	**2,477,668,925**	2,477,668,925
Preferred stock (Note 14)	**27,637,650**	27,637,650
Additional paid-in capital (Note 14)	**3,331,502,966**	3,331,502,966
Retained earnings (Note 14)	**2,746,465,283**	2,694,454,515

Treasury shares	**(94,932,275)**	(94,932,275)
Cumulative unrealized loss on AFS investments and EIFVOCI	**(5,214,271)**	(5,214,271)
Remeasurement gain (loss) on retirement benefit obligation - net of tax	**(20,218,050)**	(20,218,050)
Remeasurement loss on retirement benefit obligation of an associate	**(2,165,918)**	(2,165,918)
Cumulative translation adjustment	**(7,098,846)**	(8,155,192)
Total Equity Attributable to Equity Holders of the Parent Company	**8,453,645,464**	8,400,578,350
Non-controlling interest	**(253,934)**	(250,224)
Total Equity	**8,453,391,531**	8,400,328,126
TOTAL LIABILITIES AND EQUITY	**₱14,692,528,443**	₱14,088,534,997

See accompanying Notes to Consolidated Financial Statements.

A BROWN COMPANY, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	For the Three Months Ended March 31	
	2025	2024
	(Unaudited)	(Unaudited)
REVENUES		
Real estate sales	**₱285,641,266**	₱248,760,779
Sale of agricultural goods	**66,001,857**	28,136,672
Water and other service income	**7,356,150**	10,732,653
	358,999,273	287,630,104
COST AND EXPENSES		
Cost of real estate sales (Note 6)	**148,046,405**	106,764,194
Cost of agricultural goods sold (Notes 7)	**56,307,579**	22,525,473
Cost of water and other service income	**2,262,865**	3,936,298
	206,616,849	133,225,965
GROSS PROFIT	**152,382,424**	154,404,138
GENERAL, ADMINISTRATIVE AND SELLING EXPENSES (Note 18)	**131,488,482**	84,613,661
OTHER INCOME (EXPENSES)		
Share in net income (loss) of associates (Note 10)	**90,074,525**	41,960,847
Interest expense (Note 16)	**(36,348,571)**	(20,568,510)
Other income - net (Note 22)	**52,032,696**	14,251,642
	105,758,650	35,643,979
INCOME (LOSS) BEFORE INCOME TAX	**126,652,592**	105,434,456
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 15)		
Current	**3,049,538**	2,210,213
Deferred	**17,870,999**	23,859,575
	20,920,537	26,069,787
NET INCOME (LOSS)	**₱105,732,055**	₱79,364,669
OTHER COMPREHENSIVE INCOME (LOSS)		
Remeasurement gain (loss) on defined benefit plan - net of tax effect	**-**	
Exchange differences in foreign currency translation	**1,056,346**	
Net change in fair value of EIFVOCI and AFS investments (Note 9)	**-**	14,054,347
TOTAL COMPREHENSIVE INCOME (LOSS)	**₱106,788,401**	₱93,419,016
Net income (loss) attributable to:		
Equity holders of the Parent Company	**105,735,765**	79,368,379
Non-controlling interests	**(3,710)**	(3,710)
	₱105,732,055	₱79,364,669
Total comprehensive income (loss) attributable to:		
Equity holders of the Parent Company	**106,792,111**	93,422,726
Non-controlling interests	**(3,710)**	(3,710)
	₱106,788,401	₱93,419,016
Basic/Diluted earnings (loss) per share	**₱0.03**	₱0.02

See accompanying Notes to Consolidated Financial Statements.

A BROWN COMPANY, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE THREE MONTHS ENDED MARCH 31, 2025, MARCH 31, 2024 AND DECEMBER 31, 2024

	Common Stock	Preferred Stock	Additional Paid-in Capital	Retained Earnings	Treasury Shares	Fair Value Reserve of EIFVOCI	Remeasurement Gain (Loss) on Defined Benefit Plans of an associate	Remeasurement Gain (Loss) on Retirement Obligation	Cumulative Translation Adjustment	Total	Non-controlling interests	Total Equity
As of January 1, 2025	₱2,477,668,925	₱27,637,650	₱3,331,502,966	₱2,694,454,515	-₱94,932,275	-₱5,214,271	-₱2,165,918	-₱20,218,050	-₱8,155,192	₱8,400,578,350	-₱250,224	₱8,400,328,126
Issuance of Capital Stock										-		-
Net income				105,735,765		-				105,735,765	(3,710)	105,732,055
Preferred Share Dividends				(53,724,997)						(53,724,997)		(53,724,997)
Other comprehensive income				-					1,056,346	1,056,346		1,056,346
At March 31, 2025 (Unaudited)	₱2,477,668,925	₱27,637,650	₱3,331,502,966	₱2,746,465,283	-₱94,932,275	-₱5,214,271	-₱2,165,918	-₱20,218,050	-₱7,098,846	₱8,453,645,464	-₱253,934	₱8,453,391,531

	Common Stock	Preferred Stock	Additional Paid-in Capital	Retained Earnings	Treasury Shares	Fair Value Reserve of EIFVOCI	Remeasurement Gain (Loss) on Defined Benefit Plans of an associate	Remeasurement Gain (Loss) on Retirement Obligation	Cumulative Translation Adjustment	Total	Non-controlling interests	Total Equity
As of January 1, 2024	₱2,477,668,925	₱13,264,900	₱1,931,178,758	₱2,834,608,536	₱94,932,275	-₱71,683,836	-₱1,221,512	-₱21,570,632	₱4,878,649	₱7,072,191,513	-₱219,418	₱7,071,972,095
Effect of adoption of new accounting standards				-		-				-		-
As of January 1, 2022, as restated	2,477,668,925	13,264,900	1,931,178,758	2,834,608,536	(94,932,275)	(71,683,836)	(1,221,512)	(21,570,632)	4,878,649.00	7,072,191,513	(219,418)	7,071,972,095
Issuance of Capital Stock		14,372,750	1,402,051,566							1,416,424,316		1,416,424,316
Net income				79,368,379		-				79,368,379	(3,710)	79,364,669
Preferred Share Dividends				(23,213,575)						(23,213,575)		(23,213,575)
Other comprehensive income				-				1,221,511	(11,977,495)	(10,755,984)		(10,755,984)
At March 31, 2024 (Unaudited)	₱2,477,668,925	₱27,637,650	₱3,333,230,324	₱2,890,763,339	- ₱94,932,275	-₱71,683,836	-₱1,221,512	-₱20,349,121	-₱7,098,846	₱8,534,014,648	-₱223,127	₱8,533,791,521

	Common Stock	Preferred Stock	Additional Paid-in Capital	Retained Earnings	Fair Value Reserve of EIFVOCI	Remeasurement Gain (Loss) on Retirement Obligation - net of tax	Remeasurement Gain (Loss) on Defined Benefit Plan of an Associate	Cumulative Translation Adjustment	Treasury Shares - Common	Total	Noncontrolling Interest	Total
At January 1, 2024	₱2,477,668,925	₱13,264,900	₱1,931,178,758	₱2,834,608,536	(₱71,683,836)	(₱21,570,632)	(₱1,221,512)	₱4,878,649	(₱94,932,275)	₱7,072,191,513	(₱219,418)	₱7,071,972,095
Effect of adoption of standards				(222,923,928)						(222,923,928)		(222,923,928)
As of January 1, 2024, as restated	2,477,668,925	13,264,900	1,931,178,758	2,611,684,608	(71,683,836)	(21,570,632)	(1,221,512)	4,878,649	(94,932,275)	6,849,267,585	(219,418)	6,849,048,167
Issuance of preferred stocks , net of issue costs (Note 17)	–	14,372,750	1,400,324,208	–	–	–	–	–	–	1,414,696,958	–	1,414,696,958
Dividend declaration (Note 17)	–	–	–	(244,697,755)	–	–	–	–	–	(244,697,755)	–	(244,697,755)
Reversal of deferred taxes recognized in equity (Note 20)	–	–	–	(6,671,734)	–	–	–	–	–	(6,671,734)	–	(6,671,734)
Net income (loss)	–	–	–	334,139,396	–	–	–	–	–	334,139,396	(30,806)	334,108,590
Other comprehensive income (loss)	–	–	–	–	66,469,565	1,352,582	(944,406)	(13,033,841)	–	53,843,900	–	53,843,900
Total comprehensive income (loss)	–	–	–	334,139,396	66,469,565	1,352,582	(944,406)	(13,033,841)	–	387,983,296	(30,806)	387,952,490
At December 31, 2024	**₱2,477,668,925**	**₱27,637,650**	**₱3,331,502,966**	**₱2,694,454,515**	**(₱5,214,271)**	**(₱20,218,050)**	**(₱2,165,918)**	**(₱8,155,192)**	**(₱94,932,275)**	**₱8,400,578,350**	**(₱250,224)**	**₱8,400,328,126**

(Audited)

See accompanying Notes to Consolidated Financial Statements

A BROWN COMPANY, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Three Months Ended March 31	
	2025 (Unaudited)	2024 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	**₱126,652,592**	₱105,434,456
Adjustments for:		
Loss (gain) on sale of:		
Share in net loss (income) of associates	**(90,074,525)**	(41,960,847)
Interest expense	**(36,348,571)**	12,579,988
Depreciation	**22,750,594**	9,344,454
Interest income	**(51,146)**	(10,230)
Retirement Benefits	**(2,796,759)**	(5,381,506)
Operating income before working capital changes:	**20,132,186**	80,006,315
Decrease (increase) in:		
Receivables	**340,518,204**	149,707,658
Inventories	**(29,153,988)**	(53,987,902)
Prepayments and other current assets	**(30,238,444)**	29,519,608
Real estate held for sale	**(331,432,571)**	(310,368,802)
Increase (decrease) in:		
Accounts and other payables	**(97,392,664)**	(362,826,235)
Deposits from customers and contract liabilities	**6,547,836**	188,999,436
Net cash from operations	**(121,019,442)**	(278,949,921)
Income tax paid	**-**	
Interest received	**51,146**	11,011
Net cash from operating activities	**(120,968,297)**	(278,938,910)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of:		
Dividends received from associates (Note 5)	**40,000,000**	38,000,000
Proceeds from (additions to)		
Property, plant and equipment (Note 12)	**(29,063,149)**	(81,147,394)
Other noncurrent assets	**(1,621,304)**	(14,335,072)
Net cash from investing activities	**9,315,547**	(57,482,466)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from (Note 15):		
Long-term debt	**4,947,290**	2,195,981
Short-term debt	**352,526,000**	125,462,000
Payments of (Note 15):		
Long-term debt	**(229,293,358)**	(123,442,252)
Short-term debt	**(291,685,100)**	(194,778,960)
Finance costs paid (Note 16)	**(57,233,466)**	(35,300,055)
Issuance of Capital Stock		1,418,588,726
Net cash used in financing activities	**(220,738,633)**	1,192,725,440
EFFECT OF EXCHANGE RATE CHANGES ON CASH	**(7,098,846)**	(7,098,846)
NET INCREASE (DECREASE) IN CASH	**(339,490,229)**	849,205,219
CASH AT BEGINNING OF YEAR (Note 4)	**677,964,213**	118,082,483
CASH AT END OF YEAR (Note 4)	**₱338,473,984**	₱967,287,702

See accompanying Notes to Consolidated Financial Statements.

1. Corporate Information

A Brown Company, Inc. (the Parent Company or ABCI), a publicly-listed company, was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on December 21, 1966 as Bendana Brown Pizarro and Associates, Inc. to primarily engage in the business of property development and to invest in shares of stocks of listed companies. On December 28, 2012, upon amendment of Article IV of the Articles of Incorporation, approved among others that "That the term for which the Parent Company is to exist is extended for another fifty (50) years from and after the date of the expiration of the original corporate term on December 20, 2016".

The Parent Company is engaged in the business of real estate development in Cagayan de Oro City and Initao in Misamis Oriental, Tanay, Rizal; Valencia City, Bukidnon and Butuan City, Agusan del Norte.

The Parent Company's shares of stock are listed and are currently traded at the Philippine Stock Exchange (PSE).

The principal place of business and registered office address of the Parent Company is Xavier Estates Uptown, Airport Road, Balulang, Cagayan de Oro City.

The Subsidiaries
The Parent Company, through its subsidiaries, also ventured into palm oil milling, power generation and holdings of investments. The following are the subsidiaries of the Parent Company:

A Brown Energy and Resources Development, Inc. (ABERDI)
ABERDI is a 100% owned subsidiary of the Parent Company incorporated and registered with the SEC on February 1, 2001 to primarily engage in the business of manufacturing and trading of palm oil and other palm products including, but not limited to refined bleached deodorized oil, palm olein, crude palm oil, palm stearin, palm acid oil, palm fatty acid distillate, and palm kernels.

ABC Energy Inc. (ABCEI) Formerly Palm Thermal Consolidated Holdings, Corp. (PTCHC)
ABCEI is a 100% owned subsidiary of the Parent Company registered with the SEC on November 22, 2010. Its primary purpose is to purchase, acquire, own, hold, lease, sell and convey properties of every kind and description, including land, buildings, factories and warehouses and machinery, equipment, the goodwill, shares of stock, equity, rights, and property of any person, firm, association, or corporation and other personal properties as may be necessary or incidental to the conduct of the corporate business and to pay cash, shares of its capital stock, debentures and other evidences of indebtedness, or other securities, as may be deemed expedient, for any business or property acquired by the corporation.

Blaze Capital Limited (BCL)
BCL is a 100% owned subsidiary of the Parent Company registered with BVI Financial Services Commission as a British Virgin Island (BVI) Business Company on August 8, 2011 under the

BVI Business Companies Act 2004. Subject to the Act and any other BVI legislation, the Company has irrespective of corporate benefit (a) full capacity to carry on or undertake any business or activity, do any act or enter into any transactions; and (b) for the purposes of (a), full rights, powers and privileges. Since its incorporation, BCL has not started its commercial operations.

Northmin Renewables Corp (NRC) Formerly Hydro Link Projects Corp. (HLPC)
NRC is a 100% owned subsidiary of the Parent Company registered with the SEC on May 6, 2010. Its primary purpose is to engage in, conduct and carry on the business of developing, constructing, operating, repairing, and maintaining hydro-electrical plants and system and other power generating or converting stations, manufacture, operation and repair of related mechanical and electrical equipment. Since its incorporation, the Company has not started its commercial operations.

AB Bulk Water Company, Inc. (ABBWCI)
ABBWCI is a 100% owned subsidiary of the Parent Company registered with the SEC on March 31, 2015. ABBWCI was organized primarily to engage in the business of holding and providing rights to water to public utilities and cooperatives or in water distribution in the Municipality of Opol and related activities. Since its incorporation, ABBWCI has not started its commercial operations.

Masinloc Consolidated Power, Inc. (MCPI)
MCPI is a 49% owned subsidiary of the Parent Company registered with the SEC on July 4, 2007. MCPI was organized primarily to engage in, conduct and carry on the business of construction, planning, purchase, supply and sale of electricity. MCPI is registered under the Foreign Investments Act of 1991 on July 6, 2007. MCPI has not yet started its commercial operations.

Simple Homes Development, Inc. (SHDI)
SHDI is a 100% owned subsidiary of the Parent Company registered with the SEC on February 26, 1997. SHDI was organized primarily to invest in, purchase or otherwise acquire and own, hold, sell, assign, transfer, mortgage, pledge, exchange, or otherwise dispose of real and personal property of every kind and description, and related activities. Since its incorporation, SHDI has not started its commercial operations.

Nakeen Corporation (NC)
NC is a 100% owned subsidiary of the Parent Company through ABERDI registered with the SEC on February 2, 1997. Its primary purpose is to engage in the business of agriculture in all aspects, including but not limited to, the operation of fishponds and fish pens, the raising of cattle, both large and small, the raising of hogs and chicken and any and all other activities related to or incidental to the foregoing markets. NC is also engaged in selling palm seedlings and bunch.

Bonsai Agri Corporation (BAC)
BAC is a 100% owned subsidiary of the Parent Company through ABERDI registered with the SEC on February 2, 1997. BAC was organized to engage in business of agriculture in all aspect, including but not limited to operation of fishponds and fish pens, the raising of cattle, both large and small, the raising of hogs and chickens and all other activities related to or incidental to the foregoing, and to market, sell, or otherwise dispose of any produce and

products in both local and foreign markets. Since its incorporation, the Company has not started its commercial operations.

Vires Energy Corporation (VEC)
VEC is a 99.995% owned subsidiary of the Parent Company registered with the SEC on March 11, 2015. It was organized primarily to operate, engage in, conduct and carry on the business of exploring, developing, converting, producing, processing, and refining of power energy, fuel and/or any other source of power energy, including importation, handling, distributing and marketing at wholesale either within or outside the Philippines; to develop, manage, lease, and operate refineries for the power and fuel products or any other source of power energy; to enter into business undertaking to establish, develop, explore and operate business that will provide the technical manpower to persons and institutions engaged in aforesaid energy production; and in general to carry on and undertake such activities which may seem to the Company capable of being conveniently carried on in connection with the above purposes, or calculated, directly, to enhance the value of or render profitable, any of the Company's property or rights. Since its incorporation, the Company has not started its commercial operations. VEC is a subsidiary effective June 18, 2020 (see Note 16).

Irradiation Solutions Inc. (ISI)
ISI is a 100% owned subsidiary of the Parent Company incorporated and registered with the SEC on January 4, 2021. ISI was organized in providing irradiation services for all types of goods e.g., food products and non-food products through exposing such goods to ionizing radiation such as gamma rays, x-rays, or accelerated electrons from electron beam machines.

Surigao Greens Agri Corp. (SGAC)
SGAC is a 100% owned subsidiary of the Parent Company registered with the SEC on February 13, 2023. The Company was organized to engage in the business of processing, milling and refining palm oil to manufacture crude palm oil, refined beached deodorized palm oil, palm olein and other products and to distribute such products on a wholesale or retail basis, provided that the corporation shall not solicit accept or take investments/placements from the public and neither shall it issue investment contracts.

2. Summary of Significant Accounting Policies

<u>Basis of Preparation</u>
The consolidated financial statements include the financial statements of the Parent Company and its subsidiaries (collectively referred to as "the Group").

The accompanying consolidated financial statements have been prepared using the historical cost basis, except for EIFVPL and EIFVOCI that are carried at fair value. The consolidated financial statements are presented in Philippine Peso (₱), which is the functional currency of the Parent Company. All subsidiaries and associates also use ₱ as functional currency, except for BCL whose functional currency is US Dollar ($). All amounts are rounded off to the nearest Philippine Peso, except when otherwise indicated.

<u>Statement of Compliance</u>
The consolidated financial statements of the Group have been prepared in compliance with Philippine Financial Reporting Standards (PFRSs), as modified by the application of the

following financial accounting reliefs as issued and approved by the SEC in response to the COVID-19 pandemic:

a. Assessing if the transaction price includes a significant financing component discussed in Philippine Interpretations Committee (PIC) Questions and Answers (Q&A) No. 2018-12-D;
b. Treatment of land in the determination of percentage of completion (POC) discussed in PIC Q&A No. 2018-12-E; and,
c. Application of International Financial Reporting Interpretations Committee (IFRIC) Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23, *Borrowing Cost)*.

The Group has availed of the reliefs granted by the SEC under Memorandum Circular (MC) No. 34-2020 which further extended the deferral of the above PIC Q&As until December 31, 2023.

The details and the impact of the deferral of the above financial reporting reliefs are discussed in the Changes in Accounting Polices and Disclosures section.

The term PFRSs in general includes all applicable PFRSs, Philippine Accounting Standards and interpretations of the Philippine Interpretations Committee, Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the Financial Reporting Standards Council.

<u>Basis of Consolidation</u>
The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as at March 31, 2025 and December 31, 2024.

Control is achieved when the Group 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 Group controls an investee if and only if the Group has:
- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and,
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and,
- The Group’s voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included or excluded in the consolidated financial statements from the date the Group gains control or until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the noncontrolling interests (NCI), even if this results in the NCI having a deficit balance. The consolidated financial statements are prepared using uniform accounting policies for like transactions and other similar events. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary, the carrying amount of any NCI and the cumulative translation differences recorded in equity.
- Recognizes the fair value of the consideration received, the fair value of any investment retained and any surplus or deficit in profit or loss.
- Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate.

The consolidated financial statements comprise the financial statements of the Parent Company and the following subsidiaries:

	Effective Percentage of Ownership (%)		
	2025	2024	2023
ABERDI	**100**	100	100
NC	**100**	100	100
BAC*	**100**	100	100
ABCEI****	**100**	100	100
NRC* ***	**100**	100	100
ABWCI*	**100**	100	100
BCL*	**100**	100	100
SHDI*	**100**	100	100
MCPI**	**49**	49	49
VEC*	**100**	100	100
ISI*	**100**	100	100
SGAC*	**100**	100	100

** pre-operating subsidiaries*
*** non-operating subsidiary*
**** Previously HLPC*
***** Previously PTCHC*

<u>NCI</u>
NCI represents the portion of profit or loss and net assets not owned, directly or indirectly, by the Group.

NCI are presented separately in the consolidated statement of comprehensive income, and within equity in the consolidated statement of financial position, separately from parent shareholder's equity. Any losses applicable to the NCI are allocated against the interests of the

NCI even if this results to the NCI having a deficit balance. The acquisition of an additional ownership interest in a subsidiary without a change of control is accounted for as an equity transaction. Any excess or deficit of consideration paid over the carrying amount of the NCI is recognized in equity of the parent in transactions where the NCI are acquired or sold without loss of control.

As at March 31, 2025 and December 31, 2024, percentage of NCI pertaining to MCPI amounted to 51%. The voting rights held by the NCI are in proportion of their ownership interest.

Business Combination and Goodwill

Business combinations are accounted for using the acquisition method. As of the acquisition date, the acquirer shall recognize, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any NCI in the acquiree. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value, and the amount of any NCI in the acquiree. For each business combination, the acquirer has the option to measure the NCI in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

When a business is acquired, the financial assets and financial liabilities assumed are assessed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group as an acquirer shall report in its consolidated financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, the Group as an acquirer shall retrospectively adjust the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date. During the measurement period, the Group as an acquirer shall also recognize additional assets or liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date. The measurement period ends as soon as the Group as an acquirer receives the information it was seeking about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable. However, the measurement period shall not exceed one year from the acquisition date.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value as at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognized in accordance with PFRS 9, *Financial Instruments*, either in consolidated statement of comprehensive income or as a charge to OCI. If the contingent consideration is classified as equity, it shall not be remeasured until it is finally settled within equity. Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for NCI over the fair values of net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in consolidated statement of comprehensive income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units (CGU) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a CGU and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the CGU retained.

A CGU to which goodwill has been allocated shall be tested for impairment annually, and whenever there is an indication that the unit may be impaired, by comparing the carrying amount of the unit including the goodwill, with the recoverable amount of the unit. If the recoverable amount of the unit exceeds the carrying amount of the unit, the unit and the goodwill allocated to that unit shall be regarded as not impaired. If the carrying amount of the unit exceeds the recoverable amount of the unit, the Group shall recognize the impairment loss. Impairment losses relating to goodwill cannot be reversed in subsequent periods.

The Group performs its impairment test of goodwill on an annual basis every December 31 or earlier whenever events or changes in circumstances indicate that goodwill may be impaired.

<u>Changes in Accounting Policies and Disclosures</u>

The accounting policies adopted are consistent with those of the previous financial year, except that the Group has adopted the following new accounting pronouncements starting January 1, 2021. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these pronouncements did not have any significant impact on the Group's financial position or performance.

The nature and impact of each new standard and amendment are described below:

- Amendment to PFRS 16, *COVID-19-related Rent Concessions beyond 30 June 2021*

  The amendment provides relief to lessees from applying the PFRS 16 requirement on lease modifications to rent concessions arising as a direct consequence of the COVID-19 pandemic. A lessee may elect not to assess whether a rent concession from a lessor is a lease modification if it meets all of the following criteria:

  - The rent concession is a direct consequence of COVID-19;

- The change in lease payments results in a revised lease consideration that is substantially the same as, or less than, the lease consideration immediately preceding the change;
- Any reduction in lease payments affects only payments originally due on or before March 31, 2025; and
- There is no substantive change to other terms and conditions of the lease.

A lessee that applies this practical expedient will account for any change in lease payments resulting from the COVID-19 related rent concession in the same way it would account for a change that is not a lease modification, i.e., as a variable lease payment.

The amendment is effective for annual reporting periods beginning on or after April 1, 2021. Early adoption is permitted.

The Group adopted the amendment beginning April 1, 2021.

- Amendments to PFRS 9, PAS 39, PFRS 7, PFRS 4 and PFRS 16, *Interest Rate Benchmark Reform – Phase 2*

  The amendments provide the following temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR):
  - Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform
  - Relief from discontinuing hedging relationships
  - Relief from the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

  The Group shall also disclose information about:
  - The nature and extent of risks to which the entity is exposed arising from financial instruments subject to IBOR reform, and how the entity manages those risks; and
  - Their progress in completing the transition to alternative benchmark rates, and how the entity is managing that transition

  The Group adopted the amendments beginning January 1, 2021.

- Adoption of PIC Q&A 2020-02, *Treatment of Uninstalled Materials in the Determination of the*
  POC (Amendment to PIC Q&A 2018-12-E)

  PIC Q&A 2020-02 was issued by PIC on December 15, 2020 and provides amendment on PIC Q&A 2018-12-E, *On Certain Materials Delivered on Site but not yet Installed*. The latter aims to provide guidance on the treatment of uninstalled materials in measuring the progress of the performance obligation. The PIC has concluded that in recognizing revenue using a cost-based input method, customized materials are to be included in the measurement of the progress of work while materials that are not customized shall be excluded.

The adoption of the Interpretation has no significant impact on the consolidated financial statements of the Group as the POC of the projects are determined based on the accomplishment and physical proportion of work done on the real estate which requires technical determination by the Group's specialist (project engineers).

- Adoption of PIC &A 2018-12-H, *Accounting for CUSA Charges*

  On February 14, 2018, the PIC issued PIC Q&A 2018-12 (PIC Q&A) which provides guidance on some implementation issues of PFRS 15 affecting the real estate industry. The PIC provides guidance on whether a real estate developer is acting as a principal or agent in goods and services that it delivers based on contract of lease with the tenants.

  The Interpretation has no impact on the consolidated financial statements of the Group.

- Adoption of PIC Q&A 2020-05, *Accounting for Cancellation of Real Estate Sales* (Amendment to PIC Q&A 2018-14)

  On June 27, 2018, PIC Q&A 2018-14 was issued providing guidance on accounting for cancellation of real estate sales. Under SEC MC No. 3-2019, the adoption of PIC Q&A No. 2018-14 was deferred until December 31, 2020. After the deferral period, real estate companies will adopt PIC Q&A No. 2018-14 and any subsequent amendments thereof retrospectively or as the SEC will later prescribe.

  On November 11, 2020, PIC Q&A 2020-05 was issued which supersedes PIC Q&A 2018-14. This PIC Q&A adds a new approach (Approach 3) where the cancellation is accounted for as a modification of the contract (i.e., from non-cancellable to being cancellable). Under this approach, revenues and related costs previously recognized shall be reversed in the period of cancellation and the inventory shall be reinstated at cost. PIC Q&A 2020-05 will have to be applied prospectively upon approval of the Financial Reporting Standards Council.

  The adoption of the interpretation has no significant impact on the consolidated financial statements of the Group as its current accounting for real estate sales cancellation is in accordance with Approach 3. The Group records the repossessed inventory at cost and reverses in the period of cancellation the revenues and related costs previously recognized.

<u>Standards Issued but Not Yet Effective</u>
Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Group does not expect that the future adoption of the said pronouncements will have a significant impact on its financial statements. The Group intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2022

- Amendments to PFRS 3, *Reference to the Conceptual Framework*

  The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The amendments added an exception to the recognition

principle of PFRS 3, *Business Combinations* to avoid the issue of potential ‘day 2’gains or losses arising for liabilities and contingent liabilities that would be within the scope of PAS 37, *Provisions, Contingent Liabilities and Contingent Assets* or Philippine-IFRIC 21, *Levies*, if incurred separately.
At the same time, the amendments add a new paragraph to PFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and apply prospectively.

- Amendments to PAS 16, *Plant and Equipment: Proceeds before Intended Use*

  The amendments prohibit entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

  The amendment is effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

  The amendments are not expected to have a material impact on the Group.

- Amendments to PAS 37, *Onerous Contracts – Costs of Fulfilling a Contract*

  The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

- *Annual Improvements to PFRSs* 2018-2020 Cycle

  - Amendments to PFRS 1, *First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a first-time adopted*

    The amendment permits a subsidiary that elects to apply paragraph D16(a) of PFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent’s date of transition to PFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of PFRS 1.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The amendments are not expected to have a material impact on the Group.

- Amendments to PFRS 9, *Financial Instruments*, *Fees in the '10 per cent' test for derecognition of financial liabilities*

  The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

  The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the Group.

- Amendments to PAS 41, *Agriculture, Taxation in fair value measurements*

  The amendment removes the requirement in paragraph 22 of PAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of PAS 41.

  An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after January 1, 2022 with earlier adoption permitted. The amendments are not expected to have a material impact on the Group.

Effective beginning on or after January 1, 2023

- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

  The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

  The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense).

An entity applies the amendments to transactions that occur on or after the beginning of the earliest comparative period presented for annual reporting periods on or after January 1, 2023.

- Amendments to PAS 8, *Definition of Accounting Estimates*

  The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

  An entity applies the amendments to changes in accounting policies and changes in accounting estimates that occur on or after January 1, 2023 with earlier adoption permitted. The amendments are not expected to have a material impact on the Group.

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*

  The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

  - Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies, and
  - Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

  The amendments to the Practice Statement provide non-mandatory guidance. Meanwhile, the amendments to PAS 1 are effective for annual periods beginning on or after January 1, 2023. Early application is permitted as long as this fact is disclosed. The amendments are not expected to have a material impact on the Group.

Effective beginning on or after January 1, 2024

- Amendments to PAS 1*, Classification of Liabilities as Current or Non-current*

  The amendments clarify paragraphs 69 to 76 of PAS 1, *Presentation of Financial Statements*, to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:
  - What is meant by a right to defer settlement
  - That a right to defer must exist at the end of the reporting period
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right
  - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

  The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. However, in November 2021, the International

Accounting Standards Board (IASB) tentatively decided to defer the effective date to no earlier than January 1, 2024. The Parent is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*

  PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

  The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:
  - A specific adaptation for contracts with direct participation features (the variable fee approach)
  - A simplified approach (the premium allocation approach) mainly for short-duration contracts

  On December 15, 2021, the FRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB.

  PFRS 17 is effective for reporting periods beginning on or after January 1, 2025, with comparative figures required. Early application is permitted.

- Deferral 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 8, 2019, the SEC issued MC No. 14-2018 and MC No. 3-2019, respectively, providing reliefs 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 as follows:

a. Assessing if the transaction price includes a significant financing component as discussed in PIC Q&A 2018-12-D (as amended by PIC Q&A 2020-04)
b. Treatment of land in the determination of the POC discussed in PIC Q&A 2018-12-E

To assist real estate companies to finally adopt the said PIC and IFRIC pronouncements and enable them to fully comply with PFRS 15 and revert to full PFRS, the Commission en banc, in its meeting held on July 8, 2021, approved the amendment to the transitional provisions in the above MCs which would provide real estate companies the accounting policy option of applying either the full retrospective approach or modified retrospective approach when they apply the provisions of the PIC and IFRIC pronouncements.

The Group availed of the SEC reliefs to defer the above specific provisions of PIC Q&A No. 2018-12. Had these provisions been adopted, the Group assessed that the impact would have been as follows:

a. The 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 (CTS) might constitute a significant financing component. In case of the presence of significant financing component, the guidance should have been applied retrospectively and would have resulted in restatement of prior year financial statements. Adoption of this guidance would have impacted interest income, interest expense, revenue from real estate sales, installment contracts receivable (ICR), provision for deferred income tax, deferred income tax asset or liability for all years presented, and the opening balance of retained earnings. The Group has yet to assess if the mismatch constitutes a significant financing component for its CTSs.

b. The exclusion of land in the determination of POC would have reduced the POC of real estate projects. Adoption of this guidance would have reduced revenue from real estate sales, cost of sales and ICR; increased real estate inventories and would have impacted deferred income tax asset or liability and provision for deferred income tax for all years presented, and the opening balance of retained earnings.

The above would have impacted the cash flows from operations and cash flows from financing activities for all years presented.

- IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23, *Borrowing Cost*)

  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 paragraph 35(c) of PFRS 15, *Revenue from Contracts with Customers*. 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 PAS 23, *Borrowing Costs*, considering that these inventories are ready for their intended sale in their current condition.

  On February 11, 2020, the Philippine SEC issued Memorandum Circular No. 4-2020, providing relief to the Real Estate Industry by deferring the mandatory implementation of the above IFRIC Agenda Decision until December 31, 2020. Further, on December 15, 2020, the Philippine SEC issued SEC MC No. 34-2020, which extends the relief on the application of the IFRIC Agenda Decision provided to the Real Estate Industry until December 31, 2023. Effective January 1, 2024, the Real Estate Industry will adopt the IFRIC agenda decision and any subsequent amendments thereto retrospectively or as the SEC will later prescribe. A real estate company may opt not to avail of the deferral and instead comply in full with the requirements of the IFRIC Agenda Decision.

The Group opted to avail of the relief as provided by the SEC. Had the Group adopted the IFRIC agenda decision, borrowing costs capitalized to real estate inventories related to projects with pre-selling activities should have been expensed out in the period incurred.

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

  The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

  On January 13, 2016, the Financial Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the International Accounting Standards Board (IASB) completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

  These amendments do not have any impact on the Group's consolidated financial statements.

Summary of Significant Accounting Policies

The significant accounting policies that have been used in the preparation of the consolidated financial statements are summarized below. These policies have been consistently applied to all years presented, unless otherwise stated.

Current versus Noncurrent Classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/noncurrent classification.

An asset is current when it is:
- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or,
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as noncurrent.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or,
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as noncurrent.

Deferred tax assets and liabilities are classified as noncurrent assets and liabilities, respectively.

<u>Fair Value Measurement</u>
The Group measures financial assets designated at FVOCI and financial assets at FVPL 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 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.

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 Group 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 consolidated 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 consolidated financial statements on a recurring basis, the Group determines whether or not 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 period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Cash

Cash includes cash on hand and in banks.

Financial Instruments - Initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity to another entity.

Financial assets

(i) Initial recognition and measurement

Financial assets are recognized when the Group becomes a party to the contractual provisions of the financial instrument. Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, FVOCI, and FVPL.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs. Receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price.

Contractual cash flows characteristics. If the financial asset is held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, the Group assesses whether the cash flows from the financial asset represent 'solely payments of principal and interest (SPPI)' on the principal amount outstanding.

In making this assessment, the Group determines whether the contractual cash flows are consistent with a basic lending arrangement, i.e., interest includes consideration only for the time value of money, credit risk and other basic lending risks and costs associated with holding the financial asset for a particular period of time. In addition, interest can include a profit margin that is consistent with a basic lending arrangement. The assessment as to whether the cash flows meet the test is made in the currency in which the financial asset is denominated. Any other contractual terms that introduce exposure to risks or volatility in the contractual cash flows that is unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI and interest on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at FVPL, irrespective of the business model.

Business model. The Group's business model is determined at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The Group's business model does not depend on management's intentions for an individual instrument.

The Group's business model refers to how it manages its financial assets in order to generate cash flows. The Group's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. Relevant factors considered by the Group in determining the business model for a group of financial assets include how the performance of the business model and the financial assets held within that business model are evaluated and reported to the Group's key management personnel, the risks that affect the performance of the business model (and the financial assets held within that business model) and how these risks are managed and how managers of the business are compensated.

(ii) Subsequent measurement

The Group subsequently classifies its financial assets into the following measurement categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVPL

Financial assets at amortized cost (debt instruments). The Group measures financial assets at amortized cost if both of the following conditions are met:

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

These financial assets are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at amortized cost using the effective interest rate (EIR) method, less any impairment in value. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the EIR. Losses arising from impairment are recognized in the consolidated statement of comprehensive income under "Provision for impairment".

The Group's financial assets at amortized cost include cash, receivables, receivables from related parties and refundable deposits included under "Other assets" in the consolidated statements of financial position (see Notes 4, 5, 8 and 12).

Financial assets at FVOCI (debt instruments). The Group measures debt instruments at FVOCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and,
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

For debt instruments at FVOCI, interest income and impairment losses or reversals are recognized in the consolidated statement of comprehensive income and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

As at March 31, 2025 and December 31, 2024, the Group's does not have debt instruments at FVOCI.

Financial assets designated at FVOCI (equity instruments). At initial recognition, an entity may make an irrevocable election to present in OCI subsequent changes in the fair value of an investment in an equity instrument within the scope of PFRS 9 that is neither held for trading (HFT) nor contingent consideration recognized by an acquirer in a business combination to which PFRS 3 applies. The classification is determined on an instrument-by-instrument basis. The Group recognizes the unrealized gains and losses arising from the fair valuation of financial assets at FVOCI, net of tax, in the consolidated statement of comprehensive income as 'Net change in fair value of EIFVOCI'.

In applying that classification, a financial asset or financial liability is considered to be HFT if:

(a) It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term; or,
(b) On initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which, there is evidence of a recent actual pattern of short-term profit-taking; or,
(c) It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Gains and losses on equity instruments designated at FVOCI are never recycled to profit or loss, but the cumulative gain or loss previously recognized in the OCI is reclassified to 'Retained earnings' or any other appropriate equity account upon disposal. Dividends are recognized in the consolidated statement of comprehensive income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVOCI are not subject to impairment assessment.

The Group includes equity instruments not HFT in this category. The Group made irrevocable election to present in OCI subsequent changes in the fair value of all the Group's investments in golf shares and unlisted shares of stock.

Financial assets at FVPL. Financial assets at FVPL are measured as at initial recognition unless these are measured at amortized cost or at FVOCI. Included in this classification are equity instruments HFT and debt instruments with contractual terms that do not represent SPPI on the principal amount outstanding. Financial assets held at FVPL are initially recognized at fair value, with transaction costs recognized in the consolidated statement of comprehensive income as incurred. Subsequently, they are measured at fair value and any gains or losses are recognized in the consolidated statement of comprehensive income under 'Unrealized gain (loss) on EIFVPL'.

Additionally, even if the asset meets the amortized cost or the FVOCI criteria, the Group may choose at initial recognition to designate the financial asset at FVPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency (an accounting mismatch) that would otherwise arise from measuring financial assets on a different basis.

Trading gains or losses are calculated based on the results arising from trading activities of the Group, including all gains and losses from changes in fair value for financial assets and financial liabilities at FVPL, and the gains or losses from disposal of financial investments.

The Group's financial assets at FVPL include listed equity securities.

(iii) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from The Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or,
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and,
- The Group has transferred its rights to receive cash flows from the asset and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group transfers its rights to receive cash flows from an asset or enters into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

(iv) Impairment of financial assets

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk (SICR) 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 (a lifetime ECL).

Financial assets are credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of those financial assets have occurred. For these credit exposures, lifetime ECLs are also recognized and interest revenue is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset.

The Group applies a simplified approach in calculating ECLs for receivables. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. For trade receivables, the Group has established a provision matrix that is based on its historical credit loss experience.

For ICR and contract assets, the Group uses the vintage analysis for ECL by calculating the cumulative loss rates of a given ICR pool. It derives the probability of default from the historical data of a homogenous portfolio that share the same origination period. The information on the number of defaults during fixed time intervals of the accounts is utilized to create the probability model. It allows the evaluation of the loan activity from its origination period until the end of the contract period.

As these are future cash flows, these are discounted back to the time of default (i.e., is defined by the Group as upon cancellation of CTS) using the appropriate effective interest rate, usually being the original EIR or an approximation thereof.

For all debt financial assets other than receivables, ECLs are recognized using the general approach wherein the Group tracks changes in credit risk and recognizes a loss allowance based on either a 12-month or lifetime ECLs at each reporting date.

At each reporting date, the Group assesses whether there has been an SICR for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis.

Exposures that have not deteriorated significantly since origination, or where the deterioration remains within the Group's investment grade criteria are considered to have a low credit risk. The provision for credit losses for these financial assets is based on a 12-month ECL. The low credit risk exemption has been applied on debt investments that meet the investment grade criteria of the
Group from the time of origination.

Determining the stage for impairment. At each reporting date, the Group assesses whether there has been an SICR for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis.

The Group considers that there has been an SICR when contractual payments are more than 90 days past due.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed SICR since origination, then the loss allowance measurement reverts from lifetime ECL to 12-months ECL.

Write-off policy. The Group writes-off a financial asset, in whole or in part, when the asset is considered uncollectible, it has exhausted all practical recovery efforts and has concluded that it has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof.

Reclassifications of financial instruments. The Group reclassifies its financial assets when, and only when, there is a change in the business model for managing the financial assets. Reclassifications shall be applied prospectively by the Group and any previously recognized gains, losses or interest shall not be restated. The Group does not reclassify its financial liabilities.

<u>Financial liabilities</u>

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at FVPL
- Financial liabilities at amortized cost

Financial liabilities at FVPL. Financial liabilities at FVPL include financial liabilities that are HFT and financial liabilities designated upon initial recognition as at FVPL. Financial liabilities are classified as HFT if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities that are HFT are recognized in the consolidated statement of comprehensive income.

Financial liabilities designated upon initial recognition at FVPL are designated at the initial date of recognition, and only if the criteria in PFRS 9 are satisfied. The Group has not designated any financial liability as at FVPL.

Financial liabilities at amortized cost. This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost under the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as interest in the consolidated statement of comprehensive income.

The Group's financial liabilities measured at amortized cost as of March 31, 2025 and December 31, 2024 includes the following (see Notes 11 and 13):
- Short-term debt
- Long-term debt
- Accounts and other payables (excluding statutory payables)

Short-term debt and long-term debt are raised for support of short and long-term funding of operations. They are recognized at proceeds received, net of direct issue costs. Finance charges are recognized as "Interest expense" in the consolidated statement of comprehensive income on an accrual basis using the EIR 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.

Accounts and other payables are initially recognized at fair value and subsequently measured at amortized cost, using EIR method for maturities beyond one year, less settlement payments.

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 when 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 noncurrent liabilities.

(iii) Derecognition
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of comprehensive income.

Offsetting Financial Instruments
Financial assets and liabilities are offset, and the net amount is reported in the consolidated statement of financial position if, and only if, there is a legally enforceable right to offset and intention to settle either on a net basis or to realize the asset and settle the liability simultaneously. The Group assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Group and all of the counterparties.

Real Estate Inventories

Real estate inventories consists of subdivision land and residential houses and lots for sale and development initially recorded at cost. Subsequent to initial recognition, these are valued at the lower of cost and net realizable value (NRV). Cost includes the acquisition cost of the land plus all costs incurred directly attributable to the construction and development of the properties. Borrowing costs are capitalized while the development and construction of the real estate projects are in progress, and to the extent that these are expected to be recovered in the future. Repossessed real estate inventories are recorded at original cost.

NRV is the estimated selling price in the ordinary course of business, based on market prices at the reporting date, less estimated cost of completion and estimated costs necessary to make the sale. Valuation allowance is provided for real estate held for sale when the NRV of the properties are less than their carrying amounts. Undeveloped land is carried at lower of cost and NRV.

The costs of inventory 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 based on the relative size of the property sold.

Borrowing Costs

Borrowing costs that are directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale while the asset, which includes real estate inventories, is being constructed are capitalized as part of the cost of that asset.

Capitalization of borrowing cost should commence when: (i) expenditures for the asset and borrowing costs are being incurred; and, (ii) activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalization ceases when the asset is substantially ready for its intended use or sale. For borrowing associated with a specific asset, the actual rate on that borrowing is used. Otherwise, a weighted average cost of borrowing is used. All other borrowing costs are expensed as incurred.

Other inventories

Other inventories pertain to finished agricultural goods, construction materials and agricultural materials and supplies which are measured at the lower of cost and NRV. At each reporting date, other inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its NRV. The impairment loss is recognized immediately in profit or loss. Provision for inventory losses is established for estimated losses on other inventories which are determined based on specific identification of slow-moving, damaged, and obsolete inventories.

Agricultural produce

Agricultural produce is the harvested product of the Group's bearer plants. A harvest occurs when agricultural produce is either detached from the bearer plant or when a bearer plant's life processes cease. The Group's agricultural produce (e.g. fresh fruit bunches, under other inventories) are measured at fair value less estimated costs to sell at the time of harvest. The Group uses the future selling prices and gross margin of finished goods, adjusted to remove the margin associated to further processing, less future growing cost as the basis of fair value. The Group's harvested produce to be used in processed products are measured at fair value at the point of harvest based on the estimated selling prices reduced by cost to sell and adjusted for margin associated to further processing.

Finished agricultural goods
Cost of processed inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The costs of conversion include raw materials, direct labor and overhead costs. NRV is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Construction materials and agricultural materials and supplies
Construction materials and agricultural materials and supplies are valued at the lower of cost or NRV. Cost is determined using the moving average method. NRV is the replacement cost.

Deposits for Purchased Land
This represents deposits made to landowners for the purchase of certain parcels of land which are intended to be held for sale or development in the future. The Group normally makes deposits before a contract to sell is executed between the Group and the landowner. These are recognized at cost. The sales contracts are expected to be executed within one year or the entity's normal operating cycle, whichever is longer.

Prepayments
Prepayments represent expenses not yet incurred but already paid. Prepayments are initially recorded as assets and measured at the amount paid. Subsequently, these are charged to the consolidated statement of comprehensive income as they are consumed in operations or expire with the passage of time. Prepayments are classified in the consolidated statement of financial position as current assets when the cost of goods or services related to the prepayments are expected to be incurred within one year or the entity's normal operating cycle, whichever is longer. Otherwise, prepayments are classified as noncurrent assets.

Investments in Associates
An associate is an entity in which the Group has significant influence, and which is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in associates are accounted for using the equity method. Under the equity method, the investments in associate is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortized and is not tested for impairment separately.

The consolidated statement of comprehensive income reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the associate, the Group recognizes its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the consolidated statement of comprehensive income outside operating profit as 'Equity in net earnings of associates'. If the Group's share of losses of an associate equals or exceeds its interest in the associate, the Group discontinues recognizing its share to the extent of the interest in associate.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group. Upon loss of significant influence over the associate, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognized in consolidated statement of comprehensive income.

Investment Property

Investment property consists of land, building, and land improvements which currently held either to earn rental or for capital appreciation or for both, but not for sale in the ordinary course of business or use in the supply of services or for administrative purpose. These properties are initially recognized at fair value plus directly attributable cost incurred such as legal fees, transfer taxes and other transaction costs. Subsequent to initial recognition, the building and improvements is carried at cost less accumulated depreciation and amortization and any impairment in value while the land is carried at cost less any impairment in value.

The carrying value of the asset, is reviewed for impairment when changes in circumstances indicate the carrying value, may not be recoverable. If any such indication exists, and where the carrying value exceeds the estimated recoverable amount, the asset is written down to its recoverable amount while impairment losses are recognized in the consolidated statement of comprehensive income.

Depreciation or amortization of an item of investment property begins when it becomes available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation or amortization ceases at the earlier of the date that the item is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with PFRS 5 and the date the item is derecognized.

The Group depreciates and amortizes its land improvements using the straight-line method over the 10-30 years estimated useful lives.

The useful lives and depreciation method are reviewed periodically to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from the use of property, plant and equipment.

If there is an indication that there has been a significant change since the last annual reporting date in the pattern by which the Group expects to consume an asset's future economic benefits, the Group shall review its present depreciation method and, if current expectations differ, change the depreciation method to reflect the new pattern. The Group shall account for the change prospectively as a change in an accounting estimate.

The investment property is derecognized upon disposal or when permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of the asset is recognized in the consolidated statement of comprehensive income in the year of retirement or disposal.

Transfers are made to investment property 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 property 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. Transfers between investment property and owner-occupied property do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

Property, Plant and Equipment

Property, plant and equipment, except for land and construction in progress, are stated at cost less accumulated depreciation and any impairment in value. Land is stated at cost, less any impairment in value.

The initial cost of property, plant and equipment comprises its purchase price including legal and brokerage fees, import duties, nonrefundable purchase taxes and any directly attributable costs of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Expenditures incurred after the property and equipment have been put into operation, such as maintenance, repairs and costs of day-to-day servicing, are recognized in profit or loss in the period the costs are incurred.

In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional cost of property, plant and equipment.

The Group classifies ROU assets as part of property, plant and equipment. The Group recognizes ROU assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU assets are initially measured at cost, less any accumulated amortization and impairment losses, and adjusted for any remeasurement of lease liabilities. The initial cost of ROU assets includes the amount of lease liabilities recognized, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstance indicate that the carrying values may not be recoverable.

Depreciation or amortization of an item of property, plant and equipment begins when it becomes available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation or amortization ceases at the earlier of the date that the item is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with PFRS 5 and the date the item is derecognized.

Depreciation and amortization are computed using the straight-line method over the following estimated useful lives, except for leasehold improvements and right-of-use assets, which are amortized over their estimated lives or term of the lease, whichever is shorter, and bearer plants, which are depreciated using units-of-production (UOP) method.

	Years
Refined bleached deodorized (RBD) and fractionation machineries	21
Building and improvements	10 - 30
Leasehold improvements	2 - 5 or lease term, whichever is shorter
Machineries and equipment	2 - 10
Right-of-use assets	17
Other equipment	2 - 10

The useful lives and depreciation method are reviewed periodically to ensure that the period and method of depreciation are consistent with the expected pattern of economic benefits from the use of property, plant and equipment.

If there is an indication that there has been a significant change since the last annual reporting date in the pattern by which the Group expects to consume an asset's future economic benefits, the Group shall review its present depreciation method and, if current expectations differ, change the depreciation method to reflect the new pattern. The Group shall account for the change prospectively as a change in an accounting estimate.

Fully depreciated assets are retained in the accounts until these are no longer in use.

Construction in progress represents property, plant and equipment under construction or development and is stated at cost. This includes cost of construction and other direct costs. Construction in progress is not depreciated until such time the relevant assets are completed and is available for use.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from the derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of comprehensive income in the year the asset is derecognized. When assets are retired or otherwise disposed of, both the cost and the related accumulated depreciation and amortization and any impairment in value are removed from the accounts while any resulting gain or loss is included in the consolidated statement of comprehensive income.

Bearer plants
Bearer plants pertain to the Group's palm oil trees used in the production or supply of fresh fruit bunches (FFB) as its agricultural produce and are expected to bear produce for more than twelve months and have a remote likelihood of being sold as a plant or harvested as agricultural produce, (except for incidental scrap sales).

Bearer plants are measured at cost less accumulated depreciation and any impairment in value. Bearer plants are presented as part of property, plant and equipment. Costs to grow include purchase cost of various chemicals and fertilizers, land preparation expenses and other direct costs necessary to cultivate such plants before they are brought into the location and condition necessary to be capable of operating in the manner intended by management.

UOP method is used for depreciating the bearer plants. Depreciation is charged according to units of FFB harvested over the estimated units of FFB to be harvested during the life of the bearer plants or remaining contract period, whichever is shorter. The Group estimates its total units of FFB to be harvested based on the average yield over which the bearer plants are expected to be available for use. In addition, the estimate is based on collective assessment of internal technical evaluation and experience. Changes in the estimated total units of FFB to be harvested may impact the depreciation of bearer plants.

Impairment of Nonfinancial Assets
This accounting policy applies primarily to the Group's investments in associates, investment properties, property plant, and equipment and other assets excluding refundable deposits (see Notes 8, 9, 10, and 12).

The Group assesses at each reporting date whether there is an indication that an asset may be impaired when events or changes in circumstances indicate the carrying values may not be recoverable. If any such indication exists or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's estimated recoverable amount is the higher of the asset's or cash generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

Where the carrying values exceed the estimated recoverable amount, the assets or CGUs are written down to their estimated recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses of continuing operations are directly charged or credited to operations in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its estimated recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. Such reversal is directly charged or credited to operations.

Equity

Capital stock and additional paid-in capital
Capital stock consists of common shares and preferred shares which are measured at par value for all shares issued. When the shares are sold at a premium, the difference between the proceeds and the par value is credited to 'Additional paid-in capital' account. When shares are issued for a consideration other than cash, the proceeds are measured by the fair value of the consideration received. Direct cost incurred related to the equity issuance, such as underwriting, accounting and legal fees, printing costs and taxes are charged to 'Additional paid-in capital' account.

Treasury shares
Own equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in additional paid-in capital. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively. When the shares are retired, the capital stock account is reduced by its par value and the excess of cost over par value upon retirement is debited to additional paid-in capital to the extent of the specific or average additional paid-in capital when the shares were issued and to retained earnings for the remaining balance.

The retained earnings is restricted to payments of dividends to the extent of the cost of treasury shares.

Retained earnings
Retained earnings include all current and prior period results of operations, net of dividends declared and the effects of retrospective application of change s in accounting policies or restatements, if any. Dividends on common stock are recognized as a liability and deducted from equity when declared and approved by the BOD or shareholders of the Parent Company. Dividends for the year that are declared and approved after the reporting date, if any, are dealt with as an event after the reporting date and disclosed accordingly.

Other comprehensive income (loss)
Other comprehensive income (loss) comprises items of income and expense (including items previously presented under the consolidated statement of changes in equity) that are not recognized in the consolidated statement of comprehensive income for the year in accordance with PFRSs. Other comprehensive income (loss) of the Group includes fair value reserve of EIFVOCI, remeasurement gains (losses) on retirement obligation, remeasurement gains (losses) on defined benefit plan of an associate, and cumulative translation adjustment.

Revenue and Cost Recognition

Revenue from contracts with customers
The Group is primarily engaged in real estate development, production and sale of agricultural goods, and water services. Revenue from contracts with customers is recognized when control

of the goods and services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. The Group has generally concluded that it is the principal in its revenue arrangements since it is the primary obligor in these revenue arrangements.

The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 3.

Real estate sales. The Group derives its real estate revenue from sale of lots and developed residential house and lots. Revenue from the sale of these real estate projects under pre-completion stage are recognized over time during the construction period (or percentage of completion) since based on the terms and conditions of its contract with the buyers, the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

In measuring the progress of its performance obligation over time, the Group uses the output method. The Group recognizes revenue on the basis of direct measurements of the value to customers of the goods or services transferred to date, relative to the remaining goods or services promised under the contract. Progress is measured using physical proportion of work done. This is based on the bi-monthly project accomplishment report prepared by the Group's in-house technical team approved by the construction manager which integrates the surveys of performance to date of the construction activities for both sub-contracted and those that are fulfilled by the Group itself.

Buyer's equity represents a certain percentage of buyer's payments of total selling price that the buyer has paid the Group and it is at this collection level that the Group assesses that it is probable that the economic benefits will flow to the Group because of certainty of collection of the remaining balance of the selling price. This gives the buyer, a stake in the property, the level of which is sufficient enough to mitigate the risks of loss through default which would motivate the buyer to honor its obligations to the Group. Management regularly evaluates the historical cancellations and back-outs if it would still support its current collection threshold before commencing revenue recognition.

Any excess of progress of work over the right to an amount of consideration that is unconditional, is recognized under 'Contract assets' in the assets section of the consolidated statement of financial position.

Any excess of collections over the total of recognized ICR and contract assets are recognized under 'Contract liabilities' account in the liabilities section of the consolidated statement of financial position.

Cost of real estate sales. The Group recognizes costs relating to satisfied performance obligations as these are incurred taking into consideration the contract fulfillment assets such as connection fees. These include costs of land, land development costs, building costs, professional fees, depreciation, permits and licenses and capitalized borrowing costs. These costs are allocated to the saleable area, with the portion allocable to the sold area being recognized as costs of sales while the portion allocable to the unsold area being recognized as part of real estate inventories.

Contract costs include all direct materials and labor costs and those indirect costs related to contract performance. Expected losses on contracts are recognized immediately when it is probable that the total contract costs will exceed total contract revenue. Changes in contract performance, contract conditions and estimated profitability, including those arising from contract penalty provisions, and final contract settlements which may result in revisions to estimated costs and gross margins are recognized in the year in which the changes are determined.

In addition, the Group recognizes cost as an asset that gives rise to resources that will be used in satisfying performance obligations in the future and that are expected to be recovered.

Sale of agricultural goods. Revenue from sale of agricultural goods is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods and acceptance by the buyer. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, noncash consideration, and consideration payable to the customer, if any.

Variable consideration - rights of return
Certain contracts provide a customer with a right to return the goods within a specified period. The Group uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in PFRS 15 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Group recognizes a refund liability. A right of return asset (and corresponding adjustment to cost of sales) is also recognized for the right to recover products from a customer.

Cost of agricultural goods sold. Costs of sales include direct material costs, manufacturing expenses and monetary value of inventory adjustments. This is recognized upon delivery of the goods or when the control of the asset is transferred and when the cost is incurred, or the expense arises.

Water service, tapping fees, transfer fees and other water charges. Revenue is recognized over time as the customer receives and consumes the benefit from the performance of the related water services. Water services are billed every month. The Group recognizes revenue in the amount to which the Company has a right to invoice since the Group bills a fixed amount for every cubic meter of water delivered.

Income from forfeited deposits. Income from forfeited collections recorded under ‘Other income’ in the consolidated statement of comprehensive income is recognized when the deposits from potential buyers are deemed nonrefundable due to prescription of the period for entering into a contracted sale. Such income is also recognized, subject to the provisions of Republic Act 6552, *Realty Installment Buyer Act*, upon prescription of the period for the payment of required amortizations from defaulting buyers.

Rental income. Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the respective lease terms.

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

Other income. Other customer related fees such as penalties and surcharges are recognized as they accrue, taking into account the provisions of the related contract.

Contract Balances

ICR. An ICR represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract assets. A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

For the Group's real estate sales, contract assets are initially recognized for revenue earned from development of real estate projects as receipt of consideration is conditional on successful completion of development. The amounts recognized as contract assets are reclassified to ICR when the monthly amortization of the customer is due for collection. It is recognized under 'Receivables' in the consolidated statement of financial position.

A receivable (e.g., ICR), represent the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of consideration is due).

Costs to obtain contract. The incremental costs of obtaining a contract with a customer are recognized under 'Other current assets' in the consolidated statement of financial position if the Group expects to recover them. The Group has determined that commissions paid to brokers and marketing agents on the sale of pre-completed real estate units are deferred when recovery is reasonably expected and are charged to expense in the period in which the related revenue is recognized over time using the POC method. Commission expense is included in the 'General, administrative expenses and selling expenses' account in the consolidated statement of comprehensive income.

Costs incurred prior to obtaining a contract with customer are not capitalized but are expensed as incurred.

Amortization, derecognition and impairment of capitalized costs to obtain a contract. The Group amortizes capitalized costs to obtain a contract as marketing expense under 'General, administrative expenses and selling expenses' account in the consolidated statement of comprehensive income over the expected construction period using the POC following the pattern of real estate revenue recognition.

Capitalized costs to obtain a contract is derecognized either when it is disposed of or when no further economic benefits are expected to flow from its use or disposal.

At each reporting date, the Group determines whether there is an indication that costs to obtain a contract maybe impaired. If such indication exists, the Group makes an estimate by comparing the carrying amount of the assets to the remaining amount of consideration that the Group expects to receive less the costs that relate to providing services under the relevant contract. In determining the estimated amount of consideration, the Group uses the same principles as it does to determine the contract transaction price, except that any constraints used to reduce the transaction price will be removed for the impairment test.

Where the relevant costs or specific performance obligations are demonstrating marginal profitability or other indicators of impairment, judgement is required in ascertaining whether or not the future economic benefits from these contracts are sufficient to recover these assets. In performing this impairment assessment, management is required to make an assessment of the costs to complete the contract. The ability to accurately forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract-specific performance indicators that could trigger variable consideration, or service credits. Where a contract is anticipated to make a loss, there judgements are also relevant in determining whether or not an onerous contract provision is required and how this is to be measured.

Contract liabilities. A contract liability is the 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 a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

The contract liabilities also include payments received by the Group from the customers for which revenue recognition has not yet commenced.

<u>Costs and Expenses</u>
Costs and expenses are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants. Costs and expenses are generally recognized when the services are used, or the expense arises while interest expenses are accrued in the appropriate period.

This consist of general administrative expenses which constitute costs of administering the business and selling expenses which constitute commission on real estate sales and advertising expenses. General administrative and selling expenses (excluding amortization of capitalized costs to obtain contracts) are recognized as incurred.

<u>Post-employment Benefits</u>
Pension benefits are provided to employees through a defined benefit plan. The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.

The following comprise the defined benefit costs:
- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs, which include current service costs, past service costs, and gains or losses on non-routine settlements are recognized as expense in consolidated statement of comprehensive income. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in the consolidated statement of comprehensive income.

Remeasurements comprising actuarial gains and losses, return on plan assets, and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held in trust and managed by a trustee bank. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. The fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

A reassessment is made after inception of the lease only if one of the following applies:
(a) There is a change in contractual terms, other than a renewal or extension of the arrangement;
(b) A renewal option is exercised, or extension granted, unless the term of the renewal or extension was initially included in the lease term;
(c) There is a change in the determination of whether fulfillment is dependent on a specified asset; or,
(d) There is substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for scenarios (a), (c), or (d) and at the date of renewal or extension period for scenario (b).

As Lessor. Leases where the Group retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same bases as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Right-of-use assets. The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets.

Right-of-use assets are presented under 'Property, plant and equipment' in the consolidated statement of financial position and are subject to impairment.

Short-term leases. The Group applies the short-term lease recognition exemption to its short-term leases of office spaces and transportation equipment 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.

Taxes

Current income tax. Current income tax liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authority. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted as of reporting date.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the consolidated statement of comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or,

- In respect of taxable temporary differences associated with investments in subsidiaries and associates, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences,
and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or,

- In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

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

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognized subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognized in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Creditable withholding taxes (CWT). CWT pertains to taxes withheld on income payments and may be applied against income tax due. The balance of taxes withheld is recovered in future period. The balance as of end of each reporting period represents the unutilized amount after deducting any income tax payable. Creditable withholding tax is stated at its realizable value.

Value-added tax (VAT). Revenues, expenses and assets are recognized net of amount of VAT, if applicable.

When VAT from provision of services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as output VAT under 'Accounts and other payables' in the consolidated statement of financial position. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from provision of services (output VAT), the excess is recognized as input taxes under 'Other current assets' in the consolidated statement of financial position up to the extent of the recoverable amount.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

Deferred input VAT. Deferred input VAT represents portion of input VAT incurred and paid in connection from the purchase of a capital good whose acquisition cost exceeds of ₱1.0 million per month. Section 110(A) (1) of the NIRC so provides that the input tax on capital goods purchased or imported in a calendar month for use in trade or business shall be spread evenly over the month of acquisition and the 59 succeeding months, unless the expected useful life of the capital good is less than five years, in which case the input tax is amortized over such a shorter period. Pursuant to the implementation of the Tax Reform for Acceleration and Inclusion (TRAIN) law, this provision is applicable only until December 31, 2021. Deferred input VAT is stated at its realizable value.

<u>Foreign Currencies</u>
The Group's consolidated financial statements are presented in Philippine Peso (₱), which is also the Parent Company's functional currency. For each entity, the Group determines the functional currency and items included in the consolidated financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and balances. Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Nonmonetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the dates of initial transactions. Nonmonetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Group companies. The functional currency of BCL is the US Dollar. On consolidation, the assets and liabilities of foreign operations are translated into Philippine Peso (₱) at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognized under 'Cumulative translation adjustment' in OCI.

On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

Basic and Diluted Earnings Per Share (EPS)
Basic EPS is computed by dividing net income attributable to equity holder of the Parent Company by the weighted average number of common shares issued and outstanding during the year and adjusted to give retroactive effect to any stock dividends declared during the period.

Diluted EPS is computed by dividing net income attributable to equity holders of the Parent Company adjusted to any after-tax amounts of preference dividends by the weighted average number of common shares issued and outstanding during the year plus the weighted average number of common shares that would be issued on conversion of all the dilutive potential common shares. The calculation of diluted EPS does not assume conversion, exercise or other issue of potential common shares that would have an antidilutive effect on earnings per share.

As of March 31, 2025 and December 31, 2024, the Group has no potentially dilutive common shares.

Segment Reporting
The Group's operating segments are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Financial information on operating segments is presented in Note 18 to the consolidated financial statements.

Provisions
Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingencies
Contingent liabilities are not recognized in the consolidated financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

Events After the Reporting Period
Events after the reporting period are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the consolidated financial statements are authorized for issue. Post year-end events that provide additional information

about the Group's financial 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 notes to consolidated financial statements when 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 accompanying 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. Actual results could differ for such estimates.

<u>Judgments</u>
In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements.

Revenue from contracts with customers
The Group is primarily engaged in real estate sales and development, sale of palm oil and other palm products including, but not limited to refined bleached deodorized oil, palm olein, crude palm oil, palm stearin, palm acid oil, palm fatty acid distillate, and palm kernels, and water services. The Group accounts for all of the goods and services in each contract with customer as a single performance obligation capable of being distinct.

The Group applied the following judgments that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Real estate revenue recognition. Revenue recognition under PFRS 15 involves the application of significant judgment and estimation in the: (a) identification of the contract for sale of real estate property that would meet the requirements of PFRS 15; (b) assessment of the probability that the entity will collect the consideration from the buyer; (c) determination of the transaction price; (d) application of the output method as the measure of progress in determining real estate revenue; and (e) determination of the actual costs incurred as cost of goods sold.

- *Identifying performance obligations*. The Group has various CTS covering subdivision land and residential houses and lots. The Group concluded that the goods and services transferred in each contract constitute a single performance obligation. In particular, the promised goods and services in contracts for the sale of property under development mainly include design work, procurement of materials and development of the property. Generally, the Group is responsible for all of these goods and services and the overall management of the project. Although these goods and services are capable of being distinct, Group accounts for them as a single performance obligation because they are not distinct in the context contract. The Group uses those goods and services as inputs and provides a significant service of integrating them into a combined output. Included also in this performance obligation is the Group's service to transfer the title of the real estate unit to the buyer.

- *Existence of a contract.* The Group's primary document for a contract with a customer for real estate sales is a signed CTS supported by other signed documentations such as reservation agreement, official receipts, buyers' amortization schedule and invoices and it met all the criteria to qualify as contract with a customer under PFRS 15.

  In addition, part of the assessment process of the Group before revenue recognition is to assess 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, an entity considers the significance of the customer's initial payments in relation to the total contract price. Collectability is also assessed by considering factors such as past history with the customer, age of receivables, and pricing of the property. Management regularly evaluates the historical sales cancellations and back-outs after considering the impact of coronavirus pandemic, if it would still support its current threshold of buyers' equity before commencing revenue recognition.

- *Revenue recognition method and measure of progress.* The Group concluded that revenue for real estate sales is to be recognized over time because: (a) the Group's performance does not create an asset with an alternative use and; (b) the Group has an enforceable right for performance completed to date. The promised property is specifically identified in the contract and the contractual restriction on the Group's ability to direct the promised property for another use is substantive. This is because the property promised to the customer is not interchangeable with other properties without breaching the contract and without incurring significant costs that otherwise would not have been incurred in relation to that contract. In addition, under the current legal framework, the customer is contractually obliged to make payments to the developer up to the performance completed to date.

  The Group has determined that output method used in measuring the progress of the performance obligation faithfully depicts the Group's performance in transferring control of real estate development to the customers. This method measures progress based on physical proportion of work done on the real estate project which requires technical determination by the Group's specialists (project engineers).

  The Group requires a collection threshold of 10% of buyer's payments of total selling price (buyer's equity), to be collected as one of the criteria in order to initiate revenue recognition. Reaching this level of collection is an indication of buyer's continuing commitment and the probability that economic benefits will flow to the Group.

Revenue recognition - sales of agricultural goods and water services. Revenue recognition under PFRS 15 involves the application of significant judgment and estimation in the: (a) identification of the contract for sale of goods that would meet the requirements of PFRS 15; (b) assessment of performance obligation and the probability that the entity will collect the consideration from the buyer; (c) determining method to estimate variable consideration and assessing the constraint. (d) recognition of revenue as the Group satisfies the performance obligation.

- *Identifying performance obligations*. The Group accounts for all of the goods or services in each contract with customer as a single performance obligation capable of being distinct.

- *Recognition of revenue as the Group satisfies the performance obligation of sale of agricultural goods and water services*. The Company concluded that the revenue for sale of palm oil and other palm products to be recognized at a point in time when the goods are delivered and water services to be recognized over time as the customer receives and consumes the benefit from the performance of the related water services and it has a present right to payment for the services rendered.

  In addition, part of the assessment process of the Group before revenue recognition is to assess the probability that the Group will collect the consideration to which it will be entitled in exchange for the goods sold or services rendered.

- *Method to estimate variable consideration and assess constraint for agricultural goods*. The Group uses historical experience from the past 12 months to determine the expected value of rights to return and constrain the consideration accordingly. The Group updates its assessment of expected returns and refund liability. Estimates of expected returns are sensitive to changes in circumstances and the Group's past experience regarding returns may not be representative of customers' actual returns in the future. As at March 31, 2025 and December 31, 2024, no refund liability was recognized in the consolidated statements of financial position.

Definition of default and credit-impaired financial assets and contract assets. The Group defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

- *Quantitative criteria*
  The customer is more than 90 days past due on its contractual payments, i.e. principal and/or interest, which is consistent with the regulatory definition of default.

- *Qualitative criteria*
  The customer meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:
  - The borrower is experiencing financial difficulty or is insolvent;
  - The borrower is in breach of financial covenant(s);
  - An active market for that financial assets has disappeared because of financial difficulties;
  - Concessions have been granted by the Group, for economic or contractual reasons relating to the borrower's financial difficulty; or,
  - It is becoming probable that the borrower will enter bankruptcy or other financial reorganization.

The criteria above have been applied to all financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) throughout the Group's expected loss calculation.

An instrument is considered to be no longer in default (i.e. to have cured) when it no longer meets any of the default criteria for a consecutive period of six months as it has exhibited a satisfactory track record. This period of six months has been determined based on an analysis which considers the likelihood of a financial instrument returning to default status after cure using different possible cure definitions.

In line with the impact of COVID-19, the collectability of accounts with customers continues to be closely monitored by the Group. A material change in the provision for impairment of trade receivables has not been identified.

Incorporation of forward-looking information. The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL.

To do this, the Group considers a range of relevant forward-looking macro-economic assumptions for the determination of unbiased general industry adjustments and any related specific industry adjustments that support the calculation of ECLs. Based on the Group's evaluation and assessment and after taking into consideration external actual and forecast information, the Group formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies, monetary authorities and selected private-sector and academic institutions.

The base case represents a most-likely outcome and is aligned with information used by the Group for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Group carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios.

The Group has identified and documented key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

Distinction between real estate inventories, investment properties and owner-occupied properties. The Group determines whether a property will be classified as real estate inventories, investment properties or owner-occupied properties. In making this judgment, the Group considers whether the property will be sold in the normal operating cycle (real estate inventories) and whether the property generates cash flow largely independent of the other assets held by an entity.

Real estate inventories comprise of property that is held for sale in the ordinary course of business. Principally, this is residential property that the Group develops and intends to sell before or on completion of construction. Investment property comprises land and buildings which are not occupied substantially for use by, or in the operations of the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and for capital appreciation. Owner-occupied properties classified and presented as property, plant and equipment, generate cash flows that are attributable not only to property but also to the other assets used in the production or supply process.

Determination of acquisition of group of assets as a business in accordance with PFRS 3. Management uses judgment in assessing if the group of assets and liabilities acquired would constitute a business. In accordance with PFRS 3, business is defined as 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 or participants.

On June 18, 2020, the Parent Company signed a share purchase agreement to acquire 99.995% ownership interest in VEC. The Group assessed that the acquired group of assets and liabilities constitute a business since VEC has existing inputs and substantive processes which together have the ability to contribute to the creation of outputs.

Significant influence on Palm Concepcion Power Corporation (PCPC), Peakpower Energy, Inc. (PEI) and East West Rail Transit Corporation (EWRTC). In determining whether the Group has significant influence over an investee requires significant judgment. Generally, a shareholding of 20% to 50% of the voting rights of an investee is presumed to give the Group a significant influence. The Group considers that it has significant influence over its investees when it has board representation which allows them to participate in the financial and operating policy decisions but is not control or joint control of those policies.

Evaluation and reassessment of control in MCPI. The Group refers to the guidance in PFRS 10, *Consolidated Financial Statements*, when determining whether the Group controls an investee. Particularly, the Group controls an investee when it 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. The Group considers the purpose and design of the investee, its relevant activities and how decisions about those activities are made and whether the rights give it the current ability to direct the relevant activities.

The Group controls an investee if and only if it has all the following:
a. power over the investee;
b. exposure, or rights, to variable returns from its involvement with the investee; and,
c. the ability to use its power over the investee to affect the amount of the investor’s returns.

Ownership interest in MCPI represent 49%. The Group has control over MCPI considering that critical decision making position in deciding over the strategic policies and relevant activities of MCPI are occupied by the representatives of the Group.

Impairment of nonfinancial assets, excluding property, plant and equipment. The Group assesses impairment on investments in associates, investment properties, and other assets excluding refundable deposits and considers the following important indicators considering the impact of COVID-19 pandemic:

- Significant or prolonged decline in the fair value of the asset;

- Increase in market interest rates or other market rates of return on investments have increased during the period, and those increases are likely to affect the discount rate used in calculating the asset's value-in-use and decrease the asset's recoverable amount materially;
- Significant underperformance relative to expected historical or projected future operating results;
- Significant changes in the manner of use of the acquired assets or the strategy for overall business;
- Significant negative industry or economic trends; or,
- Significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment where the Group operates.

The Group determines an impairment loss whenever the carrying amount of an asset exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value-in-use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value-in-use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the remaining contract period or useful lives, if practicable, and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset base of the cash-generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

In March 31, 2025 and December 31, 2024, management has not identified any impairment indicators on the nonfinancial assets, excluding property, plant and equipment. The carrying values of the nonfinancial assets excluding property, plant and equipment follow:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Financial assets:		
Cash in banks (Note 4)	**₱330,600,294**	₱637,388,022
Receivables (Note 5)	**1,140,877,758**	1,005,812,623
Deposit in Escrow	**7,424,332**	7,424,332
Refundable deposits	**52,539,473**	48,759,913
Contract assets (Notes 12)	**183,112,898**	131,239,842
	₱1,714,554,754	₱1,830,624,732

Management's Use of Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Revenue recognition on real estate projects. The Group's revenue recognition policy require management to make use of estimates and assumptions that may affect the reported amounts of revenues. The Group's revenue from real estate sales are recognized based on the POC which is measured principally on the basis of the estimated completion of a physical proportion of the contract work which requires technical determination by management's specialists (project engineers) and involves significant judgment and estimation. In view of the restricted mobility due to the coronavirus pandemic, the progress of the Group's performance obligation is affected which resulted to lower POC in 2023.

The Group also includes land in the calculation of POC since the Group availed the relief granted by the SEC under Memorandum Circular Nos. 14-2018 as of 2018 for the implementation issues of PFRS 15 affecting the real estate industry.

For the years ended March 31, 2025 and March 31, 2024, the real estate sales recognized over time amounted to ₱38 million and ₱150. million, respectively.

Provision for expected credit losses of receivables and contract assets. The Group uses a provision matrix to calculate ECLs for trade receivables other than ICRs. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information such as inflation and GDP rates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The Group uses vintage analysis approach to calculate ECLs for ICRs and contract assets. The vintage analysis accounts for expected losses by calculating the cumulative loss rates of a given loan pool. It derives the probability of default from the historical data of a homogenous portfolio that share the same origination period. The information on the number of defaults during fixed time intervals of the accounts is utilized to create the PD model. It allows the evaluation of the loan activity from its origination period until the end of the contract period.

The Group considers an ICR and contract asset in default when the Group forfeits and repossesses the property from the customer through cancellation. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

The PD is applied to the estimate of the loss arising on default which is based on the difference between the contractual cash flows due and those that the Group would expect to receive, including from the repossession of the subject real estate property, net of cash outflows. For purposes of calculating LGD, accounts are segmented based on facility/collateral type and completion. In calculating the recovery rates, the Group considered collections of cash and/or cash from resale of real estate properties after foreclosure, net of direct costs of obtaining and selling the real estate properties after the default event such as commission, association dues, refurbishment, payment required under Republic Act 6552, *Realty Installment Buyer Act*, and cost to complete (for incomplete units). As these are future cash flows, these are discounted back to the reporting date using the appropriate effective interest rate, usually being the original EIR or an approximation thereof.

The resulting recovery rate coming from the above process, resulted to zero LGD, thus resulting to no recognized impairment loss.

The Group has considered impact of COVID-19 pandemic and revised its assumptions in determining the macroeconomic variables and loss rates in the computation of ECL. The changes in the gross carrying amount of receivables and contract assets from sale of real estate during the year and impact of COVID-19 pandemic did not materially affect the allowance for ECLs.

As at March 31, 2025 and December 31, 2024, the allowance for ECL recognized in the consolidated statements of financial position amounted to ₱8.2 million and ₱8.6 million (see Note 5).

Estimating NRV of real estate inventories. The Group reviews the NRV of real estate inventories and compares it with the cost. Real estate inventories are written down below cost when the estimated NRV is found to be lower than the cost.

NRV for completed real estate inventories 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 inventory under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction and less estimated costs to sell. In line with the impact of COVID-19, the Group experienced limited selling activities that resulted to lower sales in 2021. The estimates used took 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 carrying values of real estate inventories amounted to ₱3.7million and ₱3.5 million as of March 31, 2025 and December 31, 2024, respectively (see Note 6).

Estimating fair values of financial assets and liabilities. When the fair values of financial assets and liabilities recorded in the consolidated statement of financial position cannot be measured based on quoted prices in active markets, their fair value is determined using internal valuation techniques using generally accepted market valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

As at March 31, 2025 and December 31, 2024, the aggregate fair values of the financial assets amounted to ₱3.831 million and ₱2.777 million, respectively, and of the financial liabilities amounted to ₱3.748 million and ₱3.677 million, respectively (see Note 17).

Impairment of property, plant and equipment.   The Group performs annual impairment review of property, plant and equipment. Management is required to make estimates and assumptions to determine the future cash flows to be generated from the continued use and ultimate disposition of the assets in order to determine the value of these assets. While the Group believes that the assumptions used are reasonable and appropriate, these estimates and assumptions can materially affect the consolidated financial statements. In addition, the assumptions may be subjected to higher level of estimation uncertainty due to the impact of

COVID-19. Future adverse events may cause management to conclude that the affected assets are impaired and may have a material impact on the financial condition and results of operations of the Group.

In 2021 and 2020, the Group has assessed that its bearer plants has indications of impairment due to the palm oil plantation's bearer plants not reaching their optimal fruiting stages.

No additional impairment was recognized by the Group for the remaining bearer plants since management estimated that the recoverable amount exceeds the carrying value of the bearer plants excluding the specific impairment as of March 31, 2025 and December 31, 2024. The recoverable amount was computed using discounted cash flows approach and considered certain assumptions which included the impact of COVID, such as future FFB production, FFB prices, direct costs, and discount rate.

Estimating total units of output for bearer plants. The Group estimates the total units of output for its bearer plants based on its average yield over which the bearer plants are expected to be available for use. The estimated total units of output are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the bearer plants, and in consideration of the lease term under the contracts providing the Group for the rights to use parcels of land. In addition, the estimate is based on collective assessment of internal technical evaluation and experience.

Post-employment defined benefit plan. The cost of defined benefit pension plan and the present value of the pension obligation are 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. All assumptions are reviewed at each reporting date.

As of March 31, 2025 and December 31, 2024, the Group's retirement obligation amounted to ₱ 86.5 and ₱77 million, respectively.

Estimating realizability of deferred tax assets. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. The Group's assessment on the recognition of deferred tax assets on deductible temporary differences is based upon the likely timing and level of future taxable profits determined from the tax planning strategies of the Group. This forecast is based on the Group's past results and future expectations on revenue and expenses.

4. **Cash**

Cash in banks pertain to savings and current accounts that generally earn interest based on prevailing respective bank deposit rates. The Group earned interest from cash in banks amounting to ₱0.005 million and ₱.49 million in March 31, 2025 and December 31, 2024, respectively.

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Cash on hand	**₱7,873,690**	₱40,576,191
Cash in banks	**330,600,294**	637,388,022
	₱338,473,984	₱677,964,213

5. **Receivables**

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
ICR	**₱830,704,590**	₱ 857,300,438
Trade receivables	**38,868,314**	25,747,387
Dividend receivable	**16,886,416**	14,231,056
Advances to officers and employees	**9,000,000**	9,000,000
Other receivables	**254,418,439**	108,533,742
	1,149,877,758	1,014,812,623
Less allowance for credit losses	**8,212,378**	8,633,841
	1,141,665,380	1,006,178,782
Less noncurrent portion	**-**	-
	₱1,141,665,380	₱1,006,178,782

ICR consists of accounts collectible in equal monthly installments with various terms up to a maximum of two years, and bear interest ranging from 10% to 18% in 2025 and 2024. The ICRs are interest-bearing except for those with installment terms within two years. The transfer certificates of title remain in the possession of the Group until full payment has been made by the customers.

Trade receivables include receivables from water service and sale of palm oil and other palm products which are noninterest-bearing and are normally collected within seven (7) to sixty (60) days.

Dividend receivable pertains to the cash dividends declared by the associate, PCPC, which is due and demandable.

Advances to officers and employees pertain to salary and other loans granted to the Group's employees that are collectible through salary deduction. These are noninterest-bearing and are due within one year.

Other receivables pertain to advances made to homeowners' association of one of the projects and nontrade receivables. These receivables are noninterest-bearing and are due within one (1) year.

6. **Real Estate Inventories**

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Land for sale and development	**₱797,084,355**	₱817,297,857
Construction and development costs	**3,467,808,020**	3,240,697,445
	₱4,264,892,375	₱4,057,995,302

The rollforward of this account follows:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance at beginning of the year	**₱4,057,995,302**	₱3,571,105,773
Construction and development costs incurred	**331,432,571**	1,052,699,317
Borrowing costs capitalized	**20,884,895**	79,123,832
Depreciation expense capitalized	**2,626,013**	21,601,442
Transfers from investment properties		15,011,531
Cost of real estate sales	**-148,046,405**	-681,546,593
	₱4,264,892,375	₱4,057,995,302

The real estate inventories are carried at cost. No inventories are recorded at amounts lower than cost in March 31, 2025 and December 31, 2024.

Land for sale and development represents real estate subdivision projects in which the Group has been granted License to Sell (LTS) by the Department of Human Settlements and Urban Development. It also includes raw land inventories that are under development and those that are about to undergo development.

Construction and development costs incurred pertain to amounts paid to contractors and development costs in relation to the development of land and construction of housing units, capitalized borrowing costs and other costs directly attributable to bringing the real estate inventories to its intended condition.

Collateralized properties

Pursuant to the loan agreement, certain real estate inventories were collateralized in favor of the bank to secure the Group’s short-term and long-term debts (see Note 13). As at March 31, 2025 and December 31, 2024, the carrying values of the collateralized real estate inventories amounted to ₱1.5 Billion.

7. **Other Inventories -** at cost

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Finished agricultural goods	**₱6,935,377**	₱41,213,558
Inventories	**4,204,988**	
Construction materials	**33,570,305**	7,536,848
	₱44,710,669	₱48,750,406

Construction materials pertain to supplies used in the construction and development of the real estate projects.

Agricultural materials and other supplies pertain to fertilizers, fuel and oil and other consumables.

8. **Other Assets**

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Current:		
Deposits for purchased land	**₱1,029,689,308**	₱903,173,965
Creditable withholding taxes	**212,859,837**	162,271,670
Prepaid expenses	**74,197,935**	109,234,851
Input Taxes	**103,813,397**	32,802,641
Costs to obtain contracts (Note 27)	**24,638,646**	25,037,298
Refundable deposits	**131,050**	908,313
Deposits in Escrow	**7,424,332**	7,424,332
Advances to suppliers	**769,868**	31,278,980
Miscellaneous	**551,467**	143,463
	₱1,454,075,839	₱1,272,275,513

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Noncurrent:		
Deposits for purchased land-net of current portion	**₱343,986,978**	₱347,307,831
Advances to third party	**226,085,739**	238,298,242
Input Taxes- net of current portion	**190,375,332**	95,469,983
Refundable deposits - net of current portion	**52,539,473**	54,568,644
Goodwill	**43,007**	43,007
	₱813,030,529	₱735,687,707

Deposits for purchased land pertain to installment payments made by the Group to the sellers of lands where sales contracts have yet to be executed. The lands are intended to be held for sale and development in the future.

Creditable withholding taxes pertain to carry over of unapplied income tax credits and are recoverable and can be applied against the income tax payable in future periods.

Prepaid expenses consist mainly of prepaid supplies, employee benefits, rent, insurance and taxes and licenses which are applicable in the future period.

Costs to obtain contracts pertain to commissions paid to brokers and marketing agents on the sale of pre-completed real estate units. These capitalized costs are amortized as marketing expense under “General, administrative and selling expenses” in the consolidated statements of comprehensive income over the expected construction period using the POC following the pattern of real estate revenue recognition.

Advances to third party pertain to advances made by the Parent Company to potential joint venture partners for acceptable business projects. The advances are to be applied to the cost of the business project.

Deferred input VAT pertains to the input VAT from the purchase of a capital good whose acquisition cost exceeds ₱1.0 million. Section 110(A) (1) of the NIRC so provides that the input tax on capital goods purchased or imported in a calendar month for use in trade or business shall be spread evenly over the month of acquisition and the 59 succeeding months, unless the expected useful life of the capital good is less than five years, in which case the input tax is amortized over such a shorter period. Pursuant to the implementation of TRAIN law, this provision is applicable only until December 31, 2021.

Miscellaneous pertains to advances to suppliers and contractors.

9. Investments in Associates

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
PCPC	**₱1,432,476,764**	₱1,359,328,462
PEI	**404,111,138**	427,184,915
EWRTC	**53,232,614**	53,232,614
	₱1,889,820,516	₱1,839,745,991

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Acquisition cost, beginning and end of year	**₱1,105,595,917**	₱1,105,595,917
Accumulated equity in net earnings:		
Balances at beginning of year	**734,150,074**	717,382,574
Equity in net earnings	**90,074,525**	140,933,418
Dividends	**(40,000,000)**	(122,000,000)

Equity in other comprehensive income (loss)	**-**	-2,165,918
	784,224,599	734,150,074
	₱1,889,820,516	₱1,839,745,991

The Group's share in net income (loss) of its associates are shown below:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
PCPC	**₱73,148,302**	₱65,744,893
PEI	**16,926,223**	75,257,131
EWRTC	**-**	-68,606
	₱90,074,525	₱140,933,418

Investment in PCPC
The Group has 20% investment in PCPC. PCPC was registered with the SEC on December 18, 2007 primarily to acquire, design, develop, construct, invest in and operate power generating plants. The Group accounts its investment in PCPC as investment in associate as it exercises significant influence over PCPC.

The following table sets out the summarized financial information of PCPC as of March 31, 2025 and December 31, 2024:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Assets		
Current assets	**₱2,654,708,547**	₱2,531,323,001
Noncurrent assets	**6,920,385,674**	7,119,318,957
Less liabilities		
Current liabilities	**1,617,825,953**	1,851,910,053
Noncurrent liabilities	**1,269,651,404**	1,276,856,554
Equity	**6,687,616,864**	6,521,875,351
Group's carrying amount of the investment	**₱1,432,476,764**	₱1,359,328,462

	For the Three Months Ended March 31	
	2025	2024
Revenue	**₱1,651,644,105**	₱1,081,968,149
Costs and expenses	**1,285,902,593**	972,668,494
Net income	**365,741,512**	109,299,656
Other comprehensive loss	**-**	-
Total comprehensive income	**₱365,741,512**	₱109,299,656

Investment in PEI
The Group has 20% investment in PEI. PEI was incorporated and registered with the SEC on February 19, 2013 primarily to purchase, acquire, own and hold shares of stock, equity, and

property of energy companies. Through its subsidiaries, PEI's focus is to develop, construct, and operate diesel power plants in Mindanao to address the ongoing power shortages in the region.

The following table sets out the summarized financial information of PEI as of March 31, 2025 and December 31, 2024:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Assets		
Current assets	**₱543,085,484**	₱509,137,455
Noncurrent assets	**1,873,949,790**	1,916,446,128
Less liabilities		
Current liabilities	**236,235,674**	208,013,326
Noncurrent liabilities	**368,273,352**	165,390,783
Equity	**₱1,812,526,248**	₱2,052,179,474
Group's carrying amount of the investment	**₱404,111,138**	₱427,184,915

	For the Three Months Ended March 31	
	2025	2024
Revenue	**₱197,862,502**	₱314,393,565
Costs and expenses	**113,231,389**	141,203,877
Net income	**84,631,113**	173,189,688
Other comprehensive income	**-**	-
Total comprehensive income	**₱84,631,113**	₱173,189,688

Investment in EWRTC
The Group has 33.33% investment in EWRTC. The Consortium composed of EWRTC and Alloy MTD Group (represented by MTD Philippines Inc.) has submitted an unsolicited proposal to the Philippine National Railways (PNR) to build and then operate and maintain the East-West Rail Project. The East-West Rail Project is an integrated light rail mass transportation system and is intended to help alleviate the gap in the transportation infrastructure in the metropolis. This project is in line with the objective of the government to increase the ratio of rail transport systems to the rocketing ridership demand in Metro Manila and other major urban cities. The Project will involve the development, design, construction, supply, completion, testing, commissioning, and operation & maintenance of the East-West Rail Project that will traverse the corridor of Quezon Avenue in Quezon City and España Boulevard in Manila.

In 2020, the PNR has re-granted the Original Proponent Status (OPS) to the Consortium. The Project was endorsed again to the National Economic and Development Authority (NEDA) for evaluation and approval by the Investment Coordination Committee (ICC). As of December 31, 2021, the Consortium has completed and submitted the latest requirements of the ICC, including the Environmental Impact Statement. In 2021, the Consortium has secured local endorsements from the local government unit hosts. The Consortium continues to work on securing the Environmental Compliance Certificate and remains in active discussions with foreign entities for possible entry and investment in the project. The following table sets out the summarized financial information of EWRTC as of March 31, 2025 and December 31, 2024:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Assets		
Current assets	**₱43,749,608**	₱53,197,537
Noncurrent assets	**17,143,427**	7,205,176
Less liabilities		
Current liabilities	**534,857,885**	532,394,217
Capital deficiency	**-₱473,964,850**	-₱471,991,504

10. Investment Properties and Property, Plant and Equipment

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Investment properties	**₱631,988,035**	₱631,838,036
Property, plant and equipment	**₱1,972,571,147**	₱1,715,734,159

Investment Properties
The account includes land held for capital appreciation amounting to ₱311 million as of March 31, 2025 and December 31, 2024; and land and building held for lease amounting to ₱142 million as of March 31, 2025 and December 31, 2024.

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Property, Plant and Equipment
Property, plant and equipment includes land, leasehold improvements, bearer plants, refined bleached deodorized and fractionation machineries, buildings and improvements, machineries and equipment, construction in progress, right of use assets and other equipment.

No additional impairment was recognized by the Group for the remaining bearer plants since management estimated that the recoverable amount exceeds the carrying, excluding the specific impairment as of March 31, 2025. The recoverable amount was computed using discounted cash flows approach.

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11. Accounts and Other Payables

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Trade payables	**₱1,378,128,939**	₱906,068,492
Accrued expenses	**208,189,379**	83,686,069
Retention payable	**55,899,723**	69,932,635
Statutory payables	**299,210,422**	255,943,481
	₱1,941,428,462	₱1,315,630,677

Trade payables are noninterest-bearing and are generally on a 30 to 60-day credit terms.

Accrued expenses pertain to contractual services, professional fees, rentals and other recurring expenses incurred by the Group.

Retention payable are noninterest-bearing and pertains to the amount withheld by the Group on contractor's billings to be settled upon completion of the relevant contracts within the year. The retention serves as a holdout amount withheld from the contractor to cover for back charges that may arise from quality issues in affected projects.

Statutory payables pertain to dues from remittance to Social Security System, Philippine Health Insurance Corporation, Home Development Mutual Fund, and withholding taxes. These are noninterest-bearing and are normally settled within one year.

Accrued interest payable is normally settled within 30 days.

12. Contract Assets and Liabilities

Contract assets represent the right to consideration that was already delivered by the Group in excess of the amount recognized as ICR. This is reclassified as ICR when the monthly amortization of the customer is already due for collection. The movement in contract asset is mainly due to new real estate sales contract recognized during the period and increase in POC, less reclassification to ICR.

The Group requires buyers of real estate units to pay a minimum percentage of the total contract price as reservation fee before the parties enter into a sale transaction. Payments from buyers which have not yet reached the buyer's equity to qualify for revenue recognition and excess of collections over the recognized receivables and contract assets based on POC are presented as "Contract liabilities" in the consolidated statements of financial position.

When the Group's current collection threshold is reached by the buyer, revenue is recognized, and these deposits and down payments are recorded as either ICR or contract asset depending on the right to demand collection. The excess of collections over the recognized revenue is applied against the receivables or contract assets in the succeeding years. The movement in contract liabilities is mainly due to the reservation sales and advance payments of buyers less real estate sales recognized upon reaching the collection threshold and from increase in POC.

The Group's contract assets and liabilities as at March 31, 2025 and December 31, 2024 are as follows:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Current portion of contract assets	**₱142,105,217**	₱131,239,842
Noncurrent portion of contract assets	**1,542,267,524**	1,542,267,524
Contract assets	**1,684,372,741**	1,673,507,366
Contract liabilities	**₱451,919,218**	₱481,762,306

13. **Loans Payable**

Loans payable represents various secured and unsecured loans obtained from local financial institutions and shareholder to finance the Group's real estate development projects, working capital requirements and for general corporate purposes.

The Parent Company entered into loan agreements with the following banks: Union Bank of the Philippines (UBP), Development Bank of the Philippines (DBP), Landbank of the Philippines (LBP), China Bank Corporation (CBC), BPI Family Savings Bank (BPIF), May Bank Philippines (MBI), and Philippine Bank of Communication (PBCOM).

Short-term debt
Short-term debt represents peso loans obtained from local banks and shareholder for working capital and financing requirements. These loans, except loan from shareholder, bear annual interest rates ranging from 5.5% to 8.5% and 4.5% to 9.0% in 2024 and 2023, respectively, subject to semi-annual and quarterly repricing and are due at various dates within the following year from the reporting date. Loan from shareholder is on demand and noninterest-bearing.

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
DBP	**₱172,167,000**	₱244,661,000
UBP	**80,000,000**	233,706,000
CBC	**150,000,000**	170,000,000
PBCOM		130,000,000
PNB	**150,000,000**	
LBP	**479,085,900**	150,000,000
	₱1,031,252,900	₱972,187,000

Long-term debt
The long-term debt represents various loans obtained from local financial institutions and shareholder to finance the Parent Company's real estate projects and for general corporate purposes.

	March 31, 2025 (Unaudited)	**December 31, 2024** (Audited)
UBP	**₱828,902,260**	₱902,507,344
DBP	**126,514,000**	142,764,000
PNB	**482,142,857**	500,000,000
Shareholder Loan - A (Note 15)	**51,255,965**	60,861,940
LBP	**213,326,669**	318,718,669
CBC	**431,953,593**	431,814,458
	₱2,134,095,344	₱2,356,666,411
Less Debt Issue Cost	**12,327,654**	12,812,655
Less current portion	**599,545,796**	602,633,723
	₱1,522,221,894	₱1,741,220,033

Interest expense (excluding capitalized borrowing costs) recognized in the unaudited interim condensed consolidated statements of comprehensive income amounted to ₱12.5 million and ₱12.3 million for the three months ended March 31, 2024 and 2023, respectively.

Borrowing costs for the three months period ended March 31, 2024 and 2023 amounted to ₱31 million and ₱23 million, respectively, are capitalized as part of real estate inventories. The capitalization rate used to determine the borrowing costs eligible for capitalization is 6% and 6.34% for the three months period ended March 31, 2024 and 2023, respectively (see Note 5).

14. Equity

Common stock
As of March 31, 2025 and December 31, 2024, the Group's common stock consists of:

	March 31, 2025 (Unaudited)	**December 31, 2024** (Audited)
Common		
Authorized shares	**3,250,000,000**	3,250,000,000
Par value per share	**1**	1
Issued shares	**2,492,041,675**	2,492,041,675
Outstanding shares	**2,386,740,661**	2,386,740,661
Value of shares issued	**₱2,492,041,675**	₱2,492,041,675

On October 12, 2017, the BOD approved the conversion of the Group's debt to Brownfield Holdings Incorporated amounting to ₱250,000,000 and deposits for future subscription of Valueleases, Inc. and RME Consulting, Inc. amounting to ₱200,000,000 to equity at ₱1.1 per share resulting to increase the number of issued shares by 398,230,088 shares.

On May 19, 2016, the Group declared stock dividends amounting to 346,573,104 shares for the stockholders of record as of February 10, 2017 and distributed 346,572,301 shares net of 803 fractional shares to the stockholders.

These stock transactions resulted to an increase in the Group's authorized and subscribed shares of capital stock of 1,300,000,000 and 744,802,389 common shares, respectively.

Preferred stock
On April 12, 2021, the BOD approved the amendment of the Articles of Incorporation of the Parent Company to reclassify and divide the authorized capital stock into: (i) 3,250,000,000 common shares with a par value of ₱1.0 per share; and (ii) 50,000,000 preferred shares with a par value of ₱1.0 per share.

On May 25, 2021, the BOD authorized the shelf registration of 50 million preferred shares, and the offer and sale of up to 15 million preferred shares at an offer price of ₱100.0 per share.

On October 5, 2021, the SEC approved the Company's proposal to create preferred shares by reclassifying its authorized capital stock from the current 3.3 billion common shares to 3.25 billion common shares and 50.0 million preferred shares.

On November 12, 2021, the Company secured the approval from PSE and SEC for the offer and sale of 15.0 million cumulative, non-voting, non-participating, non-convertible, redeemable "Series A" preferred shares at the option of the Parent Company. The "Series A" preference shares are entitled to fixed rate cash dividends at 7% per annum, payable quarterly in arrears on March 1, August 29 and November 29 each year. The offering allowed the Parent Company to raise ₱1.3 billion as new capital.

The details of the Parent Company's preferred stock as at March 31, 2025 follow:

Authorized shares	50,000,000
Par value per share	₱1.0
Issued shares	27,637,650
Outstanding shares	27,637,650
Value of shares issued	₱27,637,650

Record of Registration of Securities with the SEC

Common Stock

The Securities and Exchange Commission (SEC) issued the following orders related to the Group's registration of its securities which are offered to the public: SEC-BED Order No. 1179 issued on December 17, 1993 of 200.0 million shares at an issue price of ₱4.5 per share; SEC-BED Order No. 847 issued on August 15, 1994 of 230.0 million shares; and, SEC-CFD Order No. 64 issued on March 12, 1996 of 530.0 million shares.

There were 2,085 and 2,086 stockholders as of March 31, 2025 and December 31, 2024, respectively in the records of the transfer agent, Professional Stock Transfer, Inc. (PSTI).

The share price closed at ₱0.53 on March 31, 2025 and ₱0.56 on December 27, 2024.

Dividend – Common Shares

On July 12, 2024, the Board of Directors of A Brown Company, Inc. approved the declaration of cash dividends on Common Shares at Php 0.025/share with entitled shareholders of record as of 01 August 2024 and payable on 15 August 2024. The cash dividend was paid out of the Corporation's unrestricted retained earnings as of 31 December 2023.

Preferred Stock – Series A

The SEC issued the following orders related to the Group's registration and issuance of its "Series A" preferred shares securities which are offered to the public: (1) SEC MSRD Order No. 76 s. 2021 ("Order of Registration") for the shelf registration of up to 50.0 million cumulative, non-voting, non-participating, non-convertible, and redeemable perpetual preferred shares; and (2) Permit to Offer Securities for Sale ("Permit to Sell") covering the Initial Offer Shares dated November 12, 2021.

On November 29, 2021, there were 13,264,900 “Series A” preferred shares that were issued and listed in the PSE with “BRNP” as its ticker symbol.

As of March 31, 2025 and December 31, 2024, there were three (3) registered “Series A” preferred stockholders in the records of the transfer agent, Professional Stock Transfer, Inc. (PSTI).

The share price closed at ₱96.95 and ₱96.50 on March 25, 2025 and December 31, 2024, respectively.

Preferred Stock – Series B and Series C

On November 3, 2023, the Board of Directors approved 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.

The Company filed on November 7, 2023 with the Securities and Exchange Commission an Amended Registration Statement together with a Preliminary Offer Supplement for the issuance of 10,000,000 Preferred Shares with an oversubscription option of 5,000,000 Preferred Shares to be offered at an issue price of Php100.00 per share (the “Offer Shares”). The Offer Shares were issued from the Company’s 50,000,000 Preferred Shares shelf registration under MSRD Order No. 76 Series of 2021.

On 23 January 2024, the SEC issued the Certificate of Filing of Enabling Resolution dated 12 January 2024 in connection with the offer and issue of up to 15,000,000 cumulative, non-voting, non-participating, non-convertible, peso-denominated, redeemable, perpetual preferred shares to be issued and offered under the Corporation’s 50,000,000 Preferred Shares registration which was approved by the Board of Directors of the Company on November 3, 2023 and was filed with the SEC pursuant to Section 6 of the Revised Corporation Code of the Philippines (R.A. No. 11232).

On 30 January 2024, the Parent Company secured approval from the Philippine Stock Exchange (PSE) of its listing application for the follow-on offering and listing of up to 15,000,000 Series B and C Preferred Shares (the “Offer Shares”) which is the second tranche of the Company’s 50,000,000 Preferred Shares Shelf Registration. On 05 February 2024, A Brown approved the preferred shares offering with an initial dividend rate of 8.25% and 8.75% p.a. for Series B and Series C, respectively to be paid quarterly.

On 08 February 2024, the Company received from the Securities and Exchange Commission (SEC) the Permit to Offer Securities for Sale (“Permit to Sell”) covering the Second Tranche Offer Shares, dated 08 February 2024.

On February 23, 2024, there were 7,431,750 “Series B” preferred shares and 6,941,000 “Series C” preferred shares that were issued and listed in the Philippine Stock Exchange with “BRNPB” and “BRNPC”, respectively as their ticker symbol.

As of March 31, 2025 and December 31, 2024, there were two (2) registered for each “Series B” and “Series C” preferred stockholders in the records of the transfer agent, Professional Stock Transfer, Inc. (PSTI).

The share price closed at ₱100.00 and ₱96.50 on March 27, 2025 and December 27, 2024, respectively for Series B - Preferred Shares. The share price closed at ₱104.90 and ₱107.20 on March 31, 2025 and December 26, 2024, respectively for Series C - Preferred Shares.

Additional paid-in capital (APIC)
In relation to the issuance of preferred shares by the Parent Company in 2021, the Group has recognized APIC for the excess proceeds of subscriptions over the par value, net of transaction costs. Incremental costs directly attributable to the issue of new shares such as underwriter fees, legal fees, and other professional fees are presented in equity as a deduction from APIC amounting to ₱20.0 million, net of tax.

As of March 31, 2025 and December 31, 2024, APIC amounted to ₱3,333.2 million.

Treasury shares
In 2016, the Group has acquired all of the unissued fractional shares arising from the stock dividend declaration in 2013, constituting an aggregate of 1,014 shares. These 1,014 shares were reflected as subscribed and issued shares and recognized as treasury shares at cost equal to par value of ₱1.

On August 17, 2020, the BOD of the Parent Company has approved the implementation of a share buyback program of up to ₱50.0 million worth of the Parent Company’s common shares. On May 25, 2021, the initial approved budget of the program has been extended from ₱50.0 million to ₱100.0 million as recommended and approved by the BOD.

In 2021, the Parent Company has bought back from the market a total of 78,756,014 shares or ₱70.6 million. These treasury shares are recorded at cost and are not entitled for dividends.

The movement in the Parent Company’s treasury shares follows:

	March 31, 2025 (Unaudited)		December 31, 2024 (Audited)	
	Shares	**Amount**	Shares	Amount
At January 1	**105,301,014**	**₱94,932,275**	78,756,014	₱94,932,275
Additions	**-**	**-**	26,545,000	-
At December 31	**105,301,014**	**₱94,932,275**	105,301,014	₱94,932,275

Dividend – “Series A” Preferred Shares
As and if cash dividends are declared by the Board of Directors on the Company’s “Series A” preferred dividends, the cash dividends shall be at the fixed rate of 7.00% per annum which will be payable quarterly on March 1, May 29, August 29 and November 29 of each year subject to the certain limitations as provided for in the Prospectus and Offer Supplement dated November 11, 2021. The cash dividends on “Series A” preferred shares is computed as 7% x Php 100.00 x 90/360 amounting to Php 1.75 per share.

The following are the dividend declarations of the Company on “Series A” preferred shares in 2024:

Declaration Date	Record Date	Payment Date
February 1, 2024	February 16, 2024	March 1, 2024
February 1, 2024	May 3, 2024	May 29, 2024
February 1, 2024	August 1, 2024	August 29, 2024
February 1, 2024	November 5, 2024	November 29, 2024

The cash dividend for this period – for 2024 will be paid out of the Corporation’s unrestricted retained earnings as of 31 December 2023.

Dividend – “Series B and Series C” Preferred Shares
The terms of the issuance of the “Series B” and “Series C” Preferred Shares provide a yearly cash dividend at the rate of 8.25% and 8.75%, respectively of the Offer Price of Php100.00 per share, payable quarterly in arrears, on May 23, August 23, November 23 and February 23 of each year. On April 8, 2024, the Board approved the declaration of cash dividend for the four quarters of the year in the amount of Php 2.0625 per “Series B” Preferred Share and Php 2.1875 per “Series C” Preferred Share, computed as follows:
Series B: 8.25% x Php 100.00 x 90/360 = Php 2.0625 per share
Series C: 8.75% x Php 100.00 x 90/360 = Php 2.1875 per share.

The Board likewise approved the following schedule of the record and payment/distribution dates of the quarterly cash dividends for the “Series B” and “Series C” Preferred Shares in the three quarters of 2024 and 1st Quarter of 2025:

Declaration Date	Record Date	Payment Date
April 8, 2024	May 3, 2024	May 23, 2024
April 8, 2024	August 1, 2024	August 23, 2024
April 8, 2024	November 5, 2024	November 25, 2024
April 8, 2024	February 10, 2025	February 24, 2025

Considering that 23 November 2024 (Saturday) and 23 February 2025 (Sunday) are not Banking Days, dividends will be paid on the next succeeding Banking Day which is 25 November 2024 and 24 February 2025, respectively, without adjustment on the amount of dividends to be paid. The payment date for the 23 August 2024 cash dividend was adjusted to 27 August 2024 on the account of the declaration moving the observance of the Ninoy Aquino Day from August 21, 2024 to August 23, 2024.

The cash dividend will be paid out of the Corporation’s unrestricted retained earnings as of 31 December 2023.

15. **Income Taxes**

Provision for (benefi from) current income tax pertains to regular corporate income tax (RCIT) and minimum corporate income tax (MCIT) as follows:

	For the Three Months Ended March 31	
	2025	2024
RCIT	**₱3,049,538**	₱2,210,213
MCIT	**17,870,999**	23,859,575
	₱20,920,537	₱26,069,787

The reconciliation of provision for income tax computed at the statutory tax rate to provision for income tax reported in the consolidated statements of comprehensive income follows:

	For the Three Months Ended March 31	
	2025	2024
Income before income tax	**₱126,652,592**	₱105,434,456
Provision for income tax computed at statutory rate	**31,663,148**	26,358,614
Adjustments for equity in net earnings of associates	**(22,518,631)**	(10,490,212)
Nondeductible expenses	**-**	-
Change in unrecognized deferred tax assets	**520,556**	21,250
Interest income already subjected to final tax	**(89,832)**	(89,832)
	(10,230)	(100,657)

The components of net deferred tax liabilities as of March 31, 2025 and December 31, 2024:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Deferred tax liabilities on:		
Excess of real estate sales based on POC over real estate sales based on tax rules	**-₱680,780,027**	-₱593,222,329
Unamortized Debt Issue Cost	**(2,049,785)**	(2,049,785)
Prepaid commission	**(3,182,930)**	(3,019,250)
	(686,012,742)	(598,291,364)
Deferred tax assets on:		
NOLCO	**56,662,648**	56,662,648
Fair value adjustment arising from business combination	**13,301,338**	13,301,338
Retirement benefit liability	**12,210,115**	12,210,115
MCIT	**10,963,577**	10,963,577
Unrealized foreign exchange loss	**60,551**	60,551
Allowance for impairment on receivables	**698,549**	698,549
	93,896,778	93,896,778
In equity:		
Remeasurement loss on retirement benefit plan	**7,084,877**	7,084,877
NOLCO on preferred share issue costs recognized in APIC	**6,671,734**	6,671,734
Cumulative translation adjustment	**339,963**	339,963
	14,096,574	14,096,574
Deferred tax liabilities - net	**-₱578,019,390**	-₱490,298,012

16. **Business Combination**

Acquisition of VEC

On June 18, 2020, the Parent Company signed a share purchase agreement with Argo Group Pte. Ltd., to acquire Argo Group Pte. Ltd.'s 99.995% ownership interest in VEC for a total consideration of ₱50.2 million pertaining to the transfer of the Parent Company's EIFVPL through a deed of assignment of shares.

The following are the fair values of the identifiable assets and liabilities assumed:

Assets:	
Cash	₱51,507
Receivables	1,674,693

Assets:	
Other current assets	1,537,086
Property and equipment (Note 10)	78,575,418
	81,838,704
Liabilities:	
Trade and other payables	29,009,627
Total net assets acquired	52,829,077
Acquisition cost	(50,170,000)
Gain on bargain purchase	₱2,659,077
Cash flow on acquisition:	
Cash acquired with the subsidiary	₱51,507

The valuation had not been completed by the date the financial statements were approved for issue by the BOD on April 23, 2021. The purchase price allocation resulted in gain on bargain purchase of ₱2.7 million which is presented under "Gain on bargain purchase" in the 2020 consolidated statement of comprehensive income. VEC was sold at a discount since Argo Group Pte. Ltd. is no longer interested in pursuing its liquified natural gas projects and was keen to divest its investment related to such.

The accounting for business combination was determined provisionally in 2020 as allowed by PFRS 3.

In 2021, the Group determined that the provisional amounts are final and that no adjustments shall be made in the consolidated financial statements.

17. Financial Risk Management Objectives and Policies

The Group is exposed to a variety of financial risks, which resulted from its operating, investing and financing activities in relation to its financial instruments which include financial assets comprising cash, receivables (excluding advances to officers and employees), receivables from related parties, EIFVPL, EIFVOCI and refundable deposits included under "Other assets". This also includes financial liabilities comprising accounts and other payables (excluding statutory payables), short-term and long-term debts. The main types of risks are market risk (mainly interest rate and equity price risks), credit risk and liquidity risk which arise in the normal course of the Group's business activities.

The objective of financial risk management is to contain, where appropriate, exposures in these financial risks to limit any negative impact on the Group's results and financial position. The Group actively measures, monitors and manages its financial risk exposures by various functions pursuant to the segregation of duties principle. The management takes charge of the Group's overall risk management strategies and for approval of risk strategies and policies under the direction of the Group's BOD.

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

There were no changes in the Group's financial risk management objectives and policies in 2023 and 2022.

The main risks arising from the use of financial instruments are credit risk, liquidity risk and interest rate risk. The Group's BOD reviews and agrees with policies for managing each of these risks. These are summarized below:

Credit Risk
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.
The Group trades only with recognized, creditworthy third parties. The Group's receivables are monitored on an ongoing basis to manage exposure to bad debts and to ensure timely execution of necessary intervention efforts. The Group's debt financial assets are not subject to collateral and other credit enhancement except for real estate receivables. Real estate buyers are subject to standard credit check procedures, which are calibrated based on payment scheme offered. The Group's respective credit management units conduct a comprehensive credit investigation and evaluation of each buyer to establish creditworthiness.

In addition, the credit risk for ICRs is mitigated as the Group has the right to cancel the sales contract without need for any court action and take possession of the subject real estate property in case of refusal by the buyer to pay on time the due ICR. This risk is further mitigated because the corresponding title to the subdivision units sold under this arrangement is transferred to the buyers only upon full payment of the contract price. In case of default, after enforcement activities, the Group has the right to cancel the sale and enter into another CTS to another customer after certain proceedings (e.g. grace period, referral to legal, cancellation process, reimbursement of previous payments) had been completed. Given this, based on the experience of the Group, the maximum exposure to credit risk at the reporting date is nil considering that fair value less cost to repossess of the real estate projects is higher than the exposure at default (i.e., recovery rate is more than 100%).

With respect to credit risk arising from the other debt financial assets of the Group, which comprise cash and due to a related party, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. The Group transacts only with institutions or banks which have demonstrated financial soundness for the past 5 years.

The Group's maximum exposure to credit risk is equal to the carrying values of its debt financial assets and contract assets except for ICRs as discussed above. The table below shows the credit quality and aging analysis of the Group's financial assets and contract assets:

The aging analysis per class of financial assets as at March 31, 2025 and December 31, 2024 is as follows:

	March 31, 2025(Unaudited)					
		Neither Past	Past Due But not Impaired			
	Total	Less than 30 Days	30-60 Days	61-90 Days	More than 90 Days	Impaired
Financial assets:						
Cash in banks	**₱330,600,294**	**₱330,600,294**	**-**	**-**	**-**	
Receivables	**1,149,090,136**	**1,124,937,131**	**₱6,022,146**	**₱6,456,728**	**₱3,461,754**	**₱8,212,378**
Depoait in Escrow	**7,424,332**	**7,424,332**				
Refundable deposits	**52,539,473**	**52,539,473**	**-**	**-**	**-**	
	₱1,539,654,234	**₱1,515,501,229**	**₱6,022,146**	**₱6,456,728**	**₱3,461,754**	**₱8,212,378**

	December 31, 2024 (Audited)					
		Neither Past	Past Due But not Impaired			
	Total	Less than 30 Days	30-60 Days	61-90 Days	More than 90 Days	Impaired
Financial assets:						
Cash in banks	₱677,964,213	₱677,964,213				
Receivables	1,082,450,720	₱1,065,242,126	₱3,420,087	₱2,813,567	₱2,341,098	₱8,633,842
Deposit in Escrow	7,424,332	7,424,332				
Refundable deposits	52,903,664	52,903,664	–	–	–	
	₱2,707,940,451	₱4,560,386	₱3,556,569	₱2,199,063	₱163,396,632	₱8,633,842

The following are the details of the Group's assessment of credit quality and the related ECLs as at March 31, 2025 and December 31, 2024.

General approach

- *Cash* – These are of high quality as the amounts are deposited in reputable banks which have good bank standing and is considered to have low credit risk. Accordingly, management assessed that no ECL relating to the cash of the Group is recognized.

- *Receivables (except ICR and trade receivables), receivables from related parties and refundable deposits* – These are high grade since these pertain to counterparties who have a very remote likelihood of default and have consistently exhibited good paying habits. Accordingly, management assessed that no ECL relating to these receivables and deposits of the Group is recognized. This assessment is undertaken each financial year through examining the financial position of the counterparties and the markets in which they operate.

Simplified approach

- *ICR and contract assets* – These are high grade since these pertain to counterparties who have a very remote likelihood of default and have consistently exhibited good paying habits. Accordingly, management assessed that no ECL relating to these receivables of the Group is recognized. Exposure to bad debts is not significant as title to real estate properties are not transferred to the buyers until full payment has been made and the requirement for remedial procedures is minimal given the profile of buyers. This assessment is undertaken each financial year through examining the financial position of the counterparties and the markets in which they operate.

- *Trade receivables* – These are high grade since these pertain to receivables from customers who have established good credit standing with the Company. The Group applied the simplified approach under PFRS 9, using a ‘provision matrix’. Accordingly, management assessed and recognized ECL relating to trade receivables amounting to nil and ₱2.8 million in 2024 and 2023, respectively. Trade receivables are regarded as short-term and while there are certain accounts that are past-due, the Group evaluates the credit risk with respect to trade receivables as low as there were no history of default payments.

For financial assets recognized on the consolidated statements of financial position, the gross exposure to credit risk equals their carrying amount except for ICR and contract assets where exposure to credit risk is not significant given that title of the real estate property is only transferred to the customer if the consideration had been fully paid.

Liquidity risk
Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from either the inability to sell financial assets quickly at their fair values; or the counterparty failing on repayment of a contractual obligation; or inability to generate cash inflows as anticipated.

The Group’s objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and advances from related parties. The Group monitors its cash flow position and overall liquidity position in assessing its exposure to liquidity risk. The Group maintains a level of cash deemed adequate by management to finance its operations and capital requirements and to mitigate the effects of fluctuations in cash flows. The Group considers its available funds and its liquidity in managing its long-term financial requirements. It matches its projected cash flows to the projected amortization of long-term borrowings. For its short-term funding, the Group’s policy is to ensure that there are sufficient operating inflows to match repayments of short-term debt. As part of its liquidity risk management, it regularly evaluates its projected and actual cash flows.

The tables below summarize the Group’s financial assets that can be used to manage its liquidity risk and the maturity profile of its financial liabilities as of March 31, 2025 and December 31, 2024 based on contractual undiscounted payments:

	March 31, 2025 (Unaudited)			
	On Demand	One Year and Below	More than One Year	Total
Financial Assets				
Cash	**₱330,600,294**			**₱330,600,294**
Receivables	**1,141,665,380**	**₱1,672,698,609**	**₱11,674,132**	**2,826,038,121**
EIFVOCI	**-**	**-**	**428,856,522**	**428,856,522**

Deposit from Escrow	**-**	**₱7,462,263**		**7,462,263**
Refundable deposits		**52,539,473**		**52,539,473**
Contract Assets		**183,112,898**	**1,501,259,843**	**1,684,372,741**
	1,472,265,674	**1,915,813,242**	**1,941,790,497**	**5,329,869,413**
Financial Liabilities				
Accounts and other payables*	**332,730,888**	**1,330,923,553**	**-**	**1,663,654,442**
Short-term debt				
Principal		**1,031,252,900**	**-**	**1,031,252,900**
Interest	**-**	**82,500,232**	**-**	**28,091,666**
Long-term debt	**-**			
Principal	**-**	**599,545,796**	**1,522,221,894**	**2,121,767,690**
Interest	**-**	**83,936,411**	**213,111,065**	**297,047,477**
	332,730,888	**3,128,158,893**	**1,735,332,959**	**5,141,814,174**
Net Inflow (Outflow)	**₱1,139,534,786**	**-₱1,212,345,651**	**₱206,457,538**	**₱188,055,239**

December 31, 2024 (Audited)

	On Demand	One Year and Below	More than One Year	Total
Financial Assets				
Cash	₱677,964,213			₱677,964,213
Receivables	9,000,000	₱1,065,604,501		1,074,604,501
EIFVOCI			₱428,856,522	428,856,522
Deposit from Escrow	7,424,332			7,424,332
Refundable deposits	-	843,263	52,060,401	52,903,664
Contract Assets		131,239,842	1,542,267,524	1,673,507,366
	694,388,545	1,197,687,606	2,023,184,447	3,915,260,598
Financial Liabilities				
Accounts and other payables*	-	1,128,111,915	-	1,128,111,915
Short-term debt				0
Principal	-	972,187,000	-	972,187,000
Interest	-	77,774,960	-	77,774,960
Long-term debt	-			0
Principal	-	602,633,723	1,741,220,033	2,343,853,756
Interest	-	84,368,721	243,770,805	328,139,526
	-	2,865,076,319	1,984,990,838	4,850,067,157
Net Inflow (Outflow)	₱694,388,545	-₱1,667,388,713	₱38,193,609	-₱934,806,559

** Excluding statutory payables*

Market Risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchanges rates, commodity prices, equity prices and other market changes.

The following table presents a comparison by category of carrying values and estimated fair values of the Group's financial instruments as at March 31, 2025 and December 31, 2024:

	March 31, 2025 (Unaudited)		December 31, 2024 (Audited)	
	Carrying Values	**Fair Values**	Carrying Values	Fair Values
Financial Assets				
Cash	**₱330,600,294**	**₱330,600,294**	₱677,964,213	₱677,964,213
Receivables	**2,826,038,121**	**2,826,038,121**	1,006,179,782	1,006,179,782
EIFVOCI	**428,856,522**	**239,411,453**	428,856,522	239,411,453
Refundable deposits	**52,539,473**	**52,539,473**	52,903,664	48,759,913
	3,638,034,409	**3,448,589,341**	2,165,904,181	1,972,315,361
Financial Liabilities				
Accounts and other payables*	**1,663,654,442**	**1,663,654,442**	1,059,687,196	1,059,687,196
Short-term debt	**1,031,252,900**	**1,031,252,900**	972,187,000	972,187,000
Long-term debt	**2,121,767,690**	**2,121,767,690**	2,343,853,756	2,343,853,756
	₱4,816,675,031	**₱4,816,675,031**	₱4,375,727,952	₱4,375,727,952

** Excluding statutory payables*

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

- *Cash, receivables (except ICR)*, *accounts and other payables and short term-debt*. The fair values approximate their carrying amounts as of reporting dates due to the short-term maturity of these financial instruments.

- *ICR*. The fair value of ICR due within one year approximates its carrying amount. Noncurrent portion of ICR are discounted using the applicable discount rates (Level 3 input).

- *Receivables from related parties*. Carrying amounts of receivables from related parties which are collectible on demand approximate their fair values. Receivables from related parties are unsecured and have no foreseeable terms of repayments.

- *EIFVOCI.* For unquoted equity securities, the fair value is determined using valuation techniques with inputs and assumptions that are based on market observable data and conditions and reflect appropriate risk adjustments that market participants would make for credit and liquidity risks existing at the end each of reporting period. The fair values are determined based on average selling price of price per share of similar or identical assets traded in an active market (Level 3 input).

- *Refundable deposits*. The fair values of refundable deposits are not determinable since the timing of each refund is not reasonably predictable, hence presented at cost.

- *Long-term debt.* The fair value of borrowings with fixed interest rate is based on the discounted net present value of cash flows using the PH BVAL. Discount rates used range from 5.4% to 7.5% in 2025 and 2024. The Group classifies the fair value of its long-term debt under Level 3.

Fair Value Hierarchy
The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and,
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at March 31, 2025 and December 31, 2024, 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.

18. Segment Information

Business segment information is reported on the basis that is used internally for evaluating segment performance and deciding how to allocate resources among operating segments. Accordingly, the segment information is reported based on the nature of service the Group is providing.

The segments where the Group operate follow:

- Real estate development - Development of land into commercial and residential subdivision, sale of lots and residential houses and the provision of customer financing for sales;
- Agricultural - Development of land for palm oil production and sale of palm oil and other palm products including, but not limited to refined bleached deodorized oil, palm olein, crude palm oil, palm stearin, palm acid oil, palm fatty acid distillate, and palm kernels.
- Power and utilities - Operating of power plants and/or purchase, generation, production supply and sale of power. However, there was no commercial operations yet as of March 31, 2025.
- Holding - Holding of properties of every kind and description.
- Consumer - Provide irradiation services for all types of goods. However, there was no commercial operations yet as of March 31, 2025.

Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

For the years ended March 31, 2025 and December 31, 2024, there were no revenue transactions with a single external customer which accounted for 10% or more of the consolidated revenue from external customers.

The financial information about the operations of these operating segments is summarized below (in thousands):

	For the Period Ending March 31, 2025					
	Real Estate Development	Agricultural	Power and Utilities	Holding	Eliminations	Consolidated
Revenue	₱293,834	₱123,753	-	-	₱0	₱417,587
Costs and expenses	150,309	109,691	-	-	-	260,000
Gross profit	143,525	14,062	-	-	-	157,587
General, administrative and selling expenses	95,753	19,079	16,468	911	(723)	131,488
Other income (expenses)	17,145	702	(6,646)	-	89,354	100,555
Income (loss) before income tax	64,917	(4,315)	(23,114)	(911)	90,077	126,654
Provision for (benefit from) income tax:						
Current	3,050	-	-	-	-	3,050
Deferred	17,871	-	-	-	-	17,871
	20,921	-	-	-	-	20,921
Net income (loss)	₱43,996	-₱4,315	-₱23,114	-₱911	₱90,077	₱105,733
Net income attributable to:						
Owners of the Parent Company	43,996	(4,315)	(23,110)	(911)	90,077	105,737
Non-controlling interests	-	-	(4)	-	-	(4)
	₱43,996	-₱4,315	-₱23,114	-₱911	₱90,077	₱105,733

	For the Period Ending March 31, 2024					
	Real Estate Development	Agricultural	Power and Utilities	Holding	Eliminations	Consolidated
Other information						
Segment assets	₱14,022,142	₱1,260,460	₱1,014,553	₱1,084,475	-₱2,822,805	₱14,558,825
Deferred tax assets	95,578	34,493	318	221	3,094	133,704
Total Assets	₱14,117,720	₱1,294,953	₱1,014,871	₱1,084,696	-₱2,819,711	₱14,692,529
Segment liabilities	₱5,475,745	₱1,505,101	₱1,185,398	₱144,969	-₱2,680,198	₱5,631,015
Deferred tax liabilities	581,793	-	9,868	-	13,641	605,302
Total Liabilities	₱6,057,538	₱1,505,101	₱1,195,266	₱144,969	-₱2,666,557	₱6,236,317

	For the Year Ended December 31, 2024						
	Real Estate Development	Agricultural	Power and Utilities	Holding	Services	Eliminations	Consolidated
Revenue	₱1,557,313	₱432,816	₱–	₱–	₱–	(₱182,265)	₱1,807,864
Costs and expenses	693,396	424,358	–	–	–	(182,265)	935,489
Gross profit	863,917	8,458	–	–	–	–	872,375
General, administrative and selling expenses	(387,973)	(110,176)	(10,575)	(1,460)	(39,979)	6,661	(543,502)
Other income (expenses)	(20,002)	19,388	258,017	1	(11,001)	(124,961)	121,442
Income (loss) before income tax	455,942	(82,330)	247,442	(1,459)	(50,980)	(118,300)	450,315
Provision for (benefit from) income tax	105,750	933	–	–	5,204	4,319	116,206
Net income (loss)	₱350,192	(₱83,263)	₱247,442	(₱1,459)	(₱56,184)	(₱122,619)	₱334,109

	As of December 31, 2024						
	Real Estate Development	Agricultural	Power and Utilities	Holding	Services	Eliminations	Consolidated
Other information							
Segment assets	₱13,881,190	₱1,155,096	₱1,839,026	₱1,079,184	₱753,872	(₱4,551,408)	₱14,156,960
Deferred tax assets	–	–	–	–	–	–	–
Total Assets	13,881,190	1,155,096	1,839,026	1,079,184	753,872	(4,551,408)	14,156,960
Segment liabilities	4,827,864	1,433,474	32,344	140,488	766,680	(1,934,516)	5,266,334
Deferred tax liabilities	489,017	-	-	-	9,867	(8,586)	490,298
Total Liabilities	₱5,316,881	₱1,433,474	₱32,344	₱140,488	₱776,547	(₱1,943,102)	₱5,756,632

19. Notes to Consolidated Statements of Cash Flows

Changes in liabilities arising from financing activities

March 31, 2025 (Unaudited)

	Beginning Balance	Availments	Payments	Ending Balance
Short-term debt	**₱ 972,187,000**	**₱352,526,000**	**-₱291,685,100**	**₱ 1,033,027,900**
Long-term debt	**2,356,666,411**	**4,947,290**	**(229,293,358)**	**2,132,320,344**
	₱ 3,328,853,411	**₱357,473,290**	**-₱520,978,458**	**₱ 3,165,348,244**

December 31, 2024 (Audited)

	Beginning Balance	Availments	Payments	Ending Balance
Short-term debt	₱745,414,000	₱880,192,000	-₱653,419,000	₱972,187,000
Long-term debt	1,887,809,535	995,706,150	(526,849,274)	2,356,666,411
	₱2,633,223,535	₱ 1,875,898,150	-₱ 1,180,268,274	₱ 3,328,853,411

Others include reclassification of interest expense and capitalized borrowing costs.

The Group's noncash investing and financing activities pertain to the following:
In March 31, 2025 and March 31, 2024, capitalized borrowing cost amounted to ₱20 million and ₱ 31 million, respectively.

20. **Revenue from Contracts with Customers**

Revenue Disaggregation
The Group derives revenue from the transfer of services and goods over time and at a point in time, respectively, in different product types. The Group's disaggregation of each sources of revenue from contracts with customers are presented below:

	For the Three Months Ended March 31	
	2025	**2024**
Type of product:		
Real estate sales		
Lot-only units	**₱113,648,856**	₱210,978,238
House and lot units	**171,992,411**	37,782,540
Water service	**7,356,150**	10,732,653
Sale of agricultural goods		
Crude palm oil	**63,168,432**	26,620,704
Palm acid oil	**1,103,150**	424,200
Palm stearin	**-**	-
Palm kernel	**1,730,275**	344,860
Palm fatty acid distillate	**-**	-
Palm olein	**-**	746,908
	₱358,999,273	₱287,630,104

The real estate sales and water service revenue are revenue from contracts with customers that are recognized over time while revenue from sale of agricultural goods are recognized at a point in time.

Contract Balances

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
ICR	**₱830,704,590**	₱857,300,438
Current portion of contract assets	**183,112,898**	131,239,842
Noncurrent portion of contract assets	**1,501,259,843**	1,542,267,524
Costs to obtain contracts	**1,340,747**	2,383,406
Contract liabilities	**451,919,218**	481,762,306

ICR are from real estate sales which are collectible in equal monthly installments with various terms up to a maximum of two years, and bear interest ranging from 10% to 18% in 2023 and 2022. The transfer certificates of title remain in the possession of the Group until full payment has been made by the customers.

Contract assets represent the right to consideration that was already delivered by the Group in excess of the amount recognized as ICR. This is reclassified as ICR when the monthly amortization of the customer is already demandable for collection or when the remaining balance of the total contract price once the equity payments have been settled by the customer is already collectible for collection from the bank for real estate sales under bank financing. The movement in contract asset is mainly due to new real estate sales contract recognized during the period and increase in percentage of completion, less reclassification to ICR.

Cost to obtain contract are derecognized if sales are subsequently cancelled. The balances below pertain to the costs to obtain contracts:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Balance Beginning	**₱25,037,298**	₱12,077,001
Additions	**3,253,369**	36,878,172
Amortization	**-3,652,021**	-23,917,875
Balance Ending	**₱24,638,646**	₱25,037,298

Contract liabilities consist of collections from real estate customers which have not reached the equity threshold to qualify for revenue recognition and excess of collections over the goods and services transferred by the Group based on percentage of completion. The movement in contract liability is mainly due to sales reservations and advance payments of buyers less real estate sales recognized upon reaching the buyer's equity and from increase in POC.

Performance Obligation
Information about the Parent Company's significant performance obligation is summarized below:

Real estate sales
The Parent Company entered into contracts to sell with one identified performance obligation, which is the sale of the real estate unit together with the services to transfer the title to the buyer upon full payment of contract price. The amount of consideration indicated in the contract to sell is fixed and has no variable consideration. The sale of real estate unit may cover the contract for either the (i) serviced lot; (ii), and service lot and house and the Parent Company concluded that there is one performance obligation in each of these contracts. The Parent Company recognizes revenue from the sale of these real estate projects under pre-completed contract over time during the course of the construction.

Payment commences upon signing of the contract to sell and the consideration is payable in cash or under various financing schemes entered with the customer. The financing scheme would include payments of 10% to 25% of the contract price spread over a certain period (e.g., three months to four years) at a fixed monthly payment with the remaining balance payable (a) in full at the end of the period either through cash or external financing; or (b) through in-house financing which ranges from two (2) to fifteen (15) years with fixed monthly payment. The amount due for collection under the amortization schedule for each of the customer does not necessarily coincide with the progress of construction, which results to either a contract asset or contract liability.

The remaining performance obligation is expected to be recognized within one year which relate to the continuous development of the Group's real estate projects. The Group's real estate projects are completed within 6 months to 12 months, from start of construction.

21. **Other Matters**

Impasug-Ong and Kalabugao Plantations
The Group entered into a DC with KASAMAKA at the Municipality of Impasug-ong, Bukidnon concerning the development of palm oil commercial plantation on August 2006.

KASAMAKA had been granted with Community Based Forest Management Agreement (CBFMA) no. 55093, by the Department of Environment and National Resources (DENR) on December 22, 2000 covering an area of 2,510.80 hectares. Under the CBFMA, KASAMAKA is mandated to develop, manage and protect the allocated community forest project area. Moreover, it is allowed to enter into agreements or contracts with private or government entities for the development of the whole or portion of the CBFMA area.

The project's objectives are to establish approximately 894 hectares into a commercial palm plantation within 5 years (2006-2011). However, ABERDI may intercrop suitable agricultural crops in the plantation and raise livestock, the harvest and produce of which shall belong to ABERDI.

The responsibilities of KASAMAKA with regards to the project follow:

- To provide the land area of 894 hectares within CBFMA area for oil palm plantation; and,
- To provide manpower needs of the Group in all developmental activities such as land preparation, planting, weeding, fertilization, harvesting, maintenance and others.

On the other hand, the responsibility of ABERDI in regard to the project is to provide technical and financial resources to develop the 894 hectares into palm oil plantation for a period of 20 years up to 2026.

Opol Plantation
The Group entered into a DC for the establishment of palm oil commercial plantation in Tingalan, Opol, Misamis Oriental with KMBT.

KMBT has been granted CBFMA No. 56297 by DENR on December 31, 2000 covering a total area of 1,000 hectares of forest lands located in Tingalan, Opol, Misamis Oriental to develop, manage and protect the allocated Community Forest Project Area.

The roles and responsibilities of KMBT under the Development Contract are as follows:

- To provide the land area within the CBFMA for oil plantation; and,
- To provide manpower needs of NC in all developmental activities such as land preparation, planting, weeding, fertilization, harvesting, maintenance and others.

On the other hand, the responsibility of NC in regard to the project is to provide technical and financial resources to develop the covered area into palm oil plantation for a period of 25 years.

In 2019, the Group entered into a contract with the landowners' association in Tingalan, Opol, Misamis Oriental providing the landowners a royalty fee of ₱10.0 per metric ton of fresh fruit bunches harvested. The royalty fee is included as part of the costs of purchase of FFB recognized under "Other inventories - at cost" in the consolidated statements of financial position.

<u>COVID-19 Pandemic</u>
The declaration of COVID-19 by the World Health Organization (WHO) as a pandemic and declaration of nationwide state of calamity and implementation of community quarantine measures in various levels throughout the country has caused disruption in the Group's business activities. The Group has adjusted its operations in accordance with the required measures and safety protocols.

Construction and real estate development activities have resumed at various level of activities following safety protocols mandated by the national and local government.

A BROWN COMPANY, INC. AND SUBSIDIARIES

INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS

A BROWN COMPANY, INC. AND SUBSIDIARIES
INDEX TO THE SUPPLEMENTARY SCHEDULES

ANNEX I

A BROWN COMPANY, INC. AND SUBSIDIARIES

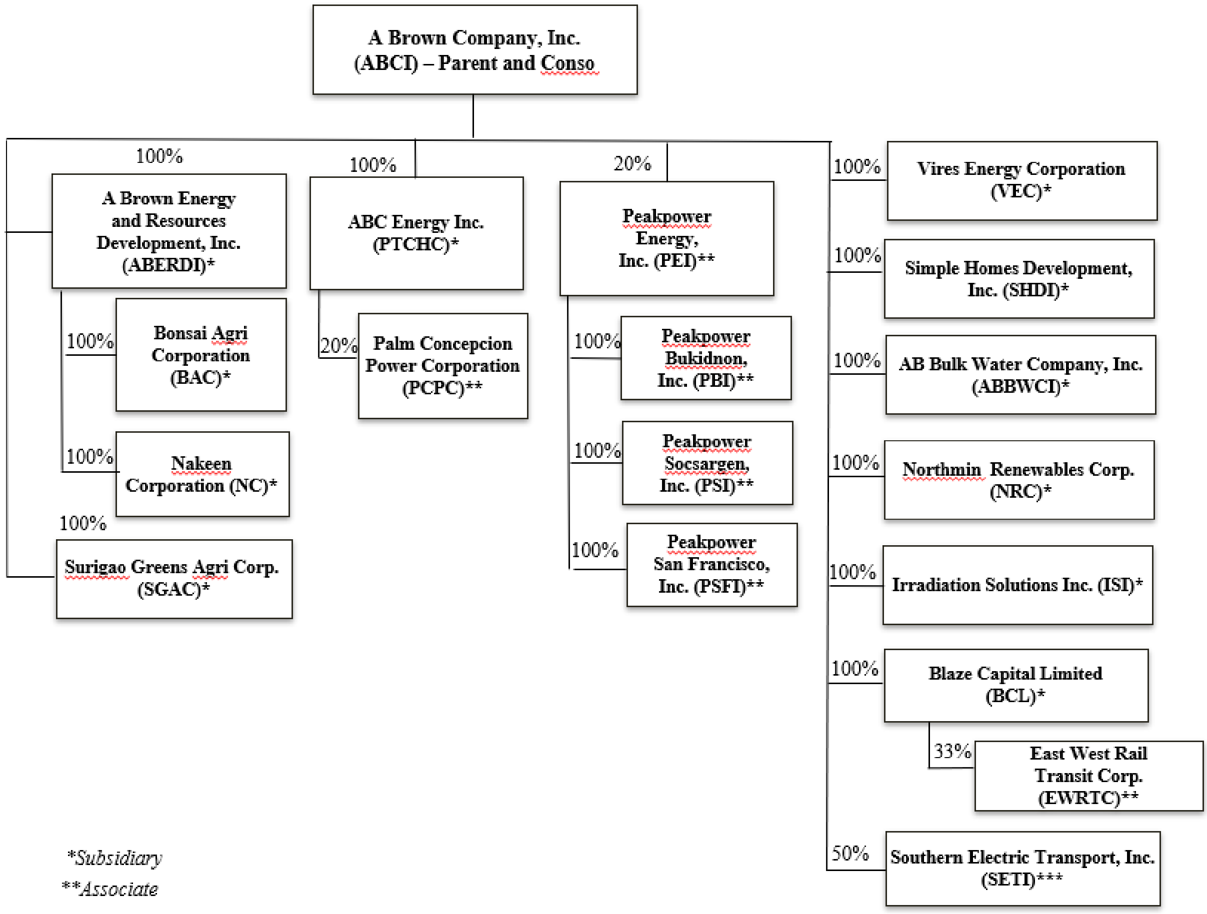
RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

MARCH 31, 2025

Unappropriated Retained Earnings, as of January 1, 2023	**₱2,694,454,515**
Less: Deferred tax assets that reduced the amount of income tax expense	-31,275,302
Category B: Items that are directly debited to Unappropriated Retained Earnings	
Dividend declaration during the reporting period	-53,724,997
Unappropriated Retained Earnings, beginning as adjusted	2,609,454,216
Add/Less: Net Income (loss) for the current year	105,732,055
Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution	–
Treasury shares (except for reacquisition of redeemable shares)	-94,932,275
Deferred tax asset not considered in the reconciling items under the previous categories	(50,545,929)
Total Retained Earnings, end of the reporting period available for dividend	**₱2,569,708,068**

ANNEX II

A BROWN COMPANY, INC. AND SUBSIDIARIES
MAP SHOWING THE RELATIONSHIPS BETWEEN AND AMONG THE COMPANIES IN THE GROUP, ITS ULTIMATE PARENT COMPANY AND CO-SUBSIDIARIES
MARCH 31, 2025



*Subsidiary

**Associate

*** Joint Venture

ANNEX III - SCHEDULE A

A BROWN COMPANY, INC. AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF FINANCIAL ASSETS
MARCH 31, 2025

	Number of shares or principal amount of bonds and notes	Amount shown in the consolidated statement of financial position	Income received or accrued
Cash	-	₱338,473,984	₱51,146
Trade receivable	-	38,868,314	-
ICR	-	830,704,590	1,486,409
Other receivables	-	263,418,439	-
EIFVOCI	588	428,856,522	-
Refundable deposits	-	131,050	-
	588	₱2,281,751,560	₱1,537,555

A BROWN COMPANY, INC. AND SUBSIDIARIES

SUPPLEMENTARY SCHEDULE OF AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES, AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)

MARCH 31, 2025

Name and Designation of debtor	Balance at beginning of period	Additions	Amounts collected	Current	Not Current	Balance at the end of the period
Not applicable. The Group's receivables from officers and employees pertain to ordinary purchases subject to usual terms, travel and expense advances and other transactions arising from the Group's ordinary course of business.						

ANNEX III - SCHEDULE C

A BROWN COMPANY, INC. AND SUBSIDIARIES

SUPPLEMENTARY SCHEDULE OF AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS

MARCH 31, 2025

Intercompany receivable and payable

	2025		
	Receivable Balance	**Payable Balance**	**Current Portion**
ABCI	₱155,407,409	-₱106,745,316	₱48,690,121
ABERDI	36,818,388	-34,817,772	2,000,616
ABBWCI	-	-15,545,898	-15,545,898
SHDI	-	-2,521,854	-2,521,854
BAC	-	-1,918,896	-1,918,896
NC	25,954,888	-1,466,174	24,488,714
BCL	-	-49,868,704	-49,868,704
MCPI	-	-319,207	-319,207
ISI	-	-14,080,908	-14,080,908
VEC	-	-4,899,457	-4,899,457
SGAC	15,110,994	-160,126	14,950,868
ABCEI (formerly PTCHC)	-	-746,082	-746,082
NRC	-	-229,314	-229,314
Total Eliminated Receivables/Payables	₱233,291,679	-₱233,319,707	₱0

Deposit for future stock subscription (DFFS) classified as liability

	Receivable Balance	**Payable Balance**	**Current Portion**
ABCI	₱1,545,182,114	–	–
ABERDI	248,047,978	-₱955,961,385	–
NC	–	(248,047,978)	–
HLPC	–	(38,500,000)	–
ABCEI (formerly PTCHC)	–	(11,500,000)	–
ISI		(370,727,000)	
BCL		(11,050,000)	
SGAC		(146,393,729)	
VEC		(11,050,000)	
Total Eliminated DFFS	₱1,793,230,092	-₱1,793,230,092	–

A BROWN COMPANY, INC. AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF LONG-TERM DEBT
MARCH 31, 2025

Long-term Debt

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under caption "current portion of long-term debt" in related consolidated statement of financial position	Amount shown under caption "long-term debt" in related consolidated statement of financial position
Term Loan	₱4,800,000,000	₱599,545,796	₱1,522,221,894

A BROWN COMPANY, INC. AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF INDEBTEDNESS TO RELATED PARTIES (LONG-TERM LOANS FROM RELATED COMPANIES)
MARCH 31, 2025

Indebtedness to related parties (Long-term loans from Related Companies)

Name of related party	Balance at beginning of period	Balance at end of period
Shareholders	₱60,861,940	₱51,255,965

A BROWN COMPANY, INC. AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF GUARANTEES OF SECURITIES OF OTHER ISSUERS
MARCH 31, 2025

Guarantees of Securities of Other Issuers

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is file	Nature of guarantee
		Not applicable		

A BROWN COMPANY, INC. AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF CAPITAL STOCK
MARCH 31, 2025

	Number of shares			Number of shares held by		
Title of Issue	Number of shares authorized	Number of shares issued and outstanding as shown under related consolidated statement of financial position caption	Number of shares reserved for options warrants, conversion and other rights	Affiliates	Directors, officers and employees	Others
Common stock	3,250,000,000	2,372,367,911	–	1,370,909,368	221,037,485	780,421,058
Preferred stock						
- Series A		13,264,900	–		64,000	13,234,900
- Series B	50,000,000	7,431,750	–	100,000	100,000	7,231,750
- Series C		6,941,000	–		100,000	6,841,000
- Total	50,000,000	27,637,650	–	100,000	264,000	27,273,650
Total	3,300,000,000	2,400,005,561	–	1,371,009,368	221,301,485	807,694,708

ANNEX IV

A BROWN COMPANY, INC. AND SUBSIDIARIES

SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
March 31, 2025

Below are the financial ratios that are relevant to the Group for the periods ended March 31, 2025 and March 31, 2024

Ratios	Formula	March 31, 2025	March 31, 2024
Current ratio	Current assets / Current liabilities	**2.78**	2.25
Acid test ratio	Quick assets / Current liabilities	**0.38**	0.50
Solvency ratio	Net income + Depreciation / Total liabilities	**0.17**	0.02
Debt to equity ratio	Total liabilities / Total equity	**0.45**	0.53
Asset to equity ratio	Total assets / Total equity	**1.45**	1.53
Interest rate coverage ratio	EBITDA / Total interest paid	**7.47**	3.84
Return on equity	Net income / Average total equity	**0.08**	1.02
Return on assets	Net income / Average total assets	**0.03**	0.64
Net profit margin	Net income / Net revenue	**0.54**	0.28

DRAFT ONLY

For Approval During the Next Shareholders' Meeting

MINUTES OF THE ANNUAL MEETING OF THE STOCKHOLDERS OF

A BROWN COMPANY, INC.

Held on July 12, 2024 at 1:00 p.m.

Virtually via Zoom Webinar
(in Accordance with SEC Regulations on Meetings by Remote Communication)

TOTAL NUMBER OF SHARES OUTSTANDING	2,372,367,911
TOTAL NUMBER OF SHARES PRESENT/REPRESENTED AND ENTITLED TO VOTE	1,823,523,725

Before the start of the meeting, the following members of the Board of Directors present were introduced:

WALTER W. BROWN
ROBERTINO E. PIZARRO
ANNABELLE P. BROWN
RENATO N. MIGRINO
ANTONIO S. SORIANO
JOSELITO H. SIBAYAN
JUN HOU
ELPIDIO M. PARAS (Independent Director)

The presence of the following officers of the Corporation was likewise acknowledged:

JASON C. NALUPTA (Corporate Secretary)
DANIEL C. TAN-CHI (Assistant Corporate Secretary)
MARIE ANTONETTE U. QUINITO (Chief Financial Officer)
PAUL FRANCIS B. JUAT (Executive Vice President)
ALLAN ACE R. MAGDALUYO (Compliance Officer)

The other executive officers of the Corporation and of its subsidiaries, as well as representatives of SyCip Gorres Velayo & Co., the Corporation's external auditors, were likewise in attendance.

A list of the Corporation's stockholders present or represented at the meeting is attached as Annex "A" hereof.

CALL TO ORDER

In compliance with the regulations of the Securities and Exchange Commission (SEC) on the conduct of shareholders' meetings by remote communication, the President, Mr. Robertino E. Pizarro, acted as Chairman of the Meeting and presided over the same from the Corporation's principal office in Cagayan de Oro City. The Corporate Secretary, Mr. Jason C. Nalupta, recorded the minutes of the proceedings.

CERTIFICATION OF NOTICE AND QUORUM

At the request of the Chairman, the Corporate Secretary advised the Body that, further to the authority granted by the SEC, the notice for this year's shareholders' meeting was published in the printed and online editions of the Business World and Business Mirror. The notice was also posted on the Corporation's website.

The stockholders as of May 3, 2024, the Record Date set for the 2024 shareholders' meeting, are participating, in person or by proxy, at the virtual meeting.

Both the Business World and Business Mirror have executed their respective Affidavit of Publication attesting to the fact of publication; and the Chairman of the Meeting instructed the Secretary to ensure that said Affidavits of Publication shall form part of the records of the meeting.

Thereafter, the Corporate Secretary certified that, based on the register of attendees and proxies, out of Two Billion Three Hundred Seventy-Two Million Three Hundred Sixty-Seven Thousand Nine Hundred Eleven (2,372,367,911) shares of the total outstanding capital stock of the Corporation, One Billion Eight Hundred Twenty-Three Million Five Hundred Twenty-Three Thousand Seven Hundred Twenty-Five (1,823,523,725) shares were present in person or by proxy representing an attendance of 76.87% of the total outstanding capital stock of the Corporation. Accordingly, the Secretary certified that a quorum existed for the transaction of business at hand.

RULES OF CONDUCT AND VOTING PROCEDURES

The Chairman of the Meeting then informed the Body that, while the meeting is being held in a virtual format, the Corporation is giving the shareholders every opportunity to participate therein to the same extent as if they were in an in-person meeting.

The rules of conduct and the voting procedures for the meeting were likewise briefly explained as follows:

1. Stockholders who notified the Corporation of their intention to participate in this meeting by remote communication have sent their questions or comments through the e-mail address provided for the purpose. Question can continue to be sent throughout the duration of the meeting through the Q&A function of Zoom Webinar.
2. Some of the questions or comments received will be read out during the Open Forum, after all matters in the agenda are concluded. However, as the time dedicated for the meeting is not unlimited, the questions and comments which will not be read out and responded to during the meeting will be answered by the appropriate officers of the Corporation concerned.
3. Resolutions will be proposed for adoption by the stockholders for each of the items in the Agenda. Each proposed resolution will be shown on the screen as the same is being taken up.
4. The proxies received and the votes cast as of July 2, 2024 have been tabulated. The results of this preliminary tabulation will be referred to when the voting results are reported out throughout the meeting. The results of the final tabulation of votes with full details of the affirmative and negative votes and abstentions will be reflected in the Minutes of the Meeting.

APPROVAL OF THE PREVIOUS MINUTES

As requested by the Chairman, the Corporate Secretary advised the Body that the minutes of the last stockholders' meeting held on June 30, 2023 was immediately made available for the stockholders to view soon after the last meeting when it was posted on the Corporation's website. The same was also made part of the documents that were recently made available to the stockholders in connection with the 2024 meeting.

The Minutes of the said meeting was thereafter approved, as circulated, with the shareholders voting as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Approval of Minutes of the Previous Meeting of Stockholders	**1,823,523,725** 100.0% of shares represented 76.87% of outstanding shares	0	0

The following resolution was likewise passed:

"RESOLVED, that the Minutes of the Annual Meeting of the Stockholders of **A BROWN COMPANY, INC.** held on June 30, 2023 is hereby approved."

PRESIDENT'S REPORT AND PRESENTATION OF AUDITED FINANCIAL STATEMENTS

The Chairman of the Meeting next presented the report on the Corporation's operations for the year ended December 31, 2023, the results as of the end of the First Quarter of 2024, as well as the future project of the Corporation, as follows:

We are reporting an increase of Php26.0 Million in our net income from Php643.0 Million in 2022 to Php669.0 Million in 2023 on our stand-along Parent Company's financial statements.

REAL ESTATE

Recognizing the return interest in the real estate industry, the company is amped with its real estate presence in both the vertical and horizontal properties. New market opportunities are knocking on our doors and we want to maximize these prospects.

Our future focus will be on:

- Townships for the middle low and high end markets that focus on wellness and healthy living environments
- Vertical projects
- Rentable commercial spaces and leasable office space which will provide recurring income
- And landbanking activities

The townships include:

- **West Coast Greenfield** in Buenavista, Agusan del Norte. A Central Business District and Residences Township to cater to the communities in the Caraga Region
- **Xavier South Ridge Estates** in Barangay Bayanga, Cagayan de Oro City, a nature-themed environment highlighted by the uptown suburbs vibe; and
- **Uptown Metropolis** in Uptown Cagayan de Oro which is the driving force that elevated the uptown area as the next emerging center in the region for a sustainable lifestyle focused on nature and health and wellness

DRAFT ONLY

For Approval During the Next Shareholders' Meeting

Speaking of wellness, another project which shall dictate the landscape in the Province of Bukidnon is the 280-hectare **Mountain Pines Farm Estates** — a wellness, tourism, and retirement community. Plans to create a therapeutic golf course are underway. We are in the final stages of increasing our landholdings to enhance our mountain city development.

In Luzon, the 300-hectare **Epic Tanay Township Development** in Rizal Province kicks off with the Leisure Lots of about 25 hectares and the Phase 3 of Adelaida Mountain Residences. We are introducing Estate Lots located in the heart of nature by the last quarter of 2024.

The market for condominium is expanding. **Coral Bay Suite's The Royale and the Navy** in Initao, Misamis Oriental will soon be available. West Highlands in Butuan City is home to the first condominium overlooking fairway lots, the **Highlands Fairway Suites.**

IRRADIATION AND COLD STORAGE

The Irradiation Solutions (ISI), is upbeat in starting its commercial operations of the E-Beam and Cold Storage Facility in Tanay, Rizal this July 2024.

This newly constructed plant will use electron-beam technology to decontaminate food and sterilize medical equipment. We are looking forward to the operations of this facility as it will help our local produce comply with global export requirements which have very stringent quality and safety requirements.

AGRIBUSINESS

Surigao Greens Agri Corporation has purchased 70,000 square meters land and a palm oil milling plant in Barobo, Surigao del Sur. The facility has a 10 metric tons per hour capacity.

This strategic location will lower our logistics and transport expenses; and at the same time increase our access to fresh fruit bunches from neighboring plantations. Thereby, following up on potential avenues for growth within the palm oil industry.

CLOSING

In conclusion, allow me to thank our financial partners, brokers and sales producers, and all our stakeholders. Once again, we look forward to outperforming ourselves in 2024, with your full support and trust.

Thank you.

Thereafter, the Chairman of the Meeting reminded the shareholders in attendance that question on the report on as well as on the Audited Financial Statements for 2023 will be addressed during the Open Forum towards the end of the proceeding.

The Secretary then proceeded to announce the results of the voting on the approval of the 2023 Reports on Operations and Results, together with the Audited Financial Statements for 2023, as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Approval of 2023 Report on Operations with the Audited Financial Statements for 2023	**1,823,523,725** 100.0% of shares represented 76.87% of outstanding shares	0	0

The following resolution was likewise approved:

> "RESOLVED, that the President's Report on the Operations and Results of **A BROWN COMPANY, INC.** for 2023, together with the Audited Financial Statements and accompanying notes for the year ended December 31, 2023, be approved."

RATIFICATION OF ALL ACTS OF THE BOARD, THE EXECUTIVE COMMITTEE AND MANAGEMENT

The next item in the agenda was the ratification of the corporate acts.

The Secretary explained that the Board of Directors and Management seek the ratification of all the acts of the Board, the Executive Committee, and other board committees exercising powers delegated by the Board, which were adopted from June 30, 2023 until the date of the 2024 shareholders' meeting. These acts and resolutions are mostly reflected in the Minutes of the Meetings, some of which were likewise subjects of public disclosure made by the Corporation during the past year.

Thereafter, the Secretary proceeded to announce the results of the voting on the ratification of the corporate acts from June 30, 2023 up to the present, as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Ratification of All Acts of the Board, Executive Committee, and Management	**1,823,523,725** 100.0% of shares represented 76.87% of outstanding shares	0	0

The following resolution was likewise approved:

> "RESOLVED, that all acts of the Board of Directors and Officers of **A BROWN COMPANY, INC.** from the date of the last meeting of the shareholders on June 30, 2023 up to the date of this meeting, are hereby confirmed, ratified and approved."

RETENTION OF INDEPENDENT DIRECTOR

The next matter in the Agenda is the request for the stockholders to approve the retention of one (1) of the Corporation's current independent directors, Engr. Elpidio M. Paras, beyond the maximum cumulative term of nine (9) years.

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The Corporate Secretary advised the Body that the Code of Corporate Governance for Listed Companies requires that independent directors should serve for a maximum cumulative term of nine (9) years, after which, the independent director will be perpetually barred from reelection as such in the same company. However, a company may seek the approval of the shareholders should it wish to retain an independent director to serve beyond 9 years, provided, that meritorious justifications are given therefor.

Last year, the shareholders' approval was sought, and was granted, for the Corporation's independent directors, Engr. Elpidio M. Paras and Dr. Thomas G. Aquino, to be allowed to continue on as independent directors. This year, for the justifications provided in the Information Statement, the Board of Directors again agreed to seek the approval of the shareholders that Engr. Paras be allowed to still continue serving as independent director beyond the maximum period allowed.

The Secretary the proceeded to announce the results of the voting on the approval of the proposal to allow Engr. Paras to continue serving as one of the Corporation's independent directors beyond the maximum term allowed under existing SEC regulations:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Retention of Independent Director to Serve Beyond the Nine (9)-Year Limit	**1,721,523.725** 94.41% of shares represented 72.57% of outstanding shares	0	**102,000,000** 5.59% of shares represented 4.30% of outstanding shares

The following resolution was likewise approved:

> "**RESOLVED**, that the shareholders of **A BROWN COMPANY, INC.** (the 'Corporation') hereby approve the proposal for Engr. Elpidio M. Paras and to be retained and continue to serve as one of the Corporation's independent directors beyond the maximum cumulative term of nine (9) years as prescribed by the Code of Corporate Governance for Listed Companies."

ELECTION OF DIRECTORS

The Chairman of the Meeting announced that the next item in the agenda is the election of the members of the Board of Directors for the ensuing year.

Engr. Paras, on behalf of the Corporate Governance Committee, was requested to announce the names of those nominated for election as members of the Board. The Bodey was likewise informed that the profiles of the nominees for election as members of the Board were included in the Company's Information Statement as well as in the Annual Report. The information included their age, nationality, qualifications, dates of first appointment and other directorships in publicly-listed companies.

Thereafter, the Secretary announced the results of the voting on the election of directors and certified that each of the nominees has received enough votes for election to the Board, and, accordingly, that the following resolution for the election of nominees to the Board has been approved:

> "RESOLVED, that pursuant to the recommendation of the Corporate Governance Committee, the following individuals are hereby elected as directors of **A BROWN COMPANY, INC.** for a period of one (1) year and until their successors shall have been duly qualified and elected:

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WALTER W. BROWN
ROBERTINO E. PIZARRO
ANNABELLE P. BROWN
RENATO N. MIGRINO
ANTONIO S. SORIANO
JOSELITO H. SIBAYAN
JUN HOU

Independent Directors

ELPIDIO M. PARAS
WAYNE Y. COHERCO"

The final tally of votes is as follows:

	Number of Votes Received	Votes Against	Abstain
Walter W. Brown	1,823,523,725	0	0
Robertino E. Pizarro	1,823,523,725	0	0
Annabelle P. Brown	1,823,523,725	0	0
Elpidio M. Paras	1,823,523,725	0	0
Wayne Y. Coherco	1,823,523,725	0	0
Antonio S. Soriano	1,823,523,725	0	0
Joselito H. Sibayan	1,823,523,725	0	0
Renato N. Migriño	1,823,523,725	0	0
Jun Hou	1,823,523,725	0	0

APPOINTMENT OF EXTERNAL AUDITOR

The Body next considered the appointment of the Corporation's external auditors for Year 2023.

Engr. Paras, Chairman of the Audit Committee, announced that the Corporation's Audit Committee has recommended, and the Board of Directors has endorsed for the consideration of the shareholders, the re-appointment of SyCip Gorres Velayo & Co. as the Corporation's external auditor for Year 2024.

The Secretary then announced the results of the voting on the proposal to appoint SyCip Gorres Velayo & Co. as the Corporation's external auditor for Year 2024 as follows:

AGENDA ITEM	VOTES IN FAVOR	VOTES AGAINST	ABSTAIN
Appointment of SyCip Gorres Velayo & Co. as External Auditor for 2024	**1,823,523,725** 100.0% of shares represented 76.87% of outstanding shares	0	0

The following resolution was likewise approved:

"RESOLVED, that SyCip Gorres Velayo & Co. be appointed as the external auditor of **A BROWN COMPANY, INC.** for Year 2024."

DRAFT ONLY

For Approval During the Next Shareholders' Meeting

OTHER MATTERS

Before the meeting was adjourned, the Chairman of the Meeting took the opportunity to thank, first, the shareholders for their support and confidence in Management's vision for the Corporation; second, the Board of Directors for its guidance and strategic insights; and, third, the employees for their dedication and hard work; all of which have helped the Corporation overcome all the difficulties that the Corporation has had to face over the years.

Thereafter, the following question, sent in by a shareholder via electronic mail, was read out:

> Almost all businesses were affected by COVID-19. But with lives having returned to 'normal' especially in the past year, has the real estate industry recovered? More specifically, how do you see A Brown in the current state of the real estate industry?

and was responded to by the President as follows:

> In the real estate industry, we observed that one's ability to cope with the impact of the Pandemic depended on one's capability to come up with the 'right product'. By 'right product' I mean projects in good locations and those which incorporated health and wellness in the development plans, features which have become a must coming out of our experiences from the Pandemic.
>
> For A Brown, our 300-hectare development Tanay, Rizal is very much focused on nature and wellness. In Bukidnon, in the foothills of Mount Kitanglad, we are expanding to more than 400 acres where we'll be putting up an 18-hole therapeutic golf course. Similarly, for our vertical developments, we are looking at new plans being developed wherein the open spaces are at least 40% to 50%, even 60% in some areas, to promote outdoor living.
>
> We have also heard that business process outsourcing (BPO) companies are now going outside Metro Manila and Cebu due to higher costs and congestion in these bigger cities. We have also gathered that the BPO companies are looking at relocating in Davao and Cagayan De Oro. We are fortunate, therefore, that we are operating mainly in Cagayan De Oro, plus we have made plans to develop office spaces. We have the right product in the right location.

No other questions were raised by the stockholders. In any case, the Body was advised that questions may still be sent after the broadcast and the same will be responded to by email by the officers of the Corporation concerned.

ADJOURNMENT

There being no other matters to discuss, the meeting was adjourned.

Attested By:

ROBERTINO E. PIZARRO
Chairman of the Meeting

JASON C. NALUPTA
Corporate Secretary

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ANNEX A

Present and Represented by Walter W. Brown

Walter W. Brown (PSTI and COL Financial, Inc.)
Walter W. Brown or Annabelle P. Brown
Bendana, Brown Holdings Corp. (PSTI, Campos Lanuza & Co., Inc. and Maybank Securities, Inc.)
Pacific Bougainville Holdings Inc. (Maybank Securities, Inc.)
Brownfield Holdings Inc. (COL Financial, Inc. Yap Securities, Inc. and Luna Securities, Inc.)

Present and Represented by Annabelle P. Brown

Annabelle P. Brown &/or Patricia B. Juat (PSTI and COL Financial, Inc.)
PBJ Corporation (PSTI, Campos Lanuza & Co., Inc. and COL Financial, Inc.)

Present and Represented by Themselves

Robertino E. Pizarro
Antonio S. Soriano (PSTI and Campos, Lanuza & Co., Inc.)
Elpidio M. Paras
Joselito H. Sibayan
Renato Migriño
Jun Hou
Daniel Winston Tan-chi (COL Financial, Inc.)
Marie Antonette U. Quinito
Paul Francis Juat &/or Patricia Juat (Campos Lanuza & Co., Inc.)
Nymfa S. Credo (Campos Lanuza & Co., Inc.)

Represented by Abraham Go

Jin Natura Resources Corp.

Represented by the Chairman of the Meeting (Robertino E. Pizarro)

Thomas G. Aquino
Josefina B. King (PSTI and Campos, Lanuza & Co., Inc.)
Victor P. Juat &/or Patricia Juat (Campos, Lanuza & Co., Inc.)
Patricia B. Juat (Campos, Lanuza & Co., Inc.)
Miguel Victor Juat &/or Patricia Juat (Campos, Lanuza & Co., Inc.)
John Walter Juat &/or Patricia Juat (Campos, Lanuza & Co., Inc.)
Andrew Patrick Juat &/or Patricia Juat (Campos, Lanuza & Co., Inc.)
Therese Carol &/or Patricia Juat (Campos, Lanuza & Co., Inc.)
Brian Gabriel &/or Patricia Juat (Campos, Lanuza & Co., Inc.)
Victor Juat for David Nicholas Juat (Campos, Lanuza & Co., Inc.)
Enterprise Holdings Corp. (Campos, Lanuza & Co., Inc.)
Marie Danielle P. Pizarro (PSTI and Campos, Lanuza & Co., Inc.)
Michelle Pizarro (PSTI and Campos, Lanuza & Co., Inc.)
Celerina Ramos (Campos, Lanuza & Co., Inc.)
Delio Tajanlangit for Cyrill Tajanlangit (Campos, Lanuza & Co., Inc.)
Delio Tajanlangit for Kenneth Tajanlangit (Campos, Lanuza & Co., Inc.)
Delio Tajanlangit for Alvin Tajanlangit (Campos, Lanuza & Co., Inc.)
Maridel Inciso (Campos, Lanuza & Co., Inc.)
Dante Agustin for Dan Antonio Agustin
Dante Agustin for Dan Oliver Agustin
Dante Agustin for Dante Carlo Agustin
Dante Agustin for Ma. Criselda Agustin
Dante Agustin for Ma. Victoria Agustin
Roberto Cristobal for Hannah Grace Cristobal
Roberto Cristobal for Haydee Grace Cristobal
Roberto Cristobal for Hazel Ann Cristobal
Roberto Cristobal for Joel Cristobal
Carlo Alado
Caroline Alado

Angelito Cabaluna
Job Bargamento
Job Bargamento Jr.
Joan Bargamento
Job Bargamento for Jolorosa Bargamento
Job Bargamento for Jovany Bargamento
Job Bargamento for Jumel Bargamento
Job Bargamento for Johnnie Lou Bargamento
Job Bargamento for Joseph Bargamento
Job Bargamento for Judy Bargamento
Job Bargamento for Joe Cerilo Bargamento
Job Bargamento for Joselito Bargamento
Job Bargamento for Jovecit Bargamento
Alalay sa Pamilya at Bayan Foundation, Inc. (Maybank Securities, Inc.)
Philippine Realty and Holdings Corporation (Campos, Lanuza & Co., Inc.)
PNB-Trust Banking Group (PNB Trust Banking Group)