

MABUHAY
HOLDINGS CORPORATION

April 24, 2025

THE PHILIPPINE STOCK EXCHANGE, INC.

PSE Tower, 5th Avenue corner 28th Street,
Bonifacio Global City, Taguig City

Attention: **ATTY. JOHANNE DANIEL N. NEGRE**
Officer-in-Charge, Disclosure Department

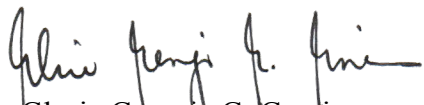
Subject: **MABUHAY HOLDINGS CORPORATION**
Annual Report ended December 31, 2024

Gentlemen:

We submit herewith a copy of the Annual Report for the year ended December 31, 2024 (SEC Form 17-A) of MABUHAY HOLDINGS CORPORATION with the attached Audited Consolidated and Separate Financial Statements for the year ended December 31, 2024 and 2024 Sustainability Report.

Hope you will find this in order. Thank you.

Very truly yours,



Gloria Georgia G. Garcia
Treasurer and Corporate Compliance Officer

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

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

1. For the Year Ended **December 31, 2024**
2. SEC Identification Number: **150014**
3. BIR Tax Identification Number: **050-000-473-206**
4. Exact Name of Registrant: **MABUHAY HOLDINGS CORPORATION**
5. Province, country or other jurisdiction of incorporation or organization: **PHILIPPINES**
6. Industry Classification Code: **HO**
7. Address of Principal Office: **35/F, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City, 1223**
8. Registrant's Telephone Number, Including Area Code: **(632) 8850-2000**
9. Former Name, former address, former fiscal year, if changed from last report: **N/A**
10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sections 4 and 8 of the RSA

Common stock **1,200,000,000 shares**

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

Yes [] No []

Philippine Stock Exchange **Common shares of stock**

12. Check whether the Registrant:

- (a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Section 11 of the RSA and RSA Rule 11(a), thereunder and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding 12 months

Yes [] No []

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

Yes [] No []

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

| | |
|---|---------------------------|
| Total number of subscribed shares | 1,200,000,000 |
| Less: Shares held by affiliates | 769,579,755 |
| Shares held by non-affiliates | 430,420,245 |
| Market price as of December 31, 2024 | 0.161 |
| Aggregate market value of voting stock held by non-affiliates | <u>P69,297,659</u> |

Year 2024 Form 17-A

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PART I - BUSINESS AND GENERAL INFORMATION

Item 1 – Business

Mabuhay Holdings Corporation (hereafter referred to as “Registrant” or “MHC” or “Company”) was incorporated on April 06, 1988. It is a holding company principally engaged in the acquisition and disposition of investments in securities, stocks, real and personal properties, and of any kind of properties and of investments in other entities.

It was incorporated with an authorized capital of 200 million shares at a par value of P1 per share. It was listed at both the Makati and Manila stock exchanges in 1990. The Articles of Incorporation were amended in 1994 to increase authorized capital to 4 billion shares at P1 par value per share. Currently, capital stock issued and subscribed total 1.2 billion shares, of which P975.5 million have been paid out of the P1.2 billion subscriptions. MHC shares are now traded in the Philippine Stock Exchange.

The registrant currently holds office at 35/F Rufino Pacific Tower, 6784 Ayala Avenue, Makati City, 1223. Its last annual stockholders’ meeting was on June 25, 2024.

As of December 31, 2024, the Registrant holds directly or indirectly substantial investments in several other corporations. Two of these are wholly-owned subsidiaries while the rest are investees in which MHC has sizeable claims and interests.

A. SUBSIDIARIES AND AFFILIATES

Major investees of the Registrant are the following:

- 1. T & M Holdings, Inc. (100%-owned by the Registrant)**
T & M Holdings, Inc. (T&MHI) which was registered with the Commission on November 10, 1995, is a holding company engaged in investments in real properties, marketable securities and stocks of other companies, domestic or foreign.
- 2. M & M Holdings Corporation (M&MHC) (100%-owned by the Registrant)**
Like T&MHI, M & M Holdings Corporation which was registered with the SEC on April 21, 1995, is a holding company engaged in the business of acquiring and disposing of interests in real and personal properties of any kind or description, marketable securities and shares of stocks. Currently, M&MHC has no substantial property except for some advances to its parent company, and a minimal amount of cash.
- 3. Tagaytay Properties and Holdings Corporation (TPHC) (26.04%-owned by the Registrant)**
A real estate company established and registered with the SEC on April 13, 1998, TPHC owns a high potential and strategically-located land in Tagaytay City. This property was supposed to be developed into a mixed commercial and residential subdivision but such plans were postponed indefinitely as a result of changes in the zoning laws of the city.
- 4. The Taal Company, Inc. (TTCI) (29.97%-owned by the Registrant)**
The Taal Company, incorporated on August 29, 1990, is a real estate company with property holdings in several parts of the Batangas province.
- 5. The Angeles Corporation (TAC) (38.46%-owned by the Registrant)**
The Angeles Corporation is an investment company incorporated on October 14, 1994. Most of its assets are invested in shares of the Prosperity Taxi Cab Corporation (PTCC), which the Company sold to a third party in 2009.
- 6. Mindanao Appreciation Corporation (MAC) (28.5%-owned by the Registrant)**
Mindanao Appreciation Corporation is an investment Company, incorporated and registered with the SEC on November 21, 1991. Most of its assets are invested in shares of Mabuhay Holdings Corporation and The Taal Company, Inc.

B. FOREIGN SALES. Not applicable to the Registrant.

C. COMPETITIVE BUSINESS CONDITION/COMPETITIVE POSITION IN THE INDUSTRY. The competitiveness of the Registrant, given the nature of its business, is defined by the diversity of its interests. Most of the Registrant’s business interests are concentrated in the real estate property business. Tagaytay Properties &

Holdings Corporation, The Taal Co., Inc. and T&M Holdings, Inc., each hold an inventory of real properties in strategic locations like Tagaytay City, Batangas and Cavite. As of December 31, 2024, the aggregate landholdings of the Registrant’s investees totalled 15.97 hectares, many of which are in prime locations.

D. DEPENDENCE ON A FEW CUSTOMERS. This disclosure is currently not applicable to the Registrant’s business and concerns.

E. TRANSACTIONS WITH AND/OR DEPENDENCE ON RELATED PARTIES. The Registrant’s transactions with its subsidiaries and affiliates mainly consist of the granting of advances to /from them. The Registrant exercises control and management over some of its investees.

F. NEED FOR GOVERNMENTAL APPROVAL OF PRODUCTS AND SERVICES. Aside from being regulated by the PSE and the SEC, the Registrant generally is not subject to any other specific government regulation.

G. EFFECT OF EXISTING OR PROBABLE GOVERNMENTAL REGULATIONS TO THE BUSINESS. This disclosure is currently not applicable to the Registrant’s business and concerns.

H. ESTIMATE OF AMOUNT SPENT FOR RESEARCH AND DEVELOPMENT ACTIVITIES. This disclosure is currently not applicable to the Registrant’s business and concerns.

I. COSTS AND EFFECTS OF COMPLIANCE WITH ENVIRONMENTAL LAWS. This disclosure is currently not applicable to the Registrant’s business and concerns.

J. TOTAL NUMBER OF EMPLOYEES AND NUMBER OF FULL TIME EMPLOYEES. As of December 31, 2024, The Registrant has 9 employees, all rendering administrative services. Of the Company’s 9 employees, 5 render support services: 2 for accounting/bookkeeping work and 3 doing office services functions while the other 4 belong to the management and administration of the Company. There is no Collective Bargaining Agreement between the employees and the Registrant and there had been no strikes or threats of strike for the past five (5) years. Aside from the statutory benefits prescribed by the labor code, the Registrant’s employees enjoy Company-sponsored health insurance.

| |
|----------------------------|
| Item 2 – Properties |
|----------------------------|

All the following properties owned by MHC and its affiliates/subsidiaries are free from lien:

| Name of Property | Owner | Area | Location |
|--|--|---------------|-----------------------------|
| Zara Property | The Taal Co., Inc. | 14,022 sq. m. | Don Juan, Cuenca, Batangas |
| Rañola Property | The Taal Co., Inc. | 778 sq. m. | Tanza, Cavite |
| Tagaytay Property | Tagaytay Properties and Holdings Corp. | 98,671 sq. m. | Rotonda, Tagaytay City |
| Carandang | Tagaytay Properties and Holdings Corp. | 6,533 sq. m. | Ambolong, Batangas |
| Atienza | Tagaytay Properties and Holdings Corp. | 3,036 sq. m. | Ambolong, Batangas |
| 35F Rufino Pacific Tower (office condo unit) | Mabuhay Holdings Corp. | 886 sq. m.* | Ayala Avenue, Makati City |
| Lipa Property | T&M Holdings, Inc. | 36,679 sq.m. | Bolboc, Lipa City, Batangas |

* Half of the 35th Floor is leased out to Crawford & Company Philippines, Inc. starting 15 September 2021 and the other half is being used as The Registrant’s office. Rental revenues from this property amounted to P4.018M in 2023 as reflected in the Consolidated Statements of Total Comprehensive Income, Notes 6 and 15 of the Consolidated Financial Statements as of and for the year ended December 31, 2023, which are an integral part of this report.

Item 3 – Legal Proceedings

The Registrant and its consolidated subsidiaries/affiliates are parties to various legal actions or proceedings. However, in the opinion of management, the ultimate liability, if any, resulting from these actions or proceedings, will not have a material effect on the Registrant’s consolidated financial position.

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

There were no substantial matters submitted to a vote of the security holders during the year 2023. The last meeting of the Registrant’s stockholders was the annual stockholders’ meeting, which was held on September 22, 2023. In that meeting, the stockholders elected the directors for 2024. Messrs. Steven G. Virata, Rodrigo B. Supeña and Rodolfo D. Santiago were the Registrant’s independent directors in compliance with SEC Memorandum Circular No. 16, Series of 2002, Section 38 of the Securities Regulation Code and its implementing rules and regulations.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 5 – Market for the Registrant’s Common Equity and Related Stockholder Matters

The Registrant’s shares of common stock are being traded at the Philippine Stock Exchange. Of the authorized capital stock of four billion shares, 1.2 billion have been subscribed. As of December 31, 2023, MHC had received P194.7 million as deposits for future stock subscription. Although these deposits were intended for capital subscription, they were presented as liability in the Statement of Financial Position for the purpose of complying with SEC rule 68-D.

Dividends. No dividend declarations were made during the two recent fiscal years of the Registrant. Aside from the accumulated deficit sustained by the company, there is no restriction that limits the ability to pay dividends on common equity.

Stock Prices. The shares of MHC traded along the following bands during 2024 and 2023:

| | 2024 | | 2023 | |
|----------------|-------|-------|-------|-------|
| | High | Low | High | Low |
| First Quarter | 0.173 | 0.119 | 0.238 | 0.225 |
| Second Quarter | 0.203 | 0.170 | 0.227 | 0.180 |
| Third Quarter | 0.215 | 0.116 | 0.188 | 0.180 |
| Fourth Quarter | 0.176 | 0.117 | 0.168 | 0.111 |

The listed price of MHC shares as of end of first quarter of 2025 is P0.16, with a high of P0.161 and a low of P0.160.

Recent Sales of Unregistered Securities. No securities of the Registrant have been sold within the past three years which have not been registered under the Securities Regulation Code. Neither is there any claim for exemption from registration made by the Company.

Stockholders.

Stockholders of record as at December 31, 2024 total **one hundred ninety six (196)** in number, broken down as follows:

| Citizen | No. of Shares | Percentage | No. of Holders |
|-------------|----------------------|----------------|----------------|
| Filipino | 772,623,765 | 64.38% | 184 |
| American | 908,000 | 0.08% | 7 |
| Chinese | 105,050 | 0.01% | 2 |
| Other Alien | 426,363,185 | 35.53% | 3 |
| | 1,200,000,000 | 100.00% | 196 |

Top 20 Stockholders as at December 31, 2024 all holding Common Stock:

| Rank | Name of Stockholder | No. of Shares Held | Percentage |
|------|--------------------------------------|--------------------|------------|
| 1 | PCD Nominee Corporation (NF) | 426,363,134 | 35.53% |
| 2 | Prokey Investments Ltd. | 351,289,763 | 29.27% |
| 3 | PCD Nominee Corporation (F) | 260,257,963 | 21.69% |
| 4 | Guoco Securities (Phils.), Inc. | 123,192,131 | 10.27% |
| 5 | Papa Securities Corporation | 13,550,000 | 1.13% |
| 6 | Mindanao Appreciation Corp. | 10,183,000 | 0.85% |
| 7 | Avesco Marketing | 1,600,000 | 0.13% |
| 8 | Four Treasures Development Corp. | 1,200,000 | 0.10% |
| 9 | Yan, Lucio W. | 1,000,000 | 0.08% |
| 10 | Prosperity Taxi Cab Corp. | 1,000,000 | 0.08% |
| 11 | International Polymer Corp. | 900,000 | 0.08% |
| 12 | Zosa, Rolando M. | 800,000 | 0.07% |
| 13 | Uy, Samson | 700,000 | 0.06% |
| 14 | Mendoza, Alberto &/or Jeanie Mendoza | 650,000 | 0.05% |
| 15 | Sy, Siliman | 546,000 | 0.05% |
| 16 | Sickling II, Herbert William | 500,000 | 0.04% |
| 17 | South China Holdings | 432,000 | 0.04% |
| 18 | Dyhongpo, Carlos | 330,000 | 0.03% |
| 19 | Dyhongpo, Vivian | 300,000 | 0.03% |
| 20 | Sy, Herbert | 250,000 | 0.02% |

There had been no sales of unregistered or exempt securities of the Registrant, or issuance of its securities constituting exempt transaction.

Item 6 – Management’s Discussion and Analysis or Plan of Operation

The following discussion should be read in conjunction with the Consolidated Financial Statements of the Registrant that are incorporated to this Report by reference. Such Consolidated Financial Statements have been prepared in accordance with Philippine Financial Reporting Standards.

On November 18, 2020, the Group entered into an agreement for the development of an affordable housing project. As at December 31, 2024, construction and development of the project has been completed.

On August 9, 2023, the Parent Company’s wholly-owned subsidiary, T&M Holdings, Inc.(TMHI) , entered into a Deed of Sale agreement for the purchase of a parcel of land for the purpose of developing and converting it to an affordable housing project with a total area of thirty six thousand six hundred seventy nine (36,679) square meters located in Barangay Bolboc, Lipa City, Batangas. TMHI has fully paid for the acquisition cost recorded in the books

as “**Investment properties**”. As at December 31, 2024, TMHI has completed the transfer of ownership of the property and is in the process of documentation of the planned subdivision project and planning for its design and development.

The Group plans to acquire properties for rental purposes and concentrate on this as its main short-term operating activity. Management believes that this move is strategic and will be beneficial for the Group in the long run. The Group intends to become more liquid and flexible while pursuing bigger urban real property development projects together with its foreign business partners.

The following comprise the Group’s short-term and long-term plans:

1. To acquire developed properties with the intention of converting such properties for lease operations;
2. To acquire properties for development and to lease these properties;
3. To acquire properties for development of affordable housing units as part of our corporate social responsibility to contribute to the housing requirements of the country;
4. To continue to retain its investment in stocks of PIHI for capital appreciation and eventual cash flows from future dividend declarations, and to invest in stocks listed in the Philippine Stock Exchange on a broader scope; and
5. To continue to retain its investment properties for appreciation, and to plan for the possible development of the prime properties.

The above plans will contribute to improve the results of operation of the Group in the following years.

The Group’s activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. 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.

The Management, under the direction of the Board of Directors of the Group is responsible for the management of financial risks. Its objective is to minimize the adverse impacts on the Group’s financial performance due to the unpredictability of financial markets.

The Company's equity position is in compliance with the minimum statutory requirements applicable to public companies. Given the very limited operating activities undertaken by the Group, it does not require intensive capitalization. The Group’s main objective is to ensure it has adequate capital moving forward to pursue its land disposal plans at optimum gain.

Other than its gear towards opening projects on affordable housing, the Group does not anticipate other heavy requirement for working capital in 2024.

2024

Results of Financial Operations

| | Year Ended December 31 | | Increase (Decrease) | % |
|-------------------|-------------------------------|--------------|----------------------------|----------|
| | 2024 | 2023 | | |
| Income | 71,565,512 | 23,699,578 | 47,865,934 | 201.97% |
| Expenses | 61,046,760 | 88,769,011 | (27,722,251) | (31.23%) |
| Net Income (Loss) | (8,167,107) | (64,786,546) | 56,619,439 | (87.39%) |

A comparative review of the Registrant’s financial operations for the year ended **December 31, 2024** vis-à-vis the same period last year showed the following:

Total income increased by P47.865M or 201.97% mainly due to net effect the following: (a) increase in rental revenue from P4.018M in 2023 to P5.504M in 2024 for the lease of half of 35th Floor office space, including parking rights; (b) recognition of lower management and service fees related to the affordable housing project undertaken by the subsidiary TMHI from P4.682M in 2023 to P1.304M in 2024; and (c) recognition of higher gain on fair value change in investment properties as a result of the appraisal of the properties from P13.742M in 2023 to P63.794M in 2024. Interest income recognized for 2024 amounted to P28k as compared P471k in 2023. Total expenses decreased by P27.722 million or 31.23% mainly due to the recognition of lower unrealized loss on revaluation of financial assets at FVPL for 2024.

Net income before income taxes registered at P10.519M for 2024 and net loss for the year registered at (P8.167M) after income tax provision.

There are no significant elements of income that did not arise from the Registrant's continuing operations. Neither is the Company's operations affected by any seasonality or cyclical trends.

Financial Position

| | December 31, 2024 | December 31, 2023 | Increase (Decrease) | % |
|-------------------------|-------------------|-------------------|---------------------|----------|
| Current Assets | 143,104,836 | 214,289,081 | (71,184,245) | (33.22%) |
| Non-current Assets | 663,450,905 | 590,562,215 | 72,888,690 | 12.34% |
| Total Assets | 806,555,741 | 804,851,296 | 1,704,445 | 0.21% |
| Current Liabilities | 229,589,175 | 238,669,014 | (9,079,839) | (3.80%) |
| Non-current Liabilities | 152,535,715 | 133,584,324 | 18,951,391 | 14.19% |
| Equity | 424,430,851 | 432,597,958 | (8,167,107) | (1.89%) |

Explanation to Accounts with Material Variance (December 2024 vs. December 2023)

Current Assets

Cash amounted to P36.180 million as of December 31, 2024 as compared to P39.408 million as of December 31, 2023 or a decrease of P3.228M or 8.19% attributed mainly due to funds used for documentation and preparation for construction and development of the affordable housing project and for working capital.

Financial assets at fair value through profit or loss amounted to P59.326 million as of December 31, 2024 as compared to P117.981 million as of December 31, 2023, or a decrease of P58.65 M or 49.72% mainly due to recognition of unrealized loss on revaluation of securities as of end of December 2024 net of disposal of securities.

Receivables and other current assets amounted to P47.599 million of December 31, 2024 as compared to P56.9 million of December 31, 2023, or a decrease of P9.302 million or 16.35% mainly due to the collections of receivables, and additional prepayments.

Non-current Assets

Property and equipment, net amounted to P1.624 million as of December 31, 2024 as compared to P0.363 million as of December 31, 2023, or an increase of 347.7% or P1.261 million mainly due to acquisition of transportation equipment net of depreciation charges for the year.

Real estate held for sale represents the total cost as of December 31, 2024 relative to the affordable housing project in Lipa, Batangas. The amount as of December 31, 2023 is presented under Investment properties.

Investment properties amounted to P617.060 million as of December 31, 2024 as compared to P590.199 million as of December 31, 2023, or an increase of 4.55% or P26.861 million mainly due to the recognition of unrealized gain on revaluation as of end of the year, net of the reclassification to Real estate held for sale for the cost of the property in Lipa, Batangas for future housing project.

Current Liabilities

Accounts payable and other current liabilities amounted to P12.271 million as of December 31, 2024 as compared to P20.738 million as of December 31, 2023, or a decrease of 40.83% or P8.467 million mainly due to full payment of the remaining installment due to the acquisition of the Lipa, Batangas property intended for affordable housing project net of payments/remittances.

Income tax payable amounted to P0.339 million as of December 31, 2023 as compared to Nil as of December 31, 2024.

Non-current Liabilities

Retirement benefits obligation amounted to P3.728 million as of December 31, 2024 as compared to P3.276 million as of December 31, 2023, or an increase of P0.452 million or 13.80% due additional provision.

Deferred income tax liabilities, net amounted to P148.807 million as of December 31, 2024 as compared to P130.308 million as of December 31, 2023, or an increase of P18.499 million or 14.2% due to adjustments after recalculation.

Equity

Retained Earnings (deficit) amounted to (P737.586 million) as of December 31, 2024 as compared to (P694.453 million) as of December 31, 2023, or an increase in Deficit of P43.133 million or 6.21% mainly due to the effect of net loss attributable to shareholders of the Parent company recognized for the year.

Key Performance and Financial Soundness Indicators

Definition of Ratios

| | | |
|---------------------------|---|---|
| Net Profit Ratio | - | $\frac{\text{Consolidated Net Income (Loss)}}{\text{Total Revenues}}$ |
| Return on Assets | - | $\frac{\text{Net Income}}{\text{Total Assets}}$ |
| Return on Equity | - | $\frac{\text{Net Income}}{\text{Total Stockholders' Equity}}$ |
| Current Ratio | - | $\frac{\text{Current Assets}}{\text{Current Liabilities}}$ |
| Acid Test | - | $\frac{\text{Cash on hand and in banks + Financial Assets at Fair Value+ Notes and other receivables}}{\text{Current Liabilities}}$ |
| Debt to Equity | - | $\frac{\text{Total Liabilities}}{\text{Total Equity}}$ |
| Debt to Assets | - | $\frac{\text{Total Liabilities}}{\text{Total Assets}}$ |
| Asset to Equity | - | $\frac{\text{Total Assets}}{\text{Total Equity}}$ |
| Interest Coverage | - | $\frac{\text{Net Income Before Tax and Interest Expense}}{\text{Interest Expense}}$ |
| Earnings (Loss) Per Share | - | $\frac{\text{Net Income Attributable to Equity Holders of Parent Co.}}{\text{Average number of Outstanding Common Shares}}$ |

| (%) | Dec. 31, 2024* | Dec. 31, 2023* | Dec. 31, 2022* |
|---------------------------|-----------------------|-----------------------|-----------------------|
| Net Profit Ratio | -0.1141 | -2.7336 | -2.4922 |
| Return on Assets | -0.0101 | -0.0805 | -0.0829 |
| Return on equity | -0.0192 | -0.1498 | -0.1437 |
| Current ratio | 0.6233 | 0.8979 | 1.3969 |
| Acid test | 0.4160 | 0.8872 | 1.1421 |
| Debt to equity | 0.6104 | 0.8605 | 0.7323 |
| Debt to assets | 0.4738 | 0.4625 | 0.4227 |
| Asset to equity | 1.9003 | 1.8605 | 1.7323 |
| Interest coverage | - | - | - |
| Earnings (loss) per share | -0.0442 | -0.0647 | -0.0742 |

*Audited

2023

Results of Financial Operations

| | Year Ended December 31 | | Increase (Decrease) | % |
|-------------------|------------------------|--------------|---------------------|----------|
| | 2023 | 2022 | | |
| Income | 23,699,578 | 28,672,158 | (4,972,580) | (17.34%) |
| Expenses | 88,769,011 | 98,414,623 | (9,645,612) | (9.80%) |
| Net Income (Loss) | (64,786,546) | (71,456,383) | 6,669,837 | (9.33%) |

A comparative review of the Registrant's financial operations for the year ended **December 31, 2023** vis-à-vis the same period last year showed the following:

Total income decreased by P4.972M or 17.34% mainly due to net effect the following: (a) increase in rental revenue from P3.935M in 2022 to P4.018M in 2023 for the lease of half of 35th Floor office space, including parking rights; (b) recognition of lower management and service fees related to the affordable housing project undertaken by the subsidiary TMHI from P5.129M in 2022 to P4.682M in 2023; and (c) recognition of lower gain on fair value change in investment properties as a result of the appraisal of the properties from P17.397M in 2022 to P13.742M in 2023. Interest income recognized for 2023 amounted to P471k as compared P442k in 2022. Total expenses decreased by P9.646 million or 9.8% mainly due to the recognition of unrealized loss on revaluation of financial assets at FVPL and the loss on litigation incurred in 2022.

Net loss before income taxes registered at (P65.069M) for 2023 and net loss for the year registered at (P64.784M) after income tax provision.

There are no significant elements of income that did not arise from the Registrant's continuing operations. Neither is the Company's operations affected by any seasonality or cyclical trends.

Financial Position

| | December 31, 2023 | December 31, 2022 | Increase (Decrease) | % |
|-------------------------|-------------------|-------------------|---------------------|----------|
| Current Assets | 214,289,081 | 321,629,745 | (107,340,664) | (33.37%) |
| Non-current Assets | 590,562,215 | 539,998,466 | 50,563,749 | 9.36% |
| Total Assets | 804,851,296 | 861,628,211 | (56,776,915) | (6.59%) |
| Current Liabilities | 238,669,014 | 230,243,047 | 8,425,967 | 3.66% |
| Non-current Liabilities | 133,584,324 | 134,002,660 | (418,336) | (0.31%) |
| Equity | 432,597,958 | 497,382,504 | (64,784,546) | (13.03%) |

Explanation to Accounts with Material Variance (December 2023 vs. December 2022)

Current Assets

Cash amounted to P39.408 million as of December 31, 2023 as compared to P83.241 million as of December 31, 2022 or a decrease of P43.833M or 52.66% attributed mainly due to funds used to finance the construction and development of the affordable housing project and the partial payments made for the acquisition of a property in Lipa, Batangas for future housing project.

Financial assets at fair value through profit or loss amounted to P117.981 million as of December 31, 2023 as compared to P179.709 million as of December 31, 2022, or a decrease of 34.35% or P61.728 million mainly due to recognition of unrealized loss on revaluation of securities as of end of December 2023 net of additional acquisition of securities.

Receivables and other current assets amounted to P56.9 million of December 31, 2023 as compared to P58.68 million of December 31, 2022, or a decrease of P1.779 million or 3.03% mainly due to the prepaid taxes and insurance.

Non-current Assets

Property and equipment, net amounted to P0.363 million as of December 31, 2023 as compared to P0.474 million as of December 31, 2022, or a decrease of 23.55% or P0.112 million mainly due to depreciation charges for the year net of additional acquisition.

Investment properties amounted to P590.199 million as of December 31, 2023 as compared to P539.524 million as of December 31, 2022, or an increase of 9.39% or P50.675 million mainly due to the recognition of unrealized gain on revaluation as of end of the year and the acquisition of a property in Lipa, Batangas for future housing project.

Current Liabilities

Accounts payable and other current liabilities amounted to P20.738 million as of December 31, 2023 as compared to P12.810 million as of December 31, 2022, or an increase of 61.89% or P7.928 million mainly due to accrual of the remaining installment to fully pay the acquired property in Lipa, Batangas for future housing project net of payments/remittances.

Income tax payable amounted to P0.339 million as of December 31, 2023 as compared to P120.44 million as of December 31, 2022, or an increase of 181.33% or P218K.

Non-current Liabilities

Retirement benefits obligation amounted to P3.276 million as of December 31, 2023 as compared to P2.582 million as of December 31, 2022, or an increase of P0.694 million or 26.87% due additional provision.

Deferred income tax liabilities, net amounted to P130.308 million as of December 31, 2023 as compared to P131.42 million as of December 31, 2022, or a decrease of P1.112 million or 0.85% due to adjustments after recalculation.

Equity

Retained Earnings (deficit) amounted to (P694.453 million) as of December 31, 2023 as compared to (P631.296 million) as of December 31, 2022, or an increase in Deficit of P63.157 million or 10.0% mainly due to the effect of net loss attributable to shareholders of the Parent company recognized for the year.

2022

Results of Financial Operations

| | Year Ended December 31 | | Increase (Decrease) | % |
|-------------------|-------------------------------|--------------|----------------------------|----------|
| | 2022 | 2021 | | |
| Income | 28,672,158 | 31,266,079 | (2,593,921) | (8.30%) |
| Expenses | 98,414,623 | 69,233,811 | 29,180,812 | 42.15% |
| Net Income (Loss) | (71,456,383) | (16,248,276) | (55,208,107) | 339.78% |

A comparative review of the Registrant's financial operations for the year ended **December 31, 2022** vis-à-vis the same period last year showed the following:

Total income decreased by P2.59M or 8.3% mainly due to the following: (a) increase in rental revenue as a new contract has been signed in the third quarter of 2021 for the lease of half of 35th Floor office space; (b) recognition of management and service fees related to the affordable housing project undertaken by the subsidiary TMHI; and (c) recognition of gain on fair value change in investment properties as a result of the appraisal. Interest income recognized for 2022 amounted to P422k and foreign exchange gains amounted to P516k as compared to P894k and P278k, respectively for 2021. Total expenses increased by P29.2 million or 42.15% mainly due to the recognition of loss on litigation claims and unrealized loss on revaluation of securities.

Net loss before income taxes registered at (P69.74M) for 2022 and net loss for the year registered at (P71.5M) after income tax provision.

There are no significant elements of income that did not arise from the Registrant's continuing operations. Neither is the Company's operations affected by any seasonality or cyclical trends.

Financial Position

| | December 31, 2022 | December 31, 2021 | Increase (Decrease) | % |
|-------------------------|--------------------------|--------------------------|----------------------------|----------|
| Current Assets | 321,629,745 | 463,269,692 | (141,639,947) | (30.57%) |
| Non-current Assets | 539,998,466 | 523,057,927 | 16,940,539 | 3.24% |
| Total Assets | 861,628,211 | 986,327,619 | (124,699,408) | (12.64%) |
| Current Liabilities | 230,243,047 | 284,143,241 | (53,900,194) | (18.97%) |
| Non-current Liabilities | 134,002,660 | 133,345,546 | 657,114 | 0.49% |
| Equity | 497,382,504 | 568,838,832 | (71,456,328) | (12.56%) |

Explanation to Accounts with Material Variance (December 2022 vs. December 2021)

Current Assets

Cash amounted to P83.241 million as of December 31, 2022 as compared to P171.837 million as of December 31, 2021 or a decrease of P88.6M or 51.56% attributed mainly due to release of funds to finance the ongoing construction and development of the affordable housing project and the settlement of litigation claims.

Financial assets at fair value through profit or loss amounted to P179.709 million as of December 31, 2022 as compared to P202.744 million as of December 31, 2021, or a decrease of 11.36% or P23.03 million mainly due to recognition of unrealized loss on revaluation of securities as of end of December 2022.

Receivables and other current assets amounted to P58.68 million of December 31, 2022 as compared to P88.7 million of December 31, 2021, or a decrease of P30.01 million or 33.84% mainly due to the collection of remaining receivables from the sale of two parcels of land.

Non-current Assets

Property and equipment, net amounted to P0.474 million as of December 31, 2022 as compared to P0.931 million as of December 31, 2021, or a decrease of 49.03% or P0.456 million mainly due to depreciation charges for the year net of additional acquisition.

Investment properties amounted to P539.524 million as of December 31, 2022 as compared to P522.127 million as of and December 31, 2021, or an increase of 3.33% or P17.397 million mainly due to the recognition of unrealized gain on revaluation as of end of the year.

Current Liabilities

Accounts payable and other current liabilities amounted to P12.810 million as of December 31, 2022 as compared to P13.163 million as of December 31, 2021, or a decrease of 2.7% or P0.353 million mainly due to payments/remittances.

Income tax payable amounted to P0.120 million as of December 31, 2022 as compared to P5.33 million as of December 31, 2021, or a decrease of 97.74% or P5.21 million mainly due to lower income taxes for 2022.

Provision for litigation claims amounted to P-0- as of December 31, 2022 as compared to P47.77 million as of December 31, 2021, or a 100% decrease mainly due to the final settlement of the case.

Non-current Liabilities

Deferred income tax liabilities, net amounted to P131.42 million as of December 31, 2022 as compared to P130.489 million as of December 31, 2021, or an increase of P0.932 million or 0.71% due additional provision.

Equity

Retained Earnings (deficit) amounted to (P631.3 million) as of December 31, 2022 as compared to (P558.93 million) as of December 31, 2021, or an increase in Deficit of P72.36 million or 6.8% mainly due to the effect of net loss attributable to shareholders of the Parent company recognized for the year.

Item 7 – Financial Statements

The audited consolidated financial statements of the Registrant as of and for the year ended December 31, 2023, as listed in the accompanying Index to Financial Statements and Supplementary Schedules, are filed as part of this Form 17-A.

The financial statements attached to the report include the audited statements of financial position, statements of total comprehensive income, statements of changes in equity, statements of cash flows and the notes to the financial statements. Such reports form part of our attachment to our SEC Annual Report Form 17-A.

Item 8 – Independent Public Accountants

(a) Audit and Audit-Related Fees

There were no disagreements with the auditors with respect to accounting principles and practices, financial disclosures, or auditing scope or procedures.

As in previous years, representatives of the Registrant's auditors are expected to be present at this year's annual stockholders' meeting, available to respond to questions that may be asked by the stockholders. The said auditors will have the opportunity to make a statement if they desire to do so.

The external auditors charged the Company and its subsidiaries an aggregate amount of P1.08M for the last two (2) calendar years ending December 31, 2023 and 2022.

(b) Tax Fees

There were routine professional services rendered by the external auditors for tax accounting, compliance, advice, planning and any other form of tax services in each of the last two (2) calendar years ending December 31, 2023 and 2022. The fees for these services are included in the Audit and Audit-Related Fees mentioned above.

(c) All Other Fees

There were no other professional services rendered by the external auditors during the period.

(d) Company Policy in Appointment of Independent Auditor

The President and the Treasurer recommend to the Board of Directors the appointment of the external auditor and the fixing of the audit fees. The Board of Directors approves their recommendation.

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9 – Directors and Executive Officers

A. DIRECTORS – The names, ages, terms of office, business experience for the last five years, directorship in other companies of the directors of the Registrant are as follows:

Atty. Roberto V. San Jose, Director, Chairman of the Board - He was elected Chairman of the Board in 2003 and has been a member of the Board of Directors as early as 1991. He is a consultant of the Castillo Laman Tan Pantaleon & San Jose Law Offices and a Director or Officer of the following companies: Anglo Philippine Holdings Corporation, Alsons Consolidated Resources Corporation, Philweb Corporation, CP Group of Companies, Carlos Palanca Foundation, Inc., MAA Consultants, Inc., Solid Group Inc., United Paragon Mining Corporation, The Metropolitan Club, Inc. and various client corporations of their law firm. Attorney San Jose, a Filipino, is 83 years old.

Esteban G. Peña Sy, Director and President - He was elected as Director and President on Nov. 1, 2006 and has served as such for more than ten years now. He graduated from the University of the Philippines in 1968 with the degree of A.B. Economics and completed the Program for Management Development at Harvard Business School in 1982. He was the Managing Director of Pan Asian Management Ltd. And AI Financial Services Ltd., which are management and investment consultancy firms based in Hongkong, and Pan Asian Oasis Telecom Ltd. that operates joint venture factories engaged in the manufacture of communication and fiber optic cables in China. His previous work experience includes the following: Asst. Secretary General of the Federation of Filipino-Chinese Chambers of Commerce and Industry from 1971 - 1979 and Executive Director from 1980-1986; various positions in the Ayala Group of Companies from 1979-1984. Mr. Peña Sy, a Filipino citizen, is 77 years old.

Atty. Delfin P. Angcao, Corporate Secretary - Atty. Delfin Angcao holds the position since 1995. He is a partner at the Castillo Laman Tan Pantaleon & San Jose Law Offices (CLTPSJ) since the year 2000. He was a junior associate with CLTPSJ from 1995 to 1997. He climbed up to being a Senior Associate from 1997 to 2000. He was a former associate at the San Jose, Enriquez, Lacas, Santos, Borje & Vendero from 1992 to 1995. His other business experience in the last 5 years are as follows: director and/or Corporate/Asst. Corporate Secretary of various client corporations of CLTPSJ namely: United Paragon Mining Corporation, The Manila Southwoods Golf & Country Club, Inc., and Golden Valley Exploration Corporation. He is a member of the Integrated Bar of the Philippines and the Philippine Institute of Certified Public Accountants. Attorney Angcao, a Filipino, is 67 years old.

Atty. Ana Maria Katigbak, Director and Assistant Corporate Secretary – She holds the position of Assistant Corporate Secretary since 1999. She held the position of a director for seven years, or from 1999 to October 31, 2006, and then from June 27, 2007 up to the present. A member of the Integrated Bar of the Philippines and a graduate of Bachelor of Laws and Bachelor of Arts in Comparative Literature (Cum Laude) at the University of the Philippines, she is currently a partner at the Castillo Laman Tan Pantaleon San Jose Law Offices. Her other business experience in the last 5 years are as follows: assistant corporate secretary of publicly-listed companies and registered membership clubs such as: Boulevard Holdings, Inc., Premier Entertainment Productions, Inc., Solid Group, Inc., The Metropolitan Club, Inc., AJO.net Holdings, Inc. and PhilWeb.Corporation. She is also a lecturer at the Thames International Business School, Philippine Campus. Atty. Katigbak, a Filipino, is 56 years old.

Andrew Charles Ferguson, Director - Mr. Ferguson, 51 years old, British citizen, was elected Director on August 2, 2021. He holds a Bachelor of Science Degree in Natural Resource Development. Mr. Ferguson worked as a mining engineer in Western Australia in the mid 1990's. In 2003, Mr. Ferguson co-founded New City Investment Managers in the United Kingdom. He has a proven track record in fund management and was the former co-fund manager of City Natural Resources High Yield Trust, which was awarded "Best UK Investment Trust" in 2006. In addition, he managed New City High Yield Trust Ltd. and Geiger Counter Ltd. He worked for New City Investment Managers CQS Hong Kong, a financial institution providing investment management services to a variety of investors. He has 26 years of experience in the finance industry specializing in global natural resources. Being a fund manager for assets in London and Hong Kong, he was responsible for day to day management of portfolios, risk management, business development, relationship management and working with independent boards, custodians and auditors to ensure that all shareholders' funds were managed properly. Mr. Ferguson is currently an Executive Director and the Chief Executive Officer of APAC Resources Limited (Stock Code: 1104), a company listed on the main board of The Stock Exchange of Hong Kong Limited, and an alternate director in Mount Gibson Iron Limited (Stock Code: MGX), a company listed on the Australian Securities Exchange.

Rodrigo B. Supeña, Independent Director - Mr. Rodrigo B. Supeña has been elected as Independent Director of the Company since March 31, 2009, and has served as such for more than two years now. Mr. Supeña, a seasoned banker who previously held various key positions in Land Bank of the Philippines and Bank of the Philippine Islands, is currently a Consultant of Land Bank of the Philippines and a Board Member of LBP Leasing Corporation. Mr. Supeña, a Filipino, is 85 years old.

Steven Gamboa Virata, Independent Director – Mr. Steven Virata joined the Company in 2001. A degree holder of B.S. Architecture from the University of the Philippines, he has more than 10 years experience in the aviation industry, marketing, architecture, graphic design and production, theater industry and farm management. His other business experiences in the last 5 years are as follows: currently, he is a Director of C. Virata and Associates, ATAR-IV, Inc., Chilco Holdings Inc., and V.L. Araneta Properties, Inc. He was elected last year and is nominated this year, as an independent director. Mr. Virata, a Filipino, is 67 years old.

Rodolfo D. Santiago, Independent Director - Retired Major General Rodolfo D. Santiago, Filipino, 64, is a graduate of the Philippine Military Academy, Class of 1982. He has more than 38 years of military service holding various positions in several specialized fields. He held command and staff positions of major importance in the fields of military communications, intelligence, civil military operations and infantry operations. He capped his military career as an educator serving as the 54th Commandant of the Armed Forces of the Philippines Command and General Staff College. He completed his 15-year intelligence career serving as a Commander of the Defense Intelligence and Security Group. His civil-military operations stint was topped by being designated as the Assistant Deputy Chief of Staff for Civil-Military Operations, J7 (AJ7). He also led the AFP in disaster response operations, training and education. He is currently serving as Chief Technology Officer of Dito Telecommunity Corporation and as a member

of the Board of Advisers of the Tech Peace, Build Peace Movement. He works as an independent consultant of the Department of Education since January 2017 dealing largely with other stakeholders, disaster resiliency, peace education and schools in conflict areas. He is also a research consultant of Ateneo de Manila University on disaster resiliency since May 2017. Maj. Gen. Santiago served as an Independent Director of Philippine Infradev Holdings, Inc. from Aug. 17, 2017 to May 21, 2020.

Messrs. Rodrigo B. Supeña, Steven G. Virata and Rodolfo D. Santiago were elected as the Company's independent directors at the last annual stockholders' meeting held on September 22, 2023.

INDEPENDENT DIRECTORS

In compliance with SRC Rule 38 which provides for the guidelines on the nomination and election of independent directors, and under the New Manual on Corporate Governance, the Corporate Governance Committee shall, perform the functions previously undertaken by the Nomination and Election Committee, and shall be responsible in review and evaluation of qualifications of all persons nominated to the Board and other appointments that require Board approval. The Corporate Governance Committee is composed of the following as members:

| | | | |
|----|---------------------------|---|--------------------------------|
| 1. | Steven G. Virata | - | Chairman, Independent director |
| 2. | Rodrigo B. Supeña | - | Member, Independent director |
| 3. | Rodolfo D. Santiago | - | Member, Independent director |
| 4. | Roberto V. San Jose | - | Member |
| 5. | Andrew Charles Ferguson | - | Member |
| 6. | Ana Maria A. Katigbak-Lim | - | Member |
| 7. | Gloria Georgia G. Garcia | - | Non-voting member |

On May 20, 2008, the stockholders and the board of directors of the Company have duly approved to amend the Company's By-Laws by inserting a new provision therein relating to the procedure on nomination and election of independent directors as required under SRC Rule 38 of the Implementing Rules and Regulations of the Securities Regulations Code. The amended By-Laws is yet to be filed with and approved by the SEC.

B. EXECUTIVE OFFICERS/CONTROL PERSONS

Esteban G Peña Sy, President - See foregoing Director's Profile.

Gloria Georgia G. Garcia, Corporate Treasurer & Chief Financial Officer – A Certified Public Accountant and a member of the Philippine Institute of Certified Public Accountants, Ms. Garcia started her career with SGV & Co. Her work experience included more than three years as a junior auditor with the firm. Thereafter, she had few years in the recreation, gaming and hotel industries and more than twenty years in the real estate industry. Ms. Garcia, a Filipino, is 55 years old.

All the directors and executive officers named above were elected to their positions for a term of one (1) year and to serve as such until their successors are elected and qualified.

None of the directors and officers of the Company was involved in the past five years in any bankruptcy proceeding. Neither have they been convicted by final judgment in any criminal proceeding, nor been subject to any order, judgment or decree of competent jurisdiction, permanently enjoining, barring, suspending or otherwise limiting their involvement in any type of business, securities, commodities or banking activities, nor found in action by any court or administrative body to have violated a securities or commodities law.

No directors and officers are related to the extent of the fourth civil degree either by consanguinity or affinity.

There is no other person aside from those listed under Directors and Executive Officers who makes a significant contribution to the business.

Except for the above directors and officers, the Registrant has no significant employees (as the term is defined under the SRC and its implementing rules and regulations).

| |
|---|
| Item 10 – Executive Compensation |
|---|

Compensation of Directors and Executive Officers

The annual compensation of the Company’s Chief Executive Officer and three most highly compensated executive officers for the last two (2) fiscal years and the ensuing year 2025 (estimate) are as follows:

| Name | Position | Year | Salary | Bonus | Other Annual Compensation |
|--|-----------------------|-----------------------------|--|-------|--|
| Roberto V. San Jose | Chairman of the Board | 2023 2024 2025 (est.) | | | |
| Esteban G. Peña Sy | President | 2023 2024 2025 (est.) | | | |
| Delfin P. Angcao | Corporate Secretary | 2023 2024 2025 (est.) | | | |
| Gloria Georgia G. Garcia | Treasurer | 2023 2024 2025 (est.) | | | |
| Aggregate compensation (all key officers and directors as a group) | | 2023 2024 2025 (est.) | 2,820,000.00 2,820,000.00 2,820,000.00 | | 360,000.00 360,000.00 360,000.00 |
| Note: Registrant has no other executive officers except those named above. | | | | | |

Directors receiving compensation were either employed as officers of the Registrant receiving fixed monthly salary or receiving reimbursement of representation expenses incurred from time to time.

Executive officers employed by the Registrant, receiving fixed monthly salary (see table above) are Mr. Esteban G. Peña Sy and Ms. Gloria Georgia G. Garcia.

There were no employment contracts, termination of employment, or any arrangement that resulted or may result in a change of control of the Registrant.

There are no outstanding warrants or options held by the Company’s executive officers and directors as a group.

| |
|---|
| Item 11 – Security Ownership of Certain Beneficial Owners and Management |
|---|

(1) Security Ownership of Certain Record and Beneficial Owners

Stockholders owning more than 5% of the Registrant’s shares of stocks as of December 31, 2024:

| Title of Class | Name And Address Of Record Owner And Relationship With Issuer | Beneficial Owner and Relationship with Record Owner | Citizenship | No. of Shares Held | Percent |
|-----------------------|--|--|--------------------|---------------------------|----------------|
| Common | Prokey Investment Ltd.** c/o Mabuhay Holdings Corporation: 35/F, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City, 1223 | Esteban G. Peña Sy, President of Registrant | Filipino | 351,289,763 | 29.27 |
| Common | PCD Nominee Corporation* G/F MSE Building 6767Ayala Avenue, Makati City | B. A. Securities * | Foreign | 426,363,134 | 35.53 |
| TOTAL | | | | 777,652,897 | 64.80 |

* B.A. Securities, Inc. is the only participant under the PCD that owns 5% or more of the Company’s voting stock. While in the past years, Mr. Esteban G. Peña Sy or Atty. Roberto V. San Jose, the Chairman of the Meeting was appointed proxy for shares in the name of B. A. Securities, Inc., Registrant is not aware of the identity of its new proxy, if any, entitled to vote in the forthcoming annual stockholders' meeting.

**Prokey Investment Ltd. (Prokey) is a 100% Filipino-owned company registered in the British Virgin Islands and licensed by the SEC on March 15, 2010 to operate a representative office in the Philippines. Mr. Esteban Peña Sy, President of the Registrant and the owner of Prokey will exercise his right to vote for these shares.

(2) Security Ownership of Management

The following directors and officers are record/beneficial (R/B) owners of the Registrant’s shares as indicated opposite their names as of December 31, 2024:

| Title of Class | Name of Beneficial Owner | Amount and Nature of Beneficial Ownership | | | Citizenship | Percent of Ownership |
|-----------------------|---|--|---------------|---------------|--------------------|-----------------------------|
| | | Shares | Amount | Nature | | |
| Common | Roberto V. San Jose Director/Chairman of the Board | 600 | 600 | R & B | Filipino | 0 |
| Common | Esteban G. Peña Sy Director/President | 353,299,813 | 353,299,813 | R & B | Filipino | 29.44 |
| Common | Delfin P. Angcao Director/Corp. Secretary | 641 | 641 | R & B | Filipino | 0 |
| Common | Steven G. Virata Director | 100 | 100 | R | Filipino | 0 |
| Common | Rodrigo B. Supeña Director | 50 | 50 | R | Filipino | 0 |

| | | | | | | |
|--------|---|-------------|-------------|---|----------|-------|
| Common | Ana Maria A. Katigbak Director/Asst. Corp. Secretary | 50 | 50 | R | Filipino | 0 |
| Common | Rodolfo D. Santiago Director | 50 | 50 | R | Filipino | 0 |
| Common | Andrew Charles Ferguson Director | 1 | 1 | R | British | 0 |
| Common | Gloria Georgia G. Garcia, Treasurer | 50 | 50 | R | Filipino | 0 |
| TOTAL | | 353,301,355 | 353,301,355 | | | 29.44 |

Item 12 – Certain Relationships and Related Transactions

There are no related party transactions other than those presented in **Note 15** of the Notes to Consolidated Financial Statements attached herein.

PART IV – CORPORATE GOVERNANCE

Item 13 – Compliance with Leading Practice on Corporate Governance

The Company is committed to good corporate governance and continues to pursue efforts towards attaining full compliance with its New Manual on Corporate Governance.

The Company has designated its SVP-Treasurer and Chief Financial Officer, Ms. Gloria Georgia G. Garcia, as Compliance Officer who is tasked with monitoring compliance with the provisions and requirements of the Company's New Manual on Corporate Governance.

The Company progressively develops a plan and timetable for compliance with certain leading practices and principles of good corporate governance, such as structured monitoring of compensation, benefits, succession planning and continuous training for management and key personnel on the leading practices of good corporate governance.

PART V -- EXHIBITS AND SCHEDULES

Item 14 – Exhibits and Reports on Form 17-C

A. **Exhibits** -- The exhibits, as indicated in the Index to Exhibits, are either not applicable to the Company or require no answer.

B. **Report on SEC Form 17-C**

The following current reports have been reported by Mabuhay Holdings Corporation during the year 2024 through official disclosures dated:

| Date | Disclosures |
|---------------|---|
| May 22, 2024 | Notice of Annual Stockholders' Meeting |
| June 25, 2024 | Results of Annual Stockholders' Meeting |
| June 25, 2024 | Results of Organizational Meeting of Board of Directors |

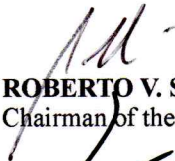
SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on its behalf by the issuer by the undersigned, thereunto duly authorized, in the City of ~~Makati~~, on April 16, 2025.

MABUHAY HOLDINGS CORPORATION **Issuer**

Pursuant to the requirements of the Securities Regulation Code, this annual report has been signed by the following persons in the capacities and on the dates indicated:

By:
Board of Directors and Officers:


ROBERTO V. SAN JOSE
Chairman of the Board


ESTEBAN G. PEÑA SY
Director and President


DELFIN P. ANGCAO
Corporate Secretary


GLORIA GEORGIA G. GARCIA
Treasurer

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY)

SUBSCRIBED AND SWORN TO before me, a Notary Public, for and in Makati City, this _____ day of APR 16 2025 Affiants exhibiting to me their Community Tax Certificates/Passports/Driver's License, as follows:

| Affiant | CTC No./DL/SC/ Passport No. | Date of Issue/Place of Issue/Expiry |
|--------------------------|--------------------------------|--------------------------------------|
| Roberto V. San Jose | Senior Citizen ID 2957 | September 29, 2008/Muntinlupa City |
| Esteban G. Peña Sy | P8276657A | August 09, 2018/ DFA NCR Central |
| Delfin P. Angcao | Senior Citizen ID 44196 | February 15, 2018/ San Pedro, Laguna |
| Gloria Georgia G. Garcia | P8316836A | August 11, 2018/ DFA NCR NorthEast |

Doc. No. 298
Page No. 61
Book No. XXVIII
Series of 2025.

ATTY GERVACIO B. ORTIZ JR.
Notary Public City of Makati
Until December 31, 2026
IBP No. 05729-Lifetime Member
MCLE Compliance No. VII-0022734
valid until April 14, 2025
Appointment No. M-007 (2025-2026)
PTR No. 10465005 Jan. 2, 2025/Makati
Makati City Roll No. 40091
101 Urban Ave. Campos Rueda Bldg.
Brgy. Pio Del Pilar, Makati City

MABUHAY HOLDINGS CORPORATION

INDEX TO EXHIBITS

SEC FORM 17-A

| | |
|--|---------|
| Plan of Acquisition, Reorganization, Arrangements, Liquidation or Succession | * |
| Instruments Defining the Rights of Security Holders, Including Indentures | * |
| Voting Trust Agreement | * |
| Material Contracts | * |
| Annual Report of Security Holders, Form 17-Q or Quarterly Report to Security Holders | * |
| Report Furnished to Security Holders | * |
| Subsidiary of the Registrant | Page 20 |
| Published Report Regarding Matters Submitted to Vote of Security Holders | * |
| Consents of Experts and Independent Counsel | * |
| Power of Attorney | * |
| Additional Exhibits | * |

* Either not applicable to the Company or requires no answer.

SUBSIDIARIES OF THE REGISTRANT

The following are the subsidiaries of the Registrant over which it exercises considerable control:

A. Wholly-owned subsidiaries

T & M Holdings, Inc.
M & M Holdings Corporation

B. Others

| <u>Subsidiary</u> | <u>Ownership %</u> |
|--|--------------------|
| The Taal Company, Inc. | 29.97 |
| Tagaytay Properties and Holdings Corporation | 26.04 |
| Mindanao Appreciation Corporation | 28.51 |
| The Angeles Corporation | 38.46 |

SEC Registration Number

0 0 0 0 0 1 5 0 0 1 4

COMPANY NAME

M A B U H A Y H O L D I N G S C O R P O R A T I O N

PRINCIPAL OFFICE (No./Street/Barangay/City/Town/Province)

3 5 T H F L O O R R U F I N O P A C I F I C T O W E R 6 7 8 4 A Y A L A A V E N U E M A K A T I C I T Y

Form Type

A F S

Department requiring the report

S E C

Secondary License Type, if Applicable

2024 AUDITED CONSOLIDATED FINANCIAL STATEMENTS

COMPANY INFORMATION

Company's Email Address

mabuhayholdings@yahoo.com

Company's Telephone Number/s

8850-2000

Mobile Number

0908 8941610

No. of Stockholders

196

Annual Meeting (Month/Day)

last Friday of April

Fiscal Year (Month/Day)

December 31

CONTACT PERSON INFORMATION

The designated contact person MUST be an Officer of the Corporation

Name of Contact Person

GLORIA GEORGIA G. GARCIA

Email Address

ggg.mhc@gmail.com

Telephone Number/s

8850-2000

Mobile Number

0908891610

CONTACT PERSON'S ADDRESS

35th Floor, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City

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.

Note 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.

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**


The management of **MABUHAY HOLDINGS CORPORATION and Subsidiaries** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2024 and 2023, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the Company's financial reporting process.

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

ISLA LIPANA & CO., the independent auditor, appointed by the stockholders, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.


ROBERTO V. SAN JOSE
Chairman of the Board


ESTEBAN G. PEÑA SY
President


GLORIA GEORGIA G. GARCIA
Treasurer & Chief Financial Officer

Signed this 16th day of April 2025

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY)

SUBSCRIBED AND SWORN TO before me, a Notary Public, for and in Makati City, this APR 16 2025,
affiants exhibiting to me their Community Tax Certificates/Passports, as follows:

| Affiant | CTC No./ Passport No. | Date of Issue / Place of Issue |
|--------------------------|----------------------------------|---------------------------------------|
| Roberto V. San Jose | Senior Citizen ID 2957 | September 29, 2008 / Muntinlupa City |
| Esteban G. Peña Sy | P8276657A | August 09, 2018 DFA NCR Central |
| Gloria Georgia G. Garcia | P8316836A | August 11, 2018 DFANCR North East |

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Page No. 61
Book No. XXVIII
Series of 2025

ATTY GERVACIO B. ORTIZ JR.
Notary Public City of Makati
Until December 31, 2026
IBP No. 05729-Lifetime Member
MCLE Compliance No. VII-0022734
valid until April 14, 2025
Appointment No. M-007 (2025-2026)
PTR No. 10466005 Jan. 2, 2025/Makati
Makati City Roll No. 40091
101 Urban Ave. Campos Rueda Bldg.
Brgy. Pic Del Pilar, Makati City



Independent Auditor's Report

To the Board of Directors and Shareholders of
Mabuhay Holdings Corporation
35th Floor, Rufino Pacific Tower
6784 Ayala Avenue
Makati City

Report on the Audits of the Consolidated Financial Statements

Our Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Mabuhay Holdings Corporation (the "Parent Company") and Subsidiaries (together, the "Group") as at December 31, 2024 and 2023, and the financial performance and 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.

What we have audited

The consolidated financial statements of the Group comprise:

- the consolidated statements of financial position as at December 31, 2024 and 2023;
- the consolidated statements of comprehensive income for each of the three years in the period ended December 31, 2024;
- the consolidated statements of changes in equity for each of the three years in the period ended December 31, 2024;
- the consolidated statements of cash flows for each of the three years in the period ended December 31, 2024; and
- the notes to the consolidated financial statements, comprising material accounting policies and other explanatory information.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audits of the consolidated financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.



Independent Auditor's Report
To the Board of Directors and Shareholders of
Mabuhay Holdings Corporation
Page 2

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audits in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.



Independent Auditor's Report
 To the Board of Directors and Shareholders of
 Mabuhay Holdings Corporation
 Page 3

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.

Key audit matter identified in our audit is as follow:

| Key Audit Matter | How our audit addressed the Key Audit Matter |
|--|---|
| <p>Estimation of fair value of investment properties</p> <p>This is a key audit matter mainly due to the significance of the account and movement of the fair values of the investment properties. An annual fair value assessment is performed based on the requirements of PFRS 13, Fair Value Measurement, and Philippine Accounting Standards (PAS) 40, Investment Property.</p> <p>In 2024, the Group recognized a fair value gain amounting to P63.79 million. As at December 31, 2024, total investment properties, carried at fair value, amounts to P661.82 million. The fair value is based on the report prepared by an independent appraiser engaged by the Group using the market approach. This approach uses sales and listing of comparable properties registered within the vicinity premised on the factors of time, unit area or size, unit location, unit improvements, building location, building features or amenities, bargaining allowance, and others.</p> <p>Refer to Note 6 to the consolidated financial statements for the details of the investment properties.</p> | <p>We addressed the matter by obtaining the appraisal report issued by third party valuer engaged by management and reviewing the appropriateness of the method and reasonableness of the significant assumptions and estimates used in calculating the fair value and assessed in accordance with PFRS 13 requirements. In particular, audit evidence over the reliability of the appraiser report was obtained through independent verification of certain fair value assumptions (i.e., similar market listing in the area) over the Group's properties.</p> <p>We have also evaluated competence, capabilities and objectivity of the independent valuers by reviewing their profile, qualifications, client portfolio and business relationship with the Group.</p> <p>Likewise, we have assessed the propriety of the accounting policy adopted by the Group's management on investment property and the calculation of the fair value in accordance with PAS 40 and PFRS 13, respectively.</p> |



Independent Auditor's Report
To the Board of Directors and Shareholders of
Mabuhay Holdings Corporation
Page 4

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) and SEC Form 17-A (Annual Report) for the year ended December 31, 2023, but do not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement) and SEC Form 17-A (Annual Report) 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 the consolidated financial statements in accordance with PFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the ability of each entity within the Group 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 entity 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.



Independent Auditor's Report
To the Board of Directors and Shareholders of
Mabuhay Holdings Corporation
Page 5

Auditor's Responsibilities for the Audits 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 PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, these could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of each entity within the Group 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 an entity within the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.



Independent Auditor's Report
To the Board of Directors and Shareholders of
Mabuhay Holdings Corporation
Page 6

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 is 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 Zaldy D. Aguirre.

Isla Lipana & Co.

A handwritten signature in black ink, appearing to read "Zaldy D. Aguirre", is written over a faint, light-colored watermark or background.

Zaldy D. Aguirre
Partner

CPA Cert No. 0105660

P.T.R. No. 0024447, issued on January 3, 2025, Makati City

TIN 221-755-698

BIR A.N. 08-000745-077- 2023, issued on December 22, 2023; effective until December 21, 2026

BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
April 16, 2025



**Statement Required by Rule 68
Securities Regulation Code (SRC)**

To the Board of Directors and Shareholders of
Mabuhay Holdings Corporation
35th Floor, Rufino Pacific Tower
6784 Ayala Avenue
Makati City

We have audited the consolidated financial statements of Mabuhay Holdings Corporation (the "Parent Company") and Subsidiaries (together, the "Group") as at and for the year ended December 31, 2024, on which we have rendered the attached report dated April 16, 2025. The supplementary information shown in the Reconciliation of the Parent Company's Retained Earnings for Dividend Declaration as at December 31, 2024, Map of Relationships of the Companies within the Group as at December 31, 2024, and Schedules A, B, C, D, E, F and G as at December 31, 2024 as additional components required by the Revised Rule 68 of the SRC, are presented for purposes of filing with the Securities and Exchange Commission and are not required parts of the basic consolidated financial statements. Such supplementary information is the responsibility of management and have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements. In our opinion, the supplementary information has been prepared in accordance with the Revised Rule 68 of the SRC.

Isla Lipana & Co.

A handwritten signature in black ink, appearing to read "Zaldy D. Aguirre".

Zaldy D. Aguirre
Partner

CPA Cert No. 0105660

P.T.R. No. 0024447, issued on January 3, 2025, Makati City

TIN 221-755-698

BIR A.N. 08-000745-077- 2023, issued on December 22, 2023; effective until December 21, 2026

BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
April 16, 2025



Statements Required by Rule 68 Securities Regulation Code (SRC)

To the Board of Directors and Shareholders of
Mabuhay Holdings Corporation
35th Floor, Rufino Pacific Tower
6784 Ayala Avenue
Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Mabuhay Holdings Corporation and Subsidiaries (together, 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 April 16, 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 of 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 the operating performance defined by Philippine Financial Reporting Standards (PFRS) 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 Rule 68 of the SRC issued by the Securities and Exchange Commission and is not a required part of the basis consolidated financial statements prepared in accordance with PFRS. 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.

Isla Lipana & Co.

A handwritten signature in black ink, appearing to read "Zaldy D. Aguirre".

Zaldy D. Aguirre
Partner

CPA Cert No. 0105660

P.T.R. No. 0024447, issued on January 3, 2025, Makati City

TIN 221-755-698

BIR A.N. 08-000745-077- 2023, issued on December 22, 2023; effective until December 21, 2026

BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
April 16, 2025

Mabuhay Holdings Corporation and Subsidiaries

Consolidated Statements of Financial Position
As at December 31, 2024 and 2023
(All amounts in Philippine Peso)

| | Notes | 2024 | 2023 |
|--|-------|--------------------|--------------------|
| Assets | | | |
| Current assets | | | |
| Cash | 1 | 36,179,950 | 39,408,062 |
| Financial assets at fair value through profit or loss (FVPL) | 2 | 59,326,409 | 117,980,762 |
| Receivables and other current assets | 3 | 47,598,477 | 56,900,257 |
| Total current assets | | 143,104,836 | 214,289,081 |
| Noncurrent assets | | | |
| Property and equipment, net | | 1,624,032 | 362,751 |
| Investment properties | 4 | 661,826,873 | 590,199,464 |
| Total noncurrent assets | | 663,450,905 | 590,562,215 |
| Total assets | | 806,555,741 | 804,851,296 |
| Liabilities and Equity | | | |
| Current liabilities | | | |
| Accounts payable and other current liabilities | 5 | 12,270,981 | 20,738,376 |
| Borrowings | 6 | 13,624,642 | 13,624,642 |
| Advances from related parties | 12 | 8,998,278 | 9,271,875 |
| Income tax payable | 10 | - | 338,847 |
| Advances from prospective shareholders | 8 | 194,695,274 | 194,695,274 |
| Total current liabilities | | 229,589,175 | 238,669,014 |
| Non-current liabilities | | | |
| Retirement benefits obligation | 15 | 3,728,302 | 3,276,044 |
| Deferred income tax liabilities, net | 10 | 148,807,413 | 130,308,280 |
| Total non-current liabilities | | 152,535,715 | 133,584,324 |
| Total liabilities | | 382,124,890 | 372,253,338 |
| Equity | | | |
| Attributable to shareholders of the Parent Company | | | |
| Share capital | 7 | 975,534,053 | 975,534,053 |
| Treasury shares | 7 | (58,627,864) | (58,627,864) |
| Deficit | | (737,586,424) | (694,453,028) |
| | | 179,319,765 | 222,453,161 |
| Non-controlling interest | | 245,111,086 | 210,144,797 |
| Total equity | | 424,430,851 | 432,597,958 |
| Total liabilities and equity | | 806,555,741 | 804,851,296 |

(The notes on pages 1 to 39 are an integral part of these consolidated financial statements.)

Mabuhay Holdings Corporation and Subsidiaries

Consolidated Statements of Comprehensive Income
For each of the three years in the period ended December 31, 2024
(All amounts in Philippine Peso)

| | Notes | 2024 | 2023 | 2022 |
|--|--------|--------------|--------------|--------------|
| Income | | | | |
| Gain on fair value change in investment properties | 4 | 63,794,000 | 13,742,000 | 17,397,000 |
| Management and service fees | 3 | 1,304,366 | 4,681,954 | 5,128,725 |
| Rental income | 4 | 5,504,231 | 4,018,401 | 3,935,158 |
| Dividend income | 2 | 651,805 | 590,530 | 397,220 |
| Interest income | 1 | 28,192 | 470,539 | 442,308 |
| Foreign exchange gain, net | 18.1.1 | 125,041 | - | 515,837 |
| Gain on sale of FVPL securities | 2 | 157,877 | - | 575,628 |
| Other income | | - | 196,154 | 280,282 |
| | | 71,565,512 | 23,699,578 | 28,672,158 |
| Expenses | | | | |
| Unrealized loss on revaluation of financial assets at FVPL | 2 | 34,986,627 | 63,583,583 | 35,235,892 |
| Salaries and employee benefits | 14 | 8,569,721 | 8,196,659 | 6,237,419 |
| Representation/Meeting expenses | | 7,456,949 | 5,574,191 | 6,347,595 |
| Professional fees | | 848,155 | 1,906,656 | 1,907,670 |
| Depreciation | | 321,813 | 290,286 | 531,989 |
| Foreign exchange loss, net | 18.1.1 | - | 51,929 | - |
| Loss on litigation | 16 | - | - | 39,358,145 |
| Other expenses | 9 | 8,863,495 | 9,165,707 | 8,795,913 |
| | | 61,046,760 | 88,769,011 | 98,414,623 |
| Income (loss) before income tax | | 10,518,752 | (65,069,433) | (69,742,465) |
| Income tax benefit (expense) | 10 | (18,685,859) | 284,887 | (1,713,865) |
| Net loss for the year | | (8,167,107) | (64,784,546) | (71,456,330) |
| Other comprehensive income for the year | | - | - | - |
| Total comprehensive loss for the year | | (8,167,107) | (64,784,546) | (71,456,330) |
| Basic and diluted loss per share attributable to shareholders of the Parent Company | | | | |
| | 11 | (0.04) | (0.06) | (0.07) |
| Net income (loss) attributable to: | | | | |
| Shareholders of the Parent Company | | (43,133,396) | (63,157,288) | (72,362,944) |
| Non-controlling interest | | 34,966,289 | (1,627,258) | 906,614 |
| | | (8,167,107) | (64,784,546) | (71,456,330) |
| Total comprehensive income (loss) attributable to: | | | | |
| Shareholders of the Parent Company | | (43,133,396) | (63,157,288) | (72,362,944) |
| Non-controlling interest | | 34,966,289 | (1,627,258) | 906,614 |
| | | (8,167,107) | (64,784,546) | (71,456,330) |

(The notes on pages 1 to 39 are an integral part of these consolidated financial statements.)

Mabuhay Holdings Corporation and Subsidiaries

Consolidated Statements of Changes in Equity For each of the three years in the period ended December 31, 2024 (All amounts in Philippine Peso)

| | Shareholders of Parent Company | | | Attributable to shareholders of the Parent Company | Non-controlling interest (NCI) | Total |
|--|--------------------------------|------------------------------|---------------|---|-----------------------------------|--------------|
| | Share capital Note 7 | Treasury shares Note 7 | Deficit | | | |
| Balance January 1, 2022 | 975,534,053 | (58,627,864) | (558,932,796) | 357,973,393 | 210,865,441 | 568,838,834 |
| Comprehensive (loss) income | | | | | | |
| Net (loss) income for the year | - | - | (72,362,944) | (72,362,944) | 906,614 | (71,456,330) |
| Other comprehensive income | - | - | - | - | - | - |
| Total comprehensive (loss) income | - | - | (72,362,944) | (72,362,944) | 906,614 | (71,456,330) |
| Balance December 31, 2022 | 975,534,053 | (58,627,864) | (631,295,740) | 285,610,449 | 211,772,055 | 497,382,504 |
| Comprehensive loss | | | | | | |
| Net loss for the year | - | - | (63,157,288) | (63,157,288) | (1,627,258) | (64,784,546) |
| Other comprehensive income | - | - | - | - | - | - |
| Total comprehensive loss | - | - | (63,157,288) | (63,157,288) | (1,627,258) | (64,784,546) |
| Balance December 31, 2023 | 975,534,053 | (58,627,864) | (694,453,028) | 222,453,161 | 210,144,797 | 432,597,958 |
| Comprehensive loss | | | | | | |
| Net loss for the year | - | - | (43,133,396) | (43,133,396) | 34,966,289 | (8,167,107) |
| Other comprehensive income | - | - | - | - | - | - |
| Total comprehensive loss | - | - | (43,133,396) | (43,133,396) | 34,966,289 | (8,167,107) |
| Balance December 31, 2024 | 975,534,053 | (58,627,864) | (737,586,424) | 179,319,765 | 245,111,086 | 424,430,851 |

(The notes on pages 1 to 39 are an integral part of these consolidated financial statements.)

Mabuhay Holdings Corporation and Subsidiaries

Consolidated Statements of Cash Flows For each of the three years in the period ended December 31, 2024 (All amounts in Philippine Peso)

| | Notes | 2024 | 2023 | 2022 |
|--|----------|--------------------|---------------------|---------------------|
| Cash flows from operating activities | | | | |
| Loss before income tax | 10 | 10,518,760 | (65,069,433) | (69,742,465) |
| Adjustments for: | | | | |
| Unrealized loss on revaluation of financial assets at FVPL | 2 | 34,986,627 | 63,583,583 | 35,235,892 |
| Depreciation | | 321,813 | 290,286 | 531,989 |
| Gain on disposal of financial assets at FVPL | | (157,877) | - | (575,628) |
| Dividend income | 2 | (651,805) | (590,530) | (397,220) |
| Unrealized foreign exchange loss (gain) | 18.1.1 | (125,041) | 51,929 | (515,837) |
| Provision for (reversal of) retirement obligation | 16 | - | 693,933 | (274,803) |
| Interest income | 1 | (28,192) | (470,539) | (442,308) |
| Gain on fair value change in investment properties | 4 | (63,794,000) | (13,742,000) | (17,397,000) |
| Operating loss before working capital changes | | (18,929,715) | (15,252,771) | (53,577,380) |
| Increase (decrease) in: | | | | |
| Receivables and other current assets | | 9,301,780 | 1,715,428 | 30,009,447 |
| Increase (decrease) in: | | | | |
| Advances from related parties | | (273,597) | 279,479 | (568,089) |
| Accounts payable and other current liabilities | | (8,467,395) | (1,241,664) | (5,675,329) |
| Provision for litigation claim | | - | - | (47,770,052) |
| Cash absorbed by operations | | (18,368,927) | (14,499,528) | (77,581,403) |
| Interest received | | 28,192 | 470,539 | 442,308 |
| Dividend received | | 651,805 | 590,530 | 397,220 |
| Income tax paid | | (73,324) | (545,762) | (667,847) |
| Net cash used in operating activities | | (17,762,254) | (13,984,221) | (77,409,722) |
| Cash flows from investing activities | | | | |
| Acquisitions of investment property | 4 | (7,833,409) | (27,763,714) | - |
| Acquisitions of financial assets at FVPL | 2 | - | (1,855,050) | (16,029,976) |
| Acquisitions of property and equipment | | (1,583,094) | (178,571) | (75,528) |
| Proceeds from disposal of investment property | | - | - | - |
| Proceeds from disposal of financial assets at FVPL | 2 | 23,825,604 | - | 4,404,000 |
| Net cash (used in) provided by investing activities | | 14,409,101 | (29,797,335) | (11,701,504) |
| Net decrease in cash for the year | | (3,353,153) | (43,781,556) | (89,111,226) |
| Cash as at January 1 | | 39,408,062 | 83,241,547 | 171,836,936 |
| Effect of exchange rates on cash | | 125,041 | (51,929) | 515,837 |
| Cash as at December 31 | 1 | 36,179,950 | 39,408,062 | 83,241,547 |

(The notes on pages 1 to 39 are an integral part of these consolidated financial statements.)

Mabuhay Holdings Corporation and Subsidiaries

Notes to the Consolidated Financial Statements

As at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024
(In the Notes, all amounts are shown in Philippine Peso unless otherwise stated)

1 General information; status of operations

Mabuhay Holdings Corporation (the "Parent Company") was incorporated in the Philippines on April 6, 1988 primarily to engage in the acquisition and disposal of investments in marketable securities, shares of stock and real estate properties. The Parent Company is 29.83% owned by Zenith Element Limited, a company incorporated and registered under the laws of the British Virgin Islands on April 17, 2018 as an investment holding company. The remaining 70.17% is owned by various individuals and corporations. The Parent Company's common shares were listed in the Philippines Stock Exchange (PSE) in 1990. Other than its share listing in 1990, there were no other share offerings subsequent thereto. Accordingly, the Parent Company is considered a public company under Rule 3.1 of the Implementing Rules and Regulations of the Securities Regulation Code.

The consolidated financial statements include the financial information of the Parent Company and its Subsidiaries (the Group) detailed in Note 21.3.

The Parent Company's registered office and principal place of business is at 35th Floor, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City.

The Parent Company has 9 employees as at December 31, 2024 and 2023.

The Group's activities are limited to preservation and maintenance of existing investment properties and development of low-cost housing project carried out by its Subsidiary. The project was completed on December 2022.

In 2021, the Group sold two parcels of land classified as investment properties (Note 6) and has entered into a new lease contract with a new tenant for a period of three (3) years commencing on September 15, 2021 (Note 14).

The following comprise the Group's short-term and long-term plans:

1. To acquire and develop properties for lease purposes;
2. To acquire properties for development of affordable housing units as part of our corporate social responsibility to contribute to the housing requirements of the country; and,
3. To continue to retain its investment properties for appreciation, and to plan for the possible development of the prime properties.

The planned acquisitions of rental yielding properties are expected to generate sustained cash inflows to support the Group's operations.

On July 20, 2022, the Parent Company paid P87.13 million for the settlement of case filed by a former co-shareholder in a fast craft shipping business. Relative to this, the Parent Company incurred additional loss on litigation amounting to P39.36 million (Note 17).

Management is of the opinion that the Group's cash flows will continue to satisfy the Group's current working capital requirements for the next twelve months. Its subsidiaries have no significant working capital requirements and most are currently dormant. The Group will continue to look for opportunities to invest in projects that will bring benefit to our shareholders and the community as a whole.

The management still looking at the prospects of developing affordable housing units to satisfy the housing requirements of the lower income group as our endeavors, since such projects will not only bring profits but will also help us fulfill the Group's social responsibility goals.

The consolidated financial statements have been approved and authorized for issue by the Board of Directors (BOD) on April 15, 2025.

2 Cash

The account as at December 31 consist of:

| | 2024 | 2023 |
|--------------|------------|------------|
| Cash in bank | 36,164,950 | 39,376,062 |
| Cash on hand | 15,000 | 32,000 |
| | 36,179,950 | 39,408,062 |

Cash in bank earns interest at prevailing bank deposit rates. Interest income from cash in bank for the year ended December 31, 2024 amounted to P0.03 million (2023 - P0.47 million; 2022 - P0.44 million).

3 Financial assets at fair value through profit or loss (FVPL)

The account consists of equity shares listed in Philippine Stock Exchange with fair value based on current bid prices in an active market (Level 1 valuation). At December 31, 2024, changes in fair value are recorded in unrealized loss on revaluation of FVPL in profit or loss amounting to P34.99 million (2023 - P63.58 million; 2022 - P35.24 million).

The movements of the account for the years ended December 31 are summarized as follows:

| | 2024 | 2023 |
|----------------------------|--------------|--------------|
| At January 1 | 117,980,762 | 179,709,295 |
| Acquisitions | - | 1,855,050 |
| Disposals | (23,667,727) | - |
| Unrealized fair value loss | (34,986,626) | (63,583,583) |
| At December 31 | 59,326,409 | 117,980,762 |

In 2024, dividends earned recorded in profit or loss amounted to P0.65 million (2023 - P0.59 million; 2022 - P0.40 million).

4 Receivables and other current assets

The account as at December 31 consist of:

| | 2024 | 2023 |
|--------------------------------|------------|------------|
| Advances to a contractor | 39,016,325 | 48,871,149 |
| Prepayments | 2,974,038 | 2,553,256 |
| Advances to employees | 2,537,848 | 2,085,837 |
| Due from other related parties | 1,492,477 | 1,647,286 |
| Receivables | 965,289 | 877,597 |
| Advances to third parties | 600,000 | 600,000 |
| Other receivables | 12,500 | 265,132 |
| | 47,598,477 | 56,900,257 |

Advances to a contractor pertain to payments made by the Group through a subsidiary to Greenroof Corporation (GRC) for the construction and development of a low-cost housing project. These advances are collectible in cash and are billed periodically as agreed between the Group and GRC.

The agreement with GRC provides that the Subsidiary should finance for the completion of the project and provide assistance in project management such as administrative work, sales and marketing services, procuring construction materials, and all other assistance in relation to the implementation of the project. In return, the subsidiary shall be paid a fixed project management fee and service fee as a return of its investment plus margin for the realization of the desired profits from the project.

For the year ended December 31, 2024, the Group has earned management and service fee arising from the arrangement amounting to P1.3 million (2023 - P4.68 million; 2022 - P5.13 million).

Prepayments mainly comprise of prepaid taxes and insurance.

5 Investment properties

The Group's investment properties include several parcels of land and a commercial unit held for lease. Land includes properties of subsidiaries namely, The Taal Company, Inc. (TTCI) and Tagaytay Properties and Holdings Corporation (TPHC), that are held for capital appreciation purposes, including those in Batangas and Tagaytay City with a total land area of 29 hectares. The condominium unit, which is located in Makati with a total floor area of 676 square meters, is being leased out to a third party (Note 14).

The movements in the account for the years ended December 31 are summarized as follows:

| | 2024 | 2023 |
|------------------|-------------|-------------|
| At January 1 | 590,199,464 | 539,524,000 |
| Fair value gains | 63,794,000 | 13,742,000 |
| Additions | 7,833,409 | 36,933,464 |
| At December 31 | 661,826,873 | 590,199,464 |

During 2023, the Group acquired an additional investment property with a cost of P36.93 million, in which P9.17 million remains to be unpaid as at year-end.

Critical accounting estimate - Fair value of investment properties

The fair value of investment properties is determined based on appraisal made by an external appraiser duly engaged by the management. Valuation methods employed by the appraisers mainly include the market data approach (Level 2 valuation). The significant assumptions used by the independent appraiser are as follows:

- current prices in an active market for properties of similar nature, condition or location, adjusted to reflect possible differences on the factors of time, unit area or size, unit location, unit improvements, building location, building features or amenities, bargaining allowance and others; and
- recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices.

Investment properties in 2024 amounted to P617.06 million (2023 - P590.20 million). Where the estimated market value differs by 10% from management's estimates, the carrying amount of investment properties would have been P6.38 million (2023 - P1.37 million) higher or lower.

Movements in cumulative fair value gain for the years ended December 31 follow:

| | 2024 | 2023 | 2022 |
|---|-------------|-------------|-------------|
| At January 1 | 508,939,907 | 495,197,907 | 477,800,907 |
| Unrealized fair value gains during the year | 63,794,000 | 13,742,000 | 17,397,000 |
| At December 31 | 572,733,907 | 508,939,907 | 495,197,907 |

The following income and expenses related to investment properties are recognized in profit or loss:

| | 2024 | 2023 | 2022 |
|--|-------------|-------------|-------------|
| Rental income | 5,504,231 | 4,018,401 | 3,935,158 |
| Direct expenses arising from investment properties that generate rental income | (3,965,570) | (4,544,675) | (3,817,814) |

Direct expenses are recorded in communication, light and water, repairs and maintenance, association dues, taxes and licenses, and insurance under other expenses (Note 11).

6 Accounts payable and other current liabilities

The account as at December 31 consist of:

| | 2024 | 2023 |
|---------------------------------------|------------|------------|
| Accounts payable and accrued expenses | 8,428,760 | 16,734,907 |
| Accrued interest on borrowings | 2,879,506 | 2,879,506 |
| Deferred rental income | 904,499 | 1,063,615 |
| Withholding taxes | 58,216 | 60,348 |
| | 12,270,981 | 20,738,376 |

Accounts payable and accrued expenses represent third party payables and accruals on employee benefits, legal and other professional fees all payable on demand.

Accrued interest represents interest charged in prior years on its loan from a related party (Note 13). Interest was discontinued starting 2014 upon mutual agreement of both parties.

7 Borrowings

Borrowings pertain to a loan from a related party. These borrowings are unsecured, non-interest bearing and have no definite repayment date (Note 13).

The net debt reconciliation as at December 31 is presented below:

| | 2024 | 2023 |
|------------|--------------|--------------|
| Borrowings | 13,624,642 | 13,624,642 |
| Cash | (36,179,950) | (39,408,062) |
| Net debt | (22,555,308) | (25,783,420) |

8 Equity

The details of account as at December 31, 2024 and 2023:

| | Amount |
|-------------------------------------|---------------|
| Common shares - P1 par value | |
| Authorized (4,000,000,000 shares) | 4,000,000,000 |
| Subscribed (1,200,000,000 shares) | 1,200,000,000 |
| Subscribed | 1,200,000,000 |
| Subscriptions receivable | (224,465,947) |
| Total issued and paid | 975,534,053 |
| Treasury shares (58,627,864 shares) | (58,627,864) |

Treasury shares represent investment of Mindanao Appreciation Corporation (MAC), a subsidiary, in the Parent Company's shares.

As at December 31, 2024, there are 197 shareholders each owning more than one hundred (100) shares of the Parent Company.

No collection occurred during 2024 and 2023 relating to the outstanding subscription receivable.

9 Advances from prospective shareholders

Advances from prospective shareholders represent funds received from prospective shareholders which are expected to be settled by way of issuance of shares.

10 Other expenses

The details of account as at December 31:

| | 2024 | 2023 | 2022 |
|--|-----------|-----------|-----------|
| Transportation and travel | 2,362,549 | 2,525,064 | 2,473,244 |
| Taxes and licenses | 1,752,902 | 2,395,865 | 1,515,841 |
| Security services | 1,085,121 | 1,043,327 | 435,427 |
| Communication, light and water | 598,692 | 711,654 | 828,184 |
| Association dues | 724,562 | 755,879 | 770,779 |
| Office supplies | 559,631 | 733,867 | 633,955 |
| Repairs and maintenance | 739,033 | 440,509 | 535,031 |
| Insurance | 151,635 | 240,768 | 167,979 |
| Postage | 20,637 | 12,917 | 41,346 |
| Miscellaneous | 509,110 | 305,857 | 1,394,127 |
| Listing fee, processing and notarial fee | 300,695 | - | - |
| Appraisal Fee | 58,928 | - | - |
| | 8,863,495 | 9,165,707 | 8,795,913 |

11 Income tax

The components of income tax benefit (expense) for the year ended December 31 are as follows:

| | 2024 | 2023 | 2022 |
|----------|--------------|-----------|-------------|
| Current | (139,330) | (827,382) | (781,946) |
| Deferred | (18,546,529) | 1,112,269 | (931,919) |
| | (18,685,859) | 284,887 | (1,713,865) |

The reconciliations of income tax expense on pre-tax income computed at the statutory income tax rate to the effective provision for (benefit from) income tax follow:

| | 2024 | 2023 | 2022 |
|--|------------|--------------|--------------|
| Income (loss) before income tax | 10,518,760 | (65,069,433) | (69,742,465) |
| Tax on pretax income | 3,148,207 | (19,242,566) | (19,243,340) |
| Effects of change in enacted tax rate | - | - | - |
| Non-taxable income | 1,672,596 | (155,169) | (208,719) |
| Interest income subject to final tax | 8,220,349 | - | - |
| Unrecognized NOLCO and MCIT | 910,481 | 2,988,045 | 10,481,468 |
| Non-deductible expenses | 9,825 | 2,562,955 | - |
| Effect of previously unrecognized deferred taxes | (17,104) | - | - |
| Unrealized fair value loss (gain) on financial assets at FVPL | 4,741,506 | - | - |
| Adjustment for income subjected to lower tax rates | - | 4,395,549 | 1,586,349 |
| Difference in tax rate on unrealized fair value loss on shares | - | - | 2,448,680 |
| Others | - | 9,166,299 | 6,649,426 |
| | 18,685,859 | (284,887) | 1,713,865 |

The net deferred income tax liabilities as at December 31 consist of:

| | 2024 | 2023 |
|--|-------------|-------------|
| Deferred income tax liabilities | | |
| Fair value gain on investment properties | 152,576,409 | 136,627,909 |
| Unrealized gain on revaluation of financial assets at FVPL | - | - |
| Unrealized foreign exchange gain, net | - | - |
| | 152,576,409 | 136,627,909 |
| Deferred income tax assets | | |
| Unrealized loss on revaluation of securities | (1,751,087) | (5,221,732) |
| Unrealized foreign exchange loss, net | (1,481,638) | (12,982) |
| Retirement benefits obligation | (44,242) | (819,011) |
| Deferred rental income | (492,029) | (265,904) |
| | (3,768,996) | (6,319,629) |
| | 148,807,413 | 130,308,280 |

Critical accounting judgment - Recognition of deferred income tax assets

Management reviews at each reporting date the carrying amounts of deferred income tax assets and MCIT. Deferred income tax assets are recognized to the extent that the realization of the related tax benefit through future taxable profits is probable. As at reporting dates, certain subsidiaries within the Group have unused net operating loss carry-over (NOLCO) and MCIT. However, the related deferred income tax assets have not been recognized due to the Group's limited ability to generate future taxable income.

Details of net operating loss carry-over (NOLCO) as at December 31, which could be carried over as deductible expense from taxable income for three (3) to five (5) consecutive years following the year of incurrence follow:

| Year of incurrence | Year of expiration | 2024 | 2023 |
|---|--------------------|-------------|------------|
| 2024 | 2027 | 35,187,073 | |
| 2023 | 2026 | 12,078,515 | 12,078,515 |
| 2022 | 2025 | 51,423,234 | 51,423,234 |
| 2021 | 2026 | 10,273,991 | 10,273,991 |
| 2020 | 2025 | 7,922,733 | 7,922,733 |
| 2019 | 2022 | - | - |
| Total NOLCO | | 116,885,546 | 81,698,473 |
| Applied during the year | | - | - |
| Expired during the year | | - | - |
| | | 116,885,546 | 81,698,473 |
| Deferred income tax assets not recognized | | 28,716,345 | 20,014,333 |

Details of unused MCIT are as follows:

| Year of incurrence | Year of expiration | 2024 | 2023 |
|-------------------------|--------------------|---------|-----------|
| 2024 | 2027 | 111,608 | |
| 2023 | 2026 | 63,218 | 63,218 |
| 2022 | 2025 | 42,153 | 42,153 |
| 2021 | 2024 | 26,655 | 26,655 |
| 2020 | 2023 | - | 139,588 |
| 2019 | 2022 | - | - |
| Total MCIT | | 132,026 | 271,614 |
| Expired during the year | | 26,655 | (139,588) |
| Unrecognized MCIT | | 158,681 | 132,027 |

12 Basic and diluted loss per share

The information used in the computation of basic and diluted earnings (loss) per share for the years ended December 31 follow:

| | 2024 | 2023 | 2022 |
|---|--------------|--------------|--------------|
| Net loss attributable to the shareholders of Parent Company | (43,133,396) | (63,157,288) | (72,362,944) |
| Divided by the average number of outstanding common shares | 975,534,053 | 975,534,053 | 975,534,053 |
| Loss per share - basic and diluted | (0.04) | (0.06) | (0.07) |

Basic and diluted earnings (loss) per share are the same due to the absence of dilutive potential common shares.

13 Related party transactions and balances

The table below summarizes the Group's transactions and balances with its related parties as at and for the year ended December 31:

| | Notes | Transactions for the year | | Outstanding balances | | Terms and conditions |
|---|-------|---------------------------|-----------|----------------------|------------|---|
| | | 2024 | 2023 | 2024 | 2023 | |
| Due from other related parties | | | | | | |
| Entities under common control | 4 | (154,809) | - | 1,492,477 | 1,647,286 | Unsecured, non-interest bearing and collectible in cash on demand. |
| Borrowings from | | | | | | |
| IVM | 8 | - | - | 13,624,642 | 13,624,642 | Unsecured, non-interest bearing and payable in cash on demand. |
| Interest on borrowings | | | | | | |
| IVM | 7 | - | - | 2,879,506 | 2,879,506 | Interest on borrowings represent interest accrued in prior years on its borrowing from a related party. Interest is discontinued starting 2014 upon mutual agreement of both parties. |
| Advances from related parties | | | | | | |
| Entities under common control | | (273,597) | 279,484 | 8,998,278 | 9,271,875 | Unsecured, non-interest bearing and payable in cash on demand. |
| Salaries and employee benefits – key management personnel | | | 3,180,000 | - | - | These are determined based on contract of employment and payable in cash in accordance with the Group's payroll period. These were fully paid at reporting date. |

Based on management's assessment, the carrying values of receivables from related parties are deemed collectible.

14 Leases

The Parent Company occupies a portion of its investment property and uses it as an office space. The portion which is owner-occupied is properly classified as property and equipment. The remaining portion is leased to third parties.

The Parent Company (as a lessor) has lease agreements with third parties under operating lease as follows:

- a. Two (2) units of office space for a period of three (3) years from September 15, 2024 until September 14, 2027 with monthly rate of P357,533.83 first year, P375,410.53 for the Second year and and P394,181.05 for the final year year.

In 2024, rental income from investment in a commercial unit amounted to P5.50 million (2023 - P4.02 million; 2022 - P3.94 million) (Note 5).

As at December 31, the minimum aggregate rental receivables for future years follow:

| | 2024 | 2023 | 2022 |
|---|------------|-----------|-----------|
| Within one (1) year | 4,352,974 | 2,967,288 | 4,073,446 |
| After one (1) year but not more than five (5) years | 7,921,162 | - | 2,704,973 |
| | 12,274,136 | 2,967,288 | 6,778,419 |

15 Salaries and employee benefits

The details of account as at December 31:

| | 2024 | 2023 | 2022 |
|--------------------------|-----------|-----------|-----------|
| Salaries and wages | 5,051,028 | 4,988,461 | 4,449,572 |
| Employee benefits | 2,992,103 | 2,715,382 | 1,365,956 |
| Bonus and allowances | 200,000 | 217,650 | 200,000 |
| SSS, Philhealth and HDMF | 326,590 | 275,166 | 221,891 |
| | 8,569,721 | 8,196,659 | 6,237,419 |

16 Retirement benefits obligation

The Group has yet to adopt a formal retirement plan and only provided for the retirement obligation based on minimum required retirement benefit under Republic Act (RA) 7641. Under RA 7641, otherwise known as the Retirement Pay Law, an employee upon reaching the age of 60 years or more, but not beyond 65 years, who has served at least five (5) years in a private company, may retire and shall be entitled to retirement pay equivalent to at least 1/2 month salary for every year of service, a fraction of at least six (6) months being considered as one (1) whole year.

The movements in the unfunded retirement benefit obligation for the years ended December 31 follow:

| | 2024 | 2023 |
|--|-----------|-----------|
| At January 1 | 3,276,044 | 2,582,111 |
| Current service cost | 209,842 | 693,933 |
| Net interest cost | 242,416 | 242,416 |
| Total amount charged to profit or loss | 452,258 | 693,933 |
| At December 31 | 3,728,302 | 3,276,044 |

The retirement expense is included under salaries and employee benefits (Note 15) in profit or loss.

The principal assumptions made as at December 31 follow:

| | 2024 | 2023 |
|---------------------------------|-------|-------|
| Discount rate | 6.08% | 6.85% |
| Expected future salary increase | 3.00% | 3.00% |

Discount rate assumption is based on the theoretical spot yield curve calculated from Bloomberg market yields by stripping the coupons from government bonds to create virtual zero coupon bonds as of the valuation date, while considering the average years of remaining working life of the employees as the estimated term of the employee.

17 Provision for litigation claims

In the normal course of business, the Parent Company is a defendant on a case which is pending with the Court of Appeals. The case arose from a demand for payment of minimum guaranteed return on investment by a former co-shareholder of the Parent Company in a fast craft shipping business.

The plaintiff (one of the co-shareholders) violated a number of the terms as stipulated under the agreement, including a direct purchase of the shares of the other shareholder without the consent of the Parent Company. The agreement also contains a provision about guaranteed return.

In 1999, the plaintiff demanded full payment of the guaranteed return on its investment after audits of the fast craft business revealed a significant amount of loss, which demand was denied by the Parent Company.

After divergent decisions by the arbitrator and regional trial court, the case was transferred to the Court of Appeals for further proceedings. In 2013, the Parent Company recorded additional provision amounting to P21.61 million to reflect the final decision rendered by the Court of Appeals instructing the Parent Company to pay the agreed guaranteed returns and arbitration costs including 12% interest calculated from the date of initial ruling totaling to P47.77 million.

On July 20, 2022, the Parent Company paid a total of P87.13 million for the settlement of litigation. The additional P39.36 million payment is recognized as loss on litigation in the statement of comprehensive income in 2022.

18 Segment information

The Group has only one segment as it derives its revenues primarily from rental and capital appreciation of investment properties.

The operating segment is reported in a manner consistent with the internal reporting provided by the chief operating decision maker, the chief executive officer of the Group.

All revenues are from domestic entities incorporated in the Philippines, hence, the Group did not present geographical information required by PFRS 8, Operating Segments.

There are no revenues derived from a single external customer above 10% of total revenue in 2024 and 2023.

There is no need to present reconciliation since measure of segment assets, liabilities and results of operations are consistent with those of the consolidated financial statements.

There are no changes in the Group's reportable segment and related strategies and policies in 2024 and 2023.

19 Financial risk and capital management

18.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. 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.

Management, under the direction of the Board of Directors of the Group, is responsible for the management of financial risks. Its objective is to minimize the adverse impact on the Group's financial performance due to the unpredictability of financial markets.

There were no changes in the Group's strategies and policies during 2024 and 2023.

18.1.1 Market risk

Foreign exchange risk

The foreign exchange risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group manages its foreign exchange risk by constantly reviewing its exposure to commitments payable in foreign currency and ensuring appropriate cash balances are maintained to meet current commitments.

The Group's foreign currency denominated monetary asset as at December 31 follows:

| | 2024 | 2023 |
|-----------------|-----------|-----------|
| | In USD | In USD |
| Cash in bank | 93,000 | 94,819 |
| Exchange rates | 58.01 | 55.57 |
| Peso equivalent | 5,395,274 | 5,269,092 |

Details of net foreign exchange gains for the years ended December 31 follow:

| | 2024 | 2023 | 2022 |
|------------|-----------|-----------|---------|
| Realized | 381,013 | 73,937 | - |
| Unrealized | (255,972) | (125,866) | 515,837 |
| | 125,041 | (51,929) | 515,837 |

As at December 31, 2024 and 2023, the Group's exposure to currency risk relates to the foreign currency denominated cash in bank (Note 2).

The table below presents the impact of possible movements of Philippine Peso against the US Dollar, with all other variables held constant, on the Group's net income after tax. There is no impact on the Group's equity other than those already affecting net income after tax.

| | Change in exchange rate | Impact on income after tax |
|-------------------|-------------------------|----------------------------|
| US Dollars | | |
| December 31, 2024 | +/- 4.39% | +/- 93,256 |
| December 31, 2023 | +/- 0.98% | +/- 38,729 |

The reasonably possible movement in foreign currency exchange rates is based on the projection by the Group using movement of the rates from the prior period.

Price risk

The Group's exposure on price risk arises from investments in equities classified as financial assets at FVPL (Note 3) in the statement of financial position. No sensis

As at December 31, 2024 and 2023, the impact of 1% increase (decrease) in the bid share prices of the Group's financial assets at fair value through profit or loss based on management's assessment of historical movements in price, with all variable held constant, would have an impact of possible increase (decrease) of P0.6 million (2023 - P1.18 million) in profit or loss.

Interest rate risk

Interest rate risk refers to risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Group is not exposed to interest rate risk as it has no significant interest-bearing financial instruments as at December 31, 2024 and 2023.

18.1.2 Credit risk

The Group takes on exposure to credit risk, which is the risk that a counterparty will cause a financial loss to the Group by failing to discharge an obligation.

Maximum exposure to credit risk

The Group's exposure to credit risk primarily relates to cash in bank and financial receivables.

The table below shows the credit quality of significant financial assets (i.e., cash in banks and financial receivables) as at December 31:

| | Fully performing |
|---------------------------------------|------------------|
| 2024 | |
| Cash in bank | 36,164,950 |
| Receivables and other current assets* | 5,608,114 |
| | 41,773,064 |
| 2023 | |
| Cash in bank | 39,376,062 |
| Receivables and other current assets* | 5,475,852 |
| | 44,851,914 |

**This account excludes advances to a contractor and prepayments*

Fully performing financial assets are fully recoverable with no overdue balances and with no history of credit losses. Underperforming financial assets are with long overdue balances and with exposure to credit losses. Both categories of financial assets are subjected to lifetime expected credit loss allowance assessment.

(i) Cash in bank

The Group deposits its cash balances in a universal bank to minimize the credit risk exposure. The Group assessed no significant credit risk.

(ii) Receivables and other current assets (excluding prepayments)

Receivables are monitored on an ongoing basis which normally results in an assessment that the Group's exposure to bad debts is not material. There were no historical losses recognized on these balances.

18.1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities. Due to the dynamic nature of the underlying businesses, the Group aims to maintain flexibility in funding through advances from related parties within the Group, extending payment terms for due to related parties, and an efficient collection of its notes receivables from third parties. The Group likewise regularly evaluates other financing instruments to broaden the Group's range of financing resources.

The table below analyzes the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months approximate their carrying balances, as the impact of discounting is not significant.

| | 0 - 180 days | 181 - 360 days | Total |
|---|--------------|----------------|-------------|
| As at December 31, 2024 | | | |
| Borrowings | - | 13,624,642 | 13,624,642 |
| Accounts payable and other current liabilities* | 2,879,506 | 8,428,760 | 11,308,266 |
| Advances from related parties | - | 8,998,278 | 8,998,278 |
| Advances from prospective shareholders | - | 194,695,274 | 194,695,274 |
| | 2,879,506 | 225,746,954 | 228,626,460 |
| As at December 31, 2023 | | | |
| Borrowings | - | 13,624,642 | 13,624,642 |
| Accounts payable and other current liabilities* | 2,879,506 | 16,734,907 | 19,614,413 |
| Advances from related parties | - | 9,271,875 | 9,271,875 |
| Advances from prospective shareholders | - | 194,695,274 | 194,695,274 |
| | 2,879,506 | 234,326,698 | 237,206,204 |

**This account excludes taxes payable, deposits from customer and deferred rental income*

All financial assets and liabilities are classified as current as at reporting dates.

18.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure to reduce the cost of capital. For this purpose, capital is represented by total equity attributable to Parent Company as shown in the consolidated statement of financial position.

In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or sell assets to reduce debt.

Given the minor development activities undertaken by the Group, it does not require intensive capitalization as at December 31, 2024 and 2023. The Group's main objective is the development of an existing prime property comprising of investment property held for rental and capital appreciation.

As part of the reforms of the PSE to expand capital market and improve transparency among listed firms, PSE requires listed entities to maintain a minimum of ten percent (10%) of their issued and outstanding shares, exclusive of any treasury shares, held by the public. The Group has fully complied with this requirement.

There are no external minimum capitalization requirements imposed to the Group.

There were no changes in the Group's strategies and policies during 2024 and 2023.

18.3 Fair value of financial assets and liabilities

The table below summarizes the carrying amounts and fair values of those financial assets and liabilities as at December 31 as follows:

| | 2024 | | 2023 | |
|--|--------------------|--------------------|--------------------|--------------------|
| | Carrying value | Fair value | Carrying value | Fair value |
| Financial assets | | | | |
| Fair value through profit or loss | 59,326,409 | 59,326,409 | 117,980,762 | 117,980,762 |
| Fair value at amortized cost | | | | |
| Cash | 36,179,950 | 36,179,950 | 39,408,062 | 39,408,062 |
| Receivables and other current assets* | 44,624,439 | 44,624,439 | 54,347,001 | 54,347,001 |
| Total assets | 140,130,798 | 140,130,798 | 211,735,825 | 211,735,825 |
| Financial liabilities at amortized cost | | | | |
| Borrowings | 13,624,642 | 13,624,642 | 13,624,642 | 13,624,642 |
| Accounts payable and other current liabilities** | 11,308,266 | 11,308,266 | 19,614,413 | 19,614,413 |
| Advances from related parties | 8,998,278 | 8,998,278 | 9,271,875 | 9,271,875 |
| Advances from prospective shareholders | 194,695,274 | 194,695,274 | 194,695,274 | 194,695,274 |
| Total liabilities | 228,626,460 | 228,626,460 | 237,206,204 | 237,206,204 |

*This account excludes prepayments

** This account excludes taxes payable, deposits from customer and deferred rental income

These carrying amounts approximate fair values at reporting dates due to the short-term nature of financial assets and liabilities.

20 Summary of material accounting policies

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

20.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with PFRS Accounting Standards. PFRS Accounting Standards comprise the following authoritative literature:

- PFRS Accounting Standards,
- PAS Standards, and
- Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), Philippine Interpretations Committee (PIC) and Standing Interpretations Committee (SIC) as approved by the Financial and Sustainability Reporting Standards Council (FSRSC) and the Board of Accountancy, and adopted by the Securities and Exchange Commission (SEC).

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at FVPL and investment properties.

The preparation of consolidated financial statements in conformity with PFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Notes 6, 12, and 22.3.

20.2 Changes in accounting policies and disclosures

(a) New standards, amendments and interpretations to existing standards as adopted by the Group effective January 1, 2024

The adoption of the following amendments did not have a significant impact on the consolidated financial statements:

- **Amendments to PAS 1, 'Presentation of Financial Statements'**
Amendments made to PAS 1 Presentation of Financial Statements in 2020 and 2022 clarified that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (for example, the receipt of a waiver or a breach of covenant that an entity is required to comply with only after the reporting period).

Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.

- **Amendment to PFRS 16, 'Lease liability in sale and leaseback'**

In September 2022, the IASB finalized narrow-scope amendments to the requirements for sale and leaseback transactions in IFRS 16 Leases which explain how an entity accounts for a sale and leaseback after the date of the transaction.

The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognizing any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate.

- **Amendments to PAS 7 and PFRS 7, 'Supplier Finance Arrangement'**

On May 25, 2023, the IASB issued amendments to IAS 7 and IFRS 7 to require specific disclosures about supplier finance arrangements (SFAs). The amendments respond to the investors' need for more information about SFAs to be able to assess how these arrangements affect an entity's liabilities, cash flows and liquidity risk.

Entities will be required to aggregate the information that they provide about SFAs. However, entities should disaggregate information about terms and conditions that are dissimilar, disclose explanatory information where the range of payment due dates is wide, and disclose the type and effect of non-cash changes that are needed for comparability between periods.

(b) New standards, and amendments and interpretations to existing standards issued but not yet effective as at December 31, 2024

Certain new standards, and amendments and interpretations to existing standards have been published that are not mandatory for December 31, 2024 reporting periods and have not been early adopted by the Group. Except for PFRS 18 as discussed below, none of these are expected to have a significant impact on Group's consolidated financial statements:

- Amendments to PAS 21, 'Lack of Exchangeability'

In August 2023, the IASB amended IAS 21 to add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not. Prior to these amendments, IAS 21 set out the exchange rate to use when exchangeability is temporarily lacking, but not what to do when lack of exchangeability is not temporary.

These new requirements will apply for annual reporting periods beginning on or after 1 January 2025. Early application is permitted (subject to any endorsement process). Refer to Filling the gap in Currency accounting: new IFRS requirements for lack of exchangeability for further details.

- Amendments to PFRS 9 and PFRS 7, 'Classification and Measurement of Financial Instruments'

On May 30, 2024, the IASB issued targeted amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- a. clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- b. clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- c. add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- d. update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The amendments in (b) are most relevant to financial institutions, but the amendments in (a), (c) and (d) are relevant to all entities.

The amendments to IFRS 9 and IFRS 7 will be effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted subject to any endorsement process.

- PFRS 18, 'Presentation and Disclosure in Financial Statements'

This is the new standard on presentation and disclosure in financial statements, which replaces IAS 1, with a focus on updates to the statement of profit or loss.

The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss with defined subtotals;
- requirement to determine the most useful structure summary for presenting expenses in the statement of profit or loss
- required disclosures in a single note within the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general

PFRS18 is expected to affect the presentation of income and expenses in the Group's financial statements.

- PFRS 19, 'Subsidiaries without Public Accountability: Disclosures'

This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements; and it applies instead the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries.

A subsidiary is eligible if

- it does not have public accountability; and
- it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

20.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group as at December 31, 2024 and 2023. The Subsidiaries' financial statements are prepared for the same reporting year as the Parent Company. The Group uses uniform accounting policies, any difference between subsidiaries and the Parent Company are adjusted properly.

Details of subsidiaries follow:

| Subsidiaries | Percentage of ownership in 2024 and 2023 | | |
|---|---|----------|--------|
| | Direct | Indirect | Total |
| T&M Holdings, Inc. (TMHI) | 100% | - | 100% |
| M&M Holdings Corporation (MMHC) | 100% | - | 100% |
| The Angeles Corporation (TAC)* | 38.46% | 15.02% | 53.48% |
| The Taal Company, Inc. (TTCI)* | 29.97% | 14.49% | 44.46% |
| Mindanao Appreciation Corporation (MAC)* | 28.50% | 13.98% | 42.49% |
| Tagaytay Properties and Holding Corporation (TPHC)* | 26.04% | - | 26.04% |

**With control or power to govern*

All subsidiaries are domestic companies registered and doing business in the Philippines and are principally engaged in the business of acquiring and disposing of interests in real and personal properties of any kind or description, marketable securities and shares of stock. The Subsidiaries' registered office and principal place of business is at 35th Floor, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City.

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the Parent Company do not differ from the proportion of ordinary shares held.

Critical accounting judgment – Assessment of control over entities in which the Group holds less than 50% interest

Management consider that the Parent Company has de facto control over TAC, MAC, TPCI and TPHC even though it has less than 50% of the voting rights. There is no history of other shareholders forming a group to exercise their votes collectively. Based on the absolute size of the Parent Company's shareholding and the relative size of the other shareholdings, management has concluded that the Parent Company has sufficiently dominant voting interest to have the power to direct the relevant activities of these entities. Consistent with PFRS 10, the entities have been fully consolidated into the Group's consolidated financial statements.

The summarized financial information of Subsidiaries with significant non-controlling interest as at and for the years ended December 31 follow:

| 2024 | TPHC | MAC | TTCI | TAC |
|---|-------------------------|----------------|---------------|----------------|
| | (In thousands of Pesos) | | | |
| Total current assets | 10,350 | 29,889 | 24,929 | 1,815 |
| Total non-current assets | 458,192 | - | 9,900 | - |
| Total assets | 468,542 | 29,889 | 34,829 | 1,815 |
| Total current liabilities | 32,154 | 32,378 | 4,921 | 10,786 |
| Total non-current liabilities | 109,583 | - | 1,939 | - |
| Total liabilities | 141,737 | 32,378 | 6,860 | 10,786 |
| Net assets (liabilities) | 326,805 | (2,489) | 27,969 | (8,971) |
| Income | 9,945 | 2,840 | 1,068 | 2 |
| Expenses | (1,952) | (65) | (148) | (58) |
| Income (loss) before income tax | 7,993 | 2,775 | 920 | (56) |
| Provision for income tax | (15,515) | - | (211) | - |
| Net income (loss) for the year | (7,522) | 2,775 | 709 | (56) |
| Other comprehensive income for the year | - | - | - | - |
| Total comprehensive income (loss) for the year | (7,522) | 2,775 | 709 | (56) |
| Cash flows from: | | | | |
| Operating activities | (3,043) | (8) | (342) | (40) |
| Investing activities | - | - | - | - |

| 2023 | TPHC | MAC | TTCI | TAC | |
|---|-------------------------|---------|--------|---------|---------|
| | (In thousands of Pesos) | | | | |
| | 10,966 | 27,055 | 25,067 | 1,853 | |
| Total current assets | 396,131 | - | 8,843 | - | |
| Total non-current assets | 407,097 | 27,055 | 33,910 | 1,853 | |
| Total assets | 30,847 | 32,320 | 4,923 | 10,768 | |
| Total current liabilities | 94,068 | - | 1,728 | - | |
| Total non-current liabilities | 124,915 | 32,320 | 6,651 | 10,768 | |
| Total liabilities | 282,182 | (5,265) | 27,259 | (8,915) | |
| Net assets (liabilities) | 208,703 | (3,027) | 15,140 | (4,147) | |
| Income | 9,945 | - | 533 | 2 | |
| Expenses | (2,127) | (6,652) | (206) | (59) | |
| Income (loss) before income tax | 7,818 | (6,652) | 327 | (57) | |
| Provision for income tax | (4,986) | - | (98) | - | |
| Net income (loss) for the year | 2,832 | (6,652) | 229 | (57) | |
| Other comprehensive income for the year | - | - | - | - | |
| Total comprehensive income (loss) for the year | 2,832 | (6,652) | 229 | (57) | |
| Cash flows from: | | | | | |
| Operating activities | 2,095 | (3,825) | 127 | (27) | |
| Investing activities | (3,556) | (8) | (342) | (40) | |
| | TPHC | MAC | TTCI | TAC | Total |
| | (In thousands of Pesos) | | | | |
| Accumulated balance of non-controlling interest | | | | | |
| December 31, 2024 | 58,687 | 1,084 | 18,373 | 168,933 | 247,077 |
| December 31, 2023 | 199,414 | (3,711) | 19,177 | (4,737) | 210,143 |
| Non-controlling interest share in total comprehensive income (loss) | | | | | |
| December 31, 2024 | (5,564) | 1,596 | 394 | (26) | (5,564) |
| December 31, 2023 | 2,095 | (3,826) | 130 | (27) | (1,628) |

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. These are deconsolidated from the date that control ceases.

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The Group also assesses the existence of control where it does not have more than 50% of the voting power but is able to govern the financial reporting and operating policies by virtue of de facto control. De facto control may arise in circumstances where the size Group's voting rights relative to the size and dispersion of holdings of other shareholders give the Group the power to govern the financial and operating policies.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets.

(i) Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with PAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is not accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognized and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly in profit or loss.

Inter-company transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions—that is, as transactions with the owners in their capacity as owners. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

20.4 Financial instruments

Financial assets

(a) Classification

The Group classifies its financial assets in the following measurement categories: fair value through profit or loss (FVPL), fair value through other comprehensive income (FVOCI) and amortized cost. The Group did not hold financial assets under the category financial assets at FVOCI as at December 31, 2024 and 2023.

(i) Amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains (losses) together with foreign exchange gains and losses. Significant impairment losses are presented as a separate line item in profit or loss.

These are included in current assets, except for maturities greater than 12 months after the reporting date which are classified as non-current assets. The Group's financial assets at amortized cost comprise cash (Note 2) and other current assets (excluding prepayments) (Note 4).

(ii) FVPL

Investment in equity instruments that are held for trading are measured at fair value. Gains and losses for these financial assets are recorded in profit or loss. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, these are classified as non-current.

The Group's financial assets at FVPL (Note 3) are classified under this category.

(b) Recognition and measurement

(i) Initial recognition and measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

(ii) Subsequent measurement

- Financial assets at amortized cost

Financial assets at amortized cost are subsequently carried at amortized cost using the effective interest method, less provision for impairment.

- Financial assets at FVPL

Gains or losses arising from changes in the fair value of financial assets at fair value through profit or loss, including interest income, are presented in profit or loss within fair value gain (loss) on financial assets at FVPL in the period in which these arise. Dividend income from financial assets at FVPL is recognized in profit or loss as a separate line item when the Group's right to receive payment is established.

(c) Impairment

The Group applies the PFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all receivables that are financial assets. The Group applies the PFRS 9 general approach to measuring expected credit losses which uses a 12-month loss allowance for cash and other receivables that are financial assets.

To measure the expected credit losses, notes and other receivables that are financial assets have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of customers over a period of 36 months before year-end reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognized in profit or loss. Subsequent recoveries of amounts previously written-off are credited against operating expenses in profit or loss.

(d) Derecognition

Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Financial liabilities

(a) Classification

The Group classifies its financial liabilities in the following categories: financial liabilities at fair value through profit or loss (including financial liabilities held for trading and those that designated at fair value); and financial liabilities at amortized cost.

(i) Amortized cost

Liabilities that are held for payment of contractual cash flows where those cash outflows represent solely payments of principal and interest are measured at amortized cost. Interest expense from these financial liabilities is included in finance expense using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains (losses) together with foreign exchange gains and losses.

The Group only has financial liabilities measured at amortized cost which include accounts payable and other current liabilities (excluding payable to government agencies and deferred rental income) (Note 6), borrowings (Note 7), advances from other related parties (Note 13) and advances from prospective shareholders (Note 11).

(b) Recognition and measurement

Financial liabilities at amortized cost are measured at amortized cost using the effective interest method.

(c) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired.

20.5 Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation, amortization and impairment, if any. Historical cost includes expenditures that are directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the period in which these are incurred.

Depreciation or amortization is calculated using the straight-line method over the estimated useful lives of the related assets as follows:

| | |
|-----------------------------------|--------------|
| Office condominium | 25 years |
| Building improvements | 10 years |
| Office equipment | 5 years |
| Communication and other equipment | 5 years |
| Transportation equipment | 5 years |
| Furniture and fixtures | 3 to 5 years |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use (Note 21.7).

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal at which time the cost, appraisal increase and their related accumulated depreciation are removed from the accounts. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset and are included in profit or loss.

20.6 Investment properties

Investment properties are defined as property held by the owner or by the lessee under a finance lease to earn rentals or for capital appreciation or both, rather than for: (a) use in the production of supply of goods or services or for administrative purposes; or (b) sale in the common course of business.

Investment properties, principally comprising of land and a commercial unit, are held for long-term rental yields and are not occupied by the Group. Investment properties are carried at fair value, representing open market value determined annually by external valuers. Changes in fair values are recorded in profit or loss.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to profit or loss during the period in which these are incurred.

Removal of an item within investment properties is triggered by a change in use, by sale or disposal. If investment properties become owner-occupied, they are reclassified as property and equipment, and the fair value at the date of reclassification becomes the cost for accounting purposes. Gain or loss arising on disposal is calculated as the difference between any disposal proceeds and the carrying amount of the related asset. This is recognized in profit or loss.

Properties that are being constructed or developed for future capital appreciation are classified as investment properties.

Impairment of investment properties is presented in Note 21.8.

20.7 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of a non-financial asset is measured based on its highest and best use. The asset's current use is presumed to be its highest and best use.

The fair value of financial and non-financial liabilities takes into account non-performance risk, which is the risk that the entity will not fulfill an obligation.

The Group classifies its fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The appropriate level is determined on the basis of the lowest level input that is significant to the fair value measurement.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

The fair value of assets and liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the asset or liability is included in Level 2. If one or more of the significant inputs is not based on observable market data, the asset or liability is included in Level 3.

The Group uses valuation techniques that are appropriate in the circumstances and applies the technique consistently. Commonly used valuation techniques for non-financial assets follow:

- Market approach - A valuation technique that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e., similar) assets, liabilities or a group of assets and liabilities, such as a business.
- Income approach - Valuation techniques that convert future amounts (e.g., cash flows or income and expenses) to a single current (i.e., discounted) amount. The fair value measurement is determined on the basis of the value indicated by current market expectations about those future amounts.
- Cost approach - A valuation technique that reflects the amount that would be required currently to replace the service capacity of an asset (often referred to as current replacement cost).

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the reporting date, with the resulting value discounted back to present value.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The Group's financial assets at FVPL are classified under Level 1 category. Investment properties are classified under Level 2 category.

20.8 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that have a definite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

20.9 Borrowings and borrowing costs

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds net of transaction costs and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve (12) months after the reporting date.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the asset. All other borrowing costs are expensed as incurred.

20.10 Current and deferred income tax

The income tax expense for the period comprises current and deferred income tax. Tax is recognized in profit or loss, except to the extent that that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax losses (net operating loss carryover or NOLCO) and unused tax credits (excess minimum corporate income tax or MCIT) to the extent that it is probable that future taxable profit will be available against which the temporary differences, unused tax losses and unused tax credits can be utilized. The Group reassesses at each reporting date the need to recognize a previously unrecognized deferred income tax asset.

Deferred income tax assets are recognized on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilized.

Deferred income tax liabilities are recognized in full for all taxable temporary differences, except to the extent that the deferred income tax liability arises from the initial recognition of goodwill. Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally, the Group is unable to control the reversal of the temporary difference for associate. Only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference not recognized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority where there is an intention to settle the balances on a net basis.

Deferred income tax assets and liabilities are derecognized when related bases are realized or when it is no longer realizable.

20.11 Employee benefits

(a) Retirement benefit obligation

The Group has less than 10 employees and has not yet formalized its employee retirement plan but it plans to provide retirement benefits. The retirement benefits under RA 7641 are considered as defined benefit plan. Defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The retirement obligation is equivalent to half-month compensation and calculated proportionately to the length of service of an employee.

(b) Other short-term benefits

The Group recognizes a liability and an expense for short-term employee benefits which include salaries, social security contributions, paid sick and vacation leaves. The Group recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Liabilities for short-term employee benefits are derecognized when the obligation is settled, cancelled or has expired.

20.12 Provisions

Provisions are recognized when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Provisions are derecognized when the obligation is settled, cancelled or has expired.

20.13 Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing net income attributable to the Parent Company by the weighted average number of common shares in issue during the year.

Diluted earnings (loss) per share is computed in the same manner as basic earnings per share, however, profit attributable to common shareholders and the weighted average number of shares outstanding are adjusted for the effects of all dilutive potential common shares.

20.14 Income and expense recognition

(a) Management and service fee income

Management and service fee income are recognized when services are rendered, and amounts are mutually agreed by the contracting parties.

(b) Rental income

Rental income from operating leases (the Group is the lessor) is recognized as income on a straight-line basis over the lease term in accordance with PFRS 16. When the Group provides incentives to its lessees, the cost of incentives are recognized over the lease term, on a straight-line basis, as a reduction of rental income.

(c) Interest income and expense

Interest income and expense are recognized in profit or loss for all interest-bearing financial instruments using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognized using the rate of interest used to discount future cash flows for the purpose of measuring impairment loss.

(d) Dividend income

Dividend income is recognized when the right to receive payment is established.

(e) Other income

Other income is recognized when earned.

(a) Expenses

Expenses are recognized when these are incurred.

20.15 Foreign currency transactions and translation

(a) Functional and presentation currency

Items included in the Group's consolidated financial statements are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Group's consolidated financial statements are presented in Philippine Peso, which is the Parent Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into Philippine Peso using the exchange rates prevailing at the dates of the transactions or valuation where items are measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

Mabuhay Holdings Corporation
35th Floor, Rufino Pacific Tower
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INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES
As at December 31, 2024

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- C Amounts Receivable from Related Parties which are Eliminated during Consolidation of Financial Statements
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Reconciliation of Retained Earnings Available for Dividend Declaration
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Supplementary Schedule of External Auditor Fee-Related Information
Mabuhay Group Structure

Mabuhay Holdings Corporation
35th Floor, Rufino Pacific Tower
6784 Ayala Avenue
Makati City

Schedule A
Financial Assets
As at December 31, 2024
(All amount in Philippine Peso)

| Name of issuing entity and association of each issue | Number of shares or principal amount of bonds and notes | Amount shown in the statements of financial position | Income received and accrued |
|--|---|--|-----------------------------|
| Financial assets at fair value through profit or loss | | | |
| AYALA CORPORATION | 5,000 | 2,995,000 | - |
| AYALA LAND INC. | - | - | - |
| BASIC ENERGY CORP. | - | - | - |
| BDO UNIBANK, INC. | - | - | - |
| BPI | - | - | - |
| COSCO CAPITAL, INC./ALCORN | - | - | - |
| FILINVEST LAND, INC. | - | - | - |
| FILIPINO FUND INC. | - | - | - |
| GLOBAL/F-ESTATE LAND INC. | - | - | - |
| GMA NETWORK, INC. | - | - | - |
| GREENERGY H./MUSX CORP. | - | - | - |
| IRC PROPERTIES INC. | 170,947,589 | 54,703,229 | - |
| MLA MINING CORP. "A" | - | - | - |
| MLA MINING CORP. "B" | - | - | - |
| NAT'L. REINS. CORP. | - | - | - |
| PHIL. REALTY A | 2,023,428 | 252,928 | - |
| SWIFT FOOD INC. | - | - | - |
| SWIFT FOOD INC.CONV. PREF. | 1,759 | 102 | - |
| THE PHILODRILL CORPORATION | - | - | - |
| UNITED P. MINING CORP. | - | - | - |
| PLDT - Preferred | 1,050 | 1,375,150 | - |
| AREIT, Inc. | - | - | - |
| Security Bank | - | - | - |
| Total financial assets at fair value through profit or loss | | 59,326,409 | |
| Cash | | 36,179,950 | |
| Receivables | | 47,598,477 | |
| Total financial assets | | 143,104,836 | |

Mabuhay Holdings Corporation
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Schedule B
Amounts Receivable from Directors, Officers, Employees,
Related Parties and Principal Stockholders (Other than Related Parties)
As at December 31, 2024

| Name and designation of debtor | Balance at beginning of year | Additions | Amounts collected, liquidated or reclassified | Amounts written off | Total | Current | Non- current | Balance at end of year |
|--|------------------------------------|-----------|--|------------------------|------------|------------|-----------------|------------------------------|
| Greenroof Corp. | 57,445,681 | - | 17,929,355 | - | 39,516,326 | 39,516,326 | - | 39,516,326 |
| Philippine Plaza Holdings Inc.-rental | - | 429,712 | - | - | 429,712 | 429,712 | - | 429,712 |
| Sta Mesa Heights | 574,872 | - | - | - | 574,872 | 574,872 | - | 574,872 |
| | 58,020,553 | 429,712 | 17,929,355 | - | 40,520,910 | 40,520,910 | - | 40,520,910 |

Mabuhay Holdings Corporation
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Schedule C
Amounts Receivable from Related Parties which are Eliminated
During the Consolidation of Financial Statements
As at December 31, 2024

Receivables of the Parent Company from its subsidiaries are as follows:

| Name and designation of debtor | Balance at beginning of year | Additions | Amounts collected, liquidated or reclassified | Amounts written off | Total | Current | Non-current | Balance at end of year |
|--|------------------------------|-----------|---|---------------------|-------------------|-------------------|-------------|------------------------|
| Advances to Subsidiaries Mindanao Appreciation Corp. | 29,080,634 | - | - | - | 29,080,634 | 29,080,634 | - | 29,080,634 |
| Tagaytay Properties and Holdings Corp. | 1,402,851 | - | - | - | 1,402,851 | 1,402,851 | - | 1,402,851 |
| Water Jet Shipping Corp | 22,240 | - | - | (22,240) | - | - | - | - |
| Other Parties | 5097 | - | - | - | 5,097 | 5,097 | - | 5,097 |
| Total | 30,510,822 | - | - | (22,240) | 30,488,582 | 30,488,582 | - | 30,488,582 |

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Schedule D
Long Term Debt
As at December 31, 2024

| Title of issue and type of obligation | Amount authorized by indenture | Amount shown under caption "Current portion of borrowing" in related balance sheet | Amount shown under caption "borrowing" in related balance sheet |
|---------------------------------------|--------------------------------|--|---|
| Promissory Notes | 13,624,642 | 13,624,642 | - |

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Schedule E
Indebtedness to Related Parties
As at December 31, 2024

| Name of related party | Balance at beginning of period | Balance at end of period |
|----------------------------------|--------------------------------|--------------------------|
| Intrinsic Value Management (IVM) | 9,186,216 | 1,129,985 |
| (PSIHI) | - | 123,651 |
| (SCHC) | - | 238,841 |
| Water Jet Shipping Corp. | 85,659 | - |

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Schedule F
Guarantees of Securities of Other Issuers
As at December 31, 2024

| 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 filed | Nature of guarantee |
|--|---|---|---|---------------------|
| NOT APPLICABLE | | | | |

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Schedule G
Capital Stock
As at December 31, 2024

The details of authorized and paid-up capital stock are as follows:

| Title of issue | Number of shares authorized | Number of shares issued and outstanding as shown under related balance sheet caption | Number of shares reserved for options, warrants, conversion and other rights | Number of shares held by affiliates | Directors, officers and employees | Others |
|----------------|-----------------------------|--|--|-------------------------------------|-----------------------------------|---------------|
| Common | 4,000,000,000 | 1,200,000,000 | N/A | 58,278,400 | 1,592 | 1,141,720,008 |

Mabuhay Holdings Corporation
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Reconciliation of Retained Earnings Available for Dividend Declaration
As at December 31, 2024

| | |
|---|--------------------|
| Unappropriated Retained Earnings, beginning of the year/period | 432,597,958 |
| Add: Category A: Items that are directly credited to Unappropriated retained earnings Reversal of Retained earnings appropriation/s Effect of restatements or prior-period adjustments Others (describe nature) | |
| Less: Category B: Items that are directly debited to Unappropriated retained earnings Dividend declaration during the reporting period Retained earnings appropriated during the reporting period Effect of restatements or prior-period adjustments Treasury shares | |
| Unappropriated Retained Earnings, as adjusted | 432,597,958 |
| Add/Less: Net Income (loss) for the current year/period | |
| Less: Category C.1: Unrealized income recognized in the profit or loss during the year/period (net of tax) Equity in net income of associate/joint venture, net of dividends declared Unrealized foreign exchange gain, except those attributable to cash and cash equivalents Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL) Unrealized fair value gain of investment property Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature) | (8,167,107) |
| Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax) Realized foreign exchange gain, except those attributable to Cash and cash equivalents Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL) Realized fair value gain of Investment property Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature) | |
| Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax) Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL) Reversal of previously recorded fair value gain of investment property | |

forward

forwarded.

Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded (describe nature)

Adjusted net income/loss

Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)

Depreciation on revaluation increment (after tax)

Amortization of the effect of reporting relief

Total amount of reporting relief granted during the year

Others (describe nature)

Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution

Net movement of treasury shares (except for reacquisition of redeemable shares)

Net movement of deferred tax asset not considered in the reconciling items under the previous categories

Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and setup of service concession asset and concession payable

Adjustment due to deviation from PFRS/GAAP - gain (loss)

Cumulative unrealized fair value gain on FVTPL in prior years

Cumulative fair value gain in prior years

Total Retained Earnings, end of the year/period available for dividend declaration

424,430,851

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Financial Soundness Indicators
As at December 31, 2024
(With comparatives as at December 31, 2023 and 2022)

| Financial ratio | Calculation | 2024 | 2023 | 2022 |
|---|---|-----------------|--------|--------|
| Liquidity/current ratio | Total current assets divided by total current liabilities | | | |
| | Total current assets | 187,871,709.00 | 0.82 | 0.90 |
| | Divided by: Total current liabilities | 229,589,175.29 | | 1.40 |
| | Liquidity/current ratio | 0.82 | | |
| Acid test ratio | Quick assets (total current assets less prepayments and other current assets) divided by total current liabilities | | | |
| | Total current assets | 187,871,709.00 | 0.79 | 0.89 |
| | Less: Prepayments and other current assets | (5,878,794.00) | | |
| | Total | 181,992,915.00 | | |
| | Divided by: Total current liabilities | 229,589,175.29 | | |
| Acid test ratio | 0.79 | | | |
| Solvency ratio | Net income after tax plus non-cash expenses divided by total liabilities | | | |
| | Net loss from operations | (43,133,389.25) | (0.11) | (0.17) |
| | Add: Depreciation and amortization | 321,813.00 | | |
| | Total | (42,811,576.25) | | |
| | Divided by: Total liabilities | 382,124,890.29 | | |
| Solvency ratio | (0.11) | | | |
| Debt-to-equity ratio | Total liabilities divided by total equity | | | |
| | Total liabilities | 382,124,890.29 | 0.90 | 0.86 |
| | Divided by: Total equity | 424,430,851.72 | | |
| Debt-to-equity ratio | 0.90 | | | |
| Asset-to-equity ratio | Total assets divided by total equity | | | |
| | Total assets | 806,555,741.69 | 1.90 | 1.86 |
| | Divided by: Total equity | 424,430,851.72 | | |
| Asset-to-equity ratio | 1.90 | | | |
| Return on equity | Net income after tax divided by total equity | | | |
| | Net loss from operations | (43,133,389.25) | (0.10) | (0.14) |
| | Divided by: Average Total equity | 428,514,404.86 | | |
| Return on equity | (0.10) | | | |
| Return on assets | Net income after tax divided by total assets at beginning | | | |
| | Net loss from operations | (43,133,389.25) | (0.05) | (0.08) |
| | Divided by: Average Total assets | 805,703,518.95 | | |
| Return on assets | (0.05) | | | |
| Net profit margin | Net income after tax divided by total revenue and income | | | |
| | Net loss from operations | (43,133,389.25) | (0.60) | (2.73) |
| | Divided by: Total revenue | 71,565,512.00 | | |
| Net profit margin from continuing operations | (0.60) | | | |
| Earnings per share | Net income divided by number of common stock outstanding | | | |
| | Net loss from operations | (43,133,389.25) | (0.40) | (0.06) |
| | Divided by: Number of common stock outstanding | 975,534,053.00 | | |
| Earnings per share from continuing operations | (0.04) | | | |

Mabuhay Holdings Corporation and Subsidiaries

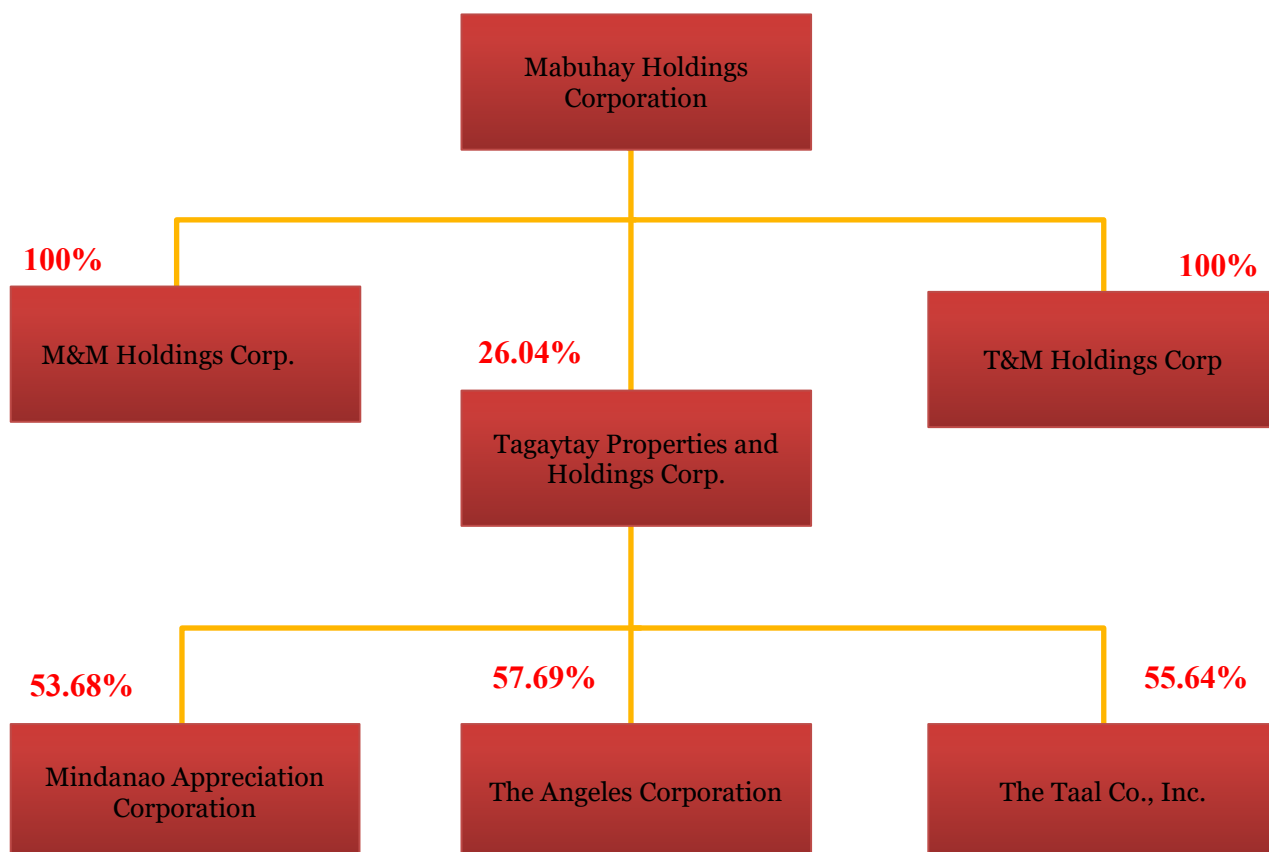
Additional Components of Financial Statements
Supplementary Schedule of External Auditor Fee-Related Information
As at December 31, 2024

Audit and non-audit fees of Mabuhay Holdings Corporation and Subsidiaries

| | 2024 | 2023 |
|---------------------------------------|----------------|----------------|
| Audit fees: | | |
| Parent | 250,000 | 250,000 |
| Subsidiaries | 240,000 | 240,000 |
| Total audit fees | 490,000 | 490,000 |
| Non-audit fees: | | |
| Tax consultancy services | - | - |
| Tax retainer | - | - |
| Total non-audit fees | - | - |
| Total audit and non-audit fees | 490,000 | 490,000 |

Mabuhay Holdings Corporation and Subsidiaries

Additional Components of Financial Statements
Map of the Group of Companies within which the Reporting Entity Belongs
As at December 31, 2024



**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**


The management of **MABUHAY HOLDINGS CORPORATION** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2024 and 2023, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the Company's financial reporting process.

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

ISLA LIPANA & CO., the independent auditor, appointed by the stockholders, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.


ROBERTO V. SAN JOSE
Chairman of the Board


ESTEBAN G. PEÑA SY
President


GLORIA GEORGIA G. GARGIA
Treasurer & Chief Financial Officer

Signed this 16th day of April 2025

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY)

SUBSCRIBED AND SWORN TO before me, a Notary Public, for and in Makati City, this APR 16 2025
affiants exhibiting to me their Community Tax Certificates/Passports, as follows:

| Affiant | CTC No./ Passport No. | Date of Issue / Place of Issue |
|--------------------------|----------------------------------|---------------------------------------|
| Roberto V. San Jose | Senior Citizen ID 2957 | September 29, 2008 / Muntinlupa City |
| Esteban G. Peña Sy | P8276657A | August 09, 2018 DFA NCR Central |
| Gloria Georgia G. Garcia | P8316836A | August 11, 2018 DFANCR North East |

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Series of 2025

ATTY GERVACIO B. ORTIZ JR.
Notary Public City of Makati
Until December 31, 2026
IBP No. 05728-Lifetime Member
MCLE Compliance No. VII-0022734
valid until April 14, 2025
Appointment No. M-007 (2025-2026)
PTR No. 10466005 Jan. 2, 2025/Makati
Makati City Roll No. 40091
101 Urban Ave. Campos Rueda Bldg.
Brgy. Pio Del Pilar, Makati City



Independent Auditor's Report

To the Board of Directors and Shareholders of
Mabuhay Holdings Corporation
35th Floor, Rufino Pacific Tower
6784 Ayala Avenue
Makati City

Report on the Audits of the Separate Financial Statements

Our Opinion

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

What we have audited

The separate financial statements of the Company comprise:

- the statements of financial position as at December 31, 2024 and 2023;
- the statements of comprehensive income for the years ended December 31, 2024 and 2023;
- the statements of changes in equity for the years ended December 31, 2024 and 2023;
- the statements of cash flows for the years ended December 31, 2024 and 2023; and
- the notes to the separate financial statements, comprising material accounting policies and other explanatory information.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audits of the Separate Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and Code of Ethics.

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas, 1226 Makati City, Philippines
T: +63 (2) 8845 2728, www.pwc.com/ph



Independent Auditor's Report
To the Board of Directors and Shareholders of
Mabuhay Holdings Corporation
Page 2

Material Uncertainty Related to Going Concern

The Company is in a capital deficiency position amounting to P91.08 million as at December 31, 2024 (2023 - P59.45 million). This condition indicates existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. Management's plans regarding this matter are disclosed in Note 1. We have performed adequate audit procedures to validate and assess the viability of management plans in improving the financial situation of the Company. Our opinion is not qualified in respect of this matter.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



Independent Auditor's Report
To the Board of Directors and Shareholders of
Mabuhay Holdings Corporation
Page 3

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

- Identify and assess the risks of material misstatement of the 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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



Independent Auditor's Report
To the Board of Directors and Shareholders of
Mabuhay Holdings Corporation
Page 4

Report on the Bureau of Internal Revenue Requirement

Our audits were conducted for the purpose of forming an opinion on the basic separate financial statements taken as a whole. The supplementary information in Note 22 to the separate financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic separate financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in our audits of the basic separate financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic separate financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditor's report is Zaldy D. Aguirre.

Isla Lipana & Co.

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Zaldy D. Aguirre
Partner

CPA Cert No. 0105660

P.T.R. No. 0024447, issued on January 3, 2025, Makati City

TIN 221-755-698

BIR A.N. 08-000745-077- 2023, issued on December 22, 2023; effective until December 21, 2026

BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
April 16, 2025



**Statement Required by Rule 68
Securities Regulation Code (SRC)**

To the Board of Directors and Shareholders of
Mabuhay Holdings Corporation
35th Floor, Rufino Pacific Tower
6784 Ayala Avenue
Makati City

We have audited the separate financial statements of Mabuhay Holdings Corporation (the "Company") as at and for the year ended December 31, 2024, on which we have rendered the attached report dated April 16, 2025.

In compliance with SRC Rule 68 and based on the certification received from the Company's corporate secretary, the Company has one hundred ninety (190) shareholders owning 100 or more shares as at December 31, 2024.

Isla Lipana & Co.

A handwritten signature in black ink, appearing to read "Zaldy D. Aguirre", is written over a horizontal line.

Zaldy D. Aguirre
Partner

CPA Cert No. 0105660

P.T.R. No. 0024447, issued on January 3, 2025, Makati City

TIN 221-755-698

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Makati City
April 16, 2025

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas, 1226 Makati City, Philippines
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Mabuhay Holdings Corporation

Statements of Financial Position
As at December 31, 2024 and 2023
(All amounts in Philippine Peso)

| Notes | 2024 | 2023 | |
|--|-------|---------------------|---------------------|
| Assets | | | |
| Current assets | | | |
| Cash | 2 | 12,089,993 | 5,539,184 |
| Financial assets at fair value through profit or loss (FVPL) | 3 | 22,678,871 | 45,639,998 |
| Due from related parties | 15 | 30,488,583 | 30,510,823 |
| Other current assets | 4 | 5,266,143 | 4,828,148 |
| Total current assets | | 70,523,590 | 86,518,153 |
| Non-current assets | | | |
| Investments in and advances to subsidiaries, net | 5 | 92,252,857 | 92,252,857 |
| Investment property | 6 | 164,256,000 | 163,580,000 |
| Property and equipment, net | 7 | 478,192 | 330,652 |
| Total non-current assets | | 256,987,049 | 256,163,509 |
| Total assets | | 327,510,639 | 342,681,662 |
| Liabilities and Equity | | | |
| Current liabilities | | | |
| Accounts payable and other current liabilities | 8 | 12,710,636 | 11,921,126 |
| Borrowings | 9, 15 | 12,393,900 | 12,393,900 |
| Advances from related parties | 15 | 158,564,370 | 146,116,132 |
| Advances from prospective shareholders | 10 | 194,695,274 | 194,695,274 |
| Total current liabilities | | 378,364,180 | 365,126,432 |
| Non-current liabilities | | | |
| Retirement benefits obligation | 18 | 3,728,302 | 3,276,044 |
| Deferred income tax liabilities, net | 13 | 36,498,364 | 33,725,882 |
| Total non-current liabilities | | 40,226,666 | 37,001,926 |
| Total liabilities | | 418,590,846 | 402,128,358 |
| Equity | | | |
| Share capital | 11 | 975,534,053 | 975,534,053 |
| Deficit | | (1,066,614,260) | (1,034,980,749) |
| Total capital deficiency | | (91,080,207) | (59,446,696) |
| Total liabilities and equity | | 327,510,639 | 342,681,662 |

(The notes on pages 1 to 28 are an integral part of these separate financial statements.)

Mabuhay Holdings Corporation

Statements of Comprehensive Income
For the years ended December 31, 2024 and 2023
(All amounts in Philippine Peso)

| | Notes | 2024 | 2023 |
|--|--------------|---------------------|---------------------|
| Income | | | |
| Rental income | 6,16 | 5,504,231 | 4,018,401 |
| Gain on fair value change in investment property | 6 | 676,000 | 3,380,000 |
| Dividend income | 3 | 186,882 | 155,440 |
| Interest income | 2 | 3,422 | 3,035 |
| Foreign exchange gain, net | 19.1 | 125,041 | - |
| Other income | | 76,156 | 196,154 |
| | | 6,571,732 | 7,753,030 |
| Expenses | | | |
| Unrealized loss on FVPL securities | 3 | 13,754,779 | 26,004,348 |
| Salaries and employee benefits | 17 | 8,515,554 | 8,135,316 |
| Meeting expenses | | 7,405,068 | 5,558,729 |
| Transportation and travel | | 2,164,650 | 2,380,748 |
| Professional fees | | 1,093,416 | 1,061,287 |
| Depreciation | 7 | 134,883 | 275,790 |
| Provision for impairment loss of investments in subsidiaries | 5 | - | 6,753,770 |
| Foreign exchange loss, net | 19.1 | - | 51,929 |
| Loss on litigation | 19 | - | - |
| Others | 12 | 2,252,803 | 2,952,585 |
| | | 35,321,153 | 53,174,502 |
| Loss before income tax | | (28,749,421) | (45,421,472) |
| Income tax benefit (expense) | 13 | (2,884,090) | 5,908,294 |
| Net loss for the year | | (31,633,511) | (39,513,178) |
| Other comprehensive income for the year | | - | - |
| Total comprehensive loss for the year | | (31,633,511) | (39,513,178) |
| Basic and diluted loss per share | 14 | (0.03) | (0.04) |

(The notes on pages 1 to 28 are an integral part of these separate financial statements.)

Mabuhay Holdings Corporation

Statements of Changes in Equity
For the years ended December 31, 2024 and 2023
(All amounts in Philippine Peso)

| | Share capital | | |
|---|----------------------|-----------------|--------------|
| | (Note 11) | Deficit | Total |
| Balances as at January 1, 2023 | 975,534,053 | (995,467,571) | (19,933,518) |
| Comprehensive loss | | | |
| Net loss for the year | - | (39,513,178) | (39,513,178) |
| Other comprehensive income for the year | - | - | - |
| Total comprehensive loss for the year | - | (39,513,178) | (39,513,178) |
| Balances as at December 31, 2023 | 975,534,053 | (1,034,980,749) | (59,446,696) |
| Comprehensive loss | | | |
| Net loss for the year | - | (31,633,511) | (31,633,511) |
| Other comprehensive income for the year | - | - | - |
| Total comprehensive loss for the year | - | (31,633,511) | (31,633,511) |
| Balances as at December 31, 2024 | 975,534,053 | (1,066,614,260) | (91,080,207) |

(The notes on pages 1 to 28 are an integral part of these separate financial statements.)

Mabuhay Holdings Corporation

Statements of Cash Flows
For the years ended December 31, 2024 and 2023
(All amounts in Philippine Peso)

| | Notes | 2024 | 2023 |
|--|-------|--------------|--------------|
| Cash flows from operating activities | | | |
| Loss before income tax | | (28,749,420) | (45,421,472) |
| Adjustments for: | | | |
| Unrealized loss on revaluation of financial assets at FVPL | 3 | 13,754,780 | 26,004,348 |
| Provision for impairment loss of investments in subsidiaries | | | 6,753,770 |
| Loss on litigation | | | - |
| Retirement expense (income) | 18 | 452,258 | 693,933 |
| Depreciation | 7 | 134,883 | 275,790 |
| Unrealized foreign exchange loss (gains) | 20.1 | (125,041) | 51,929 |
| Interest income | 2 | (3,422) | (3,035) |
| Dividend income | 3 | (186,882) | (155,440) |
| Gain on fair value change in investment property | 6 | (676,000) | (3,380,000) |
| Other income | | | - |
| Operating loss before working capital changes | | (15,398,844) | (15,180,177) |
| (Increase) in: | | | |
| Other current assets | | (549,602) | (158,767) |
| Increase (decrease) in: | | | |
| Advances from related parties | | 12,470,478 | 16,503,264 |
| Accounts payable and other current liabilities | | 789,509 | (1,542,021) |
| Provision for litigation claims | | - | - |
| Cash absorbed by operations | | (2,688,459) | (377,701) |
| Interest received | | 3,422 | 3,035 |
| Dividend received | | 186,882 | 155,440 |
| Net cash used in operating activities | | (2,498,155) | (219,226) |
| Cash flows from investing activity | | | |
| Acquisitions of property and equipment | 7 | (282,422) | (178,571) |
| Cash flows from financing activity | | | |
| Collection of principal amount of notes receivable | | 9,206,345 | - |
| Net increase(decrease) in cash for the year | | 6,425,768 | (397,797) |
| Cash as at January 1 | | 5,539,184 | 5,988,910 |
| Effect of exchange rates on cash | | 125,041 | (51,929) |
| Cash as at December 31 | | 12,089,993 | 5,539,184 |

(The notes on pages 1 to 28 are an integral part of these separate financial statements.)

Mabuhay Holdings Corporation

Notes to the Separate Financial Statements

As at and for the years ended December 31, 2024 and 2023

(In the Notes, all amounts are shown in Philippine Peso unless otherwise stated)

1 General information; status of operations

Mabuhay Holdings Corporation (the “Company”) was incorporated in the Philippines on April 6, 1988 primarily to engage in the acquisition and disposal of investments in marketable securities, shares of stock and real estate properties. The Company is 29.83% owned by Zenith Element Limited, a company incorporated and registered under the laws of the British Virgin Islands on April 17, 2018 as an investment holding company. The remaining 70.17% is owned by various individuals and corporations.

The Company’s common shares were listed in the Philippines Stock Exchange (PSE) in 1990. Other than its share listing in 1990, there were no other share offerings subsequent thereto. Accordingly, the Company is considered a public company under Rule 3.1 of the Implementing Rules and Regulations of the Securities Regulation Code.

The Company has significant investments in traded equity instruments classified as financial assets at FVPL. The market values of these traded equity instruments are still heavily affected by market volatilities causing a further decline of P13.7 million for the year ended December 31, 2024.

As for its investment properties, the Company entered into a new lease contract for half of the 35th Floor for a period of three (3) years commencing on September 15, 2021 (Note 16).

Management is of the opinion that the Company’s cash flows will continue to satisfy its current working capital requirements for the next twelve months. Its subsidiaries have no significant working capital requirements and most are currently dormant. The Company will continue to look for opportunities to invest in projects that will bring benefit to our shareholders and the community as a whole.

The management is still looking at developing affordable housing units to satisfy the housing requirements of the lower income market segment since these projects are not only expected to generate profits but will also help fulfill the Company’s social responsibility goals.

The separate financial statements have been approved and authorized for issue by the Board of Directors (BOD) on April 15, 2025.

2 Cash

The account as at December 31 consist of:

| | 2024 | 2023 |
|--------------|------------|-----------|
| Cash on hand | 15,000 | 15,000 |
| Cash in bank | 12,074,993 | 5,524,184 |
| | 12,089,993 | 5,539,184 |

Cash in bank earns interest at the prevailing bank deposit rate. Interest income from cash in bank for the year ended December 31, 2024 amounted to P3,422 (2023 - P3,035).

3 Financial assets at fair value through profit or loss (FVPL)

Movements in the account for the years ended December 31 follow:

| | 2024 | 2023 |
|---------------------|--------------|--------------|
| January 1 | 45,639,998 | 71,644,346 |
| Loss on revaluation | (13,754,780) | - |
| Disposal | (9,206,347) | (26,004,348) |
| December 31 | 22,678,871 | 45,639,998 |

The account as at December 31, 2024 and 2023 consists of equity shares listed in Philippine Stock Exchange with fair value based on current bid prices in an active market (Level 1 valuation). Changes in fair values are recorded in unrealized loss on revaluation of securities in profit or loss.

In 2024, the Company disposed shares valued at P9.2 million resulting in a gain (included in other income) of P76 thousand. There are no acquisitions during 2024 and 2023.

Dividends earned for the year ended December 31, 2024 amounts to P186,882 (2023 - P155,440).

4 Other current assets

The account as at December 31 consist of:

| | 2024 | 2023 |
|---------------------------|-----------|-----------|
| Prepayments | 2,313,989 | 2,241,836 |
| Advances to employees | 2,136,646 | 1,700,701 |
| Advances to third parties | - | - |
| Other receivables | 815,508 | 885,611 |
| | 5,266,143 | 4,828,148 |

Prepayments mainly comprise of prepaid taxes and prepaid insurance.

Other receivables pertain to communication, utilities, repairs and maintenance billed to its tenants.

5 Investments in and advances to subsidiaries, net

The account as at December 31 consist of:

| | Ownership % | Amount | |
|---|----------------|---------------|---------------|
| | | 2024 | 2023 |
| Acquisition costs | | | |
| M&M Holdings Corporation (MMHC) | 100 | 80,630,518 | 80,630,518 |
| Tagaytay Properties and Holdings Corporation (TPHC) | 26.04 | 41,390,450 | 41,390,450 |
| The Taal Company, Inc. (TTCI) | 44.46 | 23,200,000 | 23,200,000 |
| Mindanao Appreciation Corporation (MAC) | 42.49 | 20,000,000 | 20,000,000 |
| The Angeles Corporation (TAC) | 53.48 | 1,000,000 | 1,000,000 |
| T&M Holdings, Inc. (TMHI) | 100 | 100,000 | 100,000 |
| | | 166,320,968 | 166,320,968 |
| Advances to TMHI | | 417,397,503 | 417,397,503 |
| | | 583,718,471 | 583,718,471 |
| Allowance for impairment losses | | (491,465,614) | (491,465,614) |
| | | 92,252,857 | 92,252,857 |

All subsidiaries are domestic companies registered and doing business in the Philippines and are principally engaged in the business of acquiring and disposing of interests in real and personal properties of any kind or description, marketable securities and shares of stock. The subsidiaries' registered office and principal place of business is at 35th Floor, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City.

The Company takes effective and absolute control over key decisions, operating strategies, and key policies of TAC, TPHC, TTCI and MAC. In compliance with the provisions of PAS 27, "Consolidated and Separate Financial Statements", the investments in subsidiaries is accounted for using the cost method in these separate financial statements.

In 2023, the Company recognized full impairment of its investment to MAC totaling to P6.75 million considering the current results of operation and financial position of MAC. There are no significant restrictions on the ability of the Subsidiaries to transfer cash assets, pay dividend or pay advances to the Company and between Subsidiaries. Since most of the Subsidiaries are not operational, the Company provides financial support to its Subsidiaries.

The movement of allowance for impairment losses as at December 31:

| | 2024 | 2023 |
|-------------|-------------|-------------|
| January 1 | 491,465,614 | 484,711,844 |
| Additional | - | 6,753,770 |
| December 31 | 491,465,614 | 491,465,614 |

The details of allowance for impairment losses as at December 31 follow:

| | 2024 | 2023 |
|------------------|-------------|-------------|
| Advances to TMHI | 417,497,503 | 417,497,503 |
| TPHC | 25,267,900 | 25,267,900 |
| MAC | 20,000,000 | 20,000,000 |
| MMHC | 15,606,108 | 15,606,108 |
| TTCI | 12,094,103 | 12,094,103 |
| TAC | 1,000,000 | 1,000,000 |
| | 491,465,614 | 491,465,614 |

The summarized financial information of subsidiaries with significant non-controlling interest as at and for the year ended December 31, 2024 follows:

| | TPHC | MAC | TTCI | TAC |
|---|-------------------------|----------------|---------------|----------------|
| | (In thousands of Pesos) | | | |
| Total current assets | 10,350 | 29,889 | 24,929 | 1,815 |
| Total non-current assets | 458,192 | - | 9,900 | - |
| Total assets | 468,542 | 29,889 | 34,829 | 1,815 |
| Total current liabilities | 32,154 | 32,378 | 4,921 | 10,786 |
| Total non-current liabilities | 109,583 | - | 1,939 | - |
| Total liabilities | 141,737 | 32,378 | 6,860 | 10,786 |
| Net assets (liabilities) | 326,805 | (2,489) | 27,969 | (8,971) |
| Non-controlling interest share in net assets (liabilities) | 241,705 | (1,432) | 15,534 | (4,173) |
| Income | 9,945 | 2,840 | 1,068 | 2 |
| Expenses | (1,952) | (65) | (148) | (58) |
| Income (loss) before income tax | 7,993 | 2,775 | 920 | (56) |
| Income tax benefit | (15,515) | - | (211) | - |
| Net income (loss) for the year | (7,522) | 2,775 | 709 | (56) |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income (loss) for the year | (7,522) | 2,775 | 709 | (56) |
| Non-controlling interest share in total comprehensive income (loss) for the year | (5,564) | 1,596 | 394 | (26) |
| Cash flows (used in) provide by: | | | | |
| Operating activities | (3,043) | (8) | (342) | (40) |
| Investing activities | - | - | - | - |

The summarized financial information of subsidiaries with significant non-controlling interest as at and for the year ended December 31, 2023 follows:

| | TPHC | MAC | TTCI | TAC |
|---|-------------------------|----------------|---------------|----------------|
| | (In thousands of Pesos) | | | |
| Total current assets | | 27,055 | 25,067 | 1,853 |
| Total non-current assets | 396,131 | - | 8,843 | - |
| Total assets | 407,097 | 27,055 | 33,910 | 1,853 |
| Total current liabilities | 30,847 | 32,320 | 4,923 | 10,768 |
| Total non-current liabilities | 94,068 | - | 1,728 | - |
| Total liabilities | 124,915 | 32,320 | 6,651 | 10,768 |
| Net assets (liabilities) | 282,182 | (5,265) | 27,259 | (8,915) |
| Non-controlling interest share in net assets (liabilities) | 208,703 | (3,027) | 15,140 | (4,147) |
| Income | 9,945 | - | 533 | 2 |
| Expenses | (2,127) | (6,652) | (206) | (59) |
| Income (loss) before income tax | 7,818 | (6,652) | 327 | (57) |
| Income tax benefit | (4,986) | - | (98) | - |
| Net income (loss) for the year | 2,832 | (6,652) | 229 | (57) |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income (loss) for the year | 2,832 | (6,652) | 229 | (57) |
| Non-controlling interest share in total comprehensive income (loss) for the year | 2,095 | (3,825) | 127 | (27) |
| Cash flows (used in) provide by: | | | | |
| Operating activities | (3,556) | (8) | (342) | (40) |
| Investing activities | - | - | - | - |

6 Investment property

The Company's investment property pertains to a commercial unit held for lease. The commercial unit, which is located in Makati with a total floor area of 676 square meters, is being leased out to third parties (Note 16). In 2024, income from this property amounting to P5.50 million (2023 - P4.02 million) was presented as rental income in profit or loss. Direct expenses incurred for this investment property amounted to P1.68 million (2023 - P2.01 million) which are recorded in communication, light and water, repairs and maintenance, association dues, taxes and licenses, and insurance under other expenses (Note 12).

The changes in the fair value of investment property as at December 31 are summarized below:

| | 2024 | 2023 |
|------------------|-------------|-------------|
| January 1 | 163,580,000 | 160,200,000 |
| Fair value gains | 676,000 | 3,380,000 |
| December 31 | 164,256,000 | 163,580,000 |

The fair value of an investment property is determined on the basis of appraisal made by an external appraiser duly certified by the management (Level 2 valuation). Valuation methods employed by the appraisers mainly include the market data approach.

Movements in cumulative fair value gain for the year ended December 31 follow:

| | 2024 | 2023 |
|------------------|-------------|-------------|
| January 1 | 124,631,807 | 121,251,807 |
| Fair value gains | 676,000 | 3,380,000 |
| December 31 | 125,307,807 | 124,631,807 |

7 Property and equipment, net

Details and movements of the account as at and for the years ended December 31 follow:

| | Office condominium | Building improvements | Office equipment | Transportation equipment | Communication and other equipment | Furniture and fixtures | Total |
|-------------------------------------|-----------------------|--------------------------|---------------------|-----------------------------|---|---------------------------|------------|
| Cost | | | | | | | |
| January 1, 2023 | 13,746,305 | 3,859,242 | 1,064,088 | 6,118,393 | 191,423 | 1,662,116 | 26,641,567 |
| Additions | - | - | 178,571 | - | - | - | 178,571 |
| December 31, 2023 | 13,746,305 | 3,859,242 | 1,242,659 | 6,118,393 | 191,423 | 1,662,116 | 26,820,138 |
| Additions | - | - | 143,138 | - | - | 139,286 | 282,424 |
| December 31, 2024 | 13,746,305 | 3,859,242 | 1,385,797 | 6,118,393 | 191,423 | 1,801,402 | 27,102,562 |
| Accumulated depreciation | | | | | | | |
| January 1, 2023 | 13,746,305 | 3,859,242 | 866,290 | 5,888,320 | 191,423 | 1,662,116 | 26,213,696 |
| Additions | - | - | 79,007 | 196,783 | - | - | 275,790 |
| December 31, 2023 | 13,746,305 | 3,859,242 | 945,297 | 6,085,103 | 191,423 | 1,662,116 | 26,489,486 |
| Additions | - | - | 109,081 | 22,185 | - | 3,616 | 134,882 |
| December 31, 2024 | 13,746,305 | 3,859,242 | 1,054,378 | 6,107,288 | 191,423 | 1,665,732 | 26,624,368 |
| Net book values | | | | | | | |
| December 31, 2023 | - | - | 297,362 | 33,290 | - | - | 330,652 |
| December 31, 2024 | - | - | 331,419 | 11,105 | - | 135,670 | 478,194 |

As at December 31, 2024 and 2023, management assessed that there were no indicators present that would otherwise require an assessment and recognition of impairment for its property and equipment.

There are no property and equipment pledged as collateral as at December 31, 2024 and 2023.

8 Accounts payable and other current liabilities

The account as at December 31 consist of:

| | 2024 | 2023 |
|---------------------------------------|------------|------------|
| Accounts payable and accrued expenses | 5,719,020 | 4,779,162 |
| Subscriptions payable | 3,136,500 | 3,136,500 |
| Accrued interest on borrowings | 2,879,506 | 2,879,506 |
| Deferred rental income | 904,499 | 1,063,615 |
| Payable to government agencies | 71,111 | 62,343 |
| | 12,710,636 | 11,921,126 |

Accounts payable and accrued expenses represent third party payables and accruals on legal and other professional fees all payable on demand.

Accrued interest represents interest charged in prior years on its loan from a related party (Note 9). Interest was discontinued starting 2014 upon mutual agreement of both parties.

9 Borrowings

Borrowings, which are unsecured, non-interest bearing and with no definite repayment date, pertain to a loan from a related party (Note 15).

The net debt reconciliation as at December 31 is presented below:

| | 2024 | 2023 |
|------------------------------|--------------|-------------|
| Borrowings as at December 31 | 12,393,900 | 12,393,900 |
| Cash as at December 31 | (12,089,993) | (5,539,184) |
| Net debt as at December 31 | 303,907 | 6,854,716 |

10 Advances from prospective shareholders

The account represents funds received from prospective shareholders which are expected to be settled by way of issuance of shares.

11 Equity

The account as at December 31, 2024 and 2023 consists of:

| | Amount |
|-----------------------------------|---------------|
| Common shares - P1 par value | |
| Authorized (4,000,000,000 shares) | 4,000,000,000 |
| Subscribed (1,200,000,000 shares) | 1,200,000,000 |
| Subscribed | 1,200,000,000 |
| Subscription receivable | (224,465,947) |
| Paid, issued and outstanding | 975,534,053 |

As at December 31, 2024 and 2023, there are 197 shareholders each owning more than one hundred (100) shares.

12 Other expenses

Details of the account for the years ended December 31 follow:

| | 2024 | 2023 |
|--------------------------------|-----------|-----------|
| Association dues | 607,594 | 667,854 |
| Office supplies | 456,876 | 635,857 |
| Communication, light and water | 457,944 | 530,209 |
| Taxes and licenses | 319,525 | 422,241 |
| Insurance | 152,137 | 227,018 |
| Repairs and maintenance | 145,207 | 166,150 |
| Magazines and periodicals | 19,211 | 20,610 |
| Postage | 12,269 | 9,603 |
| Miscellaneous | 82,040 | 273,043 |
| | 2,252,803 | 2,952,585 |

13 Income taxes

Details of income tax benefit (expense) for the years ended December 31 relate to the following:

| | 2024 | 2023 |
|----------|-----------|-------------|
| Current | 111,608 | 63,218 |
| Deferred | 2,772,482 | (5,971,512) |
| | 2,884,090 | 5,908,294 |

The reconciliations of income tax expense on pre-tax income computed at the statutory income tax rate to the effective income tax expense follow:

| | 2024 | 2023 |
|---|--------------|--------------|
| Loss before income tax | (28,749,420) | (45,421,472) |
| Tax on pretax income at 25% | (7,187,355) | (11,355,368) |
| Unrecognized NOLCO | 8,225,902 | 2,398,032 |
| Non-deductible expenses | 1,781,512 | 3,025,443 |
| Unrecognized MCIT | 111,608 | 63,218 |
| Income subjected to final tax | (46,721) | (759) |
| Non-taxable income | (856) | (38,860) |
| Adjustment for income subject to lower tax rate | - | - |
| | 2,884,090 | (5,908,294) |

The net deferred income tax liabilities as at December 31 consist of:

| | 2024 | 2023 |
|--|-------------|-------------|
| Deferred income tax liabilities | | |
| Fair value gain on investment property | 41,064,000 | 40,895,000 |
| Unrealized gain on revaluation of securities | - | - |
| Unrealized foreign exchange gain, net | - | - |
| | 41,064,000 | 40,895,000 |
| Deferred income tax assets | | |
| Retirement benefits obligation | (932,076) | (819,011) |
| Unrealized loss on revaluation of securities | (3,438,695) | (6,071,221) |
| Unrealized foreign exchange gain, net | 31,260 | (12,982) |
| Deferred rental income | (226,125) | (265,904) |
| | (4,565,636) | (7,169,118) |
| Net liabilities | 36,498,364 | 33,725,882 |

Movements in net deferred income tax liabilities for the years ended December 31 follow:

| | 2024 | 2023 |
|--------------------------------------|------------|-------------|
| January 1 | 33,725,882 | 39,697,394 |
| Charged (credited) to profit or loss | 2,772,482 | (5,971,512) |
| December 31 | 36,498,364 | 33,725,882 |

Deferred income tax assets are recognized to the extent that the realization of the related tax benefit through the future taxable profits is probable.

Details of net operating loss carry-over (NOLCO) as at December 31, which could be carried over as deductible expense from taxable income for three (3) to five (5) consecutive years following the year of incurrence follow:

| Year of incurrence | Year of expiration | 2024 | 2023 |
|---|--------------------|-------------|------------|
| 2024 | 2027 | 32,903,608 | |
| 2023 | 2026 | 9,592,129 | 9,592,129 |
| 2022 | 2025 | 49,002,361 | 49,002,361 |
| 2021 | 2026 | 10,094,183 | 10,094,183 |
| 2020 | 2025 | 6,035,829 | 6,035,829 |
| Total NOLCO | | 107,628,110 | 74,724,502 |
| Deferred income tax asset not recognized at 25% | | 26,907,028 | 18,681,126 |

Details of the assessment on the non-recognition of deferred income tax assets from NOLCO are disclosed in Note 20.2.

In compliance with the Tax Reform Act of 1997, the Company is required to pay the MCIT or the normal income tax, whichever is higher. This can be carried forward as tax credits against regular corporate income tax payable for the succeeding three (3) taxable years.

The details of MCIT for the years ended December 31 follow:

| Year of incurrence | Year of expiration | 2024 | 2023 |
|--------------------|--------------------|-----------|-----------|
| 2024 | 2027 | 111,608 | - |
| 2023 | 2026 | 63,218 | 63,218 |
| 2022 | 2025 | 42,154 | 42,154 |
| 2021 | 2024 | 26,655 | 26,655 |
| 2020 | 2023 | - | - |
| Total MCIT | | 243,635 | 132,027 |
| Unrecognized | | (243,635) | (132,027) |
| Recognized MCIT | | - | - |

As at December 31, 2024, the MCIT amounting to P84,706 (2023 - P63,218) was charged to income tax expense. Details of the assessment on the non-recognition of MCIT as part of deferred income tax asset are disclosed in Note 20.2.

14 Basic and diluted loss per share

The information used in the computation of basic and diluted loss per share for the years ended December 31 follows:

| | 2024 | 2023 |
|---|--------------|--------------|
| Net loss for the year | (31,633,510) | (39,513,178) |
| Divide by the average number of outstanding common shares | 975,534,053 | 975,534,053 |
| Loss per share - basic and diluted | (0.03) | (0.04) |

Basic and diluted loss per share are the same due to the absence of dilutive potential common shares.

15 Related party transactions

Related companies in the financial statements refer to the Company's group of companies and the key management personnel. In the normal course of business, the Company transacts with companies which are considered related parties. The table below summarizes these transactions and outstanding balances as at and for the years ended December 31:

| | 2024 | | Outstanding receivables (payables) | Terms and conditions |
|--|-------|--------------|--|---|
| | Notes | Transactions | | |
| Advances to Subsidiaries (MAC, TAC, TTCI, TMHI, MMHC, TPHC) | 4 | (22,240) | 30,488,583 | Unsecured, non-interest bearing and collectible in cash on demand. |
| Borrowings from Entity under common control (IVM) | 9 | | (12,393,900) | Unsecured, non-interest bearing and collectible in cash on demand. |
| Advances from Subsidiaries (TAC, MMHC, TPHC) | | (12,448,238) | (158,564,370) | Unsecured, non-interest bearing and collectible in cash on demand. |
| Salaries and employee benefits Key management personnel | | 3,180,000 | | These are determined based on contract of employment and payable in cash in accordance with the Company's payroll period. These were fully paid at reporting date. |

The table below summarizes the Company's transactions and balances with its related parties as at and for the year ended December 31, 2023.

| | 2023 | | Outstanding receivables (payables) | Terms and conditions |
|--|-------|--------------|--|---|
| | Notes | Transactions | | |
| Advances to Subsidiaries (MAC, TAC, TTCI, TMHI, MMHC, TPHC) | 4 | (7,741,619) | 26,305,072 | Unsecured, non-interest bearing and collectible in cash on demand. |
| Borrowings from Entity under common control (IVM) | 9 | - | (12,393,900) | Unsecured, non-interest bearing and collectible in cash on demand. |
| Advances from Subsidiaries (TAC, MMHC, TPHC) | | (30,005,989) | (146,116,132) | Unsecured, non-interest bearing and collectible in cash on demand. |
| Salaries and employee benefits Key management personnel | | 3,180,000 | | These are determined based on contract of employment and payable in cash in accordance with the Company's payroll period. These were fully paid at reporting date. |

16 Leases

The Company occupied a portion of its investment property and converted it into an office space. The portion which is owner-occupied is properly classified as property and equipment (Note 7). The remaining portion is leased to third parties.

The Company (as a lessor) has lease agreements with third parties under operating lease as follows:

- Two (2) units of office space for a period of three (3) years from September 15, 2024 until
- September 14, 2027 with monthly rate of P357,533.83 first year, P375,410.53 for the Second year and P394,181.05 for the final year.

In 2024, rental income from investment in a condominium unit amounted to P5.50 million (2023 – P4.2 million) (Note 6).

As at December 31, the minimum aggregate rental receivables for future years follow:

| | 2024 | 2023 |
|---|------------|-----------|
| Within one (1) year | 4,352,974 | 2,967,288 |
| After one (1) year but not more than five (5) years | 7,921,162 | - |
| | 12,274,136 | 2,967,288 |

17 Salaries and employee benefits

Details of salaries and employee benefits for the years ended December 31 follow:

| | 2024 | 2023 |
|--------------------------|-----------|-----------|
| Salaries and wages | 5,051,028 | 4,988,461 |
| Employee benefits | 2,937,936 | 2,654,039 |
| Bonus and allowances | 200,000 | 217,650 |
| SSS, Philhealth and HDMF | 326,590 | 275,166 |
| | 8,515,554 | 8,135,316 |

18 Retirement benefits obligation

The Company has yet to adopt a formal retirement plan and only provided for the retirement obligation based on minimum required retirement benefit under Republic Act (RA) 7641. Under RA 7641, otherwise known as the Retirement Pay Law, an employee upon reaching the age of 60 years or more, but not beyond 65 years, who has served at least five (5) years in a private company, may retire and shall be entitled to retirement pay equivalent to at least 1/2 month salary for every year of service, a fraction of at least six (6) months being considered as one (1) whole year.

The retirement benefit obligation and retirement benefit expense as at and for the years ended December 31 follow:

| | 2024 | 2023 |
|-------------------------------|-----------|-----------|
| Retirement benefit obligation | 3,728,302 | 3,276,044 |
| Retirement expense (income) | 452,258 | 693,933 |

The movements in the unfunded retirement benefit obligation for the years ended December 31 follow:

| | 2024 | 2023 |
|----------------------|-----------|-----------|
| January 1 | 3,276,044 | 2,582,111 |
| Current service cost | 478,181 | 451,517 |
| Impact of discount | (25,923) | 242,416 |
| December 31 | 3,728,302 | 3,276,044 |

The retirement income is included under employee benefits (Note 17) in profit or loss.

The principal assumptions made as at December 31 follow:

| | 2024 | 2023 |
|---------------------------------|-------|-------|
| Discount rate | 6.02% | 6.08% |
| Expected future salary increase | 5.20% | 3.00% |

Discount rate assumption is based on the theoretical spot yield curve calculated from Bloomberg market yields by stripping the coupons from government bonds to create virtual zero-coupon bonds as of the valuation date, while considering the average years of remaining working life of the employees as the estimated term of the employee.

19 Financial risk and capital management

19.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Management, under the direction of the Board of Directors, is responsible for the management of financial risks. Its objective is to minimize the adverse impact on the Company's financial performance due to the unpredictability of the financial markets.

19.1.1 Market risk

Foreign exchange risk

The foreign exchange risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company manages its foreign exchange risk by constantly reviewing its exposure to commitments payable in foreign currency and ensuring appropriate cash balances are maintained to meet current commitments.

The Company's foreign currency denominated monetary asset as at December 31 follows:

| | 2024 | 2023 |
|-----------------|-----------|-----------|
| | In USD | In USD |
| Cash in bank | 93,000 | 94,819 |
| Exchange rates | 58.01 | 55.57 |
| Peso equivalent | 5,395,274 | 5,269,092 |

Details of net foreign exchange gains for the years ended December 31 follow:

| | 2024 | 2023 |
|------------|-----------|-----------|
| Realized | 381,013 | 73,937 |
| Unrealized | (255,972) | (125,866) |
| | 125,041 | (51,929) |

As at December 31, 2024 and 2023, the Company's exposure to currency risk relates to the foreign currency denominated cash in bank (Note 2).

The table below presents the impact of possible movements of Philippine Peso against the US Dollar, with all other variables held constant, on the Company's net income after tax. There is no impact on the Company's equity other than those already affecting net income after tax.

| | Change in exchange rate | Impact on income after tax |
|-------------------|-------------------------|----------------------------|
| US Dollars | | |
| December 31, 2024 | +/- 0.98% | 177,966 |
| December 31, 2023 | +/- 0.98% | +/- 38,729 |

The reasonably possible movement in foreign currency exchange rates is based on the projection by the Company using movement of the rates from the prior period.

Price risk

The Company's exposure to price risk is minimal and limited only to investments classified as financial assets at fair value through profit or loss (Note 3). Changes in market prices of these investments are not expected to impact significantly the financial position or results of operations of the Company.

As at December 31, 2024 and 2023, the impact of 1% increase (decrease) in the bid share prices of the Company's financial assets at fair value through profit or loss based on management's assessment of historical movements in price, with all variable held constant, would have an impact of possible increase (decrease) of P 0.27 million (2023 - P 0.46 million) in profit or loss.

Interest rate risk

Interest rate risk refers to risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Company is not exposed to interest rate risk as it has no interest-bearing financial instruments as at December 31, 2024 and 2023.

19.1.2 Credit risk

The Company takes on exposure to credit risk, which is the risk that a counterparty will cause a financial loss to the Company by failing to discharge an obligation.

Maximum exposure to credit risk

The Company's exposure to credit risk primarily relates to cash in bank and financial receivables.

The table below shows the credit quality of significant financial assets (i.e., cash in bank and financial receivables) as at December 31:

| | Notes | Fully performing | Underperforming |
|----------------------------|-------|------------------|-----------------|
| 2024 | | | |
| Cash in bank (i) | 2 | 12,074,993 | - |
| Other current assets* (ii) | 4 | - | 2,952,154 |
| | | 12,074,993 | 2,952,154 |
| 2023 | | | |
| Cash in bank (i) | 2 | 5,524,184 | - |
| Other current assets* (ii) | 4 | - | 2,586,312 |
| | | 5,524,184 | 2,586,312 |

**This excludes prepayments*

Fully performing financial assets are fully recoverable with no overdue balances and with no history of credit losses. Underperforming financial assets are with long overdue balances and with exposure to credit losses. Both categories of financial assets are subjected to lifetime expected credit loss allowance assessment.

(i) Cash in bank

The Company deposits its cash balances in a universal bank to minimize the credit risk exposure. The Company assessed no significant credit risk.

(ii) Other current assets (excluding prepayments)

Other current assets (excluding prepayments) totaling P5.52 million as at December 31, 2024 (2023 - P2.59 million) are monitored on an ongoing basis which normally results in an assessment that the Company's exposure to bad debts is not material. There were no historical losses recognized on these balances.

19.1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities. Due to the dynamic nature of the underlying businesses, the Company aims to maintain flexibility in funding through advances from related parties, extending payment terms for due to related parties, and an efficient collection of its notes receivables. The Company likewise regularly evaluates other financing instruments to broaden the Company's range of financing resources.

The succeeding section analyzes the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Balances due within 12 months approximate their carrying balances, as the impact of discounting is not significant.

| | Notes | 0 - 90 days | Over 90 days | Total |
|--|-------|-------------|--------------|-------------|
| December 31, 2024 | | | | |
| Borrowings | | - | 12,393,900 | 12,393,900 |
| Accounts payable and accrued expenses* | | 6,016,006 | 5,719,020 | 11,735,026 |
| Advances from related parties | | - | 158,564,370 | 158,564,370 |
| Advances from prospective shareholders | | - | 194,695,274 | 194,695,274 |
| | | 6,016,006 | 371,372,564 | 377,388,570 |
| December 31, 2023 | | | | |
| Borrowings | 9,15 | - | 12,393,900 | 12,393,900 |
| Accounts payable and accrued expenses* | 8 | 6,016,006 | 4,779,162 | 10,795,168 |
| Advances from related parties | 15 | - | 146,116,132 | 146,116,132 |
| Advances from prospective shareholders | 10 | - | 194,695,274 | 194,695,274 |
| | | 6,016,006 | 357,984,468 | 364,000,474 |

**This excludes payable to government agencies and deferred rental income*

All financial assets and liabilities are classified as current as at reporting dates.

19.2 Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure to reduce the cost of capital. For this purpose, capital is represented by total equity as shown in the statement of financial position,

In order to maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares or sell assets to reduce debt.

Given the absence of development activities undertaken by the Company, it does not require intensive capitalization as at December 31, 2024 and 2023. The Company's main objective is the development of an existing prime property comprising of investment property held for rental and capital appreciation.

As part of the reforms of the PSE to expand capital market and improve transparency among listed firms, PSE requires listed entities to maintain a minimum of twenty percent (20%) of their issued and outstanding shares, exclusive of any treasury shares, held by the public. The Company has fully complied with this requirement. There are no external minimum capitalization requirements imposed to the Company. There were no changes in the Company's strategies and policies during 2024 and 2023.

19.3 Fair value of financial assets and liabilities

The table below summarizes the carrying amounts and fair values of those financial assets and liabilities at December 31 as follows:

| | Notes | 2024 | | 2023 | |
|---|-------|--------------------|--------------------|--------------------|--------------------|
| | | Carrying value | Fair value | Carrying value | Fair value |
| Financial assets | | | | | |
| Financial assets at fair value through profit or loss | 3 | 22,678,872 | 22,678,872 | 45,639,998 | 45,639,998 |
| Financial assets at amortized cost | | | | | |
| Cash | 2 | 12,089,993 | 12,089,993 | 5,539,184 | 5,539,184 |
| Other current assets* | 4 | 2,952,154 | 2,952,154 | 2,586,312 | 2,586,312 |
| Total assets | | 37,721,019 | 37,721,019 | 53,765,494 | 53,765,494 |
| Financial liabilities at amortized cost | | | | | |
| Borrowings | 9,15 | 12,393,900 | 12,393,900 | 12,393,900 | 12,393,900 |
| Accounts payable and other current liabilities** | 8 | 11,735,026 | 11,735,026 | 10,795,167 | 10,795,167 |
| Advances from related parties | 15 | 158,564,370 | 158,564,370 | 146,116,132 | 146,116,132 |
| Advances from prospective shareholders | 10 | 194,695,274 | 194,695,274 | 194,695,274 | 194,695,274 |
| Total liabilities | | 377,388,570 | 377,388,570 | 364,000,473 | 364,000,473 |

*This excludes prepayments

**This excludes payable to government agencies and deferred rental income

These carrying amounts approximate fair values at reporting dates due to the short-term nature of financial assets and liabilities.

19.4 Fair value hierarchy

The Company follows the fair value measurement hierarchy to disclose the fair values of its assets. As at December 31, 2024 and 2023, the Company's financial assets at fair value through profit or loss are classified under Level 1 category and investment property is classified under Level 2 category. The Company uses the market approach for its investment property. The value of the investment property was based on sales and listings of comparable property registered within the vicinity premised on the factors of time, unit area/size, unit location, unit improvements, building location, building features/amenities, bargaining allowance and others.

20 Critical accounting estimates and judgments

Estimates and judgments 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.

20.1 Critical accounting estimates and assumptions

Fair value of investment property (Note 6)

The Company's investment property has an estimated market value of P164.26 million per square meter at December 31, 2024 (2023 - P0.24 million) based on the following significant assumptions used by the independent appraiser:

- current prices in an active market for properties of similar nature, condition or location, adjusted to reflect possible differences on the factors of time, unit area or size, unit location, unit improvements, building location, building features or amenities, bargaining allowance and others; and

- recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices.

Investment property in 2024 amounted to P164.26 million (2023 - P163.58 million). Where the estimated market value differs by 10% from management's estimates, the carrying amount of investment property would be an estimated P16.43 million (2023 - P16.36 million) higher or lower.

Retirement benefits (Note 18)

The present value of the defined benefit obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used include the discount rate and rates of salary increases. In determining the appropriate discount rate, the Company considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

The sensitivities of the defined benefit obligation to changes in the principal assumptions as at December 31 follow:

| Assumptions | 2024 | 2023 |
|-------------------------|-----------|-----------|
| Discount rate | | |
| 1% decrease | 345,991 | 32,677 |
| 1% increase | (316,169) | (39,283) |
| Rate of salary increase | | |
| 1% decrease | 530,783 | 300,386 |
| 1% increase | (275,663) | (333,996) |

Impairment of subsidiaries (Note 5)

Where an indicator of impairment exists, an estimate of the recoverable amount is made, which is the higher of the fair value less costs to sell and value in use calculated in accordance with accounting policy.

Management believes that the current level of allowance for impairment losses as at December 31, 2024 and 2023 is sufficient to cover non-recoverable amount.

As at December 31, 2024 and 2023, the impact of 1% increase (decrease) in the net asset value of the Company's investments, with all variable held constant, would have an impact of possible increase (decrease) of P0.68 million (2023 - P0.68 million) in profit or loss.

20.2 Critical accounting judgments

Recognition of deferred income tax assets (Note 13)

Management reviews at each reporting date the carrying amounts of deferred income tax assets. The carrying amount of deferred income tax assets is reduced to the extent that it is no longer probable that sufficient taxable profit will be available against which the related tax assets can be utilized.

Management believes that the non-recognition of deferred income tax assets from NOLCO and MCIT of P14.88 million and P0.22 million, respectively, (2023 - P18.68 million NOLCO and P0.13 million MCIT) is appropriate due to the Company's limited capacity to generate sufficient taxable income in the immediately succeeding three (3) to five (5) years given current development activities.

Entities in which the Company holds less than 50% interest (Note 5)

Management consider that the Company has de facto control over TAC, MAC, TICI and TPHC even though it has less than 50% of the voting rights. There is no history of other shareholders forming a group to exercise their votes collectively. Based on the absolute size of the Company's shareholding and the relative size of the other shareholdings, management has concluded that the Company has sufficiently dominant voting interest to have the power to direct the relevant activities of these entities. Consistent with PFRS 10, the entities have been fully consolidated into the Group's consolidated financial statements.

21 Summary of material accounting policies

The material accounting policies applied in the preparation of these separate financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

21.1 Basis of preparation

The separate financial statements of the Parent Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). The term PFRS in general includes all applicable PFRS, Philippines Accounting Standards (PAS), and interpretations of the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the Financial Sustainability and Reporting Standards Council (FSRFC) (formerly known as Financial Reporting Standards Council) and adopted by the SEC.

The separate financial statements have been prepared under the historical cost convention, except for the financial assets at FVPL and investment property measured at fair value.

The preparation of separate financial statements in conformity with PFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the separate financial statements are disclosed in Note 20.

The Company has also prepared consolidated financial statements, in accordance with PFRS, for the Parent Company and its Subsidiaries (the "Group"). In the consolidated financial statements subsidiary undertakings - which are those companies in which the Group, directly or indirectly, has an interest of more than half of the voting rights or otherwise has power to exercise control over the operations - have been fully consolidated.

Users of these separate financial statements should read them together with the Group's consolidated financial statements as at and for the years ended December 31, 2024 and 2023 in order to obtain full information on the financial positions, financial performances and changes in financial position of the Group as a whole. The consolidated financial statements of the Group can be obtained from the SEC or from the Company's website: www.mabuhayholdingscorp.com.

Changes in accounting policies and disclosures

(a) New standards, amendments and interpretations to existing standards as adopted by the Group effective January 1, 2024

The adoption of the following amendments did not have a significant impact on the consolidated financial statements:

- **Amendments to PAS 1, 'Presentation of Financial Statements'**
Amendments made to PAS 1 Presentation of Financial Statements in 2020 and 2022 clarified that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (for example, the receipt of a waiver or a breach of covenant that an entity is required to comply with only after the reporting period).

Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.

- **Amendment to PFRS 16, 'Lease liability in sale and leaseback'**

In September 2022, the IASB finalized narrow-scope amendments to the requirements for sale and leaseback transactions in IFRS 16 Leases which explain how an entity accounts for a sale and leaseback after the date of the transaction.

The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognizing any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate.

- **Amendments to PAS 7 and PFRS 7, 'Supplier Finance Arrangement'**

On May 25, 2023, the IASB issued amendments to IAS 7 and IFRS 7 to require specific disclosures about supplier finance arrangements (SFAs). The amendments respond to the investors' need for more information about SFAs to be able to assess how these arrangements affect an entity's liabilities, cash flows and liquidity risk.

Entities will be required to aggregate the information that they provide about SFAs. However, entities should disaggregate information about terms and conditions that are dissimilar, disclose explanatory information where the range of payment due dates is wide, and disclose the type and effect of non-cash changes that are needed for comparability between periods.

(b) New standards, and amendments and interpretations to existing standards issued but not yet effective as at December 31, 2024

Certain new standards, and amendments and interpretations to existing standards have been published that are not mandatory for December 31, 2024 reporting periods and have not been early adopted by the Group. Except for PFRS 18 as discussed below, none of these are expected to have a significant impact on Group's consolidated financial statements:

- Amendments to PAS 21, 'Lack of Exchangeability'

In August 2023, the IASB amended IAS 21 to add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not. Prior to these amendments, IAS 21 set out the exchange rate to use when exchangeability is temporarily lacking, but not what to do when lack of exchangeability is not temporary.

These new requirements will apply for annual reporting periods beginning on or after 1 January 2025. Early application is permitted (subject to any endorsement process). Refer to Filling the gap in Currency accounting: new IFRS requirements for lack of exchangeability for further details.

- Amendments to PFRS 9 and PFRS 7, 'Classification and Measurement of Financial Instruments'

On May 30, 2024, the IASB issued targeted amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- a. clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- b. clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- c. add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- d. update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The amendments in (b) are most relevant to financial institutions, but the amendments in (a), (c) and (d) are relevant to all entities.

The amendments to IFRS 9 and IFRS 7 will be effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted subject to any endorsement process.

- PFRS 18, 'Presentation and Disclosure in Financial Statements'

This is the new standard on presentation and disclosure in financial statements, which replaces IAS 1, with a focus on updates to the statement of profit or loss.

The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss with defined subtotals;
- requirement to determine the most useful structure summary for presenting expenses in the statement of profit or loss
- required disclosures in a single note within the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general

PFRS18 is expected to affect the presentation of income and expenses in the Group's financial statements.

- PFRS 19, 'Subsidiaries without Public Accountability: Disclosures'

This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements; and it applies instead the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries.

A subsidiary is eligible if

- it does not have public accountability; and
- it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

21.2 Financial instruments

Financial assets

(a) Classification

The Parent Company classifies its financial assets in the following measurement categories: fair value through profit or loss (FVPL), fair value through other comprehensive income (FVOCI) and amortized cost. The Company did not hold financial assets under the category financial assets at FVOCI as at December 31, 2024 and 2023.

(i) Amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains (losses) together with foreign exchange gains and losses. Significant impairment losses are presented as a separate line item in profit or loss.

These are included in current assets, except for maturities greater than 12 months after the reporting date which are classified as non-current assets. The Company's financial assets at amortized cost comprise cash (Note 2) and other current assets (excluding prepayments) (Note 4).

(ii) FVPL

Investment in equity instruments that are held for trading are measured at fair value. Gains and losses for these financial assets are recorded in profit or loss. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, these are classified as non-current.

The Company's financial assets at FVPL (Note 3) are classified under this category.

(b) Recognition and measurement

(i) *Initial recognition and measurement*

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

(ii) *Subsequent measurement*

- Financial assets at amortized cost

Financial assets at amortized cost are subsequently carried at amortized cost using the effective interest method, less provision for impairment.

- Financial assets at FVPL

Gains or losses arising from changes in the fair value of financial assets at fair value through profit or loss, including interest income, are presented in profit or loss within fair value gain (loss) on financial assets at FVPL in the period in which these arise. Dividend income from financial assets at FVPL is recognized in profit or loss as a separate line item when the Company's right to receive payment is established.

(c) Impairment

The Company applies the PFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all receivables that are financial assets. The Company applies the PFRS 9 general approach to measuring expected credit losses which uses a 12-month loss allowance for cash and other receivables that are financial assets.

To measure the expected credit losses, notes and other receivables that are financial assets have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of customers over a period of 36 months before year-end reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognized in profit or loss. Subsequent recoveries of amounts previously written-off are credited against operating expenses in profit or loss.

(d) Derecognition

Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Financial liabilities

(a) Classification

The Company classifies its financial liabilities in the following categories: financial liabilities at fair value through profit or loss (including financial liabilities held for trading and those that designated at fair value); and financial liabilities at amortized cost.

(i) *Amortized cost*

Liabilities that are held for payment of contractual cash flows where those cash outflows represent solely payments of principal and interest are measured at amortized cost. Interest expense from these financial liabilities is included in finance expense using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains (losses) together with foreign exchange gains and losses.

The Company only has financial liabilities measured at amortized cost which include accounts payable and other current liabilities (excluding payable to government agencies and deferred rental income) (Note 8), advances from related parties (Note 15) and advances from prospective shareholders (Note 10).

(b) Recognition and measurement

Financial liabilities at amortized cost are measured at amortized cost using the effective interest method.

(c) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired.

21.3 Investments in and advances to subsidiaries

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. These are deconsolidated from the date that control ceases.

The Company's investments in subsidiaries in these separate financial statements are carried at cost less impairment in value, if any. In accordance with PAS 27, the Company recognizes income from the investments only to the extent that the Company receives distribution from accumulated profits of the investee arising after the acquisition date. Advances to subsidiaries made perpetually with payment at the discretion of the latter are treated as additional investment. Distributions received in excess of such profits are regarded as recovery of investments and are recognized as a reduction of the cost of the investments.

Investment in subsidiaries is derecognized upon disposal. Gains and losses on disposals of these investments are determined by comparing the proceeds with the carrying amount and are included in profit or loss.

Impairment of investment in subsidiaries is presented in Note 21.7.

21.4 Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation, amortization and impairment, if any. Historical cost includes expenditures that are directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the period in which these are incurred.

Depreciation or amortization is calculated using the straight-line method over the estimated useful lives of the related assets as follows:

| | |
|-----------------------------------|--------------|
| Office condominium | 25 years |
| Building improvements | 10 years |
| Office equipment | 5 years |
| Communication and other equipment | 5 years |
| Transportation equipment | 5 years |
| Furniture and fixtures | 3 to 5 years |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use (Note 21.7).

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal at which time the cost and their related accumulated depreciation are removed from the accounts. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset and are included in profit or loss.

21.5 Investment property

Investment property is defined as property held by the owner or by the lessee under a finance lease to earn rentals or for capital appreciation or both, rather than for: (a) use in the production of supply of goods or services or for administrative purposes; or (b) sale in the common course of business.

Investment property, principally comprising of a freehold office building, is held for long-term rental yields and is not occupied by the Company. Investment property is carried at fair value, representing open market value determined annually by external valuers. Changes in fair values are recorded in profit or loss.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to profit or loss during the period in which these are incurred.

Removal of an item within investment property is triggered by a change in use, by sale or disposal. If an investment property becomes owner-occupied, it is reclassified as property and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes. Gain or loss arising on disposal is calculated as the difference between any disposal proceeds and the carrying amount of the related asset. This is recognized in profit or loss.

Properties that are being constructed or developed for future capital appreciation are classified as investment properties.

21.6 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that have a definite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but the increased carrying amount should not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or in prior years. A reversal of an impairment loss is recognized as other operating income in profit or loss immediately.

21.7 Accounts payable and other current liabilities

Accounts payable and other current liabilities are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable and other current liabilities are classified as current liabilities if payment is due within one (1) year or less (or in the normal operating cycle of the business, if longer). If not, these are presented as non-current liabilities.

Accounts payable and other current liabilities are measured at the original invoice amount as the effect of discounting is immaterial.

Relevant accounting policies for classification, recognition, measurement and derecognition of accounts payable and other current liabilities and financial liabilities at amortized cost are presented in Note 21.2.

21.8 Borrowings and borrowing costs

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds net of transaction costs and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the asset. All other borrowing costs are expensed as incurred.

21.9 Current and deferred income tax

The income tax expense for the period comprises current and deferred income tax. Tax is recognized in profit or loss, except to the extent that that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the separate financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax losses (NOLCO) and unused tax credits (excess MCIT) to the extent that it is probable that future taxable profit will be available against which the temporary differences, unused tax losses and unused tax credits can be utilized. The Company reassesses at each reporting date the need to recognize a previously unrecognized deferred income tax asset.

Deferred income tax assets are recognized on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilized.

Deferred income tax liabilities are recognized in full for all taxable temporary differences, except to the extent that the deferred income tax liability arises from the initial recognition of goodwill. Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Generally, the Company is unable to control the reversal of the temporary difference for associate. Only where there is an agreement in place that gives the Company the ability to control the reversal of the temporary difference not recognized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority where there is an intention to settle the balances on a net basis.

Deferred income tax assets and liabilities are derecognized when related bases are realized or when it is no longer realizable.

21.10 Employee benefits

(a) Retirement benefit obligation

The Company has less than 10 employees and has not yet formalized its employee retirement plan but it plans to provide retirement benefits. The retirement benefits under RA 7641 are considered as defined benefit plan. Defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The retirement obligation is equivalent to half-month compensation and calculated proportionately to the length of service of an employee. The amount is recorded as a separate line item in the statement of financial position.

(b) Other short-term benefits

The Company recognizes a liability and an expense for short-term employee benefits which include salaries, social security contributions, paid sick and vacation leaves. The Company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Liabilities for short-term employee benefits are derecognized when the obligation is settled, cancelled or has expired.

21.11 Provisions

Provisions are recognized when: the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Provisions are derecognized when the obligation is settled, cancelled or has expired.

21.12 Earnings per share

Basic earnings per share is calculated by dividing net income by the weighted average number of common shares in issue during the year.

Diluted earnings per share is computed in the same manner as basic earnings per share, however, profit attributable to common shareholders and the weighted average number of shares outstanding are adjusted for the effects of all dilutive potential common shares.

21.13 Income and expense recognition

(a) Rental income

Rental income from operating leases (the Company is the lessor) is recognized as income on a straight-line basis over the lease term in accordance with PFRS 16. When the Company provides incentives to its lessees, the cost of incentives are recognized over the lease term, on a straight-line basis, as a reduction of rental income.

(b) Interest income and expense

Interest income and expense are recognized in profit or loss for all interest-bearing financial instruments using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

When calculating the effective interest rate, the Company estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognized using the rate of interest used to discount future cash flows for the purpose of measuring impairment loss.

(c) *Dividend income*

Dividend income is recognized when the right to receive payment is established.

(d) *Other income*

Other income is recognized when earned.

(e) *Expenses*

Expenses are recognized when these are incurred.

21.14 Foreign currency transactions and translation

(a) *Functional and presentation currency*

Items included in the Company's separate financial statements are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Company's separate financial statements are presented in Philippine Peso, which is the Company's functional and presentation currency.

(b) *Transactions and balances*

Foreign currency transactions are translated into Philippine Peso using the exchange rates prevailing at the dates of the transactions or valuation where items are measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

22 Supplementary information required by the Bureau of Internal Revenue (BIR)

Below is the additional information required by RR No. 15-2010. This information is presented for purposes of filing with the BIR and is not a required part of the basic separate financial statements.

(i) Output value-added tax (VAT)

Output VAT declared for the year ended December 31, 2024 and the revenues upon which the same was based consist of:

| | Gross amount of revenues | Output VAT |
|-----------------------------|--------------------------|------------|
| Subject to 12% VAT | | |
| Lease of property/equipment | 6,102,727 | 732,327 |

The gross revenues shown above are based on gross receipts of the Company for VAT purposes while gross revenues in the statement of total comprehensive income are measured in accordance with the policy in Note 22.17.

(ii) Input VAT

Movement in input VAT for the year ended December 31, 2024 follows:

| | Amount |
|--|---------|
| Beginning balance | 488,790 |
| Add: Current year's domestic purchases/payments for: | 68,568 |
| Services lodged under other accounts | 195,271 |
| Total input VAT | 752,629 |

(iii) Documentary stamp tax

No documentary stamp taxes paid during the year.

The documentary stamp taxes are included as part of taxes and licenses account in others of expenses.

(iv) All other local and national taxes

All other local and national taxes paid for the year ended December 31, 2024 consist of:

| | Amount |
|----------------|---------|
| Mayor's permit | 38,134 |
| Others | 114,004 |
| | 152,138 |

The above local and national taxes are included as part of taxes and licenses account in others of expenses.

(v) Withholding taxes

Withholding taxes paid and accrued and/or withheld for the year ended December 31, 2024 consist of:

| | Paid | Accrued | Total |
|---------------------------------|---------|---------|---------|
| Expanded withholding tax | 26,125 | 3,262 | 29,387 |
| Withholding tax on compensation | 580,250 | 54,881 | 635,131 |

(vi) Tax assessments and tax cases

The Company has no outstanding tax assessments and tax cases under preliminary investigation, litigation and/or prosecution in courts or bodies outside of the BIR.

All other requirements of RR No. 15-2010 are not applicable to the Company.



Bureau of Internal Revenue
Republic of the Philippines

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REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

FILING REFERENCE NO.

| | |
|---|--------------------------------|
| TIN | : 000-473-206-000 |
| Name | : MABUHAY HOLDINGS CORPORATION |
| RDO | : 047 |
| Form Type | : 1702 |
| Reference No. | : 462500065471305 |
| Amount Payable (Over Remittance) | : -2,243,329.00 |
| Accounting Type | : C - Calendar |
| For Tax Period | : 12/31/2024 |
| Date Filed | : 04/23/2025 |
| Tax Type | : IT |

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Gloria Georgia Garcia <ggg.mhc@gmail.com>

Your BIR AFS eSubmission uploads were received

1 message

eafs@bir.gov.ph <eafs@bir.gov.ph>
To: MABUHAYHOLDINGS.EAFS@gmail.com
Cc: GGG.MHC@gmail.com

Thu, Apr 24, 2025 at 9:37 AM

Hi MABUHAY HOLDINGS CORPORATION,

Valid files

- EAFS000473206AFSTY122024.pdf
- EAFS000473206TCRTY122024-01.pdf
- EAFS000473206OTHTY122024.pdf
- EAFS000473206ITRTY122024.pdf
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- <None>

Transaction Code: **AFS-0-69G56CC60NP14VWYMN11YMSZ0RQTX14**Submission Date/Time: **Apr 24, 2025 09:37 AM**Company TIN: **000-473-206**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

This is a system-generated e-mail. Please do not reply.

Sustainability Report

Contextual Information

| Company Details | |
|--|---|
| Name of Organization | Mabuhay Holdings Corporation |
| Location of Headquarters | 35th Floor, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City 1223 |
| Location of Operations | 35th Floor, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City 1223 |
| Report Boundary: Legal entities (e.g. subsidiaries) included in this report* | Parent and Subsidiaries |
| Business Model, including Primary Activities, Brands, Products, and Services | Holding Company |
| Reporting Period | December 31, 2024 |
| Highest Ranking Person responsible for this report | Esteban G. Peña Sy, President |

Materiality Process

Mabuhay Holdings Corporation as a holding company regularly reviews our processes taking into consideration our current lean organization. With our size, structure, risk profile and nature of operations, we are committed to minimizing our negative impact to the economy, the environment and the society by enhancing our operations to align with the frameworks on sustainability.

In general, materiality shall be determined based on the following elements:

- Significant economic, environmental, and social impacts of the organization;
- Information that substantively influence the assessments and decisions of stakeholders, including investors;
- Matters that substantively affect the organization’s ability to create value over the short, medium and long term.

Materiality Assessment Process

Our assessment process shall adopt the following steps:

Step 1 - Objective and Scope

The objective shall include the identification of relevant sustainability disclosures to allow stakeholders to make decisions based on these disclosures.

Step 2 - Identification and Categorization of Sustainability Issues

Sustainability issues shall be taken from board committee reports, risk management assessments, management meetings, government regulations, international standards, stakeholder feedback and complaints, media review, and external peer review.

Step 3 - Stakeholder Engagement

Stakeholders shall be engaged to enable the Company to have a grasp on the sustainability threats and opportunities that the Company may not be aware of.

Step 4 - Prioritization

Prioritization of disclosures that will be reported shall be based on the impact of such disclosure to the stakeholders and the capacity of the stakeholders to influence the Company regarding such disclosure.

Step 5 - Process and Review

The top management shall review and approve the disclosures that will be reported by the Company to ensure integrity and credibility.

ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

| Disclosure | Amount | Units |
|--|------------|-------|
| Direct economic value generated (revenue) | 71,565,512 | PhP |
| Direct economic value distributed: | | |
| a. Operating costs | 11,678,114 | PhP |
| b. Employee wages and benefits | 8,569,721 | PhP |
| c. Payments to suppliers, other operating costs | 4,059,396 | PhP |
| d. Dividends given to stockholders and interest payments to loan providers | 0 | PhP |
| e. Taxes given to government | 1,752,902 | PhP |
| f. Investments to community (e.g. donations, CSR) | 0 | PhP |

| What is the impact and where does it occur? What is the organization's involvement in the impact? | Which stakeholders are affected? | Management Approach |
|---|--|---------------------|
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, provides negligible impact to economy. | |
| What are the Risk/s Identified? | Which stakeholders are affected? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, provides negligible impact to economy. | |
| What are the Opportunity/ies Identified? | Which stakeholders are affected? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, provides negligible impact to economy. | |

| Governance | Strategy | Risk Management | Metrics and Targets |
|--|---|---|---|
| <i>Disclose the organization's governance around climate-related risks and opportunities</i> | <i>Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material</i> | <i>Disclose how the organization identifies, assesses, and manages climate-related risks</i> | <i>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material</i> |
| Recommended Disclosures | | | |
| <i>a) Describe the board's oversight of climate-related risks and opportunities</i> | <i>a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term</i> | <i>a) Describe the organization's processes for identifying and assessing climate-related risks</i> | <i>a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process</i> |
| <p>The Company's Manual on Corporate Governance states: The Company should be socially responsible in all its dealings with the communities where it operates. It shall ensure that its interaction serve its environment and stakeholders in a positive and progressive manner that is fully supportive of Its comprehensive and balanced development.</p> <p>The Company shall recognize and place an importance on the Interdependence between business and society, and promote a mutually beneficial relationship, that allows the company to grow its business while contributing to the advancement of the society where it operates.</p> | <p>The increased awareness and studies on climate change have affected our considerations on business models and opportunities in the pipeline. We understand the changing paradigms and we take these into serious account in strategizing and financial planning matters.</p> | <p>The Company adopted the following measures to manage climate related risks:</p> <ul style="list-style-type: none"> a. Climate risk management is an integral part of the project cycle. b. Continuous enhancement of board/ management/ employee competencies on climate related initiatives and actively developing climate risk management activities. | <p>The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, any project we intend to pursue in the short, medium and long-term periods will also include our sustainability efforts.</p> |

| | | | |
|--|---|--|---|
| <p>b) Describe management’s role in assessing and managing climate-related risks and opportunities</p> | <p>b) Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy and financial planning.</p> | <p>b) Describe the organization’s processes for managing climate-related risks</p> | <p>b) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets</p> |
| <p>The Company’s Manual on Corporate Governance states: The Company should be socially responsible in all its dealings with the communities where it operates. It shall ensure that its interaction serve its environment and stakeholders in a positive and progressive manner that is fully supportive of Its comprehensive and balanced development.</p> <p>The Company shall recognize and place an importance on the Interdependence between business and society, and promote a mutually beneficial relationship, that allows the company to grow its business while contributing to the advancement of the society where it operates.</p> | <p>The Company’s increased awareness on matters related to climate change has an impact on our future business ventures for which we take account and consider.</p> | <p>We adopted measures to manage climate related risks:</p> <p>a. Climate risk management is included as an integral part of the project cycle which includes climate risk screening at the early stage.</p> <p>b. Continuously enhancing competencies of the board, management and employees and developing climate risk management activities within the organization.</p> | <p>The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, any project we intend to pursue in the short, medium and long-term periods will also include our sustainability efforts.</p> |
| | <p>c) Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios including a 2°C or lower scenario</p> | <p>c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management</p> | |

| | | | |
|--|--|--|--|
| | <p>The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, any project we intend to pursue in the short, medium and long-term periods will also include our sustainability efforts.</p> <p>We cannot categorically indicate the degree of resilience our strategies. We are committed to climate related matters and seriously considers these issues.</p> | <p>On any project we are considering, it is important to us to anticipate future trends.</p> | |
|--|--|--|--|

Procurement Practices

Proportion of spending on local suppliers

| Disclosure | Quantity | Units |
|--|-----------------|--------------|
| Percentage of procurement budget used for significant locations of operations that is spent on local suppliers | 100 | % |

| | | |
|--|--|----------------------------|
| What is the impact and where does it occur? What is the organization's involvement in the impact? | Which stakeholders are affected? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, provides negligible impact to economy. | |
| What are the Risk/s Identified? | Which stakeholders are affected? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, provides negligible impact to economy. | |
| What are the Opportunity/ies Identified? | Which stakeholders are affected? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, provides negligible impact to economy. | |

Anti-corruption

Training on Anti-corruption Policies and Procedures

| Disclosure | Quantity | Units |
|--|----------------|-------|
| Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to | 100 | % |
| Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to | not applicable | % |
| Percentage of directors and management that have received anti-corruption training | 100 | % |
| Percentage of employees that have received anti-corruption training | 100 | % |

| | | |
|--|--|----------------------------|
| What is the impact and where does it occur? What is the organization's involvement in the impact? | Which stakeholders are affected? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, provides negligible impact to economy. | |
| What are the Risk/s Identified? | Which stakeholders are affected? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, provides negligible impact to economy. | |
| What are the Opportunity/ies Identified? | Which stakeholders are affected? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, provides negligible impact to economy. | |

Incidents of Corruption

| Disclosure | Quantity | Units |
|--|----------|-------|
| Number of incidents in which directors were removed or disciplined for corruption | 0 | # |
| Number of incidents in which employees were dismissed or disciplined for corruption | 0 | # |
| Number of incidents when contracts with business partners were terminated due to incidents of corruption | 0 | # |

| | | |
|--|--|----------------------------|
| What is the impact and where does it occur? What is the organization's involvement in the impact? | Which stakeholders are affected? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible risks in terms of corruption. | |
| What are the Risk/s Identified? | Which stakeholders are affected? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible risks in terms of corruption. | |
| What are the Opportunity/ies Identified? | Which stakeholders are affected? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible opportunities in terms of corruption. | |

ENVIRONMENT

Resource Management

Energy consumption within the organization:

| Disclosure | Quantity | Units |
|--|----------|-------|
| Energy consumption (renewable sources) | 0 | GJ |
| Energy consumption (gasoline) | 0 | GJ |
| Energy consumption (LPG) | 0 | GJ |
| Energy consumption (diesel) | 0 | GJ |
| Energy consumption (electricity) | 0 | kWh |

Reduction of energy consumption

| Disclosure | Quantity | Units |
|--------------------------------|----------|-------|
| Energy reduction (gasoline) | N/A | GJ |
| Energy reduction (LPG) | N/A | GJ |
| Energy reduction (diesel) | N/A | GJ |
| Energy reduction (electricity) | N/A | kWh |
| Energy reduction (gasoline) | N/A | GJ |

| | | |
|--|--|----------------------------|
| What is the impact and where does it occur? What is the organization's involvement in the impact? | Which stakeholders are affected? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, only consumes purchased electricity equivalent to the use of lights and office equipment like computers. We do not directly consume fuel within the organization, or by sources we own or control. | |
| What are the Risk/s Identified? | Which stakeholders are affected? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible risks in terms of energy consumption practices. | |
| What are the Opportunity/ies Identified? | Which stakeholders are affected? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible opportunities in terms of energy consumption practices other than conserving electricity consumption in its day to day use of the lights and computers. | |

Water consumption within the organization

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

| | | |
|--|--|----------------------------|
| What is the impact and where does it occur? What is the organization's involvement in the impact? | Which stakeholders are affected? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible impact in terms of water consumption. Water consumption within the organization are mainly for general cleaning of office premises. | |
| What are the Risk/s Identified? | Which stakeholders are affected? | Management Approach |

| | | |
|---|---|----------------------------|
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible risks in terms of water consumption. | |
| What are the Opportunity/ies Identified? | Which stakeholders are affected? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible opportunities in terms of water consumption. | |

Materials used by the organization

| Disclosure | Quantity | Units |
|---|----------|-----------|
| Materials used by weight or volume | | |
| • renewable | 0 | kg/liters |
| • non-renewable | 0 | kg/liters |
| Percentage of recycled input materials used to manufacture the organization's primary products and services | 0 | % |

| | | |
|--|--|----------------------------|
| What is the impact and where does it occur? What is the organization's involvement in the impact? | Which stakeholders are affected? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible impact in relation to this matter. | |
| What are the Risk/s Identified? | Which stakeholders are affected? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible risk in relation to this matter. | |
| What are the Opportunity/ies Identified? | Which stakeholders are affected? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible opportunities in relation to this matter. | |

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

| Disclosure | Quantity | Units |
|---|----------|-------|
| Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | None | |
| Habitats protected or restored | None | ha |
| IUCN Red List species and national conservation list species with habitats in areas affected by operations | None | |

| What is the impact and where does it occur? What is the organization's involvement in the impact? | Which stakeholders are affected? | Management Approach |
|---|--|---------------------|
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible impact in relation to this matter. | |
| What are the Risk/s Identified? | Which stakeholders are affected? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible risk in relation to this matter. | |
| What are the Opportunity/ies Identified? | Which stakeholders are affected? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible opportunities in relation to this matter. | |

Environmental impact management

Air Emissions

GHG

| Disclosure | Quantity | Units |
|---|----------|--------------------------|
| Direct (Scope 1) GHG Emissions | 0 | Tonnes CO ₂ e |
| Energy indirect (Scope 2) GHG Emissions | 0 | Tonnes CO ₂ e |
| Emissions of ozone-depleting substances (ODS) | 0 | Tonnes |

| What is the impact and where does it occur? What is the organization's involvement in the impact? | Which stakeholders are affected? | Management Approach |
|---|---|---------------------|
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible impact in relation to this matter. | |

| | | |
|---|--|----------------------------|
| What are the Risk/s Identified? | Which stakeholders are affected? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible risk in relation to this matter. | |
| What are the Opportunity/ies Identified? | Which stakeholders are affected? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible opportunities in relation to this matter. | |

Air pollutants

| Disclosure | Quantity | Units |
|--------------------------------------|-----------------|--------------|
| NO _x | 0 | kg |
| SO _x | 0 | kg |
| Persistent organic pollutants (POPs) | 0 | kg |
| Volatile organic compounds (VOCs) | 0 | kg |
| Hazardous air pollutants (HAPs) | 0 | kg |
| Particulate matter (PM) | 0 | kg |

| | | |
|--|--|----------------------------|
| What is the impact and where does it occur? What is the organization's involvement in the impact? | Which stakeholders are affected? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible impact in relation to this matter. | |
| What are the Risk/s Identified? | Which stakeholders are affected? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible risk in relation to this matter. | |
| What are the Opportunity/ies Identified? | Which stakeholders are affected? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible opportunities in relation to this matter. | |

Solid and Hazardous Wastes

Solid Waste

| Disclosure | Quantity | Units |
|-----------------------------|----------|-------|
| Total solid waste generated | 0 | kg |
| Reusable | 0 | kg |
| Recyclable | 0 | kg |
| Composted | 0 | kg |
| Incinerated | 0 | kg |
| Residuals/Landfilled | 0 | kg |

| | | |
|--|--|----------------------------|
| What is the impact and where does it occur? What is the organization's involvement in the impact? | Which stakeholders are affected? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible impact in relation to this matter. | |
| What are the Risk/s Identified? | Which stakeholders are affected? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible risk in relation to this matter. | |
| What are the Opportunity/ies Identified? | Which stakeholders are affected? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible opportunities in relation to this matter. | |

Hazardous Waste

| Disclosure | Quantity | Units |
|---|----------|-------|
| Total weight of hazardous waste generated | 0 | kg |
| Total weight of hazardous waste transported | 0 | kg |

| | | |
|--|---|----------------------------|
| What is the impact and where does it occur? What is the organization's involvement in the impact? | Which stakeholders are affected? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible impact in relation to this matter. | |

| | | |
|---|--|----------------------------|
| What are the Risk/s Identified? | Which stakeholders are affected? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible risk in relation to this matter. | |
| What are the Opportunity/ies Identified? | Which stakeholders are affected? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible opportunities in relation to this matter. | |

Effluents

| Disclosure | Quantity | Units |
|----------------------------------|-----------------|--------------|
| Total volume of water discharges | 0 | Cubic meters |
| Percent of wastewater recycled | 0 | % |

| | | |
|--|--|----------------------------|
| What is the impact and where does it occur? What is the organization's involvement in the impact? | Which stakeholders are affected? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible impact in relation to this matter. | |
| What are the Risk/s Identified? | Which stakeholders are affected? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible risk in relation to this matter. | |
| What are the Opportunity/ies Identified? | Which stakeholders are affected? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible opportunities in relation to this matter. | |

Environmental compliance

Non-compliance with Environmental Laws and Regulations

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

| | | |
|--|--|----------------------------|
| What is the impact and where does it occur? What is the organization's involvement in the impact? | Which stakeholders are affected? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible impact in relation to this matter. | |
| What are the Risk/s Identified? | Which stakeholders are affected? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible risk in relation to this matter. | |
| What are the Opportunity/ies Identified? | Which stakeholders are affected? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible opportunities in relation to this matter. | |

SOCIAL

Employee Management

Employee Hiring and Benefits

Employee data

| Disclosure | Quantity | Units |
|--|----------|-------|
| Total number of employees | | |
| a. Number of female employees | 4 | # |
| b. Number of male employees | 5 | # |
| Attrition rate | 0% | rate |
| Ratio of lowest paid employee against minimum wage | N/A | ratio |

| List of Benefits | Y/N | % of female employees who availed for the year | % of male employees who availed for the year |
|------------------|-----|--|--|
| SSS | Y | 0 | 0 |
| PhilHealth | Y | 0 | 0 |
| Pag-ibig | Y | 0 | 0 |
| Parental leaves | Y | 0 | 0 |
| Vacation leaves | Y | 100 | 100 |

| | | | |
|---|---|-----|-----|
| Sick leaves | Y | 100 | 100 |
| Medical benefits (aside from PhilHealth)) | Y | 0 | 0 |
| Housing assistance (aside from Pag-ibig) | N | 0 | 0 |
| Retirement fund (aside from SSS) | Y | 0 | 0 |
| Further education support | N | 0 | 0 |
| Company stock options | N | 0 | 0 |
| Telecommuting | N | 0 | 0 |
| Flexible-working Hours | Y | 0 | 0 |
| (Others) | | 0 | 0 |

Employee benefits

| | |
|--|--|
| What is the impact and where does it occur? What is the organization's involvement in the impact? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible impact in relation to this matter. |
| What are the Risk/s Identified? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible risk in relation to this matter. |
| What are the Opportunity/ies Identified? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible opportunities in relation to this matter. |

Employee Training and Development

| Disclosure | Quantity | Units |
|--|----------|----------------|
| Total training hours provided to employees | | |
| a. Female employees | 0 | hours |
| b. Male employees | 0 | hours |
| Average training hours provided to employees | | |
| a. Female employees | 0 | hours/employee |
| b. Male employees | 0 | hours/employee |

| | |
|--|--|
| What is the impact and where does it occur? What is the organization's involvement in the impact? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible impact in relation to this matter. |
| What are the Risk/s Identified? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible risk in relation to this matter. |
| What are the Opportunity/ies Identified? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible opportunities in relation to this matter. |

Labor-Management Relations

| Disclosure | Quantity | Units |
|---|----------|-------|
| % of employees covered with Collective Bargaining Agreements | 0 | % |
| Number of consultations conducted with employees concerning employee-related policies | 0 | # |

| | |
|--|---|
| What is the impact and where does it occur? What is the organization's involvement in the impact? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible impact in relation to this matter. |

| | |
|---|--|
| What are the Risk/s Identified? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible risk in relation to this matter. |
| What are the Opportunity/ies Identified? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible opportunities in relation to this matter. |

Diversity and Equal Opportunity

| Disclosure | Quantity | Units |
|--|-----------------|--------------|
| % of female workers in the workforce | 44 | % |
| % of male workers in the workforce | 56 | % |
| Number of employees from indigenous communities and/or vulnerable sector | 1 | # |

| | |
|--|--|
| What is the impact and where does it occur? What is the organization's involvement in the impact? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible impact in relation to this matter. |
| What are the Risk/s Identified? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible risk in relation to this matter. |
| What are the Opportunity/ies Identified? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible opportunities in relation to this matter. |

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

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

| | |
|--|--|
| What is the impact and where does it occur? What is the organization's involvement in the impact? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible impact in relation to this matter. |
| What are the Risk/s Identified? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible risk in relation to this matter. |
| What are the Opportunity/ies Identified? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible opportunities in relation to this matter. |

Labor Laws and Human Rights

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

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

| Topic | Y/N | If Yes, cite reference in the company policy |
|--------------|-----|--|
| Forced labor | N | |
| Child labor | N | |
| Human Rights | N | |

| | |
|--|--|
| What is the impact and where does it occur? What is the organization's involvement in the impact? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible impact in relation to this matter. |
| What are the Risk/s Identified? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible risk in relation to this matter. |
| What are the Opportunity/ies Identified? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible opportunities in relation to this matter. |

Supply Chain Management

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

Not Applicable.

Do you consider the following sustainability topics when accrediting suppliers?

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

| | |
|--|---|
| What is the impact and where does it occur? What is the organization's involvement in the impact? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible impact in relation to this matter. |
| What are the Risk/s Identified? | Management Approach |

| | |
|---|--|
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible risk in relation to this matter. |
| What are the Opportunity/ies Identified? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible opportunities in relation to this matter. |

Relationship with Community

Significant Impacts on Local Communities

| <i>Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)</i> | <i>Location</i> | <i>Vulnerable groups (if applicable)*</i> | <i>Does the particular operation have impacts on indigenous people (Y/N)?</i> | <i>Collective or individual rights that have been identified that or particular concern for the community</i> | <i>Mitigating measures (if negative) or enhancement measures (if positive)</i> |
|---|-----------------|---|---|---|--|
| NONE | NONE | NONE | N | NONE | NONE |

| Certificates | Quantity | Units |
|----------------------------------|-----------------|--------------|
| FPIC process is still undergoing | NOT APPLICABLE | # |
| CP secured | NOT APPLICABLE | # |

| | |
|---|--|
| What are the Risk/s Identified? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible risk in relation to this matter. |
| What are the Opportunity/ies Identified? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible opportunities in relation to this matter. |

Customer Management

Customer Satisfaction

| Disclosure | Score | Did a third party conduct the customer satisfaction study (Y/N)? |
|-----------------------|-------|--|
| Customer satisfaction | None | N |

| | |
|--|--|
| What is the impact and where does it occur? What is the organization's involvement in the impact? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible impact in relation to this matter. |
| What are the Risk/s Identified? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible risk in relation to this matter. |
| What are the Opportunity/ies Identified? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible opportunities in relation to this matter. |

Health and Safety

| Disclosure | Quantity | Units |
|---|----------|-------|
| No. of substantiated complaints on product or service health and safety | 0 | # |
| No. of complaints addressed | 0 | # |

| | |
|--|---|
| What is the impact and where does it occur? What is the organization's involvement in the impact? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible impact in relation to this matter. |
| What are the Risk/s Identified? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible risk in relation to this matter. |

| What are the Opportunity/ies Identified? | Management Approach |
|---|--|
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible opportunities in relation to this matter. |

Marketing and labelling

| Disclosure | Quantity | Units |
|--|-----------------|--------------|
| No. of substantiated complaints on marketing and labelling | 0 | # |
| No. of complaints addressed | 0 | # |

| What is the impact and where does it occur? What is the organization's involvement in the impact? | Management Approach |
|--|--|
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible impact in relation to this matter. |
| What are the Risk/s Identified? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible risk in relation to this matter. |
| What are the Opportunity/ies Identified? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible opportunities in relation to this matter. |

Customer privacy

| Disclosure | Quantity | Units |
|--|-----------------|--------------|
| No. of substantiated complaints on customer privacy | 0 | # |
| No. of complaints addressed | 0 | # |
| No. of customers, users and account holders whose information is used for secondary purposes | 0 | # |

| | |
|--|--|
| What is the impact and where does it occur? What is the organization's involvement in the impact? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible impact in relation to this matter. |
| What are the Risk/s Identified? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible risk in relation to this matter. |
| What are the Opportunity/ies Identified? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible opportunities in relation to this matter. |

Data Security

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

| | |
|--|--|
| What is the impact and where does it occur? What is the organization's involvement in the impact? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible impact in relation to this matter. |
| What are the Risk/s Identified? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible risk in relation to this matter. |
| What are the Opportunity/ies Identified? | Management Approach |
| Not applicable | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible opportunities in relation to this matter. |

UN SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to UN SDGs

Key products and services and its contribution to sustainable development.

| Key Products and Services | Societal Value / Contribution to UN SDGs | Potential Negative Impact of Contribution | Management Approach to Negative Impact |
|---------------------------|--|--|--|
| Rental of office spaces | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible societal value/contribution to UN SDGs. | The Company as a holding company, taking into account the size, structure, risk profile and nature of operations, has negligible potential negative impact of contribution to UN SDGs. | The Company manages its day to day with a general concept of responsibility, sustainability and consciousness. |