



**ALTUS PROPERTY VENTURES, INC.**

(Formerly: Altus San Nicolas Corp.)

National Highway, Brgy. 1, San Francisco, San Nicolas, Ilocos Norte  
Telephone No.(028) 8397-1888 loc. 36201

15 March 2024

**DECLARATION OF AUTHENTICITY**

Securities and Exchange Commission  
Ground Floor - North Wing, PICC Secretariat Building  
Philippine International Convention Center (PICC) Complex  
Roxas Boulevard, Pasay City.

I, **KERWIN MAX S. TAN**, designated as Chief Financial, Compliance, Information Officer and Treasurer of **ALTUS PROPERTY VENTURES, INC.**, with contact number (632) 8397-1888 and office address at 15th Floor, Robinsons Cyberscape Alpha, Sapphire and Garnet Road, Ortigas Center, Pasig City, do hereby certify the authenticity of the attached SEC 17-A Annual Report with attached audited financial statements for the years ended December 31, 2023, 2022 and 2021.

**Kerwin Max S. Tan**  
Chief Financial,  
Compliance,  
Information Officer  
and Treasurer

# COVER SHEET

for  
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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## COMPANY NAME

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

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Department requiring the report

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Secondary License Type, If Applicable

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## COMPANY INFORMATION

Company's Email Address

[Corporate.Secretary@altuspropertyventures.com.ph](mailto:Corporate.Secretary@altuspropertyventures.com.ph)

Company's Telephone Number

8397-1888

Mobile Number

N/A

No. of Stockholders

1,503

Annual Meeting (Month / Day)

Last Friday of May of each year

Fiscal Year (Month / Day)

12/31

## CONTACT PERSON INFORMATION

The designated contact person **MUST** be an Officer of the Corporation

Name of Contact Person

Mr. Kerwin Max S. Tan

Email Address

Kerwin.Tan@altuspropertyventures.com.ph

Telephone Number/s

8397-1888

Mobile Number

N/A

## CONTACT PERSON'S ADDRESS

15th Floor Robinsons Cyberscape Alpha Sapphire & Garnet Road Ortigas Center,  
Pasig 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.

**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

SEC Number  
File Number

CS200704758

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**ALTUS PROPERTY VENTURES, INC.  
(Formerly Altus San Nicolas Corp.)**

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(Company's Full Name)

**Brgy. 1, San Francisco, San Nicolas, Ilocos Norte**

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(Company's Address)

**8397-1888**

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(Telephone Number)

**DECEMBER 31**

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(Calendar Year Ending)  
(month & day)

**FORM 17-A (ANNUAL REPORT)**

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Form Type

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Amendment Designation (if applicable)

**December 31, 2023**

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Period Ended Date

**Not Applicable**

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(Secondary License Type and File Number)

# 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 calendar year ended : **December 31, 2023**

2. SEC Identification Number : **CS200704758**

3. BIR Tax Identification No. **006-199-192-000**

4. Exact name of issuer as specified in its charter

**ALTUS PROPERTY VENTURES, INC. (Formerly Altus San Nicolas Corp.)**

5. **Ilocos Norte, Philippines**  
Province, Country or other  
jurisdiction of incorporation or  
organization

(SEC Use Only)  
Industry Classification Code:

7. **Brgy. 1, San Francisco, San Nicolas, Ilocos Norte**  
Address of principal office

**2901**  
Postal Code

8. **8397-1888**  
Issuer's telephone number, including area code

9. **Not Applicable**.....  
Former name, former address, and former fiscal year, if changed since last report.

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA2

| <u>Title of Each Class</u> | <u>Number of Shares of Common Stock<br/>Outstanding and Amount of Debt Outstanding</u> |
|----------------------------|--|
| Common Stock               | 100,000,000 shares   |

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

Yes [✓]      No [ ]

If yes, state the name of such stock exchange and the classes of securities listed therein:

The Philippine Stock Exchange

Common Stock

12. Check whether the issuer:

(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)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes [☒]      No [☐]

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

Yes [☒]      No [☐]

13. Aggregate market value of the voting stock held by non-affiliates: **P321,666,204.90**

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## **PART I - BUSINESS AND GENERAL INFORMATION**

### **(A) Description of Business**

#### **(1) Business Development**

Altus Property Ventures, Inc. (formerly Altus San Nicolas Corp.) (the “Company” or “APVI” or the “Issuer”) is a stock corporation organized under the laws of the Philippines. It was incorporated on March 28, 2007 as a real estate company with an initial authorized capital stock of 40,000,000 Common Shares at a par value of ₱1.00 per share.

On February 24, 2009, RLC subscribed and paid 1,998 Common Shares of APVI at ₱1.00 per share. In 2010, the SEC approved the increase in the Company’s authorized capital stock to 100,000,000 Common Shares with a par value of ₱1.00. In the same year, RLC bought additional shares in APVI ending up with an 80% controlling stake in the Company. On March 7, 2013, RLC acquired the remaining 20% non-controlling interest in APVI, increasing its ownership interest from 80% to 100%.

On July 31, 2019, the Board of Directors of RLC approved the declaration of RLC’s APVI shares as property dividend to its Common Shareholders which, following the approval of the SEC, will result in the distribution to RLC Common Shareholders of one (1) Common Share for approximately every Fifty One and 9384/10000 (51.9384) RLC Common Shares owned and registered in the name of the RLC Common Shareholders as of August 15, 2019.

On August 23, 2019, the SEC approved the amendment of some of the provisions of the Company’s Articles of Incorporation and By-laws including the change of its corporate name from “Altus San Nicolas Corp.” to “Altus Property Ventures, Inc.”.

On June 26, 2020, APVI listed 100,000,000 common shares by way of introduction on the SME Board of the Philippine Stock Exchange (PSE:APVI), representing 100% of the real estate company’s issued and outstanding shares.

Effective May 13, 2022, the PSE approved the Company’s application to transfer to the Main Board of the Exchange.

The Company’s principal executive office is located at Brgy. 1 San Francisco, San Nicolas, Ilocos Norte. As of December 31, 2023 and 2022, APVI has a total of 70 and 74 employees, including 16 and 17 permanent full-time managerial and support employees and approximately 54 and 57 contractual and agency employees, respectively.

#### **(2) Business**

##### **(a) Description of the Company**

The Company’s primary purpose is to engage in the business of selling, acquiring, building, constructing, developing, leasing and disposing of real estate properties and property development of all kinds and nature.

##### **1) Principal business, market and relative contribution to revenues of the Company**

It currently derives all its revenues from the mall it owns and operates referred to as Robinsons Place Ilocos (North Wing). Located in a prosperous region where time-honored Filipino heritage continues to hold its ground, Robinsons Place Ilocos has become the shopping and entertainment destination to over half a million Ilocanos that populate Ilocos Norte and its neighboring towns for almost two decades.



Spanning a total floor area of approximately two hectares, it proudly stands as the Company's first foray in the Ilocandia region and is, in fact, the first full-service mall to arise in the province. This two-level modern shopping mall offers delightful dining and shopping choices featuring prominent anchor stores: Robinsons Department Store, Robinsons Supermarket, Handyman Do-It Best Home Center, Robinsons Appliances and Robinsons Movieworld. Joining them are top national and local food tenants including Jollibee, Mang Inasal, Greenwich, KFC, Ineng's Special BBQ, Mr. Donut, Goldilocks and Bonchon. Retail outlets such as Levi's, Penshoppe, Unica Hija, Onesimus, Mossimo, Denim Hub, Softa Walk, FILA, Converse and Res-Toe-Run add to the tenant mix. Representing Ilocos' entrepreneurial arena are leading local players including Kookee House and Baker's PH. Specialty shops such as Expressions, Mercury Drugstore, The Travel Club, Power Mac, Ideal Vision and service-oriented tenants such as BDO, Robinsons Bank and LBC complete the mall offering. Lease percentage rate remains healthy at 100% as of December 31, 2023.

Due to the success of the mall, in 2013, a ground breaking ceremony was held for the construction of the South Wing and the bridgeway connecting it to the North Wing on a vacant lot owned by RLC. The first two floors of the South Wing house the mall expansion, covered parking and part of the BPO office space. The first to fourth floors are reserved for BPO offices as well as more parking slots. The new wing features an outdoor area adorned with stunning landscape including a dining space with lush turf grass, creating a charming al fresco ambiance. In addition, it is anchored by Toys 'R Us, Daiso, and three new state-of-the-art cinemas in addition to the three existing cinemas in the North Wing. Popular local and international brands such as H&M, Uniqlo, Guess, Watsons, Bench, LEE, Jag, Bayo, Jockey, Regatta, Plains & Prints, Memo, For Me, Tribal, Payless, Mendrez, Alberto and gadgets stores like Samsung, Octagon, Oppo, Vertext, Silicon Valley, Huawei, PC Express, Fortress are featured, as well as health and wellness outlets such as David's Salon, Laybare, Garry's Thai Massage, Positive Living, Awra including Sunnies, Cool Vision and EO. Joining them are food tenants Cabalen, Classic Savory, Mesa, Adobo Connection, Romantic Baboy, Max's, Gerry's Grill, Botejyu, Black Scoop, Dunkin, Macao Imperial and Starbucks.

In September 2016, the Company sold the South Wing to RLC in order to consolidate ownership and management of the expansion mall and the land where it is located.

The Company has a solid track record of financial profitability supported by a healthy financial position.

## **2) Competition**

The Company operates in a highly competitive real estate industry. It competes with industry players who are present in all segments of the market including commercial, office, hotels, residential and real-estate related logistics and generally have wide geographic reach and those players who operate in select segments or niche markets. Each of these companies has certain distinct advantages over APVI, including their considerably larger portfolio and access to prime real estate in the heart of Metro Manila and other key cities. There are a number of other players in the real estate business in the Philippines, but they are significantly smaller and, because of the high barriers to entry into the business (which include cost, branding, reputation, scale and access to prime real estate), APVI expects that it will continue to compete principally with the major property companies for the foreseeable future. With the Company's competitive strengths as mentioned above, APVI believes that it will be able to compete effectively with peers and solidify its position as it enters new markets, grow its business and expand its portfolio.

For its mall business, the Company has recently seen an increase in the development of specialty malls by companies that are not traditional players in the industry, and it is unclear how this trend might affect the competitive landscape. Shopping mall

operators also face competition from specialty stores, general merchandise stores, discount stores, warehouse outlets, street markets and online stores. APVI is focused on balancing its core tenant mix and providing a more distinctive shopping mall experience to its loyal customers, as well as its ability to leverage the brand equity and drawing power of its affiliated companies in the retail trade business.

### **3) Suppliers**

Purchase of construction and operational requirements of the Company are awarded to accredited reputable contractors/suppliers subject to a bidding process and management's evaluation of the price and qualifications of and its relationship with the relevant contractors/suppliers.

### **4) Customer Base**

APVI has a broad base of customers, comprised of both local and foreign individuals, and institutional clients. The Company is not dependent on a single or a few customers, the loss or any of which would have a material adverse effect on the business taken as a whole.

### **5) Transactions with Related Parties**

The Company, in the normal course of business, has transactions with its affiliated companies consisting principally of lease arrangements on commercial properties.

APVI, in its ordinary course of business, engage in transactions with RLC, companies in JGS and other companies controlled by the Gokongwei Family. The most significant of these transactions include tenancy by various retail-related companies controlled by the Gokongwei Family in Robinsons Place Ilocos. APVI's policy with respect to related party transactions is to ensure that these transactions are done in arm's length basis or entered into on terms comparable to those available from unrelated third parties.

The Company's major related party transactions include leases of significant portions of Robinsons Place Ilocos to companies controlled by the Gokongwei Family, including Robinsons Department Store, Robinsons Supermarket and Handyman Do-It-Best. Other affiliates from whom APVI earns rental income include Robinsons Bank. Rental income from affiliates amounted to ₱118.5 million, ₱97.9 million and ₱69.8 million for calendar years ending December 31, 2023, 2022 and 2021, respectively.

The Company, in the normal course of business, has transactions with its affiliated companies consisting principally of reimbursement of expenses.

The Company maintains savings and current accounts and time deposits with an entity under common control which is a local commercial bank. Cash and cash equivalents earn interest at the prevailing bank deposit rates. These balances amounted to ₱599.1 million and ₱440.8 million as of December 31, 2023 and 2022, respectively.

In addition to the foregoing transactions, RLC and JGS also provide APVI with certain corporate services.

There have been no transactions (or series of similar transactions) with or involving the Company in which a director, executive officer, or stockholder owns 10% or more of total outstanding shares and members of their immediate family had or is to have a direct or indirect material interest.

## 6) Intellectual Property

APVI relies on trademarks to establish and protect its business interests and it believes that its trademarks and intellectual property rights are important to its success and competitive position. In the Philippines, certificates of registration of a trademark filed with the Philippine Intellectual Property Office prior to the effective date of the Philippine Intellectual Property Code in 1998 are generally effective for a period of twenty (20) years from the date of the certificate, while those filed after the Philippine Intellectual Property Code became effective are generally effective for a shorter period of ten (10) years, unless terminated earlier.

For its malls business, due to the long-term use and wide-spread recognition of the name “Robinsons” in the market, the Company intends to leverage on the “Robinsons” brand for its mall. The Company believes that RLC has sufficient protection over the “Robinsons” name in particular. There can be no assurance, however, that the actions RLC has taken will be adequate to prevent imitation by others or to prevent others from using the “Robinsons” name as a violation of its intellectual property rights. Details of the trademark are as follows:

| Trademark     | Registrant                 | Registration Date | Term     |
|---------------|----------------------------|-------------------|----------|
| Robinsons “R” | Robinsons Land Corporation | February 4, 2008  | 20 years |

## 7) Government Approvals and Permits

All government approvals and permits issued by the appropriate government agencies or bodies which are material and necessary to conduct the business and operations of the Company have been obtained and are in full force and effect. The Company is in the process of renewing some permits necessary to conduct its business and operations.

The costs of compliance with environmental laws are included in the cost for permits and licenses procured by the Company.

## 8) Effect of Existing or Probable Environmental/ Governmental Regulations on the Business

The existing regulatory and environmental/governmental regulations as well as possible governmental regulations on the various business segments may affect the Company's profitability through possible reduction in revenues.

The aggregate cost of compliance with environmental laws covering all business segments including waste management, among others, amounted to ₱1.55 million, ₱0.18 million and ₱0.18 million for calendar years ending December 31, 2023, 2022 and 2021, respectively.

## 9) Research and Development

APVI typically engages in research and development activities focusing on market trends and insights as well as new concepts and technologies. The expenses incurred by the Company in the past three (3) years in connection with these activities are not material.

## 10) Employees

As of December 31, 2023 and 2022, APVI has a total of 70 and 74 employees, including 16 and 17 permanent full-time managerial and support employees and approximately 54 and 57 contractual and agency employees, respectively.

Breakdown according to function of permanent full-time managerial and support employees as of December 31 is as follows:

| Function       | Number of Employees |           |
|----------------|---------------------|-----------|
|                | 2023                | 2022      |
| Operations     | 7                   | 5         |
| Administrative | 3                   | 6         |
| Technical      | 6                   | 6         |
| <b>Total</b>   | <b>16</b>           | <b>17</b> |

The Company does not currently anticipate hiring a significant number of additional employees within the next twelve (12) months, but it may look to hire as necessary subject to any changing needs of the business. Furthermore, as of the date, there is no existing collective bargaining agreement between the Company and its employees, and the Company's employees are not part of any labor union. The Company has not experienced any disruptive labor disputes, strikes or threats of strikes, and management believes that the Company's relationship with its employee in general is satisfactory. The Company complies with minimum compensation and benefits standards as well as all other applicable labor and employment regulations.

## 11) Risk Factors Relating to the Company's Business

### ***Significant competition in the markets in which APVI currently operates in and plans to operate in the future could have a material adverse effect on its future prospects and profitability***

APVI operates in a highly competitive industry. Albeit a high barrier to entry, the capacity of real estate projects to yield attractive returns and cash flows draws a lot of players. The intensity of competition depends largely on the number of market players, product differentiation, market supply and demand. The Company faces competition from other companies that provide the same or similar offerings to the customers in the same area and all across the Philippines.

The Company's future growth and development is dependent, in large part, on the availability of large tracts of land suitable for development as well as its ability to acquire and enter into agreements to buy and develop suitable land for its planned developments. As demand for land increases, particularly in key cities and other urban areas, it may become more difficult to locate parcels of suitable size in locations and at prices acceptable to the Company. Its growth prospects could be limited and its business and results of operations could be adversely affected to the extent that the Company is unable to acquire suitable land at acceptable prices in preferred locations that can yield acceptable returns for the Company.

Property developers with greater financial and other resources and more attractive land banks compete with APVI in various aspects of its business. Competition from other real estate developers and real estate services companies may adversely affect APVI's ability to develop and sell its properties, or attract and retain customers, and continued development by these and other market participants could result in saturation of the market for real estate.

APVI is confident that it can compete effectively on the basis of its many years of operation on the back of efficient and effective management resulting to a solid track record of profitability.

### ***Disruption to the real estate industry by E-Commerce and Consumer Technology***

With the advent of technology, the real estate industry could face major disruption with investments pouring into e-commerce and AI-powered consumer technologies. As consumers grow accustomed to the on-demand, tech-based environment, it will be an expectation, not a perk, that real estate companies follow suit.

This tech push has transformed consumer behavior and spending pattern customers. E-commerce has commoditized most moderately-priced goods; and consumers can simply purchase or pay their bills online at sometimes much cheaper prices at the convenience of their homes. This rules out a lot of retailers who are major business partners of real estate companies.

As a real estate company, the Company must therefore, rethink its traditional tenant mix to identify those bricks and mortar retailers who can sell against online retail. Real estate companies must also look for ways to converge clicks with bricks by exploring and capitalizing on other retail channels.

To mitigate this risk, the Company's offerings have evolved to be more lifestyle-centric choices to better serve its customers especially in its malls business. It also keeps abreast with technology and platforms that can be used to understand the customer journey and interpret relevant data to form informative insights.

During the COVID-19 pandemic, the Company has created new ways to shop for its customers using digital technology. The Company introduced *RPersonal Shopper*, *Snap Delivery*, *Arkila*, *Robinsons Mall App* and *Robinsons MallDash* allowing customers to shop at the comforts of their home through calling or texting the mall's merchants and paying for their purchases online.

### ***Public health epidemics or outbreaks of diseases could have an adverse effect on economic activity in the Philippines, and could materially and adversely affect the Company's business, financial condition, and results of operations.***

In April 2009, an outbreak of the H1N1 virus, commonly referred to as "swine flu," occurred in Mexico and spread to other countries, including the Philippines. In August 2014, the World Health Organization ("WHO") declared the Ebola outbreak that originated in West Africa as an international health emergency in view of the rising death toll due to the disease. That month, a Filipino seaman in Togo was quarantined for exhibiting symptoms of Ebola virus infection but was later released after testing negative for the disease.

In February 2015, a Filipina nurse who arrived from Saudi Arabia tested positive for the MERS-CoV (i.e., the Middle East Respiratory Syndrome-Corona virus). She was quarantined, received medical treatment, and later discharged and cleared of the disease by the Department of Health. All known contacts of the said nurse, including some passengers in the same flight that arrived from Saudi Arabia, were also cleared of the infection, putting the country once again free of an active case of the disease. In March 2016, reports of an American woman who stayed in the Philippines for four (4) weeks in January 2016, tested positive for the Zika virus upon returning home, indicating the local transmission of the disease through the *Aedes aegypti* mosquito. In May 2016, a South Korean national was reported to have acquired the infection while visiting the Philippines, following earlier reports of two (2) other confirmed cases of the viral infection in the country. All of the patients had recovered, indicating that the Zika viral infection acquired in the country was self-limiting.

In August 2017, an outbreak of bird flu from a poultry farm in Central Luzon was confirmed, and the avian influenza strain was later found to be transmissible to

humans. In response to the outbreak, restrictions on the transport and sale of birds and poultry products outside a seven-kilometer radius control area surrounding the affected site were imposed. The Philippines has since been cleared of any human infection of the avian influenza virus.

In September 2019, the Department of Health confirmed that polio re-emerged in the Philippines, nineteen (19) years after the country was declared polio-free by the WHO in 2000. As of February 15, 2020, the total number of confirmed polio cases in the country is seventeen (17).

On January 30, 2020, the Department of Health announced that a 38-year old Chinese female from Wuhan, China, the epicenter of cases of the 2019 coronavirus disease ("COVID-19"), who arrived in Cebu City from Hong Kong, tested positive for the virus. On February 2, 2020, the Department of Health announced that a 44-year old Chinese male, also from Wuhan, China, was confirmed to have the COVID-19, and passed away on February 1, 2020. This was the first confirmed death outside of China. In view of the rising number of cases of the COVID-19, the Duterte Administration announced on February 2, 2020 that the Philippines is imposing a temporary travel ban against entry of any person, regardless of nationality, except Filipino citizens and holders of Permanent Resident Visas issued by the Philippine government, directly coming from China, and its special administrative regions. The travel bans also included persons who within fourteen (14) days immediately preceding arrival in the Philippines has been to China and its special administrative regions. A mandatory quarantine of fourteen (14) days was imposed upon Filipinos and Permanent Resident Visa holders coming from China and its special administrative regions.

On January 30, 2020, the WHO declared the COVID-19 outbreak a Public Health Emergency of International Concern, and subsequently, with the continued increase in the number of confirmed cases throughout the world, a pandemic on March 11, 2020. In response to the pandemic, on March 12, 2020, the Philippine government placed Metro Manila under "community quarantine" starting on March 15, 2020, which, among others, restricted traveling through land, domestic air, and domestic sea from Metro Manila. On the second day of the implementation of the said community quarantine, the Philippine government declared a Luzon-wide "enhanced community quarantine" to arrest the continuing effect of the disease. The enhanced community quarantine mandated the temporary closure of non-essential shops and businesses, prohibited mass gatherings and all means of public transportation, and restricted traveling through air, sea and land in and out of Luzon, except for diplomats and uniformed workers (carrying medical supplies), among others. On April 7, 2020, the Philippine government extended the enhanced community quarantine period until April 30, 2020, which was further extended to May 15, 2020. On May 13, 2020, the Philippine government eased its quarantine restrictions in certain areas and placed Metro Manila under a modified enhanced community quarantine, while other key provinces and cities in the country were placed under a general community quarantine, until May 31, 2020. From June 1 to December 31, 2020, Metro Manila was placed under General Community Quarantine classification. The Philippine government suspended all flights from the United Kingdom from December 24 to 31, 2020 due to the news of a new COVID-19 variant emerging from the said region. The country ended the year 2020 with 474,064 confirmed COVID-19 cases with 9,244 deaths due to the disease.

If the outbreak of the Ebola virus, MERS-CoV, Zika virus, bird flu, polio, COVID-19, or any public health epidemic becomes widespread in the Philippines or increases in severity, it could have an adverse effect on economic activity in the Philippines, and could materially and adversely affect the Company's business, financial condition and results of operations.

APVI is cognizant of COVID-19's potential material impact on its financial performance, the execution of its plans and strategies, and its customers and

employees should the situation persist in the longer-term. With public health and safety in mind and in full cooperation with the government, APVI temporarily closed Robinsons Place Ilocos mall except areas of the mall that are being occupied by tenants providing essential services such as the supermarkets, banks and pharmacies. Although the Company waived rental for non-operational tenants during the enhanced community quarantine (“ECQ”) period, it was still able to collect rent from the aforementioned operational tenants, keeping the Company afloat. In addition to complying with the guidelines, rules and regulations that the Philippine government has laid out, the Company has rolled out robust plans to ascertain business continuity, and have taken immediate actions to ensure that Company’s services remain available to its customers. Skeleton workforces have been deployed and contingency measures such as flexible personnel resourcing and off-site working facilities have been employed. APVI has implemented appropriate and enhanced measures in an effort to contain the spread of the virus within its properties and workplace. To ensure adequate social distancing, mall operating hours have been adjusted for operational stores, social distancing floor markers have been strategically placed and entry of customers is closely monitored. Infrared non-contact thermal scanners are being used and hand sanitizers and foot baths have been installed in all the entry points of the mall. All its front liners are required to conduct frequent handwashing, wear protective masks or gear, and implement effective cleaning procedures in all its properties. Moreover, sanitation teams have been reinforced to carry out deep disinfection procedures especially in high-touch areas such as elevators and escalators, food courts, mall directory, etc. In the workplace, corporate policies have been established to use digital or online platforms for corporate communications and virtual meetings in order to limit physical contact. Decentralized and/or remote working arrangements for the Company’s employees have also been instituted. Lastly, the Company has established re-entry strategies in preparation for business resumption once the ECQ is lifted. APVI’s main focus is to ensure a safe environment for its customers and employees in order to rebuild workplace and business confidence. As of the date of this report, the mall has already been reopened.

As APVI actively monitors developments and assess the impact of the foregoing in its operations and financial performance, the Company remains confident that it will continue to deliver a solid financial performance given the aforementioned mitigation efforts it has adopted as well as due to its solid financial position, prudent capital base and manageable debt levels.

***APVI’s business is affected by environmental laws and regulations in the Philippines which could have a material adverse effect on the Company’s financial condition and operations***

APVI operates a material part of its businesses in a regulated environment. APVI is subject to numerous environmental laws and regulations relating to the protection of the environment and human health and safety. These include laws and regulations governing air emissions, water and waste water discharges, odor emissions, and the management of, disposal of and exposure to hazardous materials.

In general, developers of real estate projects are required to submit project descriptions to regional offices of the Philippine Department of Environment and Natural Resources (“DENR”). For environmentally-sensitive projects or at the discretion of the regional office of the DENR, a detailed Environmental Impact Assessment may be required and the developer will be required to obtain an Environmental Compliance Certificate to certify that the project will not have an unacceptable environmental impact. There can be no assurance that current environmental laws and regulations applicable to the Company will not increase the costs of operating its facilities above currently projected levels or require future capital expenditures. In addition, APVI cannot predict what environmental, health, safety or other legislation or regulations will be amended or enacted in the future, how existing or future laws or regulations will be enforced, administered or interpreted, or the amount of future expenditures that may be required to comply with these

environmental laws or regulations or to respond to environmental claims. The introduction or inconsistent application of or changes in laws and regulations applicable to APVI's business could have a material adverse effect on its business, financial condition and results of operations.

In addition, delays or other possible complications in obtaining the required regulatory and environmental permits could have a material adverse effect on APVI's business, financial condition and results of operations.

To mitigate this risk, APVI keeps itself abreast of the latest compliance requirements as well as the latest technologies that enable it to implement existing sanitation, environment and safety laws, and other regulations at cost-efficient means.

***The Company currently conducts all its business operations in the Philippines which makes it highly dependent on the Philippine economy and exposed to risks inherent in the Philippine property market***

The Company currently derives all of its revenue and operating profits from its real estate investments and operations in the Philippines. Demand for and prevailing prices of real estate assets are directly related to the strength of the Philippine economy and the overall levels of business activity in the Philippines. The Company's current operations is also directly affected by social trends, changing spending patterns, and consumer sentiment in the Philippines which are in turn heavily influenced by economic, political, and security conditions in the Philippines.

Considerable economic and political uncertainties currently exist in the Philippines that could have adverse effects on consumer spending habits, availability of labor and materials, construction costs, and other factors affecting the Company and its businesses. Significant expenditures associated with investment in real estate, such as real estate taxes, maintenance costs, and debt payments, generally cannot be correspondingly reduced if changes in the Philippine property market or the Philippine economy cause a decrease in revenues from the Company's properties. Because of its business concentration in the Philippines, reduced levels of economic growth, adverse changes in the country's political or security situation, and weaker performance of the country's property development market generally could materially adversely affect the Company's profitability.

In addition, the strength of the Philippine economy is influenced and affected by global factors, including the performance of other world and regional economies, and the global economy, in general. Any change in the health and performance of other national economies, in particular, that of the United States of America and/or the global economy, could adversely affect the Philippine economy and the Company's business.

***The Company's plan to be a vehicle for possible future real estate ventures and opportunities may entail significant costs that could adversely affect its profitability and operations***

The Company plans to evaluate and acquire real estate on an opportunistic basis should circumstance warrant such acquisition. This plan may require significant investments which may not result in favorable returns. In general, acquisitions involve risks associated with unforeseen contingent risks or latent liabilities relating to these businesses that may only become apparent after the acquisition is finalized, such as difficulties associated with integration and management of operations and systems, integration and retention of key personnel, coordination of sales and marketing efforts and diversion of management's attention from other ongoing business concerns. The Company's growth will depend on its ability to successfully manage the expansion of its operations and integrate the operations of any acquired businesses. There can be no assurance that any such expansion will be successful. In addition, the Company may be subject to higher operating costs due to the expansions, which may have an adverse effect on its operating income and profitability.



To minimize the exposure and capital outlay for the expansion, the Company has enough working capital and steady recurring cash flows from its malls business. It also has a highly experienced management team with a proven ability to execute the Company's business plan and achieve results. In addition, APVI can leverage on the synergies from its affiliates by drawing upon their experience and market data.

***The occurrence of natural or other catastrophes, or severe weather conditions may materially disrupt APVI's operations***

The Philippines has experienced a number of major natural catastrophes over the years, including typhoons, floods, droughts, volcanic eruptions and earthquakes. There can be no assurance that the occurrence of such natural catastrophes will not materially disrupt APVI's operations. These factors, which are not within the Company's control, could potentially have significant effects on the Company's development projects many of which are large, complex buildings that are susceptible to structural damage and failure. APVI maintains full third-party insurance to cover all natural or other catastrophes. As a result, the occurrence of natural or other catastrophes or severe weather conditions may adversely affect its business, financial condition and results of operations. Although there can be no assurance that it will be adequately compensated for all damages and economic losses resulting from the natural or other catastrophes, APVI endeavors to mitigate this risk by keeping its properties and business in good working condition, insured to their full insurable value with financially sound and reputable insurers against loss or damage in such manner and to the same extent as customary for a business of the same character.

***The Company currently derives its revenue and operating profits solely from its mall operations***

At present, Robinsons Place Ilocos (North Wing) is the sole revenue-generating asset of the Company. Given its current asset base, and assuming that the Company will not be able to expand its portfolio, the Company's profitability will be highly dependent upon the performance of said mall. Although the mall has been performing well in the past years, there can be no assurance that the mall shall continue to yield profitable results.

In order to mitigate this risk, the Company plans to diversify its revenue stream by evaluating possible growth opportunities that can yield attractive returns and further strengthen its financial condition.

***There is no assurance that the Company's future plans and business strategies will be successfully implemented***

The successful implementation of the Company's future plans and business strategies are contingent upon various factors including those that are not entirely within the Company's control. There is no assurance that the Company will be able to successfully implement its future plans and business strategies. Even if the Company's future plans or business strategies are implemented, there is no assurance that they will increase the Company's profitability or enhance its market position. The Company's profitability and financial position may be materially and adversely affected if its future plans or business strategies are not successfully implemented.

To mitigate this risk, the Company will continuously evaluate its strengths and risks to which its operations is exposed to. Accordingly, it will revise its key strategies to take advantage of its strengths and mitigate if not to eliminate the negative impact of the risks on its operations.

***The Company may not be able to have successful real estate ventures and/or acquisitions in the future***

The Company intends to serve as a vehicle for future real estate ventures and acquire real estate on an opportunistic basis which may result in substantial demands on its management, operational and other resources. There can be no assurance that the Company will be able to identify suitable acquisition targets and implement its acquisition plans successfully. In addition, the Company may be unable to successfully integrate the new operations and the companies or business it acquires into its existing operational financial and management systems, procedures and controls.

If the Company fails to address or deal with any of the risks or uncertainties successfully, its profitability and results of operations may be materially and adversely affected. To mitigate this risk, the Company shall conduct thorough due diligence, engage third-party professionals for in-depth analysis of its potential acquisition's financial, operational and management models and records. The Company will also ensure that the target acquisition/s will have synergy with its current operation.

**12) Risks Relating to the Philippines**

***The Company's operations and assets are based in the Philippines, hence a slowdown in Philippine economic growth could adversely affect the Company's business***

Currently, all of the Company's business operations and assets are located in the Philippines. As a result, APVI's income and the results of its operations are generally influenced by the performance of the Philippine economy. The Philippines has experienced periods of slow or negative growth, high inflation, significant devaluation of the Peso and debt restructuring, and has been significantly affected by economic volatilities in the Asia-Pacific region.

There is still some uncertainty as to the economic prognosis in the US and in Europe, as well as the global economy in general, which could cause economic conditions in the Philippines to deteriorate. Any downturn in the Philippine economy may negatively impact the general business conditions in the Philippines, which may materially or adversely affect the Company's operations, profitability and financial condition.

***Territorial disputes with China and a number of Southeast Asian countries***

The Philippines, China and several Southeast Asian nations have been engaged in a series of long-standing territorial disputes over certain islands in the West Philippine Sea, also known as the South China Sea. The Philippines maintains that its claim over the disputed territories is supported by recognized principles of international law consistent with the United Nations Convention on the Law of the SEA ("UNCLOS"). The Philippines made several efforts during the course of 2011 and 2012 to establish a framework for resolving these disputes, calling for multilateral talks to delineate territorial rights and establish a framework for resolving disputes.

Despite efforts to reach a compromise, a dispute arose between the Philippines and China over a group of small islands and reefs known as the Scarborough Shoal. In April and May 2012, the Philippines and China accused one another of deploying vessels to the shoal in an attempt to take control of the area, and both sides unilaterally imposed fishing bans at the shoal during the late spring and summer of 2012. These actions threatened to disrupt trade and other ties between the two countries, including a temporary ban by China on Philippine banana imports, as well as a temporary suspension of tours to the Philippines by Chinese travel agencies. Since July 2012, Chinese vessels have reportedly turned away Philippine fishing boats attempting to enter the shoal, and the Philippines has continued to protest China's presence there. In January 2013, the Philippines sent notice to the Chinese

embassy in Manila that it intended to seek international arbitration to resolve the dispute under UNCLOS. China has rejected and returned the notice sent by the Philippines requesting arbitral proceedings. Should these territorial disputes continue or escalate further, the Philippines and its economy may be disrupted and the Company's operations could be adversely affected as a result. In particular, further disputes between the Philippines and China may lead both countries to impose trade restrictions on the other's imports. China may also seek to suspend visits by Chinese citizens to the Philippines, or Chinese citizens may choose not to visit the Philippines as a result of these disputes.

In early March 2013, several hundred armed Filipino-Muslim followers of Sultan Jamalul Kiram III, the self-proclaimed Sultan of Sulu from the south of the Philippines, illegally entered Lahad Datu, Sabah, Malaysia in a bid to enforce the Sultan of Sulu's historical claim on the territory. As a result of the illegal entry, these followers engaged in a three-week standoff with the Malaysian armed forces, resulting in casualties on both sides. Since then, the Malaysian Government has mounted a military operation to secure Lahad Datu, and Malaysian authorities continue to search for members of the Sultan of Sulu's army, which are suspected to be hiding in certain villages. Clashes which began on March 1, 2013 have killed 98 Filipino-Muslims, and 10 Malaysian policemen. About 4,000 Filipino-Muslims working in Sabah have returned to the southern Philippines. Recent reports in the press quoted the Malaysian Defense Minister as stating that at least 35 armed men were shot dead by the AFP while trying to enter Sabah, which has not been confirmed by the AFP. Any such impact from these disputes could materially and adversely affect the Company's business, financial condition and results of operations.

#### ***Corporate Governance and Disclosure Standards***

There may be less publicly available information about Philippine public companies than is regularly made available by public companies in certain other countries. SEC and PSE requirements with respect to corporate governance standards may also be less stringent than those applicable in certain other jurisdictions. For example, the SEC requires publicly listed companies to have at least two independent directors or such number of independent directors as is equal to 20% of the total membership of the board of directors, whichever is lower, but in no case less than two. The Company has appointed three (3) independent directors. Many other countries require significantly more independent directors. Further, rules against self-dealing and those protecting minority shareholders may be less stringent or developed in the Philippines. Such standards in certain areas of disclosure and corporate governance may materially and adversely affect the interests of the Company's shareholders, particularly those of minority shareholders.

#### ***Philippine Credit Rating***

Historically the Philippines' sovereign debt has been rated relatively low by international credit rating agencies. Although the Philippines' long-term foreign currency-denominated debt was maintained by Standard & Poor's and Fitch Ratings to the investment-grade rating of BBB+ and BBB, respectively, and the foreign currency and local currency sovereign has been upgraded by Moody's to a rating of Baa2, no assurance can be given that Standard & Poor's, Fitch Ratings or Moody's or any other international credit rating agency will not downgrade the credit ratings of the Government in the future and, therefore, Philippine companies, including the Company. Any such downgrade could have an adverse impact on the liquidity in the Philippine financial markets, the ability of the Government and Philippine companies, including the Company, to raise additional financing and the interest rates and other commercial terms at which such additional financing is available.

### ***Foreign Exchange Controls***

The Philippines currently does not have any foreign exchange controls in effect. However, the BSP has statutory authority, with the approval of the President of the Philippines, during a foreign exchange crisis or in times of national emergency, to: (a) suspend temporarily or restrict sales of foreign exchange; (b) require licensing of foreign exchange transactions; or (c) require the delivery of foreign exchange to the BSP or its designee banks for the issuance and guarantee of foreign currency-denominated borrowings.

## **(B) Description of Property**

The Company owns and operates the North Wing of a mall, referred to as Robinsons Place Ilocos, located within the compound of Valdez Center along the National Highway, Barangay 1, San Francisco, Municipality of San Nicolas, Province of Ilocos Norte. Robinsons Place Ilocos is situated inside Valdez Center. The center serves as the biggest lifestyle center in Ilocos Norte. The area is generally characterized by a mixture of commercial and mid-rise residential developments.

Robinsons Place Ilocos is the first and largest and only full-service lifestyle center in Ilocos Norte. The mall is a two (2) level building which houses a department store, a supermarket, and an appliance store. It likewise has a hardware store, a toy store and arcade, and a food court. Other stores of known brands and popular chain of restaurants are likewise present within the mall.

The land, where the mall was constructed, consists of five (5) contiguous lots having a total area of 20,319 sqm. The mall building spans across 20,190 sqm of gross floor area with average occupancy rate of approximately 100% as of December 31, 2023.

All of the foregoing properties are fully owned by the Company and none of which are subject to any mortgage, lien or any form of encumbrance.

As of December 31, 2023, there are no definite plans on acquisitions of properties and the mode such acquisitions in the next twelve months.

## **(C) Legal Proceedings**

To the best of its knowledge, APVI is not a party to, and its properties are not the subject of, any material pending legal proceeding that could be expected to have a material adverse effect on the results of the financials and the operations of the Company.

## **(D) Submission of Matters to a Vote of Security Holders**

There were no matters submitted to a vote of security holders during the fourth quarter of the calendar year covered by this report.

## PART II - OPERATIONAL AND FINANCIAL INFORMATION

### (E) Market Price of and Dividends on Registrant's Common Equity and Related Stockholder Matters

#### (1) Market Information

As of December 31, 2023, the Company has an authorized capital stock of 100,000,000 shares consisting of 100,000,000 Common Shares, each with a par value of ₱1.00.

On June 26, 2020, APVI listed 100,000,000 common shares by way of introduction on the SME Board of the Philippine Stock Exchange (PSE:APVI), representing 100% of the real estate company's issued and outstanding shares.

Effective May 13, 2022, the PSE approved the Company's application to transfer to the Main Board of the Exchange.

The Company's common stock is traded in the PSE under the stock symbol "APVI".

Data on the quarterly price movement of its shares for the calendar years 2023, 2022 and 2021 are set forth below.

| Quarter | 2023  |       |       | 2022  |       |       | 2021  |       |       |
|---------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|         | High  | Low   | Close | High  | Low   | Close | High  | Low   | Close |
| 1       | 12.02 | 11.90 | 12.02 | 16.70 | 16.16 | 16.20 | 19.90 | 18.90 | 19.40 |
| 2       | 9.61  | 9.61  | 9.61  | 13.10 | 13.00 | 13.10 | 17.92 | 17.40 | 17.40 |
| 3       | 9.79  | 9.79  | 9.79  | 13.50 | 12.88 | 12.88 | 17.24 | 17.04 | 17.06 |
| 4       | 9.29  | 9.29  | 9.29  | 12.50 | 12.50 | 12.50 | 20.40 | 19.32 | 19.34 |

Additional information as of March 22, 2024 are as follows:

|               |             |            |              |                              |
|---------------|-------------|------------|--------------|------------------------------|
| Market Price: | <u>High</u> | <u>Low</u> | <u>Close</u> | <u>Market Capitalization</u> |
|               | ₱9.78       | ₱9.78      | ₱9.78        | ₱978,000,000                 |

#### (2) Holders of the Company's Common Shares

##### (a) Holders

Holders of the Company's Common Shares as of December 31, 2023 are as follows:

| Title of Class | Name of Stockholder              | No. of Shares | Percentage (%) |
|----------------|----------------------------------|---------------|----------------|
| Common         | J.G. Summit Holdings, Inc.       | 60,972,361    | 60.97%         |
| Common         | PCD Nominee Corp. (Filipino)     | 32,199,170    | 32.20%         |
| Common         | Robinsons Land Corporation       | 6,106,359     | 6.11%          |
| Common         | PCD Nominee Corp. (Non-Filipino) | 653,070       | 0.65%          |
| Common         | James L. Go                      | 37,064        | 0.04%          |
| Common         | Frederick Dy Go                  | 17,086        | 0.02%          |
| Common         | Lance Y. Gokongwei               | 13,950        | 0.01%          |
| Common         | Arturo L. Subijano               | 935           | 0.00%          |
| Common         | Corazon L. Ang Ley               | 1             | 0.00%          |
| Common         | Faraday D. Go                    | 1             | 0.00%          |
| Common         | Martin Dy Buncio                 | 1             | 0.00%          |

| Title of Class | Name of Stockholder      | No. of Shares      | Percentage (%) |
|----------------|--------------------------|--------------------|----------------|
| Common         | Maynard Ngu              | 1                  | 0.00%          |
| Common         | Jean Henri Lhuillier     | 1                  | 0.00%          |
|                | <b>Total Outstanding</b> | <b>100,000,000</b> | <b>100.00%</b> |

#### **(b) Background of Top Shareholder**

The following sets out the background of JG Summit Holdings, Inc. which is APVI's top shareholder:

JG Summit Holdings, Inc. (the Parent Company) was incorporated in the Philippines on November 23, 1990 with a corporate term of 50 years from the date of incorporation. Its registered principal office address is 43rd Floor, Robinsons-Equitable Tower, ADB Avenue corner Poveda Road, Pasig City.

The Parent Company, a holding company, is the ultimate parent of the JG Summit Group (the Group). The Group has business interests in branded consumer foods, agro-industrial and commodity food products, real property development, hotels, banking and financial services, telecommunications, petrochemicals, air transportation and power distribution.

The Group conducts business throughout the Philippines. The Group also has branded food businesses in the People's Republic of China, in the Association of South Asian Nations region, New Zealand and Australia and an interest in a property development business in Singapore and People's Republic of China.

### **(3) Dividends and Dividend Policy**

Under Philippine law, dividends may be declared out of a corporation's unrestricted retained earnings which shall be payable in cash, in property, or in stock to all stockholders on the basis of outstanding stock held by them. The amount of retained earnings available for declaration as dividends may be determined pursuant to regulations issued by the SEC. The approval of the Board of Directors is generally sufficient to approve the distribution of dividends, except in the case of stock dividends which requires the approval of stockholders representing not less than two-thirds (2/3) of the outstanding capital stock at a regular or special meeting duly called for the purpose.

#### **(a) Record Date**

The Company's By-laws provide that for purposes of determining the shareholders entitled to receive payment of any dividends, whether cash, property or stock, the Board may fix in advance a date as the record date for any such determination of shareholders. The said By-Laws likewise provide that, in connection with the determination of the shareholders entitled to receive payment of any dividend, the Board may provide that the stock and transfer book be closed for a period of ten (10) business days immediately preceding such meeting declaring the dividends. No shares of stock of the Company may be transferred during the period when the books are closed.

In each case, the set record date shall not be less than ten (10) trading days from disclosure to the PSE of the declaration of the dividend.

#### **(b) Dividend Policy on the Common Shares**

Aside from what is stated in the Company's By-Laws and as provided in existing laws, the Company does not have a specific dividend policy. The Company's By-laws provide that dividends shall be declared and paid out of the unrestricted retained earnings which shall be payable in cash, property or stock to all shareholders on the basis of outstanding stock held by them, as often and at such times as the Board may determine and in accordance

with law and applicable rules and regulations. No fractional shares shall be issued from any declaration of stock dividends.

The Board may decide to declare cash dividends in the future after taking into account various factors, including:

- the level of the Company's cash, gearing, return on equity and retained earnings;
- the Company's results for, and the Company's financial condition at the end of the year, the year in respect of which the dividend is to be paid and the Company's expected financial performance;
- the Company's projected levels of capital expenditure and other investment plans;
- restrictions of payment of dividends that may be imposed on the Company by any of its financing arrangements and current and prospective debt service requirements; and,
- such other factors as the Board deems appropriate.

The Company, however, cannot assure the public that it will pay any dividends in the future.

There are no restrictions that limit the Company's ability to pay dividends in the future.

#### **(c) Dividend History**

The Company's Board of Directors approved the declaration and payment of the following dividends to holders of the Common Shares as follows:

##### **For the Calendar Year Ended December 31, 2023**

No dividend was declared and paid during calendar year ended December 31, 2023.

##### **For the Calendar Year Ended December 31, 2022**

No dividend was declared and paid during calendar year ended December 31, 2022.

##### **For the Calendar Year Ended December 31, 2021**

No dividend was declared and paid during calendar year ended December 31, 2021.

### **(4) Description of Registrant's Securities**

#### **(a) Common Shares**

##### **1) Amount of Capital Stock of Each Class Issued**

As of December 31, 2023, the Company has an authorized capital stock of 100,000,000 shares consisting of 100,000,000 Common Shares, each with a par value of ₱1.00. The Common Shares are listed on the Philippine Stock Exchange, but are not subject to outstanding options or warrants to purchase, or securities convertible into Common Shares of the Company.

##### **2) Voting Rights**

APVI's Common Shares have full voting rights.

The Corporation Code provides that voting rights cannot be exercised with respect to shares declared delinquent, treasury shares or if the shareholder has elected to exercise his right of appraisal referred to below.

### 3) Pre-Emptive Rights

The Corporation Code confers pre-emptive rights on shareholders of a Philippine corporation entitling such shareholders to subscribe for all issues or other dispositions of equity related securities by the corporation in proportion to their respective shareholdings, regardless of whether the equity related securities proposed to be issued or otherwise disposed of are identical to the shares held. A Philippine corporation may provide for the denial of these pre-emptive rights in its Articles of Incorporation. The Articles of Incorporation of APVI currently contains such a denial of pre-emptive rights on all classes of shares issued by the Company and therefore further issues of shares (including treasury shares) can be made without offering such shares on a pre-emptive basis to the existing shareholders.

### 4) Change in Control

There is no provision in the Company's Articles of Incorporation and By-laws which may delay, deter, or prevent a change in control in the Company.

### 5) Lock-up Restrictions under the PSE Listing Rules

Under the PSE Listing Rules, an applicant company that applies to list by way of introduction through Section 1(b) of the PSE's Amended Rules on Listing by Way of Introduction shall be subject to the lock-up requirements prescribed by the PSE.

In particular, Article III, Part E, Section 2 provides that an applicant company shall cause its existing non-public shareholders to refrain from selling, assigning or in any manner disposing of their shares for the following periods counted from the date of listing of such shares: (a) one (1) year and (b) if there is any issuance or transfer of shares (i.e., private placements, asset for shares swap or a similar transaction) or instruments which lead to issuance of shares (i.e., convertible bonds, warrants or a similar instrument) done and fully paid for within six (6) months prior to the listing date in case of companies listing by way of introduction, and the transaction price is lower than that of the listing price, all shares availed of shall be subject to a lock-up period of at least one (1) year days from the listing date.

"Non-public shareholders" shall mean the applicant company's: (a) principal stockholders (i.e., the owner of ten percent (10%) or more of the issued and outstanding shares); (b) subsidiaries or affiliates; (c) directors; (d) principal officers; and (e) members of the immediate families sharing the same household of any of its principal stockholders, directors, or principal officers.

The following shareholders are covered by the one (1) year lock-up requirement, from listing of the dividend shares on June 28, 2020:

| <b>Title of Class</b> | <b>Name of Stockholder</b> | <b>No. of Shares Held</b> | <b>Percent (%) to Total Outstanding</b> |
|-----------------------|----------------------------|---------------------------|---|
| Common                | JG Summit Holdings, Inc.   | 60,972,361                | 60.97%                                  |
| Common                | Robinsons Land Corporation | 6,106,359                 | 6.11%                                   |
| Common                | Frederick D. Go            | 17,086                    | 0.02%                                   |
| Common                | Lance Y. Gokongwei         | 13,950                    | 0.01%                                   |
| Common                | Faraday D. Go              | 1                         | 0.00%                                   |
| Common                | Corazon L. Ang-Ley         | 1                         | 0.00%                                   |
| Common                | Martin Q. Dy Buncio        | 1                         | 0.00%                                   |
| Common                | Maynard S. Ngu             | 1                         | 0.00%                                   |
| Common                | Jean Henri D. Lhuillier    | 1                         | 0.00%                                   |
|                       | <b>TOTAL</b>               | <b>67,109,761</b>         | <b>67.11%</b>                           |

As of December 31, 2023, there are no shares subject to the lock-up requirement.



## (F) Management Discussion and Analysis of Financial Condition and Results of Operations

### (1) For the Calendar Years Ended December 31, 2023, 2022 and 2021

#### (a) Calendar Year Ended December 31, 2023 versus same period in 2022

##### 1) Results of Operations

|   | For the Years<br>Ended December 31 |             | Horizontal Analysis<br>Change |         | Vertical |      |
|---|------------------------------------|-------------|-------------------------------|---------|----------|------|
|   | 2023                               | 2022        | In PhP                        | In %    | 2023     | 2022 |
| <b>RENTAL REVENUES</b>                        | 203,066,940                        | 194,417,969 | 8,648,971                     | 4.4%    | 100%     | 100% |
| <b>COSTS OF RENTAL SERVICES</b>               | 16,094,374                         | 17,396,337  | (1,301,963)                   | -7.5%   | 8%       | 9%   |
| <b>GROSS INCOME</b>                           | 186,972,566                        | 177,021,632 | 9,950,934                     | 5.6%    | 92%      | 91%  |
| <b>GENERAL AND ADMINISTRATIVE EXPENSES</b>    |                                    |             |                               |         |          |      |
| Billing of utilities - net                    | 24,777,834                         | 30,371,772  | (5,593,938)                   | -18.4%  | 12%      | 16%  |
| Salaries, wages and employee benefits         | 8,370,031                          | 8,968,816   | (598,785)                     | -6.7%   | 4%       | 5%   |
| Taxes and licenses                            | 2,632,464                          | 2,529,838   | 102,626                       | 4.1%    | 1%       | 1%   |
| Insurance                                     | 2,063,623                          | 2,061,850   | 1,773                         | 0.1%    | 1%       | 1%   |
| Professional, management and consultancy fees | 1,591,283                          | 1,108,214   | 483,069                       | 43.6%   | 1%       | 1%   |
| Advertising                                   | 499,950                            | 745,207     | (245,257)                     | -32.9%  | 0%       | 0%   |
| Travel and communication                      | 160,681                            | 243,576     | (82,895)                      | -34.0%  | 0%       | 0%   |
| Supplies                                      | 43,010                             | 101,346     | (58,336)                      | -57.6%  | 0%       | 0%   |
|   | 40,138,876                         | 46,130,619  | (5,991,743)                   | -13.0%  | 20%      | 24%  |
| <b>OPERATING INCOME</b>                       | 146,833,690                        | 130,891,013 | 15,942,677                    | 12.2%   | 72%      | 67%  |
| <b>OTHER INCOME (EXPENSES)</b>                |                                    |             |                               |         |          |      |
| Interest income                               | 20,006,707                         | 5,146,803   | 14,859,904                    | 288.7%  | 10%      | 3%   |
| Interest expense                              | (260,649)                          | (231,720)   | (28,929)                      | 12.5%   | 0%       | 0%   |
| Other income (expense) - net                  | (247,389)                          | 350,901     | (598,290)                     | -170.5% | 0%       | 0%   |
|   | 19,498,669                         | 5,265,984   | 14,232,685                    | 270.3%  | 10%      | 3%   |
| <b>INCOME BEFORE INCOME TAX</b>               | 166,332,359                        | 136,156,997 | 30,175,362                    | 22.2%   | 82%      | 70%  |
| <b>TAX EXPENSE</b>                            | 27,198,221                         | 28,198,764  | (1,000,543)                   | -3.5%   | 13%      | 15%  |
| <b>NET INCOME</b>                             | 139,134,138                        | 107,958,233 | 31,175,905                    | 28.9%   | 69%      | 56%  |
| <b>OTHER COMPREHENSIVE INCOME (LOSS)</b>      | (30,220)                           | 432,696     | (462,916)                     | -107.0% | 0%       | 0%   |
| <b>TOTAL COMPREHENSIVE INCOME</b>             | 139,103,918                        | 108,390,929 | 30,712,989                    | 28.3%   | 69%      | 56%  |

The Company's total rental revenues accelerated by 4.4% to ₱203.1 million for the year ended December 31, 2023 compared to the previous year's ₱194.4 million. The sustained healthy spending behavior of Filipino consumers in essential and discretionary purchases including in food, fashion, leisure, services, and entertainment significantly contributed to the upsurge in foot traffic and revenues.

Costs of rental services went down by 7.5% to ₱16.1 million from ₱17.4 million last year mainly due to lower level of repairs and maintenance expenses. Similarly, general and administrative expenses decreased by 13.0% to ₱40.1 million from ₱46.1 million last year and was mainly attributable to decrease in Billing of utilities-net due to lower power cost resulting from significant decrease in coal and fuel prices during calendar year 2023.

Earnings before interest, taxes, depreciation and amortization (EBITDA) surged by 10.2% to ₱157.2 million; while earnings before interest and taxes (EBIT) accelerated by 11.7% to ₱146.6 million. EBITDA margin improved to 77% from last year's 73%.

On the other hand, higher deposit interest rates and cash and cash equivalents resulted to higher interest income to ₱20.0 million from last year's ₱5.1 million.

Tax expense decreased by 3.5% to ₱27.2 million due to lower taxable income. Net income ended at ₱139.1 million, up versus ₱108.0 million the previous year.

## 2) Financial Condition

|  | As of December 31 |             | Horizontal Analysis |         | Vertical |      |
|--|-------------------|-------------|---------------------|---------|----------|------|
|  | 2023              | 2022        | Change<br>In PhP    | In %    | 2023     | 2022 |
| <b>ASSETS</b>  |                   |             |                     |         |          |      |
| <b>Current Assets</b>  |                   |             |                     |         |          |      |
| Cash and cash equivalents  | 602,851,835       | 444,059,062 | 158,792,773         | 35.8%   | 57%      | 49%  |
| Receivables  | 162,518,746       | 164,334,134 | (1,815,388)         | -1.1%   | 15%      | 18%  |
| Due from affiliates  | -                 | 5,398       | (5,398)             | -100.0% | 0%       | 0%   |
| Other current assets   | 5,926,076         | 3,867,203   | 2,058,873           | 53.2%   | 1%       | 0%   |
| Total Current Assets   | 771,296,657       | 612,265,797 | 159,030,860         | 26.0%   | 73%      | 67%  |
| <b>Noncurrent Assets</b>   |                   |             |                     |         |          |      |
| Investment properties - net                                      | 243,241,439       | 248,276,932 | (5,035,493)         | -2.0%   | 23%      | 27%  |
| Property and equipment - net                                     | 47,064,073        | 50,883,343  | (3,819,270)         | -7.5%   | 4%       | 6%   |
| Total Noncurrent Assets  | 290,305,512       | 299,160,275 | (8,854,763)         | -3.0%   | 27%      | 33%  |
|  | 1,061,602,169     | 911,426,072 | 150,176,097         | 16.5%   | 100%     | 100% |
| <b>LIABILITIES AND EQUITY</b>                                    |                   |             |                     |         |          |      |
| <b>Current Liabilities</b>                                       |                   |             |                     |         |          |      |
| Accounts payable and accrued expenses                            | 91,248,228        | 77,527,641  | 13,720,587          | 17.7%   | 9%       | 9%   |
| Deposit and other liabilities                                    | 23,586,945        | 31,414,179  | (7,827,234)         | -24.9%  | 2%       | 3%   |
| Due to affiliates  | 99,931            | -           | 99,931              | 100.0%  | 0%       | 0%   |
| Income tax payable   | 4,628,087         | 5,899,988   | (1,271,901)         | -21.6%  | 0%       | 1%   |
| Total Current Liabilities  | 119,563,191       | 114,841,808 | 4,721,383           | 4.1%    | 11%      | 13%  |
| <b>Noncurrent Liabilities</b>                                    |                   |             |                     |         |          |      |
| Deposit and other liabilities                                    | 20,001,987        | 13,060,892  | 6,941,095           | 53.1%   | 2%       | 1%   |
| Pension liabilities  | 1,433,391         | 1,338,827   | 94,564              | 7.1%    | 0%       | 0%   |
| Deferred tax liabilities - net                                   | 1,183,888         | 1,868,751   | (684,863)           | -36.6%  | 0%       | 0%   |
| Total Noncurrent Liabilities                                     | 22,619,266        | 16,268,470  | 6,350,796           | 39.0%   | 2%       | 2%   |
| Total Liabilities  | 142,182,457       | 131,110,278 | 11,072,179          | 8.4%    | 13%      | 14%  |
| <b>Equity</b>  |                   |             |                     |         |          |      |
| Capital stock  | 100,000,000       | 100,000,000 | -                   | 0.0%    | 9%       | 11%  |
| Additional paid-in capital                                       | 450,000,000       | 450,000,000 | -                   | 0.0%    | 42%      | 49%  |
| Retained earnings  | 368,872,493       | 229,738,355 | 139,134,138         | 60.6%   | 35%      | 25%  |
| Remeasurement of net defined benefit liabilities -<br>net of tax | 547,219           | 577,439     | (30,220)            | -5.2%   | 0%       | 0%   |
| Total Equity   | 919,419,712       | 780,315,794 | 139,103,918         | 17.8%   | 87%      | 86%  |
|  | 1,061,602,169     | 911,426,072 | 150,176,097         | 16.5%   | 100%     | 100% |

APVI's financial position remains solid with total assets as of December 31, 2023 at ₱1,061.6 million, an increase by 16.5% from ₱911.4 million as of December 31, 2022.

Cash and cash equivalents grew by 35.8% to ₱602.9 million mainly due to net cash generated from operations for the calendar year 2023 driven by higher revenues. These internally-generated funds sufficiently covered APVI's tightly managed working capital and capital expenditure disbursements during the period.

Other current assets increased by 53.2% to ₱5.9 million due to increase in advances to suppliers and contractors.

The decrease in Property and equipment - net by 7.5% to ₱47.1 million pertains to depreciation, net of asset acquisitions during the year.

Total liabilities of the Company as of December 31, 2023 amounted to ₱142.2 million, higher than 2022's ₱131.1 million by 8.4%.

Accounts payable and accrued expenses amounting to ₱91.2 million as of December 31, 2023 increased by 17.7% from a year ago mainly due to higher trade payables and timing of payment; while current portion of deposits and other liabilities decreased by 24.9% versus last year to ₱23.6 million while noncurrent portion of deposits and other liabilities increased by 53.1% from the previous year to ₱20.0 million due to renewals of lease contract during the period ended December 31, 2023.

Income tax payable represents regular income tax due, net of available creditable withholding taxes. Income tax payable decreased by 21.6% to ₱4.6 million due to lower taxable income and higher creditable withholding taxes during 2023.

Deferred tax liabilities - net decreased by 36.6% to ₱1.2 million mainly due to the amortization of capitalized interest.

Pension liabilities increased by 7.1% to ₱1.4 million due to lower gain on assumptions and higher contributions paid this year compared to the previous year.

The Company's net gearing ratio is nil as it does not have any outstanding bank loans as of December 31, 2023 and 2022.

Total equity expanded by 17.8% to ₱919.4 million as of December 31, 2023 versus last last year's ₱780.3 million from the net income generated in 2023.

**(b) Calendar Year Ended December 31, 2022 versus same period in 2021**

**1) Results of Operations**

|   | For the Years<br>Ended December 31 |             | Horizontal Analysis<br>Change |         | Vertical |      |
|---|------------------------------------|-------------|-------------------------------|---------|----------|------|
|   | 2022                               | 2021        | In PhP                        | In %    | 2022     | 2021 |
| <b>RENTAL REVENUES</b>                        | 194,417,969                        | 129,362,966 | 65,055,003                    | 50.3%   | 100%     | 100% |
| <b>COSTS OF RENTAL SERVICES</b>               | 17,396,337                         | 11,724,909  | 5,671,428                     | 48.4%   | 9%       | 9%   |
| <b>GROSS INCOME</b>                           | 177,021,632                        | 117,638,057 | 59,383,575                    | 50.5%   | 91%      | 91%  |
| <b>GENERAL AND ADMINISTRATIVE EXPENSES</b>    |                                    |             |                               |         |          |      |
| Billing of utilities - net                    | 30,371,772                         | 19,731,257  | 10,640,515                    | 53.9%   | 16%      | 15%  |
| Salaries, wages and employee benefits         | 8,968,816                          | 8,450,396   | 518,420                       | 6.1%    | 5%       | 7%   |
| Taxes and licenses                            | 2,529,838                          | 2,302,307   | 227,531                       | 9.9%    | 1%       | 2%   |
| Insurance                                     | 2,061,850                          | 2,323,705   | (261,855)                     | -11.3%  | 1%       | 2%   |
| Professional, management and consultancy fees | 1,108,214                          | 1,469,710   | (361,496)                     | -24.6%  | 1%       | 1%   |
| Advertising                                   | 745,207                            | 828,584     | (83,377)                      | -10.1%  | 0%       | 1%   |
| Travel and communication                      | 243,576                            | 253,100     | (9,524)                       | -3.8%   | 0%       | 0%   |
| Supplies                                      | 101,346                            | 63,024      | 38,322                        | 60.8%   | 0%       | 0%   |
|   | 46,130,619                         | 35,422,083  | 10,708,536                    | 30.2%   | 24%      | 27%  |
| <b>OPERATING INCOME</b>                       | 130,891,013                        | 82,215,974  | 48,675,039                    | 59.2%   | 67%      | 64%  |
| <b>OTHER INCOME (EXPENSES)</b>                |                                    |             |                               |         |          |      |
| Interest income                               | 5,146,803                          | 809,125     | 4,337,678                     | 536.1%  | 3%       | 1%   |
| Interest expense                              | (231,720)                          | (119,192)   | (112,528)                     | 94.4%   | 0%       | 0%   |
| Other income (expense) - net                  | 350,901                            | (1,484,031) | 1,834,932                     | -123.6% | 0%       | -1%  |
|   | 5,265,984                          | (794,098)   | 6,060,082                     | -763.1% | 3%       | -1%  |
| <b>INCOME BEFORE INCOME TAX</b>               | 136,156,997                        | 81,421,876  | 54,735,121                    | 67.2%   | 70%      | 63%  |
| <b>TAX EXPENSE</b>                            | 28,198,764                         | 16,577,265  | 11,621,499                    | 70.1%   | 15%      | 13%  |
| <b>NET INCOME</b>                             | 107,958,233                        | 64,844,611  | 43,113,622                    | 66.5%   | 56%      | 50%  |
| <b>OTHER COMPREHENSIVE INCOME (LOSS)</b>      | 432,696                            | 248,285     | 184,411                       | 74.3%   | 0%       | 0%   |
| <b>TOTAL COMPREHENSIVE INCOME</b>             | 108,390,929                        | 65,092,896  | 43,298,033                    | 66.5%   | 56%      | 50%  |

The Company's total rental revenues accelerated by 50.3% to ₱194.4 million for the year ended December 31, 2022 compared to the previous year's ₱129.4 million. This is mainly attributable to increase in footfall and number of operating tenants as well as improved consumer spending and retail sales versus last year owing to the improvement in overall consumer confidence owing to the easing of COVID-19 restrictions which helped to drive the Philippine's strong economic growth during 2022.

Costs of rental services went up by 48.4% to ₱17.4 million from ₱11.7 million last year mainly due to depreciation on new capital expenditures and higher level of repairs and maintenance expenses. Similarly, general and administrative expenses increased by 30.2% to ₱46.1 million from ₱35.4 million last year and was mainly attributable to higher power cost resulting from significant increase in coal and fuel prices during calendar year 2022.

Earnings before interest, taxes, depreciation and amortization (EBITDA) surged by 60.0% to ₱142.6 million; while earnings before interest and taxes (EBIT) accelerated by 62.6% to ₱131.2 million. EBITDA margin improved to 73% from last year's 69%.

On the other hand, higher deposit interest rates resulted to higher other income - net to ₱5.3 million from last year's other expense - net of ₱0.8 million.

Provision for income tax increased by 70.1% to ₱28.2 million as a result of increase in taxable income driven by higher revenues and interest income subject to final tax. Net income ended at ₱108.0 million, up versus ₱68.8 million the previous year.

## 2) Financial Condition

|   | As of December 31 |             | Horizontal Analysis |        | Vertical |      |
|---|-------------------|-------------|---------------------|--------|----------|------|
|   | 2022              | 2021        | Change<br>In PhP    | In %   | 2022     | 2021 |
| <b>ASSETS</b>   |                   |             |                     |        |          |      |
| <b>Current Assets</b>   |                   |             |                     |        |          |      |
| Cash and cash equivalents                                     | 444,059,062       | 284,220,366 | 159,838,696         | 56.2%  | 49%      | 36%  |
| Receivables   | 164,334,134       | 199,971,832 | (35,637,698)        | -17.8% | 18%      | 25%  |
| Due from affiliates   | 5,398             | 5,398       | -                   | 0.0%   | 0%       | 0%   |
| Other current assets  | 3,867,203         | 4,895,897   | (1,028,694)         | -21.0% | 0%       | 1%   |
| Total Current Assets  | 612,265,797       | 489,093,493 | 123,172,304         | 25.2%  | 67%      | 62%  |
| <b>Noncurrent Assets</b>                                      |                   |             |                     |        |          |      |
| Investment properties - net                                   | 248,276,932       | 256,865,337 | (8,588,405)         | -3.3%  | 27%      | 32%  |
| Property and equipment - net                                  | 50,883,343        | 46,210,851  | 4,672,492           | 10.1%  | 6%       | 6%   |
| Total Noncurrent Assets                                       | 299,160,275       | 303,076,188 | (3,915,913)         | -1.3%  | 33%      | 38%  |
|   | 911,426,072       | 792,169,681 | 119,256,391         | 15.1%  | 100%     | 100% |
| <b>LIABILITIES AND EQUITY</b>                                 |                   |             |                     |        |          |      |
| <b>Current Liabilities</b>                                    |                   |             |                     |        |          |      |
| Accounts payable and accrued expenses                         | 77,527,641        | 69,867,634  | 7,660,007           | 11.0%  | 9%       | 9%   |
| Deposit and other liabilities                                 | 31,414,179        | 36,458,135  | (5,043,956)         | -13.8% | 3%       | 5%   |
| Income tax payable  | 5,899,988         | 5,493,704   | 406,284             | 7.4%   | 1%       | 1%   |
| Total Current Liabilities                                     | 114,841,808       | 111,819,473 | 3,022,335           | 2.7%   | 13%      | 14%  |
| <b>Noncurrent Liabilities</b>                                 |                   |             |                     |        |          |      |
| Deposit and other liabilities                                 | 13,060,892        | 5,549,554   | 7,511,338           | 135.4% | 1%       | 1%   |
| Pension liabilities   | 1,338,827         | 1,527,445   | (188,618)           | -12.3% | 0%       | 0%   |
| Deferred tax liabilities - net                                | 1,868,751         | 1,348,344   | 520,407             | 38.6%  | 0%       | 0%   |
| Total Noncurrent Liabilities                                  | 16,268,470        | 8,425,343   | 7,843,127           | 93.1%  | 2%       | 1%   |
| Total Liabilities   | 131,110,278       | 120,244,816 | 10,865,462          | 9.0%   | 14%      | 15%  |
| <b>Equity</b>   |                   |             |                     |        |          |      |
| Capital stock   | 100,000,000       | 100,000,000 | -                   | 0.0%   | 11%      | 13%  |
| Additional paid-in capital                                    | 450,000,000       | 450,000,000 | -                   | 0.0%   | 49%      | 57%  |
| Retained earnings   | 229,738,355       | 121,780,122 | 107,958,233         | 88.7%  | 25%      | 15%  |
| Remeasurement of net defined benefit liabilities - net of tax | 577,439           | 144,743     | 432,696             | 298.9% | 0%       | 0%   |
| Total Equity  | 780,315,794       | 671,924,865 | 108,390,929         | 16.1%  | 86%      | 85%  |
|   | 911,426,072       | 792,169,681 | 119,256,391         | 15.1%  | 100%     | 100% |

APVI's financial position remains solid with total assets as of December 31, 2022 at ₱911.4 million, an increase by 15.1% from ₱792.2 million as of December 31, 2021.

Cash and cash equivalents grew by 56.2% to ₱444.1 million mainly due to net cash generated from operations for the calendar year 2022 driven by higher revenues and collection of prior year's rentals. These internally-generated funds sufficiently covered APVI's tightly managed working capital and capital expenditure disbursements during the period.

Receivables decreased by 17.8% to ₱164.3 million from ₱200.0 million the previous year mainly due to collection of prior year's rentals and improved collection efficiency during 2022.

Other current assets decreased by 21.0% to ₱3.9 million due to the application of advances to suppliers and contractors against billings upon completion.

The increase in Property and equipment - net by 10.1% to ₱50.9 million pertains to new asset acquisitions, net of depreciation during the year.

Total liabilities of the Company as of December 31, 2022 amounted to ₱131.1 million, higher than 2021's ₱120.2 million by 9.0%.

Accounts payable and accrued expenses amounting to ₱77.5 million as of December 31, 2022 increased by 11.0% from a year ago mainly due to higher deferred output; while current portion of deposits and other liabilities decreased by 13.8% versus last year to ₱31.4 million while noncurrent portion of deposits and other liabilities increased by 135.4% from the previous year to ₱13.1 million due to renewals of lease contract during the period ended December 31, 2022.

Income tax payable represents regular income tax due, net of available creditable withholding taxes. Income tax payable increased by 7.4% to ₱5.9 million due to higher taxable income offset by higher creditable withholding taxes during 2022.

Deferred tax liabilities - net increased by 38.6% to ₱1.9 million mainly due to the effect of straight-lining of rental income in compliance with PFRS 16.

Pension liabilities decreased by 12.3% to ₱1.3 million due to lower current service cost this year compared to the previous year.

The Company's net gearing ratio is nil as it does not have any outstanding bank loans as of December 31, 2022 and 2021.

Total equity expanded by 16.1% to ₱780.3 million as of December 31, 2022 versus last last year's ₱671.9 million from the net income generated in 2022.

### (c) Calendar Year Ended December 31, 2021 versus same period in 2020

#### 1) Results of Operations

|   | For the Years<br>Ended December 31 |             | Horizontal Analysis<br>Change |         | Vertical |      |
|---|------------------------------------|-------------|-------------------------------|---------|----------|------|
|   | 2021                               | 2020        | In PhP                        | In %    | 2021     | 2020 |
| <b>RENTAL REVENUES</b>                        | 129,362,966                        | 97,990,499  | 31,372,467                    | 32.0%   | 100%     | 100% |
| <b>COSTS OF RENTAL SERVICES</b>               | 11,724,909                         | 26,996,407  | (15,271,498)                  | -56.6%  | 9%       | 28%  |
| <b>GROSS INCOME</b>                           | 117,638,057                        | 70,994,092  | 46,643,965                    | 65.7%   | 91%      | 72%  |
| <b>GENERAL AND ADMINISTRATIVE EXPENSES</b>    |                                    |             |                               |         |          |      |
| Billing of utilities - net                    | 19,731,257                         | 18,598,908  | 1,132,349                     | 6.1%    | 15%      | 19%  |
| Salaries, wages and employee benefits         | 8,450,396                          | 6,969,736   | 1,480,660                     | 21.2%   | 7%       | 7%   |
| Insurance                                     | 2,323,705                          | 2,323,705   | -                             | 0.0%    | 2%       | 2%   |
| Taxes and licenses                            | 2,302,307                          | 2,573,081   | (270,774)                     | -10.5%  | 2%       | 3%   |
| Professional, management and consultancy fees | 1,469,710                          | 6,967,833   | (5,498,123)                   | -78.9%  | 1%       | 7%   |
| Advertising                                   | 828,584                            | 775,861     | 52,723                        | 6.8%    | 1%       | 1%   |
| Travel and communication                      | 253,100                            | 516,321     | (263,221)                     | -51.0%  | 0%       | 1%   |
| Supplies                                      | 63,024                             | 182,706     | (119,682)                     | -65.5%  | 0%       | 0%   |
|   | 35,422,083                         | 38,908,151  | (3,486,068)                   | -9.0%   | 27%      | 40%  |
| <b>OPERATING INCOME</b>                       | 82,215,974                         | 32,085,941  | 50,130,033                    | 156.2%  | 64%      | 33%  |
| <b>OTHER INCOME (EXPENSES)</b>                |                                    |             |                               |         |          |      |
| Interest income                               | 809,125                            | 1,205,948   | (396,823)                     | -32.9%  | 1%       | 1%   |
| Interest expense                              | (119,192)                          | (239,321)   | 120,129                       | -50.2%  | 0%       | 0%   |
| Other income (expense) - net                  | (1,484,031)                        | (1,486,185) | 2,154                         | -0.1%   | -1%      | -2%  |
|   | (794,098)                          | (519,558)   | (274,540)                     | 52.8%   | -1%      | -1%  |
| <b>INCOME BEFORE INCOME TAX</b>               | 81,421,876                         | 31,566,383  | 49,855,493                    | 157.9%  | 63%      | 32%  |
| <b>TAX EXPENSE</b>                            | 16,577,265                         | 9,609,614   | 6,967,651                     | 72.5%   | 13%      | 10%  |
| <b>NET INCOME</b>                             | 64,844,611                         | 21,956,769  | 42,887,842                    | 195.3%  | 50%      | 22%  |
| <b>OTHER COMPREHENSIVE INCOME (LOSS)</b>      | 248,285                            | (291,564)   | 539,849                       | -185.2% | 0%       | 0%   |
| <b>TOTAL COMPREHENSIVE INCOME</b>             | 65,092,896                         | 21,665,205  | 43,427,691                    | 200.4%  | 50%      | 22%  |

The Company achieved a 32.0% growth in rental revenues to ₱129.4 million for the year ended December 31, 2021 compared the previous year's ₱98.0 million. This is mainly attributable to increase in footfall and number of operating tenants versus last

year owing to the improvement in overall consumer confidence on the back of the declining number of COVID-19 cases with the increased inoculation rate of the general population.

Meanwhile, the Company continues to be laser-focused on maintaining operational efficiency with costs of rental services declining by 56.6% to ₱11.7 million from ₱27.0 million last year, and general and administrative expenses by 9.0% to ₱35.4 million from ₱38.9 million last year. The decline in cost of rental services was mainly due to lower depreciation expense arising from the updated estimated useful lives for buildings from 10 years to 20 years and building improvements from 20 years to 40 years. The update in useful life was made in order for the depreciation expense to be more representative of the pattern of usage of the assets, in line with peers. The decrease in general and administrative expenses was mainly attributable to lower level of professional, management and consultancy fees, taxes and licenses, supplies and travel and communication.

Earnings before interest, taxes, depreciation and amortization (EBITDA) surged by 63.0% to ₱89.4 million; while earnings before interest and taxes (EBIT) accelerated by 163.8% to ₱80.7 million. EBITDA margin improved to 69% from last year's 56%.

On the other hand, lower deposit interest rates resulted to a lower other expenses - net to ₱0.8 million.

Lastly, tax cuts arising from the enactment of CREATE Act in March 2020 resulted to an improved effective income tax rate causing net income to more than double to ₱68.8 million versus the previous year.

## 2) Financial Condition

|   | As of December 31 |             | Horizontal Analysis |         | Vertical |      |
|---|-------------------|-------------|---------------------|---------|----------|------|
|   | 2021              | 2020        | Change<br>In P/P    | In %    | 2021     | 2020 |
| <b>ASSETS</b>   |                   |             |                     |         |          |      |
| <b>Current Assets</b>   |                   |             |                     |         |          |      |
| Cash and cash equivalents                                     | 284,220,366       | 218,962,064 | 65,258,302          | 29.8%   | 36%      | 31%  |
| Receivables   | 199,971,832       | 168,563,860 | 31,407,972          | 18.6%   | 25%      | 24%  |
| Due from affiliates   | 5,398             | 26,334      | (20,936)            | -79.5%  | 0%       | 0%   |
| Other current assets  | 4,895,897         | 10,122,103  | (5,226,206)         | -51.6%  | 1%       | 1%   |
| Total Current Assets  | 489,093,493       | 397,674,361 | 91,419,132          | 23.0%   | 62%      | 57%  |
| <b>Noncurrent Assets</b>                                      |                   |             |                     |         |          |      |
| Investment properties - net                                   | 256,865,337       | 262,546,194 | (5,680,857)         | -2.2%   | 32%      | 37%  |
| Property and equipment - net                                  | 46,210,851        | 43,433,774  | 2,777,077           | 6.4%    | 6%       | 6%   |
| Total Noncurrent Assets                                       | 303,076,188       | 305,979,968 | (2,903,780)         | -0.9%   | 38%      | 43%  |
|   | 792,169,681       | 703,654,329 | 88,515,352          | 12.6%   | 100%     | 100% |
| <b>LIABILITIES AND EQUITY</b>                                 |                   |             |                     |         |          |      |
| <b>Current Liabilities</b>                                    |                   |             |                     |         |          |      |
| Accounts payable and accrued expenses                         | 69,867,634        | 54,771,831  | 15,095,803          | 27.6%   | 9%       | 8%   |
| Deposit and other liabilities                                 | 36,458,135        | 29,550,900  | 6,907,235           | 23.4%   | 5%       | 4%   |
| Income tax payable  | 5,493,704         | 2,639,173   | 2,854,531           | 108.2%  | 1%       | 0%   |
| Total Current Liabilities                                     | 111,819,473       | 86,961,904  | 24,857,569          | 28.6%   | 14%      | 12%  |
| <b>Noncurrent Liabilities</b>                                 |                   |             |                     |         |          |      |
| Deposit and other liabilities                                 | 5,549,554         | 6,302,564   | (753,010)           | -11.9%  | 1%       | 1%   |
| Pension liabilities   | 1,527,445         | 1,528,540   | (1,095)             | -0.1%   | 0%       | 0%   |
| Deferred tax liabilities - net                                | 1,348,344         | 2,029,352   | (681,008)           | -33.6%  | 0%       | 0%   |
| Total Noncurrent Liabilities                                  | 8,425,343         | 9,860,456   | (1,435,113)         | -14.6%  | 1%       | 1%   |
| Total Liabilities   | 120,244,816       | 96,822,360  | 23,422,456          | 24.2%   | 15%      | 14%  |
| <b>Equity</b>   |                   |             |                     |         |          |      |
| Capital stock   | 100,000,000       | 100,000,000 | -                   | 0.0%    | 13%      | 14%  |
| Additional paid-in capital                                    | 450,000,000       | 450,000,000 | -                   | 0.0%    | 57%      | 64%  |
| Retained earnings   | 121,780,122       | 56,935,511  | 64,844,611          | 113.9%  | 15%      | 8%   |
| Remeasurement of net defined benefit liabilities - net of tax | 144,743           | (103,542)   | 248,285             | -239.8% | 0%       | 0%   |
| Total Equity  | 671,924,865       | 606,831,969 | 65,092,896          | 10.7%   | 85%      | 86%  |
|   | 792,169,681       | 703,654,329 | 88,515,352          | 12.6%   | 100%     | 100% |

APVI's financial position remains solid with total assets as of December 31, 2021 at ₱792.2 million, an increase by 12.6% from ₱703.7 million as of December 31, 2020.

Cash and cash equivalents grew by 29.8% to ₱284.2 million mainly due to net cash generated from operations for the calendar year 2021. These internally-generated funds sufficiently covered APVI's tightly managed working capital and capital expenditure disbursements during the period.

Receivables increased by 18.6% to ₱200.0 million from ₱168.6 million the previous year as a consequence of higher rental revenues.

Other current assets decreased by 51.6% to ₱4.9 million due to the application of creditable withholding tax as tax credit against the Company's income tax payment.

The increase in Property and equipment - net by 6.4% to ₱46.2 million pertains to new asset acquisitions during the year.

Total liabilities of the Company as of December 31, 2021 amounted to ₱120.2 million, higher than 2020's ₱96.8 million by 24.2%.

Accounts payable and accrued expenses amounting to ₱69.9 million as of December 31, 2021 increased by 27.6% from a year ago mainly due to higher deferred output; while deposits from lessees and deposits and other liabilities totaling ₱42.0 million increased by 17.2% versus last year.

Income tax payable represents regular income tax due, net of available creditable withholding taxes. Income tax payable increased by 108.2% to ₱5.5 million due to higher taxable income during the year.

Deferred tax liabilities - net decreased by 33.6% to ₱1.3 million mainly due to the effect of straight-lining of rental income in compliance with PFRS 16 and lower tax rate from 30% to 25% due to enactment of the CREATE Act.

Pension liabilities slightly decreased by less than half of 1.0% to ₱1.5 million due to benefits paid in 2021.

The Company's net gearing ratio is nil as it does not have any outstanding bank loans as of December 31, 2021 and 2020.

Total equity expanded by 10.7% to ₱671.9 million as of December 31, 2021 versus last last year's ₱606.8 million from the net income generated in 2021.

**(d) Key Performance Indicators**

A summary of APVI's key performance indicators are presented below. The Company employs analyses using comparisons and measurements based on the financial data for current periods against the same period of the previous year.

The key performance indicators for the calendar years ended December 31 are as follows:

| <b>(Amounts in PHP)</b>               | <b>2023</b>   | <b>2022</b>   | <b>2021</b>   |
|---------------------------------------|---------------|---------------|---------------|
| Gross revenues                        | 203.1 million | 194.4 million | 129.4 million |
| EBIT                                  | 146.6 million | 131.2 million | 80.7 million  |
| EBITDA                                | 157.2 million | 142.6 million | 89.4 million  |
| Net income                            | 139.1 million | 108.0 million | 64.8 million  |
| Earnings per share <sup>1</sup>       | 1.39          | 1.08          | 0.65          |
| Net book value per share <sup>2</sup> | 9.19          | 7.80          | 6.72          |
| Current ratio <sup>3</sup>            | 6.45:1        | 5.33:1        | 4.37:1        |
| Debt to equity ratio <sup>4</sup>     | N/A           | N/A           | N/A           |
| Asset to equity ratio <sup>5</sup>    | 1.15:1        | 1.17:1        | 1.18:1        |
| Return on Equity <sup>6</sup>         | 15%           | 14%           | 10%           |
| Return on Total Assets <sup>7</sup>   | 13%           | 12%           | 8%            |
| Net Income Margin <sup>8</sup>        | 69%           | 56%           | 50%           |
| Gross Margin <sup>9</sup>             | 92%           | 91%           | 91%           |
| Operating Margin <sup>10</sup>        | 72%           | 67%           | 64%           |

**Notes:**

- <sup>1</sup> Earnings per share is computed as Net income divided by total Common Shares outstanding
- <sup>2</sup> Net book value per share is computed as Total equity divided by total Common Shares outstanding
- <sup>3</sup> Current ratio is computed as Current assets divided by Current liabilities
- <sup>4</sup> Debt to equity ratio is computed as Total Financial Debt divided by Total equity
- <sup>5</sup> Asset to equity ratio is computed as Total assets divided by Total equity
- <sup>6</sup> Return on Equity is computed as Net income divided by Total equity
- <sup>7</sup> Return on Total Assets is computed as Net income divided by Total assets
- <sup>8</sup> Net Income Margin is computed as Net income divided by Total revenues
- <sup>9</sup> Gross Margin is computed as Gross income divided by Total revenues
- <sup>10</sup> Operating Margin is computed as Operating income divided by Total revenues



**(2) Trends, Events or Uncertainties that have had or that are reasonably expected to affect revenues and income**

- (a) The Company is not aware of any event that will trigger a direct or contingent financial obligation that would be material to the Company, including any default or acceleration of any obligation.
- (b) The Company is not aware of any material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.
- (c) Except for the impact of COVID-19 pandemic to the Company's operations starting March 2020, the Company is not aware of any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations.
- (d) The Company is not aware of any seasonal aspects that had a material effect on the financial condition or results of operations of the Company.

**(G) Financial Statements**

The financial statements and schedules listed in the accompanying Index to Financial Statements and Supplementary Schedules (page 83) are filed as part of this Form 17-A (pages 85 to 140).

**(H) Information on Independent Accountant and Other Related Matters**

**(1) External Audit Fees and Services**

*Punongbayan & Araullo* (the "Auditors"), has audited the Company's financial statements as of and for the calendar years ended December 31, 2023, 2022 and 2021.

**Audit and Audit-Related Fees**

The table below sets forth the aggregate fees billed to the Company for each of the last two years for professional services rendered by *Punongbayan & Araullo* :

| Particulars   | 2023            | 2022            |
|---|-----------------|-----------------|
| <b>Audit and Audit-Related Fees</b>   |                 |                 |
| <i>Fees for services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagement</i> | <b>P626,750</b> | <b>P586,500</b> |
| <b>All other fees</b>   | <b>40,000</b>   | <b>35,000</b>   |
| <b>TOTAL</b>  | <b>P666,750</b> | <b>621,500</b>  |

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

**(2) Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

There have been no disagreements with the Auditors of the Company on accounting and financial disclosure.

## PART III – CONTROL AND COMPENSATION INFORMATION

### (I) Directors and Executive Officers of the Registrant

#### (1) Board of Directors and Executive Officers

The overall management and supervision of the Company is undertaken by the Board. The Board is composed of seven (7) members, three (3) of whom are independent directors. The term of a director is one year from date of election and until their successors are elected and qualified.

As of December 31, 2023, the composition of the Company's Board is as follows:

| Name                    | Age | Citizenship | Position  |
|-------------------------|-----|-------------|---|
| Frederick D. Go         | 54  | Filipino    | Director and Chairman                           |
| Faraday D. Go           | 48  | Filipino    | Director, President and Chief Executive Officer |
| Lance Y. Gokongwei      | 57  | Filipino    | Director  |
| Corazon L. Ang Ley      | 56  | Filipino    | Director  |
| Martin Q. Dy Buncio     | 59  | Filipino    | Director (Independent)                          |
| Maynard S. Ngu          | 44  | Filipino    | Director (Independent)                          |
| Jean Henri D. Lhuillier | 54  | Filipino    | Director (Independent)                          |

As of December 31, 2023, the following are the Company's executive officers:

| Name                        | Age | Citizenship | Position  |
|-----------------------------|-----|-------------|---|
| Frederick D. Go             | 54  | Filipino    | Director and Chairman   |
| Faraday D. Go               | 48  | Filipino    | Director, President and Chief Executive Officer                                     |
| Kerwin Max S. Tan           | 54  | Filipino    | Chief Finance Officer, Treasurer, Compliance Officer, and Chief Information Officer |
| Anne Mae E. Mangaser        | 40  | Filipino    | Vice President - Controller   |
| Selene Erica S. Lim         | 36  | Filipino    | Investor Relations Head   |
| Dennis R. Llarena           | 48  | Filipino    | Data Privacy Officer  |
| Juan Antonio M. Evangelista | 52  | Filipino    | Corporate Secretary   |
| Iris Fatima V. Cero         | 37  | Filipino    | Assistant Corporate Secretary   |

The above directors and officers have served their respective offices since May 12, 2023. The independent directors of the Company are Martin Q. Dy Buncio, Maynard S. Ngu and Jean Henri D. Lhuillier. Mr. Frederick D. Go resigned as member of the BOD and as Chairman of APVI effective January 8, 2024.

The following discussion presents a brief description of the business experience of each of the Company's directors and executive officers over the past five (5) years.

**Frederick D. Go**, 54, is the Chairman of Altus Property Ventures, Inc. He concurrently serves as President of Universal Hotels and Resorts, Inc. He is also the Chairman of RL Commercial REIT, Inc., and Altus Property and the Vice Chairman of Luzon International Premier Airport Development Corporation. He is a Trustee and the President of Robinsons Land Foundation, Inc. and Universal Cultural Foundation, Inc. He is the Group General Manager of Shanghai Ding Feng Real Estate Development Company Limited, Xiamen Pacific Estate Investment Company Limited, Chengdu Ding Feng Real Estate Development Company Limited, Taicang Ding Feng Real Estate Development Company Limited, Taicang Ding Sheng Real Estate Development Company Limited, Chongqing Robinsons Land Real Estate Company Limited, and Chongqing Ding Hong Real Estate Development Company Limited. He is a Director of Cebu Air, Inc., Manila Electric Company, JG Summit Olefins Corporation, and Cebu Light Industrial Park. He is the Vice Chairman of the Board of Directors of Robinsons Bank Corporation, and of the Executive Committee of the said bank. He also serves as the Vice Chairman of the Philippine Retailers Association. He received a Bachelor of Science degree in Management Engineering from the Ateneo de Manila University. Mr. Frederick D. Go resigned as member of the BOD and as Chairman of APVI effective January 8, 2024.

**Faraday D. Go**, 48, is the President and Chief Executive Officer of APVI. He is also the Executive Vice President of Robinsons Land Corporation. Prior to joining RLC, he was Vice President of the Retail Management and Corporate Sales Division of Digitel Mobile Philippines, Inc. He has over fifteen years' experience in the following businesses: Apo Cement, JG Summit Petrochemical Corporation and Digitel Mobile Philippines, Inc. He received a Bachelor of Science degree in Management (Minor in Finance) from the Ateneo de Manila University in 1998.

**Lance Y. Gokongwei**, 57, is a Director of Altus Property Ventures, Inc. He is also the Chairman of Cebu Air, Inc., Universal Robina Corporation, Robinsons Retail Holdings, Inc., Universal Hotels and Resorts, Inc., and JG Summit Olefins Corporation. He is the President and Chief Executive Officer of JG Summit Holdings, Inc. He is a Director and Vice Chairman of the Executive Committee of Manila Electric Company, and a Director of RL Commercial REIT, Inc., Oriental Petroleum and Minerals Corporation, Singapore Land Group Limited, Shakey's Asia Pizza Ventures, Inc., AB Capital and Investment Corporation, and Endeavor Acquisition Corporation. He is a Trustee and the Chairman of the Gokongwei Brothers Foundation, Inc., Robinsons Land Foundation, Inc. and Universal Cultural Foundation, Inc. He received a Bachelor of Science degree in Applied Science from the University of Pennsylvania.

**Corazon L. Ang Ley**, 56, is a Director of APVI. She is also the Senior Vice President and Corporate Land Acquisition Head for RLC. She's held various positions and functions within RLC during her 29 years of service including her 3 year stint in China. She is also a Board Member of several companies namely Altus Mall Ventures, Inc., Robinsons Realty and Management Corp, RL Property Management, Inc. and RL Logistix and Industrials, Inc. She graduated from the University of the Philippines - Asian Institute of Tourism in 1987.

**Martin Q. Dy Buncio**, 59, Filipino, has been an independent director of APVI since September 2, 2019. He currently occupies the position of Chairman of Pro Oil Corporation, Chairman of Pro Auto Parts Corporation, Director and President of Banam Global Holdings Corporation, President & General Manager at Proline Sports Center, Inc., President of HJ Marketing, President of Design Products Holding Corp and President for Integra Dev Corporation. Mr. Dy Buncio is also on the board of First Metro Investment Corp. He previously held the position of Director and Executive Committee Member of Lepanto Consolidated Mining from (2004 to 2005). He obtained his degree of Bachelor of Arts at De La Salle University in 1987.

**Maynard S. Ngu**, 44, Filipino, has been an independent director of APVI effective September 2, 2019. A young Filipino CEO, the man and brain behind the success of the leading mobile phone brand in the Philippines, Cherry Mobile, established in 2009. He is the Chief Executive Officer of Cosmic Technologies Inc. He is also the President of Cherry Mobile Communications, Inc. (2015 to present), Cosmic Mobile Advertising Inc. (2014 to present), Versatile Customer Care Solutions, Inc. (2007 to present), Kosmos Technomobile, Inc. (2013 to present), and Fimobile Technology, Inc. (2013 to present). He also serves as the CEO of Land Traders Properties and Development Company Inc. (2015 to present) and Starway Piping Technology, Inc. (2018 to present), and he is the Director of Cosmic Digital Universe, Inc. (2011 to present), Quantum Mobile Gears, Inc. (2015 to present), Accucom System Solutions, Inc. (2016 to present), MSN Foundation, Inc. (2014 to present), Intertext and Chat Communications, Inc. (2016 to present), Xionz Technology Inc. (2015 to present), and Casa Nuova Incorporated (2017 to present). He obtained his degree of Bachelor of Science in Commerce, Major in in Management and Finance at De La Salle University.

**Jean Henri D. Lhuillier**, 54, Filipino, has been an independent director of APVI effective September 2, 2019. He is currently the President and CEO of PJ Lhuillier, Inc., Cebuana Lhuillier Insurance Brokerage, Cebuana Lhuillier Services Corp., Cebuana Lhuillier Financial Corp., Cebuana Lhuillier Rural Bank, Inc., Cebuana Lhuillier Foundation, Inc., Just Jewels Diamonds Boutique Corporation, Le Soleil De Boracay Resort, Inc., Networld Capital Ventures, Inc., PawnCare Services, Corp., P & EL Realty Corp., P.J. Lhuillier Development Corp., P.J.L Corporate Centre, Inc., P.J.L Leisure, Inc., P.J.L Ventures, Inc., Rich Gould Real Estate, Inc. Araw Properties and Verite Pawn Corporation. He is also the Director of DFNN.com, Falcor Heli Solutions Philippines, Inc., Hatchasia.com, Intelligent Wave Philippines and Next Ideas, Inc. He is also the Honorary Consul General of the Republic of San Marino to the Philippines. Moreover, he is also an Official Knight of the Equestrian Order of St. Agatha of the Republic of San Marino. In 1992, he received a degree in Bachelor of Science in Economics at Saint Mary's College. In 2013, he received a Doctorate Degree in Humanities at Polytechnic University of the Philippines. In 2009, he also graduated from the Owner/President Management Program from Harvard Business School. He is also an alumnus of the Gemological Institute of America. Mr. Lhuillier is also affiliated with several organizations such as Chamber of Pawnbrokers of the Philippines, Inc (President), Association of Philippine Private Remittance Service Companies, Inc. (Director), Microinsurance Agents Association of the Philippines (Founder Emeritus), Mutual Exchange Forum on Inclusive Insurance (Interim Chairman). He is also a known sports patron in the Philippines and is the President of the Amateur Softball Association of the Philippines and the Unified Tennis Philippines. He has garnered several prestigious awards both local and international such as Gold Award for Maverick of the Year, Entrepreneur of the Year – Financial (2022), Executive Achievement of the Year (2022), Gold Award for Executive of the Year (2018) from the Golden Bridge Awards; Global Filipino Executive of the Year from the Asia CEO Awards (2019); Gold Award for CEO of the Year (2019) and CEO Achievers, Lifetime Achievement Award from CEO World Awards 2019; Gold Stevie Award for Executive of the Year –Financial Services (2022), Gold Stevie Award for Lifetime Achievement (2018) from the International Business Awards. He was also given the Learning Gold Elite Award from the Chief Learning Officer's Learning Elite Awards (2020).

**Kerwin Max S. Tan**, 54, is the Chief Financial, Compliance, Information Officer and Treasurer of APVI. He is also the Chief Financial Officer of RLC. Previously, he was appointed as the Vice President - Treasurer of RLC on October 2014 and Vice President and Deputy Treasurer of RLC on January 2014. Before this assignment, he was the Vice President for Operations of Robinsons Residences effective March 1, 2007. Prior to working in RLC, he worked in various divisions of Citibank N.A. for nine years. His last position at Citibank N.A. was Assistant Vice President and Head of Cash Management Operations. He received a degree in Bachelor of Science in Industrial Engineering from the University of the Philippines, Diliman.

**Anne Mae E. Mangaser**, 40, was appointed as an Vice President - Controller of Altus Property Ventures, Inc. and Robinsons Land Corporation, publicly-listed entities. A Certified Public Accountant, she had a seven-year stint in SGV & Co. (a member firm of Ernst & Young) as an Associate Director and Audit Manager with a broad audit client base including publicly-listed and privately-held real estate entities prior joining RLC in 2011. Graduated Cum Laude, she received a Bachelor's Degree in Accountancy from the Pamantasan ng Lungsod ng Maynila in 2004.

**Selene Erica S. Lim**, 35, is the Investor Relations Head of Altus Property Ventures, Inc. She is the Business Development & Asset Management Director for Robinsons Hotels & Resorts under RLC. She is also an active member of RLC's Investor Relations Team since 2019. Prior to RLC, she served as the Director for Finance and Investor Relations in Xurpas Inc. where she stayed for four years. She also had a two-year stint in BDO Unibank Inc. under the Institutional Banking Group for Commercial Banking. A consistent Dean's Lister, she received a Bachelor of Science degree in Management Engineering (Minor in Marketing) from Ateneo de Manila University in 2010.

**Dennis R. Llarena**, 48, is the Data Privacy Officer (DPO) of APVI. He is also the DPO of RLC and the Management Services Director of its Residential Division. Currently, he is the Real Estate Sector Lead Representative to the Data Privacy Council of the National Privacy Commission. Prior to joining RLC in 2015, he was the Vice President - Finance of Amalgamated Specialties Corporation. He joined SGV & Co. Business Assurance practice after placing 19th in the 1997 Certified Public Accountant Licensure Exam.

**Juan Antonio M. Evangelista**, 52, is the Corporate Secretary of the Company. He is also the Corporate Secretary of Robinsons Land Corporation. He also handles various corporate secretarial functions of a number of companies within the Group. He obtained his Bachelor of Laws degree from Xavier University - Ateneo de Cagayan in 1998. He was admitted to the Philippine Bar in 1999.

**Iris Fatima V. Cero**, 37, is the Assistant Corporate Secretary of Altus Property Ventures, Inc.. She concurrently serve as Assistant Corporate Secretary of Robinsons Land Corporation and RL Commercial REIT, Inc. and Corporate Secretary of RL Fund Management, Inc. and RL Property Management, Inc. Atty. Cero was previously Assistant Legal Counsel with the Residential Division of the Robinsons Land Corporation. She graduated from the San Beda College – Manila College of Law in 2014 and Polytechnic University of the Philippines – College of Communication in 2007, where she earned her Juris Doctor and BA Broadcast Communication degrees, respectively. She was admitted to the Philippine Bar in 2016.

## **(2) Significant Employees**

While all employees are expected to make a significant contribution to the Company, there is no one particular employee, not an executive officer, expected to make a significant contribution to the business of the Company on his own. Other than the aforementioned Directors and Executive Officers, there are no other employees of the Company who may have significant influence in the Company's major and/or strategic planning and decision-making.

## **(3) Family Relationships**

Mr. Lance Y. Gokongwei is the cousin of Mr. Frederick D. Go and Mr. Faraday D. Go. Mr. Frederick D. Go and Mr. Faraday D. Go are brothers.

## **(4) Involvement in Certain Legal Proceedings**

None of the members of APVI's Board nor its executive officers have been involved in any criminal, bankruptcy or insolvency investigations or proceedings, including proceedings relating to securities, commodities or banking activities, or those enjoining such person from involvement in any type of business, for the past five years from December 31, 2023.

## **(J) Executive Compensation**

### **(1) General**

The Company's By-Laws provides that each Director shall receive a reasonable per diem for his or her attendance at every meeting of the Board of Directors. Furthermore, every member of the Board shall receive such compensation for their services, as may, from time to time, be determined by the Board.

Compensation to executive officers and other members of the Board amounted to ₱3.5 million and ₱3.7 million, which is of the nature of per diem during meetings for the calendar year ended December 31, 2023 and 2022, respectively. The Company's estimated compensation to executive officers for the ensuing year is ₱3.7 million per diem during meetings.

There are no other executive officers other than aforementioned and there was no other compensation paid to the directors for the periods indicated.

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

#### **(a) Per Diem Standard Arrangement**

Other than payment of reasonable per diem, there are no standard arrangements pursuant to which directors of the Company are compensated, or are to be compensated, directly or indirectly, for any services provided as director for the last completed fiscal year and the ensuing year.

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

There are no other arrangements pursuant to which any director of the Company was compensated, or is to be compensated, directly or indirectly, during the Company's last completed fiscal year, and the ensuing year, for any service provided as a director.

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

#### **(a) Employment Contract between the Company and Executive Officers**

There are no special employment contracts between the Company and its named executive officers.

#### **(b) Compensatory Plan or Arrangement**

There are no compensatory plan or arrangement between the Company and its named executive officers.

### **(4) Warrants and Options Outstanding**

As of December 31, 2023, none of the Company's directors and executive officers holds any warrants or options in the Company.

## (K) Security Ownership of Certain Record and Beneficial Owners and Management

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

As of December 31, 2023, the following are the owners of the Company's common stock in excess of 5% of total outstanding shares:

| Title of Class | Name and Address of Record Owner and Relationship with Issuer  | Name of Beneficial Owner and Relationship with Record Owner | Citizenship | No. of Shares Held (includes shares held by nominees before Dividend Declaration) | % of Total Outstanding Shares |
|----------------|--|---|-------------|---|-------------------------------|
| Common         | JG Summit Holdings, Inc. <sup>1</sup><br>43rd Floor Robinsons Equitable Tower, ADB Avenue Corner Poveda Street, Ortigas Center, Pasig City Philippines (stockholder) | Same as record owner (See Note 1)                           | Filipino    | 60,972,361  | 60.97%                        |
| Common         | PCD Nominee Corporation (Filipino) <sup>2</sup><br>37/F Tower I, The Enterprise Center 6766 Ayala Ave. corner Paseo de Roxas, Makati City (stockholder)              | PCD Participants and their clients (See Note 2)             | Filipino    | 32,199,170  | 32.20%                        |
| Common         | Robinsons Land Corporation <sup>3</sup><br>Level 2, Galleria Corporate Center, EDSA corner Ortigas Avenue, Quezon City, Philippines (stockholder)                    | Same as record owner (See Note 3)                           | Filipino    | 6,106,359   | 6.11%                         |

**Notes:**

<sup>1</sup> The Chairman and the President of JG Summit Holdings, Inc. (JGSHI) are both empowered under its By-Laws to vote any and all shares owned by JGSHI, except as otherwise directed by its board of directors. The incumbent Chairman and Chief Executive Officer and President of JGSHI are Mr. James L. Go and Ms. Lance Y. Gokongwei, respectively.

<sup>2</sup> PCD Nominee Corporation is the registered owner of the shares in the books of the Corporation's transfer agent. PCD Nominee Corporation is a corporation wholly owned by the Philippine Depository and Trust Corporation, Inc. (formerly the Philippine Central Depository) ("PDTC"), whose sole purpose is to act as nominee and legal title holder of all shares of stock lodged in the PDTC. PDTC is a private corporation organized to establish a central depository in the Philippines and introduce scripless or book-entry trading in the Philippines. Under the current PDTC system, only participants (brokers and custodians) will be recognized by PDTC as the beneficial owners of the lodged shares. Each beneficial owner of shares through his participants will be the beneficial owner to the extent of the number of shares held by such participant in the records of the PCD Nominee.

Out of the PCD Nominee Corporation account, "Abacus Securities Corporation", "Citibank N.A." and "Wealth Securities, Inc." hold for various trust accounts the following shares of the Corporation as of December 31, 2023:

|                               | <u>No. of shares held</u> | <u>% to total outstanding</u> |
|-------------------------------|---------------------------|-------------------------------|
| Abacus Securities Corporation | 9,111,616                 | 9.112%                        |
| Citibank N.A.                 | 4,435,427                 | 4.435%                        |
| Wealth Securities, Inc.       | 3,069,741                 | 3.070%                        |

<sup>3</sup> The Chairman and the President of Robinsons Land Corporation (RLC) are both empowered under its by-laws to vote any and all shares owned by RLC, except as otherwise directed by its board of directors. As of December 31, 2023, the Chairman of RLC is Mr. Lance Y. Gokongwei and the President and CEO is Mr. Frederick D. Go.

Voting instructions may be provided by the beneficial owners of the shares.

## (2) Security Ownership of Management as of December 31, 2023

| Title of Class | RECORD OWNER                                  |   | BENEFICIAL OWNER                        |             | BEFORE Dividend Distribution |                               |
|----------------|---|---|---|-------------|------------------------------|-------------------------------|
|                | Name and Address and Relationship with Issuer | Position  | Name and Relationship with Record Owner | Citizenship | No. of Shares Held           | % to Total Outstanding Shares |
| Common         | Frederick D. Go                               | Director and Chairman                           | Same as record owner                    | Filipino    | 17,086                       | 0.02%                         |
| Common         | Faraday D. Go                                 | Director, President and Chief Executive Officer | Same as record owner                    | Filipino    | 1                            | 0.00%                         |
| Common         | Lance Y. Gokongwei                            | Director  | Same as record owner                    | Filipino    | 13,950                       | 0.01%                         |
| Common         | Corazon L. Ang Ley                            | Director  | Same as record owner                    | Filipino    | 1                            | 0.00%                         |
| Common         | Martin Dy Buncio                              | Director (Independent)                          | Same as record owner                    | Filipino    | 1                            | 0.00%                         |
| Common         | Maynard Ngu                                   | Director (Independent)                          | Same as record owner                    | Filipino    | 1                            | 0.00%                         |
| Common         | Jean Henri Lhuillier                          | Director (Independent)                          | Same as record owner                    | Filipino    | 1                            | 0.00%                         |

## (3) Voting Trust Holders of 5% Or More

None of the stockholders are under a voting trust or similar agreement.

## (4) Changes in Control

There are no changes in control in 2023.



## **(L) Certain Relationships and Related Party Transactions**

In September 2016, the Company entered into a Deed of Absolute Sale with RLC covering the sale of certain assets constructed in the parcel of land owned by RLC for a selling price of ₱895.1 million, inclusive of VAT.

As of December 31, 2023, outstanding balance of the receivable from RLC amounted to ₱149.9 million. The receivable from the sale of assets is non-interest bearing and is due and demandable. The receivable from sale of assets is non-interest bearing and is due and demandable.

The Company, in the normal course of business, has transactions with its affiliated companies consisting principally of lease arrangements on commercial properties.

APVI, in its ordinary course of business, engage in transactions with RLC, companies in JGS and other companies controlled by the Gokongwei Family. The most significant of these transactions include tenancy by various retail-related companies controlled by the Gokongwei Family in Robinsons Place Ilocos. APVI's policy with respect to related party transactions is to ensure that these transactions are done in arm's length basis or entered into on terms comparable to those available from unrelated third parties.

The Company's major related party transactions include leases of significant portions of Robinsons Place Ilocos to companies controlled by the Gokongwei Family, including Robinsons Department Store, Robinsons Supermarket and Handyman Do-It-Best. Other affiliates from whom APVI earns rental income include Robinsons Bank. Rental income paid to APVI by affiliates amounted to ₱118.5 million, ₱97.9 million and ₱69.8 million for calendar years ending December 31, 2023, 2022 and 2021, respectively.

The Company, in the normal course of business, has transactions with its affiliated companies consisting principally of reimbursement of expenses.

The Company maintains savings and current accounts and time deposits with an entity under common control which is a local commercial bank. Cash and cash equivalents earns interest at the prevailing bank deposit rates. These balances amounted to ₱599.1 million and ₱440.8 million as of December 31, 2023 and 2022, respectively.

In addition to the foregoing transactions, RLC and JGS also provide APVI with certain corporate services.

There have been no transactions (or series of similar transactions) with or involving the Company in which a director, executive officer, or stockholder owns 10% or more of total outstanding shares and members of their immediate family had or is to have a direct or indirect material interest.

## **PART IV – CORPORATE GOVERNANCE**

As part of the Company's commitment to institutionalize good corporate governance principles, the Company formulated and executed the Company's Manual of Corporate Governance ("Corporate Governance Manual") which was adopted by the Board of Directors on September 2, 2019.

The Board recognizes that Corporate Governance is a necessary component of sound business management which will in turn contribute to the improvement of the value of the Company for the benefit of its shareholders and stakeholders.

APVI remains compliant with corporate governance requirements of the corporate governance standards mandated by the Securities and Exchange Commission's (SEC) Code of Corporate Governance for Publicly-Listed Companies, among other SEC regulations and applicable laws.

### **COMPLIANCE OFFICER**

To assist the Board in achieving this purpose, the Compliance Officer shall be responsible for monitoring the actual compliance with the provisions and requirements of the Corporate Governance Manual and other requirements on good corporate governance, identifying and monitoring control compliance risks, determining violations, and recommending penalties on such infringements for further review and approval of the Board, among others. The Compliance Officer shall not be a member of the Board of Directors and shall have direct reporting responsibilities to the Chairman of the Board.

The Compliance Officer shall perform the following duties:

- a. Ensure proper onboarding of new Directors;
- b. Monitor, review, evaluate and ensure the compliance by the Company; its Officers and Directors with the provisions and requirements of this Corporate Governance Manual and the relevant laws, this Code, rules and regulations and all governance issuances of regulatory agencies;
- c. Report the matter to the Board if violations are found and recommend the imposition of appropriate disciplinary action;
- d. Ensure the integrity and accuracy of all documentary submissions to the regulators;
- e. Appear before the SEC when summoned in relation to compliance with this Code;
- f. Collaborate with other departments to properly address compliance issues, which may be subject to investigation;
- g. Identify possible areas of compliance issues and works towards the resolution of the same;
- h. Ensure the attendance of Board members and key Officers to relevant trainings;
- i. Assist the Board and the Corporate Governance Committee in the performance of the their governance functions, including their duties to oversee the formulation or review and implementation of the Corporate Governance structure and policies of the Company, and to assist in the conduct of self-assessment of the performance and effectiveness of the Board, the Board Committees and individual Board members in carrying out their functions as set out in this Manual and the respective charters of the Board Committees; and
- j. Perform such other duties and responsibilities as may be provided by the SEC.

### **INDEPENDENT DIRECTORS**

The Board shall be composed of at least five (5), but not more than eleven (11), members who are elected by the Shareholders and shall have at least two (2) Independent Directors or such number of Independent Directors that constitutes twenty percent (20%) of the members of the Board, whichever is lesser, but in no case less than two (2).

An independent director is a person who is independent of management and the controlling Shareholders, and is free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a Director.

## **COMMITTEES OF THE BOARD**

To aid in the optimal performance of its roles and responsibilities and ensure compliance with the principles of Corporate Governance, the Board shall form the following Board Committees: (a) Audit Committee; (b) Board Risk Oversight Committee (BROC); and (c) Corporation Governance Committee. The Board may establish other Committees such as a Related Party Transactions (RPT) Committee as it may deem appropriate or necessary to support the Board in the effective performance of its functions.

### **Audit Committee**

The role of the Audit Committee is to provide oversight over the Company's financial reporting, Internal Control System, Internal and External Audit processes, and monitor compliance with applicable laws and regulations. It shall ensure that systems and processes are put in place to provide assurance in areas including reporting, monitoring compliance with laws, regulations and internal policies, efficiency and effectiveness of business operations, and proper safeguarding and use of the Company's resources and assets. The Audit Committee shall report functionally to the Board and an Independent Director shall be appointed as Chairman of the Audit Committee.

The Audit Committee shall have the following functions:

- a. Oversee the Internal Audit Department, and recommend the appointment and/or grounds for approval of the Internal Audit Head;
- b. Through the Internal Audit Department, monitor and evaluate the adequacy and effectiveness of the Company's internal control system, integrity of financial reporting, and security of physical and information assets;
- c. Review the Annual Internal Audit Plan to ensure its conformity with the objectives of the Company;
- d. Review the reports submitted by the Internal and External Auditors;
- e. Review and monitor Management's responsiveness to Internal Audit's findings and recommendations;
- f. Prior to the commencement of the audit, discuss with the External Auditor the nature, scope and expenses of the audit, and ensure the proper coordination, if more than one audit firm is involved in the activity, to secure proper coverage and minimize duplication of efforts;
- g. Evaluate and determine the non-audit work, if any, of the External Auditor, and periodically review the proportion of non-audit fees paid to the External Auditor to the Company's overall consultancy expenses;
- h. Review and approve the interim and Annual Financial Statements before their submission to the Board;
- i. Review the disposition of the recommendations in the External Auditor's management letter;
- j. Perform oversight functions over the Company's Internal and External Auditors; and,
- k. Assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal controls, audit process and monitoring of compliance with applicable laws, rules and regulations.

### **Board Risk Oversight Committee (BROC)**

The role of the BROC is to oversee the establishment of Enterprise Risk Management (ERM) framework that will effectively identify, monitor, assess and manage key business risks. The risk management framework shall guide the Board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies. The BROC shall be responsible for defining the Company's level of risk tolerance and providing oversight over its risk management policies and procedures to anticipate, minimize, control or manage risks or possible threats to its operational and financial viability. The Board shall appoint one of the members of the BROC to be the Committee Chairman.

The BROC shall have the following functions:

- a. Oversee the development and implementation of a formal ERM Plan;
- b. Evaluate the ERM Plan to ensure its continued relevance, comprehensiveness and effectiveness;
- c. Review the Company's risk appetite levels and risk tolerance limits based on changes and developments in the business, the regulatory framework, the external economic and business environment, and occurrence of major events that may have a major impact on the Company;

- d. Assess the probability of each identified risk becoming a reality and estimate its possible significant financial impact and likelihood of occurrence;
- e. Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risk exposures of the Company; and
- f. Report to the Board on a regular basis, or as deemed necessary, the Company's risk, material risk exposures, the actions taken to reduce the risks, and recommends appetite levels, risk tolerance limits, further action or plans, as necessary.

### **Corporate Governance Committee**

The role of the Corporate Governance Committee is to oversee the development and implementation of Corporate Governance principles and policies. The Corporate Governance Committee shall recommend a formal framework on the nomination, remuneration and evaluation of the performance of the Directors and key Management Officers to ensure that this framework is consistent with the Company's culture, strategies and the business environment. The Corporate Governance Committee shall report directly to the Board and the Board shall appoint one of the members of the Corporate Governance Committee to be the Committee Chairman.

The Corporate Governance Committee shall have the following functions:

- a. Oversee the implementation of a Corporate Governance framework and periodically review the said framework to ensure that it remains appropriate in light of material changes to the Company's size, complexity and business strategy, as well as the business and regulatory environment;
- b. Oversee the formulation and implementation of a Code of Business Conduct and Ethics and internal policies and monitor compliance with such code and policies by the Company through communication and awareness campaign, continuous training and setting a proper forum where issues may be addressed;
- c. Oversee the performance evaluation of the Board and its Committees and Management, and conduct an annual self-evaluation of its performance;
- d. Recommend continuing education/training programs for Directors, assignment of tasks/projects to Board Committees, succession planning for the Board members and senior Officers, and levels of remuneration for corporate and individual performance;
- e. Determine the nomination and election process for the Company's Directors and define the general profile of the Board members that the Company may need and ensure appropriate knowledge, competencies and expertise that complement the existing skills of the Board;
- f. Establish a formal procedure to develop a policy for determining the remuneration of Directors and Officers that is consistent with the Company's culture and strategy as well as the business environment in which it operates, including disallowing any Director to decide his remuneration;
- g. Establish efficient communication channels which aid and encourage employees, customers, suppliers, creditors and other Stakeholders to raise concerns on potential unethical or unlawful behavior without fear of retribution; and,
- h. Review recommendations concerning policies on conflict of interest, salaries and benefits policies, promotion and career advancement directives, and compliance with all statutory requirements.

# Altus Property Ventures, Inc.

## 2023 Sustainability Report

### Contextual Information

| Company Details  |   |
|--|---|
| Name of Organization   | Altus Property Ventures, Inc.   |
| Location of Headquarters   | Brgy. 1, San Francisco, San Nicolas, Ilocos Norte   |
| Location of Operations   | Brgy. 1, San Francisco, San Nicolas, Ilocos Norte   |
| Report Boundary: Legal entities (e.g. subsidiaries) included in this report  | N/A   |
| Business Model, including Primary Activities, Brands, Products, and Services | <b>Altus Property Ventures, Inc. (APVI)</b> The Company's primary purpose is to engage in the business of selling, acquiring, building, constructing, developing, leasing and disposing of real estate properties and property development of all kinds and nature. |
| Reporting Period   | January 1, 2023 - December 31, 2023   |
| Highest Ranking Person responsible for this report                           | Mr. Ramon S. Rivero, Head of Corporate Strategy   |

## Materiality Process

We conducted a series of workshops and discussions with key persons in our company and a cross-section of our stakeholders to help us identify what truly matters to us and to our stakeholders. This process helped widen our business perspective and enabled us to set approaches to improve our performance in both financial and non-financial aspects.

The following specific steps were undertaken:

**1. Understanding the Sustainability Context.** Understanding societal needs was the first step we took to determine the contributions of our core business to sustainable development. This also allowed us to identify which impacts are most material from the societal point of view.

**2. Engaging our Stakeholders.** Our stakeholders' inputs helped us validate and enhance our list of material topics. The process also helped us put emphasis on topics that are most important to them. We captured our stakeholders' perspectives through regular meetings, surveys, interviews and focus group discussions.

**3. Identifying Material Topics.** We looked at the entire value chain of our property. We determined the economic, environmental, and social topics that we should monitor and improve on. We considered the key impacts of each of our activities, relevant risks and opportunities including the key capitals we rely on to sustain and grow our business. We identify focus by looking into aspects that we are best positioned to effect positive change.

**4. Measuring Performance and Defining Management Approaches.** In 2021, we obtained baseline data (2020) as basis for measuring our performance on each of the material topics identified. Following the GRI reporting standards and consolidation guidance, we ensured that the metrics used were right, and the data collected were accurate and comparable. This year, we began setting up a procedure to systematically collect more data to better measure our sustainability performance. We have also defined management approaches that will help us improve our performance in these areas.

We also referred to the UN Sustainable Development Goals to see how our impacts to environment, economy, and society are linked to delivering on specific SDG targets.

Materiality is an iterative process for us. We will continue to review how we impact the environment and society, how we measure our performance in these impact areas, and how we can better communicate these to our stakeholders.

**Important Note:** The discussion of impacts, risks, and opportunities are made per topic, instead per metric, since the risks and opportunities apply to the topic rather than the individual metrics under one topic. For example, for topic on Anti-

corruption, only one discussion on Impacts, Risks, and Opportunities is made that covers both metrics: a) Training on Anti-corruption Policies and b) Procedures and Incidents of Corruption. This makes the disclosure on management approach more focused and not repetitive.

## ECONOMIC

### Economic Performance

Direct Economic Value Generated and Distributed (in Millions)

| Disclosure   | 2022   | 2023   | Units |
|--|--------|--------|-------|
| Direct economic value generated (revenue)                                  | 194.42 | 203.07 | PhP   |
| Direct economic value distributed  | 91.21  | 84.16  | PhP   |
| 1. Provisions (if bank) (n/a)  | 0.00   | 0.00   | PhP   |
| 2. Payments to suppliers, other operating costs                            | 52.03  | 45.23  | Php   |
| 3. Total Wages and Benefits  | 8.96   | 8.37   | Php   |
| c. Dividends given to stockholders and interest payments to loan providers | 0.00   | 0.00   | PhP   |
| d. Taxes given to government   | 30.21  | 30.56  | PhP   |
| e. Investments to community (e.g., donations, CSR)                         | 0.00   | 0.00   | PhP   |
| Economic Value Retained  | 103.21 | 118.91 | PhP   |

### 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 | Not available <sup>1</sup> | %     |

<sup>1</sup>We do not currently tag our payments to suppliers according to our definition of what is local.



## Economic Performance and Procurement Practices

### Impacts and Risks: Where it occurs, APVI's involvement, stakeholders affected

**Impacts.** In terms of economic performance, APVI reported Php 203.07 million in total revenues, 4% higher than the previous year. The company attributed its growth to high consumer spending due to a fully recovered economy.

In 2023, 41% of our revenue flowed back to society, through our major stakeholders, suppliers, employees, and the government. Our contribution to the economy is evaluated by our role in stimulating growth in the sectors in which we operate, including job creation, tourism, infrastructure development, foreign investment, and overall GDP Growth.

22% of the generated economic value or Php 45.23 million was distributed to our suppliers in the form of payments. In addition to ensure fair compensation to its existing suppliers, APVI continues to foster long-lasting partnerships with its communities, by actively promoting and supporting local suppliers that help local businesses to grow and expand, which in return, will have a beneficial impact on the overall Philippine economy.

Lastly, about 4% of the company's generated economic value or Php 8.37 million went to salaries and wages, while 15% or Php 30.56 million went to the government in the form of taxes.

**Risks.** Any unfair practice with our suppliers in the way they deal with our employees can constitute a risk to our capacity to flow value to society equitably. Moreover, our inability to serve local businesses within our malls and offices may severely affect their competitiveness and overall success in the market.

## Management Approach for Impacts and Risks

**Ensuring Equitable Flow of value.** We continue to maintain the highest standards of corporate governance, including anti-corruption, in all our transactions. By doing so, we continue to safeguard the proper flow of economic value to all our stakeholders. We make sure that we pay a fair price to all our stakeholders to ensure equitable distribution of economic value. Year-on-year, we monitor the total economic value distribution as a percentage of our revenue.

**Fostering equitable distribution of economic opportunities.** We also implement local hiring in order to provide locals with access to economic opportunities. On the other hand, we give priority to sourcing goods and services locally, if suppliers who meet our minimum standards are available in the locality. We only source in Metro Manila when qualified suppliers do not exist in local provincial areas. We also take an effort to source from MSMEs whenever possible to help stimulate local economic growth.

**Ensuring equitable access to our products.** Our mall enables businesses to grow and flourish by providing the right locations that afford them and their clients a space to transact their businesses. We ensure that we accommodate both local merchants and organizations, promoting the growth of both local businesses and foreign brands.

**Ensuring fair compensation to our employees.** To maintain our competitiveness in the market, we measure our compensation packages against the industry standards in the Philippines, while ensuring that our workers have social safety nets in the event of an emergency and are paid at least the minimum wage.

## Opportunities & Management Approach

We recognize opportunities to improve our performance, particularly in evaluating the economic performance of the suppliers on their policy and practice on anti-corruption and compensation and benefits. As a management approach, we will undergo a review of our accreditation and supplier assessment processes to incorporate criteria that measure the economic performance of our suppliers. We are also actively developing a strategy to ensure that all employees are paid, at least, a living wage. This commitment underscores our dedication to supporting financial well-being of our workforce and promoting equitable compensation practices.

### Climate-related risks and opportunities

Being a real estate company, we recognize that climate related risks and opportunities are material to our organization. In 2023, we engaged with Deloitte to start a Climate Resiliency Project coordinating with JG Summit. In this project, we are to identify the climate risks of our properties and formulate recommendations to address these risks moving forward. In this process we are using the TCFD framework and proceeding through different phases. Currently we are at Component C of the project, Climate Vulnerability Assessment.

Apart from this, several RLC employees and experts have undergone a TCFD workshop back in July. The workshops cover how to publicly disclose the climate-related risks of our businesses and create a report that investors globally recognize and use when assessing listed companies.

## Anti-corruption

### Training on Anti-corruption Policies and Procedures

| Disclosure   | 2023 | Units |
|--|------|-------|
| Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to         | 100  | %     |
| Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to | 100  | %     |
| Number of directors and management that have received anti-corruption training <sup>1</sup>                                  | 7    | #     |
| Percentage of employees that have received anti-corruption training  | 100  | %     |

<sup>1</sup>Upon boarding, the Board of Directors receives orientation on APVI's Code of Conduct which includes anti-graft corruption policy. The Company is committed to promoting transparency and fairness to all stakeholders. The Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program. Some of the Company's Anti-Corruption programs are embodied in the Code of Business Conduct and Ethics, Conflict of Interest, Offenses Subject to Disciplinary Action (OSDA), among others. In-house Corporate Governance Training for directors and executives were held via webinars on June 14, 2023 and October 19, 2023, entitled, "UNBOX EXTRA: The Gokongwei Group Innovation Festival - The Generative Revolution: Exploring the Advancements and applications of AI Driven Creativity".

## Incidents of Corruption

| Disclosure   | Quantity (2023) | 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               | #     |

## Anti-Corruption

### Impacts and Risks: Where it occurs, APVI's involvement, stakeholders affected

Corruption undermines our ability to equitably flow value to our key stakeholders, i.e. suppliers, employees, government, and providers of capital. Risks can exist in key areas such as in procurement, and those functions that directly interface with government.

### Management Approach for Impacts and Risks

The Company is committed to promoting transparency and fairness to all stakeholders. The Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program. Some of the Company's Anti-Corruption programs are embodied in the Code of Business Conduct and Ethics, Conflict of Interest, Offenses Subject to Disciplinary Action (OSDA), among others. The same are disseminated to all employees across the Company through trainings to embed them in the Company's culture. New employees are oriented regarding policies and procedures related to Business Conduct and Ethics and similar policies. All employees are given periodic reminders. Further, all concerned employees are required to comply with the Annual Self-Disclosure Activity on an annual basis.

### The following Business Conduct & Ethics Policies are in place:

**Conflict of Interest** - The Company's Code of Business Conduct and Conflict of Interest Policy require employees to make a conscious effort to avoid conflict of interest situations that his judgment and discretion are not influenced by considerations of personal gain or benefit. A conflict of interest may also occur because of the actions, employment, or investments of an immediate family member of an employee.

**Conduct of Business and Fair Dealings** - The Company's employees that recommend, endorse, or approve the procurement or sale of goods and services should make a conscious effort to avoid any conflict-of-interest situation in transactions that they are involved in.

**Receipt of Gifts from Third Parties** - The Company discourages the acceptance of gifts. However, gifts like advertising novelties may be given or accepted during the Christmas season. There is no restriction in the value of the gift

accepted. However, accepted gift with an estimated value of over Php 2,000.00 must be disclosed to the Conflicts of interest Committee.

**Compliance with Laws and Regulations** - The Company ensures that all transactions comply with relevant laws and regulations. Any deficiencies are immediately rectified.

**Respect for Trade Secrets/Use of Non-public Information** - The Company has policies that ensure proper and authorized disclosure of confidential information. Disclosures of material information to the public can only be done after the disclosure to SEC and PSE by the Company's authorized officers.

**Use of Company Funds, Assets and Information** - Employees are required to safeguard the Company resources and assets with honesty and integrity. Employees must ensure that these assets are efficiently, effectively, and responsibly utilized.

**Employment and Labor Laws and Policies** - The Company ensures the observance, strict implementation and compliance with Philippine employment and labor laws and policies with regards to recruitment, employment, retention and benefits of the employees. The minimum notice period regarding operational changes ranges from three to six months, dependent on the proponent of change.

**Whistleblowing** - The stakeholders may discuss or disclose in writing any concern on potential violation of the Code of Business Conduct with the Conflicts of Interest Committee. Reports or disclosures can be made in writing or by email. All information received in connection with the reports or disclosures shall be strictly confidential and shall not be disclosed to any person without prior consent of CICOM. The Company commits to protect those who report in good faith from retaliation, harassment and even informal pressures. It will take the necessary and appropriate action to do so in enforcing the policy.

Violation of any provision of the Code of Business Conduct as determined through a due process may result in disciplinary action, including dismissal and reimbursement for any loss to the Company that result from the employee's action. If appropriate, a violation may result in legal action against the employee or referral to the appropriate government authorities.

**The following shows the process of termination upon findings of Corruption:**

In case an Offense is committed or supposed to have been committed by an employee or business partner, his immediate superior or transacting department must properly investigate the matter.

Establish and check facts that will serve as basis for decision, examining evidence physical or otherwise. Twin notices are to be sent. The concerned employee or business partner is asked to air side, while there will also be an employee conference.

Analysis and evaluation of the findings

Preserving the integrity and reliability of evidence

Recommendation of Penalty. If the recommended penalty is dismissal, the

department head shall endorse the matter to HRD for further evaluation and will in turn endorse the matter to Corporate Legal for the conduct of Administration Investigation/hearing to determine whether or not the matter merit the imposition of dismissal.

Imposing the penalty/dismissal will be documented using the appropriate forms. The concerned party will be informed verbally by explaining the findings and the penalty. All concerned parties/department must be notified of the disciplinary penalty.

Upon recommendation of Corporate Legal of dismissal, the Notice of Dismissal is subject to approval by the President or Company Officer authorized to do so. Upon approval of the Notice of Dismissal, the department head will serve the notice to the employee. If the employee refuses to acknowledge receipt copy of notice as such fact(s) will be annotated on all copies of the notice. The said Notice of Dismissal has to be sent via registered mail or other accredited courier to the last known address of the employee. Proof of delivery must be kept as evidence to show that the notice was served. All concerned departments must be noticed of the dismissal.

### **Opportunities and Management Approach**

We are taking steps to evaluate the effectiveness of implementation of our anti-corruption policy. We are looking at opportunities to engage our employees more on this topic through conducting more regular formal trainings on anti-corruption and how to best ensure that incidents are better tracked and avoided in the company.

## **Resource Management**

Energy consumption within the organization:

| <b>Disclosure</b>                      | <b>2022</b> | <b>2023</b> | <b>Units</b> |
|--|-------------|-------------|--------------|
| Energy consumption (renewable sources) | 3,670.06    | 3,678.03    | GJ           |
| Energy consumption (gasoline)          | N/A         | N/A         | GJ           |
| Energy consumption (LPG)               | N/A         | N/A         | GJ           |
| Energy consumption (diesel)            | 593.55      | 642.42      | GJ           |
| Energy consumption (electricity)       | 13,793.22   | 16,366.90   | GJ           |

### Reduction of energy consumption

The overall increase in total energy consumption in 2023 versus the previous year is mainly due to an increase in mall foot traffic. In terms of efforts to reduce energy consumption, we continue to conduct several energy-efficiency projects for our mall including changing of light bulbs to LED and retrofitting/replacement of electronic equipment.

## Energy and Reduction of Energy Consumption

### Impacts and Risks: Where it occurs, APVI's involvement, stakeholders affected

Philippines is primarily reliant on thermal technologies to generate energy. However, having thermal as the main source of energy has adverse effects to the environment such as greenhouse gas emissions, huge water consumption and air pollution among others. Air pollutants from these thermal energy plants also surround communities and affect their health and safety. GHG Emissions, on the other hand, is one of the main contributors to climate change impacting vulnerable countries such as the Philippines.

### Management Approach for Impacts and Risks

An investment of around Php 49.3 million for solar panel installation in our mall has led to a reduction on our indirect impacts to the environment and people. These 4,000 solar panels installed added 1.02 MW of generated electricity which lowered our electric consumption from the grid. With the use of the Philippine grid emission factor, energy saved in 2023 from using solar energy contributed to a total of 1308.98 metric tons of CO<sub>2</sub> or equivalent to 21,643 trees planted.

### Opportunities and Management Approach

To increase our sourcing of renewable energy, there is opportunity in purchasing renewable energy directly from suppliers. Getting into a retail agreement with suppliers will increase overall renewable energy consumption, hence lowering direct and indirect emissions.

## Water consumption within the organization

| Disclosure                | 2022      | 2023 <sup>1</sup> | Units        |
|---------------------------|-----------|-------------------|--------------|
| Water withdrawal          | 75,169.00 | 57,737.00         | Cubic meters |
| Water consumption         | 60,135.20 | 51,963.30         | Cubic meters |
| Water recycled and reused | 3,033.93  | 1,903.70          | Cubic meters |

<sup>1</sup>Decrease in water consumption in 2023 is due to defective VFD controls of Potable & Non-pot pump at annex mall for the period Oct. 2022-Dec. 2022. Temporary open by-pass valve from main mall to provide water supply to annex mall.

## Water Consumption

### Impacts and Risks: Where it occurs, APVI's involvement, stakeholders affected

For any mall operator, water is a vital resource that must be managed well. In order to have clean and well-maintained premises as well as ready-to-use mall amenities, we have to recognize our responsibility to manage water well as a resource. Every liter of water that is consumed is potentially depriving other communities and agriculture of access to this limited resource.

### Management Approach for Impacts and Risks

For our mall, there is no choice but to source from groundwater currently. However, we try to take advantage of surface water sources as much as we can. To make sure that water resources are maximized, the water that is used for daily operations undergoes water treatment processes to ensure that minimal water is discharged to sewers.

Our approach to water conservation involves water saving fixtures in the mall restrooms. Educating our customers, tenants and employees about the importance of water conservation creates awareness and consistent practice. Designed with a rainwater collection system and wastewater treatment facilities, our overall water discharge is reduced and maintained.

### Opportunities and Management Approach

Since we capitalize mostly on groundwater sources, there is huge potential in exploring surface water, specifically rainwater harvesting. Water catchments and water impounding areas will be good opportunities as well in reducing water discharge by recharging aquifers and improving groundwater extraction.

#### Materials used by the organization<sup>1</sup>

| Disclosure  | 2022 | 2023 | Units |
|---|------|------|-------|
| Materials used by weight or volume  |      |      |       |
| • renewable   | 0    | 0    | Kg    |
| • non-renewable   | 0    | 0    | Kg    |
| • Cement  | 0    | 0    | Kg    |
| • Glass   | 0    | 0    | Kg    |
| • Rebars  | 0    | 0    | Kg    |
| Percentage of recycled input materials used to manufacture the organization's primary products and services | 0    | 0    | %     |

<sup>1</sup>No significant construction, renovation or repairs done to APVI properties this year.

### Materials

#### Management Approach for Impacts and Risks

The business is acknowledged to involve heavy construction and thus expected to use considerable amounts of materials. Even with zero materials used this year, risks still exist as there will be future construction and renovation to be expected moving forward. That being said, it is still important to recognize the environmental effects of using non-renewable materials such as cement, rebars and glass as these are used in high amounts due to the nature of the business. Since limestone deposits are also very limited in the Philippines, conservation in its usage should be monitored effectively.

#### Management Approach for Impacts and Risks



To ensure it remains within a manageable level, we will regularly monitor our materials consumption and intensity. We will work with our contractors to continually improve on designs and construction practices for future projects. We will ensure our buildings are designed and constructed with optimized use of materials, without compromising quality and durability.

Having zero considerable construction done this year, a completely empty material disclosure is expected. However, it is still important to do effective monitoring of the materials used and how excess is reused, recycled or disposed of. With the nature of the business, there are limited options with regard to the materials that can be used. To mitigate this, we continue working closely with the contractors in a committed effort to improve the designs and construction practices of future projects. The goal will be to maximize the use of each material without compromising on the building's quality and durability.

### **Opportunities and Management Approach**

Currently, the company only has 2 malls in operation. Opportunities identified can stem from the fact that there is a lot of room for improvement following its next malls and future projects. As no clear path has yet to be paved for the company, there is merit in deciding to explore other alternatives in materials and processes. Aiming for more sustainable buildings and infrastructure may bring about a bigger return on investment as well as a competitive foothold in the industry.

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

This is considered not material for our company since we do not have operations within or adjacent to biodiversity-rich areas.

## **Environmental impact management**

### Air Emissions<sup>1</sup>

<sup>1</sup>We have yet to set-up a system to collect air emissions data from our property.

### GHG

| Disclosure   | 2022     | 2023     | Units                    |
|--|----------|----------|--------------------------|
| Direct (Scope 1) GHG Emissions   | 41.22    | 44.54    | Tonnes CO <sub>2</sub> e |
| Energy indirect (Scope 2) GHG Emissions  | 2,044.86 | 1,937.89 | Tonnes CO <sub>2</sub> e |
| Indirect Emissions (Scope 3) <sup>1</sup>  | 1,409.96 | 1,300.03 | Tonnes CO <sub>2</sub> e |
| Emissions of ozone-depleting substances (ODS)<br>R-22 (has ODP of 0.05) <sup>2</sup> | None     | None     | Kg                       |

<sup>1</sup>Scope 3 is based on tenant energy consumption emission.

<sup>2</sup>We do not have the system to collect data for ODS.

## **Greenhouse Gas (GHG) Emissions**

### **Impacts and Risks: Where it occurs, APVI's involvement, stakeholders affected**

GHG emissions of the company mainly come from the electricity bought for the mall's operations. Emissions are in scope two since the majority of the mall's electricity is bought from an external source, and these sources generate electricity by burning fossil fuel. Scope three emissions are with the electricity consumption of the mall's tenants which are also outsourced from fossil fuel-based sources. Main risks come from the adverse effect of carbon emissions that contribute to global warming and climate change, generally affecting all stakeholders.

### **Management Approach for Impacts and Risks**

In joining the net-zero movement by 2050, the company explores solar energy as a renewable energy source that has zero carbon emissions. Since 2018 our malls have invested in solar energy and continue to use its rooftop solar panels as their secondary source of electricity. For 2023, the percentage covered by renewable energy has reached 19% of the total energy consumed.

## Opportunities and Management Approach

Seeing the limitations of solar power as a renewable energy source, exploring other sources will be the next opportunity. Instead of sourcing our own renewable energy, buying RE from retail electricity suppliers will greatly reduce carbon emissions for scope 2, closing the gap to net-zero.

### Air pollutants

Air pollutants are released from using the in-house generators of our mall. These generators are standby, meaning they are only operational in the event of a blackout or need for additional electricity source. For this year and the year before, no data is available since there was no instance wherein the generators were operational, hence no air pollutants were produced. Even then, we stay committed to complying with DENR's clean air standards and are ready in the event that the generators are used.

### Solid and Hazardous Wastes

#### Solid Waste

| Disclosure                  | 2022 <sup>1</sup> | 2023       | Units |
|-----------------------------|-------------------|------------|-------|
| Total solid waste generated | 153,024.18        | 121,457.03 | kg    |
| Reusable                    | None              | None       | kg    |
| Recyclable                  | 30,487.17         | 21,044.73  | kg    |
| Composted                   | 90,041.31         | 70,317.74  | kg    |
| Incinerated                 | None              | None       | kg    |
| Residuals/Landfilled        | 32,496.70         | 30,094.56  | kg    |

<sup>1</sup>Values for 2022 have been adjusted to reflect more accurate data

#### Hazardous Waste

| Disclosure   | 2022   | 2023   | Units |
|--|--------|--------|-------|
| Total Hazardous waste generated                          | 443.03 | 366.51 | kg    |
| Electronic Wastes  | 86.14  | 73.14  | kg    |
| Used Oil   | 60.95  | 40.63  | kg    |
| Busted light bulbs                                       | 75.58  | 147.09 | kg    |
| Grease Waste   | 61.36  | 32.51  | kg    |
| Lead Acid Batteries                                      | 93.99  | 73.14  | kg    |
| Total weight of hazardous waste transported <sup>1</sup> | None   | None   | kg    |

<sup>1</sup>For hazardous wastes, we engage with DENR accredited transporter and treater. We allocate a separate space to store these wastes in our facilities before they are collected.

## **Solid and Hazardous Wastes**

### **Impacts and Risks: Where it occurs, APVI's involvement, stakeholders affected**

Waste, in general, has multiple stakeholders such as the government, communities, waste pickers and most especially, the environment. That is why it is important to have good waste management practices in place for our mall since it generates more waste than your average building. Recognizing that there are gaps that exist in the system wherein the whole process of garbage disposal is not monitored, is the first step in identifying potential risks. As biodegradable wastes are also a source of GHG emissions, effective monitoring must be put in place to accurately measure our emissions.

It is important that hazardous waste is managed well. From the word itself, "hazardous," there are already implications that if not disposed of properly, it may harm the community and cause health risks to those exposed by it. Possible hazardous wastes include electronic wastes, used oil, busted light bulbs, grease wastes, and lead acid batteries among others.

### **Management Approach for Impacts and Risks**

Our current waste management monitoring processes for solid wastes make sure that our waste haulers dispose of our wastes in legally operated landfills that meet DENR standards. In our mall, there is space specifically allotted for waste materials recovery. People are designated there to effectively manage and operate MRFs in accordance with the standards set by DENR. Training specifically for waste handling is provided to mall tenants and maintenance staff, who collect and dispose of waste regularly.

For hazardous waste, there are engagements with DENR accredited transporters and treaters to make sure that hazardous waste is handled properly. These types of waste are also segregated properly and stored separately to ensure that no cross-contamination occurs, and no exposure happens.

### **Opportunities and Management Approach**

We see an opportunity to be part of the solution regarding marine litter. We are currently improving our waste management system by working with our merchants to replace non-recyclables with recyclables to reduce total residual waste. We are also working with recyclers to link them with our waste collectors to ensure the recyclable waste we generate is recycled. We are also exploring ways to process our biodegradable waste into compost or energy to reduce the total waste sent to landfills.

## Effluents

Effluents are relevant in all our properties. By design, our property has been fitted with wastewater treatment facilities to meet with the regulatory requirements of DENR.

## **Environmental compliance**

### Non-compliance with Environmental Laws and Regulations

| <b>Disclosure</b>  | <b>2022</b> | <b>2023</b> | <b>Units</b> |
|--|-------------|-------------|--------------|
| Total amount of monetary fines for non-compliance with environmental laws and/or regulations | None        | None        | PhP          |
| No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations  | None        | None        | #            |
| No. of cases resolved through dispute resolution mechanism                                   | None        | None        | #            |

## **Environmental Compliance**

### **Impacts and Risks: Where it occurs, APVI's involvement, stakeholders affected**

Our business has a very sensitive relationship with the environment. This means that certain actions or activities, like constructing buildings and infrastructure, renovating parts of the mall or even transportation of goods can easily disrupt the environment, thus, exposure to non-compliance risks. Since environmental resources have become more scarce and industrial movements have caused major impacts to nature, more environmental laws are set to regulate these impacts. Putting a focus on compliance on our end of the value chain will not only be good for the environment but will minimize our overall costs and damage to our reputation. Non-compliance will affect a huge number of our stakeholders, from employees, investors, surrounding communities and more importantly, the environment itself.

### **Management Approach for Impacts and Risks**

It is highly important for our company to follow laws set by the government. Creating a more compliant stance on all our mall activities and operations will help the company adjust to future changes as well as appreciate steps taken to ensure that we do our part in saving the environment. We ensure our gensets are maintained properly to meet air quality standards, while maintaining operational sewage treatment facilities.

### **Opportunities and Management Approach**

We plan to step up our internal capability building and improve our systems so that all activities that we will do will remain compliant to regulations. We will invest in training and monitoring activities to correct any non-compliance issues in our operations internally to reduce findings from audits of government and third -party consultants.

## SOCIAL

### **Employee Management**

#### Employee Hiring and Benefits Employee data

| Disclosure   | 2023 | Units |
|--|------|-------|
| Total number of employees                          | 16   | #     |
| a. Number of female employees                      | 7    | #     |
| b. Number of male employees                        | 9    | #     |
| Attrition rate <sup>1</sup>                        | 6%   | rate  |
| Ratio of lowest paid employee against minimum wage | 1:1  | ratio |

<sup>1</sup>Attrition computation: total new hires -turn-over / average total # of employees last year & current year (7-8 / 17+16/2)

#### Employee benefits

| List of Benefits                                      | Y/<br>N | % of female employees who availed for the year | % of male employees who availed for the year |
|---|---------|--|--|
| SSS <sup>1</sup>                                      | Y       | 0%   | 11%  |
| PhilHealth <sup>1</sup>                               | Y       | 0%   | 0%   |
| Pag-ibig <sup>1</sup>                                 | Y       | 0%   | 0%   |
| Parental leaves <sup>2</sup>                          | Y       | 0%   | 0%   |
| Vacation leaves <sup>2 5 6</sup>                      | Y       | 71%  | 64%  |
| Sick leaves <sup>2 5</sup>                            | Y       | 71%  | 45%  |
| Medical benefits (aside from PhilHealth) <sup>3</sup> | Y       | No data from HMO due to data privacy           | No data from HMO due to data privacy         |
| Housing assistance (aside from Pag-ibig) <sup>4</sup> | N       | NONE   | NONE   |
| Retirement fund (aside from SSS)                      | Y       | NONE   | NONE   |
| Further education support                             | Y       | NONE   | NONE   |
| Company stock options                                 | N       | NONE   | NONE   |
| Telecommuting   | Y       | NONE   | NONE   |
| Flexible-working Hours                                | Y       | NONE   | NONE   |
| Rice Subsidy <sup>5</sup>                             | Y       | 100%   | 100%   |

<sup>1</sup>Based on total headcount. Note that 100% of our regular employees are covered by mandatory benefits.

<sup>2</sup>Based on total number employees who are entitled to leaves and the actual number of employees who availed the leaves.

<sup>3</sup>100% of regular employees are covered with at least Php 60k/month for entry level but availment of HMO benefits is not being disclosed due to data privacy.

<sup>4</sup>We only provide discount privileges to employees.

<sup>5</sup>Based on regular permanent employees only.

<sup>6</sup>Unclaimed Vacation and Sick Leaves for non-executive positions are convertible to cash 100% and 50% of daily rate respectively. Unclaimed Sick leaves for executives are convertible at 50% of daily rate.

### Diversity and Equal Opportunity

| Disclosure  | 2023 | 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 <sup>1</sup> | 0    | #     |

<sup>1</sup>Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).

### **Employee Hiring and Benefits, Diversity and Equal Opportunity**

#### **Impacts and Risks: Where it occurs, APVI's involvement, stakeholders affected**

Our policy and practice in hiring determines our ability to foster equal distribution of opportunities across diverse set of peoples. For example, setting a policy on gender equality or hiring people coming from vulnerable groups will determine how much opportunity we are able to distribute to the male and female population or vulnerable groups given their nuanced needs and circumstances. Hence, we take our hiring policy seriously to provide everyone a level plane field to access the employment opportunities that we create through our business.

The benefits we provide our employees deliver a lasting effect to our employees' quality of life. For example, providing health care coverage to our employees determines their resilience to medical emergencies, which is key to maintaining quality of life. Employees who enjoy good quality of life will tend to be more engaged and productive in the workplace, which impacts our business positively.

#### **Management Approach for Impacts and Risks**

**Hiring, Benefits, Diversity and Equal Opportunity.** We hire based on capability and alignment with the requirements of the job. In our hiring process, we do not discriminate against any person in terms of gender, ethnicity, age, and other circumstances. We apply anticipatory hiring strategy looking at our needs in the next 3-5 years based on our long-term business strategy. We have an intake program to hire early on and better prepare our new hires even before the actual needs arise.

**Benefits.** We benchmark our benefit structure with the industry standards and adjust accordingly to stay within the industry average. On top of government-mandated benefits, we provide other benefits as part of our engagement initiatives such as healthcare coverage (HMOs), life insurance, medical allowance, rice subsidy, bereavement assistance, discounts to our products, and access to affordable emergency loans.

## Opportunities and Management Approach

**Attrition.** Our attrition rate is currently at 6%. In exit interviews, we see offers for better employment opportunities remain the biggest reasons for attrition.

APVI's attrition rate decreased this year. We will continue to aim to reduce attrition rate in the next 5 years through improved training and development, increased mentorship and guidance by supervisors, more discussion with employees and managers on employee's career growth, as well as review of our benefits and total rewards policy.

Retaining employees is critical to our long-term success in the real estate industry, ensuring customer satisfaction, increased sales, satisfied coworkers, and effective succession planning as well as organizational knowledge and learning.

APVI aims to reduce its attrition rate by 5 percentage points in the next 5 years. The management aims to improve the following, (i). training/ workshops, (ii). increase mentorship and guidance from supervisors, (iii). more discussion with employees and managers on employee's career growth, (iv). as well as review of our benefits and total rewards policy.

**Benefits.** More than mere compliance to minimum pay mandates, we provide healthcare coverage (HMOs), life insurance, medical allowance, rice subsidy, bereavement assistance, discounts to our products, and access to affordable emergency loans. We also offer preferential rates for real estate purchases from APVI, and loans with Robinsons Bank.

To improve our talent retention and employee engagement, we see an opportunity to assess the benefit availed rates of our employees across our different benefit types to determine overall effectiveness of our benefit structure. We will continue to innovate on structures that better responds to the real needs of our employees.



## Employee Training and Development

| Disclosure  | 2023 | Units          |
|---|------|----------------|
| Total training hours provided to employees                |      |                |
| a. Female employees                                       | 16   | hours          |
| b. Male employees   | 8    | hours          |
| Average training hours provided to employees <sup>1</sup> |      |                |
| a. Female employees                                       | 8    | hours/employee |
| b. Male employees   | 8    | hours/employee |

<sup>1</sup>Training hours indicated here are the Instructor-led Classroom internal trainings. Not reflected are trainings attended by employees outside the organization, hands-on/on-the job trainings, computer/video base e-learnings, and coaching and mentoring.

## Employee Training and Development

| Impacts and Risks: Where it occurs, APVI's involvement, stakeholders affected  |
|--|
| <p>The level of training hours is an important driver to employee growth and development. Our ability to meet our employees' training needs impacts their overall growth as professionals. Highly trained and highly engaged employees tend to be more productive, which also benefits the company. This year about 8 and 16 training hours were provided to male and female employees, respectively. We will continue to make trainings more equally accessible and attractive across genders.</p> <p>To make training opportunities more accessible to employees, APVI continues to provide online learning resources via LinkedIn Learning and Coursera. This encouraged participation from employees in other regions. Training areas included: customer service, communication, coaching, leadership, finance, negotiation, and project management; as well as technical training courses offered to technical positions in engineering and operations.</p> |

### Management Approach for Impacts and Risks

We adopt a centralized learning framework that is anchored on the Core Values of the organization. APVI follows curriculum consistent with the standards of JG Summit group of companies, which are categorized into internal learning courses as follows:

1. **Core Development Programs** - enhance the soft skills of employees. This includes programs on customer service, communication, and professional image.
2. **Management Development Programs** aim to provide a strong leadership and coaching culture in the organization, hence programs aimed to develop these competencies fall under this.
3. **Executive Development Programs** target high potential and high performing leaders. This covers programs on problem solving, negotiation, finance, and strategic communication.
4. **Functional Training Programs.** There are Functional Training Programs that are customized per department that address the gaps of different functions. These programs include development plans for Engineering, Leasing, Marketing, Construction Management, and Operations. There is a continuous development of in-house SMEs (subject matter experts) who continue to impart learning on the job to their colleagues via share and learn sessions that allows for sharing of best practices while learning new technology and trends at the same time.

APVI promotes the development of employees by continuously providing relevant and timely training programs anchored on the training needs of the company and the employees.

### Opportunities and Management Approach

We continue to anticipate new skills and capability needed by our employees to help us prepare for the future in terms of new technologies and industry practices in real estate. For example, we are continually on the look-out for new and better technologies and practice in managing malls, offices, residences and hotels or in the design and construction of different property formats. Being continually informed on new industry developments enables us to take leadership in the market.

## **Labor-Management Relations**

| <b>Disclosure</b>  | <b>2023</b> | <b>Units</b> |
|--|-------------|--------------|
| % of employees covered with Collective Bargaining Agreements <sup>1</sup>                          | 0           | %            |
| Number of consultations conducted with employees concerning employee-related policies <sup>1</sup> | N/A         | #            |

<sup>1</sup>In general, we consult our employees on any new policy that affects them. Based on our corporate governance we afford ample time for employees to provide their inputs and feedback before we put policies in effect.

## **Labor - Management Relations**

| <b>Impacts and Risks: Where it occurs, APVI's involvement, stakeholders affected</b>  |
|---|
| <p>Good labor-management relations create a healthy workplace for us. It enables our employees to raise their concerns to the management. It helps the management find ways to refine its policies and systems that improve our workplace conditions in both construction and in operations, particularly in our malls and hotels and resorts. Good workplace conditions help reduce health and safety risks and provide social safety nets for our employees in times of crisis.</p> <p>Poor Labor-Management relations grossly affect performance and inherently has high reputational risk especially when labor unions resort to actions beyond close-door dialogues.</p> |

### Management Approach for Impacts and Risks

APVI ensures the observance, strict implementation and compliance with employment and labor laws and policies with regards to recruitment, employment, retention and benefits of the employees.

We are committed to providing a decent workplace for our employees and providing their needs to be effective in their work. We practice an open-door policy. Employees may directly communicate with their immediate superior or with the HR department. We also listen to our employees through employee engagement surveys and other ad Hoc surveys that are conducted by our HR. We also provide informal avenues for employees to raise their concerns to the management, such as lunch meetings and get together activities. Digital tools such as video meetings and group chats were utilized to frequently update our employees of changes at work.

The Company ensures the observance of strict implementation and compliance with employment, labor laws and policies with regards to recruitment, employment, retention and benefits of employees. Minimum notice period regarding operational changes ranges from three to six months, dependent on the proponent of change.

### Opportunities and Management Approach

We continually look for better ways to solicit feedback from our employees through formal and informal feedback sessions. Most of all, we will create a more deliberate approach to account for and assess the feedback for a more systematic approach of addressing them.

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

### Occupational Health and Safety

| Disclosure                     | 2023   | Units     |
|--------------------------------|--------|-----------|
| Safe Man-Hours                 | 35,808 | Man-hours |
| No. of work-related injuries   | 0      | #         |
| No. of work-related fatalities | 0      | #         |
| No. of work-related ill-health | 0      | #         |
| No. of safety drills           | 1      | #         |

### Labor Laws and Human Rights

| Disclosure  | 2023 | Units |
|---|------|-------|
| No. of legal actions or employee grievances involving forced or child labor | 0    | #     |

Do you have policies that explicitly disallow violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?<sup>1</sup>

| Topic        | Y/N | If Yes, cite reference in the company policy  |
|--------------|-----|---|
| Forced labor | Y   | Indicated in the Employee Discipline Policies and Guidelines; "Notwithstanding the express enumeration of acts, omission or incidents in the Offenses Subject to Disciplinary Action (OSDA), the pertinent provisions of the Labor Law and allied laws, rules, and regulations are deemed incorporated in the OSDA. For acts or omission not specifically treated in the OSDA, the pertinent provision of law shall apply"  |
| Child labor  | Y   |   |
| Human Rights | Y   | <p>Indicated in OSDA; (1) Sections 3- Acts or Omissions Concerning Relationships with Superior, Attendance to and Performance of Assigned Duties, (2) Section 4- Acts or Omissions Concerning Harmony and Good Order, Safety and Decency at Work</p> <ul style="list-style-type: none"> <li>• Policy on Sexual Harassment</li> <li>• Policy on Health, Safety and Welfare</li> <li>• Corporate Environment, Health and Safety Policy</li> <li>• Drug Free Workplace Policy</li> <li>• Workplace Policy on Prevention Control of HIV and AIDS, Hepatitis B and Tuberculosis</li> <li>• Special Benefits for Women/Magna Carta for Women</li> <li>• Leave Benefits Policy (includes Expanded Maternity Leave, Solo Parent Leave, Vacation Leave, Sick Leave, Service Incentive Leave, Nuptial Leave, Emergency Leave, Bereavement Leave)</li> <li>• Whistleblowing Policy</li> <li>• Data Privacy Policy</li> <li>• Flexible Work Arrangement Policy</li> </ul> |

|  |  |   |
|--|--|---|
|  |  | <ul style="list-style-type: none"> <li>• Work From Home Program</li> <li>• Mental Health and Wellness Policy</li> <li>• Environment, Health and Safety Policy</li> <li>• Retirement and Separation Benefits Policy</li> </ul> |
|--|--|---|

<sup>1</sup>We do not have explicitly written corporate policies relating to these topics since these are expressly defined in our Philippine labor laws, which we ensure compliance in all our operations.

## Workplace Conditions, Labor Standards, and Human Rights

### Impacts and Risks: Where it occurs, APVI's involvement, stakeholders affected

Compliance to labor laws and human rights standards, as well as safe operation and accident prevention are fundamental to running a good business.

Threats to the rights, health, and safety of our employees impacts our productivity, employee retention, and employee engagement. More importantly, it impacts the wellbeing and quality of life of our employees. Risks to health and safety are greater in construction sites than in operations.

### **Management Approach for Impacts and Risks**

OSH management system is primarily designed to protect the health and safety of individual workers or members of the company. OSH Trainings are regularly conducted for the Lead Persons – Engineers, Security, Operations personnel.

Health and safety risks are regularly assessed to identify ways to eliminate or minimize incidence. We set standards for safe working practices and ensure they are practiced by all our employees, especially those involved in construction and operations. In-house auditing and inspections are being conducted by facility's/property engineers and operation's personnel. Documentations is done by engineering and security and validated by the JG Summit Engineering group.

We ensure strict compliance with the requirements of the Fire Code of the Philippines and other relevant regulations.

We regularly submit our safety records to the Department of Labor and Employment (DOLE) to comply with their safety, health, and welfare standards and policies. In addition, all properties/facilities of APVI have clinics to cater to employees and workers.

Beyond safety, we ensure all our operations comply with labor laws, including those relevant to forced labor, child labor, and human rights. We conduct periodic internal audits to monitor these risks in all our operations. The findings are discussed in the top management.

### **Opportunities and Management Approach**

We continue to work with our contractors to build a culture of safety in all our construction and operations. More frequent and deliberate activities will be done to educate and remind our employees on safety standards and protocols to strengthen our safety culture and make safety a second nature to our employees not just in the workplace but even in their homes.

## Supply Chain Management

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

**Yes. Pertinent portion is re-stated in column no# 3 below.**

Do you consider the following sustainability topics when accrediting suppliers?

| Topic                     | Y/N | If Yes, cite reference in the supplier policy  |
|---------------------------|-----|--|
| Environmental performance | Y   | <b>As stipulated in Supplier Accreditation Policy,</b> "All interested suppliers shall submit the accomplished Supplier Accreditation Application Form (SAAF) together with the required accreditation documents."   |
| Forced labor              | Y   |  |
| Child labor               | Y   |  |
| Human rights              | Y   | <i>--Required documents include all pertinent government permits per supplier type e.g. Mayor's Permit, Environmental Permits, PhilHealth, SSS, Pag-Ibig, etc.</i>   |
| Bribery and corruption    | Y   | <b>As stipulated in Supplier Accreditation Policy, one of the Grounds for Suspension and Debarment is:</b> "...Without the written consent of the company, directly or indirectly offers or gives any benefit or compensation in cash or otherwise, to a company employee because of the employee's association, engagement or duties with the company." |

## Supply Chain Management

### Impacts and Risks: Where it occurs, APVI's involvement, stakeholders affected

About 22% of our revenue flows to our suppliers. Most of the activities we do in the value chain is carried out by suppliers from construction to property management. Hence the impact of our suppliers to environment, society, and economy (ESE) is a significant portion of our impact. Our supplier's success in delivering their output determines our own success. Their impacts to ESE affect essentially all our stakeholders.



### Management Approach for Impacts and Risks

Our current supplier accreditation policy ensures that all our suppliers meet the minimum standards to deliver quality output for us. Through our accreditation process, we assess their capability and compliance to all relevant laws and regulations.

#### Our supplier accreditation process are as follows:

1. **Application** - All suppliers intending to do business with any BU must apply for accreditation through the submission of an accomplished Supplier Accreditation Application (SAA) together with the required documents. SAA contains the basic information about the supplier's company, organization, products or services offered and other relevant information necessary to evaluate the supplier's overall competencies.
2. **Appraisal** - APVI shall appraise all suppliers applying for accreditation using a rating system for both the company and the product or service. The Rating System for each accreditation criteria may vary by commodity group. The supplier must meet at least 75% to be recommended for accreditation approval.
3. **Accreditation Approval** - Approval will be done by the corporate supplier accreditation team of APVI.

On top of the accreditation process, the following processes are being done to assess the performance of suppliers.

1. **Maintenance** - All accredited suppliers shall be included and maintained in the supplier information database.
2. **Review and Evaluation** - on a periodic basis, a complete reassessment of the supplier performance like the initial accreditation process will be conducted based on key performance metrics.

Any supplier that fails to comply with minimum standards goes through the following recourse: 1) Suspension, 2) Debarment, 3) Appeal Process, and 4) Reinstatement if the supplier is able comply with our minimum standards.

### Opportunities and Management Approach

We are reviewing our supplier accreditation policy to include relevant to environment, social, and economic criteria to ensure that our sustainability standards and practices is also applied to the supplier.

## Relationship with Community

### Significant Impacts on Local Communities

#### **Focus Area : RELIEF OPERATIONS**

In times of crises that impact jobs and livelihoods, immediate aid and support make a huge difference in alleviating the plight of disadvantaged populations. This year, the APVI actively took part in extending emergency assistance to address the most urgent humanitarian needs in light of natural calamities.

#### ***R Tulong* - RLC's Emergency Relief Program**

*R Tulong* is APVI's emergency relief program aimed at providing assistance to individuals and communities affected by calamities. Through *R Tulong*, families and individuals displaced by calamities are given immediate relief.

Last year, APVI was instrumental in providing emergency assistance to 600 families in 12 municipalities (Banguì, Badoc, Bacarra, Banna, Adams, Batac, Solsona, Piddig, Burgos, Paoay, Pagudpud, and Laoag) affected by Typhoon Egay through a relief operation organized in coordination with both local and provincial government units.

Apart from disaster response, APVI contributes to the region's disaster and risk mitigation efforts by supporting worthwhile socio-civic efforts. Last year, APVI participated in 4 blood donation drives initiated by private institutions and provincial government agencies - generating 950 blood banks for the local hospital.

#### **Focus Area : CHILD WELFARE & EDUCATION**

With its recognition of the importance of child welfare development and education, RLC promotes education through provision of needed equipment, supplies, and basic materials to support the education of children and youth.

#### **Christmas Gift-Giving**

In 2023, APVI took an active role in 2 Christmas Gift Giving activities, in partnership with Ilocos Norte Police Provincial Office, and Mariano Marcos Memorial Hospital, distributing donations of food and toys to a total of 250 select children from municipalities in Ilocos Norte.

## **Focus Area : COMMUNITY DEVELOPMENT**

RLC strives to impact positive change in communities where it is present through provision of avenues to access opportunities and services on health and wellbeing.

### **Lingkod Pinoy Center**

APVI's Lingkod Pinoy center houses various government agencies that provides mall-goers with safe, easy, and convenient access to government services. It hosts 7 offices specifically PhilPost, SSS, , BOI, DFA, PRC, and Pag-Ibig. The Mall provides the spaces at no cost to the government. Its average daily transaction is 1,825 for year 2023 totaling 293,952 transactions for the entire year.

### **Job Fairs**

Serving the local job market, APVI, through a partnership with the Provincial Government of Ilocos and Provincial Public Employment Service Office has organized 3 job fairs last year: Naruay A Panggedan Job Fair (April), Independence Day Job Fair (June) Marcos Fiesta Job Fair (September). Collectively, these efforts engaged 4,300 job seekers, resulting to 58 individuals who were hired on the spot (HOTS) in 2023.

### **MSMEs Assistance**

APVI promoted local craft and small businesses last year by conducting *Womenpreneur*, a trade fair for women entrepreneurs. During the fair, 50 women-led small and medium enterprises participated in a skills training for wallets and earrings craftsmanship provided by Artritos and Nina Leather Ph, respectively, through the Department of Trade and Industry. The fair provided an alternative venue for selling and upskilling opportunities to diversify the participants' business.

### **Transport Hub**

APVI's presence in the community makes it a strategic hub for transport connectivity. By providing terminal space for public utility vehicles, the mall improves accessibility and convenience of travel for commuters. APVI's transport hub covers 3 transport modes and 3 individual routes: Taxi service (Ilocos Norte), Tricycle (San Nicolas / Laoag) and Public Utility Jeep (San Nicolas / Laoag). Capacious, the transport hub is situated in a 72.50 sqm. area within mall perimeters. In 2023, APVI served 3 Transport Routes and accommodated 3 Transport Group(s) that serviced the tenants, employees and guests of the property.

### **Bicycle Ramp & Repair Stations**

Bicycle ramps and a Self-repair station are made available for free to its Biking community. The bike station offers safe parking space as well as pumping equipment for its bike-loving mall-goers. Besides promoting a more active and healthy living, it also encourages mallgoers to opt for carbon emission-free form of transport.

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

### **Relationship with Communities**

#### **Impacts and Risks: Where it occurs, APVI's involvement, stakeholders affected**

Community could get impacted positively or negatively ranging from physical risks to social and economic risks. For example, displacement can be both physical displacement or economic displacement due to our presence.

Negative impacts in the community could have significant impact to our reputation and social license to operate. Conversely, delivering positive benefits to community enable us to build stronger partnerships such as in local sourcing of goods and talents.

## Management Approach for Impacts and Risks

Our social/community impact assessment and risk management process is a mandatory process that guides sustainability-related risk management and integrates a risk register into operating plans. As part of that process, exploration, production and major projects are examined against the physical, social and political settings of our operations. Local concerns may influence the potential importance of these stakeholder and environmental matters including long-term risks and cumulative impacts. Risks are identified and described by a diverse group of subject matter experts in each business unit (BU) and project.

To help Business Units in Community Assessment and affairs a System Management Approach is developed:

**Impact and Risk Assessment-** Assessment is basically the identification of potential and likely risks within a particular community, and the process of prioritizing those risks. The community risk assessment process can be as complex and detailed as local resources permit. Or, using basic skills and resources available to most organizations, can be a more simplified process that will produce basic information that can be used effectively for intervention/enhancement projects.

**Mapping Stakeholders and Prioritizing Risks-** Identifying the people related to the project, those who will be affected by the development and those than can influence, and to help develop strategies to engage these people in the right way. In most contexts community development projects will have a wide-variety of actors. Also, during this process, a risk register is developed looking at the long term and short term, and also looking at the probability and severity.

**Addressing the Risk-** A structured and coherent approach to managing the identified and ranked risk.

**Engage Stakeholders-** Communicate and collaborate on strategies and action plans in addressing risks and impacts.

**Measure and Monitor-** Tracking and assess actions to ensure ongoing adequacy and effectiveness of the management system.

Over-all, incorporating community affairs strategy into business brings transformative power through business excellence. Our philosophy is based on the idea that corporate success and social welfare are interdependent. A business needs a healthy, educated workforce, sustainable resources and adept government, to prosper and compete effectively. Also, for society to thrive, profitable and competitive business must be developed and supported to create income, wealth, tax revenues and opportunities for engaged social development.

## Opportunities and Management Approach

APVI is currently cascading the Community Assessment tool to be used during the different phases of development; from Business development, construction and operations of projects and properties. Done properly, commercial development can improve a local community in more ways than one, by adjusting, innovating and continuously improving systems, services and products being put-out by the company.

Accordingly, since engagement and transparent reporting and disclosure of how we minimize and mitigate risks associated with construction and operations is a top business priority and key concern of our stakeholders; periodic communication and reporting is to be enhanced.

## Customer Management

### Customer Satisfaction

| Disclosure            | Score (2023) | Did a third-party conduct the customer satisfaction study (Y/N)? |
|-----------------------|--------------|--|
| Customer satisfaction | No data      | N  |

### Health and Safety

| Disclosure  | Quantity (2023) | Units |
|---|-----------------|-------|
| No. of substantiated complaints on product or service health and safety | 3               | #     |
| No. of complaints addressed   | 3               | #     |

### Marketing and Labelling

This topic is not material to our company, since we do not sell fast-moving consumer products.

### Customer Privacy

| Disclosure   | 2023 | Units |
|--|------|-------|
| No. of substantiated complaints on customer privacy <sup>1</sup>                             | 0    | #     |
| No. of complaints addressed  | 0    | #     |
| No. of customers, users and account holders whose information is used for secondary purposes | 0    | #     |

<sup>1</sup>Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.

### Data Security

| Disclosure   | 2023 | Units |
|--|------|-------|
| No. of data breaches, including leaks, thefts and losses of data | 0    | #     |

### **Customer Management - Health and Safety, Customer Privacy and Data Security**

| Impacts and Risks: Where it occurs, APVI's involvement, stakeholders affected  |
|--|
| <p>Customer management is fundamental to corporate success and sustainability. Our ability to keep our customers satisfied is at the core of our performance as a corporation. Ensuring their health and safety in the use of our products, and protecting their information are ways to deliver customer satisfaction.</p> <p>Our inability to meet their expectation poses a significant risk to our viability in both the short-and-long term horizons.</p> |

## Management Approach for Impacts and Risks

**Customer Satisfaction.** We conduct periodic market research to gauge customer expectations and build the right products and services to meet their expectations, needs, and capabilities. Our customer satisfaction surveys tell us whether the products and services as designed have indeed met their requirements. We continually iterate and improve our performance through these processes.

**Health and Safety.** We ensure that our properties do not pose any risk to the health and safety of our employees. This is assured from the design process to construction as well as operations that it meets the highest building standards that ensures it is resilient to any structural threats. In our properties, we continue to assess risks to our customers such as slippage and fall and periodically audit to ensure compliance to our standards.

**Customer Privacy and Data Security.** All personal information collected during customer interactions is handled in accordance with the Data Privacy Act of 2012. The contact details of our Data Protection Office are visible on our company website and various privacy notices where data privacy inquiries and complaints may be addressed. The Company & our Data Protection Officer (DPO) is registered with the National Privacy Commission (NPC), the government agency mandated to administer and implement the Data Privacy Act of 2012. Moreover, our DPO is an active member of Data Privacy Council of NPC as the Sectoral Representative for Real Estate.

To protect customer data as well as all our other confidential information, we have implemented a strong security policy, put in place advanced network security protection and monitoring process in the following aspects of our data management system:

- o Secured Email System. RLC is using advanced security protection through Microsoft Office 365 as employee's corporate email. It provides URL filtering, screening of attachments and links to be protected from malware, spam and phishing.
- o End-point Security Protection. RLC installed CrowdStrike Endpoint Protection as the last defense layer to protect end-user's computer from malware, ransomware, spam and phishing.
- o Security protection of RLC's edge network. RLC used a strong network firewall rules that serve as a network gateway to only allow authorized and specific ports to pass through. It also includes advanced URL filtering, advanced DNS security, advanced, advanced AI-driven security threat prevention and secured VPN connections among its remote sites.
- o Disallowed the use of external storage by employees.
- o We have corporate information security team that performs Security Vulnerability Assessment and Penetration Testing (SVAPT)



on regular and on-demand basis specially before we launch a new website.

### **Opportunities and Management Approach**

Customer management is a continual improvement process. We continually assess our customer experience journey and find ways to better meet their expectations.

We maintain various communication channels and facilitate meaningful interactions with our customers and stakeholders. This allows us to better address their needs and strengthen our relationships with them, while improving our systems in the process. The information and feedback we receive are processed through the appropriate business units, ensuring these are addressed immediately and incorporated into our business strategies.

Beyond customer satisfaction, we intend to measure the real economic and social value we contribute to our customers and their stakeholders, such as how our malls are able to increase their access to market through increased foot traffic to our malls to better understand how our product enable them to grow as they locate with us. A more systematized measurement of economic and social value will enable us to better optimize our products for increased value to the customers we serve and to society in general.

## 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  |
|---------------------------|---|---|---|
| Mall Space                | <p>We provide a space where our customers (merchants) benefit from the foot traffic to the malls. It allows foreign and local enterprises to access key markets and scale their businesses. People around our locations can access quality products that meet their needs from food, medicine, clothing, and other needs that improve their quality of life.</p> <p>To date, we have a total of 20,190 square meters of gross floor area. In addition, our mall offers low-carbon mall spaces, as they're fitted with solar panels that meet a significant part of their power requirement.</p> | <p>Current businesses could be negatively affected through reduced customers.</p> <p>Increased consumerism could reduce the savings of citizens.</p> <p>May cause traffic congestion that reduces productivity of population.</p> | <p>When we enter a location, we map which local enterprises could be negatively affected by our entry. We assess the impact and provide opportunities for the affected parties to locate in our mall, or their household members to given employment opportunities.</p> |

## **PART VI – EXHIBITS AND SCHEDULES**

### **(M) Exhibits and Reports on SEC Form 17-C**

#### **(1) Exhibits - See Accompanying Index to Exhibits (Page 141)**

The exhibits, as indicated in the Index to Exhibits are either not applicable to the Company or does not require an answer.

#### **(2) Reports on SEC Form 17-C (Current Report)**


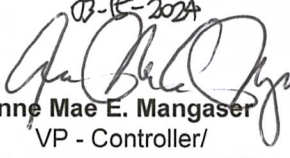
Please refer to <https://altuspropertyventures.com.ph/sec-filings> for the list of SEC 17-C (Current Reports) filed by the Company.


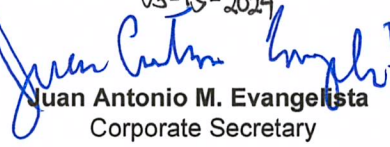
## SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of

MAR 20 2024 on \_\_\_\_\_, 20\_\_.

By:

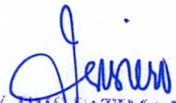
  
**Faraday D. Go**  
Chairman, President and  
Chief Executive Officer  
03-15-2024  
  
**Anne Mae E. Mangaser**  
VP - Controller/  
Principal Accounting Officer  
03-15-2024

  
**Kerwin Max S. Tan**  
Chief Financial, Compliance,  
Information Officer and Treasurer  
03-15-2024  
  
**Juan Antonio M. Evangelista**  
Corporate Secretary  
03-15-2024

MAR 20 2024  
SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_ affiant(s)  
exhibiting to me his/their Residence Certificates, as follows:

| NAMES                       | IDENTIFICATION NO. | DATE OF ISSUE                    | PLACE OF ISSUE   |
|-----------------------------|--------------------|----------------------------------|------------------|
| Faraday D. Go               | P6389768B          | Feb. 26, 2021 -<br>Feb. 25, 2031 | DFA NCR Central  |
| Kerwin Max S. Tan           | P6391979B          | Feb. 26, 2021 -<br>Feb. 25, 2031 | DFA NCR Central  |
| Anne Mae E. Mangaser        | P2514934C          | Nov. 26, 2022 -<br>Nov. 25, 2032 | DFA NCR Central  |
| Juan Antonio M. Evangelista | IBP No. 12937      |                                  | Misamis Oriental |

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Series of 2024

  
**ATTY. IRIS FATIMA V. CERO**  
Notary Public for Pasig, San Juan, and Pateros  
Appointment No. 53 (2024-2025) until Dec 31, 2025  
12F Cyberscape Alpha, Sapphire & Garnet Roads,  
Ortigas Center, Pasig City  
Roll of Attorneys No. 65837; June 21, 2016  
PTR No 1651074; January 04, 2024; Pasig City  
IBP No. 372782; December 23, 2023; RSM Chapter  
MCLE Compliance No. VII-0014637; April 14, 2025

**ALTUS PROPERTY VENTURES, INC.**  
**(Formerly Altus San Nicolas Corp.)**  
**(A subsidiary of JG Summit Holdings, Inc.)**

**INDEX TO FINANCIAL STATEMENTS AND  
SUPPLEMENTARY SCHEDULES  
SEC FORM 17-A**

**FINANCIAL STATEMENTS**

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Report of Independent Auditors

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A. Financial Assets

B. Amounts Receivable from/Payable to Directors, Officers, Employees, Related Parties and  
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C. Amounts Receivable from Related Parties which are Eliminated During the  
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E. Indebtedness to Related Parties (Long-term Loans from Related Companies)

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Map Showing the Relationships Between the Company and its Related Entities

Report of Independent Auditors on Components of Financial Soundness Indicators

Schedule of Financial Soundness Indicators



**ALTUS PROPERTY VENTURES, INC.**

(Formerly: Altus San Nicolas Corp.)

National Highway, Brgy. 1, San Francisco, San Nicolas, Ilocos Norte  
Telephone No. (028) 8397-1888 loc. 36201

**Securities and Exchange Commission  
Ground Floor - North Wing, PICC Secretariat Building  
Philippine International Convention Center (PICC) Complex  
Roxas Boulevard, Pasay City**

The management of **Altus Property Ventures, Inc. (Formerly: Altus San Nicolas Corp.)** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2023, 2022, and 2021 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 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.

Punongbayan and Araullo, 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, has expressed its opinion on the fairness of presentation upon completion of such audit.

**Faraday D. Go**  
Chairman, President and Chief Executive Officer

**Kerwin Max S. Tan**  
Chief Financial, Compliance, Information  
Officer and Treasurer

Signed this 15<sup>th</sup> day of March, 2024.  
Doc. No.: 43 ;  
Page No.: 10 ;  
Book No.: 13 ;  
Series of 2024

**MAR 20 2024**

**SUBSCRIBED AND SWORN** to before me this \_\_\_\_ day of \_\_\_\_\_, affiant personally appearing before me and exhibiting to me his/her P6389768B / P6391937B issued on \_\_\_\_\_ as proof of his/her identity and is known to me to be the person who executed and signed this document.

**ATTY. IRIS FATIMA V. CERO**  
Notary Public for Pasig, San Juan, and Pateros  
Appointment No. 53 (2024-2025) until Dec 31, 2025  
12F Cyberscape Alpha, Sapphire & Garnet Roads,  
Ortigas Center, Pasig City  
Roll of Attorneys No. 65837; June 21, 2016  
PTR No 1651074; January 04, 2024; Pasig City  
IBP No. 372782; December 23, 2023; RSM Chapter  
MCLE Compliance No. VII-0014637; April 14, 2025



Financial Statements and  
Independent Auditors' Report

**Altus Property Ventures, Inc.**

December 31, 2023, 2022 and 2021

## **Report of Independent Auditors**

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**Punongbayan & Araullo**  
20<sup>th</sup> Floor, Tower 1  
The Enterprise Center  
6766 Ayala Avenue  
1200 Makati City  
Philippines

T +63 2 8988 2288

**The Board of Directors and the Stockholders**  
**Altus Property Ventures, Inc.**  
**(Formerly Altus San Nicolas Corp.)**  
**(A Subsidiary of JG Summit Holdings, Inc.)**  
Brgy. 1 San Francisco, San Nicolas  
Ilocos Norte

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of Altus Property Ventures, Inc. (the Company), which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2023, and notes to the financial statements, including material accounting policy information.

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

#### ***Basis for Opinion***

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



### ***Key Audit Matter***

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

### ***Validity of Recorded Revenues***

#### *Description of the Matter*

The Company's main revenue stream in 2023 is limited to the rental income that it generates from leasing its commercial space amounting to P203.1 million. In determining significant and benefits of ownership, the Company considered, among others, the significance of the lease term as compared with the estimated useful life of the related asset.

The validity of the recorded rental income is significant to our audit as these involve significant related party transactions and a possible area where management could perpetrate fraud to meet investor's expectation. Also, any error in the application of judgment on the determination of the estimated lives of the investment properties and the determination as to whether the Company is acting as agent or principal could cause a material misstatement in the Company's financial statements.

The Company's accounting policy and related information are disclosed in Notes 2, 3, 8 and 18 to the financial statements.

#### *How the Matter was Addressed in the Audit*

Our audit procedures to address the risk of material misstatement relating to revenue recognition, which was considered to be a significant risk, include:

- performing detailed analysis of rental income and the timing of its recognition based on lease contracts;
- inspecting lease contracts to ascertain the validity and proprietary of the terms and conditions as basis of recognition and measurement of rental income;
- recalculating rental income on a straight-line basis based on PFRS 16, *Leases*, and testing the completeness and accuracy of the data used in such recalculation, by inspecting the relevant supporting documents;
- recomputation of variable lease payments and testing the completeness and accuracy of the data used in such calculation, by examining the relevant supporting documents;
- comparing lease terms over the useful lives of the assets leased, i.e. the investment properties, determination whether there are renewal options and verified whether rental income is calculated at the lower of the terms of the lease contracts or estimated useful lives of the properties; and,
- assessing the terms and conditions of the arrangements to determine if it retains all the significant risks and rewards of ownership of these properties and assess whether lease contract is an operating or finance lease.

***Other Information***

Management is responsible for the other information. The other information comprises the information included in the Company's Securities and Exchange Commission (SEC) Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2023, but does not include the financial statements and our auditors' report thereon. The SEC Form 20-IS, SEC Form 17-A and Annual Report for the year ended December 31, 2023 are expected to be made available to us after the date of this auditors' report.

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

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

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

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

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

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

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

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

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

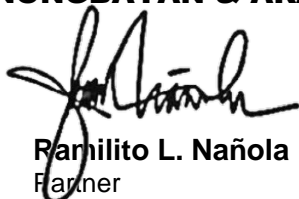
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, 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.

## **Report on Other Legal and Regulatory Requirements**

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended December 31, 2023 required by the Bureau of Internal Revenue as disclosed in Note 23 to the financial statements is presented for purposes of additional analysis and is not a required part of the basic financial statements prepared in accordance with PFRS; neither is it required by the Revised Securities Regulation Code Rule 68 of the Philippine Securities and Exchange Commission. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The engagement partner on the audits resulting in this independent auditors' report is Ramilito L. Nañola.

### **PUNONGBAYAN & ARAULLO**



**By: Ramilito L. Nañola**  
Partner

CPA Reg. No. 0090741  
TIN 109-228-427  
PTR No. 10076148, January 3, 2024, Makati City  
SEC Group A Accreditation  
Partner - No. 90741-SEC (until financial period 2025)  
Firm - No. 0002 (until financial period 2024)  
BIR AN 08-002511-019-2023 (until Dec. 10, 2026)  
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

March 15, 2024

**ALTUS PROPERTY VENTURES, INC.**  
*(Formerly Altus San Nicolas Corp.)*  
*(A Subsidiary of JG Summit Holdings, Inc.)*  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2023 AND 2022**  
*(Amounts in Philippine Pesos)*

|  | <u>Notes</u> | <u>2023</u>            | <u>2022</u>   |
|--|--------------|------------------------|---------------|
| <b><u>A S S E T S</u></b>  |              |                        |               |
| <b>CURRENT ASSETS</b>  |              |                        |               |
| Cash and cash equivalents  | 5            | <b>P 602,851,835</b>   | P 444,059,062 |
| Receivables  | 6            | <b>162,518,746</b>     | 164,334,134   |
| Due from related parties   | 16           | <b>-</b>               | 5,398         |
| Other current assets   | 7            | <b>5,926,076</b>       | 3,867,203     |
| Total Current Assets   |              | <b>771,296,657</b>     | 612,265,797   |
| <b>NON-CURRENT ASSETS</b>  |              |                        |               |
| Investment properties - net  | 8            | <b>243,241,439</b>     | 248,276,932   |
| Property and equipment - net                                       | 9            | <b>47,064,073</b>      | 50,883,343    |
| Total Non-current Assets   |              | <b>290,305,512</b>     | 299,160,275   |
| <b>TOTAL ASSETS</b>  |              | <b>P 1,061,602,169</b> | P 911,426,072 |
| <b><u>LIABILITIES AND EQUITY</u></b>                               |              |                        |               |
| <b>CURRENT LIABILITIES</b>   |              |                        |               |
| Accounts payable and accrued expenses                              | 10           | <b>P 91,248,228</b>    | P 77,527,641  |
| Deposits and other liabilities                                     | 11           | <b>23,586,945</b>      | 31,414,179    |
| Due to related parties   | 16           | <b>99,931</b>          | -             |
| Income tax payable   |              | <b>4,628,087</b>       | 5,899,988     |
| Total Current Liabilities  |              | <b>119,563,191</b>     | 114,841,808   |
| <b>NON-CURRENT LIABILITIES</b>                                     |              |                        |               |
| Deposits and other liabilities                                     | 11           | <b>20,001,987</b>      | 13,060,892    |
| Pension liabilities  | 17           | <b>1,433,391</b>       | 1,338,827     |
| Deferred tax liabilities - net                                     | 15           | <b>1,183,888</b>       | 1,868,751     |
| Total Non-current Liabilities                                      |              | <b>22,619,266</b>      | 16,268,470    |
| Total Liabilities  |              | <b>142,182,457</b>     | 131,110,278   |
| <b>EQUITY</b>  |              |                        |               |
| Capital stock  | 12           | <b>100,000,000</b>     | 100,000,000   |
| Additional paid-in capital   |              | <b>450,000,000</b>     | 450,000,000   |
| Retained earnings  |              | <b>368,872,493</b>     | 229,738,355   |
| Accumulated remeasurement gain of pension liabilities - net of tax | 17           | <b>547,219</b>         | 577,439       |
| Total Equity   |              | <b>919,419,712</b>     | 780,315,794   |
| <b>TOTAL LIABILITIES AND EQUITY</b>                                |              | <b>P 1,061,602,169</b> | P 911,426,072 |

**ALTUS PROPERTY VENTURES, INC.**  
*(Formerly Altus San Nicolas Corp.)*  
*(A Subsidiary of JG Summit Holdings, Inc.)*  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021**  
*(Amounts in Philippine Pesos)*

|   | Notes     | 2023                 | 2022          | 2021          |
|---|-----------|----------------------|---------------|---------------|
| <b>RENTAL REVENUES</b>  | 8, 16, 18 | <b>P 203,066,940</b> | P 194,417,969 | P 129,362,966 |
| <b>COST OF RENTAL SERVICES</b>                                    | 14        | <b>16,094,374</b>    | 17,396,337    | 11,724,909    |
| <b>GROSS INCOME</b>   |           | <b>186,972,566</b>   | 177,021,632   | 117,638,057   |
| <b>GENERAL AND ADMINISTRATIVE EXPENSES</b>                        |           |                      |               |               |
| Billing of utilities - net  | 2         | 24,777,834           | 30,371,772    | 19,731,257    |
| Salaries, wages and employee benefits                             | 17        | 8,370,031            | 8,968,816     | 8,450,396     |
| Taxes and licenses  |           | 2,632,464            | 2,529,838     | 2,302,307     |
| Insurance   |           | 2,063,623            | 2,061,850     | 2,323,705     |
| Professional, management and consultancy fees                     |           | 1,591,283            | 1,108,214     | 1,469,710     |
| Advertising   |           | 499,950              | 745,207       | 828,584       |
| Travel and communication  |           | 160,681              | 243,576       | 253,100       |
| Supplies  |           | 43,010               | 101,346       | 63,024        |
|   |           | <b>40,138,876</b>    | 46,130,619    | 35,422,083    |
| <b>OPERATING INCOME</b>   |           | <b>146,833,690</b>   | 130,891,013   | 82,215,974    |
| <b>OTHER INCOME (EXPENSES)</b>                                    |           |                      |               |               |
| Interest income   | 5         | 20,006,707           | 5,146,803     | 809,125       |
| Interest expense  | 11        | ( 260,649 )          | ( 231,720 )   | ( 119,192 )   |
| Other income (expenses) - net                                     |           | ( 247,389 )          | 350,901       | ( 1,484,031 ) |
|   |           | <b>19,498,669</b>    | 5,265,984     | ( 794,098 )   |
| <b>INCOME BEFORE TAX</b>  |           | <b>166,332,359</b>   | 136,156,997   | 81,421,876    |
| <b>TAX EXPENSE</b>  | 15        | <b>27,198,221</b>    | 28,198,764    | 16,577,265    |
| <b>NET INCOME</b>   |           | <b>139,134,138</b>   | 107,958,233   | 64,844,611    |
| <b>OTHER COMPREHENSIVE INCOME (LOSS)</b>                          |           |                      |               |               |
| Item that will not be reclassified subsequently to profit or loss |           |                      |               |               |
| Remeasurements of pension liabilities                             | 17        | 14,155               | 432,696       | 248,285       |
| Tax expense   | 15        | ( 44,375 )           | -             | -             |
|   |           | <b>( 30,220 )</b>    | 432,696       | 248,285       |
| <b>TOTAL COMPREHENSIVE INCOME</b>                                 |           | <b>P 139,103,918</b> | P 108,390,929 | P 65,092,896  |
| <b>Basic and Diluted Earnings Per Share</b>                       | 13        | <b>P 1.39</b>        | P 1.08        | P 0.65        |

*See Notes to Financial Statements.*

**ALTUS PROPERTY VENTURES, INC.**  
*(Formerly Altus San Nicolas Corp.)*  
*(A Subsidiary of JG Summit Holdings, Inc.)*  
**STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021**  
*(Amounts in Philippine Pesos)*

|  | <b>Capital Stock</b><br><b>(see Note 12)</b> | <b>Additional</b><br><b>Paid-in Capital</b> | <b>Accumulated</b><br><b>Remeasurement Gain on</b><br><b>Pension Liabilities</b><br><b>(see Note 17)</b> | <b>Retained</b><br><b>Earnings</b> | <b>Total</b><br><b>Equity</b> |
|--|--|---|--|------------------------------------|-------------------------------|
| Balance at January 1, 2023                     | P 100,000,000                                | P 450,000,000                               | P 577,439  | P 229,738,355                      | P 780,315,794                 |
| Total comprehensive income (loss) for the year | <u>-</u>                                     | <u>-</u>                                    | <u>( 30,220 )</u>  | <u>139,134,138</u>                 | <u>139,103,918</u>            |
| Balance at December 31, 2023                   | <b><u>P 100,000,000</u></b>                  | <b><u>P 450,000,000</u></b>                 | <b><u>P 547,219</u></b>  | <b><u>P 368,872,493</u></b>        | <b><u>P 919,419,712</u></b>   |
| Balance at January 1, 2022                     | P 100,000,000                                | P 450,000,000                               | P 144,743  | P 121,780,122                      | P 671,924,865                 |
| Total comprehensive income for the year        | <u>-</u>                                     | <u>-</u>                                    | <u>432,696</u>   | <u>107,958,233</u>                 | <u>108,390,929</u>            |
| Balance at December 31, 2022                   | <b><u>P 100,000,000</u></b>                  | <b><u>P 450,000,000</u></b>                 | <b><u>P 577,439</u></b>  | <b><u>P 229,738,355</u></b>        | <b><u>P 780,315,794</u></b>   |
| Balance at January 1, 2021                     | P 100,000,000                                | P 450,000,000                               | ( P 103,542 )  | P 56,935,511                       | P 606,831,969                 |
| Total comprehensive income for the year        | <u>-</u>                                     | <u>-</u>                                    | <u>248,285</u>   | <u>64,844,611</u>                  | <u>65,092,896</u>             |
| Balance at December 31, 2021                   | <b><u>P 100,000,000</u></b>                  | <b><u>P 450,000,000</u></b>                 | <b><u>P 144,743</u></b>  | <b><u>P 121,780,122</u></b>        | <b><u>P 671,924,865</u></b>   |

*See Notes to Financial Statements.*

**ALTUS PROPERTY VENTURES, INC.**  
*(Formerly Altus San Nicolas Corp.)*  
*(A Subsidiary of JG Summit Holdings, Inc.)*  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021**  
*(Amounts in Philippine Pesos)*

|   | Notes | 2023           | 2022           | 2021           |
|---|-------|----------------|----------------|----------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>           |       |                |                |                |
| Income before tax                                     |       | P 166,332,359  | P 136,156,997  | P 81,421,876   |
| Adjustments for:                                      |       |                |                |                |
| Interest income                                       | 5     | ( 20,006,707 ) | ( 5,146,803 )  | ( 809,125 )    |
| Depreciation and amortization                         | 8, 9  | 10,578,044     | 11,390,615     | 8,666,281      |
| Interest expense                                      | 11    | 260,649        | 231,720        | 119,192        |
| Operating income before working capital changes       |       | 157,164,345    | 142,632,529    | 89,398,224     |
| Decrease (increase) in receivables                    |       | 1,815,388      | 35,637,698     | ( 31,407,972 ) |
| Decrease in due from related parties                  |       | 5,398          | -              | 20,936         |
| Decrease (increase) in other current assets           |       | ( 2,058,873 )  | 1,028,694      | 5,226,206      |
| Increase in accounts payable and accrued expenses     |       | 13,720,587     | 7,660,008      | 15,065,704     |
| Increase in due to related parties                    |       | 99,931         | -              | -              |
| Increase (decrease) in deposits and other liabilities |       | ( 1,038,069 )  | 2,479,740      | 6,312,322      |
| Net cash generated from operations                    |       | 169,708,707    | 189,438,669    | 84,615,420     |
| Interest received                                     | 5     | 20,006,707     | 5,146,803      | 809,125        |
| Cash paid for income taxes                            |       | ( 29,199,360 ) | ( 27,272,074 ) | ( 14,403,742 ) |
| Net Cash From Operating Activities                    |       | 160,516,054    | 167,313,398    | 71,020,803     |
| <b>CASH FLOWS USED IN AN INVESTING ACTIVITY</b>       |       |                |                |                |
| Acquisitions of property and equipment                | 9     | ( 1,723,281 )  | ( 7,474,702 )  | ( 5,762,501 )  |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>      |       | 158,792,773    | 159,838,696    | 65,258,302     |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b> |       | 444,059,062    | 284,220,366    | 218,962,064    |
| <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>       |       | P 602,851,835  | P 444,059,062  | P 284,220,366  |

*See Notes to Financial Statements.*



**ALTUS PROPERTY VENTURES, INC.**  
*(Formerly Altus San Nicolas Corp.)*  
*(A Subsidiary of JG Summit Holdings, Inc.)*  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023, 2022 AND 2021**  
*(Amounts in Philippine Pesos)*

**1. GENERAL INFORMATION**

**1.1 Corporate Information**

Altus Property Ventures, Inc. (formerly Altus San Nicolas Corp.) (the Company or APVI) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on March 28, 2007. The Company's primary purpose is to engage in the business of selling, acquiring, building, constructing, developing, leasing and disposing of real estate properties and property development of all kinds and nature.

The Company is a subsidiary of J.G. Summit Holdings, Inc. (JGSHI or the Parent Company). JGSHI is one of the country's largest conglomerates, with diverse interests in branded consumer foods, agro-industrial and commodity food products, petrochemicals, air transportation, real estate and financial services. The Parent Company's shares is publicly listed in the Philippine Stock Exchange (PSE).

The registered office address and principal place of business of the Company is located at Brgy. 1 San Francisco, San Nicolas, Ilocos Norte. The Parent Company's registered office address is located at 43<sup>rd</sup> Floor, Robinsons Equitable Tower, ADB Avenue corner Poveda Road, Pasig City.

On April 29, 2020, PSE has approved the listing of the Company. On June 26, 2020, the Company underwent listing by way of introduction of 100,000,000 common shares on the Small, Medium, and Emerging (SME) Board of the Philippine Stock Exchange, which represents 100% of the issued and outstanding common shares of the Company, with an initial listing price of P10.10 per share.

Effective May 13, 2022, the PSE approved the Company's application to transfer to the Main Board of the Exchange.

**1.2 Approval of Financial Statements**

The financial statements of the Company as of and for the year ended December 31, 2023 (including the comparative financial statements as of and for the years ended December 31, 2022 and 2021) were authorized for issue by the Company's Board of Directors (BOD) on March 15, 2024.

**2. MATERIAL ACCOUNTING POLICY INFORMATION**

The material accounting policy information that have been used in the preparation of these financial statements are summarized in the succeeding pages. The policies have been consistently applied to all the periods presented, unless otherwise stated.

## **2.1 Basis of Preparation of Financial Statements**

### *(a) Statement of Compliance with Philippine Financial Reporting Standards*

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). PFRS are adopted by the Financial and Sustainability Reporting Standards Council (FSRSC) from the pronouncements issued by the International Accounting Standards Board and approved by the Philippine Board of Accountancy.

The financial statements have been prepared using the measurement bases specified by PFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies that follow.

### *(b) Presentation of Financial Statements*

The financial statements are presented in accordance with Philippine Accounting Standard (PAS) 1, *Presentation of Financial Statements*. The Company presents all items of income and expense in a single statement of comprehensive income.

The Company presents a third statement of financial position as at the beginning of the preceding period when it applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items that has a material effect on the information in the statement of financial position at the beginning of the preceding period. The related notes to the third statement of financial position are not required to be disclosed.

### *(c) Functional and Presentation Currency*

The financial statements are presented in Philippine pesos, the Company's functional and presentation currency, and all values represent absolute amounts except when otherwise indicated.

Items included in the financial statements of the Company are measured using its functional currency. Functional currency is the currency of the primary economic environment in which the Company operates.

## **2.2 Adoption of Amended PFRS**

### *(a) Effective in 2023 that are Relevant to the Company*

The Company adopted for the first time the following amendments to PFRS, which are mandatorily effective for annual periods beginning on or after January 1, 2023:

|                           |   |
|---------------------------|---|
| PAS 1 and PFRS Practice   |   |
| Statement 2 (Amendments): | Presentation of Financial Statements –<br>Disclosure of Accounting Policies   |
| PAS 8 (Amendments)        | : Definition of Accounting Estimates  |
| PAS 12 (Amendments)       | : Deferred Tax Related to Assets and<br>Liabilities from a Single Transaction |

Discussed below are the relevant information about these pronouncements.

- (i) PAS 1 and PFRS Practice Statement 2 (Amendments), *Presentation of Financial Statements – Disclosure of Accounting Policies*. The amendments replaced the requirement for entities to disclose their significant accounting policies with the requirement to disclose their material accounting policy information. The amendments also include guidance to help entities apply the definition of material in making decisions about accounting policy disclosures.

The amendments clarify that accounting policy information may be material because of its nature, even if the related amounts are immaterial, that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements and if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information. The application of these amendments is reflected in the Company's financial statements under Notes 2 and 3.

- (ii) PAS 8 (Amendments), *Accounting Estimates – Definition of Accounting Estimates*. The amendments introduced a new definition of accounting estimate which is a monetary amount in the financial statements that are subject to measurement uncertainty. It also clarifies that a change in accounting estimate that results from new information or new developments is not a correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. The application of these amendments had no significant impact on the Company's financial statements.
- (iii) PAS 12 (Amendments), *Income Taxes – Deferred Tax Related to Assets and Liabilities from a Single Transaction*. The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense). Management assessed that the application of such amendments had no significant impact on the Company's financial statements.

- (b) *Effective in 2023 that is not Relevant to the Company*

Among the amendments to PFRS, which are mandatorily effective for annual periods beginning on or after January 1, 2023, the amendments to PAS 12, *Income Taxes: International Tax Reform – Pillar Two Model Rules*, are not relevant to the Company's financial statements.

(c) *Effective Subsequent to 2023 but not Adopted Early*

There are amendments to existing standards effective for annual periods subsequent to 2023, which are adopted by the FSRSC. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and, none of these are expected to have significant impact on the Company's financial statements:

- (i) PAS 1 (Amendments), *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current* (effective from January 1, 2024)
- (ii) PAS 1 (Amendments), *Presentation of Financial Statements – Non-current Liabilities with Covenants* (effective from January 1, 2024)
- (iii) PAS 7 (Amendments), *Cash Flow Statements* and PFRS 7 (Amendments), *Financial Instruments: Disclosures – Supplier Finance Arrangements* (effective from January 1, 2024)
- (iv) PAS 21 (Amendments), *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability* (effective from January 1, 2025)

## **2.3 Financial Instruments**

(a) *Financial Assets*

(i) *Classification of Financial Assets*

The relevant financial asset classification applicable to the Company is financial assets at amortized cost.

The Company's financial assets at amortized cost are presented in the statement of financial position as Cash and Cash Equivalents, Receivables, Due from Related Parties and Utility deposits (presented as part of Other Current Assets).

(ii) *Impairment of Financial Assets*

The Company recognizes lifetime expected credit losses (ECL) for trade and other receivables. The ECL on these assets are estimated by applying the simplified approach using a provision matrix developed based on the Company's historical credit loss experience and credit information, adjusted for general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. These assets are assessed for impairment on a collective basis based on shared credit risk characteristics.

With respect to due from related parties and receivable from sale of assets, the Company applies a general approach. The maximum period over which ECL should be measured is the longest contractual period where an entity is exposed to credit risk. In the case of these receivables from related parties, which are repayable on demand, the contractual period is the very short period needed to transfer the cash once demanded. Management determines possible impairment based on the sufficiency of the related parties' highly liquid assets in order to repay the Company's receivables if demanded at the reporting date taking into consideration the historical defaults of the related parties. If the Company cannot immediately collect its receivables, management considers the expected manner of recovery to measure ECL. If the recovery strategies indicate that the outstanding balance of advances to related parties can be collected, the ECL is limited to the effect of discounting the amount due over the period until cash is realized.

Measurement of the ECL is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

*(b) Financial Liabilities*

Financial liabilities include accounts payable and accrued expenses (except tax-related liabilities), and deposits and other liabilities. All interest-related charges incurred on a financial liability are recognized as Interest Expense under Other Income (Expenses) section of the statement of comprehensive income.

**2.4 Investment Properties**

Investment properties, except for land, are carried at cost less accumulated depreciation and amortization and any impairment in value. Land is carried at cost less any impairment in value.

Investment properties are depreciated and amortized on a straight-line basis over their estimated useful lives as follows:

|                      |          |
|----------------------|----------|
| Building             | 40 years |
| Building improvement | 20 years |

**2.5 Property and Equipment**

Following initial recognition at cost, all items of property and equipment are stated at cost less accumulated depreciation, accumulated amortization, and any impairment in value.

Construction in progress represents properties under construction and is stated at cost. The account is not depreciated until such time that the assets are completed and available for use.

Depreciation and amortization commences once the assets are available for use and is computed on a straight-line basis over the estimated useful lives as follows:

|                              |               |
|------------------------------|---------------|
| Furniture and fixtures       | 5 years       |
| Kitchen and dining equipment | 5 years       |
| Other equipment              | 5 to 20 years |

## **2.6 Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Company's BOD – its chief operating decision-maker. The Company's BOD is responsible for assessing performance of the operating segments. In identifying its operating segments, management generally follows the Company's business line as disclosed in Note 4.

The measurement policies that the Company uses for segment reporting under PFRS 8, *Operating Segments*, are the same as those used in its financial statements.

In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment.

The Company currently has one reportable segment, i.e., its leasing business. There have been no changes from prior periods in the measurement methods used to determine reported segment profit or loss.

## **2.7 Revenue and Expense Recognition**

The Company assesses its revenue agreements against the specific criteria enumerated below in order to determine if it is acting as principal or agent. Both the legal form and the substance of the agreement are considered to determine each party's respective roles in the agreement. Revenue is recorded at gross when acting as a principal while only net revenues are considered if only an agency service exists.

Currently, the Company's revenue arising from contracts with customers that needs to be accounted for under PFRS 15 is in the form of the Company's billings for utilities. Billings of utilities includes electricity, water, air-conditioning charges, common usage service area (CUSA), administrative and handling expenses utilized by tenants.

The contract for the mall spaces leased out by the Company to its tenants includes the right to charge for CUSA like maintenance, janitorial and security services. For billing of utilities arising from these charges, the Company determined that it is acting as an agent because the promise of the Company to the tenants is to arrange for the electricity and water supply to be provided by a utility company and to provide services such as maintenance, janitorial and security services. The utility and service companies, are primarily responsible for the provisioning of the utilities, while the Company administers the leased spaces and coordinates with the utility and service companies to ensure that tenants have access to these utilities. The Company does not have the discretion on the pricing of the services provided since the price is based on the actual rate charged by the utility providers. The billings arising from electricity usage and water usage is presented as part of Billings of Utilities-net account.

For CUSA, the Company determines that it is acting as principal; hence, billings to its customers for CUSA and air-conditioning charges is recognized as part of Rental Revenues.

The Company's main revenue stream is primarily rental revenue which it generates from leasing its commercial space (see Note 2.8).

## ***2.8 Leases – Company as Lessor***

Leases which do not transfer to the lessee substantially all the risks and benefits of ownership of the asset are classified as operating leases. Rental revenue from operating lease is recognized in profit or loss on a straight-line basis over the lease term.

## ***2.9 Employee Benefits***

The Company provides post-employment benefits to employees through a defined benefit plan and other employee benefits.

The Company's defined benefit post-employment plan covers all regular full-time employees.

The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

# **3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES**

The preparation of the Company's financial statements in accordance with PFRS requires management to make judgments and estimates that affect the amounts reported in the financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately differ from these estimates.

## ***3.1 Critical Management Judgments in Applying Accounting Policies***

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

### ***(a) Distinction between Principal and Agent***

In determining whether the Company acts as principal in providing services to customers, it takes into consideration whether it has direct control over the said service, otherwise, when the Company is merely acting on behalf of other another, and has no direct control over the performance of the services, then it is an agent. Based on management's assessment, the Company is acting as agent in rendering its billings for water and electricity charges while it is acting as principal for its billings for CUSA and air-conditioning services (see Note 2.7).

(b) *Determination of Timing and Satisfaction of Performance Obligations*

The Company exercises critical judgment in determining whether each performance obligation to render services promised in its contracts with customers is satisfied over time or at a point in time. In making this judgment, the Company considers the following:

- any asset created or enhanced as the Company performs;
- the ability of the customer to control such asset as it is being created or enhanced;
- the timing of receipt and consumption of benefits by the customer; and,
- the Company's enforceable right for payment for performance completed to date.

The Company determines that its performance obligation for its billings of CUSA and air-conditioning charges is satisfied over time.

(c) *Distinction between Operating and Finance Leases*

The Company has entered into various lease agreements. Critical judgment was exercised by management to distinguish each lease agreement as either an operating or a finance lease by looking at the transfer or retention of significant risk and rewards of ownership of the properties covered by the agreements. Failure to make the right judgment will result in either overstatement or understatement of assets and liabilities. Based on management assessment, the Company's lease agreements are classified as operating lease.

(d) *Distinction Between Investment Properties and Owner-occupied Properties*

The Company determines whether a property qualifies as an investment property. In making its judgment, the Company considers whether the property is not occupied substantially for use by, or in operations of the Company, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. Owner-occupied properties generate cash flows that are attributable not only to the property but also to the other assets used in the production or supply process.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions cannot be sold separately, the property is accounted for as an investment property, only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as an investment property. The Company considers each property separately in making its judgment.

(e) *Recognition of Provisions and Contingencies*

Judgment is exercised by management to distinguish between provisions and contingencies. Disclosures on relevant provisions and contingencies are presented in Notes 18.



### **3.2 Key Sources of Estimation Uncertainty**

Presented below and in the succeeding pages are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

#### *(a) Revenue Recognition for Performance Obligation Satisfied Over Time*

In determining the amount of revenue to be recognized for performance obligations satisfied over time, the Company measures its revenues from billing of CUSA and air-conditioning charges from its right to invoice which is its right to consideration from a customer in an amount that corresponds directly with the value to the customer of the Company's performance completed to date.

#### *(b) Estimation of Useful Lives of Property and Equipment and Investment Properties*

The Company estimates the useful lives of its depreciable property and equipment and investment properties at cost based on the period over which the assets are expected to be available for use. The estimated useful lives of the said depreciable assets are reviewed at least annually and are updated, if expectations differ from previous estimates due to physical wear and tear and technical or commercial obsolescence on the use of these assets.

The carrying balances of the Company's depreciable assets are disclosed in Notes 8 and 9 to the financial statements.

Based on management's assessment as at December 31, 2021, the estimated useful lives of investment properties have changed from 20 to 40 years and 10 to 20 years for building and building improvements, respectively. The change in estimated useful lives resulted to decrease in depreciation expense and increase in carrying amount by P12.0 million and accounted for prospectively. Actual results, however, may vary due to changes in estimates brought about by changes in factors mentioned above. There are no changes on management's assessment as at December 31, 2023 and 2022.

#### *(c) Estimation of Allowance for ECL*

The measurement of the allowance for ECL on financial assets at amortized cost is an area that requires the use of significant assumptions about the future economic conditions and credit behavior (e.g., likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation used in measuring ECL is further detailed in Note 19.1(b).

Based from management's assessment, ECL on these financial assets are not material; hence, no impairment were recognized in 2023 and 2022.

### **3.2 Key Sources of Estimation Uncertainty**

Presented below and in the succeeding pages are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

#### *(a) Revenue Recognition for Performance Obligation Satisfied Over Time*

In determining the amount of revenue to be recognized for performance obligations satisfied over time, the Company measures its revenues from billing of CUSA and air-conditioning charges from its right to invoice which is its right to consideration from a customer in an amount that corresponds directly with the value to the customer of the Company's performance completed to date.

#### *(b) Estimation of Useful Lives of Property and Equipment and Investment Properties*

The Company estimates the useful lives of its depreciable property and equipment and investment properties at cost based on the period over which the assets are expected to be available for use. The estimated useful lives of the said depreciable assets are reviewed at least annually and are updated, if expectations differ from previous estimates due to physical wear and tear and technical or commercial obsolescence on the use of these assets.

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The measurement of the allowance for ECL on financial assets at amortized cost is an area that requires the use of significant assumptions about the future economic conditions and credit behavior (e.g., likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation used in measuring ECL is further detailed in Note 19.1(b).

Based from management's assessment, ECL on these financial assets are not material; hence, no impairment were recognized in 2023 and 2022.

(d) *Determination of the Realizable Amount of Deferred Tax Assets*

The Company reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Management assessed that the deferred tax assets, netted against deferred tax liabilities, recognized as at December 31, 2022 (nil as of December 31, 2023) will be fully utilized in the coming periods (see Note 15).

(e) *Valuation of Post-employment Defined Benefit Obligation*

The determination of the Company's obligation and cost of post-employment defined benefit is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include, among others, discount rates and expected salary increase rates. A significant change in any of these actuarial assumptions may generally affect the recognized expense, other comprehensive income or losses, and the carrying amount of the post-employment benefit obligation in the next reporting period.

The amounts of post-employment benefit obligation and expense, and an analysis of the movements in the estimated present value of post-employment benefit, as well as the significant assumptions used in estimating such obligation are presented in Note 17.2.

(f) *Impairment of Non-financial Assets*

In assessing impairment, management estimates the recoverable amount of each asset or a cash-generating unit based on expected future cash flows and uses an interest rate to calculate the present value of those cash flows. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. Though management believes that the assumptions used in the estimation of fair values reflected in the financial statements are appropriate and reasonable, significant changes in those assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

Management has assessed that no impairment losses are required to be recognized on non-financial assets both in 2023, 2022 and 2021.

(g) *Fair Value Measurement for Investment Properties*

Investment properties are measured using the cost model. The fair value disclosed in Note 8 was determined by an independent appraiser in coordination with the Company's management with respect to the determination of the inputs such as the size, age, and condition of the land and building, and the comparable prices in the corresponding property location. In estimating the fair value of these properties, management takes into account the market participant's ability to generate economic benefits by using the assets in their highest and best use.

Such account is influenced by different factors including the location and specific characteristics of the property (e.g. size, features, and capacity), and quantity of comparable properties available in the market.

For investment properties with appraisal conducted prior to the end of the current reporting period, management determines whether there are significant circumstances during the intervening period that may require adjustments or changes in the disclosure of fair value of those assets. A significant change in these elements may affect prices and the value of the assets.

#### 4. SEGMENT REPORTING

The Company has only one reportable segment, i.e., its leasing business, which caters to individual and corporate customers.

Further, the Company has only one geographical segment as all of its operations currently are based in San Nicolas, Ilocos Norte.

The Company earns revenues equivalent to 58%, 50%, and 54% of its total revenues from related parties under common control totaling to P118.5 million, P97.9 million and P69.8 million in 2023, 2022 and 2021, respectively (see Note 16.2).

#### 5. CASH AND CASH EQUIVALENTS

The breakdown of this account is as follows:

|                        | <u>2023</u>                 | <u>2022</u>          |
|------------------------|-----------------------------|----------------------|
| Cash on hand           | <b>P 86,741</b>             | P 86,741             |
| Cash in banks          | <b>146,731,831</b>          | 63,462,789           |
| Short-term investments | <b><u>456,033,263</u></b>   | <u>380,509,532</u>   |
|                        | <b><u>P 602,851,835</u></b> | <u>P 444,059,062</u> |

Cash in banks earn annual interest at the respective bank deposit rates. Short-term investments are made for varying periods of between one day to three months and earn effective interest ranging from 4.1% to 5.0%, 0.5% to 4.1%, and 0.12% to 0.4% for the years ended December 31, 2023, 2022 and 2021, respectively. Interest income earned from cash in banks and short-term investments amounted to P20.0 million, P5.1 million and P0.8 million for 2023, 2022 and 2021, respectively, and is presented as Interest Income under Other Income (Expenses) in the statements of comprehensive income.

#### 6. RECEIVABLES

This account consists of the following:

|                                | <u>Note</u> | <u>2023</u>                 | <u>2022</u>          |
|--------------------------------|-------------|-----------------------------|----------------------|
| Receivable from sale of assets | 16.1        | <b>P 149,875,840</b>        | P 149,875,840        |
| Trade receivables              | 16.2        | <b>7,528,246</b>            | 10,945,892           |
| Accrued rent receivable        |             | <b>3,871,159</b>            | 2,519,279            |
| Others                         |             | <b><u>1,243,501</u></b>     | <u>993,123</u>       |
|                                |             | <b><u>P 162,518,746</u></b> | <u>P 164,334,134</u> |

Receivable from sale of assets pertains to the unpaid portion of the total consideration from the sale of the Company's assets in 2016 to Robinsons Land Corporation (RLC), a related party under common ownership.

Trade receivables pertains to rent receivables which are noninterest-bearing and are generally payable within thirty days.

Accrued rent receivable represents the portion of the lease as a consequence of recognizing income on a straight-line basis to comply with PFRS 16.

Others include receivable from insurance companies and from officers and employees.

All trade receivables are subject to credit risks exposure [see Note 19.1(b)]. However, the Company does not identify specific concentrations of credit risk with regard to trade receivables as the amounts recognized resemble a larger number of receivables from various customers with strong financial condition. All trade receivables are covered by security deposits or advance rental payment.

## 7. OTHER ASSETS

The breakdown of this account is presented below.

|                                       | <u>2023</u>               |   | <u>2022</u>             |
|---------------------------------------|---------------------------|---|-------------------------|
| Utility deposits                      | <b>P 2,004,000</b>        | P | 2,004,000               |
| Advances to suppliers and contractors | <b>1,979,670</b>          |   | -                       |
| Prepaid taxes                         | <b>1,708,007</b>          |   | 1,708,007               |
| Others                                | <u><b>234,399</b></u>     |   | <u>155,196</u>          |
|                                       | <u><b>P 5,926,076</b></u> | P | <u><b>3,867,203</b></u> |

Utility deposits consist primarily of meter deposits.

Advances to suppliers and contractors consist of advance payment, which will be applied against progress billings.

Prepaid taxes pertain to the advance payments made for real property taxes.

Others consist of advances to SSS and advances to service provider.

## 8. INVESTMENT PROPERTIES

The gross carrying amounts and accumulated depreciation and amortization of investment properties at the beginning and end of 2023 and 2022 are presented in the succeeding page.

|  | <u>Land</u>                 | <u>Building</u>             | <u>Building<br/>Improvement</u> | <u>Total</u>                |
|--|-----------------------------|-----------------------------|---------------------------------|-----------------------------|
| December 31, 2023                            |                             |                             |                                 |                             |
| Cost   | P 100,000,000               | P 356,991,904               | P 15,546,514                    | P 472,538,418               |
| Accumulated depreciation<br>and amortization | <u>-</u>                    | <u>( 214,272,554)</u>       | <u>( 15,024,425)</u>            | <u>( 229,296,979)</u>       |
| Net carrying amount                          | <b><u>P 100,000,000</u></b> | <b><u>P 142,719,350</u></b> | <b><u>P 522,089</u></b>         | <b><u>P 243,241,439</u></b> |
| December 31, 2022                            |                             |                             |                                 |                             |
| Cost   | P 100,000,000               | P 356,991,904               | P 15,024,425                    | P 472,016,329               |
| Accumulated depreciation<br>and amortization | <u>-</u>                    | <u>( 208,841,121)</u>       | <u>( 14,898,276)</u>            | <u>( 223,739,397)</u>       |
| Net carrying amount                          | <b><u>P 100,000,000</u></b> | <b><u>P 148,150,783</u></b> | <b><u>P 126,149</u></b>         | <b><u>P 248,276,932</u></b> |
| January 1, 2022                              |                             |                             |                                 |                             |
| Cost   | P 100,000,000               | P 356,991,904               | P 15,024,425                    | P 472,016,329               |
| Accumulated depreciation<br>and amortization | <u>-</u>                    | <u>( 203,126,284)</u>       | <u>( 12,024,708)</u>            | <u>( 215,150,992)</u>       |
| Net carrying amount                          | <b><u>P 100,000,000</u></b> | <b><u>P 153,865,620</u></b> | <b><u>P 2,999,717</u></b>       | <b><u>P 256,865,337</u></b> |

The reconciliation of the net carrying amount of investment properties at the beginning and end of 2023 and 2022 is shown as follows:

|  | <u>Land</u>                 | <u>Building</u>             | <u>Building<br/>Improvement</u> | <u>Total</u>                |
|--|-----------------------------|-----------------------------|---------------------------------|-----------------------------|
| Balance at January 1, 2023,<br>net of accumulated<br>depreciation and amortization   | P 100,000,000               | P 148,150,783               | P 126,149                       | P 248,276,932               |
| Reclassifications  | -                           | -                           | 522,089                         | 522,089                     |
| Depreciation and amortization<br>charges for the year                                | <u>-</u>                    | <u>( 5,431,433)</u>         | <u>( 126,149)</u>               | <u>( 5,557,582)</u>         |
| Balance at December 31, 2023,<br>net of accumulated<br>depreciation and amortization | <b><u>P 100,000,000</u></b> | <b><u>P 142,719,350</u></b> | <b><u>P 522,089</u></b>         | <b><u>P 243,241,439</u></b> |
| Balance at January 1, 2022,<br>net of accumulated<br>depreciation and amortization   | P 100,000,000               | P 153,865,620               | P 2,999,717                     | P 256,865,337               |
| Depreciation and amortization<br>charges for the year                                | <u>-</u>                    | <u>( 5,714,837)</u>         | <u>( 2,873,568)</u>             | <u>( 8,588,405)</u>         |
| Balance at December 31, 2022,<br>net of accumulated<br>depreciation and amortization | <b><u>P 100,000,000</u></b> | <b><u>P 148,150,783</u></b> | <b><u>P 126,149</u></b>         | <b><u>P 248,276,932</u></b> |
| Balance at January 1, 2021,<br>net of accumulated<br>depreciation and amortization   | P 100,000,000               | P 159,262,736               | P 3,283,458                     | P 262,546,194               |
| Depreciation and amortization<br>charges for the year                                | <u>-</u>                    | <u>( 5,397,116)</u>         | <u>( 283,741)</u>               | <u>( 5,680,857)</u>         |
| Balance at December 31, 2021,<br>net of accumulated<br>depreciation and amortization | <b><u>P 100,000,000</u></b> | <b><u>P 153,865,620</u></b> | <b><u>P 2,999,717</u></b>       | <b><u>P 256,865,337</u></b> |

Rental revenue from investment properties amounted to P203.1 million, P194.4 million, and P129.4 million in 2023, 2022, and 2021, respectively, and is presented as Rental Revenues in the statements of comprehensive income. The Company granted rent concessions to its lessees amounting to P0.8 million, P6.6 million, and P24.4 million in 2023, 2022 and 2021, respectively.

Depreciation and amortization is presented as part of Cost of Rental Services in the statements of comprehensive income (see Note 14).

Installation of lamp post banner, chilled water pump and condenser water pump was completed in 2023 and was transferred to building improvement from construction-in-progress (CIP) account under Property and Equipment.

The fair value of investment properties amounted to P2,899.5 million, which is based on independent third party appraisal reports dated September 30, 2023 (see Note 21.3).

## 9. PROPERTY AND EQUIPMENT

The gross carrying amounts and accumulated depreciation and amortization of property and equipment at the beginning and end of 2023 and 202 are shown below.

|  | <u>Furnitures<br/>and Fixtures</u> | <u>Kitchen and<br/>Dining<br/>Equipment</u> | <u>Other<br/>Equipment</u> | <u>Construction<br/>in-progress</u> | <u>Total</u>               |
|--|------------------------------------|---|----------------------------|-------------------------------------|----------------------------|
| <b>December 31, 2023</b>                     |                                    |   |                            |                                     |                            |
| Cost   | P 18,627,982                       | P 19,244,001                                | P 115,612,685              | P 2,121,429                         | P 155,606,097              |
| Accumulated depreciation<br>and amortization | ( 18,545,590)                      | ( 11,730,603)                               | ( 78,265,831)              | -                                   | ( 108,542,024)             |
| Net carrying amount                          | <u><b>P 82,392</b></u>             | <u><b>P 7,513,398</b></u>                   | <u><b>P 37,346,854</b></u> | <u><b>P 2,121,429</b></u>           | <u><b>P 47,064,073</b></u> |
| <b>December 31, 2022</b>                     |                                    |   |                            |                                     |                            |
| Cost   | P 18,627,982                       | P 19,244,001                                | P 115,242,148              | P 1,290,774                         | P 154,404,905              |
| Accumulated depreciation<br>and amortization | ( 18,302,128)                      | ( 10,127,032)                               | ( 75,092,402)              | -                                   | ( 103,521,562)             |
| Net carrying amount                          | <u><b>P 325,854</b></u>            | <u><b>P 9,116,969</b></u>                   | <u><b>P 40,149,746</b></u> | <u><b>P 1,290,774</b></u>           | <u><b>P 50,883,343</b></u> |
| <b>January 1, 2022</b>                       |                                    |   |                            |                                     |                            |
| Cost   | P 18,627,982                       | P 11,226,144                                | P 112,617,148              | P 4,458,929                         | P 146,930,203              |
| Accumulated depreciation<br>and amortization | ( 17,865,919)                      | ( 8,278,039)                                | ( 74,575,394)              | -                                   | ( 100,719,352)             |
| Net carrying amount                          | <u><b>P 762,063</b></u>            | <u><b>P 2,948,105</b></u>                   | <u><b>P 38,041,754</b></u> | <u><b>P 4,458,929</b></u>           | <u><b>P 46,210,851</b></u> |

The reconciliation of the net carrying amount of property and equipment at the beginning and end of 2023 and 2022 is shown below.

|   | <u>Furnitures<br/>and Fixtures</u> | <u>Kitchen and<br/>Dining<br/>Equipment</u> | <u>Other<br/>Equipment</u> | <u>Construction<br/>in-progress</u> | <u>Total</u>        |
|---|------------------------------------|---|----------------------------|-------------------------------------|---------------------|
| Balance at January 1, 2023, net of<br>accumulated depreciation and<br>amortization      | P 325,854                          | P 9,116,969                                 | P 40,149,746               | P 1,290,774                         | P 50,883,343        |
| Additions   | -                                  | -   | -                          | 1,723,281                           | 1,723,281           |
| Reclassification  | -                                  | -   | 370,537                    | ( 892,626 )                         | ( 522,089 )         |
| Depreciation and amortization<br>charges for the year                                   | ( 243,462 )                        | ( 1,603,571 )                               | ( 3,173,429 )              | -                                   | ( 5,020,462 )       |
| Balance at December 31, 2023,<br>net of accumulated<br>depreciation and<br>amortization | <u>P 82,392</u>                    | <u>P 7,513,398</u>                          | <u>P 37,346,854</u>        | <u>P 2,121,429</u>                  | <u>P 47,064,073</u> |
| Balance at January 1, 2022, net of<br>accumulated depreciation and<br>amortization      | P 762,063                          | P 2,948,105                                 | P 38,041,754               | P 4,458,929                         | P 46,210,851        |
| Additions   | -                                  | 5,612,500                                   | 571,428                    | 1,290,774                           | 7,474,702           |
| Reclassification  | -                                  | 2,405,357                                   | 2,053,572                  | ( 4,458,929 )                       | -                   |
| Depreciation and amortization<br>charges for the year                                   | ( 436,209 )                        | ( 1,848,993 )                               | ( 517,008 )                | -                                   | ( 2,802,210 )       |
| Balance at December 31, 2022,<br>net of accumulated<br>depreciation and<br>amortization | <u>P 325,854</u>                   | <u>P 9,116,969</u>                          | <u>P 40,149,746</u>        | <u>P 1,290,774</u>                  | <u>P 50,883,343</u> |
| Balance at January 1, 2021, net of<br>accumulated depreciation and<br>amortization      | P 1,008,399                        | P 3,520,221                                 | P 38,289,083               | P 616,071                           | P 43,433,774        |
| Additions   | -                                  | -   | 1,919,643                  | 3,842,858                           | 5,762,501           |
| Depreciation and amortization<br>charges for the year                                   | ( 246,336 )                        | ( 572,116 )                                 | ( 2,166,972 )              | -                                   | ( 2,985,424 )       |
| Balance at December 31, 2021,<br>net of accumulated<br>depreciation and<br>amortization | <u>P 762,063</u>                   | <u>P 2,948,105</u>                          | <u>P 38,041,754</u>        | <u>P 4,458,929</u>                  | <u>P 46,210,851</u> |

Depreciation and amortization is presented as part of Cost of Rental Services in the statements of comprehensive income (see Note 14).

Construction of certain kitchen, dining and other equipment which started in 2021 was completed and transferred in 2022. The remaining carrying amount of CIP pertains to major retrofitting.

The gross carrying amount of fully depreciated and amortized assets that are still being used in operations amounted to P102.7 million and P102.0 million as of December 31, 2023 and 2022, respectively.

There are no items of property and equipment pledged as security to liabilities as of December 31, 2023 and 2022.



## 10. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

This account is composed of the following:

|                             | <u>2023</u>                | <u>2022</u>         |
|-----------------------------|----------------------------|---------------------|
| Accounts payable            | <b>P 49,110,287</b>        | P 39,710,258        |
| Output VAT payable          | <b>33,741,299</b>          | 29,203,850          |
| Accrued utilities expense   | <b>3,753,446</b>           | 4,392,382           |
| Accrued contracted services | <b>4,508,414</b>           | 4,131,523           |
| Taxes and licenses payable  | <u><b>134,782</b></u>      | <u>89,628</u>       |
|                             | <u><b>P 91,248,228</b></u> | <u>P 77,527,641</u> |

Accounts payable mainly includes unpaid billings from suppliers and contractors, including retention payable.

Output VAT payable is significantly composed of deferred output VAT arising from uncollected billings.

Accrued utilities expense, accrued contracted services, and taxes and licenses payable are normally settled within one year.

## 11. DEPOSITS AND OTHER LIABILITIES

This account is composed of the following:

|                       | <u>2023</u>                | <u>2022</u>         |
|-----------------------|----------------------------|---------------------|
| Deposits from lessees | <b>P 40,871,645</b>        | P 41,533,951        |
| Others                | <u><b>2,717,287</b></u>    | <u>2,941,120</u>    |
|                       | <u><b>P 43,588,932</b></u> | <u>P 44,475,071</u> |

Such accounts are classified in the statements of financial position as follows:

|             | <u>2023</u>                | <u>2022</u>         |
|-------------|----------------------------|---------------------|
| Current     | <b>P 23,586,945</b>        | P 31,414,179        |
| Non-current | <u><b>20,001,987</b></u>   | <u>13,060,892</u>   |
|             | <u><b>P 43,588,932</b></u> | <u>P 44,475,071</u> |

Deposits from lessees represent cash received from tenants representing three to six months of rent which shall be refunded to tenants at the end of lease term. These are initially recorded at fair value, which is obtained by discounting future cash flows using the applicable rates of similar type of instruments at the date of receipt of deposits.

The accretion expense on these deposits, recognized as Interest expense under Other Income (Expenses) in the statements of comprehensive income, amounted to P0.3 million, P0.2 million and P0.1 million in 2023, 2022 and 2021, respectively.

Others include accruals for goods purchased and/or services received which are yet to be billed by the suppliers as of period end.

## 12. EQUITY

The Company's authorized share capital is P100.0 million, divided into 100.0 million common shares with P1 par value. As of December 31, 2023 and 2022, 100.0 million number of common shares for a total amount of P100.0 million are issued and outstanding and are traded in the PSE. The Company's share price closed at P9.29 and P12.50 per share as of December 31, 2023 and 2022, respectively.

As of December 31, 2023 and 2022, the Company has 32,890,205 and 32,890,239 shares, respectively, owned by the public.

## 13. EARNINGS PER SHARE

EPS were computed as follows:

|   | <u>2023</u>               | <u>2022</u>        | <u>2021</u>        |
|---|---------------------------|--------------------|--------------------|
| Net income  | <b>P139,134,138</b>       | P 107,958,233      | P 64,844,611       |
| Divided by weighted average number of outstanding common shares | <u><b>100,000,000</b></u> | <u>100,000,000</u> | <u>100,000,000</u> |
| Basic and diluted EPS   | <u><b>P 1.39</b></u>      | <u>P 1.08</u>      | <u>P 0.65</u>      |

The Company has no potential dilutive common shares as of December 31, 2023, 2022 and 2021.

## 14. COST OF RENTAL SERVICES

The breakdown of the cost of rental services is shown below.

|                               | <u>Notes</u> | <u>2023</u>                | <u>2022</u>         | <u>2021</u>         |
|-------------------------------|--------------|----------------------------|---------------------|---------------------|
| Depreciation and amortization | 8, 9         | <b>P 10,578,044</b>        | P 11,390,615        | P 8,666,281         |
| Maintenance cost              |              | <u><b>5,516,330</b></u>    | <u>6,005,722</u>    | <u>3,058,628</u>    |
|                               |              | <u><b>P 16,094,374</b></u> | <u>P 17,396,337</u> | <u>P 11,724,909</u> |

## 15. INCOME TAXES

The components of tax expense as reported in the profit or loss section of statements of comprehensive income are as follow:

|  | <u>2023</u>                | <u>2022</u>         | <u>2021</u>         |
|--|----------------------------|---------------------|---------------------|
| Current tax expense:                       |                            |                     |                     |
| Regular corporate income tax (RCIT) at 25% | <b>P 23,923,916</b>        | P 26,648,657        | P 17,922,223        |
| Effect of change in enacted tax rate       | -                          | -                   | ( 825,775)          |
| Final tax at 20%                           | <u>4,003,543</u>           | <u>1,029,701</u>    | <u>161,825</u>      |
|  | <u><b>27,927,459</b></u>   | <u>27,678,358</u>   | <u>17,258,273</u>   |
| Deferred tax expense (income)              | ( 729,238)                 | 520,406             | ( 342,783)          |
| Effect of change in enacted tax rate       | -                          | -                   | ( 338,225)          |
|  | <u>( 729,238)</u>          | <u>520,406</u>      | <u>( 681,008)</u>   |
|  | <u><b>P 27,198,221</b></u> | <u>P 28,198,764</u> | <u>P 16,577,265</u> |

Meanwhile, tax expense which relate to the remeasurements of pension plan amounting P0.04 million in 2023 (nil in 2022 and 2021), is presented in the other comprehensive section of 2023 statement of comprehensive income.

The Company availed of the optional standard deduction (OSD) in lieu of itemized deduction for 2023, 2022 and 2021.

Under the Philippine tax rules, a corporation is allowed to deduct either (a) an optional standard deduction (OSD; 40% of gross income) or (b) itemized deductions in determining taxable income. On November 26, 2008, the BIR issued Revenue Regulations (RR) No. 16-2009, Implementing the Provisions of Section 34 (L) of the Tax Code of 1997, as Amended by Section 3 of Republic Act No. 9504, *Dealing on the OSD Allowed to Individuals and Corporation in Computing Their Taxable Income*. Under RR No. 16-2008, corporate taxpayers subject to RCIT shall be allowed to use OSD in computing their taxable income. On a yearly basis, corporations may elect a standard deduction in an amount equivalent to 40% of gross income, as provided by law, in lieu of the allowed itemized deductions in computing RCIT. The availment of the OSD shall be irrevocable for the year which the return is made.

A reconciliation of tax on pre-tax profit computed at the applicable statutory rates to tax expense reported in the statements of comprehensive income follows:

|  | <u>2023</u>                | <u>2022</u>         | <u>2021</u>         |
|--|----------------------------|---------------------|---------------------|
| Tax on pre-tax profit at 25%                       | <b>P 41,583,090</b>        | P 34,039,250        | P 20,355,469        |
| Adjustment for income subjected to lower tax rates | <b>1,000,335</b>           | 257,339             | 40,456              |
| Effect of change in enacted tax rate               | -                          | -                   | ( 1,164,000)        |
| Difference between OSD and itemized deduction      | <u>( 15,385,204)</u>       | <u>( 6,097,825)</u> | <u>( 2,654,660)</u> |
| Tax expense  | <u><b>P 27,198,221</b></u> | <u>P 28,198,764</u> | <u>P 16,577,265</u> |

The components of net deferred tax liabilities as of December 31, 2023 and 2022 follow:

|  | <u>2023</u>        | <u>2022</u>        |
|--|--------------------|--------------------|
| Deferred tax assets:                     |                    |                    |
| Accrued pension expense                  | P -                | P 165,212          |
| Accretion of deposits from lessees       | -                  | 118,362            |
| Remeasurement loss of retirement plan    | <u>-</u>           | <u>104,130</u>     |
|  | <u>-</u>           | <u>387,704</u>     |
| Deferred tax liabilities:                |                    |                    |
| Unamortized capitalized interest expense | 603,214            | 1,147,536          |
| Accrued rental income                    | 580,674            | 629,820            |
| Accrued interest income                  | -                  | 340,108            |
| Others                                   | <u>-</u>           | <u>138,991</u>     |
|  | <u>1,183,888</u>   | <u>2,256,455</u>   |
| Net deferred tax liabilities             | <u>P 1,183,888</u> | <u>P 1,868,751</u> |

The components of net deferred tax expense (benefit) reported in the statements of comprehensive income are as follows:

|  | <u>Profit or loss</u> |                  |                    | <u>Other comprehensive income</u> |             |             |
|--|-----------------------|------------------|--------------------|-----------------------------------|-------------|-------------|
|  | <u>2023</u>           | <u>2022</u>      | <u>2021</u>        | <u>2023</u>                       | <u>2022</u> | <u>2021</u> |
| Unamortized capitalized interest expense | (P 544,322)           | (P 142,180)      | (P 428,560)        | P -                               | P -         | P -         |
| Accrued interest income                  | ( 340,108)            | 39,875           | ( 25,044)          | -                                 | -           | -           |
| Accrued pension expense                  | 165,212               | -                | 33,042             | -                                 | -           | -           |
| Accretion of deposits from lessees       | 118,362               | -                | 23,672             | -                                 | -           | -           |
| Remeasurement on retirement plan         | 59,755                | -                | 20,826             | ( 44,375)                         | -           | -           |
| Accrued rental income                    | ( 49,146)             | 622,711          | ( 277,146)         | -                                 | -           | -           |
| Others                                   | ( 138,991)            | -                | ( 27,798)          | -                                 | -           | -           |
| Net deferred tax expense (benefit)       | <u>(P 729,238)</u>    | <u>P 520,406</u> | <u>(P 681,008)</u> | <u>(P 44,375)</u>                 | <u>P -</u>  | <u>P -</u>  |

The Company is subject to the minimum corporate income tax (MCIT) which is computed at 1.5% in 2023, 1% in 2022 and 2% in 2021, of gross income net of allowable deductions, as defined under the tax regulations or to RCIT, whichever is higher. No MCIT was reported in 2023, 2022 and 2021 as the RCIT was higher than MCIT in those years.

## 16. RELATED PARTY TRANSACTIONS

The Company's related parties include its former Parent Company and related parties under common ownership.

Based on the requirement of SEC Memorandum Circular 2019-10, *Rules of Material Related Party Transactions of Publicly-listed Companies*, transactions amounting to 10% or more of the total assets based on its latest financial statements that were entered into with related parties are considered material.

All individual material related party transactions shall be approved by at least two-thirds (2/3) vote of the Company's BOD, with at least a majority of the independent directors voting to approve the material related party transactions. In case that a majority of the independent directors' vote is not secured, the material related party transaction may be ratified by the vote of the stockholders representing at least two-thirds of the outstanding capital stock. For aggregate related party transactions within a 12-month period that breaches the materiality threshold of 10% of the Company's total assets based on the latest financial statements, the same board approval would be required for the transactions that meet and exceeds the materiality threshold covering the same related party.

The summary of the Company's transactions and corresponding outstanding balances with its related parties as of and for the years ended December 31, 2023, 2022 and 2021 are presented below.

| Related Party Categories                       | Notes | Amount of Transaction |               |               | Outstanding Balance |              |
|--|-------|-----------------------|---------------|---------------|---------------------|--------------|
|  |       | 2023                  | 2022          | 2021          | 2023                | 2022         |
| <i>Related parties under common ownership:</i> |       |                       |               |               |                     |              |
| Receivable from sale of assets                 | 16.1  | P -                   | P -           | (P 109,590)   | P 149,875,840       | P149,875,840 |
| Rental income                                  | 16.2  | 118,504,108           | 97,878,436    | 69,782,068    | 5,401,863           | 8,018,745    |
| Due from (to) related parties                  | 16.3  | ( 105,329)            | -             | 20,936        | ( 99,931)           | 5,398        |
| Short-term investments                         | 16.4  | 75,523,731            | 178,779,284   | ( 12,703,517) | 456,033,263         | 380,509,532  |
| Cash in banks                                  | 16.4  | 82,697,295            | ( 18,942,142) | ( 77,535,512) | 143,034,351         | 60,337,056   |
| Interest income                                | 16.4  | 19,898,136            | 5,071,225     | 773,345       | 690,245             | 297,320      |

### 16.1 Receivable from Sale of Assets with RLC

In September 2016, the Company entered into a deed of absolute sale with RLC covering sale of certain assets constructed in the parcel of land owned by RLC for a selling price of P895.1 million, inclusive of VAT.

On September 30, 2016, RLC paid P500.0 million of the purchase price. As of December 31, 2023 and 2022, the Company's receivable from sale of assets amounted to P149.9 million and is presented as Receivables from sale of asset under Receivables in the statements of financial position. Such receivable is unsecured, collectable in cash, due on demand and noninterest-bearing (see Note 6).

### 16.2 Rental Income

The Company, being the lessor, entered into lease agreements with related parties under common ownership, the lessees. The lease terms are for a period of three to five years renewable at the end of lease term while the lease payments were set at the prevailing market lease rates. Rental revenue arising from this transaction amounted to P118.5 million, P97.9 million and P69.8 million in 2023, 2022 and 2021, respectively, and is presented as part of Rental Revenues in the statements of comprehensive income, while the outstanding receivable balance amounting to P5.4 million and P8.0 million as of December 31, 2023 and 2022, respectively, are presented as part of trade receivables under the Receivables account of the statements of financial position (see Note 6). The outstanding receivable from the related parties are unsecured and noninterest-bearing.

### ***16.3 Due from Related Parties***

In the normal course of business, the Company has transactions with related parties under common ownership consisting principally of sharing of expenses. The receivables arising from such transactions are unsecured, noninterest-bearing, payable in cash and on demand.

### ***16.4 Cash and Cash Equivalents***

The Company maintains current and savings accounts and time deposits with an entity under common ownership which is a local commercial bank. Cash and cash equivalents earn interest at the prevailing bank deposit rates (see Note 5).

### ***16.5 Key Management Personnel***

The Company's key management personnel are employees of RLC. The compensation of the said employees are paid by RLC and such, the necessary disclosures required under PAS 24, *Related Party Disclosures*, are included in RLC's financial statements.

### ***16.6 Terms and Conditions of Transactions with Related Parties***

There have been no guarantees provided or received for any related party receivables or payables. The Company has not recognized any impairment losses on amounts receivables from related parties in 2023 and 2022. This is undertaken each financial year through a review of the financial position of the related party and the market in which the party operates.

### ***16.7 Pension Fund***

The Company's pension funds are being administered and managed through JG Summit Multi-Employer Retirement Plan (the "Plan"), with Robinsons Bank Corporation (RBC) as Trustee. The plans provide for retirement, separation, disability and death benefits to their members. The Company, however, reserves the right to discontinue, suspend or change the rates and amounts of their contributions at any time on account of business necessity or adverse economic conditions.

The retirement plan has an Executive Retirement Committee, which is mandated to approve the plan, trust agreement, investment plan, including any amendments or modifications thereto, and other activities of the Plan. Certain members of the BOD of the Company are represented in the Executive Retirement Committee. RBC manages the plan assets based on the mandate as defined in the trust agreement.

## **17. EMPLOYEE BENEFITS**

### ***17.1 Salaries and Employee Benefits Expense***

Expenses recognized for salaries and employee benefits are presented below.

|                                  | <u>2023</u>        | <u>2022</u>        | <u>2021</u>        |
|----------------------------------|--------------------|--------------------|--------------------|
| Short-term employee benefits     | P 8,107,479        | P 8,724,738        | P 8,173,107        |
| Post-employment defined benefits | <u>262,552</u>     | <u>244,078</u>     | <u>277,289</u>     |
|                                  | <u>P 8,370,031</u> | <u>P 8,968,816</u> | <u>P 8,450,396</u> |

## 17.2 Pension Plan

### (a) Characteristics of the Pension Plan

The Company has a noncontributory, defined benefit pension plans covering all of its regular and permanent employees. Benefits are based on the employee's final plan salary and years of service.

The compulsory retirement age of the Company's employees is at 60 with a minimum of five years of credited service. It provides a post-employment benefit equal to 22.5 times the final daily basic salary for service rendered prior to April 1, 2019 and 26.08 times the final daily basic salary for service rendered thereafter.

### (b) Explanation of Amounts Presented in the Financial Statements

The actuarial valuation was made in 2023 and 2022 by an independent actuary. The retirement benefit obligation amounted to P1.4 million and P1.3 million as of December 31, 2023 and 2022, and are presented as Pension Liabilities in the statements of financial position.

The movements in the present value of the pension liabilities recognized in the books are as follows:

|  | <u>2023</u>               | <u>2022</u>               |
|--|---------------------------|---------------------------|
| Balance at beginning of the year       | <b>P 1,338,827</b>        | P 1,527,445               |
| Current service cost                   | <b>169,102</b>            | 166,484                   |
| Benefits paid                          | <b>( 153,833)</b>         | -                         |
| Interest expense                       | <b>93,450</b>             | 77,594                    |
| Remeasurements –                       |                           |                           |
| Actuarial losses (gains) arising from: |                           |                           |
| Change in financial assumption         | <b>164,613</b>            | ( 357,667)                |
| Experience adjustments                 | <b>( 178,768)</b>         | ( 103,244)                |
| Changes in demographic adjustments     | <u>-</u>                  | <u>28,215</u>             |
| Balance at end of the year             | <b><u>P 1,433,391</u></b> | <b><u>P 1,338,827</u></b> |

The components of amounts recognized in profit or loss and in other comprehensive income in respect of the pension plan are as follows:

|   | <u>2023</u>              | <u>2022</u>               | <u>2021</u>               |
|---|--------------------------|---------------------------|---------------------------|
| <i>Reported in profit or loss:</i>                |                          |                           |                           |
| Current service cost                              | <b>P 169,102</b>         | P 166,484                 | P 217,065                 |
| Interest cost                                     | <b><u>93,450</u></b>     | <u>77,594</u>             | <u>60,224</u>             |
|   | <b><u>P 262,552</u></b>  | <b><u>P 244,078</u></b>   | <b><u>P 277,289</u></b>   |
| <i>Reported in other comprehensive income:</i>    |                          |                           |                           |
| Actuarial losses (gains) arising from changes in: |                          |                           |                           |
| Financial assumptions                             | <b>P 164,613</b>         | (P 357,667)               | (P P310,686)              |
| Experience adjustments                            | <b>( 178,768)</b>        | ( 103,244)                | 118,983                   |
| Demographic adjustments                           | <u>-</u>                 | <u>28,215</u>             | <u>( 56,582)</u>          |
|   | <b><u>(P 14,155)</u></b> | <b><u>(P 432,696)</u></b> | <b><u>(P 248,285)</u></b> |

Current service cost and interest cost are presented as part of Salaries, wages and employee benefits under General and Administrative Expenses in the statements of comprehensive income. Amounts recognized in other comprehensive income were included within items that will not be reclassified subsequently to profit or loss.

In determining the amount of the retirement benefit obligation, the following significant actuarial assumptions were used for 2023 and 2022:

|                                   | <u>2023</u>  | <u>2022</u> |
|-----------------------------------|--------------|-------------|
| Discount rates                    | <b>6.09%</b> | 6.98%       |
| Expected rate of salary increases | <b>5.50%</b> | 5.00%       |

Assumptions regarding future mortality experience are based on published statistics and mortality tables. The average remaining working lives of an individual retiring at the age of 60 is 34 years. These assumptions were developed by management with the assistance of an independent actuary. Discount factors are determined close to the end of each reporting period by reference to the interest rates of zero coupon government bonds with terms to maturity approximating to the terms of the post-employment obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

(c) *Risks Associated with the Retirement Plan*

The plan exposes the Company to actuarial risks such as interest rate risk, longevity risk and salary risk.

(i) *Interest Rate Risk*

The present value of the defined benefit obligation is calculated using a discount rate determined by reference to market yields of government bonds. Generally, a decrease in the interest rate of a reference government bonds will increase the plan obligation.

(ii) *Longevity and Salary Risks*

The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of the plan participants during their employment and to their future salaries. Consequently, increases in the life expectancy and salary of the plan participants will result in an increase in the plan obligation.

(d) *Other Information*

The information on the sensitivity analysis for certain significant actuarial assumptions, and the timing and uncertainty of future cash flows related to the retirement plan are discussed in the succeeding page.



(i) *Sensitivity Analysis*

The table below summarizes the effects of changes in the significant actuarial assumptions used in the determination of the defined benefit obligation as of December 31, 2023 and 2022:

| <u>Impact on Post-employment Benefit Obligation</u> |                             |   |                               |                               |
|---|-----------------------------|---|-------------------------------|-------------------------------|
|   | <u>Change in Assumption</u> |   | <u>Increase in Assumption</u> | <u>Decrease in Assumption</u> |
| <b><u>December 31, 2023</u></b>                     |                             |   |                               |                               |
| Salary increase rate                                | +1.0%/-1.0%                 | P | 142,832 (P                    | 125,226)                      |
| Discount Rate                                       | +1.0%/-1.0%                 | ( | 121,317)                      | 144,045                       |
| <b><u>December 31, 2022</u></b>                     |                             |   |                               |                               |
| Salary increase rate                                | +1.0%/-1.0%                 | P | 149,935 (P                    | 131,046)                      |
| Discount Rate                                       | +1.0%/-1.0%                 | ( | 126,229)                      | 147,989                       |

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognized in the statements of financial position. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous years.

(ii) *Funding Arrangements and Expected Contributions*

The Company does not maintain a fund for its retirement benefit obligation. However, the Company has sufficient cash if several employees retire within the same year.

The maturity profile of the undiscounted expected benefit payments from the plan follows:

|                                   | <u>2023</u>        | <u>2022</u>        |
|-----------------------------------|--------------------|--------------------|
| Within one year                   | P 41,085           | P 23,290           |
| More than one to five years       | 444,181            | 503,576            |
| More than five years to ten years | <u>1,542,640</u>   | <u>1,460,833</u>   |
|                                   | <u>P 2,027,906</u> | <u>P 1,987,699</u> |

Management expects that a substantial portion of the undiscounted expected benefit payments is probable after 10 years from the end of the reporting period. The weighted average duration of the defined benefit obligation at the end of the reporting period is 21 years.

## 18. COMMITMENTS AND CONTINGENCIES

The Company has entered into commercial property leases on its investment property portfolio. These non-cancellable leases have remaining non-cancellable lease terms ranging from one to five years. All leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions. The lease contracts also provide for the percentage rent which is a certain percentage of actual monthly sales or minimum monthly gross sales whichever is higher. The total rental revenues amounted to P203.1 million, P194.4 million and P129.4 million in 2023, 2022 and 2021, respectively, of which the total percentage rent recognized as revenues in 2023, 2022 and 2021 amounted to P98.2 million, P104.3 million and P68.4 million, respectively.

Future minimum rentals under these non-cancellable operating leases are as follow:

|  | <u>2023</u>                | <u>2022</u>                 |
|--|----------------------------|-----------------------------|
| Within one year                                | <b>P 36,560,802</b>        | P 33,220,506                |
| After one year but not more than two years     | <b>27,889,956</b>          | 24,088,370                  |
| After two years but not more than three years  | <b>18,096,420</b>          | 22,204,640                  |
| After three years but not more than four years | <b>5,103,158</b>           | 19,680,116                  |
| After four years but not more than five years  | <u>-</u>                   | <u>5,878,794</u>            |
|  | <b><u>P 87,650,336</u></b> | <b><u>P 105,072,426</u></b> |

There are other commitments and contingent liabilities that may arise in the normal course of the Company's operations that are not reflected in the financial statements. Management is of the opinion that losses, if any, from these items will not have a material effect on the Company's financial statements.

## 19. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to a variety of operational and financial risks in relation to financial instruments. The Company's risk management is coordinated with its Parent Company, in close cooperation with the Company's BOD.

The Company does not normally engage in the trading of financial assets for speculative purposes nor does it write options. The most relevant operational and financial risks to which the Company is exposed to are described below and in the succeeding pages.

### ***19.1 Credit Risk***

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk from its operating activities (primarily from cash and cash equivalents and receivables).

The Company's receivables are actively monitored to avoid significant concentrations of credit risk.

The Company has adopted a no-business policy with customers lacking appropriate credit history where credit records are available.

With respect to credit risk arising from Company's financial assets, which comprise cash and cash equivalents and receivables, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

The maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown in the statements of financial position or in the detailed analysis provided in the notes to the financial statements, as summarized below.

|                           | Notes | 2023                        | 2022                        |
|---------------------------|-------|-----------------------------|-----------------------------|
| Cash and cash equivalents | 5     | <b>P 602,851,835</b>        | P 444,059,062               |
| Receivables               | 6     | <b>162,518,746</b>          | 164,334,134                 |
| Due from related parties  | 16    | -                           | 5,398                       |
| Utility deposits          | 7     | <b>2,004,000</b>            | 2,004,000                   |
|                           |       | <b><u>P 767,374,581</u></b> | <b><u>P 610,402,594</u></b> |

None of the Company's financial assets are secured by collateral or other credit enhancements, except for cash and cash equivalents, receivables and due from related parties as described below and in the succeeding page.

(a) *Cash and Cash Equivalents*

The credit risk for cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. Included in the cash and cash equivalents are cash in banks and short-term placements which are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of P0.5 million for every depositor per banking institution.

(b) *Receivables*

Credit risk arising from rental income from leasing properties is primarily managed through a tenant selection process. Prospective tenants are evaluated on the basis of payment track record and other credit information. In accordance with the provisions of the lease contracts, the lessees are required to deposit the security deposits and advance rentals which help reduce the Company's credit risk exposure in case of defaults by the tenants.

The Company is not exposed to any significant credit risk exposure to any single customer or any group of customers having similar characteristics. Trade receivables consist of a large number of customers in various industries. Based on historical information about customer default rates, management consider the credit quality of trade receivables that are not past due or impaired to be good.

Moreover, LGD on certain trade receivables is either nil or at an approximately low level due to existence of security deposits and advance rentals. Trade receivables amounting to P7.5 million and P10.9 million are covered by the total amount of security deposits and advance rentals amounting to P40.9 million and P41.5 million, as of December 31, 2023 and 2022, respectively (see Note 11). On that basis, management determined that the effect of ECL on trade receivables is negligible; hence, no impairment loss is required to be recognized as at December 31, 2023 and 2022.

(c) *Due from Related Parties*

ECL for advances to related parties are measured and recognized using the general approach. Management determines possible impairment based on the related party's ability to repay the advances upon demand at the reporting date taking into consideration the historical defaults from the related parties. Management assessed that the outstanding due from related parties as of December 31, 2023 and 2022 are recoverable since these related parties have the capacity to pay the advances upon demand. Accordingly, no impairment losses were recognized.

(d) *Utility Deposits*

With respect to utility deposits, the credit risk is considered negligible since the counterparty is considered to be with sound financial condition, and that the deposits are highly likely to be received upon end of the terms.

## 19.2 *Liquidity Risk*

Liquidity or funding risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments.

The Company seeks to manage its liquidity profile to be able to finance its capital expenditures and operations. The Company maintains a level of cash deemed sufficient to finance operations. As part of its liquidity risk management, the Company regularly evaluates its projected and actual cash flows.

The analysis of the maturity groupings of the Company's financial liabilities (at gross amounts) as of December 31, 2023 and 2022 is shown below:

|   |   | December 31, 2023          |  |                             |                             |
|---|---|----------------------------|--|-----------------------------|-----------------------------|
|   |   | Due Within<br>One Year     | Due Beyond<br>One Year but<br>Within Five<br>Years | Due<br>Beyond<br>Five Years | Total                       |
| Accounts payable and<br>accrued expenses: |   |                            |  |                             |                             |
| Accounts payable                          | P | 49,110,287                 | P -  | P -                         | P 49,110,287                |
| Accrued utilities                         |   | 3,753,446                  | -  | -                           | 3,753,446                   |
| Accrued contracted services               |   | 4,508,414                  | -  | -                           | 4,508,414                   |
| Deposits and other liabilities            |   | <u>23,586,945</u>          | <u>20,001,987</u>                                  | <u>-</u>                    | <u>43,588,932</u>           |
| <b>Total</b>                              |   | <b><u>P 80,959,092</u></b> | <b><u>P 20,001,987</u></b>                         | <b><u>P -</u></b>           | <b><u>P 100,961,079</u></b> |

| December 31, 2022                      |   |                     |                     |            |                     |
|--|---|---------------------|---------------------|------------|---------------------|
|  |   | Due Within          | Due Beyond          | Due        |                     |
|  |   | One Year            | One Year but        | Beyond     |                     |
|  |   |                     | Within Five         | Five Years | Total               |
|  |   |                     | Years               |            |                     |
| Accounts payable and accrued expenses: |   |                     |                     |            |                     |
| Accounts payable                       | P | 39,710,258          | P -                 | P -        | P 39,710,258        |
| Accrued utilities                      |   | 4,392,382           | -                   | -          | 4,392,382           |
| Accrued contracted services            |   | 4,131,523           | -                   | -          | 4,131,523           |
| Deposits and other liabilities         |   | <u>31,414,179</u>   | <u>13,060,892</u>   | <u>-</u>   | <u>44,475,071</u>   |
| Total                                  |   | <u>P 79,648,342</u> | <u>P 13,060,892</u> | <u>P -</u> | <u>P 92,709,234</u> |

The contractual maturities reflect the gross cash flows, which may differ from the carrying values of the financial liabilities at the end of the reporting periods.

### **19.3 Concentration Risks**

The Company is subject to risk incidental to the operation of its investment properties, which include among others, changes in market rental rates, inability to renew leases upon lease expiration, and inability to collect rent from lessees due to bankruptcy or insolvency of lessees. A significant portion of the Company's rental income is derived from a single counterparty, accounting for 50.5% and 56.2% of the total rental revenue for 2023 and 2022, respectively, and these properties are leased for commercial purpose. Failure of the Company to renew the contract or collect from the lessee may significantly impact the Company's financial statements.

To mitigate these risks, the Company requires security deposits representing six months' rent from the lessee. The existing lease term is also for 3 years, with stipulated additional rent based on percentage rent. Additionally, the Company's investment properties are situated in favorable locations which are optimal for their lessee's supply chain management.

## **20. CATEGORIES AND OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

### **20.1 Carrying Amounts and Fair Values by Category**

The fair values of financial assets and financial liabilities, except deposits and other liabilities, are approximately equal to their carrying amounts as of the reporting date due to the short-term nature of the transactions.

The fair value of deposits and other liabilities amounting to P40.7 million and P41.8 million as of December 31, 2023 and 2022, respectively, are based on the discounted value of future cash flows using the applicable rates for similar types of financial liabilities. The discount rates used range from 5.40% to 6.14% in 2023 and from 4.29% to 6.67% in 2022.

### **20.2 Offsetting of Financial Assets and Financial Liabilities**

Fees charged by RLC amounting to P3.7 million were set-off against its receivable from sale of asset, as agreed by both parties (see Note 16.1). The net amount is presented as part of Receivables account which amounted to P149.9 million as of December 31, 2023 and 2022.

For financial assets and financial liabilities subject to enforceable master netting agreements or similar arrangements above, each agreement between the Company and counterparties (i.e., related parties including subsidiaries and associates) allows for net settlement of the relevant financial assets and liabilities when both elect to settle on a net basis. In the absence of such an election, financial assets and liabilities will be settled on a gross basis; however, each party to the master netting agreement or similar agreement will have the option to settle all such amounts on a net basis in the event of default of the other party.

## 21. FAIR VALUE MEASUREMENT AND DISCLOSURES

### 21.1 *Fair Value Hierarchy*

In accordance with PFRS 13, *Fair Value Measurement*, the fair value of financial assets and financial liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS, are categorized into three levels based on the significance of inputs used to measure the fair value. The fair value hierarchy has the following levels:

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

The level within which the asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

For investments which do not have quoted market price, the fair value is determined by using generally acceptable pricing models and valuation techniques or by reference to the current market of another instrument which is substantially the same after taking into account the related credit risk of counterparties, or is calculated based on the expected cash flows of the underlying net asset base of the instrument.

When the Company uses valuation technique, it maximizes the use of observable market data where it is available and relies as little as possible on entity specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in Level 2. Otherwise, it is included in Level 3.

## 21.2 Financial Instruments Measured at Amortized Cost for which Fair Value is Disclosed

The table below summarizes the fair value hierarchy of the Company's financial assets and financial liabilities which are not measured at fair value in the statements of financial position but for which fair value is disclosed.

|                                       | <u>Level 1</u>              | <u>Level 2</u>    | <u>Level 3</u>              | <u>Total</u>                |
|---------------------------------------|-----------------------------|-------------------|-----------------------------|-----------------------------|
| <b><u>December 31, 2023</u></b>       |                             |                   |                             |                             |
| <b><i>Financial Assets:</i></b>       |                             |                   |                             |                             |
| Cash and cash equivalents             | P 602,851,835               | P -               | P -                         | P 602,851,835               |
| Receivables                           | -                           | -                 | 162,518,746                 | 162,518,746                 |
| Utility deposits                      | -                           | -                 | 2,004,000                   | 2,004,000                   |
|                                       | <b><u>P 602,851,835</u></b> | <b><u>P -</u></b> | <b><u>P 164,522,746</u></b> | <b><u>P 767,374,581</u></b> |
| <b><i>Financial Liabilities:</i></b>  |                             |                   |                             |                             |
| Accounts payable and accrued expenses | P -                         | P -               | P 57,372,147                | P 57,372,147                |
| Deposits and other liabilities        | -                           | -                 | 40,738,440                  | 40,738,440                  |
|                                       | <b><u>P -</u></b>           | <b><u>P -</u></b> | <b><u>P 98,110,587</u></b>  | <b><u>P 98,110,587</u></b>  |
| <b><u>December 31, 2022</u></b>       |                             |                   |                             |                             |
| <b><i>Financial Assets:</i></b>       |                             |                   |                             |                             |
| Cash and cash equivalents             | P 444,059,062               | P -               | P -                         | P 444,059,062               |
| Receivables                           | -                           | -                 | 164,334,134                 | 164,334,134                 |
| Due from related parties              | -                           | -                 | 5,398                       | 5,398                       |
| Utility deposits                      | -                           | -                 | 2,004,000                   | 2,004,000                   |
|                                       | <b><u>P 444,059,062</u></b> | <b><u>P -</u></b> | <b><u>P 166,343,532</u></b> | <b><u>P 610,402,594</u></b> |
| <b><i>Financial Liabilities:</i></b>  |                             |                   |                             |                             |
| Accounts payable and accrued expenses | P -                         | P -               | P 48,234,163                | P 48,234,163                |
| Deposits and other liabilities        | -                           | -                 | 41,775,856                  | 41,775,856                  |
|                                       | <b><u>P -</u></b>           | <b><u>P -</u></b> | <b><u>P 90,010,019</u></b>  | <b><u>P 90,010,019</u></b>  |

For financial assets and financial liabilities, other than investment securities at amortized cost, with fair values included in Level 1, management considers that the carrying amounts of those short-term financial instruments approximate their fair values.

## 21.3 Fair Value Measurement for Non-financial Assets

The fair value of the Company's land, building and building improvements amounting to P2,899.5 million as of December 31, 2023 and 2022 classified under the Company's investment properties (see Note 8) are determined on the basis of the appraisals performed by an independent appraiser with appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations. To some extent, the valuation process was conducted by the appraiser in discussion with the Company's management with respect to the determination of the inputs such as the size, age, and condition of the land and building, and the comparable prices in the corresponding property location.

In estimating the fair value of these properties, management takes into account the market participant's ability to generate economic benefits by using the assets in their highest and best use. Based on management assessment, the best use of the Company's non-financial assets indicated above is their current use.

As at December 31, 2023 and 2022 the fair value of the Company's investment properties is classified in Level 3 of the fair value hierarchy.

For assets and liabilities that are recognized at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company has no non-financial assets measured at fair value as of December 31, 2023 and 2022.

## **22. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES**

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholder value. The Company manages its capital structure and make adjustments to these ratios in light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes have been made in the objective, policies and processes as they have been applied in previous years.

The Company monitors its use of capital structure using a debt-to-equity ratio which is gross debt divided by total equity. The Company includes within gross debt all interest-bearing loans and borrowings, while equity represents total equity attributable to the equity holders of the Company.

As of December 31, 2023 and 2022, the Company's debt-to-equity ratio is nil as the Company does not have any outstanding interest-bearing loans and borrowings in both years.

## **23. SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE**

The following supplementary information on taxes, duties and license fees paid or accrued during the taxable year required by the BIR under Revenue Regulation No. 15-2010 to be disclosed as part of the notes to financial statements. This supplementary information is not a required disclosure under PFRS.

### *(a) Output VAT*

In 2023, the Company recognized output VAT amounting to P29,541,057 from rental income earned during the year amounting to P246,175,474.



The tax bases for rental income are based on the Company's gross receipts for the year, hence, may not be the same as the amounts of revenues reported in the 2023 statement of comprehensive income. The Company's outstanding output VAT amounted to P8,751,057 as of December 31, 2023 while deferred output VAT arising from uncollected revenues amounted to P24,990,242.

(b) *Input VAT*

The movements in input VAT during the year ended December 31, 2023 are summarized below.

|  |                      |
|--|----------------------|
| Balance at beginning of year                           | P -                  |
| Services lodged under other<br>accounts or manufacture | 5,427,150            |
| Applied against output VAT                             | ( <u>5,427,150</u> ) |
| Balance at end of year                                 | <u><u>P -</u></u>    |

(c) *Taxes on Importation*

The Company has not paid nor accrued any customs duties and tariff fees since it did not have any importations in 2023.

(d) *Excise Tax*

The Company has not paid nor accrued excise tax since it did not have any transactions in 2023 which is subject to excise tax.

(e) *Documentary Stamp Tax*

Documentary stamp taxes (DST) paid in 2023 amounted to P257,732 in connection with property insurance contracts paid during the year and is presented as part of Taxes and Licenses under General and Administrative Expenses in the 2023 statement of comprehensive income.

(f) *Taxes and Licenses*

The details of Taxes and Licenses account in 2023 is broken down as follows:

|                     |                           |
|---------------------|---------------------------|
| Real estate taxes   | P 1,708,007               |
| License and permits | 595,532                   |
| DST                 | 257,732                   |
| Others              | <u>71,193</u>             |
|                     | <u><u>P 2,632,464</u></u> |

(g) *Withholding Taxes*

The details of total withholding taxes for the year ended December 31, 2023 are shown below.

|                                    |   |                  |
|------------------------------------|---|------------------|
| Compensation and employee benefits | P | 58,799           |
| Expanded                           |   | <u>1,785,264</u> |
|                                    | P | <u>1,844,063</u> |

The Company did not have income payments that are subject to final tax during the year.

(h) *Deficiency Tax Assessments and Tax Cases*

As of December 31, 2023, the Company does not have any final deficiency tax assessments from the BIR nor does it have tax cases outstanding or pending in courts or bodies outside of the BIR in any of the open taxable years.

# **Report of Independent Auditors to Accompany Supplementary Information Required by the Securities and Exchange Commission Filed Separately from the Basic Financial Statements**

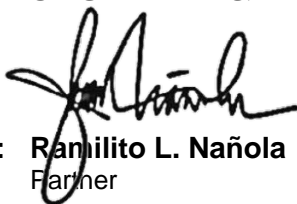
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**The Board of Directors and the Stockholders**  
**Altus Property Ventures, Inc.**  
**(Formerly Altus San Nicolas Corp.)**  
**(A Subsidiary of JG Summit Holdings, Inc.)**  
Brgy. 1 San Francisco, San Nicolas  
Ilocos Norte

We have audited, in accordance with Philippine Standards on Auditing, the financial statements of Altus Property Ventures, Inc. (the Company) for the year ended December 31, 2023, on which we have rendered our report dated March 15, 2024. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The applicable supplementary information (see List of Supplementary Information) are presented for purposes of additional analysis in compliance with the requirements of the Revised Securities Regulation Code Rule 68 and are not a required part of the basic financial statements prepared in accordance with Philippine Financial Reporting Standards. Such supplementary information are the responsibility of the Company's management. The supplementary information have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

## **PUNONGBAYAN & ARAULLO**



**By: Ramilito L. Nañola**  
Partner

CPA Reg. No. 0090741  
TIN 109-228-427  
PTR No. 10076148, January 3, 2024, Makati City  
SEC Group A Accreditation  
Partner - No. 90741-SEC (until financial period 2025)  
Firm - No. 0002 (until financial period 2024)  
BIR AN 08-002511-019-2023 (until Dec. 10, 2026)  
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

March 15, 2024

**ALTUS PROPERTY VENTURES, INC.**  
**(Formerly Altus San Nicolas Corp.)**  
**(A Subsidiary of JG Summit Holdings, Inc.)**

SEC Released Revised SRC Rule 68

Annex 68-E

**Schedule A**

**Financial Assets**

| Name of issuing entity and association of each issue | Number of shares<br>or principal amount<br>of bonds and notes | Amount shown in the<br>balance sheet | Valued based on market<br>quotation at end of<br>reporting period | Income received<br>and accrued |
|--|---|--------------------------------------|---|--------------------------------|
|--|---|--------------------------------------|---|--------------------------------|

***Financial Assets at Amortized Cost***

|                           |  |               |               |              |
|---------------------------|--|---------------|---------------|--------------|
| Cash and cash equivalents |  | P 602,851,835 | P 602,851,835 | P 20,006,707 |
| Receivables               |  | 162,518,746   | 162,518,746   | -            |
| Utility deposits          |  | 2,004,000     | 2,004,000     | -            |

***Financial Assets at Fair Value Through Profit or Loss***

|  |  |   |   |   |
|--|--|---|---|---|
|  |  | - | - | - |
|--|--|---|---|---|

***Financial Assets at Fair Value Through Other Comprehensive Income***

|  |  |   |   |   |
|--|--|---|---|---|
|  |  | - | - | - |
|--|--|---|---|---|

**ALTUS PROPERTY VENTURES, INC.**  
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**Schedule B**

**Amounts Receivable from/Payable to Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)**

| Name and Designation of debtor | Balance at beginning of period | Additions | Deductions        |                     | Ending Balance |             |                          |
|--------------------------------|--------------------------------|-----------|-------------------|---------------------|----------------|-------------|--------------------------|
|                                |                                |           | Amounts collected | Amounts written off | Current        | Non-current | Balance at end of period |

***Receivables***

|                                   |                      |          |          |          |                      |          |                      |
|-----------------------------------|----------------------|----------|----------|----------|----------------------|----------|----------------------|
| <b>Robinsons Land Corporation</b> | <b>P 149,875,840</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>P 149,875,840</b> | <b>-</b> | <b>P 149,875,840</b> |
|-----------------------------------|----------------------|----------|----------|----------|----------------------|----------|----------------------|

***Payable***

**NOTHING TO REPORT**

ALTUS PROPERTY VENTURES, INC.  
(Formerly Altus San Nicolas Corp.)  
(A Subsidiary of JG Summit Holdings, Inc.)

SEC Released Revised SRC Rule 68

Annex 68-E

Schedule C

Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements

Deductions

| Name and Designation of debtor | Balance at beginning of period | Additions | Amounts collected | Amounts written off | Current | Not Current | Balance at end of period |
|--------------------------------|--------------------------------|-----------|-------------------|---------------------|---------|-------------|--------------------------|
|--------------------------------|--------------------------------|-----------|-------------------|---------------------|---------|-------------|--------------------------|

NOTHING TO REPORT

**ALTUS PROPERTY VENTURES, INC.**  
*(Formerly Altus San Nicolas Corp.)*  
*(A Subsidiary of JG Summit Holdings, Inc.)*

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Annex 68-E

**Schedule D**  
**Long Term Debt**

| Title of Issue and type of obligation | Amount authorized by indenture | Amount shown under caption "Current portion of long-term debt" in related balance sheet | Amount shown under caption "Long-Term Debt" in related balance sheet |
|---------------------------------------|--------------------------------|---|--|
|---------------------------------------|--------------------------------|---|--|

**NOTHING TO REPORT**

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SEC Released Revised SRC Rule 68

Annex 68-E

**Schedule E**

**Indebtedness to Related Parties (Long-Term Loans from Related Companies)**

| Name of related party | Balance at beginning of period | Balance at end of period |
|-----------------------|--------------------------------|--------------------------|
|-----------------------|--------------------------------|--------------------------|

**NOTHING TO REPORT**



**ALTUS PROPERTY VENTURES, INC.**  
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SEC Released Revised SRC Rule 68  
Annex 68-E  
**Schedule F**  
**Guarantees of Securities of Other Issuers**

| Name of issuing entity<br>of securities guaranteed<br>by the company for<br>which this statement is<br>filed | Title of issue of each<br>class of securities<br>guaranteed | Total amount guaranteed<br>and outstanding | Amount owned by<br>person for which<br>statement is filed | Nature of guarantee |
|--|---|--|---|---------------------|
|--|---|--|---|---------------------|

**NOTHING TO REPORT**

**ALTUS PROPERTY VENTURES, INC.**  
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SEC Released Revised SRC Rule 68

Annex 68-E

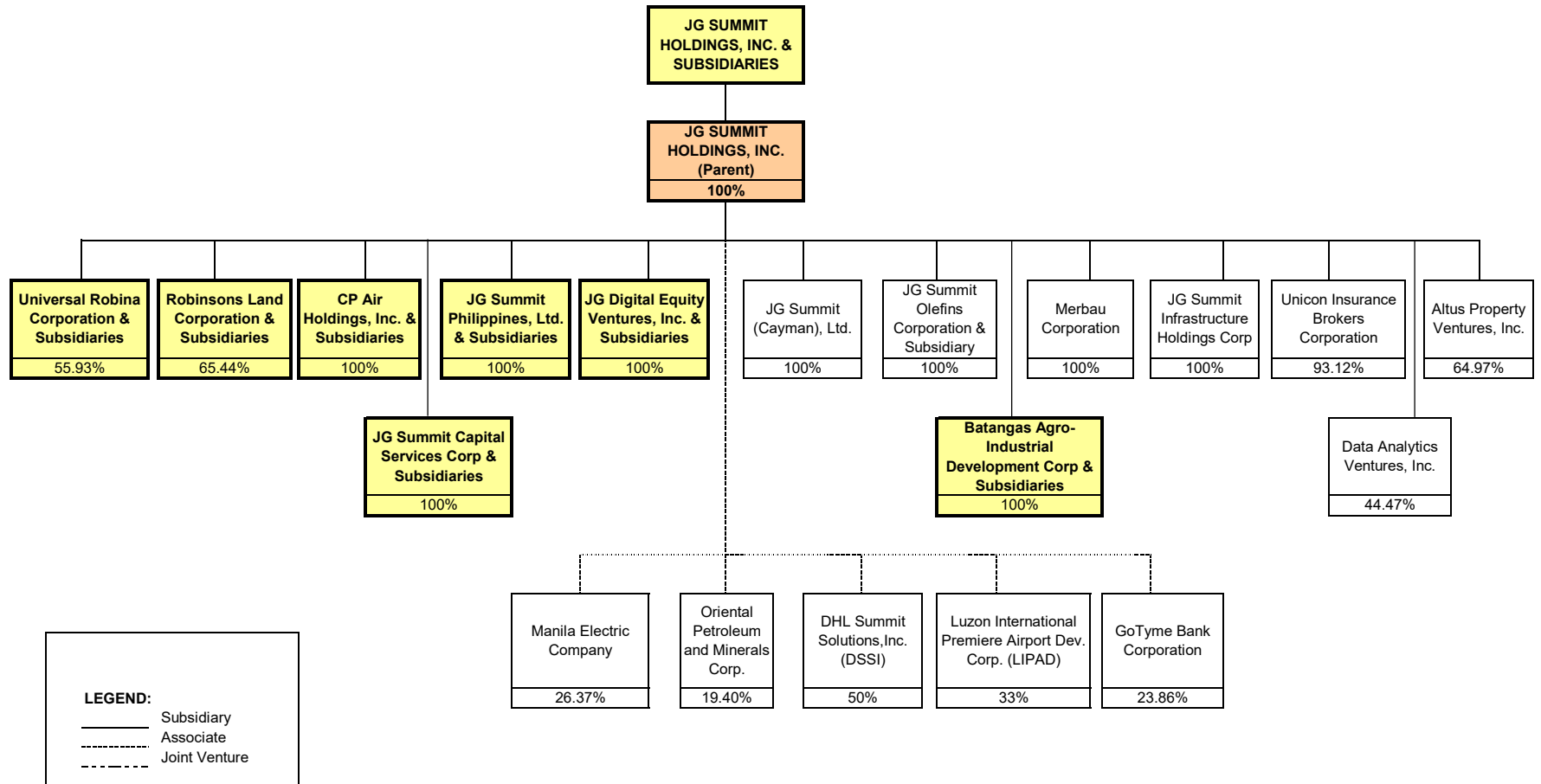
**Schedule G**

**Capital Stock**

| Title of Issue                | Number of shares<br>authorized | Number of shares issued<br>and outstanding as<br>shown under related<br>balance sheet caption | Number of shares<br>reserved for options,<br>warrants, conversion<br>and other rights | Number of shares held<br>by related parties | Directors, officers and<br>employees | Others     |
|-------------------------------|--------------------------------|---|---|---|--------------------------------------|------------|
| Common Shares at P1 par value | 100,000,000                    | 100,000,000   | -   | 67,078,720                                  | 31,075                               | 32,890,205 |

**JG SUMMIT HOLDINGS, INC. AND SUBSIDIARIES**  
43rd Floor, Robinsons-Equitable Tower  
ADB Avenue corner Poveda Road, Pasig City

**MAP OF THE RELATIONSHIPS OF THE COMPANIES WITHIN THE GROUP**



**ALTUS PROPERTY VENTURES, INC.**  
*(Formerly Altus San Nicolas Corp.)*  
*(A Subsidiary of JG Summit Holdings, Inc.)*  
 Brgy. 1 San Francisco, San Nicolas, Ilocos Norte  
**Reconciliation of Retained Earnings Available for Dividend Declaration**  
**December 31, 2023**

|   |          |                                  |
|---|----------|----------------------------------|
| <b>Unappropriated Retained Earnings at Beginning of Year</b>  | P        | 226,544,997                      |
| <b>Add: Net Income for the Current Year</b>   |          | 139,134,138                      |
| <b>Less: Other items that should be excluded from the determination of the amount of available for dividends distribution</b> |          |                                  |
| Discounting effect on security deposits (PFRS 9), net of tax  | ( P      | 120,880 )                        |
| Straight line adjustment rental income (PFRS 16), net of tax  | (        | <u>608,346</u> )                 |
| Sub-total   |          | ( <u>729,226</u> )               |
| <b>Unappropriated Retained Earnings Available for Dividend Distribution at End of Year</b>                                    | <b>P</b> | <b><u><u>364,949,909</u></u></b> |

## **Report of Independent Auditors on Components of Financial Soundness Indicators**

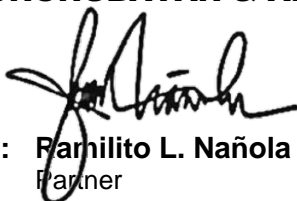
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**The Board of Directors and the Stockholders**  
**Altus Property Ventures, Inc.**  
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**(A Subsidiary of JG Summit Holdings, Inc.)**  
Brgy. 1 San Francisco, San Nicolas  
Ilocos Norte

We have audited, in accordance with Philippine Standards on Auditing, the financial statements of Altus Property Ventures, Inc. (the Company) for the years ended December 31, 2023 and 2022, on which we have rendered our report dated March 15, 2024. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Company's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purposes of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the Company's financial statements as at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023 and no material exceptions were noted.

### **PUNONGBAYAN & ARAULLO**



**By: Ramilito L. Nañola**  
Partner

CPA Reg. No. 0090741  
TIN 109-228-427  
PTR No. 10076148, January 3, 2024, Makati City  
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Partner - No. 90741-SEC (until financial period 2025)  
Firm - No. 0002 (until financial period 2024)  
BIR AN 08-002511-019-2023 (until Dec. 10, 2026)  
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

March 15, 2024

**ALTUS PROPERTY VENTURES, INC.**  
**Supplemental Schedule of Financial Soundness Indicators**  
**December 31, 2023 and 2022**

| Ratio                        | Formula   | 2023 | Formula  | 2022 |
|------------------------------|---|------|--|------|
| Current ratio                | Total Current Assets divided by Total Current Liabilities<br><br>Total Current Assets P 771,296,657<br>Divide by: Total Current Liabilities 119,563,191<br>Current ratio 6.45   | 6.45 | Total Current Assets divided by Total Current Liabilities<br><br>Total Current Assets P 612,265,797<br>Divide by: Total Current Liabilities 114,841,808<br>Current ratio 5.33  | 5.33 |
| Acid test ratio              | Quick assets (Total Current Assets less Other Current Assets) divided by Total Current Liabilities<br><br>Total Current Assets P 771,296,657<br>Less: Other Current Assets ( 5,926,076)<br>Quick Assets 765,370,581<br>Divide by: Total Current Liabilities 119,563,191<br>Acid test ratio 6.40 | 6.40 | Quick assets (Total Current Assets less Other Current Assets) divided by Total Current Liabilities<br><br>Total Current Assets P 612,265,797<br>Less: Other Current Assets <sup>†</sup> ( 3,867,203)<br>Quick Assets 608,398,594<br>Divide by: Total Current Liabilities 114,841,808<br>Acid test ratio 5.30 | 5.30 |
| Solvency ratio               | Total Liabilities divided by Total Assets<br><br>Total Liabilities P 142,182,457<br>Divide by: Total Assets 1,061,602,169<br>Solvency ratio 0.13  | 0.13 | Total Liabilities divided by Total Assets<br><br>Total Liabilities P 315,568,274<br>Divide by: Total Assets 2,075,925,920<br>Solvency ratio 0.15   | 0.15 |
| Debt-to-equity ratio         | <i>Not applicable. The Company has no borrowings as of December 31, 2023 and 2022.</i>  | N/A  | <i>Not applicable. The Company has no borrowings as of December 31, 2023 and 2022.</i>   | N/A  |
| Assets-to-equity ratio       | Total Assets divided by Total Equity<br><br>Total Assets P 1,061,602,169<br>Divide by: Total Equity 919,419,712<br>Assets-to-equity ratio 1.15  | 1.15 | Total Assets divided by Total Equity<br><br>Total Assets P 911,426,072<br>Divide by: Total Equity 780,315,794<br>Assets-to-equity ratio 1.17   | 1.17 |
| Interest rate coverage ratio | <i>Not applicable. The Company has no borrowings as of December 31, 2023 and 2022.</i>  | N/A  | <i>Not applicable. The Company has no borrowings as of December 31, 2023 and 2022.</i>   | N/A  |
| Return on equity             | Net Profit divided by Total Equity<br><br>Net Profit P 139,134,138<br>Divide by: Total Equity 919,419,712<br>Return on equity 0.15  | 0.15 | Net Profit divided by Total Equity<br><br>Net Profit P 107,958,233<br>Divide by: Total Equity 780,315,794<br>Return on equity 0.14   | 0.14 |
| Return on assets             | Net Profit divided by Total Assets<br><br>Net Profit P 139,134,138<br>Divide by: Total Assets 1,061,602,169<br>Return on assets 0.13  | 0.13 | Net Profit divided by Total Assets<br><br>Net Profit P 107,958,233<br>Divide by: Total Assets 911,426,072<br>Return on assets 0.12   | 0.12 |
| Net profit margin            | Net Profit divided by Total Revenue<br><br>Net Profit P 139,134,138<br>Divide by: Total Revenue 203,066,940<br>Net profit margin 0.69   | 0.69 | Net Profit divided by Total Revenue<br><br>Net Profit P 107,958,233<br>Divide by: Total Revenue 194,417,969<br>Net profit margin 0.56  | 0.56 |

# **INDEX TO EXHIBITS** Form 17-A

|  | Page No. |
|--|----------|
| (3) Plan Of Acquisition, Reorganization, Arrangement,<br>Liquidation, Or Succession          | *        |
| (5) Instruments Defining the Rights of Security<br>Holders, Including Indentures             | *        |
| (8) Voting Trust Agreement   | *        |
| (9) Material Contracts   | *        |
| (10) Annual Report To Security Holders. Form 11-Q Or<br>Quarterly Report To Security Holders | *        |
| (13) Letter Re: Change In Certifying Accountant  | *        |
| (15) Letter Re: Change in Accounting Principles  | *        |
| (16) Report Furnished To Security Holders  | *        |
| (18) Subsidiaries of the Registrant  | *        |
| (19) Published Report Regarding Matters Submitted To<br>Vote Of Security Holders             | *        |
| (20) Consent Of Experts And Independent Counsel  | *        |
| (21) Power of Attorney   | *        |

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These exhibits are either not applicable to the Company or require no answer.