

**COVER SHEET**

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S.E.C. Registration Number

M E G A W I D E C O N S T R U C T I O N

C O R P O R A T I O N

(Company's Full Name)

2 0 N . D O M I N G O S T R E E T , B A R A N G A Y

V A L E N C I A , Q U E Z O N C I T Y

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

TEODULO ANTONIO G. SAN JUAN, JR.

Contact Person

(02) 8655-1111

Company's Telephone Number

31 December

Month Day

July 3

Month and Day of Annual Meeting

**DEFINITIVE INFORMATION STATEMENT**

**SEC FORM 20-IS**

Secondary License Type, If Applicable

S E C

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

\_\_\_\_\_

LCU

Document I.D.

\_\_\_\_\_

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

7 June 2024

**SECURITIES AND EXCHANGE COMMISSION**

SEC Headquarters 7907 Makati Avenue  
Salcedo Village, Bel Air Makati

Attention: **MR. OLIVER O. LEONARDO**  
*Director, Markets and Securities Regulation Department*

Subject: **DEFINITIVE INFORMATION STATEMENT**  
Annual Stockholders' Meeting on 3 July 2024

Gentlemen:

In connection with the Annual Stockholders' Meeting of Megawide Construction Corporation (the "Company") on 3 July 2024, we submit the Company's Definitive Information Statement with the following attachments:

1. Notice and Agenda;
2. Proxy Forms;
3. Procedure for Voting and Participation via Remote Communication (**Exhibit "1"**);
4. Management's Discussion and Analysis (**Exhibit "2"**);
5. Interim Condensed Consolidated Financial Statements for the quarter ended 31 March 2024 (**Exhibit "3"**);
6. Consolidated Audited Financial Statements for the period ended 31 December 2023 (**Exhibit "4"**);
7. Minutes of the Annual Stockholders' Meeting on 12 July 2023 (**Exhibit "5"**);
8. Certifications of Independent Directors; and
9. Secretary's Certificate stating that none of the directors or officers are connected with the government.

Thank you for your consideration.

Very truly yours,



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**TEODULO ANTONIO G. SAN JUAN, JR.**  
*Corporate Secretary*

**SEC Number: CS200411461**  
**File Number: \_\_\_\_\_**

**MEGAWIDE CONSTRUCTION CORPORATION**  
(Company's Full Name)

**No. 20 N. Domingo Street**  
**Barangay Valencia**  
**Quezon City, Manila 1112**  
(Company's Address)

**(02) 8655-1111**  
(Telephone Number)

**December 31**  
(Calendar Year Ending)

**DEFINITIVE INFORMATION STATEMENT**  
**SEC Form 20-IS**

**31 December 2023**  
**Period Ended Date**

SECURITIES AND EXCHANGE COMMISSION  
SEC FORM 20-IS  
INFORMATION STATEMENT PURSUANT TO SECTION 20  
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:  
 Preliminary Information Statement  
 Definitive Information Statement
2. Name of registrant as specified in its charter **MEGAWIDE CONSTRUCTION CORPORATION**
3. Province, country or other jurisdiction of incorporation or organization **Philippines**
4. SEC Identification Number **CS200411461**
5. BIR Tax Identification Code **232-715-069-000**
6. Address of principal office **No. 20 N. Domingo Street, Barangay Valencia, Quezon City, Manila 1112**
7. Registrant's telephone number, including area code **(02) 8655-1111**
8. Date, time, and place of the meeting of security holders **3 July 2024**  
**2:00 P.M.**  
**Through remote communication, using the following link: [MWIDE ASM LIVE 2024](#)**
9. Approximate date on which the Information Statement is first to be sent or given to stockholders **7 June 2024**
10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding
<b>Common Stock (MWIDE)</b>	<b>2,013,409,717</b>
<b>Preferred Stock (MWP2B)</b>	<b>17,405,880</b>
<b>Preferred Stock (MWP3)</b>	<b>29,000,000</b>
<b>Preferred Stock (MWP4)</b>	<b>40,000,000</b>
<b>Preferred Stock (MWP5)</b>	<b>15,000,000</b>

11. Are any or all of registrant's securities listed in a Stock Exchange?

Yes  No

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:





**A. GENERAL INFORMATION**

**Item 1. Date, Time, and Place of Meeting of Security Holders**

The Annual Stockholders' Meeting ("ASM") of Megawide Construction Corporation (hereinafter referred to as "Megawide", the "Corporation", or the "Company"), shall have the following details:

- |    |                              |  |
|----|------------------------------|--|
| a) | Date of Meeting              | <b>3 July 2024</b>   |
|    | Time of Meeting              | <b>2:00 P.M.</b>   |
|    | Place of Meeting             | <b>Through remote communication, using the following link: <a href="#">MWIDE ASM LIVE 2024[]</a></b> |
|    | Registrant's Mailing Address | <b>No. 20 N. Domingo Street, Barangay Valencia<br/>Quezon City, Manila 1112</b>                      |
- b) Approximate date when the Information Statement is first to be sent or given to security holders: **7 June 2024**

As described in the Procedure for Voting and Participation via Remote Communication, attached herein as **Exhibit "1"**,<sup>1</sup> stockholders shall submit their questions, comments, or concerns, prior to the ASM by emailing the same to the Corporate Secretary of the Company at [corporatesecretary@megawide.com.ph](mailto:corporatesecretary@megawide.com.ph). Further, during the ASM, stockholders may raise any questions or comments, through a chat box that will be available to them throughout the live broadcast of the ASM. The Company will, as far as practicable, acknowledge, read out loud, and answer all questions and comments raised.

**Item 2. Dissenters' Right of Appraisal**

A dissenting stockholder has the right to demand payment of the fair market value of his shares in the following instances provided under the Section 80 of the Revised Corporation Code, as stated below:

- a) In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;
- b) In case of sale, lease, exchange, transfer, mortgage, pledge, or other disposition of all or substantially all of the corporate property and assets, as provided in the Revised Corporation Code;
- c) In case of merger or consolidation; and
- d) In case of investment of corporate funds for any purpose other than the primary purpose of the corporation.

In such instances, the right may be exercised by any stockholder who shall have voted against the proposed action by making a written demand to the corporation within thirty (30) days after the date on which the vote was taken for payment of the fair market value of his shares. Failure to make the demand shall be deemed a waiver of such right.

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<sup>1</sup> The Procedure for Voting and Participation via Remote Communication is also available in Megawide's website under: [Megawide Website](#)

If within a period of sixty (60) days from the date the corporate action was approved by the stockholders, the withdrawing stockholder and the corporation cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one (1) of whom shall be named by the stockholder, another by the corporation and the third by the two (2) thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by the corporation within thirty (30) days after such award is made. Provided, that no payment shall be made to any dissenting stockholder unless the corporation has unrestricted retained earnings in its books to cover such payment and; provided further, that upon payment by the corporation of the agreed or awarded price, the stockholder shall forthwith transfer his shares to the corporation.

There are no corporate matters or actions that will entitle dissenting stockholders to exercise their right of appraisal as provided in Title X of the Revised Corporation Code.

**Item 3. Interest of Persons In or Opposition to Matters to be Acted Upon**

- a) No current member of the Board of Directors of the Company (the “Board”) or officer of the Company at any time since the beginning of the last fiscal year, nominee for election as a Director of the Company, nor any associate of such persons, has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon in the ASM.
- b) No Director of the Company has informed Megawide in writing that he intends to oppose any action to be taken by Megawide at the ASM.

**B. CONTROL AND COMPENSATION INFORMATION**

**Item 4. Voting Securities and Principal Holders Thereof**

- a) Class of voting securities

As of 30 April 2024, Megawide has **two billion thirteen million four hundred nine thousand seven hundred seventeen (2,013,409,717)** issued and outstanding common shares (Common Shares [MWIDE]) which are broken down as follows:

	<b>Number of Shares</b>	<b>%</b>
<b>Filipino-owned shares</b>	1,981,341,010	98.41%
<b>Foreign-owned shares</b>	32,068,707	1.59%
<b>Total</b>	<b>2,013,409,717</b>	<b>100%</b>

All the foregoing Common Shares of stock are entitled to vote.

- b) All stockholders of record at the close of business on **11 June 2024** are entitled to notice and to vote at the ASM.
- c) For the election of the Directors of Megawide, only owners of Common Shares (MWIDE) shall be entitled, and shall have the right, to vote. Each shareholder of such Common Shares shall have one (1) vote for each Common Share recorded in his name in the books of Megawide. Voting shall be done in accordance with **Exhibit “1”**.
- d) Security Ownership of Certain Record and Beneficial Owners and Management

**MEGAWIDE CONSTRUCTION CORPORATION**  
**Securities and Exchange Commission Form 20-IS**

1. Security Ownership of Certain Record and Beneficial Owners

The owners of record of more than five percent (5%) of Megawide’s common shares of stock as of 30 April 2024 are as follows:

<b>Title of Class</b>	<b>Name &amp; Address of Record Owner &amp; Relationship with Issuer</b>	<b>Name of Beneficial Owner &amp; Relationship with Record Owner<sup>2</sup></b>	<b>Citizenship</b>	<b>Number of Shares Held</b>	<b>%</b>
Common	<b>Citicore Holdings Investment Inc.</b> (“Citicore”) – Stockholder  No. 20 N. Domingo Street, Barangay Valencia, Quezon City	Edgar B. Saavedra  Mr. Saavedra is a majority stockholder of Citicore.	Filipino	712,925,501 <i>Direct</i>	35.41%
Common	<b>Megacore Holdings, Inc.</b> (“Megacore”) – Stockholder  No. 20 N. Domingo Street, Barangay Valencia, Quezon City	Edgar B. Saavedra  Mr. Saavedra is a majority stockholder of Megacore.	Filipino	617,709,197 <i>Indirect</i>	30.68%
Common	<b>PCD Nominee Corporation (Filipino)</b> – Stockholder  37/F Tower I, The Enterprise Center, 6766 Ayala Avenue, corner Paseo de Roxas	Publicly-Held Shares	Filipino	1,220,821,049 <i>Direct</i>	79.81%

As of 30 April 2024, no other participants of PCD Nominee Corporations (Filipino and Non-Filipino) own more than five percent (5%) of any class of Megawide’s voting securities, except the following:

<b>Title of Class</b>	<b>Name &amp; Address of Record Owner &amp; Relationship with Issuer</b>	<b>Name of Beneficial Owner &amp; Relationship with Record Owner</b>	<b>Citizenship</b>	<b>Number of Shares Held</b>	<b>%</b>
Common	<b>Megacore Holdings, Inc.</b>	Edgar B. Saavedra  Mr. Saavedra is a majority stockholder of Megacore.	Filipino	617,709,197	30.68%
Common	<b>BDO Securities Corporation</b>	[*] <sup>3</sup>	Filipino	663,998,119	32.98%
Common	<b>CLSA Philippines, Inc.</b>	[*] <sup>4</sup>	Filipino	382,920,604	19.02%

<sup>2</sup> Except for the Directors, officers, Citicore, and Megacore, the other beneficial owners holding more than 5% of the outstanding capital stock are unknown to Megawide.

<sup>3</sup> This information is not available to the Company.

<sup>4</sup> This information is not available to the Company.

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The Board of Directors of every corporation generally has the power to vote on its behalf. A proxy is usually designated by the Board of Directors to cast the votes for the corporation.

2. Security Ownership of Directors and Key Officers

The following table sets forth the security ownership of Megawide’s Directors, and key officers as of 30 April 2024:<sup>5</sup>

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Owner	Citizenship	%
Common	<b>Edgar B. Saavedra</b> <i>Chairman of the Board, Chief Executive Officer (“CEO”), and President</i>	1 (Direct)	Filipino	Nil
		2 (Indirect)		
Common	<b>Manuel Louie B. Ferrer</b> <i>Vice-Chairman of the Board, Executive Director for Infrastructure Development</i>	1 (Indirect)	Filipino	Nil
Common	<b>Oliver Y. Tan</b> <i>Director</i>	18,767,852 (Indirect)	Filipino	0.94%
Common	<b>Ramon H. Diaz</b> <i>Executive Director and Group Chief Financial Officer</i>	350,000 (Indirect)	Filipino	0.01%
Common	<b>Hilario G. Davide, Jr.</b> <i>Independent Director</i>	1 (Direct)	Filipino	Nil
Common	<b>Celso P. Vivas</b> <i>Independent Director</i>	1 (Direct)	Filipino	Nil
Common	<b>Jez G. Dela Cruz</b> <i>Group Chief Finance Officer</i>	0	Filipino	Nil
Common	<b>Christopher A. Nadayag</b> <i>Treasurer</i>	49 (Indirect)	Filipino	Nil
Common	<b>Raymund Jay S. Gomez</b> <i>Chief Legal Officer, Compliance Officer, and Data Protection Officer</i>	0	Filipino	Nil
Common	<b>Zheena E. Ocampo</b> <i>Acting Chief Audit Executive</i>	7,500 (Indirect)	Filipino	Nil
Common	<b>Martin Miguel Flores</b> <i>Chief Risk Officer</i>	4,400 (Indirect)	Filipino	Nil
Common	<b>Maria Belinda B. Morales</b> <i>Chief Human Resources Officer</i>	35,000 (Indirect)	Filipino	Nil
Common	<b>Abigail Joan R. Cosico</b> <i>Chief Investor Relations Officer</i>  <i>*Resigned on 2 May 2024</i>	0	Filipino	Nil
Common	<b>Rolando S. Bondoy</b> <i>Head of Investor Relations</i>	0	Filipino	Nil

<sup>5</sup> Majority of the shares of the Directors and key officers of Megawide are currently lodged with PCD Nominee Corporation (Filipino).

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	<i>*Appointed on 2 May 2024</i>			
Common	<b>Al-Shwaid L. Ismael*</b> <i>Corporate Secretary</i>  <i>*Tenure ended on 12 July 2023</i>	0	Filipino	Nil
Common	<b>Teodulo Antonio G. San Juan, Jr.</b> <i>Corporate Secretary</i>	0	Filipino	Nil
Common	<b>Sean James B. Borja</b> <i>Assistant Corporate Secretary</i>  <i>*Resigned on 13 September 2023</i>	0	Filipino	Nil
Common	<b>Ann Danzel P. Albaña</b> <i>Assistant Corporate Secretary</i>  <i>*Resigned on 16 January 2024</i>	0	Filipino	Nil
Common	<b>Maria Isabelle J. Poblete</b> <i>Assistant Corporate Secretary</i>  <i>*Appointed on 16 January 2024</i>	0	Filipino	Nil
Aggregate Shareholdings of Directors and Officers as a Group		<b>19,164,807</b>		0.95%

No Director or key officer owns at least ten percent (10%) of Megawide's issued and outstanding shares of common stock.

The indirect shareholdings of Edgar B. Saavedra, Manuel Louie B. Ferrer, Oliver Y. Tan, Christopher A. Nadayag, Zheena E. Ocampo, Martin Miguel Flores, and Maria Belinda B. Morales are lodged with PCD Nominee Corporation (Filipino). Meanwhile, the indirect shareholdings of Mr. Ramon H. Diaz are lodged with PCD Nominee Corporation (Filipino) in the names of his wife, Ms. Mary Ann N. Diaz, and daughter, Ms. Clare Ann N. Diaz.

- There are no voting trusts or similar agreements with respect to any portion of the outstanding shares, nor any agreement which may result in a change in control of Megawide.

**Item 5. Directors and Executive Officers**

*Directors and Executive Officers*

As of 30 April 2024, Megawide is governed by a Board of six (6) Directors composed of Edgar B. Saavedra, Manuel Louie B. Ferrer, Oliver Y. Tan, Ramon H. Diaz, Hilario G. Davide, Jr., and Celso P. Vivas. Megawide's management team is headed by Edgar B. Saavedra who serves as the Company's Chairman of the Board, CEO, and President.

The Directors shall hold office for one (1) year or until their successors are elected and qualified. The annual meeting of the stockholders shall be held every 30 June of each year, or the next business day if 30 June falls on a weekend or a holiday.

**MEGAWIDE CONSTRUCTION CORPORATION**  
**Securities and Exchange Commission Form 20-IS**

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The Board is ultimately responsible for the direction and control of the business affairs and management of Megawide, and the preservation of its assets and properties. No person can be elected as Director of Megawide unless he or she is a registered owner of at least one (1) voting share of the Company.

Section 38 of the Securities Regulation Code (“SRC”) requires that at least two (2) members of the Board be Independent Directors. The Company’s New Manual on Corporate Governance (“Manual on Corporate Governance”), which is based on the Code of Governance for Publicly-Listed Companies,<sup>6</sup> recommends that Megawide should have at least three (3) members who are Independent Directors, or such number as to constitute at least one-third (1/3) of the members of the Board, whichever is higher. At present, two (2) members of the Board are independent directors. Nonetheless, the Amended By-Laws of Megawide provides that Megawide is required to only have at least two (2) independent directors or at least 20% of its board.size, whichever is lesser, but in no case less than two (2).

**Attendance of Directors to Board and Board Committee Meetings**

The tables below set forth the attendance of Megawide’s Directors to Board and Board Committee meetings held from 01 January 2023 to 31 December 2023:

**Board of Directors’ Meetings**

The Board held five (5) regular meetings and sixteen (16) special meetings, with the following attendance record:

	<b>Name</b>	<b>Date of Election</b>	<b>No. of Meetings Held (Regular and Special)</b>	<b>No. of Meetings Attended</b>	<b>%</b>
<b>Chairman</b>	Edgar B. Saavedra	12 July 2023	21	21	100%
<b>Member</b>	Manuel Louie B. Ferrer	12 July 2023	21	21	100%
<b>Member</b>	Oliver Y. Tan	12 July 2023	21	21	100%
<b>Member</b>	Ramon H. Diaz	12 July 2023	21	21	100%
<b>Member (Independent)</b>	Hilario G. Davide, Jr.	12 July 2023	21	21	100%
<b>Member (Independent)</b>	Celso P. Vivas	12 July 2023	21	21	100%
<b>Member (Independent)</b>	Lilia B. De Lima*	20 December 2022	9	9	100%

\*Tenure ended on 12 May 2023

**Finance Committee Meetings**

The Finance Committee held one (1) regular meeting with the following attendance record:

	<b>Name</b>	<b>Date of Election</b>	<b>No. of Meetings Held (Regular and Special)</b>	<b>No. of Meetings Attended</b>	<b>%</b>
<b>Chairman</b>	Ramon H. Diaz	12 July 2023	1	1	100%
<b>Vice Chairman</b>	Oliver Y. Tan	12 July 2023	1	1	100%

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<sup>6</sup> Securities and Exchange Commission Memorandum Circular No. 19, Series of 2016.

**MEGAWIDE CONSTRUCTION CORPORATION**  
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<b>Member</b>	Hilario G. Davide, Jr.	12 July 2023	1	1	100%
<b>Member</b>	Celso P. Vivas	12 July 2023	1	1	100%
<b>Member</b>	Lilia B. De Lima*	20 December 2022	1	1	100%

\*Tenure ended 12 May 2023

***Audit and Compliance Committee Meetings***

The Audit and Compliance Committee (“ACC”) held five (5) regular meetings, with the following attendance record:

	<b>Name</b>	<b>Date of Election</b>	<b>No. of Meetings Held</b>	<b>No. of Meetings Attended</b>	<b>%</b>
<b>Chairman</b>	Celso P. Vivas	12 July 2023	5	5	100%
<b>Vice Chairman</b>	Hilario G. Davide, Jr.	12 July 2023	5	5	100%
<b>Member</b>	Oliver Y. Tan	12 July 2023	5	5	100%

***Executive Committee Meetings***

The Executive Oversight Committee held one (1) regular meeting, with the following attendance record:

<b>Board</b>	<b>Name</b>	<b>Date of Election</b>	<b>No. of Meetings Held</b>	<b>No. of Meetings Attended</b>	<b>%</b>
<b>Chairman</b>	Edgar B. Saavedra	12 July 2023	1	1	100%
<b>Vice Chairman</b>	Manuel Louie B. Ferrer	12 July 2023	1	1	100%
<b>Member</b>	Oliver Y. Tan	12 July 2023	1	1	100%
<b>Member</b>	Ramon H. Diaz	12 July 2023	1	1	100%

The Board has approved a Board Self-Evaluation Policy, which provides for the conduct of an annual self-assessment by the Board, its Chairman, its individual Directors, and the Board Committees. The Board Self-Evaluation Policy provides, at the minimum, the criteria and process to determine the performance of the Board, its individual Directors, and the Board Committees. The Manual on Corporate Governance and the Board Charter of the Company state that the Board shall conduct an annual self-assessment of its performance, including the performance of the Chairman, all the Directors, and the Board Committees. If the need arises, every three (3) years, such assessment shall be supported by an external facilitator. Moreover, the Charter of the GNCC provides that it will assess the performance of the Board by accomplishing the Company’s Annual Corporate Governance Self-Evaluation Report.

***Incumbent Directors and Executive Officers of Megawide***

Below are information on the incumbent Directors and Executive Officers of Megawide, including their educational background, business experience, and directorships in other reporting companies:

- a) **MR. EDGAR B. SAAVEDRA**  
Age: 49  
Citizenship: Filipino



**MEGAWIDE CONSTRUCTION CORPORATION**  
**Securities and Exchange Commission Form 20-IS**

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Positions in Megawide: *Chairman of the Board, CEO, and President*  
Term of Office: Yearly

Current Directorships and Positions Held in Other Companies

Mr. Saavedra is currently the Chairman and President of Citicore Holdings Investment Inc. and Megawide Land, Inc. He is also the Chairman of Altria East Land, Inc., MWM Terminals, Inc., Cebu2World Development, Inc., Citicore Power Inc., Citicore Energy REIT Corp., Citicore-Megawide Consortium, Inc., Tunnel Prefab Corporation, Wide-Horizons, Inc., Megawide Terminals, Inc., and Citicore Renewable Energy Corporation. He also serves as Director of GMR Megawide Cebu Airport Corporation. In addition, he serves as the Chairman of PH1 World Developers, Inc. Further, he is a Trustee of Megawide Corporate Foundation, Inc.

Previous Business Experience and Educational Background

Mr. Saavedra's engineering experience spans over twenty (20) years. He received his Bachelor's degree in Engineering from De La Salle University. After obtaining his license as a Civil Engineer, he pursued special studies in Foundation Formworks in Germany, through the Philippine Institute of Civil Engineers.

Training and Continuing Education Attended

Mr. Saavedra did not have additional training and continuing education in 2023.

b) **MR. MANUEL LOUIE B. FERRER**

Age: 49

Citizenship: Filipino

Positions in Megawide: *Vice-Chairman of the Board and Executive Director for Infrastructure Development*

Term of Office: Yearly

Current Directorships and Positions Held in Other Companies

Mr. Ferrer is the Chairman of the Board of Trustees of Megawide Corporate Foundation, Inc. Also, he serves as a Director and the President of Altria East Land, Inc. and Megawide Terminals, Inc. He is also a Director of GMR Megawide Cebu Airport Corporation, Cebu2World Development, Inc., Citicore Holdings Investment, Inc., MWM Terminals, Inc., Citicore Energy REIT Corp., and Megawide Land, Inc. He also serves as a Director and Vice-Chairman of the Board of PH1 World Developers, Inc. Further, he is a Director and the Treasurer of Citicore Power Inc. and Citicore Renewable Energy Corporation.

Previous Business Experience and Educational Background

Mr. Ferrer obtained his degree in Industrial Design from De La Salle University in 1996. He previously served as President of MWM Terminals, Inc.

Training and Continuing Education Attended

Mr. Ferrer did not have additional training and continuing education in 2023.

c) **MR. OLIVER Y. TAN**

Age: 46

Citizenship: Filipino

Position in Megawide: *Director*

Term of Office: Yearly

Current Directorships and Positions Held in Other Companies

Mr. Tan serves as Director and President of Citicore Power Inc., Citicore Energy REIT Corp., Citicore Renewable Energy Corporation, and Citicore-Megawide Consortium, Inc. Further, he is a Director and the Vice President of Citicore Holdings Investment Inc. He also serves as Director and Treasurer of Megawide Land, Inc. and Megawide Terminals, Inc.

Previous Business Experience and Educational Background

Mr. Tan previously served as the Chief Finance Officer of Megawide Construction Corporation. He holds a degree in Business Administration from the Philippine School of Business Administration.

Training and Continuing Education Attended

Mr. Tan did not have additional training and continuing education in 2023.

d) **MR. RAMON H. DIAZ**

Age: 65

Citizenship: Filipino

Positions in Megawide: *Director and Group Chief Financial Officer\**

Term of Office: Yearly

Current Directorships and Positions Held in Other Companies

Mr. Diaz is a Director of Altria East Land Inc., Citicore Holdings Investment Inc., Citicore Power Inc., MWM Terminals, Inc., Megawide One Mobility Corporation (formerly "Citicore Infrastructure Holdings, Inc."), Citicore-Megawide Consortium, Inc., and Citicore Renewable Energy Corporation. Also, he serves as Director and Treasurer of Cebu2World Development, Inc.

Previous Business Experience and Educational Background

Mr. Diaz was previously President and Chief Operating Officer of Metro Pacific Zamboanga Hospital Corporation. He also served as Chief Finance Officer of PT Internux (Indonesia), East Manila Hospitals Managers Corporation, Mt. Kitanglad Agri Services, Inc., Actron Industries, Inc., and Isla Communications Company Inc. Further, he was Chief Operating Officer of PT Jababeka Infrastruktur. He obtained his Bachelor of Science degree in Commerce, Major in Accounting, Magna Cum Laude, from the University of San Carlos and his Masters in Business Management from the Asian Institute of Management, as a scholar of the Ford Motor Company. He is a Certified Public Accountant.

Training and Continuing Education Attended

Mr. Diaz did not have additional training and continuing education in 2023.

*\* Retired as Group Chief Financial Officer on 16 January 2024*

e) **RET. CHIEF JUSTICE HILARIO G. DAVIDE, JR.**

Age: 88

Citizenship: Filipino

Positions in Megawide: *Independent Director*

Term of Office: Yearly

Current Directorships and Positions Held in Other Companies

Ret. Chief Justice Davide, Jr. is currently an Independent Director and Vice-Chairman of Manila Bulletin Publishing Corporation. He is also a Director and the Chairman of KOMPASS Credit and Financing Corporation. Further, he serves as Director of Philippine Trust Bank Company (Philtrust Bank). He is also the Chairman of the Board of Trustees of Claudio Teehanke Memorial Foundation, Inc. and Heart of Francis Foundation, Inc. He is also a Trustee of Knights of Columbus of the Philippines Foundation, Inc., and Knights of Columbus Fr. George J. William, SJ Charities, Inc.

Previous Business Experience and Educational Background

Ret. Chief Justice Davide, Jr. served as Chief Justice of the Supreme Court of the Philippines from November 1998 to December 2005. Before serving as Chief Justice, he was appointed as Chairman of the Commission on Elections (COMELEC) and the Chairman of the Presidential Fact-Finding Commission tasked to investigate various coup attempts against the government. After his retirement from the Supreme Court, he served as the Permanent Representative of the Republic of the Philippines to the United Nations (UN) in New York from February 2007 to April 2010. He was an educator, legislator, and presidential adviser before his appointment as the country's top diplomat to the UN. Further, he was a Delegate to the 1971 Constitutional Convention. He was likewise a Commissioner of the 1986 Constitutional Commission which drafted the 1987 Constitution of the Philippines. Recognized for his accomplishments in government service, he was conferred the Ramon Magsaysay Award in 2002. He obtained his Bachelor of Laws from the University of the Philippines.

Training and Continuing Education Attended

In 2023, Ret. Chief Justice Davide, Jr. attended a seminar conducted by the Institute of Corporate Directors.

f) **MR. CELSO P. VIVAS**

Age: 77

Citizenship: Filipino

Position in Megawide: *Independent Director*

Term of Office: Yearly

Current Directorships and Positions Held in Other Companies

Mr. Vivas is an Independent Trustee of Megawide Corporate Foundation, Inc. He is currently Lead Independent Director and Chairman of Audit and Risk Management Committee of Keppel Holdings, Inc. Further, he serves as Independent Director and Chairman of Audit and Risk Management Committee, Keppel Philippines Marine, Inc. He is also Independent Director and Member of Audit Committee of Keppel Philippines Properties, Inc. He also serves as Independent Director of Keppel Subic Shipyard, Inc. Also, he serves as Independent Director, Chairman of Governance, Nomination, and Remuneration Committee, and Member of Audit and Risk Management Committee of Republic Glass Holdings, Inc. Mr. Vivas is also the President of Marubeni Foundation, Inc.

Previous Business Experience and Educational Background

He was a Risk Consulting Partner and Assurance Business Advisory Partner of SGV & Co. until his retirement in 2001. He is a Certified Public Accountant and has over fifty (50) years of experience in the areas of audit, finance, enterprise risk management, and corporate governance. He obtained his Bachelor's Degree in Business Administration (Cum Laude) from the University of the East. He also received a Master's Degree in Business Management from the Asian Institute of Management (as a scholar of SGV & Co.). He is also a graduate of the

Company Directors' Course from the Australian Institute of Company Directors (as a scholar of the Institute of Corporate Directors).

Training and Continuing Education Attended

In 2023, Mr. Vivas attended via Zoom the seminar on Best Leadership Practices for Fast & Effective Change Management organized by the Center for Global Best Practices via Zoom.

Executive Officers Who Are Not Directors

a) **MR. RAYMUND JAY S. GOMEZ**

Age: 52

Citizenship: Filipino

Positions in the Company: *Chief Legal Officer, Compliance Officer, and Data Protection Officer*

Term of Office: Yearly

Current Positions Held in Other Companies

Mr. Gomez also serves as Director of MWM Terminals, Inc. Altria East Land Inc., Megawide Terminals, Inc, Cebu2World Development, Inc., Megawide OneMobility Corporation, Citicore-Megawide Consortium, Inc. and Megawide Land, Inc. He also serves as the Compliance Officer of Citicore Energy REIT Corp.

Previous Business Experience and Educational Background

Before joining Megawide, Mr. Gomez was the Vice President of the Human Resources, Legal and Regulatory Affairs Department of Beneficial Life Insurance Company, Inc. He also served as Assistant Vice President of the Legal and Corporate Services Department of Aboitiz Equity Ventures, Inc., Director of the Corporate Legal Affairs and Litigation Department at JG Summit Holdings, Inc., Legal Counsel for Cebu Air, Inc. (Cebu Pacific Air), and an Associate Lawyer of Ledesma, Saludo and Agpalo Law Offices. He obtained his Bachelor of Laws degree from San Beda College.

b) **MS. MARIA BELINDA B. MORALES**

Age: 65

Citizenship: Filipino

Positions in the Company: *Chief Human Resources Officer*

Term of Office: Yearly

Current Positions Held in Other Companies

Ms. Morales serves as Director of MWM Terminals, Inc., Megawide OneMobility Corporation, and Cebu2World Development, Inc.

Previous Business Experience and Educational Background

A seasoned HR leader, she has more than twenty-five (25) years of work experience in all aspects of Human Resources and Organization Transformation. Prior to joining Megawide she was a Former Head of Talent Management for Asia Pacific in Misys International Banking Systems, Former Senior Vice President of HR at Standard Chartered Bank, Philippines, Former Vice President for Training and Development at Citytrust Banking & Bank of the Philippine Islands. She was also an Executive Coach at Rockwell Land Corporation and has coached their senior executives and managers on leadership and professional development and work-life balance concerns. She graduated at St. Paul College, Manila with a Bachelor of Science degree in Psychology, and attained her Masters in Arts Major in Psychology from Ateneo De Manila University, Quezon City in 2010.

c) **MR. CHRISTOPHER A. NADAYAG**

Age: 40

Citizenship: Filipino

Positions in the Company: *Treasurer*

Term of Office: Yearly

Current Positions Held in Other Companies

Mr. Nadayag is also the Treasurer of Megawide OneMobility Corporation, PH1 World Developers, Inc., MWM Terminals, Inc., and Citicore Holdings Investment Inc. He also serves as Director and Treasurer of Citicore-Megawide Consortium, Inc. and Altria East Land, Inc.

Previous Business Experience and Educational Background

Previously, Mr. Nadayag served as the Accounting Manager of Megawide. He worked for SGV & Co. as a Senior Associate Auditor. He received his Bachelor of Science in Accountancy degree from San Sebastian College.

d) **MS. ZHEENA E. OCAMPO**

Age: 31

Citizenship: Filipino

Positions in the Company: *Acting Chief Audit Executive*

Term of Office: Yearly

Current Positions Held in Other Companies

Ms. Ocampo does not hold any position in other companies.

Previous Business Experience and Educational Background

Prior to joining Megawide, Ms. Ocampo held the position as Audit Supervisor in Deloitte Philippines. She is a Certified Public Accountant and holds an MBA degree from the Asian Institute of Management.

e) **MR. MARTIN MIGUEL FLORES**

Age: 40

Citizenship: Filipino

Positions in the Company: *Chief Risk Officer*

Term of Office: Yearly

Current Positions Held in Other Companies

Mr. Flores does not hold any position in other companies.

Previous Business Experience and Educational Background

Mr. Flores joined Megawide in 2015 as the Head of Planning. He is currently Megawide's Head of the Project Management Office (PMO), a role he has held since 2019. As Head of PMO, he supervises the integration of the Enterprise Risk Management process in the business operations and strategy in all business units. He is a licensed Civil Engineer and received his Bachelor of Science in Civil Engineering from De La Salle University-Manila.

f) **MR. JEZ G. DELA CRUZ\***

Age: 39

Citizenship: Filipino

Positions in the Company: *Group Chief Finance Officer*

Term of Office: Yearly

Current Positions Held in Other Companies

Mr. Dela Cruz has been Vice President and Head of Corporate Finance and Planning of Megawide since 2018. He is also a Director and Treasurer of Citicore Energy REIT Corporation and GMR Megawide Cebu Airport Corporation.

Previous Business Experience and Educational Background

Mr. Dela Cruz was previously a banker for BPI Capital Corporation as well as Citibank N.A. Corporate and Investment Banking Group and former Financial Planning Manager for San Miguel Beer's International business.

Mr. Dela Cruz carries an MBA degree from the Asian Institute of Management and is a Certified Management Accountant (CMA).

g) **MS. ABIGAIL JOAN R. COSICO\*\*\***

Age: 50

Citizenship: Filipino

Positions in the Company: *Chief Investor Relations Officer*

Term of Office: Yearly

Current Positions Held in Other Companies

Ms. Cosico was re-assigned as Chief Investor Relations Officer for the Citicore Group, a sister company of Megawide Construction Corporation last 2 May 2024.

Previous Business Experience and Educational Background

Ms. Cosico has been the Company's Investor Relations Head since 2016. Prior to joining the Company, she held senior executive positions and performed various commercial and finance functions in her 15-year stint in one of the largest diversified conglomerates in the Philippines. This included heading Investor Relations for the real estate and property development company under the said conglomerate. Ms. Cosico obtained her Bachelor of Science degree in Management from Ateneo de Manila University. She also holds an MBA in Business Management, Major in Finance from the Asian Institute of Management.

h) **MR. ROLANDO S. BONDOY\*\*\***

Age: 53

Citizenship: Filipino

Positions in the Company: *Head of Investor Relations*

Term of Office: Yearly

Current Positions Held in Other Companies

Mr. Bondoy does not hold any position in other companies.

Previous Business Experience and Educational Background

Mr. Bondoy, prior to his appointment, held the position of Assistant Vice President of Investor Relations of Megawide.

He also previously worked as Head of the Investor Relations and Corporate Governance Division at Philex Mining Corp., Investor Relations Manager at Ayala Land, Inc., and an Investor Relations Officer at PXP Energy Corp.

- i) **ATTY. AL-SHWAID L. ISMAEL\*\*\*\***  
Age: 43  
Citizenship: Filipino  
Position in the Company: *Corporate Secretary*  
Term of Office: Yearly

Current Positions Held in Other Companies

Mr. Ismael's tenure as Megawide's Corporate Secretary ended on 12 July 2023.

Previous Business Experience and Educational Background

Mr. Ismael was appointed as Megawide's Corporate Secretary, Assistant Compliance Officer, and Corporation Information Officer last 12 January 2023. Mr. Ismael previously served as Director of Corporate Legal Services of Tim Hortons Philippines, Consultant to the Asian Development Bank under its Office of Public-Private Partnership – Transaction Advisory Services, Regional Legal Manager for Europe, Middle East, Africa, and South Asia of International Container Terminal Services, Inc., Associate General Counsel of Aboitiz Equity Ventures, Inc., Legal Counsel of Gregorio Araneta, Inc., and Associate Lawyer at Migallos & Luna Law Offices.

Mr. Ismael obtained his Bachelor of Science in Accountancy (Cum Laude; Dr. Klevenhausen Scholar) from the University of San Carlos and his Juris Doctor degree (Magna Cum Laude; Salutatorian) from the University of Cebu School of Law. He was admitted to the Philippine Bar in 2007 (Ranked 8th). He was also admitted to the New York State Bar in 2018. He also holds a Master of Laws (Corporate Law) with Advanced Professional Certificate in Law and Business degree (Vanderbilt Medal; John Vogeltein Scholar) from the New York University School of Law.

- j) **ATTY. TEODULO ANTONIO G. SAN JUAN, JR.**  
Age: 56  
Citizenship: Filipino  
Positions in the Company: *Corporate Secretary, Assistant Compliance Officer, Corporate Information Officer*  
Term of Office: Yearly

Current Positions Held in Other Companies

Mr. San Juan is currently a Partner at Gulapa & Lim. He is a faculty member of the University of the Philippines College of Law where he is a Senior Lecturer and the De La Salle University Tanada-Diokno College of Law where he is an Instructor. Mr. San Juan currently serves as a Legal Consultant to the Secretary of Energy and Independent Director of VFund Management, Inc. Mr. San Juan also currently serves as the Corporate Secretary of Altria East Land Inc., Cebu2World Development, Inc., Citicore-Megawide Consortium, Inc., Megawide Corporate Foundation, Inc., Megawide Land, Inc., MWM Terminals, Inc., and Wide-Horizons Inc.

Mr. San Juan was elected as Megawide's Corporate Secretary, Assistant Compliance Officer, and Corporation Information Officer last 12 July 2023.

Previous Business Experience and Educational Background

Mr. San Juan previously served as President of Prime Asset Ventures, Inc. Prior to that, he was a senior partner at Castillo Laman Tan Pantaleon & San Jose.

Mr. San Juan obtained his Bachelor of Arts in Economics from Ateneo de Manila University and his Bachelor of Laws degree (Dean's Medal for Academic Excellence; Ranked 5th) from the



University of Philippines College of Law. He was admitted to the Philippine Bar in 1997 (Ranked 7th).

k) **ATTY. SEAN JAMES B. BORJA\*\*\*\*\***

Age: 31

Citizenship: Filipino

Positions in the Company: *Assistant Corporate Secretary*

Term of Office: Yearly

Current Positions Held in Other Companies

Mr. Borja resigned from his position as Assistant Corporate Secretary last 13 September 2023.

Previous Business Experience and Educational Background

Mr. Borja was appointed as Megawide's Assistant Corporate Secretary last 12 January 2023. He is currently a senior associate at Gulapa & Lim. He obtained his Bachelor of Science in Management, with a major in Legal Management (Magna Cum Laude) from Ateneo de Manila University and his Juris Doctor degree from Ateneo de Manila University School of Law (Valedictorian). He was admitted to the Philippine Bar in 2019 (Ranked 1st).

l) **ATTY. ANN DANZEL P. ALBAÑA\*\*\*\*\***

Age: 30

Citizenship: Filipino

Positions in the Company: *Assistant Corporate Secretary*

Term of Office: Yearly

Current Positions Held in Other Companies

Ms. Albaña resigned from her position as Assistant Corporate Secretary last 16 January 2024.

Previous Business Experience and Educational Background

Ms. Albaña obtained her Bachelor of Science in Management, with a major in Legal Management from Ateneo de Manila University and her Juris Doctor degree from Ateneo de Manila University School of Law (Second Honors). She was admitted to the Philippine Bar in 2019.

m) **ATTY. MARIA ISABELLE J. POLETE\*\*\*\*\***

Age: 31

Citizenship: Filipino

Positions in the Company: *Assistant Corporate Secretary*

Term of Office: Yearly

Current Positions Held in Other Companies

Ms. Poblete is currently a senior associate at Gulapa & Lim.

Previous Business Experience and Educational Background

Ms. Poblete was appointed as Megawide's Assistant Corporate Secretary last 16 January 2024. She obtained her Bachelor of Arts in Political Science from Ateneo de Manila University and her Juris Doctor degree from the Ateneo de Manila University School of Law (Ranked 3<sup>rd</sup>). She was admitted to the Philippine Bar in 2020.

\*Appointed 16 January 2024

\*\* Tenure ended on 2 May 2024



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\*\*\* Appointed 2 May 2024

\*\*\*\* Tenure ended on 12 July 2023

\*\*\*\*\* Appointed 12 January 2023, tenure ended on 13 September 2023

\*\*\*\*\* Appointed 13 September 2023, tenure ended on 16 January 2024

\*\*\*\*\* Appointed 16 January 2024

List of Nominees

- a. **Mr. Edgar B. Saavedra** as an Executive Director;
- b. **Mr. Manuel Louie B. Ferrer** as an Executive Director;
- c. **Mr. Ramon H. Diaz** as a Non-Executive Director;
- d. **Mr. Oliver Y. Tan** as a Non-Executive Director;
- e. **Former Chief Justice Hilario G. Davide, Jr.** as an Independent Director; and
- f. **Mr Celso P. Vivas** as an Independent Director

Significant Employees

No single person is expected to make a significant contribution to the business since Megawide considers the collective efforts of all its employees as instrumental to the overall success of its performance.

Family Relationships

None of the Company's executive officers are related to each other or to its Directors and substantial shareholders.

Involvement in Certain Legal Proceedings

Megawide is not aware of the occurrence, during the past five (5) years until present, of any of the following events that are material to an evaluation of the ability or integrity of any Director or executive officer:

- a) Any bankruptcy petition filed by or against any Director, or any business of a Director, nominee for election as Director, or executive officer who was a Director, general partner or executive officer of said business either at the time of the bankruptcy or within two (2) years prior to that time;
- b) Any Director, nominee for election as Director, or executive officer being convicted by final judgment in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
- c) Any Director, nominee for election as Director, or executive officer being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and
- d) Any Director, nominee for election as Director, or executive officer being found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory

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organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended, or vacated.

*Certain Relationship and Related Transactions*<sup>7</sup>

<b>Related Party Category</b>	<b>Amount of Transaction</b>	<b>Receivable (Payable)</b>	<b>Terms</b>	<b>Conditions</b>
<b>Ultimate Parent:</b>				
Cash advance granted	-	3,089,095,108	Interest-bearing	Unsecured, Unimpaired
Interest receivable	255,750,000	1,213,998,661	On demand; non-interest bearing	Unsecured, Unimpaired
Rent Income	44,643	255,848	Normal credit terms	Unsecured, Unimpaired
Cash advance obtained	90,233,593	(90,233,593)	On demand; noninterest-bearing	Unsecured, Unimpaired
<b>Associate:</b>				
Revenue from services	-	997,247,698	Normal credit terms	Unsecured, Unimpaired
Cash advance granted	212,624	9,392,420	On demand; non-interest bearing	Unsecured, Unimpaired
Cash advance obtained	-	(30,000,000)	On demand; non-interest bearing	Unsecured, Unimpaired
Rent income	44,643	388,572	Normal credit terms	Unsecured, Unimpaired
<b>Joint Arrangement:</b>				
Revenue from services	854,651,398	22,486,709	Normal credit terms	Unsecured, Unimpaired
Cash advance granted	614,392	901,012	On demand; noninterest-bearing	Unsecured, Unimpaired
Cash advance obtained	(19,325,804)	-	On demand; noninterest-bearing	Unsecured, Unimpaired
<b>Shareholder:</b>				
Revenue from services	17,857	682,513,352	Normal credit terms	Unsecured, Unimpaired
Cash advance granted	(148,119)	889,795	On demand; non-interest bearing	Unsecured, Unimpaired
<b>Common Ownership:</b>				
Rent income	5,896,866	35,090,074	Normal credit terms	Unsecured, Unimpaired
Revenue from services	14,433,489	71,654,288	Normal credit terms	Unsecured, Unimpaired
Cash advance granted	66,237,143	3,341,964,252	On demand; Interest-bearing and non-interest bearing	Unsecured, Unimpaired

<sup>7</sup> Note 28 of the Company's Consolidated Audited Financial Statements for the period ended 31 December 2023 or **Exhibit "4"**.

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Cash advance obtained	22,682,615	(24,403,632)	On demand; non-interest bearing	Unsecured, Unimpaired
Interest receivable	395,850,367	1,210,731,028	On demand; non-interest bearing	Unsecured, Unimpaired
<b>Retirement fund</b>	270,674	4,947,691	Upon retirement of beneficiaries	Partially funded
<b>Advances to Officers and Employees</b>	(78,592)	98,512,779	Upon liquidation, noninterest-bearing	Unsecured, Unimpaired
<b>Key Management Compensation</b>	249,645,711	-	On demand	Unsecured, Unimpaired

The details of the above summary are reflected in the Consolidated Audited Financial Statements for the period ended 31 December 2023 of the Company.

There is no Director who has declined to stand for re-election to the Board, since the date of the last annual stockholders' meeting because of any disagreement with Megawide on matters relating to operations, policies, and practices.

*Parent Companies of Megawide*

Parent Company	Basis of Control	Percentage of ownership/ basis of control
Citicore Holdings Investment, Inc.	Direct interest	35.41%
Megacore Holdings, Inc.	Indirect interest	30.68%

**Item 6. Compensation of Directors and Executive Officers**

*All Directors and Executive Officers as a Group*

- a) The aggregate annual compensation paid or accrued during the last two (2) fiscal years and to be paid in the ensuing calendar year (2024) to Megawide's CEO and four (4) of the most highly compensated executive officers as a group are as follows:

**SUMMARY COMPENSATION TABLE**  
**Annual Compensation**  
**(In PhP Millions)**

Name and Position	Fiscal Year	Annual Salary	Bonus	Other Compensation
<b>Edgar B. Saavedra</b> <i>Chairman, CEO, and President</i>		52.3	-	38.2
<b>Manuel Louie B. Ferrer</b> <i>Vice Chairman of the Board/ Executive Director for Infrastructure Development</i>				
<b>Jez G. Dela Cruz</b>				

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<p><i>Group Chief Finance Officer</i></p> <p><b>Maria Belinda B. Morales</b> <i>Chief Human Resources Officer</i></p> <p><b>Raymund Jay S. Gomez</b> <i>Chief Legal Officer, Compliance Officer, and Data Protection Officer</i></p>				
CEO & aggregate compensation paid to all other officers and directors as a group unnamed	2024	78.5	-	38.2
	2023	212.47	-	8.58
	2022	200.05	23.61	8.34

- b) Under the By-Laws of Megawide, by resolution of the Board, each Director, shall receive a reasonable per diem allowance for his attendance at each Board meeting. As compensation, the Board shall receive and allocate an amount of not more than ten percent (10%) of the net income before income tax of the Corporation during the preceding year. Such compensation shall be determined and apportioned among Directors in such manner as the Board may deem proper, subject to the approval of stockholders representing at least majority of the outstanding capital stock at a regular or special meeting of the stockholders.

On 04 November 2011, the Board, upon recommendation of the GNCC, approved the giving of a Twenty Thousand Pesos (PhP 20,000.00) Director’s per diem per Board meeting and a Thirty Thousand Pesos (PhP 30,000.00) monthly allowance in the form of reimbursable expenses for each regular Director. Subsequently, on 10 October 2018, the Board resolved to increase the Director’s per diem per Board meeting to Forty-Four Thousand Pesos (PhP 44,000.00) for Executive Directors, Sixty-Two Thousand Pesos (PhP 62,000.00) for Non-Executive Directors, and Fifty-Eight Thousand Pesos (PhP 58,000.00) for Independent Directors.

Meanwhile, the total per diem paid to the Directors for the year ended 31 December 2023 was Three Million One Hundred Fifty-Six Thousand Pesos (PhP3,156,000.00), broken down as follows:

<u>Director</u>	<u>Per diem for the year ended 31 December 2023 (in PhP)</u>
Hilario G. Davide, Jr	1,322,000.00
Celso P. Vivas	1,339,000.00
Lilia B. De Lima	495,000.00*
<b>TOTAL</b>	<b>3,156,000.00</b>

\*Up to 12 May 2023

- c) In order to preserve the privacy of Megawide’s Directors and executive officers and considering that it is a confidential matter, the total compensation of each Director and executive officer may not be disclosed. However, the Company has provided the aggregate compensation of its Directors and executive officers in the preceding sections.
- d) The compensation of key management personnel for the periods ended 31 March 2024, 2023, and 2022 amounted to ₱24.6 million, ₱74.4 million, and ₱103.9 million, respectively, which includes both short-term and long-term employee benefits.

- e) There are no bonus, profit sharing, stock options, warrants, rights, other compensation plans or arrangements with Directors or officers that will result from their resignation, retirement, termination of employment or change in the control of Megawide.
- f) The duties and responsibilities of the elected corporate officers are specified in Megawide's By-laws and Manual on Corporate Governance.
- g) There are no outstanding warrants or options held by Megawide's CEO, executive officers, and Directors.
- h) No action is to be taken during the ASM with respect to: (a) the election of directors; (b) any bonus, profit sharing or other compensation plan, contract or arrangement in which any director, nominee for election as a director, or executive officer of the registrant will participate; (c) any pension or retirement plan in which any such person will participate; or (d) the granting or extension to any such person of any option/s, warrant/s or right/s to purchase any securities, other than warrants or rights issued to security holders as such, on a pro rata basis.

*Employment Contracts, Termination of Employment, Change-in-Control Arrangements*

While the Company has no special retirement plans for its employees, it provides retirement benefits in accordance with R.A. No. 7641 or the "Retirement Pay Law", and other applicable laws, rules and regulations. The Company further adopted an Employee Stock Ownership Plan for its employees, which will serve as a performance incentive initiative under the Company's performance management system where shares of the Company may be awarded to eligible and qualified Company employees. For this purpose, the Company approved the allotment of up to 10,000,000 shares of stock for the implementation of the Employee Stock Ownership Plan.

Also, there is no existing arrangement with regard to compensation to be received by any executive officer from Megawide in the event of a change in control of the Company. Aside from its employees, Megawide has also entered into employment contracts with its foreign experts. The contracts with foreign nationals usually include benefits, such as housing, medical and group life insurance, vacation leaves, and company vehicle. Further, employment contracts include provisions regarding Megawide's ownership of any invention developed during the course of employment, liquidated damages in the event of contract pre-termination, and a non-compete clause prohibiting the employee, for a period of one (1) year after the termination of the contract, from engaging, directly or indirectly, for himself or on behalf of or in conjunction with any person, corporation, partnership or other business entity that is connected with the business of Megawide.

**Item 7. Independent Public Accountants**

The accounting firm of Punongbayan & Araullo has served as Megawide's external auditor for the last fiscal year. The handling partner of Punongbayan & Araullo is Mr. John Endel S. Mata.<sup>8</sup> There was no change in or disagreement with the external auditor on accounting and financial disclosures.

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<sup>8</sup> Pursuant to the Revised SRC Rule 68 (revised by the SEC on 19 August 2019), Number 3 (B) (ix) (Rotation of External Auditors), the independent auditors or in the case of an auditing firm, key audit partners, as defined under Section 1 (B) (viii) of Part I of this Rule, of the aforementioned SEC-regulated entities under Groups A to C, except for non-stock, non-profit corporations, shall comply with the provisions on long association of personnel (including partner rotation) with an audit client as prescribed in the Code of Ethics for Professional Accountants in the Philippines as adopted by the BOA and PRC and such other standards as may be adopted by the Commission. Under Section 290.152 of the Code of Ethics for Professional Accountants in the Philippines and its amendments, the key audit partner shall be rotated every seven (7) years.

In accordance with Megawide's Manual on Corporate Governance, the ACC recommends the appointment of the external auditor. The ACC is composed of Celso P. Vivas (Chairman), Hilario G. Davide, Jr. (Vice-Chairman), and Oliver Y. Tan.

Representatives of Punongbayan & Araullo will be present during the stockholders' meeting and will have an opportunity to make a statement if they desire to do so. It is also expected that the attending representatives will be able to respond to appropriate questions.

#### **Item 8. Compensation Plans**

The Company intends to implement an Employee Stock Option Plan ("Plan").

On September 13, 2023, the Board of Directors of the Company approved the adoption of an Employee Stock Option Plan for eligible employees of the Company and has allotted Ten Million (10,000,000) shares with par value of P1.00 per share therefor. We note that as of 27 March 2024, the market value of securities is Six Billion Four hundred Million Philippine Pesos (PhP 6,400,000,000.00).

On May 23, 2024 the Board of Directors approved the issuance of up to Ten Million (10,000,000) treasury shares (the "Underlying Shares") in favor of the eligible employees of the Company. The Company has also made a reservation that it may, from time to time, add, allocate or reserve more shares to the Plan, subject to applicable laws.

The objectives of the plan are (a) to encourage long-term commitment to the Company of officers and employees who are contributing significantly to the further success, growth and development of the Company by providing opportunity and means for them to acquire a certain level of equity interest in the Company; and (b) to motivate such directors, officers and/or employees to continue their efforts in contributing to the long-term success of the Company.

The grant shares may be awarded to key officers and employees who have significantly contributed to the financial performance of the Company in the preceding year. The Human Resource Department of the Company shall come up with a proposed list of eligible employees which will be submitted to the Administrator for approval based on the following minimum criteria:

- (a) Employee is determined to be occupying a role that is crucial to the operational, financial or business success of the Company;
- (b) Employee is determined to be occupying a role that is "in demand", with no ready successor and apparent substitute in the relevant market;
- (c) Employee possesses specialized knowledge or expertise, institutional or otherwise, and skills vital to the growth, success, and sustainability of the Company; or

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In this regard, the Company engaged Mr. John Endel S. Mata of Punongbayan & Araullo for the examination of the Company's financial statements for the year 2023. Previously, the Company engaged Ms. Mailene Sigue-Bisnar of Punongbayan & Araullo for the examination of the Company's financial statements from 2017 to 2022.

- (d) Employee has been employed in the Company for more than one (1) year at the time of the performance evaluation.

Thus, their eligibility and the amount of shares that would be granted to them would depend on their performance in the Company, following the minimum criteria laid out in the Plan. The grant of shares may be done on an annual basis. A grant notice will be delivered to the grantee and the grantee must accept the shares within thirty days from receipt.

Under the Plan, no consideration is received or to be received by the registrant or subsidiary. This is because the Company shall pay for the grant shares at the strike price.

The strike price will be the price per share of the grant shares at a discount of 10% over the 30-day volume weighted average price of the shares at the time of the grant notice being issued. The plan is expected to continue indefinitely until all the grant shares have been delivered to the grantees. The grantees shall have the rights of a stockholder with respect to the shares covered by an award of grant shares upon the vesting date of the same.

The grantee shall open an account with a stock brokerage firm in order to accept the vested Grant Shares when required as a condition for the acceptance of the grant. All expenses incurred by the issuances of the certificates shall be borne by the grantee. The Company shall submit the necessary documents to cause the actual listing of the shares issued in the name of the grantee with the Exchange.

The shares shall vest in three tranches where the grant shares shall be issued to the grantee fully paid, non-assessable and free from any claims or encumbrances. The first 50% during the first year anniversary of the date of grant, the next 25% during the second year anniversary of the date of grant and the last 25% at the third year anniversary of the date of grant.

Apart from retirement or death, the grant may be forfeited when revoked upon the Company's sole and absolute discretion in the event of termination or severance of employment for cause, or resignation by the grantee, or in the event of imposition of any administrative or disciplinary sanction or penalty against the grantee at any time during and after each relevant vesting period. If the Plan is terminated, all grant shares already awarded as of the termination date shall be immediately vested in full and the grant share shall accrue and be available for issuance to the grantee.

Below is a summary of the aforementioned plan:

- (1) Title and amount of securities underlying such options, warrants or rights

Under the Plan, there are Ten Million (10,000,000) Treasury Shares as Underlying Shares.

- (2) Prices, expiration dates, and other material condition that may be exercised

**Price:** discount of 10% over the 30-day volume weighted average price of the shares at the time of the grant notice being issued.

**Expiration:** The Plan is expected to continue indefinitely until all the Grant Shares shall have been delivered to the Grantees.

**Others:** Grantees shall have the rights of a stockholder with respect to the shares covered by an award of Grant Shares upon the vesting date of the same.

(3) Consideration received or to be received by registrant/subsidiary

This item is not applicable to the Employee Stock Option Plan. Based on the Plan, the Company shall pay for the grant shares at the strike price.

(4) Market value of securities as of the latest practicable date

The market value of securities as of March 27, 2024 is Six Billion Four hundred Million Philippine Pesos (PhP 6,400,000,000.00).

(5) Amount of such options, warrants or rights received to be received by the following:

- a. Chief Executive Officer;
- b. 4 highest paid executives who were serving at the end of the last completed fiscal year;
- c. All current executive officers as a group;
- d. Each nominee for election as a director;
- e. Each other person who received or is to receive five percent of such options;
- f. All current directors as a group who are not executive officers; and
- g. All other employees as a group.

Amount of such options, warrants, or rights to be determined. Note that Grant Shares under the Plan are awarded to eligible key officers and employees based on the assessment and selection of the Administrator. Thus, their eligibility and the amount of shares that would be granted to them would depend on their performance in the Company, following the minimum criteria laid out in the Plan.

### **C. ISSUANCE AND EXCHANGE OF SECURITIES**

#### **Item 9. Authorization or Issuance of Securities Other than for Exchange**

No action is to be taken during the ASM with respect to any plan pursuant to authorization or issuance of securities other than for exchange.

#### **Item 10. Modification or Exchange of Securities**

No action is to be taken during the ASM with respect to the modification of any class of securities of the Company, or the issuance or authorization for issuance of one (1) class of securities in exchange for outstanding securities of another class.

#### **Item 11. Financial and Other Information**

For Megawide's Management's Discussion and Analysis, including the Changes in and Disagreements with Accountants on Accounting and Financial Disclosure, please refer to the Management's Report attached to this Information Statement as **Exhibit "2"**.

Additionally, Megawide's Interim Condensed Consolidated Financial Statements for the quarter ended 31 March 2024 is incorporated in this Information Statement as **Exhibit "3"**, and its Consolidated Audited Financial Statements for the period ended 31 December 2023 is incorporated in this Information Statement as **Exhibit "4"**.



**Item 12. Mergers, Consolidation, Acquisitions, and Similar Matters**

No action is to be taken during the ASM with respect to any merger, consolidation, acquisition, or other similar matters.

**Item 13. Acquisition or Disposition of Property**

No action is to be taken during the ASM with respect to acquisition or disposition of any property of the Company.

**Item 14. Restatement of Accounts**

No action is to be taken during the ASM with respect to restatement of any asset, capital, or surplus account of the Company.

**D. OTHER MATTERS**

**Item 15. Action with Respect to Reports**

The approval of the minutes of the ASM held on 12 July 2023 will be taken up during the meeting. A copy of the said minutes is attached herein as **Exhibit "5"**.

The matters taken up during the ASM on 12 July 2023 were as follows:

- a) Call to Order
- b) Proof of Notice and Quorum
- c) Approval of the Minutes of the Special Stockholders' Meeting held 20 December 2022
- d) Chairman's Address and President's Report
- e) Election of Directors
- f) Appointment of the External Auditor
- g) Approval of the Acquisition by the Company of PH1 World Developers, Inc.
- h) Ratification of all acts of the Board of Directors and Management
- i) Other Matters
- j) Adjournment

The voting procedure, votes cast, and procedure of tabulating the votes are discussed in the Minutes of the ASM on 12 July 2023.

**Item 16. Matters Not Required to be Submitted**

No action is to be taken during the ASM with respect to any matter which is not required to be submitted to a vote of the Company's shareholders.

**Item 17. Amendment of Charter, By-Laws, or Other Documents**

No action is to be taken during the ASM with respect to any amendment of the Company's Charter, By-Laws, or Other Documents.

**Item 18. Other Proposed Action**

**Ratification of the Acts of the Board of Directors and Management**

The resolution to be adopted will be the ratification and approval of all acts of the Board, its Committees, corporate officers, and management from 12 July 2023 up to 3 July 2024, the date of the ASM.

The regular and special meetings of the Board were held on the following dates:

- a) 4 July 2023 (*Special Meeting*)
- b) 12 July 2023 (*Special Meeting*)
- c) 25 July 2023 (*Special Meeting*)
- d) 1 August 2023 (*Special Meeting*)
- e) 14 August 2023 (*Special Meeting*)
- f) 11 September 2023 (*Special Meeting*)
- g) 13 September 2023 (*Regular Meeting*)
- h) 6 October 2023 (*Regular Meeting*)
- i) 10 November 2023 (*Special Meeting*)
- j) 11 December 2023 (*Regular Meeting*)
- k) 5 January 2024 (*Special Meeting*)
- l) 16 January 2024 (*Special Meeting*)
- m) 2 February 2024 (*Special Meeting*)
- n) 13 March 2024 (*Special Meeting*)
- o) 12 April 2024 (*Special Meeting*)
- p) 10 May 2024 (*Special Meeting*)

At these meetings, matters discussed included the presentation of detailed operations and financial reports. In addition to these reports, the Board approved acts pertaining to obtaining government permits and clearances, execution of contracts, availment of services from banks and other acts necessary for various construction projects of Megawide.

#### **Item 19. Voting Procedures**

The stockholders as of 11 June 2024 may vote during the Company's ASM on 3 July 2024.

- a) The vote required for approval and/or election

The vote required for the election of Directors and all other questions (except in cases otherwise provided by the Company) is the vote of at least a majority of the outstanding capital stock.<sup>9</sup>

- b) The method by which votes will be counted

Article II, Section 7 of the By-laws provides that at all meetings of stockholders, a stockholder may vote in person or by proxy. Section 23 of the Revised Corporation Code of the Philippines provides that in stock corporations, every stockholder entitled to vote shall have the right to vote in person or by proxy the number of shares of stock standing, at the time fixed in the by-laws, in his own name on the stock books of the corporation, or where the by-laws are silent, at the time of the election.

In accordance with SEC Memorandum Circular No. 06, Series of 2020, voting during the ASM will be done through remote communication. In this regard, the manner and procedure by shareholders may vote, is described in **Exhibit "1"**.

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<sup>9</sup> Section 23 of the Revised Corporation Code.

Each stockholder shall have one (1) vote for each share of stock entitled to vote and recorded in his name in the books of Megawide.

Punongbayan & Araullo will verify the votes tabulated.

**Item 20. Other Requirements**

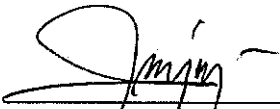
The agenda items for the ASM on 3 July 2024 are in compliance with the Revised Corporation Code. It includes the standard agenda items for ASMs, such as: a) approval of the minutes of previous ASM; b) election of directors; c) approval of the Audited Financial Statements for the relevant calendar/fiscal year; d) appointment of the external auditor for the ensuing year; and e) ratification of all acts of the Board of Directors and management.

**E. UNDERTAKING**

A copy of Megawide's annual report in SEC Form 17-A shall be provided free of charge to any stockholder upon their written request addressed to the Office of the Corporate Secretary, Megawide Construction Corporation, at No. 20 N. Domingo Street, Barangay Valencia, Quezon City, or by emailing to: [corporatesecretary@megawide.com.ph](mailto:corporatesecretary@megawide.com.ph).

**F. SIGNATURE PAGE**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete, and correct. This report is signed in Pasig City on 7 June 2024.

  
TEODULO ANTONIO G. SAN JUAN, JR.  
*Corporate Secretary*

MEGAWIDE CONSTRUCTION CORPORATION  
ANNUAL STOCKHOLDERS' MEETING

PROCEDURE FOR VOTING AND PARTICIPATION  
VIA REMOTE COMMUNICATION<sup>10</sup>

Megawide Construction Corporation (the "Company") shall be conducting its 2024 Annual Stockholders' Meeting on 3 July 2024, at 2:00 P.M., via remote communication (the "2024 ASM"). In this regard, the stockholders of record as of 11 June 2024 ("Stockholders"), shall be entitled to attend, participate, and vote in the 2024 ASM, in accordance with the procedure outlined below:

I. **VOTING IN ABSENTIA**

1. The Stockholders who would like to vote *in absentia* shall register at [Pre-Registration 2024 ASM](#) from **11 June 2024 to 26 June 2024**, where they will be asked to provide the following information:
  - a. For individual Stockholders:
    - i. Full name:
    - ii. Address:
    - iii. Birthdate:
    - iv. Email address:
    - v. Phone number:
    - vi. Mobile number:
    - vii. Current photograph, with face fully visible;
    - viii. Scanned copy of valid government-issued ID; and
    - ix. For Stockholders with joint accounts, a scanned copy of an authorization letter signed by the other Stockholders, indicating who among them is authorized to cast the vote for the account.
  - b. For corporate Stockholders
    - i. Corporate Name;
    - ii. Address:
    - iii. Email address:
    - iv. Phone number:
    - v. Mobile number:
    - vi. Scanned copy of the Secretary's Certificate or Board Resolution authorizing the representative of the corporation to cast the vote;
    - vii. Current photograph of the representative authorized to cast the vote for the corporation, with face fully visible; and
    - viii. Scanned copy of valid government-issued ID of the authorized representative.
  - c. For Stockholders under PCD Participant/Brokers Account of "Scripless Shares"
    - i. Name:
    - ii. Address:
    - iii. Email address:

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<sup>10</sup> The Procedure for Voting and Participation via Remote Communication is also available in Megawide's website under: [Megawide Website](#)

- iv. Phone number:
- v. Mobile number:
- vi. Scanned copy of valid government-issued ID; and
- vii. Certificate of shareholdings issued by the broker.

The submissions of Stockholders shall immediately be validated by the stock transfer agent of the Company, Stock Transfer Service, Inc., in coordination with the Corporate Secretary.

2. Upon validation, a Stockholder shall be sent a username and password to the email address he/she has provided during registration. The Stockholder shall use this username and password to log in to the voting page at [ASM 2024 Voting Link](#) to be able to cast his/her vote in all the matters included in the agenda of the Company's 2024 ASM.

When a Stockholder has finished voting, he/she shall be shown a summary of the votes he/she has cast. If the Stockholder is satisfied, he/she may click the "Submit" button; otherwise, the Stockholder may click the "Back" button to make any desired changes in his/her votes.

***Registered Stockholders shall be allowed to vote until 11:59 P.M. of 26 June 2024.*** The votes shall be considered cast for all the shares of the Stockholder.

3. The Stockholders who register and vote *in absentia* are deemed to have given their permission to the collection, use, transfer, disclosure, sharing, storage, and other forms of processing (collectively "Processing"), by the Company or any relevant third party, of the personal data they have provided. The Processing of the Stockholders personal data shall be used for the purpose of voting *in absentia* during the 2024 ASM, including for any reason necessary or incidental thereto.

## **II. VOTING BY PROXY**

The Stockholders of the Company may also vote by completing the proxy form applicable to them that is attached to this Information Statement (or downloadable under Section V<sup>11</sup>).

The completed and signed proxy form shall be submitted by the Stockholder to the Company's stock transfer agent, through electronic mail and/or personal service, from **11 June 2023 to 26 June 2024**. Please refer to the details provided below:

*Through Electronic Mail:*

**STOCK TRANSFER SERVICE, INC.**

Ms. Arlene Cuenta – [accuenta@stocktransfer.com.ph](mailto:accuenta@stocktransfer.com.ph)

Mr. Paolo Herrera - [jlherrera@stocktransfer.com.ph](mailto:jlherrera@stocktransfer.com.ph)

*Through Personal Service:*

**STOCK TRANSFER SERVICE, INC.**

Unit 34-D Rufino Pacific Tower  
6784 Ayala Avenue, Makati City, 1226  
Philippines

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<sup>11</sup> The downloadable files included in the Procedure for Voting and Participation via Remote Communication is available in Megawide's website under: [Megawide Website](#)

**MEGAWIDE CONSTRUCTION CORPORATION**  
**Securities and Exchange Commission Form 20-IS**

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Telephone. : (632) 5310-1343  
Fax : (632) 8403-2414  
Contact Persons : Ms. Arlene Cuenta [accuenta@stocktransfer.com.ph](mailto:accuenta@stocktransfer.com.ph)

For the purpose of validation, the Stockholder must include the following in transmitting the completed and signed proxy form:

- a. Full name of contact person;
- b. Phone or mobile number of contact person;
- c. Scanned copy of valid government-issued ID of the Stockholder and his/her appointed proxy (if not the Chairman of the Company); and
- d. For corporate Stockholders, scanned copy of Secretary's Certificate or Board Resolution authorizing the representative to act as the proxy.
- e. For Stockholders holding 'scripless' shares, or shares held under a PCD Participant/Broker, a duly executed Secretary's Certificate showing the authority of the representative to sign on behalf of the PCD Participant/Broker, and (2) a duly accomplished proxy or certificate of shareholdings issued by the Broker. Stockholders must coordinate with their brokers for the execution of this type of proxy. A Stockholder may instruct his broker to directly send a copy of the executed proxy to the Company, or he may send a copy of the executed proxy.

**III. TABULATION OF VOTES**

Thereafter, the stock transfer agent of the Company shall tabulate the votes cast *in absentia* and by proxy. The results shall be verified by the Company's external auditors, Punongbayan & Araullo.

The total votes made *in absentia* and by proxy, as well as the number of shares represented by the same, shall be announced during the 2024 ASM.

**IV. PARTICIPATION IN THE 2024 ASM THROUGH REMOTE COMMUNICATIONS**

1. The Stockholders may attend the meeting on **3 July 2024, at 2:00 P.M.**, through the following link: [MWIDE ASM LIVE 2024](#) The 2024 ASM shall be broadcasted live via Microsoft Teams, which may be accessed either through a web browser or the Microsoft Teams application.
2. The Stockholders who have not voted *in absentia* or submitted their proxies may still attend the 2024 ASM through the link provided above. However, to be included in the determination of the quorum, they must notify the stock transfer agent of the Company of their intention to attend the 2024 ASM by emailing the Company's stock transfer agent at [accuenta@stocktransfer.com.ph](mailto:accuenta@stocktransfer.com.ph) by **2:00 P.M. of 2 July 2024**. Such Stockholders must provide or attach in the email the requirements listed in Section I (1) (a) or I (1) (b), as the case may be, in order to be validated.
3. In view of the foregoing, the quorum for the 2024 ASM shall be determined based on the following:
  - a. The Stockholders who were validated and voted *in absentia*;
  - b. The Stockholders who submitted their proxy forms and were validated; and

- c. The Stockholders who notified the Corporate Secretary of their intention to attend the 2024 ASM and were validated.
4. During the 2024 ASM, Stockholders will be given the opportunity to raise any questions or comments, by submitting the same in a chat box that will be made available to them throughout the live broadcast. The Company shall acknowledge, read out loud, and address such questions or comments.

The Stockholders are, however, encouraged to furnish all questions, concerns, or comments to the Company prior to the 2024 ASM, by emailing the same to the stock transfer agent of the Company at [mpbiag@stocktransfer.com.ph](mailto:mpbiag@stocktransfer.com.ph) and/or to the Corporate Secretary at [corporatesecretary@megawide.com.ph](mailto:corporatesecretary@megawide.com.ph) by **2:00 P.M. of 2 July 2024**. These questions, concerns, or comments shall be answered during the 2024 ASM. Any unanswered questions shall be addressed via email.

**V. DOCUMENTS**<sup>12</sup>

1. Proxy Form (Individual and Corporate Stockholder)
2. Proxy Form (PCD Participant/Broker)
3. Notice and Agenda
4. Definitive Information Statement
5. SEC Form 17-A

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<sup>12</sup> The downloadable files included in the Procedure for Voting and Participation via Remote Communication is available in Megawide's website under: [Megawide Website](#)



**MANAGEMENT'S REPORT  
(UNDER RULE 20.4, AMENDED IRR OF THE SRC)**

**MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION**

***Review of results for the three (3) months ended 31 March 2024 as compared with the results for the three (3) months ended 31 March 2023 and Material Changes in Megawide's Unaudited Balance Sheet as of 31 March 2023 compared with the Audited Balance Sheet as of 31 December 2023.***

**RESULTS OF OPERATIONS AS OF 31 MARCH 2024**

*Review of results for the three (3) months ended 31 March 2024 as compared with the results for the three (3) months ended 31 March 2023*

***Result of Continuing Operations***

***Revenues increased by 19% or P846 million***

Consolidated revenues for the period amounted to P5.2 billion, 19% or P846 million higher than the same period last year. The improvement was largely driven by construction operations and revenue contribution of real estate segment..

Construction revenues amounted to P4.9 billion – 16% more than 2023 – and contributed 95% to total consolidated revenues. The segment benefitted from a steady progress accomplishment of its existing projects in addition to the revenue generated by Malolos Clark Railway Project.

New projects secured during the period included affiliate Citicore's Lumbangan Solar Power Plant Phase 2, Binalonan Solar Power Plant, Arayat Solar Power Plant and Sta. Barbara Solar Power Plant, bringing the order book to P44.58 billion as of end of the period.

Landport operations meanwhile delivered a revenue of P107.2 million from office towers and commercial spaces, 19% more than the same period last year, and contributed close to 2% to the total consolidated revenues.

Meanwhile, revenue from newly consolidated real estate operations amounted to P146.9 million for the period, coming from ongoing project My Enso Lofts and recently completed The Hive. The segment is expected to contribute more significantly to consolidated revenues in the next two years as recently launched projects steadily increase construction accomplishment.

***Direct Costs increased by 8% or P309 million***

Consolidated direct costs amounted to P4.2 billion, 8% higher, and was comprised largely of cost of construction. Landport-related costs were slightly lower, as a result of cost management amid a challenging office leasing environment. Cost of real estate operations, meanwhile, amounted to P79.6 million and was mainly attributed to land and development cost associated with new project launches.

***Gross Profit increased by 133% or P537 million***

**MEGAWIDE CONSTRUCTION CORPORATION**  
**Securities and Exchange Commission Form 20-IS**

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Consolidated gross profit reached to P939 million, translating to a consolidated gross profit margin of 18%. The construction business contributed P844 million while real estate development chipped in P67 million, with landport operations accounting for the balance of P27 million.

***Other Operating Expenses decreased by 7% or P30.4 million***

Other Operating Expenses during the period amounted to P383.1 million, lower by P30.4 million as the Group continued to implement more conscious cost reduction measures across the organization.

***Finance Costs increased by 23% or P106 million***

Finance costs amounted to P565.0 million, higher by P106 million, attributed to a higher loan balance from newly drawn working lines, aggravated by an elevated interest rate scenario throughout the period in review.

***Finance Income decreased by 31% or P87 million***

Finance income amounted to P194 million and was P87 million lower than the same period last year due to limited money market placements for the period compared last year.

***Others - net decreased by 52% or P105 million***

Others - net generated an income of P96.5 million, traced mainly to ancillary services and common area charges offered at PITX, income from scrap sales and gain on disposals of property, plant and equipment.

***Tax Expense increased by P78 million or 383%***

Tax expense amounted to P98 million and was P78 million higher than the same period last year due to the improved performance of the construction segment.

***Consolidated Net Income increased by P191 million***

Consolidated net income from continuing operations amounted to P183.4 million, compared with a net loss of P7.4 million in the same period last year. The performance was driven by recovery in construction operations, complemented by the initial contribution from real estate operations.

**FINANCIAL CONDITION**

*Review of financial conditions as of March 31, 2024 as compared with financial conditions as of December 31, 2023.*

**ASSETS**

***Current Assets increased by 4% or by P2 billion***

The following discussion provides a detailed analysis of the increase in current assets:

***Cash and Cash Equivalents increased by 7% or P334 million***

The increase in cash and cash equivalents was due to proceeds from the down payments of clients for newly awarded projects during the period and net proceeds from loan availments. This is offset by dividend payments on preferred shares, payments of interest cost and other working capital requirements.

***Trade and Other Receivables increased by 7% or by P1.3 billion***

The increase in trade and other receivables is related to timing difference in collections as substantial portion of work accomplishment has been billed towards the end of the quarter and hence are being evaluated by the client whereas some recently billed receivables are not yet due.

***Construction Materials decreased by 14% or by P312 million***

The decrease in inventory levels during the period was due to the steady progress accomplishment across all projects.

***Real estate inventories amounted to P4.0 billion***

Real estate inventories pertain to cost incurred relating to the Group's development and construction of its residential condominium projects. On July 12, 2023, the Group executed a Share Purchase Agreement to acquire 100% of the outstanding capital stock of PH1 from Citicore for a total cash consideration of P5.2 billion.

***Contract Assets increased by 3% or P184 million***

The increase in contract assets is attributed to timing difference on actual billing for portion of work-in-progress completed during the period, which can be billed and evaluated by the client upon completion of the said scope or activity.

***Other Current Assets increased by 5% or by P515 million***

The increase was mainly due to downpayment made by the Parent to its suppliers and subcontractors for its new projects and to lock in the price of steel for projects under structural phase. In addition, prepaid rent also increased due to short-term lease of various construction equipment to support ongoing projects and increase in input vat of the Group.

***Non-Current Asset Held for Sale remains at P2.9 billion***

Total noncurrent assets held for sale pertains to the fair value of investment in GMCAC representing the Company's remaining 33 & 1/3% plus 1 share.

***Non-Current Assets amounted to P16 billion***

The following discussion provides a detailed analysis of the decrease in non-current assets:

***Financial Assets at Fair Value Through Other Comprehensive Income (FVTOC) remains at P4 million***

FVTOC which represents shares of stocks held to unconsolidated entity and golf shares with no published market value references remains at P4 million for both periods.

***Investments in Associates and Joint Ventures decreased by P0.88 million***

The decrease is due to share in the net losses taken up on the Group's investment in various joint ventures and associates.

***Property, Plant and Equipment decreased by 2% or by P128 million***

The Group recognized depreciation charges on property, plant and equipment amounting to P377 million and procured certain pre-cast equipment to expand capacity of construction support and various construction equipment to support ongoing projects.

***Investment Properties decreased by P16 million***

The decrease is mainly related to the depreciation charges for the period amounting to P32 million. This was offset by the acquisitions of investment properties amounting to P16 million.

***Deferred tax assets increased by 5% or P36 million***

The increase was mainly due to temporary difference arising from the effect of significant financing component and unrealized foreign currency losses - net.

***Goodwill amounted to P3.8 billion***

On July 12, 2023, the Parent Company executed a Share Purchase Agreement to acquire 100% of the outstanding capital stock of PH1 from Citicore for a total cash consideration of P5,200.0 million. As a result of the acquisition, the Parent Company obtained controlling interest over PH1. The transaction resulted to a goodwill from acquisition as the consideration paid is higher than the fair value of net identifiable assets acquired.

***Other Non-Current Assets decreased by 8% or P27 million***

The decrease in Other Non-Current Assets was mainly due to the decrease in the deferred input VAT balance and amortization charges on computer software license of the Group.

**LIABILITIES AND EQUITY**

***Current Liabilities increased by 1% or P457 million***

The following discussion provides a detailed analysis of the increase in current liabilities:

***Interest-Bearing Loans and Borrowings-Current increased by 6% or P 1.2 billion***

The increase is due to availments made to support the working capital requirements of the Group and reclassification of the noncurrent portion of the long-term loans to current portion based on schedule payments within one year horizon.

***Trade and Other Payables increased by 9% or P414 million***

The increase is due to increase in retention payables to subcontractors and timing difference in paying the vendors of construction segment and monthly amortization of units buyers received by real estate segment.

***Contract liabilities – current decreased by 24% or P 1.2 billion***

The decrease is mainly related to recoupment of downpayments from client.

***Exchangeable notes amounted to P7.8 billion***

In 2022, the Parent Company issued Exchangeable notes in favor of AIC. The notes will mature on October 30, 2024 (exercise date) and are expected to be exchanged by AIC for the rest of the 33% plus 1 share of GMCAC's outstanding capital stock currently held by the Parent Company.

As the transaction is expected to be completed in 2024, the Exchangeable Notes was presented under Current Liabilities in the 2024.

***Other Current Liabilities decreased by 4% or 15 million***

The decrease is mainly related to decrease in the withholding taxes of the Group.

***Non-Current Liabilities increased by 14% or P1.5 billion***

The following discussion provides a detailed analysis of the increase in non-current liabilities:

***Loans and Borrowings-Non-Current increased by 7% or P647 million***

On May 10, 2023, Cebu2World entered into an Omnibus Loan and Security Agreement with a local universal bank for a loan facility to finance the development, design, construction and completion of the ongoing projects. Cebu2World availed the first drawdown last February 29, 2024.

***Contract liabilities –noncurrent increased by 210% or P784 million***

The increase is mainly related to downpayments received for newly awarded contracts such as new packages for Lumbangan Solar Power Plant, Binalonan Solar Power Plant, Arayat Solar Power Plant, and Sta. Barbara Solar Power Plant.

***Other non-current liabilities increased by 11% or P55 million***

The increase is mainly related to deposits and advances received from tenants to be applied on future rentals due on the lease of the Group's investment properties.

***Equity attributable to Parent increased by P81 million***

The increase in equity was due to the net income amounting to P183 million. The increase was offset by the declaration of cash dividends amounting to P 108 million to preferred stock shareholders.

***FY2023 vs FY2022***

***Review of results for the year ended 31 December 2023 as compared with the results for the year ended 31 December 2022 and Material Changes in Megawide's Audited Balance Sheet as of 31 December 2023 compared to the Audited Balance Sheet as of 31 December 2022***

**RESULTS OF CONTINUING OPERATIONS**

*Review of results for the year ended December 31, 2023 as compared with the results for the year ended December 31, 2022.*

***Revenues increased by 26% or PhP 3.8 billion***

Consolidated revenues for the period amounted to P18.6 billion, 26% or P3.8 billion higher than the same period last year. The improvement was across all segments, driven primarily by construction operations and contribution from real estate operations.

Construction revenues amounted to P18.1 billion – 24% more than 2022 – and contributed 97% to total consolidated revenues. The segment benefitted from steady completion of existing projects, particularly Suncity's Westside City Resorts Complex and the Malolos Clark Railway Project Phase 1. New projects secured during the year included Hotel 101 in Libis and Lumbangan Solar Power Plant, bringing the order book to P43.1 billion as of end of the year.

Landport operations meanwhile delivered higher revenue of P347.8 million from office towers and commercial spaces, 35% more than the previous year, and contributed close to 2% to the total consolidated revenues due to Increasing foot traffic.

***Direct Costs increased by 27% or PhP 3.5 billion***

Consolidated direct costs amounted to P16.5 billion, 27% higher and consistent with the growth in revenues. Cost of construction comprised bulk of the increase in costs with landport related costs slightly lower, as a result of cost management amid a challenging office leasing environment. Cost of real estate operations amounted to P72.2 million and was mainly attributed to land and development cost associated with new project launches.

***Gross Profit increased by 14% or PhP 260 million***

Consolidated gross profit reached to P2.2 billion, translating to a consolidated gross profit margin of 12%. The construction business contributed P2.1 billion while real estate development chipped in P76.7 million – more than offsetting the P13.1 million loss incurred by landport operations.

***Other Operating Expenses increased by 9% or PhP 108.9 million***

Other Operating Expenses during the period amounted to P1.3 billion. The increase of P108.9 million is mainly due to increase in fixed costs in support of the Company growth plans for various infrastructure and development projects that it will be undertaking such as the execution of P18-billion CP104 of the Metro Manila Subway System Project, awarded to the Company, together with its Japanese consortium partners.

***Impairment Losses decreased by 98% or PhP 1.7 billion***

Impairment losses was down to P35.3 million from previous year's P1.7 billion, coming from discontinued projects arising from the pandemic. The Parent Company provided provisions and write-off on certain projects under contract asset during 2022, largely affected by the COVID-19 pandemic, which were not present in 2023.

***Finance Costs increased by 24% or PhP 404.7 million***

Finance costs amounted to P2.1 billion, higher by P404.7 million, attributed to a higher loan balance from newly drawn working lines and an elevated interest rate scenario throughout 2023.

***Finance Income increased by 99% or PhP 521 million***

Finance income by amounted to P1.05 billion and was P521 million more than the previous year. The improvement was attributed to more efficient treasury management via money market placements, taking advantage of attractive yields driven by higher interest rates.

***Others – net increased by 215% or PhP 932.9 million***

Others – net amounted to P499.2 million income and reversed the loss from the previous year, which was attributed to impairment losses on non-financial assets related to certain deferred fulfilment costs related to specific construction contracts and investments in associates that were affected by changes in the political and economic landscape in 2022.

***Tax Expense increased by PhP 746.8 million or 108%***

Consolidated profit before tax amounted to P326.8 million, reversing the pre-tax loss in 2022, which resulted in a tax expense of P57.6 million.

***Consolidated Net Income amounted to PhP269 million***

Consolidated net income from continuing operations amounted to P269 million, compared with a net loss of P1.9 billion in 2022. The performance was driven by recovery in construction operations and initial contribution from real estate operations, coupled with liability and treasury management, delivering a net interest income for the year.

**Financial Condition**

*Review of financial conditions as of December 31, 2023 as compared with financial conditions as of December 31, 2022*

**ASSETS**

***Current Assets decreased by 7% or by PhP3.7 billion***

The following discussion provides a detailed analysis of the increase in current assets:

***Cash and Cash Equivalents decreased by 69% or PhP 10.9 billion***

The decrease in cash and cash equivalents was mainly due to the retirement of preferred shares, acquisition of PH1 World Developers, as well as payment of interest cost and dividends and other working capital requirements.

***Trade and Other Receivables increased by 4% or by PhP 795 million***

The increase in trade and other receivables is related to timing difference in collections as substantial portion of work accomplishment has been billed towards the end of the year and hence are being reviewed by the client whereas some recently billed receivables are not yet due.

***Construction Materials increased by 7% or PhP 153 million***

The increase in inventory levels during the period was due to the new projects started during the period, as well as to comply with the Company's business strategy to maintain buffer levels of inventory at site.

***Real estate inventories amounted to P3.9 billion***

Real estate inventories pertain to cost incurred relating to the Group's development and construction of its residential condominium projects. On July 12, 2023, the Group executed a Share Purchase Agreement to acquire 100% of the outstanding capital stock of PH1 from Citicore for a total cash consideration of P5.2 billion. As a result of the acquisition of PH1, the acquisition date fair value of the real estate inventories amounting to P3.3 billion was recognized.

***Contract assets increased by 10% or PhP 534 million***

The increase in contract assets is attributed to timing difference on actual billing for portion of work-in-progress completed during the period, which can be billed and evaluated by the client upon completion of the said scope or activity.

***Other Current Assets increased by 19% or by PhP 1.9 billion***

The increase was mainly due to advances made to its suppliers and subcontractors for its new projects to lock in prices for major construction materials and scope of works. There is also increase in prepaid taxes related to the excess of creditable withholding tax payments over the current tax due.

***Non-Current Asset Held for Sale remains at P2.9 billion***

Total noncurrent assets held for sale pertains to the fair value of investment in GMCAC representing the Company's remaining 33 & 1/3% plus 1 share.

***Non-Current Assets amounted to P16 billion***

The following discussion provides a detailed analysis of the increase in non-current assets.

***Financial Assets at Fair Value Through Other Comprehensive Income (FVTOC) remains at P4 million***

FVTOC which represents shares of stocks held to unconsolidated entity and golf shares with no published market value references remains at P4 million for both periods.

***Investments in Associates and Joint Ventures increased by 11% or by PhP 25.9 million***

The increase is due to additional investment in data center business.



***Property, Plant and Equipment decreased by 7% or by PhP 456 million***

The Group recognized depreciation charges on property, plant and equipment amounting to P1.2 billion and procured certain pre-cast equipment to expand capacity of Pre-Cast and Construction Solutions and service units as well as various construction equipment to support specification requirement of the ongoing projects.

***Investment Properties increased by 3% or by PhP 119.8 million***

The increase is related to the additions in the landport property amounting to P25.8 million representing additional improvements in the commercial and parking area. The increase is also related to the additional land development cost amounting to P217.2 million. This was reduced by depreciation charges for the period amounting to PhP 123 million.

***Deferred tax assets increased by PhP 8.4 million***

The increase was mainly due to temporary difference arising from net operating loss carry over (NOLCO).

***Goodwill amounted to P3.8 billion***

On July 12, 2023, the Parent Company executed a Share Purchase Agreement to acquire 100% of the outstanding capital stock of PH1 from Citicore for a total cash consideration of P5,200.0 million. As a result of the acquisition, the Parent Company obtained controlling interest over PH1. The transaction resulted to a goodwill from acquisition as the consideration paid is higher than the fair value of net identifiable assets acquired.

***Other Non-Current Assets increased by 18% or PhP 53.9 million***

The increase was mainly due to the deposits for condominium units which represent initial downpayments made for the purchase of condominium units.

**LIABILITIES AND EQUITY**

***Current Liabilities increased by 62% or PhP 14.8 billion***

The following discussion provides a detailed analysis of the increase in current liabilities:

***Interest-Bearing Loans and Borrowings-Current increased by 43% or by PhP 6.3 billion***

The increase is due to availments made to support the working capital requirements of the Group and reclassification of the noncurrent portion of corporate note to current portion based on schedule payments within one year horizon. The increase was offset by the repayments of short-term loans and lease liabilities during the period.

***Trade and Other Payables decreased by 13% or by PhP 679 million***

The decrease was mainly due to volume and timing of purchases and payments to suppliers and subcontractors.

***Contract liabilities – current increased by 37% or PhP 1.3 billion***

The increase is related to downpayment from newly awarded projects such as Hotel 101 and Lumbangan Solar Power Plant. The increase is also due to the effect of consolidation of PH1. The acquisition date fair value of the contract liabilities amounting to P76.6 million was recognized during the period.

***Exchangeable notes remains at PhP 7.8 billion***



In 2022, the Parent Company issued Exchangeable notes in favor of AIC. The notes will mature on October 30, 2024 (exercise date) and are expected to be exchanged by AIC for the rest of the 33% plus 1 share of GMCAC's outstanding capital stock currently held by the Parent Company.

***Other Current Liabilities increased by 17% or by PhP 50.6 million***

The increase of P50.6 million is mainly due to the increase in tax liabilities of the Group including deferred revenue which represents advance payments from customers and concessionaires that are subject to refund or future billing applications within 12 months from the end of the reporting period.

***Non-Current Liabilities decreased by 53% or PhP 12.2 billion***

The following discussion provides a detailed analysis of the decrease in non-current liabilities:

***Loans and Borrowings-Non-Current decreased by 27% or PhP 3.5 billion***

Noncurrent portion of finance lease payables and corporate note were reclassified to current loans based on scheduled payments within one year horizon. Meanwhile, the decrease was offset by the effect of consolidation of PH1.

***Contract liabilities –non current decreased by 73% or PhP 1.0 billion***

The decrease is mainly related to reclassification to current portion of customer advances upon recoupment based on construction schedule.

***Post employment defined benefit obligation increased by 5% or by PhP 12 million***

The post-employment defined benefit obligation increased due to experience adjustments and changes in financial assumptions.

***Other non-current liabilities increased by 33% or PhP 122 million***

The increase is mainly related to deposits and advances received from tenants to be applied on future rentals due on the lease of the Group's investment properties.

***Equity attributable to Parent decreased by 17% or by PhP 3.3 billion***

The decrease in equity was due to the declaration of cash dividends amounting to PhP 2.4 billion to preferred and common stock shareholders, retirement of preferred shares series 2A amounting to P2.6 million. The decrease was offset by the issuance of preferred shares series 5 amounting to P1.5 million net income amounting to P283 million.

***FY2022 vs FY2021***

***Review of results for the year ended 31 December 2022 as compared with the results for the year ended 31 December 2021 and Material Changes in Megawide's Audited Balance Sheet as of 31 December 2022 compared to the Audited Balance Sheet as of 31 December 2021***

The Group presented its construction and landport segment as part of its continuing operations whereas the airport and airport merchandising segments were presented as part of discontinuing operations following the sale of shares from GMCAC and GMI in 2022.

**RESULTS OF CONTINUING OPERATIONS**

*Review of results for the year ended December 31, 2022 as compared with the results for the year ended December 31, 2021.*

***Revenues decreased by 1% or PhP 203 million***

Consolidated revenues for the period amounted to P14.8 billion, 1% or P203 million lower than the same period last year. The decrease was due to slowdown of construction operations and lower occupancy rate in the landport segment.

Construction revenues amounted to P14.58 billion and contributed 98% to the consolidated revenues. The segment experienced slowdown of operations as certain contracts were under renegotiation due to the impact of rising raw material prices and interest rates. Despite this, the Company maintains a healthy orderbook as it continued to secure new contracts from Suntrust Home Developers' Suncity West Side City project, Landers Aseana, Hampton O&P, and the DOTr's Malolos Clark Railway Phase 1 Project – a joint venture project with Hyundai Engineering & Construction Co., Ltd., and Dong-ah Geological Engineering Company Ltd.

Landport operations meanwhile delivered revenue of P258 million from office towers and commercial spaces and contributed 2% to the total consolidated revenues. The clamp down on Philippine Offshore Gaming Operators (POGO) continue to put pressure on office vacancy and lease rates, affecting tenancy at PITX and translated to lower revenues from the same period last year.

PITX however continued to serve as a transportation convergence point to serve commuters to and from different places of work.

***Direct Costs increased by 3% or PhP 422 million***

Direct costs amounted to P12.9 billion and were higher by 3% or P422 million. The movement was mainly related to rising prices of raw materials, services and higher labor costs, along with higher fixed costs and depreciation expenses.

***Gross Profit decreased by 25% or PhP 624 million***

Consolidated gross profit amounted to P1.9 billion in 2022, translating to a consolidated gross profit margin of 13%. The construction business contributed P2 billion or 106% of the Group's gross profit. Terminal operations contributed P-106 million or -6% to the total gross profit.

***Other Operating Expenses increased by 5% or PhP 61 million***

Other Operating Expenses amounted to P1.19 billion. The increase of P61 million is mainly due to various professional fees and registration fees incurred for its bond and preferred shares issuances.

***Impairment Losses increased by 708% or PhP 1.5 billion***

Impairment Losses amounted to P1.7 billion as of the end of 2022. The Parent Company provided provisions and write-off on certain projects under contract asset during 2022. Despite several attempts to renegotiate contracts which were affected by COVID, it became apparent to management in 2022 that claims from these projects can no longer be collected and decided to terminate the project to manage the financial impact to the Group.

***Finance Costs increased by 9% or PhP 142 million***

Finance costs amounted to PhP 1.6 billion. The increase of P142 million is mainly due to interest expense from bonds payable amounting to P118 million.

***Finance Income increased by 11% or PhP 53 million***

Finance income amounted to P526 million. The increase of P53 million is mainly due to interest income from advances to related parties. This relates to the financing provided for the Group's business expansion and diversification program.

***Others - net decreased by 204% or PhP 848 million***

Others – net amounted to P433 million. The decrease in other income (charges) is mainly due to Impairment losses on non-financial assets amounting to P916 million. This relates to certain deferred fulfilment costs related to specific construction contracts and investments in associates that have doubtful recoverability based on changes in political and economic conditions in 2022.

***Tax Expense decreased by PhP 781 million or 845%***

The Group realized a tax income amounting to P689 million mainly relating to temporary difference arising from net operating loss carry over (NOLCO) and impairment losses on contract assets.

**RESULTS OF DISCONTINUED OPERATIONS**

The airport business remains optimistic of a turnaround as vaccination has contained the virus, encouraging global and local air travel. Revenue during the period amounted to P1.7 billion. Passenger volume more than doubled from last year's pandemic level, although still fell short of pre-pandemic levels, with domestic passenger volume, which comprised 90% of traffic, rising to 4.9 million from last year's 1.2 million and international passenger volume soaring to 666 thousand from previous year's 164 thousand. Airport merchandising segment, which is ancillary to airport operations, likewise experienced a 532% improvement in sales to P148 million from P23 million last year.

The direct cost of airport operations increased by 131% to P508.9 million. The movement of direct cost was consistent with the revenue performance of the airport segment, taking into consideration fixed costs and depreciation expenses, despite reduced passenger volumes. The airport segments gross profit increased by 323% to P605.9 million.

Operating expenses increased from last year's P437 million to this year's P1.92 billion mainly due to repair cost incurred to restore the facility after the typhoon Odette in December 2022. The impact was offset by recovery from insurance claims of P1.0 billion and the recognition of gain on deconsolidation of subsidiaries amounting to P6.6 billion.

***Consolidated Net Income Increased by 417% or PhP 3.7 billion***

Consolidated net income from continuing and discontinued operations amounted to P2.8 billion compared with the consolidated net loss of P893 million in 2021. This is mainly due to recognized gain on deconsolidation of a subsidiary amounting to P6.6 billion, though offset by impairment losses on financial and nonfinancial assets amounting to P1.7 billion and P916 million, respectively.

**Financial Condition**

*Review of financial conditions as of December 31, 2022 as compared with financial conditions as of December 31, 2021*

**ASSETS**

***Current Assets increased by 35% or by PhP14 billion***

The following discussion provides a detailed analysis of the increase in current assets:

***Cash and Cash Equivalents increased by 170% or PhP 9.9 billion***

The increase in cash and cash equivalents was due to the proceeds from sale of investment in airport segment amounting to P7.2 billion.

***Trade and Other Receivables increased by 8% or by PhP 1.39 billion***

The increase in contract receivables is related to milestone payments of contractual agreements with customers, special payment arrangements to key clients, and timing difference in collections, as

substantial portion of work accomplishment has been billed towards the end of the quarter and hence are being reviewed by the client, whereas some recently billed receivables are not yet due. Balance of trade and other receivables of airport segment amounting to P968.4 million was derecognized upon disposal.

***Inventory of Construction Materials increased by 4% or PhP 81 million***

The increase in inventory levels during the period was due to the new projects started during the period, as well as to comply with the Company's business strategy to maintain buffer levels of inventory at site, considering longer procurement lead time during the quarantine period imposed by the government.

***Contract assets increased by 7% or PhP 329 million***

The increase in contract assets is attributed to timing difference on actual billing for portion of work-in-progress completed during the period, which can be billed and evaluated by the client upon completion of the said scope or activity.

***Other Current Assets decreased by 6% or by PhP 569 million***

In 2022, the Group has written-off related deferred fulfilment costs amounting to P328.6 million. The decrease is partially offset by the advances made by the Parent to its suppliers and subcontractors for its new projects to lock in prices for steel required for structural development. The related input VAT also increased as a result of payments made to subcontractors. Balance of other current asset of airport segment amounting to P1.2 billion was derecognized upon disposal.

***Non-Current Asset Held for Sale increased by 100% or P2.9 billion***

Total noncurrent assets held for sale pertains to the total assets of airport segment amounting to P2.9 billion. The increase is mainly due to deconsolidation in 2022 and reclassification of fair-value of GMCAC assets to this account.

***Non-Current Assets amounted to P12 billion***

The following discussion provides a detailed analysis of the decrease in non-current assets.

***Financial Assets at Fair Value Through Other Comprehensive Income (FVTOC) remains at P4 million***

FVTOC which represents shares of stocks held to unconsolidated entity and golf shares with no published market value references remains at P4 million for both periods.

***Investments in Associates and Joint Ventures decreased by 73% or by PhP 630 million***

The decrease is a result of share in the net losses taken up on the Group's investment in various joint ventures and associates and the write-off of investment in 2022.

***Property, Plant and Equipment decreased by 6% or by PhP 433 million***

The Group recognized depreciation charges on property, plant and equipment amounting to PhP 1.31 billion and procured certain pre-cast equipment to expand capacity of construction support and service units and various specialized equipment to support specification requirement of the ongoing projects.

***Investment Properties increased by 5% or by PhP 206 million***

The increase is mainly related to the additions in the landport property amounting to P327 million representing additional improvements in the commercial and parking area. This was reduced by depreciation charges for the period amounting to PhP 121 million, respectively.

***Deferred tax assets increased by PhP 664 million***

The increase was mainly due to temporary difference arising from net operating loss carry over (NOLCO).

***Other Non-Current Assets decreased by 87% or PhP 2.1 billion***

Balance of other non-current asset of airport segment amounting to P1.8 billion was derecognized upon disposal. Whereas the decrease of P0.3 million was mainly due to decrease in the deferred input VAT balance of the Group.

**LIABILITIES AND EQUITY**

***Current Liabilities decreased by 13% or PhP 3.4 billion***

The following discussion provides a detailed analysis of the decrease in current liabilities:

***Interest-Bearing Loans and Borrowings-Current decreased by PhP 72 million***

The decrease is due to repayments of short-term loans and lease liabilities. This was offset additional borrowings made to support the working capital requirements of the Group.

***Trade and Other Payables decreased by 38% or by PhP 3.3 billion***

The decrease is due to progress billings on work in progress contracts. The balance of trade and other payables of airport segment amounting to P2.3 billion was derecognized upon disposal.

***Contract liabilities – current decreased by 3% or PhP 113 million***

The decrease is mainly related to recoupment of downpayments from client.

***Other Current Liabilities decreased by 15% or by PhP 41 million***

The balance of other current liabilities of airport segment amounting to P94 million was derecognized upon disposal. While increase of P63 million is due to the increase in tax liabilities of the Group such as withholding taxes and output VAT.

***Non-Current Liabilities decreased by 44% or PhP 23.5 billion***

The following discussion provides a detailed analysis of the increase in non-current liabilities:

***Loans and Borrowings-Non-Current decreased by 62% or PhP 21.65 billion***

The balance of non-current portion of the interest-bearing loans of borrowings of the airport segment amounting to P25.8 billion was derecognized upon disposal. Noncurrent portion of finance lease payables and corporate note were reclassified to current loans based on scheduled payments within one year horizon. Meanwhile, the decrease was offset by the bonds raised in August 2022 amounting to P4.0 billion.

***Exchangeable notes increased by PhP 7.8 billion***

In 2022, the Parent Company issued Exchangeable notes in favor of AIC. The notes will mature on October 30, 2024 (exercise date) and are expected to be exchanged by AIC for the rest of the 33% plus 1 share of GMCAC's outstanding capital stock currently held by the Parent Company.

***Contract liabilities –non current decreased by 32% or PhP 651 million***

The decrease is mainly related to reclassification to current portion of customer advances upon recoupment based on construction schedule.

***Post employment defined benefit obligation decreased by 21% or by PhP 63 million***

The post-employment defined benefit obligation decreased due to experience adjustments and changes in demographic assumptions.

***Deferred tax liabilities decreased by 100% or by PhP 873 million***

The balance of deferred tax liabilities of the airport segment amounting to P971.6 million was derecognized upon disposal.

***Other non-current liabilities decreased by 44% or PhP 288 million***

The balance of other non-current liabilities of the airport segment amounting to P131.8 million was derecognized upon disposal as a result of the sale and deconsolidation of GMCAC. Landport also recognized reversal of deposit and advances from tenants during the year.

***Equity attributable to Parent increased by 19% or by PhP 3.1 billion***

The increase in equity was mainly due to total comprehensive income amounting to PhP 3.6 billion, dividend payments of PhP 490 million to preferred stock shareholders, deposits for future stock subscription of PhP 2.3 million, and increase in other reserves amounting to PhP 14.71 million.

***FY2021 vs FY2020***

***Review of results for the year ended 31 December 2021 as compared with the results for the year ended 31 December 2020 and Material Changes in Megawide's Audited Balance Sheet as of 31 December 2021 compared to the Audited Balance Sheet as of 31 December 2020***

**RESULTS OF OPERATIONS**

*Review of results for the year ended December 31, 2021 as compared with the results for the year ended December 31, 2020.*

***Revenues increased by 21% or PhP 2.72 billion***

Consolidated revenues for the period amounted to PhP 15.64 billion, 21% or PhP 2.72 billion higher from the same period last year. The construction segment revenue amounted to PhP 14.33 billion, 32% or PhP 3.49 billion above from year ago levels and contributed 91% to the consolidated revenues. From quarantine restrictions imposed by the government last March 16, 2020, construction segment slowly transitioned to normal levels starting 3rd quarter of 2020. In 2021 operations of on-going projects started to normalize and continued to ramp up due to the start of newly awarded projects such as Suntrust Home Developers' Suncity West Side City project, Megaworld's Newport Link project, and the DOTr's Malolos Clark Railway Phase 1 Project 3 which is a joint venture project with Hyundai

Engineering & Construction Co., Ltd., and Dongah Geological Engineering Company Ltd.

Airport segment continues to struggle with 10% of the pre-pandemic air traffic volume though remains optimistic of a turnaround once the global vaccination program has been effectively rolled out. Revenue during the period amounted to PhP 576 million, 48% or PhP 532 million lower than the same period last year and contributed 4% to the total consolidated revenue due to the effect of international and local travel restrictions, beginning March 16, 2020 and persisted until December 31, 2021, as a means to control the spread of COVID-19. International passenger arrivals from COVID-19 affected countries like China, Japan, and Korea are still down while domestic volumes declined as the government declared a state of public emergency and placed Luzon under ECQ, which persisted during the MECQ and general community quarantine (GCQ) periods. Airport merchandising segment, which is ancillary to airport operations, likewise experienced a slowdown in sales due to reduced passenger traffic translating to 67% decline in revenue.

Landport operations delivered revenue of PhP 715 million from office towers and commercial spaces during the period and contributed 5% to the total consolidated revenues. Due to the restrictions in foreign travel, Philippine Offshore Gaming Operators (POGO) experienced indefinite disruption on their operations, resulting in lower office occupancy levels and translated to 21% or PhP 187 million lower revenue from the same period last year. PITX continued to serve as a transportation convergence point during ECQ and ever since terminal operations reopened last June 08, 2020 after Manila was placed under GCQ by the government and resumed near normalcy in operations to serve commuters going to different places of work.

***Direct Costs increased by 24% or PhP 2.5 billion***

Direct costs amounted to PhP 12.9 billion and were higher by 24% or PhP 2.5 billion. The movement was consistent with the revenue performance across all three segments, taking in consideration fixed costs and depreciation expenses despite reduced passenger volumes and lower occupancy rate at the airport and landport terminals.

***Gross Profit increased by 9% or PhP 222 million***

Consolidated gross profit amounted to PhP 2.74 billion in 2021, translating to a consolidated gross profit margin of 18%. The construction business contributed PhP 2.2 billion or 80% of the Group's gross profit. Terminal operations contributed PhP 327 million or 12% while airport operations and merchandising segment accounted for PhP 207 million or 8% to the total gross profit.

***Other Operating Expenses increased by 16% or PhP 247 million***

Net Other Operating Expenses amounted to PhP 1.78 billion. The increase of PhP 247 million is mainly related to impairment losses recognized on receivables amounting to P204 million.

***Other Income (Charges) increased by 6% or PhP 88 million***

Other charges - net, which consists of finance cost, finance income and other income (expenses) amounted to PhP 1.68 billion, 6% lower from year-ago levels. The reduction is due mainly to the recognition of gain on loan modification amounting to PhP 208 million in 2021 and mark-to-market gain on the airport segment's interest rate swap recognized this year compared to market-to-market loss on IRS booked on the same period last year recorded under other income (expense). However,



this is offset by the unrealized foreign exchange loss recognized in 2021 from the USD loans under the airport segment due to the higher peso to dollar exchange rate compared to the unrealized foreign exchange gain recognized on the same period last year.

***Tax Expense decreased by PhP 95 million or 36%***

Total tax expense decreased in 2021 due to the decrease in tax expense in the is directly related to the reduction in tax rate from 30% to 25% under the CREATE law.

***Consolidated Net Loss decreased by 2% or PhP 19 million***

Consolidated net loss amounted to PhP 893 million compared to consolidated net loss of PhP 875 million in 2020. Marginal improvement is related to improvement in construction operations which posted a profit of P401 million compared with last year's loss of P497 million, though was offset by airport segment as minimal revenues were generated from airport and travel-related segments due to disrupted operations arising from the global response to the COVID-19 crisis.

**FINANCIAL CONDITION**

*Review of financial conditions as of December 31, 2021 as compared with financial conditions as of December 31, 2020*

**ASSETS**

***Current Assets increased by 9% or by PhP3.34 billion***

The following discussion provides a detailed analysis of the increase in current assets:

***Cash and Cash Equivalents decreased by 19% or PhP 1.38 billion***

The decrease in cash and cash equivalents was due to payment of PhP 2.6 billion finance cost, PhP 595 million dividends on preferred shares and various acquisitions of precast and construction equipment to ramp up capacity. This is offset by proceeds from the down payments of clients for newly awarded projects during the period and increase in operating cash flow from construction segment.

***Trade and Other Receivables increased by 11% or by PhP 1.67 billion***

The increase in contract receivables by PhP 581 million is related to milestone payment contractual arrangement with customers, special payment arrangements to key clients and timing difference in collections as substantial portion of work accomplishment has been billed towards the end of the quarter and hence are being reviewed by the client whereas some recently billed receivables are not yet due. Interest receivable increased by P444 million while retention receivable increased by P76 million. Receivable from airport operations increased by P129 million due to the increase in revenue during the month of December as economies opened and our country relaxed travel policies. Meanwhile, receivables from Terminal operations increased by PhP 319 million due to relaxation of payment schedule with the tenants in support to Bayanihan to Heal as One Act. To minimize credit risk, PITx as a matter of policy, ensures that there is sufficient amount of security deposits and advance rentals to cover unpaid balances.

***Inventory of Construction Materials increased by 19% or PhP 326 million***



The increase in inventory levels during the period was due to the new projects started during the period, as well as to comply with the Company's business strategy to maintain buffer levels of inventory at site, considering longer procurement lead time during the quarantine period imposed by the government.

***Contract assets increased by 13% or PhP 546 million***

The increase in contract assets is attributed to timing difference on actual billing for portion of work-in-progress completed during the period, which can be billed and evaluated by the client upon completion of the said scope or activity.

***Other Current Assets increased by 27% or by PhP 2.18 billion***

The increase was mainly due to advances made by the Parent to its suppliers and subcontractors for its new projects to lock in prices for steel required for the structural construction of Sun City Project and the advances to supplier amounting to PhP 163 million for MCRP. The related input VAT also increased as a result of payments made to subcontractors. This is offset by the decrease in creditable withholding taxes under the construction segment that is directly related to the increase in tax expense.

***Non-Current Assets increased by 1% or PhP 493 million***

The following discussion provides a detailed analysis of the decrease in non-current assets:

***Investments in Associates and Joint Ventures decreased by 7% or by PhP 68 million***

The decrease is a result of share in the net losses taken up on the Group's investment in various joint ventures and associates.

***Concession Assets increased by 2% or by PhP 575 million***

The increase in Concession Assets was attributed to capital investments of GMCAC related to its obligations under the concession agreement. Meanwhile, amortization charges for the period amounted to PhP 50 million.

***Property, Plant and Equipment decreased by 1% or by PhP 73 million***

The Group recognized depreciation charges on property, plant and equipment amounting to PhP 1.47 billion and procured certain pre-cast equipment to expand capacity of construction support and service units and various specialized equipment to support specification requirement of the ongoing projects.

***Investment Properties increased by 3% or by PhP 115 million***

The increase is mainly related to the additions in the landport property amounting to P230 million representing additional improvements in the commercial and parking area. This was reduced by depreciation charges for the period amounting to PhP 86 million.

***Deferred tax assets increased by 156% or PhP 15 million***

The increase was due to the reversal of deferred tax assets recognized by a foreign subsidiary and the resulting net deferred tax asset from construction segment as compared with the previous years due

to deferred taxes on impairment loss recognized during the year and increase in deferred tax on the effect of PFRS 15 on significant financing component.

***Other Non-Current Assets decreased by 3% or PhP 71 million***

The decrease in Other Non-Current Assets was mainly due to decrease of P 238 million in investment in trust fund, the cash waterfall account for the airport segment loan but was offset increase in the deferred input VAT balance of the Group amounting to P 107 million as well as higher refundable deposits under MWM amounting to P 51 million.

**LIABILITIES AND EQUITY**

***Current Liabilities increased by 15% or PhP 3.61 billion***

The following discussion provides a detailed analysis of the decrease in current liabilities:

***Interest-Bearing Loans and Borrowings-Current increased by PhP 1.65 billion or 13%***

The increase is mainly related to additional borrowings for the period to support mainly the capital asset requirement of the construction segment and reclassification to current portion of long term loan based on the scheduled payment for the next year. The increase was offset by loans of GMCAC were reclassified from current to non-current amounting to PhP 824 million. On May 4, 2021, GMCAC and the lenders executed the second amendment to the amended and restated Omnibus Loan and Security Agreement (OLSA), revising and pushing the schedule of the principal repayment to 2024. As a result, the current portion of long-term loan recognized in the previous year were reclassified to non-current.

***Trade and Other Payables increased by 4% or by PhP 325million***

The increase is mainly due to the additional infusion of the minority shareholder to the airport operations to comply with the restated OLSA amounting to P308 million. This was offset by the payment of accrued interest. Under the amended OLSA previously discussed, 20% of the accrued interest related to the period was paid in May 2021, while the balance shall be paid on June 15, 2023 together with the interest accrued. For interest incurred from March 31, 2021 to December 15, 2021, 37% of the accrued interest related to the period shall be paid monthly starting May 15, 2021 until December 15, 2021, the balance shall be paid on December 2023 together with the interest accrued.

***Contract liabilities – current increased by 75% or PhP 1.59 billion***

The increase is mainly related to reclassification from noncurrent portion as accomplishments is expected to be higher in the next year which will result to higher recoupment of downpayments from client.

***Other Current Liabilities increased by 22% or by PhP 48 million***

The increase is due to the increase in tax liabilities of the Group such as withholding taxes and output VAT.

***Non-Current Liabilities increased by 4% or PhP 1.54 billion***

The following discussion provides a detailed analysis of the increase in non-current liabilities:

***Interest-Bearing Loans and Borrowings-Non-Current increased by 6% or PhP 1.93 billion***

On May 4, 2021, GMCAC and the lenders executed the second amendment to the amended and restated Omnibus Loan and Security Agreement, which revised the schedule of the principal repayments to 2024. As a result of this arrangement, interest bearing loans for GMCAC were increased by P2.1 billion. Meanwhile, current portion of finance lease payables amounting to P 91 million were reclassified to current loans based on scheduled payments within one year horizon.

***Contract liabilities –non current decreased by 17% or PhP 422 million***

The increase is mainly related to downpayments received in 2021 for newly awarded contracts such as SunCity and share in MCRP.

***Post employment defined benefit obligation decreased by 13% or by PhP 43 million***

The post employment defined benefit obligation decrease due to experience adjustments and changes in demographic assumptions.

***Deferred tax liabilities increased by 9% or by PhP 71 million***

The decrease in deferred tax liabilities was mainly due to construction segment which had a net deferred tax asset position of P10 million at the end of the year compared to last year deferred tax liability position amounting to P26 million. Other decrease is arising from the adjustment of tax rate from 30% to 25%.

***Other non-current liabilities increased by 1% or PhP 8 million***

The increase is due to the net movement in security deposits and advanced rent from the landport and airport segments during the period arising from new lease contracts.

***Equity attributable to Parent decreased by 4% or by PhP 774 million***

The decrease in equity was mainly due to dividend payments of PhP 506 million to preferred stock shareholders and P342 million net loss attributable to Parent for the year.

**A. Material Events and Uncertainties**

There are no other material changes in Megawide’s financial position by five percent (5%) or more and condition that will warrant a more detailed discussion. Further, there are no material events and uncertainties known to management that would impact or change reported financial information and condition of Megawide.

There are no known trends or demands, commitments, events or uncertainties that may trigger direct or contingent financial obligation or that will result in or that are reasonably likely to result in increasing or decreasing Megawide’s liquidity in any material way. Megawide does not anticipate having any cash flow or liquidity problems. It is not in default or breach of any note, loan, lease, or other indebtedness or financing arrangement requiring it to make payments.

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of Megawide with unconsolidated entities or other persons created during the reporting period.

Megawide has capital commitment on unutilized preferred shares amounting to PhP 1,364.1 million for various PPP projects. Other than that, there are no material commitments for capital expenditures, events or uncertainties that have had or that are reasonably expected to have a material impact on the continuing operations of Megawide.

There were no seasonal aspects that had a material effect on the financial condition or results of operations of Megawide.

There are no explanatory comments on the seasonality of interim operations. There are no material events subsequent to the end of the interim period that have not been reflected in the financial statements of the interim period.

There are no material amounts affecting assets, liabilities, equity, net income or cash flows that are unusual in nature. Neither are there changes in estimates of amounts reported in prior interim period of the current financial year.

## **B. Liquidity and Capital Resources**

### ***Cash Flows***

The following table sets forth information from Megawide's pro forma statements of cash flows for the period indicated:

<b>(Amounts in PhP Millions)</b>	<b>For three (3) months ended 31 March</b>	
	<b>2024</b> (Unaudited)	<b>2023</b> (Unaudited)
<b>Cash Flow</b>		
Net cash from (used in) operating activities	(P664)	(P140)
Net cash used in investing activities	(P172)	(P838)
Net cash from (used in) financing activities	P1,167	P2,284

### ***Indebtedness***

As of 31 March 2024, Megawide has not been in default in paying interests and principal amortizations.

Megawide is not aware of any events that will trigger direct or contingent financial obligations that are material to it, including any default or acceleration of an obligation.

## **E. Risk Management Objectives and Policies**

Megawide is exposed to a variety of financial risks in relation to its financial instruments. Its risk management is coordinated with the Board of Directors, and focuses on actively securing Megawide's short-to-medium term cash flows by minimizing the exposure to financial markets.

Megawide does not engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which it is exposed to are market risk, credit risk and liquidity risk. The detailed discussion of the impact of these risks are discussed in the quarterly financial statements or **Exhibit "3"** of this Information Statement.

**F. Key Performance Indicators**

Megawide’s top key performance indicators (“KPIs”) for the three (3) months ended March 31, 2024 as compared with the KPIs for the three (3) months ended 31 March 2023 are as follows:

<b>Amounts in PhP Billion, except Ratios and Earnings per Share</b>	<b>31 March 2024</b>	<b>31 March 2023</b>
Current Ratio <sup>13</sup>	1.33	2.34
Net Debt to Equity Ratio	1.60	0.78
Book Value Per Share <sup>14</sup>	3.36	5.11
Earnings / (loss) per Share <sup>15</sup>	0.04	(0.06)
Gross Profit Margin <sup>16</sup>	0.18	0.09

Megawide’s KPIs for the past 3 years are as follows:

<b>Amounts in PhP Billion, except Ratios and Earnings per Share</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Construction Order Backlog	PhP 43.07	PhP 50.85	PhP 60.01
Current Ratio <sup>15</sup>	1.29	2.25	1.45
Net Debt to Equity Ratio <sup>17</sup>	1.52	0.61	2.27
Book Value Per Share <sup>16</sup>	3.32	5.67	2.13
Earnings per Share <sup>17</sup>	(0.06)	1.54	-0.42
Return on Assets <sup>18</sup>	0.00	0.04	-0.01
Return on Equity <sup>19</sup>	0.01	0.10	-0.04
Gross Profit Margin <sup>18</sup>	0.12	0.13	0.17

The KPIs were chosen to provide management with a measure of Megawide’s sustainability on revenue growth (Construction Orders Backlog) financial strength (Current Ratio and Debt to Equity Ratio), and profitability (Earnings per Share, Return on Assets, Return on Equity, Gross Profit Margin).

Construction Orders Backlog corresponds to the value of any unfinished project phases. This provides a basis for near-term future sources of production and revenues for Megawide.

<sup>13</sup> Current Assets/Current Liabilities

<sup>14</sup> Total Equity/Issued and Outstanding Shares

<sup>15</sup> Net Profit/Issued and Outstanding Shares

<sup>16</sup> Gross Profit / Revenue

<sup>17</sup> Interest bearing loans and borrowings less cash and cash equivalents and financial assets valued through profit or loss/Stockholder’s Equity

<sup>18</sup> Net Profit/Average Assets

<sup>19</sup> Net Profit/Average Equity

Construction Order Backlog tends to increase when booked construction contracts or orders increase. A larger Construction Order Backlog is indicative of higher profits in the future.

**INFORMATION ON INDEPENDENT ACCOUNTANT EXTERNAL AUDIT FEES**

***External Audit Fees and Services***

The following table sets out the aggregate fees billed for each of the last three (3) fiscal years for professional services rendered by Megawide’s external auditors:

Particulars	Nature	Audit Fees (amounts in PhP) For the years ended December 31		
		2023	2022	2021
Punongbayan & Araullo	Audit of Financial Statements	3,885,000.00	3,885,000.00	3,535,000.00
Punongbayan & Araullo	Summary of Application of Proceeds on Preferred Shares	600,000.00 (Q1 to Q4)	600,000.00 (Q1 to Q4)	600,000.00 (Q1 to Q4)
Punongbayan & Araullo	Transfer Pricing Documentations and Review of Information Return	-	-	-
Punongbayan & Araullo	Agreed Upon Procedures (PCAB Renewal)	-	35,000.00	35,000.00
Punongbayan & Araullo	Q1 and Q3 Consolidated Financial Statements Review and Prospectus Circle-Up (for Preferred Shares Offering)	124,000.00	3,700,000.00	3,500,000.00
Punongbayan & Araullo	Tax Opinion on Development Projects	-	250,000	100,000.00
SyCip Gorres Velayo & Co. (SGV)	Audit of Financial Statements of GMCAC	-	1,546,545.00	1,339,000.00

***Board’s Audit and Compliance Committee (“ACC”) Pre-Approval Policy***

The ACC is composed of Mr. Celso P. Vivas, *Chairman of the ACC*, (Ret.) Chief Justice Hilario G. Davide, Jr., *Vice Chairman of the ACC*, and Mr. Oliver Y. Tan.

The ACC is required to pre-approve all audit and non-audit services to be rendered by independent accountants and approve the engagement fee and any other compensation to be paid to such independent accountants. When deciding whether to approve these items, the ACC takes into account whether the provision of any non-audit service is compatible with the independence standards under the guidelines of the SEC. To assist in this undertaking, the ACC communicates with the external auditors with regard to any relationship or services that may impact their objectivity and independence and, if appropriate, recommends that the Board take the necessary action to ensure their independence.

***Changes in and Disagreements with External Accountants on Accounting and Financial Disclosure***

The name of the handling partner for the auditor of Megawide is as follows:

<b>Auditor</b>	<b>Year</b>	<b>Handling Partner</b>
Punongbayan & Araullo	2020, 2021, and 2022	2017 to 2022 <i>Mailene Sigue-Bisnar</i>
Punongbayan & Araullo	2023	2023 - Present <i>John Endel S. Mata</i>

Megawide has not had any disagreements with its internal auditor/independent accountant on any matter of accounting principles or practices, financial statement of disclosure or auditing scope or procedure.

### ***Financial Statements***

Megawide's Interim Condensed Consolidated Financial Statements for the quarter ended 31 March 2024 is incorporated in the Information Statement as **Exhibit "3"**, and its Consolidated Audited Financial Statements for the period ended 31 December 2023 is incorporated in the Information Statement as **Exhibit "4"**.

### **DESCRIPTION OF THE GENERAL NATURE AND SCOPE OF THE BUSINESS**

Megawide Construction Corporation (Megawide) was registered with the Securities and Exchange Commission (SEC) on 28 July 2004 to exist for 50 years, or until 28 July 2054. Its primary purpose is to engage in the general construction business. It includes constructing, enlarging, repairing, or engaging in any work upon buildings, houses and condominium, roads, plants, bridges, piers, waterworks, railroads and other structures, and to own, use, improve, develop real estate of all kinds. Its registered principal office is located at No. 20 N. Domingo Street, Barangay Valencia, Quezon City.

### ***Major Customers***

Megawide is currently servicing the majority of high-rise residential, commercial, office, and mixed-use development projects in Metro Manila, for several major local developers. This is primarily due to the Company's use of High Technology Building Systems, and quality workmanship. While Megawide is constantly invited to bid for major domestic high-rise building projects, it opts to focus on a selected clientele that provides synergy in business operations and better risk management.

### **Suntrust Home Developers, Inc. (Suntrust)**

Suntrust is a company engaged in real estate development, mass community housing, townhouses and rowhouses development, residential subdivision and other massive horizontal land development. It is a subsidiary of Suncity Group Holdings Limited (Suncity Group), a listed company on The Stock Exchange of Hong Kong Limited, which owns fifty-one percent (51%) of the outstanding capital stock of Suntrust. Suncity Group is principally engaged in property development in Guangdong and Anhui Provinces in the People's Republic of China; property leasing in Shenzhen in the People's Republic of China; provision of hotel and integrated resort general consultancy service in Vietnam; and provision of travel related products and services.

### **Megaworld Corporation (Megaworld)**

Megaworld is one of the country's leading real estate developer, top BPO office developer, and one of the biggest landlords in the Philippines. Led by real estate magnate and visionary, Dr. Andrew L.

Tan, Megaworld pioneered the LIVE-WORK-PLAY-LEARN township concept in the country. The company introduced the successful large-scale, master-planned, and mixed-use developments such as Eastwood City in Libis, Quezon City; Newport City in Pasay City; McKinley Hill, Forbes Town Center, McKinley West, and Uptown Bonifacio, all in Fort Bonifacio; Woodside City in Pasig City; Iloilo Business Park in Mandurriao, Iloilo City; the Mactan Newtown in Lapu-Lapu City, Cebu; and the Davao Park District in Davao City.

**8990 Holdings, Inc. (8990)**

8990 is the largest mass housing developer in the Philippines in terms of units licensed under Batasang Pambansa (B.P.) Blg. 220 from 2011 to 2013, according to HLURB. The company has been developing mass housing projects in high-growth areas across Luzon, Visayas, and Mindanao since 2003. 8990’s “DECA Homes” and “Urban DECA Homes” have also gained a strong reputation in the market, resulting in 8990 garnering numerous awards such as Q Asia Magazine’s “Best Housing Developer” for 2012 to 2013.

**Double Dragon Properties Corp. (DD)**

DD has undertaken several vertical and horizontal developments since it started its commercial operations in April 2010. DD’s vision is to accumulate one million (1,000,000) square meters of leasable space by 2020 primarily through the rollout of one hundred (100) community malls across provincial cities in the Philippines through its community mall chain brand “CityMall” under its subsidiary CityMall Commercial Centers Inc. and through the development of two (2) major commercial office projects, DD Meridian Park and Jollibee Tower, both of which are located in prime properties in Metro Manila.

**Travellers International Hotel Group, Inc.**

Travellers International Hotel Group, Inc. (the “Company”) is a developer of integrated resorts in the Philippines. The Company was awarded one of the first licenses issued by the Philippine Amusement and Gaming Corporation (“PAGCOR”) in June 2008 to construct and operate integrated leisure and gaming facilities to an international standard with the goal of enhancing tourism in the Philippines.

**PH1 World Developers**

PH1 World Developers is the real estate arm of Megawide that aims to disrupt property development conventions through innovation and engineering technology. PH1 aims to deliver extraordinary projects to every homeowner that will give them the experience of extra space, extra value, and extra convenience. PH1 is responsible for projects like The Hive, My Enso Lofts, MLOH, and One Lancaster Park.

**Subsidiaries and Affiliates**

As of date, the effective ownership percentage of Megawide in each subsidiary or affiliate is as follows:

<b>Percentage of effective ownership on each affiliate is as follows:</b>			
	<b>2023</b>	<b>2022</b>	2021
<b>Subsidiaries:</b>			
PH1 World Developers, Inc.	<b>100%</b>	-	-
PH1 World Landscapes, Inc.	<b>100%</b>		
Famtech Properties, Inc.	<b>49%</b>		



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Megawatt Power, Inc. (formerly, Megawatt Clean Energy, Inc.)	<b>70%</b>	<b>70%</b>	70%
Globemercants, Inc. (GMI)*	-	-	50%
Megawide Land, Inc. (MLI)	<b>100%</b>	<b>100%</b>	100%
Megawide Construction (BVI) Corporation (MCBVI)	<b>100%</b>	<b>100%</b>	100%
MWM Terminals, Inc. (MWMTI)	<b>100%</b>	<b>100%</b>	100%
Megawide Terminals, Inc. (MTI, formerly WM Properties Management, Inc.)	<b>100%</b>	<b>100%</b>	100%
Megawide International Limited (MIL)	<b>100%</b>	<b>100%</b>	100%
Megawide Construction DMCC (DMCC)	<b>100%</b>	<b>100%</b>	100%
Megawide Construction (Singapore) Pte. Ltd. (MC-SG)	<b>100%</b>	<b>100%</b>	100%
Megawide Infrastructure DMCC	<b>100%</b>	<b>100%</b>	100%
Cebu2World Development, Inc. (Cebu2World)	<b>100%</b>	<b>100%</b>	100%
Wide-Horizons Inc. (Wide-Horizons)	<b>100%</b>	<b>100%</b>	100%
Tiger Legend Holdings Limited (Tiger Legend)	<b>100%</b>	<b>100%</b>	100%
Megawide OneMobility Corporation (MOMC)	<b>80%</b>	<b>80%</b>	--
Tunnel Prefab Corporation (TPC)	<b>90%</b>	<b>90%</b>	--
<i>Accounted for as Asset Acquisition –</i>			
Altria East Land, Inc. (Altria)	<b>100%</b>	<b>100%</b>	100%
<b>Affiliates:</b>			
Megawide World Citi Consortium, Inc. (MWCCI)	-	-	51%
Citicore-Megawide Consortium, Inc. (CMCI)	<b>10%</b>	<b>10%</b>	10%
GMR Megawide Cebu Airport Corporation (GMCAC)*	<b>33%</b>	<b>33%</b>	60%
Evolution Data Centres Philippines, Inc.	<b>49%</b>	-	-
<b>Joint Operations:</b>			
Megawide GISPL Construction Joint Venture (MGCJV)	<b>50%</b>	<b>50%</b>	50%
Megawide GMR Construction Joint Venture, Inc. (MGCJVI)	<b>50%</b>	<b>50%</b>	50%
HDEC- Megawide-Dongah JV (HMDJV)	<b>35%</b>	<b>35%</b>	35%
Tokyu-Tobishima-Megawide Joint Venture	<b>30%</b>	-	-
<b>Joint Ventures:</b>			
Mactan Travel Retail Group Corp. (MTRGC)	-	-	25%
Select Service Partners Philippines Corp. (SSPPC)	-	-	25%

\*No longer subsidiaries of the Group in 2023 and 2022

**PH1 World Developers, Inc.**

On July 12, 2023, the Parent Company and Citicore executed a Share Purchase Agreement (SPA) for the Parent Company to acquire 100% of the outstanding capital stock of PH1 from Citicore. The fulfilment of the conditions precedent under the SPA such as the transfer of 579,457,844 common shares from Citicore to the Parent Company, and the payment by the Parent Company to Citicore for the purchase price of P5,200.0 million were fulfilled on July 27, 2023 that resulted in the closing of the transaction.

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PH1 is a stock corporation organized under the laws of the Philippines. The Company was registered with the SEC on February 6, 2009 primarily to engage in the business of buying, selling, leasing, developing and managing real estate properties. The registered office address of PH1 which is also its principal place of business, is located at No. 20 N. Domingo Street, Brgy. Valencia, Quezon City.

PH1 has a wholly owned subsidiary, PH1-WL. PH1-WL, which was registered on September 16, 2022, is engaged in real estate business. Its registered office is located at 20 N. Domingo Street, Brgy. Valencia, Quezon City, Second District, National Capital Region (NCR) 1112.

PH1 also has a 49% ownership in Famtech, a company incorporated in the Philippines and was established to engage in real estate development. Famtech is consolidated in the Group's financial statements as the management considers that the Group has de facto control over Famtech even though it effectively holds less than 50% ownership interest [see Note 3.1(h)]. The registered office of Famtech is located at 5th Floor Pro-Friends Center, 55 Tinio Street, Brgy. Additional Hills, Mandaluyong City.

***Megawatt Power, Inc. (MPI) (formerly, Megawatt Clean Energy, Inc.)***

MPI was incorporated in 2014 to engage in the development of clean or renewable energy sources for power generation. Its registered address, which is also its principal place of business, is located at 20 N. Domingo St. Brgy. Valencia, Quezon City. As of December 31, 2023, MPI has not yet started operations.

***Globemercants, Inc.***

GMI was incorporated in the Philippines in 2016 and is primarily engaged in general merchandise operations. GMI's registered address, which is also its principal place of business, is located at Mactan-Cebu International Airport Passenger Terminal Building, Airport Terminal, Lapu-Lapu City. GMI started its commercial operations in March 2017.

Prior to its sale in 2022, GMI was 50% owned by the Parent Company and is consolidated in the Group's financial statements as the management considers that the Group has de facto control over GMI even though it effectively holds 50% ownership interest.

In December 2022, the Parent Company sold its ownership interest with GMI to GMCAC.

***Megawide Land, Inc.***

MLI was incorporated in 2016 primarily to engage in real estate and related business. MLI's registered address, which is also its principal place of business, is located at 20 N. Domingo St. Brgy. Valencia, Quezon City. MLI has not commenced its operations as of December 31, 2023.

***Megawide Construction (BVI) Corporation***

On June 20, 2017, the Parent Company acquired 100% ownership interest in MCBVI, an entity incorporated in the territory of British Virgin Islands to primarily engage in buying and holding shares of other companies. MCBVI's registered address, which is also its principal place of business, is Marcy Building, 2<sup>nd</sup> floor, Purcell Estate, Road Town Tortola, British Virgin Islands. In 2018, MCBVI commenced business operations.

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MCBVI has wholly owned subsidiaries, DMCC and MW Infrastructure. DMCC, which was registered on December 10, 2017, is involved in infrastructure works. Its registered office is located at Unit 4401-05, Mazaya Business Avenue BB2, Jumeriah Lake Towers, Dubai UAE. MW Infrastructure was registered on September 30, 2020 as a turnkey project contracting and project development consultant. Its registered office is located at Unit 4501-009 Mazaya Business Avenue BB2 Plot No JLTE-PH2-BB2 Jumeirah Lake Towers, Dubai, UAE. DMCC and MW have not commenced operations as of December 31, 2023.

***MWM Terminals, Inc.***

MWMTI is a joint venture arrangement formed on February 10, 2015 by the Parent Company and MTI, both exercising joint control to direct the relevant activities of MWMTI. The joint venture undertakes the development and implementation of the Parañaque Integrated Terminal Exchange (PITX) Project granted by the Philippine Government to MWMTI under a Build-Operate-Transfer Agreement (BOT Agreement) through the DOTr. In November 2018, MWMTI commenced commercial operations.

***Megawide Terminals, Inc.***

On August 9, 2018, the Parent Company acquired 344.5 million shares or 100% ownership interest in MTI from existing shareholders of MTI for P344.1 million. MTI owns 49% interest over MWMTI.

MTI is an entity incorporated and registered on November 11, 2011 to establish, own, manage, administer, operate, maintain, and carry the business of providing property management services, either directly or through third parties, but not limited to the services of rent collection, tenant and lease management, marketing and advertising, repair and maintenance, liaison and other similar services. MTI's registered address and principal place of business is at 20 N. Domingo St. Brgy. Valencia, Quezon City.

***Megawide International Limited***

MIL, whose registered office is at Marcy Building, 2<sup>nd</sup> Floor, Purcell Estate, P.O. Box 2416, Road Town Tortola, British Virgin Islands, was incorporated on

July 26, 2019. MIL has a 100% owned subsidiary, MC-SG, which was registered on March 1, 2019 as a general building engineering design and consultancy services. Its registered office is located at 8 Cross St. #24-03/04 Manulife Tower Singapore. MIL has not commenced operations as of December 31, 2023.

***Cebu2World Development, Inc.***

CDI, whose registered office is at Unit 1504 Ayala Life FGU Center Cebu, Mindanao Avenue corner Biliran Road, Cebu Business Park, Cebu City, was incorporated on November 3, 2020 to deal, engage, or otherwise acquire an interest in land or real estate business, without engaging in real estate investment trust.

***Wide-Horizons, Inc.***

WHI, whose registered office is at 20 N. Domingo Street, Brgy. Valencia, Quezon City., was incorporated on November 16, 2020 to invest in, purchase, or otherwise acquire and own, hold, use, sell, assign, transfer, mortgage, pledge, exchange or otherwise dispose of real and personal property

of every kind and description. As of December 31, 2023, WHI has not yet started commercial operations.

***Tiger Legend Holdings Limited***

Tiger Legends was incorporated on October 16, 2020 to primarily engage in buying and holding shares of other companies. Tiger Legend's registered address is located at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, British Virgin Islands. TLH has not commenced operations as of December 31, 2023.

***Megawide OneMobility Corporation***

MOMC, whose registered address is at 20 N. Domingo Street, Brgy. Valencia, Quezon City, was incorporated in the Philippines and registered with SEC on March 11, 2015 to engage in buying and holding shares of other companies, either by subscribing to unissued shares of capital stock in public or private offering or by purchasing the shares of other stockholders by way of assignment in private sale.

In 2022, the Parent Company subscribed to primary shares of MOMC equivalent to 80% ownership interest for a total consideration of P2.4 million. As of the acquisition date, MOMC has net liabilities of P13.8 million. MOMC has not yet started commercial operations as of December 31, 2023.

***Tunnel Prefab Corporation***

TPC, whose registered office is at No. 4 Velasquez Street, Sitio Bangiad, Barangay San Juan, 1920, Taytay, Rizal, was incorporated on August 31, 2022 to engage in the business of producing, manufacturing, fabricating, construction, procuring, furnishing, purchasing and/or selling precast concrete materials, items, and systems, formworks materials and systems, construction equipment, and other construction and building supplies for tunnels, highways, horizontal and vertical developments, infrastructure works, and any other construction projects. It will supply the precast requirements of CP-104 package of the Metro Manila Subway System . TPC has not yet started commercial operations as of December 31, 2023.

***Altria East Land, Inc.***

Altria was incorporated on April 16, 2010 to deal and engage in land or real estate business, such as to hold, develop, manage, administer, sell, convey, encumber, purchase, acquire, rent or otherwise deal in and dispose of all kinds of housing projects, commercial, industrial, urban or other kinds of property

The Parent Company's acquisition of Altria is accounted for as an asset acquisition since it does not constitute an acquisition of business.

***Megawide World Citi Consortium, Inc.***

MWCCI was incorporated in the Philippines on January 16, 2014 and is primarily established to undertake and implement the construction of a 700-bed capacity super-specialty tertiary orthopedic hospital (New Hospital Facility), under the Modernization of the Philippine Orthopedic Center (MPOC) Project. MWCCI's registered office, which is also its principal place of business, is at 20 N. Domingo Street, 1112 Valencia, Quezon City.

Significant assets of MWCCI pertain to its receivables from the Department of Health (DOH) from the Build-Operate-Transfer Agreement. MWCCI has undertaken measures to recover compensation costs from DOH. However, based on management's assessment as of December 31, 2022, there is no reasonable expectation of recovery of costs incurred relative to the MPOC Project. Accordingly, the Group has wrote off its investment in MWCCI in 2022.

The Group's investments in MWCCI are accounted for as investments in associates despite the percentage of the Parent Company's ownership interest over these entities.

***Citicore Megawide Consortium, Inc.***

CMCI was incorporated in the Philippines on October 15, 2012 and is primarily engaged in general construction business. CMCI's registered address, which is also its principal place of business, is located at 20 N. Domingo Street, Brgy. Valencia, Quezon City.

The Group's investments in CMCI are accounted for as investments in associates despite the percentage of the Parent Company's ownership interest over these entities.

***GMR Megawide Cebu Airport Corporation***

GMCAC was incorporated in the Philippines and registered in the SEC in 2024. GMACAC's primary purpose is to construct, develop, operate and maintain the Mactan Cebu International Airport (MCIA), including the commercial assets thereof and all allied businesses for the operation and maintenance of said airport facility (MCIA Project). GMCAC started commercial operations on November 1, 2014.

GMACAC was established for the purpose of implementing the provisions of the Concession Agreement (see Note 9) that was signed on April 22, 2014 between the Parent Company and GMR Infrastructure Limited (GIL) or GMR, and the Department of Transportation and Communications (currently, the Philippine Department of Transportation or DOTr) and Mactan-Cebu International Airport Authority (MCIAA) (collectively, the Grantors).

GIL is an entity duly organized and registered in India. DOTr and MCIAA are the agencies of the Philippine Government vested with the power and authority to develop dependable and coordinated transportation systems and to principally undertake the economical, efficient, and effective control, management, and supervision of the MCIA Project. GMCAC's registered address, which is also its principal place of business, is located at Mactan-Cebu International Airport Passenger Terminal Building, Airport Terminal, Lapu-Lapu City.

In 2022, the Parent Company sold a portion of its ownership interest in GMCAC that resulted in the loss of the Group's controlling interest in GMCAC. After the sale transaction, Group's ownership interest in GMCAC was reduced to 33.3% as of December 31, 2022. The remaining ownership interest in GMCAC is classified and presented as Non-current Asset Classified as Held for Sale in the consolidated statements of financial position.

***Evolution Data Centres Philippines, Inc.***

EDC, whose registered office is at Unit 53J, Shang Salcedo Place, H.V. dela Costa corner Tordesillas Sts., Salcedo Village, Makati, was incorporated on December 9, 2021 to perform and provide computer programming and consultancy services and engage in the creation and development of

technological services. As of December 31, 2023, the Parent Company has 49% ownership interest in EDC. EDC has not yet started commercial operations as of December 31, 2023.

***Megawide GISPL Construction Joint Venture***

MGCV is an unincorporated joint venture formed in 2014 by the Parent Company and GMR Infrastructure (Singapore) PTE Limited – Philippines Branch (GISPL) each owning 50% interest and exercising joint control. MGCV was established to provide construction of works for the renovation and expansion of the MCIA Project and other airport related construction projects of the Group. MGCV began to operate in 2015.

***Megawide GMR Construction Joint Venture, Inc.***

MGCVI is an incorporated joint arrangement formed in January 2018 by the Parent Company owning 50% interest and GISPL with 45% interest and GMR Holdings Overseas (Singapore) PTE Limited owning the remaining 5%. The Parent Company and GISPL both exercising joint control. MGCVI was established to provide general construction business including construction, improvement and repair of Clark Airport project. MGCVI began to operate in 2018.

***HDEC- Megawide-Dongah JV***

HMDJV is an unincorporated joint venture formed on October 27, 2020, by the Parent Company owning 35% and Hyundai Engineering & Construction Co., Ltd. and Dong-ah Geological Engineering Company Ltd. Owning 57.5%, and 7.5% interest, respectively, and exercising joint control. HMDJV was established to provide construction works for the civil structures, viaducts, bridges, and stations of Malolos-Clark Railway Project. HMDJV began to operate in 2021.

***Tokyu-Tobishima-Megawide Joint Venture***

TTM-JV is an unincorporated joint venture formed on May 31, 2022, by the Company owning 30% and Tokyu Construction Co., Ltd. and Tobishima Corporation owning 40%, and 30% interest, respectively, and exercising joint control over the assets and liabilities of the arrangement. TTM-JV was established to provide construction works of the Two Underground Stations (Ortigas North and Ortigas South) and Tunnels of Metro Manila Subway Project. TTM-JV began to operate in 2023.

***Mactan Travel Retail Group Corp.***

MTRGC was incorporated and registered with the SEC on March 21, 2018 to develop, set-up, operate, maintain and manage the duty paid outlets at the locations in the Mactan Cebu International Airport. It started operations in 2018.

***Select Service Partners Philippines Corp.***

SSPPC was incorporated and registered under the laws of the Republic of the Philippines with the SEC on March 13, 2018 to develop, set-up, operate, maintain and manage food and beverage outlets at specified locations in Terminal 1 and Terminal 2 of Mactan Cebu International Airport and the provision of related services thereto. It started operations in 2018.

***Parent Company and Other Affiliates***

**Citicore Holdings Investment Inc. (Citicore)**

Citicore was incorporated on 03 December 2011 and operates primarily as a holding company, with ownership interests in Megawide at thirty-five and 41/100 percent (35.41%), MWCCI at thirty nine percent (39%), PH1 World Developers, Inc. at one hundred percent (100%), and CMCI at ninety percent (90%).

**Megacore Holdings, Inc. (Megacore)**

Megacore was incorporated on 20 July 2017 and is primarily organized to invest in or purchase or otherwise acquire and own, hold, use, sell, assign, transfer, mortgage, pledge, exchange, or otherwise dispose real or personal property including shares of stocks, subscriptions, bonds, debentures, evidences of indebtedness, and any securities of any corporations. Megacore has thirty and 68/100 percent (30.68%) ownership interest in Megawide.

**Citicore Power Inc. (CPI)**

CPI was incorporated on 11 March 2015 to engage in the development of renewable and non-renewable energy sources for power generation, including the design, construction and installation, commissioning, owning, management and operation of relevant facilities and infrastructure thereof and the processing and commercialization of by-products in its operations.

Completed Projects

The notable projects that the Company has completed are:

1. **Worldwide Plaza** – An addition to the Uptown Bonifacio complex is this commercial and office building developed by Megaworld Corporation. This 24-storey building with a 3-level basement parking which will stand at a 7,800 square meter lot with total floor area of 114,310 square meters.
2. **Double Dragon Tower** – An office building composed of 11-storeys with a basement parking. Its gross floor area is 61,859.05 square meters. Total lot area is 5,257 square meters.
3. **Newport Link** – A commercial project of Megaworld Corporation located in Newport, Pasay City, which is a 7-storey building, with a total floor area of 50,174.27 square meters.
4. **Urban Deca Tondo** – A mass housing contract with Fog Horn, Inc. which initially focused on Buildings 9,10,12, and 13. In 2016, Buildings 1 and 2 were added. These 6 buildings have a total combined lot area of 162,067.37 square meters. Ultimately, there will be 14 clusters of 13-storey buildings in the residential complex located in Tondo, Manila City. The project also includes a 2-storey commercial building located in the residential complex with floor area of 20,132.76 square meters.
5. **Urban Deca Homes Manila** – is a 13-Building Medium rise affordable housing project located at a 8.47-hectare complex in Tondo, Manila. The project has a total of 13,212 residential units catering growing families who want to stay near their current family homes and for those working in trade and commerce since it is situated near the port and business area of Manila.
6. **Hampton O and P** – Developed by Dynamic Realty Resources Corporation, Hampton O and P is a 12-storey residential building inside the Hampton Gardens residential complex at C. Raymundo,



Maybunga, Pasig City. It has a total lot area of 1,400 square meters and a gross floor area of 26,045.64 square meters.

7. **Albany Luxury Suites** – A residential project of Megaworld Corporation, located at Mckinley West, Fort Bonifacio, Taguig City, with total floor area of 41,847.48 square meters for 2 buildings, which are 15-storeys each.
8. **My Enso Tower (Timog) – Phase 1** – A mixed-use development that provides a customizable living experience by providing extra space for your needs, be living or storage space, and a smart and modern minimalist design concept, all located at the heart of Quezon City Central Business District.
9. **The Hive C&D, and Amenities** – is a 12-storey low density condominium with only 856 units in total, having only 18 condo units per floor, made of concrete glass and steel, boasts of a myriad of building amenities and features for the family looking to upgrade their current living spaces. Master-planned for space and landscaping, it is strategically located at the heart of Taytay Rizal.
10. **Clark Global City Phase 1 Project** – A modern, state-of-the-art, master planned mixed-use commercial and business center of excellence project by Global Gateway Corporation located at the Freeport Zone, Mabalacat, Pampanga. It covers an area of 177 hectares. Its future development includes mixed-use buildings, a hospital, a hotel, and a casino.

#### On-Going Projects

The following are the on-going projects of Megawide as of December 31, 2023:

1. **Urban Deca Ortigas** – A residential complex composed of 24 clusters of 13-storey buildings located at Ortigas Extension, Pasig City. This project is a continuation of previously completed building 1-6. This ongoing project is comprised of the construction of buildings 7&8, and buildings 10&11.
2. **University Tower 5** – Owned by Prince Jun Development Corp., University Tower 5 is a 52-storey residential building located in Sampaloc, Manila City, with a total floor area of 56,871.14 square meters.
3. **International Finance Tower** – A 25-storey office building developed by Megaworld Corporation, with a gross construction floor area of 114,000 square meters, located in BGC, Taguig City. This project is set to be completed in the second quarter of 2024.
4. **Proposed 4-Storey Economic Residential Condominium (Plumera)** – The newest affordable project by Johndorf Ventures, strategically located at Basak, Lapu-lapu City. The project's size is 5 hectares and is composed of 20 buildings with around 4 to 10 floors each, for a total floor area of 98,338 square meters.
5. **Gentry Manor** – A residential project of Megaworld Corporation, located in South Beach District, Westside City, Parañaque City, whose 4 towers have a total floor area of 119,326.42 square meters.
6. **The CornerHouse Project** – A residential project of Emerald Rich Properties located at P. Guevarra Street, San Juan City, with total floor area of 16,020.79 square meters. The construction includes a 3-level basement, a 3-storey commercial area, and a roof deck.



7. **Urban Deca Cubao** – A residential project of 8890 Holdings located in Cubao, Quezon City, with total floor area of 115,000 square meters. The construction includes a 2 level basement, a 45-storey residential area, and a roof deck.
8. **Aglipay Sewage Treatment Plant** – an STP in Mandaluyong City, with a treatment capacity of 60 million liters per day (MLD) of wastewater and using the Moving Bed Biofilm Reactor (MBBR) process with Biological Nutrient Removal (BNR) technology. The construction of the STP is expected to be completed by 2024 and the sewer network by 2025.
9. **Cebu Carbon Market Redevelopment** – A public and commercial redevelopment project in Cebu City which includes the Sto Niño Chapel, Puso Village, interim market, and a multi-level parking.
10. **Coral Village** – A project with 1,200 residential units, with a floor area of 192 square meters per unit, or total CFA of 230,400 square meters in Coral Village, Lapu-Lapu City, Cebu by Johndorf Venture Corp. The project is expected to be completed in 5 years. Set to be completed in 2024.
11. **Suncity A** – Westside City Resorts World is a multi-billion project located at Bay Boulevard, Bagong Nayon Pilipino, Parañaque City, with a total building footprint of 113,628.15 square meters. Its facilities shall include 3 grand theaters, a shopping mall, and parking spaces.
12. **Suncity B** – A 5-star hotel and casino project with Suntrust Home Developers Inc, a subsidiary of Suncity Group Holdings Limited. The said project is located at the entertainment area of Parañaque City. The project is divided into 4 parts, as follows: Package 1- Substructure, Package 2- Superstructure, Supplementary Agreement, and Nominated Subcontractor (NSC).
13. **Ascott DD Meridian Park Manila** – A new addition to the Meridian Park of Double Dragon Properties Corp. which is a luxury residence developed in partnership with Ascott Singapore. It is composed of a 10-storey building with one (1) basement and gross floor area of 49,541.67 square meters. It is located in a 5,657 -square meter lot in DD Meridian Park, Bay Area corner Macapagal Avenue, EDSA Extension, Pasay City.
14. **Double Dragon Meridian Tower** - is the last phase of construction at DoubleDragon Meridian park at Pasay City, it is a 12-Storey mixed use building with 1 basement and a total of 39,409.38 m<sup>2</sup>, 112 parking lots, 1 PWD slot, 24 motorcycle slots and 1 loading. Lot area of 3,795.07 m<sup>2</sup> and with a building footprint of 3,139.13 m<sup>2</sup>. The total height of the building is 49.78 m and has a total depth of -4.70 m.
15. **Hotel 101** – Hotel 101, strategically located in Lot 3, Bridgetowne, Eulogio Rodriguez, Jr., Ave., Brgy. Ugong Norte, District 3, Quezon City, stands as a distinguished commercial establishment. Located on a 2,547 square meter prime titled commercial lot in the prestigious Bridgetowne District, this 24-story structure with Roof deck and Helipad showcases the hotel's facilities, including a gym, outdoor infinity pool, all-day dining, business center, and function rooms, all designed to meet the discerning needs of its valued guests. The construction of Hotel101-Libis Bridgetowne includes Site Works, Structural Works, Architectural Works, and MEPF Works. With 702 hotel units, 13 commercial units, and 283 parking slots, Hotel 101 exudes sophistication in every aspect of its design and functionality. As part of the esteemed Bridgetowne integrated township by Robinsons Land Corp., Hotel 101 promises to deliver top-notch facilities and services in the heart of the bustling metropolitan area.

16. **Landers Aseana** – is a single storey Commercial Building with 1 basement with a total CFA of 18,710.91 m<sup>2</sup>, 296 parking slots. Lot area of 15,064 m<sup>2</sup>. The total height of meter of 11.40 m. It has a total depth of -2.7m from NGL. Located at J.W. Diokno Blvd. Cor. Bradco Avenue Aseana City Parañaque City and has a development timetable of 12 months.
17. **One Lancaster Park** – is a foundational development in Imus, Cavite that will provide the future residents a sophisticated lifestyle that everyone deserves while living in a sub-urban province. The entire development, which comprises of 9 mid-rise towers and amenities within the 6.3-hectare land area, aims to bring forth a peaceful and convenient lifestyle.
18. **Clark Global City Myung Dang**– is a 177-hectare master-planned, mixed-use real estate investment opportunity allowing select investors to participate in the growth of a world-class city development within the Clark Freeport Zone.
19. **Modan Lofts Ortigas Hills (MLOH)** - Three (3) tower development with twenty-one (21) and twenty-two (22) storey with roof deck, a separate carpark building, amenity area and two (2) level retail at the entrance of the development area with an estimated construction floor area of 33,728.32sqm, located at Ortigas Extension Avenue, Barangay San Isidro Taytay Rizal, Philippines.
20. **Lumbangan Solar Power** – is a 125MWp solar PV power Project and currently owned by Citicore Solar Batangas 1, located at Lumbangan Tuy, Province of Batangas Philippines. The Area is about 106 Hectares. The solar PV Power s expected to start its operation by 2024
21. **CP-104 Manila Subway** – is the first ever subway project in Metro Manila that will connect North Caloocan or Meycauayan in Bulacan and Dasmariñas in Cavite through the National Capital Region. This is a project proposed by the Department of Transportation or DOTr. PHASE 1 the Contract Package 104, Two underground Station (Ortigas Station & Shaw Boulevard Station) and Tunnels (3.4km).
22. **Malolos-Clark Railway Project** – A 17-kilometer rail line that includes stations in Calumpit and Apalit, together with consortium partners Hyundai Engineering & Construction Co., Ltd. And Dong-ah Geological Engineering Company Ltd.

#### **DIRECTORS AND OFFICERS**

Please refer to **Item 5** of this Information Statement.

#### **MARKET PRICE AND DIVIDENDS**

##### **Stock Prices**

Megawide common shares are traded on the PSE under the symbol “MWIDE”. The shares were listed on the PSE on 18 February 2011. The following table sets out the high and low prices for Megawide’s common shares as reported to PSE:

<b>2020</b>	<b>High</b>	<b>Low</b>
First Quarter (Jan. – Mar.)	16.80	5.35
Second Quarter (April – June)	8.36	4.54
Third Quarter (July – Sept.)	8.10	6.05

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Fourth Quarter (Oct. – Dec.)	10.90	6.69
<b>2021</b>		
First Quarter (January – March)	8.90	5.91
Second Quarter (April – June)	7.32	5.90
Third Quarter (July – September)	7.50	5.95
Fourth Quarter (October – December)	6.85	4.98
<b>2022</b>		
First Quarter (January-March)	5.70	4.73
Second Quarter (April-June)	4.94	4.28
Third Quarter (July-September)	3.92	3.20
Fourth Quarter (October-December)	3.85	3.40
<b>2023</b>		
First Quarter (January-March)	4.33	2.85
Second Quarter (April-June)	4.00	2.94
Third Quarter (July-September)	3.80	3.02
Fourth Quarter (October-December)	3.34	3.00
<b>2024</b>		
First Quarter (January-March)	3.44	3.06

The closing price per share of Megawide’s common shares as of 30 April 2024 was Two Pesos and 94/100 (PhP 2.94).

***Dividends***

On 26 June 2013, the Board adopted a dividend policy of declaring annual cash dividends equivalent to twenty percent (20%) of the prior year’s income, subject to the Company’s contractual obligations. Thereafter, on 3 April 2019, the Board adopted a revised dividend policy increasing the maximum allowable annual dividend declaration from twenty percent (20%) to not exceeding thirty percent (30%) of the prior year’s net income, subject to the approval of the Board and the Company’s contractual obligations.

Megawide has entered into loan agreements restricting its ability to declare dividends unless certain conditions are met, such as all debt obligations are current and updated, availability of retained earnings while maintaining debt to equity ratios, and debt service cover ratios after dividend payments. As of date, Megawide’s subsidiaries, many of which are newly established and not yet income generating, have not formulated or adopted a dividend policy. Megawide shall cause these subsidiaries to adopt the appropriate dividend policies with the intention that each subsidiary shall regularly declare dividends in favor of Megawide, subject to capital requirements and other existing covenants/restrictions with its creditors.

Under the Revised Corporation Code, Megawide’s Board is authorized to declare cash, property, stock dividends, or a combination thereof. Cash and property dividend declarations require only the approval of the Board. Meanwhile, stock dividend declarations require the approval of the Board and the shareholders representing at least two-thirds (2/3) of Megawide’s outstanding capital stock. Such

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approval may be given at a general or special meeting duly called for such purpose. The holders of outstanding shares on a dividend record date for such shares will be entitled to the full dividend declared without regard to any subsequent transfer of shares. Moreover, in accordance with the Revised Corporation Code, Megawide may only distribute dividends out of its unrestricted retained earnings.

During the past four (4) years, Megawide has consistently declared and paid out cash dividends as follows:

<b>Date Approved</b>	<b>Record Date</b>	<b>Type</b>	<b>Amount</b>	<b>Date of Payment</b>
January 08, 2020	February 06, 2020	Series 1 Preferred Shares	PhP 70,250,000.00	March 03, 2020
May 08, 2020	May 25, 2020	Series 1 Preferred Shares	PhP 70,250,000.00	June 03, 2020
July 27, 2020	August 10, 2020	Series 1 Preferred Shares	PhP 70,250,000.00	September 03, 2020
October 05, 2020	November 06, 2020	Series 1 Preferred Shares	PhP 70,250,000.00	December 03, 2020
January 11, 2021	February 08, 2021	Series 1 Preferred Shares	PhP 70,250,000.00	March 03, 2021
January 18, 2021	February 03, 2021	Series 2A Preferred Shares	PhP 31,136,404.00	March 01, 2021
January 18, 2021	February 03, 2021	Series 2B Preferred Shares	PhP 25,020,953.00	March 01, 2021
April 08, 2021	May 18, 2021	Series 1 Preferred Shares	PhP 70,250,000.00	June 03, 2021
April 08, 2021	May 04, 2021	Series 2A Preferred Shares	PhP 31,136,404.00	May 27, 2021
April 08, 2021	May 04, 2021	Series 2B Preferred Shares	PhP 25,020,953.00	May 27, 2021
June 30, 2021	August 09, 2021	Series 1 Preferred Shares	PhP 70,250,000.00	September 03, 2021
June 30, 2021	August 05, 2021	Series 2A Preferred Shares	PhP 31,136,404.00	August 27, 2021
June 30, 2021	August 05, 2021	Series 2B Preferred Shares	PhP 25,020,953.00	August 27, 2021
October 19, 2021	November 09, 2021	Series 1 Preferred Shares	PhP 70,250,000.00	December 03, 2021
October 19, 2021	November 05, 2021	Series 2A Preferred Shares	PhP 31,136,404.00	November 29, 2021
October 19, 2021	November 05, 2021	Series 2B Preferred Shares	PhP 25,020,953.00	November 29, 2021
December 23, 2021	January 10, 2022	Series 4 Preferred Shares	PhP 53,000,000.00	January 31, 2022
December 23, 2021	January 10, 2022	Series 4 Preferred Shares	PhP 53,000,000.00	January 31, 2022
January 18, 2022	February 4, 2022	Series 2A Preferred Shares	PhP 31,136,404.00	February 28, 2022
January 18, 2022	February 4, 2022	Series 2B Preferred Shares	PhP 25,020,953.00	February 28, 2022
March 22, 2022	April 6, 2022	Series 4 Preferred Shares	PhP 53,000,000.00	April 29, 2022
April 21, 2022	May 9, 2022	Series 2A Preferred Shares	PhP 31,136,404.00	May 27, 2022
April 21, 2022	May 9, 2022	Series 2B Preferred Shares	PhP 25,020,953.00	May 27, 2022
June 23, 2022	July 8, 2022	Series 4 Preferred Shares	PhP 53,000,000.00	July 29, 2022
July 22, 2022	August 8, 2022	Series 2A Preferred Shares	PhP 31,136,404.00	August 30, 2022
July 22, 2022	August 8, 2022	Series 2B Preferred Shares	PhP 25,020,953.00	August 30, 2022
September 23, 2022	October 10, 2022	Series 4 Preferred Shares	PhP 53,000,000.00	October 29, 2022
October 19, 2022	November 7, 2022	Series 2A Preferred Shares	PhP 31,136,404.00	November 28, 2022
October 19, 2022	November 7, 2022	Series 2B Preferred Shares	PhP 25,020,953.00	November 28, 2022
December 21, 2022	January 9, 2023	Series 4 Preferred Shares	PhP 53,000,000.00	January 30, 2023
February 6, 2023	February 20, 2023	Series 2A Preferred Shares	PhP 31,136,404.00	February 27, 2023
February 6, 2023	February 20, 2023	Series 2B Preferred Shares	PhP 25,020,953.00	February 27, 2023
March 21, 2023	April 11, 2023	Series 4 Preferred Shares	PhP 53,000,000.00	May 2, 2023
April 26, 2023	May 12, 2023	Series 2A Preferred Shares	PhP 31,136,404.00	May 29, 2023

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April 26, 2023	May 12, 2023	Series 2B Preferred Shares	PhP 25,020,953.00	May 29, 2023
July 12, 2023	July 26, 2023	Series 4 Preferred Shares	PhP 53,000,000.00	July 31, 2023
July 12, 2023	July 17, 2023	Series 5 Preferred Shares	PhP 29,640,750.00	July 17, 2023
August 1, 2023	August 16, 2023	Series 2B Preferred Shares	PhP 25,020,953.00	August 29, 2023
September 11, 2023	September 26, 2023	Series 5 Preferred Shares	PhP 29,640,750.00	October 17, 2023
September 13, 2023	October 10, 2023	Series 4 Preferred Shares	PhP 53,000,000.00	October 30, 2023
October 19, 2023	November 7, 2023	Series 2B Preferred Shares	PhP 25,020,953.00	November 28, 2023
December 11, 2023	December 28, 2023	Series 5 Preferred Shares	PhP 29,640,750.00	January 17, 2024
January 5, 2024	January 22, 2024	Series 4 Preferred Shares	PhP 53,000,000.00	January 29, 2024
January 16, 2024	February 7, 2024	Series 2B Preferred Shares	PhP 25,020,953.00	February 27, 2024
March 13, 2024	April 2, 2024	Series 5 Preferred Shares	PhP 29,640,750.00	April 17, 2024
March 22, 2024	April 12, 2024	Series 4 Preferred Shares	PhP 53,000,000.00	April 29, 2024
April 23, 2024	May 10, 2024	Series 2B Preferred Shares	PhP 25,020,953.00	May 27, 2024

**Holders**

As of 30 April 2024, there were **two billion thirteen million four hundred nine thousand seven hundred seventeen (2,013,409,717)** common shares outstanding registered in the name of the following:

	<b>Stockholder</b>	<b>Number of Common Shares Held</b>
1.	PCD Nominee Corporation (Filipino)	1,220,821,049
2.	Citicore Holdings Investment, Inc.	712,925,501
3.	PCD Nominee Corporation (Non-Filipino)	31,898,307
4.	Suyen Corporation	22,900,000
5.	Aeternum Holdings, Inc.	21,389,904
6.	Ellie Chan	1,666,901
7.	Carousel Holdings, Inc.	1,000,000
8.	John I. Bautista, Jr.	159,799
9.	Ayush Singhvi	147,400
10.	Regina Capital Dev. Corp. 000351	34,754
11.	Jharna Chandnani	23,000
12.	Pacifico Silla &/or Marie Paz Silla &/or Nathaniel Silla	20,000
13.	Jose Emmanuel B. Salcedo	16,177
14.	Juan Miguel B. Salcedo	16,177
15.	NSJS Realty & Development Corporation	16,000
16.	Grace Q. Bay	15,243
17.	Camille Patricia Dominique T. Ang	14,547
18.	Pacifico Silla &/or Marie Paz Silla Sagum &/or Nathaniel Silla	9,456
19.	Pacifico C. Silla &/or Catherine M. Silla &/or Alexander M. Silla	9,456
20.	Myra P. Villanueva	8,900
21.	Joyce M. Briones	7,868
22.	Frederick E. Ferraris &/or Ester E. Ferraris	5,674
23.	Jennifer T. Ramos	2,000
24.	Demetrio D. Mateo	500

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	<b>Stockholder</b>	<b>Number of Common Shares Held</b>
25.	Julius Victor Emmanuel D. Sanvictores	379
26.	Guillermo F. Gili, Jr.	246
27.	Florentino A. Tuason, Jr.	246
28.	Hector A. Sanvictores	190
29.	Owen Nathaniel S. Au ITF: Li Marcus Au	38
30.	Joselito T. Bautista	1
31.	Michael C. Cosiquien	1
32.	Hilario Gelbolingo Davide, Jr.	1
33.	Lilia B. De Lima	1
34.	Edgar B. Saavedra	1
35.	Marmon Holdings, Inc.	300,000
	<b>Total</b>	<b>2,013,409,717</b>
	Shares Owned By Foreigners	32,068,707

The beneficial owners of the shares registered in the name of the PCD Nominee Corporation are PCD's participants who hold the shares on behalf of their clients, including the top 20 shareholders. As of 17 May 2024, the Company has the following number of shareholders with certificates of shareholdings:

	<b>No. of Shareholders</b>
<b>Common</b>	34
<b>Preferred</b>	9

Additionally, the issued and outstanding common shares entitled to vote are broken down as follows:

	<b>Number of Shares</b>	<b>%</b>
<b>Filipino-owned shares</b>	1,981,341,010	98.41%
<b>Foreign-owned shares</b>	32,068,707	1.59%
<b>Total</b>	<b>2,013,409,717</b>	<b>100%</b>

**COMPLIANCE ON CORPORATE GOVERNANCE**

Megawide has substantially complied with the provisions of its Manual on Corporate Governance.

Megawide commits to the principles and best practices of governance to attain its goals and objectives. To ensure good governance, a system has been established that monitors and evaluates the performance of Megawide and its Management. Megawide's Manual on Corporate Governance contains the specific principles which institutionalize good corporate governance in the organization.

Megawide has not deviated from its Manual on Corporate Governance since its adoption until present.

The Compliance Officer, the Board's Audit and Compliance Committee and Board Risk Oversight Committee, the President, and Chief Financial Officer are continuously monitoring the Company to assure compliance with the Manual on Corporate Governance.



MEGAWIDE CONSTRUCTION CORPORATION  
No. 20 N. Domingo Street, Barangay Valencia, Quezon City  
Tel. No. (02) 8655-1111

### NOTICE OF ANNUAL STOCKHOLDERS' MEETING

To the Stockholders of **MEGAWIDE CONSTRUCTION CORPORATION** (the "Company"):

Notice is hereby given that the Annual Stockholders' Meeting of the Company will be held on **3 July 2024, at 2:00 P.M.** The meeting will be conducted via remote communication and can be accessed through the following link: [Please click here.](#)

The agenda of the meeting is as follows:

1. Call to Order
  - The Chairman will call the meeting to order.
2. Proof of Notice and Quorum
  - The Corporate Secretary will certify that notices of the meeting have been duly sent to the stockholders as of record date as required by the By-Laws. He will also attest to the attendance at the meeting and whether a quorum is present. Except as otherwise provided by law, a quorum shall consist of stockholders owning majority of the outstanding capital stock (exclusive of treasury stock) participating in person, *in absentia*, or by proxy.
3. Approval of the Minutes of the Annual Stockholders Meeting held on 12 July 2023
  - The Minutes of the Annual Stockholders' Meeting held last 12 July 2023 will be submitted for approval. It contains the following matters: (a) Approval of the Minutes of the Special Stockholders Meeting held last 20 December 2023; (b) Election Directors; (c) Approval of the 2022 Audited Financial Statements; (d) Appointment of the External Auditor; (e) Approval of the Acquisition by the Company of PH1 World Developers, Inc. (f) Ratification of the stockholders of all acts of the Board and Management.

A copy of the Minutes of the Annual Stockholders Meeting held last 12 July 2023 is available on the Company's website and attached to the Information Statement as Exhibit "5."

4. Approval and Ratification of the Company's Employee Stock Option Plan
  - The Board of Directors of the Company approved the adoption of an Employee Stock Option Plan for eligible employees of the Company and allotted Ten Million (10,000,000) shares therefor. The Company's Employee Stock Option Plan will be submitted for stockholders approval.
5. Chairman's Address and President's Report
  - The Chairman and President of the Company will give a welcome address and provide operational highlights of 2023.
6. Election of Directors
  - The stockholders will approve the election of the regular and independent directors to hold office until the next Annual Stockholders' Meeting and until their respective successors have been elected and qualified. The nominees were evaluated on the basis of all qualifications required by the Company's By-Laws, New Manual on Corporate Governance, and that no provision on disqualification would apply to them. The profile and qualifications of the nominees are in the

Company's Information Statement and Annual Report ("SEC Form 17-A") which are available in its website.

7. Approval of the 2023 Audited Financial Statements

- The 2023 Audited Financial Statements of the Company will be submitted for the approval of the stockholders.

8. Appointment of the External Auditor

- The stockholders will approve the appointment of Punongbayan & Araullo as the Company's external auditor.

9. Ratification of All Acts of the Board of Directors and Management

- For ratification of the stockholders are all the acts of the Board of Directors and Management in the ordinary course of the Company's business. A list of such acts is too voluminous to be included in the Information Statement. These acts pertain to government permits and clearances, execution of contracts, availment of services from banks, and other acts necessary for various construction project

10. Other Matters

- The floor will be open for questions from the stockholders.

All stockholders of record at the close of business on 10 June 2024 are entitled to notice of and vote at the regular meeting and at any adjournment thereof. The stock and transfer books of the Company will be closed from end of business day on 11 June 2024 until 3 July 2024.

Please refer to **Exhibit "1"** of the Information Statement: <https://megawide.com.ph/wp-content/uploads/2023/06/2023-Annual-Stockholders-Meeting-Procedure-for-Voting-and-Participation-via-Remote-Communication.pdf>

for the full details on the submission of proxies, procedure for voting, participation in the Regular Stockholders' Meeting, and to view the Information Statement and Annual Report on SEC Form 17-A.

Quezon City, Philippines, \_\_\_\_\_



**TEODULO G. SAN JUAN JR.**  
Corporate Secretary



**PROXY**

The undersigned stockholder of **MEGAWIDE CONSTRUCTION CORPORATION** (the “Company”) hereby appoints \_\_\_\_\_ or in his/her absence, the Chairman of the meeting, as attorney-in-fact or proxy, with power of substitution and delegation, to represent and vote all shares registered in the name of the undersigned stockholder, at the **virtual Annual Stockholders’ Meeting** of the Company on **July 3, 2024, at 2:00 p.m., through Microsoft Teams**, and any adjournment/s thereof, as fully and to all intents and purposes as the undersigned might or could do if present and acting in person, hereby ratifying and confirming any and all acts which such proxy may do in or upon any and all matters which may properly come before any said meeting, or any adjournment/s thereof, upon the following proposals:

1. Approval of the Minutes of the Annual Stockholders Meeting held on 12 July 2023

Yes       No       Abstain

2. Approval and Ratification of the Company’s Employee Stock Option Plan

Yes       No       Abstain

3. Election of Directors

Vote for all nominees listed below:  
Edgar B. Saavedra  
Oliver Y. Tan  
Manuel Louie B. Ferrer  
Ramon H. Diaz  
Hilario G. Davide, Jr. (*Independent Director*)  
Celso P. Vivas (*Independent Director*)

Withhold authority for all nominee listed above

Withhold authority to vote for the nominees listed below

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4. Approval of the 2023 Audited Financial Statements

Yes       No       Abstain

5. Appointment of Punongbayan & Araullo as external auditor

Yes       No       Abstain

6. Ratification of all acts of Management and the Board of Directors

Yes       No       Abstain

7. At their discretion, the proxies named above are authorized to vote upon such other matters as may properly come before the meeting.

<p>Date</p>	<p>Printed Name of Stockholder</p>
	<p>Signature of Stockholder/ Authorized Signatory</p>

This proxy should be received by the Corporate Secretary on or before **June 26, 2024**, the deadline for the submission of proxies.

This proxy, when properly executed, will be voted in the manner as directed herein by the stockholder(s). If no direction is made, this proxy will be voted “Yes” for the approval of the matters stated above and for such other matters as may properly come before the meeting in the manner described in the information statement and/or as recommended by management or the board of directors.

A proxy submitted by a corporation should be accompanied by a corporate secretary’s certificate quoting the board resolution designating a corporate officer to execute the proxy.

A stockholder giving a proxy has the power to revoke it at any time before the right granted is exercised. A proxy is also considered revoked if the stockholder attends the meeting in person and expresses his intention to vote in person. This proxy shall be valid for five (5) years from the date hereof unless otherwise indicated in the box herein provided.

No director or executive officer, nominee for election as director, or associate of such director, executive officer, or nominee of the Company, at any time since the beginning of the last fiscal year, has any substantial interest, direct or indirect by security holdings, or otherwise, in any of the matters to be acted upon in the meeting.

**PROXY**

The undersigned stockholder of **MEGAWIDE CONSTRUCTION CORPORATION** (the “Company”) hereby appoints \_\_\_\_\_ or in his/her absence, the Chairman of the meeting, as attorney-in-fact or proxy, with power of substitution and delegation, to represent and vote all shares registered in the name of the undersigned stockholder, at the **virtual Annual Stockholders’ Meeting** of the Company on **July 3, 2024, at 2:00 p.m., through Microsoft Teams**, and any adjournment/s thereof, as fully and to all intents and purposes as the undersigned might or could do if present and acting in person, hereby ratifying and confirming any and all acts which such proxy may do in or upon any and all matters which may properly come before any said meeting, or any adjournment/s thereof, upon the following proposals:

1. Approval of the Minutes of the Annual Stockholders Meeting held on 12 July 2023

Yes       No       Abstain

2. Approval and Ratification of the Company’s Employee Stock Option Plan

Yes       No       Abstain

3. Election of Directors

Vote for all nominees listed below:  
Edgar B. Saavedra  
Oliver Y. Tan  
Manuel Louie B. Ferrer  
Ramon H. Diaz  
Hilario G. Davide, Jr. (*Independent Director*)  
Celso P. Vivas (*Independent Director*)

Withhold authority for all nominee listed above

Withhold authority to vote for the nominees listed below

_____	_____
_____	_____
_____	_____

4. Approval of the 2023 Audited Financial Statements

Yes       No       Abstain

5. Appointment of Punongbayan & Araullo as external auditor

Yes       No       Abstain

6. Ratification of all acts of Management and the Board of Directors

Yes       No       Abstain

7. At their discretion, the proxies named above are authorized to vote upon such other matters as may properly come before the meeting.

\_\_\_\_\_      \_\_\_\_\_  
Date      Printed Name of Stockholder

\_\_\_\_\_  
Signature of Stockholder/ Authorized Signatory

No. of Shares Held	Tel. No./Mobile Phone No. of Stockholder
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\*This proxy must be submitted together with: (i) a duly executed Secretary's Certificate showing the authority of the representative to sign on behalf of the PCD Participant/Broker; and (ii) a duly accomplished certificate of shareholdings issued by the Broker.

This proxy should be received by the Corporate Secretary on or before **June 26, 2024** the deadline for the submission of proxies.

This proxy, when properly executed, will be voted in the manner as directed herein by the stockholder(s). If no direction is made, this proxy will be voted "Yes" for the approval of the matters stated above and for such other matters as may properly come before the meeting in the manner described in the information statement and/or as recommended by management or the board of directors.

A proxy submitted by a corporation should be accompanied by a corporate secretary's certificate quoting the board resolution designating a corporate officer to execute the proxy.

A stockholder giving a proxy has the power to revoke it at any time before the right granted is exercised. A proxy is also considered revoked if the stockholder attends the meeting in person and expresses his intention to vote in person. This proxy shall be valid for five (5) years from the date hereof unless otherwise indicated in the box herein provided.

No director or executive officer, nominee for election as director, or associate of such director, executive officer, or nominee of the Company, at any time since the beginning of the last fiscal year, has any substantial interest, direct or indirect by security holdings, or otherwise, in any of the matters to be acted upon in the meeting.

April 12, 2024

## STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **Megawide Construction Corporation and its subsidiaries** (the Group) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2023 and 2022, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of 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 Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Company or to cease operations, or has no realistic alternative to do so.

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

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

Punongbayan & Araullo (P&A), the independent auditors appointed by the stockholders, has audited the financial statements of the Group in accordance with Philippine Standards on Auditing, and in their report to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.



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**ENGR. EDGAR B. SAAVEDRA**  
President  
195-661-064-000



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**JEZ G. DELA CRUZ**  
Group Chief Financial Officer  
215-462-291-000

**SUBSCRIBED AND SWORN TO** before me this APR 12 2024 at QUEZON CITY affiants exhibiting to me their valid Tax Identification Numbers stated above.

Signed this 12th day of April 2024.

Doc. No. 159 ;  
Page No. 73 ;  
Book No. 1 ;  
Series of 2024.



*Neil Kirby L. Ada*  
**NEIL KIRBY L. ADA**  
Notary Public for and in Quezon City  
Notarial Commission No. NP-557 (2023-2024)  
Until 31 December 2024  
No. 20 N. Domingo Street, Barangay Valencia, Quezon City  
Roll No. 77893  
PTR No. 5573838 / 01.04.2024 / Quezon City  
IBP No. 397718 / 01.04.2024 / Batangas Chapter  
MCLE Compliance - Admitted to the BAR on 11 May 2022



**P&A**  
**Grant Thornton**

**FOR SEC FILING**

Consolidated Financial Statements and  
Independent Auditors' Report

**Megawide Construction Corporation  
and Subsidiaries**

December 31, 2023, 2022 and 2021





## Report of Independent Auditors

**The Board of Directors and Stockholders**  
**Megawide Construction Corporation and Subsidiaries**  
**(A Subsidiary of Citicore Holdings Investment, Inc.)**  
20 N. Domingo Street  
Brgy. Valencia  
Quezon City

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

#### *Opinion*

We have audited the consolidated financial statements of Megawide Construction Corporation and Subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2023, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2023 in accordance with Philippine Financial Reporting Standards (PFRS), as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission (SEC) and described in Note 2 to the consolidated financial statements.

#### *Basis for Opinion*

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



***Emphasis of Matter***

We draw attention to Note 2 to the consolidated financial statements, which indicates that the consolidated financial statements have been prepared in accordance with PFRS, as modified by the financial reporting reliefs issued and approved by the SEC. The qualitative impact of the financial reporting reliefs on the consolidated financial statements are disclosed in Note 2 to the consolidated financial statements. Our opinion is not modified in respect of this matter.

***Key Audit Matters***

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

***(a) Revenue and Cost Recognition on Construction Contracts******Description of the Matter***

The Group's revenue from construction contracts and the related cost of construction amounting to P18,141.5 million and P16,025.1 million, respectively, represent 97% both of its total revenues and total direct costs from operations in 2023. The Group uses the percentage of completion method to determine the appropriate amount of contract revenues to be recognized for the reporting period. It uses the input method (i.e., based on the Group's efforts or inputs to the satisfaction of a performance obligation) in determining the percentage of completion in accordance with PFRS 15, *Revenue from Contracts with Customers*.

In our view, the revenue and cost recognition of construction contracts is significant to our audit due to the materiality of the contract revenues to the total revenues of the Group, the complexity of the application of PFRS 15 in construction contracts, and the application of significant management judgment and high estimation uncertainty in measuring construction revenue based on the stage of completion of the construction project. The determination of percentage of completion is dependent on the proper recognition of actual construction costs incurred and the reasonableness of estimated construction costs. An error in the application of the requirements of PFRS 15 and of management judgment and estimate could cause a material misstatement in the consolidated financial statements.

The basis of significant judgments and estimates are included in Notes 2 and 3 to the consolidated financial statements. In addition, the details of construction contract revenues and costs are disclosed in Notes 21 and 22 to the consolidated financial statements, respectively.

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

Our audit procedures to address the risk of material misstatement relating to revenue and cost recognition on construction contracts, which was considered to be a significant risk, included the following:

- Testing the design and operating effectiveness of the Group's processes and controls over the recognition and measurement of contract revenues and costs, including the related information technology general and application controls;

- Evaluating the appropriateness of the Group's revenue recognition on construction contracts based on the requirements of PFRS 15 which include the following:
  - reviewing significant construction contracts, including contractual terms and conditions to ensure these contracts are appropriately accounted for in accordance with PFRS 15;
  - evaluating whether the methodology by which management determines the percentage of completion (i.e., input method) is appropriate and consistent with the Group's satisfaction of its performance obligation;
  - determining proper accounting for contract costs whether these are considered as incremental costs of obtaining a contract, costs to fulfil the contract or mobilization costs; and,
  - determining whether performance obligations are distinct for proper allocation of transaction price.
- Testing the schedules of contracts completed and on-going projects as of the end of the reporting period such as, but not limited to, verifying the mathematical accuracy of the schedules, agreeing beginning balances on a per project basis, recalculating ending balances based on incurred contract costs for the current period, and agreeing contract prices, on a sample basis, to construction contracts;
- Testing the completeness and accuracy of contract costs by examining, on a sample basis, contract costs incurred during the period and tracing these costs to supporting documents such as bill of materials, billing invoices and receipts recognized and searching for unrecorded costs by examining subsequent disbursements related to the projects;
- Comparing the percentage of completion used by the Group to the percentage of total costs incurred to date over the total estimated costs on the project and reconciling variances;
- Recomputing total estimated cost as the product of total contract price and cost ratio derived from the examined contracts and comparing with project cost estimates certified by the Group's engineers. In testing the reasonableness of budgetary estimates, we have ascertained the capability, competence and objectivity of projects engineers who prepared the budgets;
- Performing physical inspection of selected construction projects to assess if the completion based on costs is consistent with the physical completion of the project;
- Performing cut-off procedures to determine whether contract revenues and costs are recognized in the correct period by examining billing and supplier invoices near the end of the reporting period; and,
- Performing analytical review procedures on contract revenues and costs, prior period estimates and consistency with the developments during the current period, stage of completion, and final forecast project results based on our expectations and investigating variances from our expectations.

**(b) Expected Credit Loss Assessment on Contract, Retention, and Real Estate Sales Receivables, Advances to Related Parties and Contract Assets**

*Description of the Matter*

As at December 31, 2023, the carrying amounts of the Group's contract, retention and real estate sales receivables (collectively as trade receivables), advances to related parties (including accrued interest) and contract assets amounted to P7,890.1 million, P8,956.2 million and P5,640.2 million, respectively. These financial assets totalling to P22,486.5 million which are disclosed in Notes 6 and 9 to the consolidated financial statements represent 34% of the total assets of the Group as at the end of the reporting period. The Group's management exercises significant judgment and makes estimates in determining when the trade receivables, advances to and receivables from related parties and contract assets are impaired and in measuring impairment losses to be recognized in accordance with the expected credit loss (ECL) requirements under PFRS 9, *Financial Instruments*. The Group's material accounting policies, management judgment and estimates, are described in Notes 2 and 3 to the consolidated financial statements, while the disclosures relating to credit risk applicable to these financial assets are disclosed in Note 32 to the consolidated financial statements.

We identified the ECL assessment and measurement of the Group's trade receivables, advances to and receivables from related parties and contract assets as a key audit matter because of the complexity of the requirement of PFRS 9 in determining ECL and the high level of uncertainties involved in management's use of judgment and estimates.

*How the Matter was Addressed in the Audit*

Our audit procedures to determine the appropriateness of the ECL computation adopted by the Group, the recoverability of trade receivables, advances to related parties and contract assets, and the adequacy of the related allowance for credit losses on these assets included, among others, the following:

- Evaluating appropriateness of the Group's ECL computation based on the requirements of the financial reporting standard and the related policies and procedures of the Group;
- Identifying customers, on a sample basis, with financial difficulty and/or breach of contract resulting in default on payments through discussion with management, inspecting the customers' payment history, and determining any related retention liability that can be recovered by the Group in settlement of the selected past due or delinquent customers' accounts;
- For advances to and receivables from related parties, evaluating the capacity of the related parties to pay by assessing their liquidity and whether there are any valid business purposes on which these advances were made;
- For contract assets, identifying whether such costs are recoverable and subsequently billable based on the terms of the specific contract;
- Evaluating the appropriateness and reasonableness of underlying assumptions, including forward-looking information and the sufficiency, reliability and relevance of the data used by the Group;
- Checking the mathematical accuracy of the provision matrix applicable to the ECL computation, including testing of aging of trade receivables; and,
- Evaluating the sufficiency and appropriateness of disclosures in the Group's consolidated financial statements in accordance with PFRS 9.

**(c) Accounting for Business Combination under Common Control**

*Description of the Matter*

On July 12, 2023, the Megawide and its parent company, Citicore Holdings Investment, Inc. (Citicore), executed a Share Purchase Agreement (SPA) for Megawide to acquire 100% of the outstanding capital stock of PH1 World Developers, Inc. (PH1) from Citicore for a total cash consideration of P5,200.0 million. Prior to the transaction, PH1 was a wholly-owned subsidiary of Citicore. As a result of the acquisition, the Megawide Group obtained controlling interest over PH1.

As guided by the Philippine Interpretations Committee Q&A 2011-02: *PFRS 3.2 – Common Control Business Combinations*, the Group elected to apply the acquisition method to account for the transaction under PFRS 3, *Business Combinations*. We considered the business combination to be a key audit matter due to the significance of the amount involved, complexity of the accounting for business combination under common control and estimation involved in the determination of fair values.

The Group's disclosures of the business combination are included in Note 7 to the consolidated financial statements.

*How the Matter was Addressed in the Audit*

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

- obtaining an understanding of the terms of the transaction by reading the relevant minutes of meeting and executed SPA;
- determining the appropriateness of the application of the acquisition method, including evaluating whether the transaction has commercial substance;
- testing the reasonableness of the fair value of the identifiable assets and liabilities of PH1 at acquisition date;
- evaluating the competence, capability and objectivity of the Group's third-party valuation expert engaged for the acquisition, and involving our Firm's valuation specialist to assist us in reviewing the work of the management and such third-party valuation expert;
- examining the supporting documents for the cash consideration transferred by Megawide to Citicore;
- determining appropriateness and accuracy of the goodwill recognized from the transaction by comparing the total of cash consideration transferred and amount of non-controlling interest against the acquisition-date fair value of the net assets of PH1; and,
- evaluating sufficiency of the disclosures in accordance with PFRS 3.

***Other Information***

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audits resulting in this independent auditors' report is John Endel S. Mata.

**PUNONGBAYAN & ARAULLO**



**By: John Endel S. Mata**  
Partner

CPA Reg. No. 0121347  
TIN 257-622-627  
PTR No. 10076144, January 3, 2024, Makati City  
SEC Group A Accreditation  
Partner - No. 121347-SEC (until financial period 2023)  
Firm - No. 0002 (until financial period 2024)  
BIR AN 08-002551-040-2023 (until Jan. 24, 2026)  
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

April 12, 2024

**MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES**  
*(A Subsidiary of Citicore Holdings Investment, Inc.)*  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2023 AND 2022**  
*(Amounts in Philippine Pesos)*

	Notes	2023	2022
<b><u>ASSETS</u></b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	P 4,878,885,375	P 15,758,197,239
Trade and other receivables - net	6	19,155,918,525	18,360,999,611
Construction materials	8	2,279,339,095	2,126,166,237
Real estate inventories	8	3,872,921,997	-
Contract assets - net	9	5,640,188,614	5,106,307,785
Other current assets	12	11,413,433,469	9,563,285,300
		<u>47,240,687,075</u>	<u>50,914,956,172</u>
Non-current asset classified as held for sale	10	2,879,769,625	2,879,769,625
Total Current Assets		<u>50,120,456,700</u>	<u>53,794,725,797</u>
<b>NON-CURRENT ASSETS</b>			
Financial assets at fair value through other comprehensive income		3,544,472	3,544,472
Investments in associates	11	257,238,656	231,295,805
Property, plant and equipment - net	14	6,277,619,514	6,734,023,493
Investment properties - net	15	4,818,851,826	4,699,071,474
Goodwill	7	3,797,069,546	-
Deferred tax assets - net	26	697,716,301	689,304,708
Other non-current assets	12	354,643,437	300,790,305
Total Non-current Assets		<u>16,206,683,752</u>	<u>12,658,030,257</u>
<b>TOTAL ASSETS</b>		<u><b>P 66,327,140,452</b></u>	<u><b>P 66,452,756,054</b></u>



	Notes	2023		2022
<b><u>LIABILITIES AND EQUITY</u></b>				
<b>CURRENT LIABILITIES</b>				
Interest-bearing loans and borrowings	18	<b>P 21,043,827,635</b>	P	14,707,801,548
Trade and other payables	17	4,653,528,987		5,332,737,951
Contract liabilities	19	4,901,660,540		3,590,333,090
Exchangeable notes	10	7,763,200,000	-	
Other current liabilities	20	<u>357,162,259</u>		<u>306,528,558</u>
Total Current Liabilities		<u>38,719,379,421</u>		<u>23,937,401,147</u>
<b>NON-CURRENT LIABILITIES</b>				
Interest-bearing loans and borrowings	18	9,558,175,928		13,071,219,958
Contract liabilities	19	373,702,943		1,405,179,227
Post-employment defined benefit obligation	24	249,417,261		237,400,671
Exchangeable notes	10	-		7,763,200,000
Other non-current liabilities	20	<u>493,691,152</u>		<u>371,474,463</u>
Total Non-current Liabilities		<u>10,674,987,284</u>		<u>22,848,474,319</u>
Total Liabilities		<u>49,394,366,705</u>		<u>46,785,875,466</u>
<b>EQUITY</b>				
Equity attributable to shareholders of the Parent Company:	27			
Capital stock		2,545,302,137		2,528,052,137
Additional paid-in capital		18,460,789,667		16,987,855,617
Deposit on future stock subscription		-		2,250,000
Treasury shares		( 11,237,703,576 )	(	8,615,690,576 )
Revaluation reserves - net		175,787,119		149,758,638
Retained earnings		<u>6,471,907,771</u>		<u>8,612,106,239</u>
Total equity attributable to shareholders of the Parent Company		16,416,083,118		19,664,332,055
Non-controlling interests		<u>516,690,629</u>		<u>2,548,533</u>
Total Equity		<u>16,932,773,747</u>		<u>19,666,880,588</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>P <u>66,327,140,452</u></b>	P	<b><u>66,452,756,054</u></b>

*See Notes to Consolidated Financial Statements.*

**MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES**  
*(A Subsidiary of Citicore Holdings Investment, Inc.)*  
**CONSOLIDATED STATEMENTS OF INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021**  
*(Amounts in Philippine Pesos)*

	Notes	2023	2022	2021
<b><u>CONTINUING OPERATIONS</u></b>				
<b>REVENUES</b>	21			
Construction operations		P 18,141,512,176	P 14,583,321,979	P 14,329,463,579
Landport operations		347,752,350	258,328,537	715,039,460
Real estate operations		148,891,156	-	-
		<u>18,638,155,682</u>	<u>14,841,650,516</u>	<u>15,044,503,039</u>
<b>DIRECT COSTS</b>	22			
Cost of construction operations		16,025,103,508	12,557,581,615	12,130,698,076
Costs of landport operations		360,846,338	364,306,388	369,473,673
Costs of real estate operations		72,152,014	-	-
		<u>16,458,101,860</u>	<u>12,921,888,003</u>	<u>12,500,171,749</u>
<b>GROSS PROFIT</b>		<u>2,180,053,822</u>	<u>1,919,762,513</u>	<u>2,544,331,290</u>
<b>INCOME AND EXPENSES</b>				
Finance costs	25	( 2,061,753,031 )	( 1,657,069,895 )	( 1,515,276,560 )
Other operating expenses	23	( 1,302,452,109 )	( 1,193,636,156 )	( 1,132,227,913 )
Finance income	25	1,047,012,781	526,021,744	472,499,105
Impairment losses on receivables and contract assets	6, 9, 23	( 35,268,976 )	( 1,722,576,955 )	( 213,281,637 )
Others - net	25	499,182,645	( 433,680,564 )	415,160,145
		<u>( 1,853,278,690 )</u>	<u>( 4,480,941,826 )</u>	<u>( 1,973,126,860 )</u>
<b>PROFIT (LOSS) BEFORE TAX</b>		326,775,132	( 2,561,179,313 )	571,204,430
<b>TAX INCOME (EXPENSE)</b>	26	( 57,618,451 )	689,157,079	( 92,508,265 )
<b>NET PROFIT (LOSS) FROM CONTINUING OPERATIONS</b>		<u>269,156,681</u>	<u>( 1,872,022,234 )</u>	<u>478,696,165</u>
<b><u>DISCONTINUED OPERATIONS</u></b>				
<b>PROFIT (LOSS) BEFORE TAX</b>	10	-	4,888,130,450	( 1,294,986,187 )
<b>TAX EXPENSE</b>	26	-	( 183,362,300 )	( 76,864,397 )
<b>NET PROFIT (LOSS) FROM DISCONTINUED OPERATIONS</b>		<u>-</u>	<u>4,704,768,150</u>	<u>( 1,371,850,584 )</u>
<b>NET PROFIT (LOSS)</b>		<u>P 269,156,681</u>	<u>P 2,832,745,916</u>	<u>( P 893,154,419 )</u>
<b>Net Profit (Loss) Attributable To:</b>				
Shareholders of the Parent Company:				
Continuing operations		P 283,490,119	( P 1,871,908,063 )	P 478,704,913
Discontinued operations		-	5,449,613,779	( 821,690,147 )
		<u>283,490,119</u>	<u>3,577,705,716</u>	<u>( 342,985,234 )</u>
Non-controlling interests:				
Continuing operations		( 14,333,438 )	( 114,172 )	( 8,748 )
Discontinued operations		-	( 744,845,629 )	( 550,160,437 )
		<u>( 14,333,438 )</u>	<u>( 744,959,801 )</u>	<u>( 550,169,185 )</u>
		<u>P 269,156,681</u>	<u>P 2,832,745,915</u>	<u>( P 893,154,419 )</u>
<b>Earnings (Loss) per Share</b>	30			
Continuing operations		( P 0.06 )	( P 1.17 )	( P 0.01 )
Discontinued operations		-	2.71	( 0.41 )
		<u>( P 0.06 )</u>	<u>P 1.54</u>	<u>( P 0.42 )</u>

*See Notes to Consolidated Financial Statements.*

**MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES**  
*(A Subsidiary of Citicore Holdings Investment, Inc.)*  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021**  
*(Amounts in Philippine Pesos)*

	Notes	2023	2022	2021
<b>NET PROFIT (LOSS)</b>		<b>P 269,156,681</b>	<b>P 2,832,745,915</b>	<b>( P 893,154,419 )</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>				
<b>Item that will be reclassified subsequently   profit or loss</b>				
Foreign currency translation adjustment		( 5,740,368 )	( 17,785,487 )	23,225,513
<b>Item that will not be reclassified subsequently   to profit or loss</b>				
Remeasurements of post-employment defined benefit plan	24	42,358,465	106,253,260	108,948,597
Tax expense	26	( 10,589,616 )	( 25,535,309 )	( 26,719,556 )
		<u>31,768,849</u>	<u>80,717,951</u>	<u>82,229,041</u>
<b>Other Comprehensive Income – net of tax</b>		<u>26,028,481</u>	<u>62,932,464</u>	<u>105,454,554</u>
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>		<b>P 295,185,162</b>	<b>P 2,895,678,379</b>	<b>( P 787,699,865 )</b>
<b>Total Comprehensive Income (Loss) Attributable To:</b>				
Shareholders of the Parent Company:				
Continuing operations		P 309,518,600	( P 1,808,975,599 )	P 581,635,816
Discontinued operations		<u>-</u>	<u>5,447,968,969</u>	( 821,658,231 )
		<u>309,518,600</u>	<u>3,638,993,370</u>	( 240,022,415 )
Non-controlling interests:				
Continuing operations		( 14,333,438 )	( 114,172 )	2,514,399
Discontinued operations		<u>-</u>	<u>743,200,819</u>	( 550,191,849 )
		<u>( 14,333,438 )</u>	<u>( 743,314,991 )</u>	( 547,677,450 )
		<u>P 295,185,162</u>	<u>P 2,895,678,379</u>	<u>( P 787,699,865 )</u>

*See Notes to Consolidated Financial Statements.*

**MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES**  
*(A Subsidiary of Citicore Holdings Investment, Inc.)*  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021**  
*(Amounts in Philippine Pesos)*

Attributable to Shareholders of the Parent Company (See Note 27)

	Common Stock	Preferred Stock	Additional Paid-in Capital	Deposit on future stock subscription	Treasury Shares	Revaluation Reserves	Other Reserves	Retained Earnings	Total	Non-controlling Interests (See Note 27)	Total
Balance at January 1, 2023	P 2,399,426,127	P 128,626,010	P 16,987,855,617	P 2,250,000	( P 8,615,690,576 )	P 149,758,638	P -	P 8,612,106,239	P 19,664,332,055	P 2,548,533	P 19,666,880,588
Retirement of preferred shares (Series 2A)	-	-	-	-	( 2,622,013,000 )	-	-	( 2,622,013,000 )	( 2,622,013,000 )	-	( 2,622,013,000 )
Declaration of cash dividends	-	-	-	-	-	-	-	( 2,423,688,587 )	( 2,423,688,587 )	-	( 2,423,688,587 )
Issuance of preferred shares (Series 5)	-	15,000,000	1,472,934,050	-	-	-	-	1,487,934,050	1,487,934,050	-	1,487,934,050
Issuance of preferred shares (Series 3)	-	2,250,000	-	( 2,250,000 )	-	-	-	-	-	-	-
Increase in non-controlling interest	-	-	-	-	-	-	-	-	-	528,475,534	528,475,534
Total comprehensive income (loss) for the year	-	-	-	-	-	26,028,481	-	283,490,119	309,518,600	( 14,333,438 )	295,185,162
<b>Balance at December 31, 2023</b>	<b>P 2,399,426,127</b>	<b>P 145,876,010</b>	<b>P 18,460,789,667</b>	<b>P -</b>	<b>( P 11,237,703,576 )</b>	<b>P 175,787,119</b>	<b>P -</b>	<b>P 6,471,907,771</b>	<b>P 16,416,083,118</b>	<b>P 516,690,629</b>	<b>P 16,932,773,747</b>
Balance at January 1, 2022	P 2,399,426,127	P 128,626,010	P 16,987,855,617	p -	( P 8,615,690,576 )	P 94,011,896	( P 22,474,837 )	P 5,555,676,962	P 16,527,431,199	P 2,673,476,480	P 19,200,907,679
Declaration of cash dividends	-	-	-	-	-	-	-	( 489,629,428 )	( 489,629,428 )	-	( 489,629,428 )
Deposit on future stock subscription	-	-	-	2,250,000	-	-	-	-	2,250,000	-	2,250,000
Effect of disposal of subsidiaries	-	-	-	-	-	( 5,540,912 )	37,187,923	( 31,647,011 )	-	( 2,734,679,232 )	( 2,734,679,232 )
Increase in non-controlling interest from conversion of shareholder loans to capital stock	-	-	-	-	-	-	-	-	-	816,875,000	816,875,000
Increase in other reserves during the year	-	-	-	-	-	-	( 14,713,086 )	-	( 14,713,086 )	( 9,808,724 )	( 24,521,810 )
Total comprehensive income (loss) for the year	-	-	-	-	-	61,287,654	-	3,577,705,716	3,638,993,370	( 743,314,991 )	2,895,678,379
<b>Balance at December 31, 2022</b>	<b>P 2,399,426,127</b>	<b>P 128,626,010</b>	<b>P 16,987,855,617</b>	<b>P 2,250,000</b>	<b>( P 8,615,690,576 )</b>	<b>P 149,758,638</b>	<b>P -</b>	<b>P 8,612,106,239</b>	<b>P 19,664,332,055</b>	<b>P 2,548,533</b>	<b>P 19,666,880,588</b>
Balance at January 1, 2021	P 2,399,426,127	P 87,001,010	P 13,057,711,509	p -	( P 4,615,690,576 )	( P 8,950,923 )	( P 22,474,837 )	P 6,404,291,624	P 17,301,313,934	P 3,221,153,930	P 20,522,467,864
Issuance of preferred shares (Series 4)	-	40,000,000	3,930,144,108	-	-	-	-	-	3,970,144,108	-	3,970,144,108
Declaration of cash dividends	-	-	-	-	-	-	-	( 505,629,428 )	( 505,629,428 )	-	( 505,629,428 )
Subscription of preferred shares (Series 3)	-	1,625,000	-	-	-	-	-	1,625,000	1,625,000	-	1,625,000
Retirement of preferred shares (Series 1)	-	-	-	-	( 4,000,000,000 )	-	-	( 4,000,000,000 )	( 4,000,000,000 )	-	( 4,000,000,000 )
Total comprehensive income (loss) for the year	-	-	-	-	-	102,962,819	-	( 342,985,234 )	( 240,022,415 )	( 547,677,450 )	( 787,699,865 )
<b>Balance at December 31, 2021</b>	<b>P 2,399,426,127</b>	<b>P 128,626,010</b>	<b>P 16,987,855,617</b>	<b>p -</b>	<b>( P 8,615,690,576 )</b>	<b>P 94,011,896</b>	<b>( P 22,474,837 )</b>	<b>P 5,555,676,962</b>	<b>P 16,527,431,199</b>	<b>P 2,673,476,480</b>	<b>P 19,200,907,679</b>

See Notes to Consolidated Financial Statements.

**MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES**  
*(A Subsidiary of Citicore Holdings Investment, Inc.)*  
**CONSOLIDATED 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>				
Profit (loss) before tax		P 326,775,132	P 2,326,951,136	( P 723,781,757)
Adjustments for:				
Finance costs	10, 16, 18, 20, 24	2,061,753,031	3,377,239,001	2,809,511,249
Depreciation and amortization	10, 12, 14, 15	1,413,957,948	1,713,375,467	1,470,073,791
Finance income	5, 10, 20, 28	( 1,047,012,781)	( 539,605,711)	( 482,013,897)
Equity in net losses on associates and joint ventures	10, 11, 25	35,748,149	15,743,230	67,682,803
Impairment losses	6, 9, 11, 12, 25	35,268,976	2,638,252,142	-
Gain on disposals of property, plant and equipment	14	( 8,038,783)	( 3,407,646)	( 24,279,017)
Gain on deconsolidation of subsidiaries	10	-	( 6,569,065,060)	-
Unrealized mark-to-market gain in interest rate swap	10, 18	-	( 43,247,266)	( 78,648,688)
Gain on loan modification	10, 18	-	-	( 207,829,510)
Operating profit before working capital changes		2,818,451,672	2,916,235,293	2,830,714,974
Decrease (increase) in trade and other receivables		940,865,816	( 1,869,952,921)	( 1,219,654,784)
Increase in construction materials		( 153,172,858)	( 95,910,817)	( 326,116,521)
Increase in real estate inventories		( 592,185,240)	-	-
Increase in contract assets		( 533,880,829)	( 2,036,208,937)	( 546,104,612)
Increase in other current assets		( 2,022,822,885)	( 265,358,921)	( 2,120,473,836)
Decrease in other non-current assets		173,158,846	395,472,512	63,294,203
Increase (decrease) in contract liabilities		99,146,589	( 932,931,503)	1,107,650,558
Increase (decrease) in trade and other payables		( 2,678,748,302)	( 954,258,825)	1,642,452,631
Increase (decrease) in other liabilities		43,631,299	( 21,517,953)	55,629,272
Increase (decrease) in post-employment defined benefit obligation		43,785,439	( 39,389,743)	62,177,399
Cash generated from (used in) operations		( 1,861,770,453)	( 2,903,821,815)	1,549,569,284
Cash paid for income taxes		( 1,051,801)	( 3,920,211)	( 193,910,390)
Net Cash From (Used in) Operating Activities		( 1,862,822,254)	( 2,907,742,026)	1,355,658,894
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Acquisition of a subsidiary	7	( 5,200,000,000)	-	-
Acquisitions of property, plant and equipment, and computer software license	12, 14	( 825,940,002)	( 1,109,762,695)	( 1,098,783,120)
Interest received		395,412,414	62,995,548	38,352,323
Acquisitions of investment properties	15	( 242,898,606)	( 327,602,398)	( 229,228,015)
Proceeds from sale of property, plant and equipment	14	35,002,256	105,252,731	86,082,882
Financing granted to related parties	28	( 66,916,040)	-	( 8,950,004)
Investment in an associate	11	( 61,691,000)	-	-
Financing collected from related parties	28	93,590,404	54,389,121	761,922
Proceeds from sale of subsidiaries	10	-	7,236,799,800	-
Additions to concession assets	13	-	( 730,769,591)	( 625,279,308)
Decrease in investment in trust fund		-	( 163,541,216)	-
Net Cash From (Used in) Investing Activities		( 5,873,440,574)	5,127,761,300	( 1,837,043,320)
Balance carried forward		( P 7,736,262,828)	P 2,220,019,274	( P 481,384,426)

	Notes	2023	2022	2021
<i>Balance brought forward</i>		( P 7,736,262,828 )	P 2,220,019,274	( P 481,384,426 )
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from loans and borrowings	18, 34	15,962,201,900	20,482,038,343	4,291,987,360
Repayment of loans and borrowings	18, 34	( 13,648,402,830 )	( 16,612,813,627 )	( 2,294,147,502 )
Redemption of preferred shares	27	( 2,622,013,000 )	-	( 4,000,000,000 )
Dividends paid	27	( 2,447,047,836 )	( 436,629,428 )	( 505,629,428 )
Interest paid	18, 34	( 2,019,607,748 )	( 3,227,733,770 )	( 2,350,860,782 )
Proceeds from issuance of preferred shares	27	1,487,934,050	-	3,971,769,108
Proceeds from issuance of exchangeable notes	10	-	7,763,200,000	-
Payment of debt and equity issuance cost		-	( 24,521,810 )	-
Deposit on future stock subscription	27	-	2,250,000	-
Net Cash From (Used in) Financing Activities		( 3,286,935,464 )	7,945,789,708	( 886,881,244 )
Effect of Changes in Foreign Exchange Rate on Cash and Cash Equivalents		( 14,925,696 )	( 9,436,680 )	( 11,796,212 )
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		( 11,038,123,988 )	10,156,372,302	( 1,380,061,882 )
<b>EFFECT OF CONSOLIDATION (DECONSOLIDATION) OF SUBSIDIARIES</b>	7, 10	158,812,124	( 244,263,093 )	-
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		15,758,197,239	5,846,088,030	7,226,149,912
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		P 4,878,885,375	P 15,758,197,239	P 5,846,088,030

**Supplemental Information on Non-cash Investing and Financing Activities :**

- 1) In 2023, 2022 and 2021, the Group recognized right-of-use assets and lease liabilities amounting to P23.8 million, P113.0 million and P187.3 million, respectively (see Note 16).
- 2) As a result of the acquisition of 100% interest in the outstanding capital stock of PH1 World Developers, Inc. (PH1) in 2023, the Group recognized the assets and liabilities of PH1 in the consolidated financial statements as of December 31, 2023 (see Note 7).
- 3) As a result of the sale and deconsolidation of subsidiaries disposed of in 2022, the Group derecognized the assets and liabilities of the subsidiaries from the consolidated financial statements as of December 31, 2022 (see Note 10).
- 4) In 2023, 2022, and 2021, the Group declared dividends with total amount of P2,423.7 million, P489.6 million, and P505.6 million, respectively, of which the P53.0 million remained outstanding as of December 31, 2022. Such has been paid in 2023.

*See Notes to Consolidated Financial Statements.*

**MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES**  
*(A Subsidiary of Citicore Holdings Investment, Inc.)*  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023, 2022 AND 2021**  
*(Amounts in Philippine Pesos)*

**1. CORPORATE INFORMATION**

***1.1 Incorporation and Operations***

Megawide Construction Corporation (Megawide or the Parent Company) was incorporated in the Philippines on July 28, 2004 and is engaged in the general construction business, including constructing, enlarging, repairing, or engaging in any work upon buildings, houses and condominium, roads, plants, bridges, piers, waterworks, railroads and other structures. It performs other allied construction business like the construction and sale of precast items, concrete production, and purchase sale and/or lease of formworks system and construction equipment.

On January 28, 2011, the Philippine Stock Exchange (PSE) and the Securities Exchange Commission (SEC) approved the Parent Company's application for the listing of its common stock. The approval covered the initial public offering (IPO) of 292.0 million unissued common shares of the Parent Company at P7.84 offer price per share and the listing of those shares in PSE's main board on February 18, 2012. On December 3, 2014, the Parent Company made a primary offer of 40.0 million preferred shares at an offer price of P100.0 per share. These preferred shares are also listed in the PSE (see Note 27.1). Moreover, the Parent Company also made follow-on offerings in 2020, 2021, and 2023 (see Note 27.1).

The Parent Company remains a subsidiary of Citicore Holding Investment, Inc. (Citicore) which owns and controls 35.41% of the issued and outstanding capital stock of the Parent Company as of December 31, 2023 and 2022, because Citicore still directs the overall business operations of the Parent Company through its Chief Executive Officer and President, who is also the President of Citicore. Moreover, Citicore also appoints majority of the board members and remains as the single largest stockholder controlling the Board of Directors (BOD).

Citicore is a company incorporated in the Philippines and is engaged in the business of a holding company through buying and holding shares of other companies. The registered address of Citicore and the Parent Company, which is also their principal place of business, is at 20 N. Domingo Street, Brgy. Valencia, Quezon City.

## 1.2 Subsidiaries, Associates and Joint Arrangements

The Parent Company holds ownership interest in the following subsidiaries, associates and joint arrangements (together with the Parent Company, collectively hereinafter referred to as the Group):

Subsidiaries/Associates/Joint Operations/Joint Ventures	Notes	Percentage of Effective Ownership		
		2023	2022	2021
<b>Subsidiaries:</b>				
PH1 World Developers, Inc. (PH1)	a	100%	-	-
PH1 World Landscapes Inc. (PH1-WL)	a	100%	-	-
Famtech Properties, Inc. (Famtech)	a	49%	-	-
Megawatt Clean Energy, Inc. (MCEI)	b	70%	70%	70%
GlobemERCHANTS, Inc. (GMI)*	c	-	-	50%
Megawide Land, Inc. (MLI)		100%	100%	100%
Megawide Cold Logistics, Inc. (MCLI)	d	60%	60%	60%
Megawide Construction (BVI) Corporation (MCBVI)	e	100%	100%	100%
Megawide Construction DMCC (DMCC)	e	100%	100%	100%
Megawide Infrastructure DMCC (MW Infrastructure)	e	100%	100%	100%
MWM Terminals, Inc. (MWMTT)	f	100%	100%	100%
Megawide Terminals, Inc. (MTI)	g	100%	100%	100%
Megawide International Limited (MIL)	h	100%	100%	100%
Megawide Construction (Singapore) Pte. Ltd. (MC-SG)	h	100%	100%	100%
Cebu2World Development, Inc. (CDI)	i	100%	100%	100%
Wide-Horizons, Inc. (WHI)	j	100%	100%	100%
Tiger Legend Holdings Limited (TLH)	k	100%	100%	100%
Megawide OneMobility Corporation (MOMC)	l	80%	80%	-
Tunnel Prefab Corporation (TPC)	m	90%	90%	-
<i>Accounted for as Asset Acquisition –</i>				
Altria East Land, Inc. (Altria)	n	100%	100%	100%
<b>Associates:</b>				
Megawide World Citi Consortium, Inc. (MWCCI)	o	51%	51%	51%
Citicore Megawide Consortium, Inc. (CMCI)	o	10%	10%	10%
GMR Megawide Cebu Airport Corporation (GMCAC)*	p	33%	33%	60%
Evolution Data Centres Philippines, Inc. (EDC)	q	49%	-	-
<b>Joint Operations:</b>				
Megawide GISPL Construction Joint Venture (MGCJV)	r	50%	50%	50%
Megawide GMR Construction Joint Venture, Inc. (MGCJVI)	s	50%	50%	50%
HDEC- Megawide-Dongah JV (HMDJV)	t	35%	35%	35%
Tokyu-Tobishima-Megawide Joint Venture (ITM-JV)	u	30%	-	-
<b>Joint Ventures:</b>				
Mactan Travel Retail Group Corp. (MTRGC)	v	-	-	25%
Select Service Partners Philippines Corp. (SSPPC)	w	-	-	25%

\*No longer subsidiaries of the Group in 2023 and 2022 (see Note 10)

### a) PH1

On July 12, 2023, the Parent Company and Citicore executed a Share Purchase Agreement (SPA) for the Parent Company to acquire 100% of the outstanding capital stock of PH1 from Citicore. The fulfilment of the conditions precedent under the SPA such as the transfer of 579,457,844 common shares from Citicore to the Parent Company, and the payment by the Parent Company to Citicore for the purchase price of P5,200.0 million were fulfilled on July 27, 2023 that resulted in the closing of the transaction (see Note 7).



PH1 was registered with the SEC on February 6, 2009 primarily to engage in the business of buying, selling, leasing, developing and managing real estate properties. The registered office address of PH1, which is also its principal place of business, is located at No. 20 N. Domingo Street, Brgy. Valencia, Quezon City.

PH1 has a wholly owned subsidiary, PH1-WL. PH1-WL, which was registered on September 16, 2022, is engaged in real estate business. Its registered office is located at 20 N. Domingo Street, Brgy. Valencia, Quezon City, Second District, National Capital Region (NCR) 1112.

PH1 also has a 49% ownership in Famtech, a company incorporated in the Philippines and was established to engage in real estate development. Famtech is consolidated in the Group's financial statements as the management considers that the Group has de facto control over Famtech even though it effectively holds less than 50% ownership interest [see Note 3.1(h)]. The registered office of Famtech is located at 5th Floor Pro-Friends Center, 55 Tinio Street, Brgy. Additional Hills, Mandaluyong City.

**b) MCEI**

MCEI was incorporated in 2014 to engage in the development of clean or renewable energy sources for power generation. Its registered address, which is also its principal place of business, is located at 20 N. Domingo Street Brgy. Valencia, Quezon City. As of December 31, 2023, MCEI has not yet started operations.

**c) GMI**

GMI was incorporated in the Philippines in 2016 and is primarily engaged in general merchandise operations. GMI's registered address, which is also its principal place of business, is located at Mactan-Cebu International Airport Passenger Terminal Building, Airport Terminal, Lapu-Lapu City. GMI started its commercial operations in March 2017.

Prior to its sale in 2022, GMI was 50% owned by the Parent Company and was consolidated in the Group's financial statements as the management considers that the Group has de facto control over GMI even though it effectively holds 50% ownership interest [see Note 3.1(h)].

In December 2022, the Parent Company sold its ownership interest with GMI to GMCAC (see Note 10).

**d) MLI**

MLI was incorporated in 2016 primarily to engage in real estate and related business. MLI's registered address, which is also its principal place of business, is located at 20 N. Domingo Street Brgy. Valencia, Quezon City. MLI has not commenced its operations as of December 31, 2023.

MLI has a 60% ownership interest in MCLI, a company incorporated in the Philippines and was established to engage in cold and dry storage business. The registered office address of MCLI, which is also its principal place of business, is located at No. 20 N. Domingo Street, Brgy. Valencia, Quezon City.

**e) *MCBVI***

On June 20, 2017, the Parent Company acquired 100% ownership interest in MCBVI, an entity incorporated in the territory of British Virgin Islands to primarily engage in buying and holding shares of other companies. MCBVI's registered address, which is also its principal place of business, is Marcy Building, 2<sup>nd</sup> floor, Purcell Estate, Road Town Tortola, British Virgin Islands. In 2018, MCBVI commenced business operations.

MCBVI has wholly owned subsidiaries, DMCC and MW Infrastructure. DMCC, which was registered on December 10, 2017, is involved in infrastructure works. Its registered office is located at Unit 4401-05, Mazaya Business Avenue BB2, Jumeriah Lake Towers, Dubai UAE. MW Infrastructure was registered on September 30, 2020 as a turnkey project contracting and project development consultant. Its registered office is located at Unit 4501-009 Mazaya Business Avenue BB2 Plot No JLTE-PH2-BB2 Jumeirah Lake Towers, Dubai, UAE. DMCC and MW Infrastructure have not commenced operations as of December 31, 2023.

**f) *MWMTI***

MWMTI is a joint venture arrangement formed on February 10, 2015 by the Parent Company and MTI, both exercising joint control to direct the relevant activities of MWMTI. The joint venture undertakes the development and implementation of the Parañaque Integrated Terminal Exchange (PITX) Project granted by the Philippine Government to MWMTI under a Build-Operate-Transfer Agreement (BOT Agreement) through the DOTr (see Note 29.2). In November 2018, MWMTI commenced commercial operations.

**g) *MTI***

On August 9, 2018, the Parent Company acquired 344.5 million shares or 100% ownership interest in MTI from existing shareholders of MTI for P344.1 million. MTI owns 49% interest over MWMTI.

MTI is an entity incorporated and registered on November 11, 2011 to establish, own, manage, administer, operate, maintain, and carry the business of providing property management services, either directly or through third parties, but not limited to the services of rent collection, tenant and lease management, marketing and advertising, repair and maintenance, liaison and other similar services. MTI's registered address and principal place of business is at 20 N. Domingo Street Brgy. Valencia, Quezon City.

**h) MIL**

MIL, whose registered office is at Marcy Building, 2<sup>nd</sup> Floor, Purcell Estate, P.O. Box 2416, Road Town Tortola, British Virgin Islands, was incorporated on July 26, 2019. MIL has a 100% owned subsidiary, MC-SG, which was registered on March 1, 2019 as a general building engineering design and consultancy services. Its registered office is located at 8 Cross Street #24-03/04 Manulife Tower Singapore. MIL has not commenced operations as of December 31, 2023.

**i) CDI**

CDI, whose registered office is at Unit 1504 Ayala Life FGU Center Cebu, Mindanao Avenue corner Biliran Road, Cebu Business Park, Cebu City, was incorporated on November 3, 2020 to deal, engage, or otherwise acquire an interest in land or real estate business, without engaging in real estate investment trust.

**j) WHI**

WHI, whose registered office is at 20 N. Domingo Street, Brgy. Valencia, Quezon City., was incorporated on November 16, 2020 to invest in, purchase, or otherwise acquire and own, hold, use, sell, assign, transfer, mortgage, pledge, exchange or otherwise dispose of real and personal property of every kind and description. As of December 31, 2023, WHI has not yet started commercial operations.

**k) TLH**

Tiger Legends was incorporated on October 16, 2020 to primarily engage in buying and holding shares of other companies. Tiger Legend's registered address is located at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, British Virgin Islands. TLH has not commenced operations as of December 31, 2023.

**l) MOMC**

MOMC, whose registered address is at 20 N. Domingo Street, Brgy. Valencia, Quezon City, was incorporated in the Philippines and registered with SEC on March 11, 2015 to engage in buying and holding shares of other companies, either by subscribing to unissued shares of capital stock in public or private offering or by purchasing the shares of other stockholders by way of assignment in private sale. In 2022, the Parent Company subscribed to primary shares of MOMC equivalent to 80% ownership interest for a total consideration of P2.4 million. As of the acquisition date, MOMC has net liabilities of P13.8 million. MOMC has not yet started commercial operations as of December 31, 2023.

**m) TPC**

TPC, whose registered office is at No. 4 Velasquez Street, Sitio Bangiad, Barangay San Juan, 1920, Taytay, Rizal, was incorporated on August 31, 2022 to engage in the business of producing, manufacturing, fabricating, construction, procuring, furnishing, purchasing and/or selling precast concrete materials, items, and systems, formworks materials and systems, construction equipment, and other construction and building supplies for tunnels, highways, horizontal and vertical developments, infrastructure works, and any other construction projects. TPC has not yet started commercial operations as of December 31, 2023.

**n) *Altria***

The Parent Company's acquisition of Altria is accounted for as an asset acquisition since it does not constitute an acquisition of business (see Note 11.2).

**o) *MWCCI and CMCI***

MWCCI was incorporated in the Philippines on January 16, 2014 and is primarily established to undertake and implement the construction of a 700-bed capacity super-specialty tertiary orthopedic hospital (New Hospital Facility), under the Modernization of the Philippine Orthopedic Center (MPOC) Project. MWCCI's registered office, which is also its principal place of business, is at 20 N. Domingo Street, 1112 Valencia, Quezon City.

CMCI was incorporated in the Philippines on October 15, 2012 and is primarily engaged in general construction business. CMCI's registered address, which is also its principal place of business, is located at 20 N. Domingo Street, Brgy. Valencia, Quezon City.

The Group's investments in MWCCI and CMCI are accounted for as investments in associates despite the percentage of the Parent Company's ownership interest over these entities [see Notes 3.1(f), 3.1(h) and 11.1].

Significant assets of MWCCI pertain to its receivables from the Department of Health (DOH) from the Build-Operate-Transfer Agreement [see Note 11.1(a)]. MWCCI has undertaken measures to recover compensation costs from DOH. However, based on management's assessment as of December 31, 2022, there is no reasonable expectation of recovery of costs incurred relative to the MPOC Project. Accordingly, the Group has wrote off its investment in MWCCI in 2022 [see Note 11.1(a)].

**p) *GMCAC***

GMCAC was incorporated in the Philippines and registered in the SEC in 2014. GMCAC's primary purpose is to construct, develop, operate and maintain the Mactan Cebu International Airport (MCIA), including the commercial assets there of and all allied businesses for the operation and maintenance of said airport facility (MCIA Project). GMCAC started commercial operations on November 1, 2014.

GMCAC was established for the purpose of implementing the provisions of the Concession Agreement (see Note 9) that was signed on April 22, 2014 between the Parent Company and GMR Infrastructure Limited (GIL) or GMR, and the Department of Transportation and Communications (currently, the Philippine Department of Transportation or DOTr) and Mactan-Cebu International Airport Authority (MCIAA) (collectively, the Grantors).

GIL is an entity duly organized and registered in India. DOTr and MCIAA are the agencies of the Philippine Government vested with the power and authority to develop dependable and coordinated transportation systems and to principally undertake the economical, efficient, and effective control, management, and supervision of the MCIA Project. GMCAC's registered address, which is also its principal place of business, is located at Mactan-Cebu International Airport Passenger Terminal Building, Airport Terminal, Lapu-Lapu City.

In 2022, the Parent Company sold a portion of its ownership interest in GMCAC that resulted in the loss of the Group's controlling interest in GMCAC. After the sale transaction, Group's ownership interest in GMCAC was reduced to 33.3% as of December 31, 2022. The remaining ownership interest in GMCAC is classified and presented as Non-current Asset Classified as Held for Sale in the consolidated statements of financial position (see Note 10).

**q) EDC**

EDC, whose registered office is at Unit 53J, Shang Salcedo Place, H.V. dela Costa corner Tordesillas Sts., Salcedo Village, Makati, was incorporated on December 9, 2021 to perform and provide computer programming and consultancy services and engage in the creation and development of technological services. As of December 31, 2023, the Parent Company has 49% ownership interest in EDC [see Note 11.1(c)]. EDC has not yet started commercial operations as of December 31, 2023.

**r) MGCJV**

MGCJV is an unincorporated joint venture formed in 2014 by the Parent Company and GMR Infrastructure (Singapore) PTE Limited – Philippines Branch (GISPL) each owning 50% interest and exercising joint control. MGCJV was established to provide construction of works for the renovation and expansion of the MCIA Project and other airport related construction projects of the Group (see Note 11.4). MGCJV began to operate in 2015.

**s) MGCJVI**

MGCJVI is an incorporated joint arrangement formed in January 2018 by the Parent Company owning 50% interest and GISPL with 45% interest and GMR Holdings Overseas (Singapore) PTE Limited owning the remaining 5%. The Parent Company and GISPL both exercising joint control. MGCJVI was established to provide general construction business including construction, improvement and repair of Clark Airport project (see Note 11.4). MGCJVI began to operate in 2018.

**t) HMDJV**

HMDJV is an unincorporated joint venture formed on October 27, 2020, by the Parent Company owning 35% and Hyundai Engineering & Construction Co., Ltd. and Dong-ah Geological Engineering Company Ltd. Owning 57.5%, and 7.5% interest, respectively, and exercising joint control. HMDJV was established to provide construction works for the civil structures, viaducts, bridges, and stations of Malolos-Clark Railway Project. HMDJV began to operate in 2021.

**u) TTM-JV**

TTM-JV is an unincorporated joint venture formed on May 31, 2022, by the Parent Company owning 30% and Tokyu Construction Co., Ltd. and Tobishima Corporation owning 40%, and 30% interest, respectively, and exercising joint control over the assets and liabilities of the arrangement. TTM-JV was established to provide construction works of the Two Underground Stations (Ortigas North and Ortigas South) and Tunnels of Metro Manila Subway Project. TTM-JV began to operate in 2023.

v) ***MTRGC***

MTRGC was incorporated and registered with the SEC on March 21, 2018 to develop, set-up, operate, maintain and manage the duty paid outlets at the locations in the Mactan Cebu International Airport (see Note 11.3). It started operations in 2018.

w) ***SSPPC***

SSPPC was incorporated and registered with the SEC on March 13, 2018 to develop, set-up, operate, maintain and manage food and beverage outlets at specified locations in Terminal 1 and Terminal 2 of Mactan Cebu International Airport and the provision of related services thereto (see Note 11.3). It started operations in 2018.

***1.3 Approval of the Consolidated Financial Statements***

The consolidated financial statements of the Group as of and for the year ended December 31, 2023 (including the comparative consolidated financial statements as of December 31, 2022 and for the years ended December 31, 2022 and 2021) were authorized for issue by the Parent Company's BOD on April 12, 2024.

**2. MATERIAL ACCOUNTING POLICY INFORMATION**

The material accounting policies that have been used in the preparation of these consolidated financial statements are discussed below and in the succeeding pages. These policies have been consistently applied to all the years presented, unless otherwise stated.

***2.1 Basis of Preparation of Consolidated Financial Statements***

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

The consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRS), as modified by the application of the financial reporting reliefs issued and approved by the SEC in response to the COVID-19 pandemic. The financial reporting reliefs availed of by the Group are disclosed in detail in the succeeding pages. PFRS are adopted by the Financial and Sustainability Reporting Standards Council (FSRSC) from pronouncements issued by the International Accounting Standards Board, and approved by the Philippine Board of Accountancy.

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

(b) *SEC Financial Reporting Reliefs Availed by the Group*

In relation to the Group's real estate operations following the acquisition of PH1 in 2023, the Group has availed of several financial reporting reliefs granted by the SEC relating to several implementation issues of PFRS 15, *Revenue from Contracts with Customers*, affecting the real estate industry under following Memorandum Circular (MC):

- MC No. 14-2018, *Philippine Interpretation Committee Question and Answer (PIC Q&A) No. 2018-12 Implementation Issues Affecting Real Estate Industry*
- MC No. 3-2019, *PIC Q&A Nos. 2018-12-H and 2018-14*
- MC No. 4-2020, *Deferment of the Implementation of IFRS Interpretations Committee (IFRIC) Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23, Borrowing Costs) for Real Estate Industry*
- MC 34-2020, *Deferral of PIC Q&A No. 2018-12 and IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23) for Real Estate Industry for another period of three years or until 2023*

SEC MC No. 08-2021, *Amendment to SEC MC No. 14-2018, MC No. 03-2019, MC No.04-2020, and MC No. 34-2020 to Clarify Transitory Provision*, provides real estate companies the accounting policy option of applying either the full retrospective approach or the modified retrospective approach when they apply the provisions of the PIC and IFRIC pronouncement.

Discussed below and in the succeeding page are the financial reporting reliefs availed of by the Group, including the descriptions of the implementation issues and their estimated qualitative impact to the consolidated financial statements. The Group opted to avail the reliefs until the end of the deferment period as provided under the relevant MC.

(i) *IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23) for Real Estate Industry* (deferred until December 31, 2023)

The IFRIC concluded that any inventory (work-in-progress) for unsold units under construction that the entity recognizes is not a qualifying asset, as the asset is ready for its intended sale in its current condition (i.e., the developer intends to sell the partially constructed units as soon as it finds suitable customers and, in signing a contract with a customer, will transfer control of any work-in-progress relating to that unit to the customer). Accordingly, no borrowing costs can be capitalized on such unsold real estate inventories.

Had the Group elected not to defer the IFRIC Agenda Decision, it would have the following impact in the consolidated financial statements:

- interest expense would have been higher;
- cost of real estate inventories would have been lower;
- total net profit and total comprehensive income would have been lower;
- retained earnings would have been lower; and,
- the carrying amount of real estate inventories would have been lower.

- (ii) PIC Q&A No. 2018-12-D, *Concept of the Significant Financing Component in the Contract to Sell* and PIC Q&A No. 2020-04, *Addendum to PIC Q&A 2018-12-D: Significant Financing Component Arising from Mismatch between the Percentage of Completion and Schedule of Payments* (deferred until December 31, 2023)

PFRS 15 requires that in determining the transaction price, an entity shall adjust the promised amount of consideration for the effects of the time value of money if the timing of payments agreed to by the parties to the contract (either explicitly or implicitly) provides the customer or the entity with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component. There is no significant financing component if the difference between the promised consideration and the cash selling price of the good or service arises for reasons other than the provision of finance to either the customer or the entity, and the difference between those amounts is proportional to the reason for the difference. Further, the Group does not need to adjust the promised amount of consideration for the effects of a significant financing component if the entity expects, at contract inception that the timing difference of the receipt of full payment of the contract price and that of the completion of the project, are expected within one year and significant financing component is not expected to be significant.

Had the Group elected not to defer this provision of the standard, it would have an impact in the consolidated financial statements as there would have been a significant financing component when there is a difference between the percentage of completion (POC) of the real estate project and the right to the consideration based on the payment schedule stated in the contract. The Group would have recognized an interest income when the POC of the real estate project is greater than the right to the consideration and interest expense when lesser. Both interest income and expense will be calculated using the effective interest rate method.

This will impact the retained earnings, real estate sales, and profit or loss in the year of adoption and in comparative periods presented. Furthermore, these would have impacted the cash flows from operations and cash flows from financing activities for the applicable years presented since the year of PH1 acquisition in case of a full retrospective approach. Should the Group elect to apply the modified retrospective approach as allowed by MC No. 2021-08, this will impact the opening retained earnings in the year of adoption.

- (c) *Presentation of Consolidated Financial Statements*

The consolidated financial statements are presented in accordance with Philippine Accounting Standard (PAS) 1, *Presentation of Financial Statements*. The Group opted to present a separate consolidated statement of income and consolidated statement of comprehensive income.

The Group presents a third consolidated 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 consolidated statement of financial position at the beginning of the preceding period. The related notes to the third consolidated statement of financial position are not required to be disclosed.



(d) *Functional and Presentation Currency*

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

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

**2.2 Adoption of Amended Standards**

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

The Group adopted for the first time the following amendments to existing standards, 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 – Disclosure of Accounting Policies
PAS 8 (Amendments)	:	Definition of Accounting Estimates
PAS 12 (Amendments)	:	Deferred Tax Related to Assets and Liabilities from Single Transaction

Discussed below and in the succeeding page 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 Group's consolidated financial statements under Notes 2 and 3.

- (ii) PAS 8 (Amendments), *Accounting Policies, Changes in Accounting Estimates and Errors – 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 Group's consolidated 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 judgment (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 Group's consolidated financial statements.

(b) *Effective in 2023 that are not Relevant to the Group*

Among the amendments to PFRS, which are mandatorily effective for annual periods beginning on or after January 1, 2023, the amendments to PAS 12, *International Tax Reform – Pillar Two Model Rules*, are not relevant to the Group's consolidated 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 FRSB. 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 Group's consolidated 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) PFRS 16 (Amendments), *Leases – Lease Liabilities in a Sale and Leaseback* (effective from January 1, 2024)

- (v) PAS 21 (Amendments), *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability* (effective from January 1, 2025)

### **2.3 Basis of Consolidation**

The Group's consolidated financial statements comprise the accounts of the Parent Company, and its subsidiaries, after the elimination of material intercompany transactions. The financial statements of subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting principles.

Acquired subsidiaries are accounted for using the acquisition method of accounting. Business combination arising from transfer of interests in an entity that is under the common control of the principal stockholder is also accounted for under the acquisition method of PFRS 3 following the guidance of Philippine Interpretations Committee (PIC) Q&A 2011-02: PFRS 3.2 – *Common Control Business Combinations*, when the business combination has commercial substance.

Acquired investment in associate is subject to the purchase method.

### **2.4 Non-current Asset Classified as Held for Sale and Discontinued Operations**

Non-current asset classified as held for sale relates to the Group's remaining ownership interest in GMCAC that the Group intends to sell (see Note 10). A non-current asset classified as held for sale is measured at the lower of its carrying amount, immediately prior to its classification as held for sale, and its fair value less costs to sell. The Group shall recognize an impairment loss for any initial or subsequent write-down of the asset at fair value less cost to sell.

Discontinued operations are presented as a single amount in the consolidated statement of income comprising of the post-tax profit or loss from discontinued operations and the post-tax gain or loss recognized on the measurement to fair value less costs to sell or on the disposal of the assets or disposal groups constituting the discontinued operations.

### **2.5 Financial Instruments**

#### *(a) Financial Assets*

Regular purchases and sales of financial assets are recognized on their trade date (i.e., the date that the Parent Company commits to purchase or sell the asset).

#### *Classification, Measurement and Reclassification of Financial Assets*

The Group's financial assets include financial assets at amortized cost, at fair value through other comprehensive income (FVOCI), and at fair value through profit or loss.

#### *(i) Financial Assets at Amortized Cost*

The Group's financial assets at amortized cost are presented as Cash and Cash Equivalents, Trade and Other Receivables (excluding Advances to officers and employees), Refundable security and bond deposits (presented under Other Current Assets account) and Refundable security deposits (presented under Other Current and Non-current Assets account) in the consolidated statement of financial position.

(ii) FVOCI

At initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate equity investments as at FVOCI; however, such designation is not permitted if the equity investment is held by the Group for trading or as mandatorily required to be classified as FVTPL. The Group has designated certain equity instruments as at FVOCI on initial recognition.

(iii) FVTPL

Equity securities are classified as financial assets at FVTPL, unless the Group designates an equity investment that is not held for trading as at FVOCI at initial recognition. The Group's financial assets at FVTPL pertain to a debt security which is held by the Group for trading purposes and designated as at FVTPL, respectively.

(b) *Financial Liabilities*

Financial liabilities, which include interest-bearing loans and borrowings, trade and other payables [except output value-added tax (VAT) and other taxes payable], and other non-current liabilities (except unearned rent income) are recognized when the Group becomes a party to the contractual terms of the instrument.

(c) *Impairment of Financial Assets*

The Group applies the simplified approach in measuring expected credit loss (ECL), which uses a lifetime expected loss allowance, for trade receivables and contract assets. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. In applying this approach, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date.

The Group uses the simplified approach in measuring ECL, which uses a lifetime expected loss allowance for all trade and other receivables and contract assets. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. To calculate the ECL, the Group uses its historical experience, external indicators and forward-looking information to calculate the ECL using a provision matrix. The Group also assesses impairment of trade receivables on a collective basis as they possess shared credit risk characteristics and have been grouped based on the days past due [see Note 32.2(b)].

On the other hand, the Group applies a general approach in relation to advances to and receivables from related parties. The maximum period over which ECL should be measured is the longest contractual period where an entity is exposed to credit risk. In the case of these receivables from related parties, which are repayable on demand, the contractual period is the very short period needed to transfer the cash once demanded.

Management determines possible impairment based on the sufficiency of the related parties' highly liquid assets in order to repay the Group's receivables if demanded at the reporting date taking into consideration the historical defaults of the related parties. If the Group cannot immediately collect its receivables, management considers the expected manner of recovery to measure ECL. If the recovery strategies indicate that the outstanding balance of 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. For financial assets other than trade and other receivables and contract assets, the Group determines whether there has been a significant increase in credit risk for financial asset since initial recognition by comparing the risk of default occurring over the expected life of the financial asset between the reporting date and the date of the initial recognition.

## **2.6 Inventories**

### *(i) Construction Materials*

The cost of construction materials is determined using the weighted average method. The cost of construction materials includes all costs directly attributable to acquisition such as the purchase price, import duties and other taxes that are not subsequently recoverable from taxing authorities. The net realizable value of construction materials is the current replacement cost.

### *(ii) Real Estate Inventories*

The costs of development and construction of the residential condominium projects of the Group are accumulated in the Real Estate Inventories account in the consolidated statement of financial position. Borrowing costs on certain loans incurred during the development of the real estate properties are also capitalized by the Group as part of the real estate inventories. The cost of real estate property sold before completion of the development is determined based on the actual costs incurred to date which includes acquisition costs of the land plus the costs incurred for its development, improvement and construction.

Costs of properties and projects accounted for as real estate inventories are assigned using specific identification of their individual costs.

The Group recognizes the effect of revision in the total project cost estimates in the year in which these changes become know.

Reposessed property arising from sales cancellation is recognized at cost. The difference between the carrying amount of the receivable or contract asset to be derecognized plus any amount to be refunded to customers and the cost of the reposessed property is recognized in the consolidated statement of income.

## **2.7 Property, Plant and Equipment**

Property, plant and equipment, except land and construction in progress, are carried at acquisition cost or construction cost less subsequent depreciation and any impairment losses (see Note 2.13). Land held for use in operations or administration is stated at cost less any impairment losses.

Depreciation is computed on straight-line basis over the estimated useful lives of the assets as follows:

Building	25 years
Precast factory	25 years
Precast and construction equipment	3-15 years
Office furniture, fixtures and equipment	3-10 years
Transportation equipment	5-8 years

Construction in progress includes cost of construction of the Group's building, batching plant and precast factory, and any applicable borrowing costs.

## ***2.8 Investment Properties***

Properties held for lease under operating lease agreements and/or for capital appreciation are carried at cost less accumulated depreciation and any impairment loss except for land, which is carried at cost less any impairment in value (see Note 2.13). Construction in progress pertains to the accumulated costs of putting up the assets, additions or improvements including the applicable borrowing costs.

Pursuant to the Concession Agreement for the PITX Project, the Group is granted the exclusive right and obligation to construct and develop the commercial area of the PITX Project (see Notes 1.2 and 29.2), which shall be held for rentals and rendering of any incidental service or facility from the use of commercial areas. Accordingly, the Group accounts for the construction and development of commercial area as Investment Property.

The investment property related to PITX project is depreciated using the straight-line method from the date the asset became available for its intended use. Depreciation is computed over the remaining concession period of 30 years.

## ***2.9 Intangible Assets***

The Group's intangible assets currently include acquired software licenses and concession assets as described in more detail as follows:

### *(a) Concession Assets*

The Group accounts for its Concession Agreement in relation to the MCIA Project [see Notes 1.2(p) and 13] under the intangible asset model as it receives the right (license) to charge users of the public service. The concession asset is recognized initially at cost.

The concession asset consists of:

- (i) Upfront fees payments on the Concession Agreement, including the related borrowing costs;
  - (ii) Directly attributable costs related to the acquisition of the concession assets;
- and,

- (iii) Cost of infrastructure constructed and under construction in accordance with the terms and conditions of the Concession Agreement. These are not recognized as property, plant and equipment of the Group but as an intangible asset.

Following initial recognition, concession assets are carried at cost less any accumulated amortization and any accumulated impairment losses. The service concession asset is amortized using the unit-of-production method which reflects the asset's usage-based on passenger volume and usage of their airport activities over the concession period. Management believes that usage-based method best reflects the pattern of consumption of the concession asset.

The amortization expense on the concession asset is recognized in the consolidated statement of income in the expense category consistent with the function of the concession asset.

Concession assets not yet in use are initially recognized at cost and assessed for impairment at least annually based on the asset's value-in-use. Amortization of the assets will commence only when it becomes available for use.

(b) *Acquired Computer Software Licenses*

Acquired computer software license (shown as part of Other Non-current Assets) is accounted for under the cost model. Capitalized costs are amortized on a straight-line basis over the estimated useful lives of three to five years as the lives of these intangible assets are considered finite.

(c) *Goodwill*

Goodwill is recognized in a business combination if the consideration transferred, the amount of any NCI in the acquiree and the acquisition-date fair value of any existing equity interest in the acquiree are in excess of the acquisition-date fair value of identifiable net assets acquired. Negative goodwill, as in the case of a bargain purchase, is recognized if the consideration transferred is less than the fair value of the net assets of the subsidiary acquired; such difference is recognized directly as gain in consolidated statement of income.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed.

For the purpose of impairment testing, goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The cash-generating units or groups of cash-generating units are identified according to operating segment.

## ***2.10 Revenue and Expense Recognition***

Revenue arises mainly from rendering of construction operations, landport operations, real estate operations, airport operations, and trading operations.

In 2022 and 2021, revenue, costs and expenses from airport operations and trading operations were presented under discontinued operations in the consolidated statements of income following the loss of control of the Group over GMCAC and the sale of the Group's ownership interest in GMI to GMCAC [see Notes 1.2(c)(p), 2.4 and 10].

The Group enters into transactions involving construction services, airport operations, airport merchandising operations, landport operations, real estate operations, and other contracts containing performance obligations with counterparties. The significant judgments used in determining the transaction price and the amounts allocated to the performance obligations are disclosed in Note 3.1(b).

The transaction price allocated to performance obligations satisfied at a point in time is recognized as revenue when control of the asset or services transfers to the customer. If the performance obligation is satisfied over time, the transaction price allocated to that performance obligation is recognized as revenue as the performance obligation is satisfied. The Group's normal credit terms ranges from 35 to 60 days after billing.

In addition, the following specific recognition criteria for each identified performance obligation must also be met before revenue is recognized:

Continuing Operations

- (a) *Construction operations revenue* – This includes revenue from construction activities such as construction works, sale of construction materials, management fee and rental of construction equipment.
  - i. *Contract revenues* – This includes revenue from construction services and is recognized over time as the service is provided. The Group uses the percentage of completion method to determine the appropriate amount to recognize as contract revenue in a given period. The stage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion.
  - ii. *Sale of construction materials* – Revenue from sale of ready mixed concrete and precast materials are recognized over time as goods are manufactured as there are no alternate use for these construction materials.
  - iii. *Consultancy and management fees* – This is recognized on a time-and-materials basis as the services are provided. Customers are invoiced monthly as work progresses, which are due upon receipt by the customers. Any amounts remaining unbilled at the end of a reporting period are presented in the consolidated statement of financial position as receivables as only the passage of time is required before payment of these amounts will be due.
  - iv. *Rental revenue* – Revenue from rentals arising from the lease of its construction equipment is recognized on the straight-line basis over the lease term based on the provisions of the covering lease contracts, including any minimum rent-free period therein, plus additional rent free period as mutually agreed by the contracting parties [see Note 2.11(b)]. This is outside the scope of PFRS 15.



- (b) *Landport operations revenue* – Landport operations revenue is recognized under the cost-recovery method in accordance with PFRS 15. Rendering of operating services is one of the Group’s performance obligations under the Concession Agreement. After the recovery of construction costs, revenues are recognized based on the landport operations of the PITX Project (see Note 29.2) up to the extent of the annual grantor payment (AGP).
- (c) *Real estate operations revenue*
- i. *Real estate sales on pre-completed real estate properties* – Revenue from real estate sales on pre-completed real estate properties is recognized over time proportionate to the progress of the development. The Group measures its progress based on actual costs incurred relative to the total expected costs to be incurred in completing the development. Revenue recognized from real estate sales on pre-completed real estate properties is presented as part of Real estate operations under Revenues in the consolidated statement of income (see Note 21).
  - ii. *Real estate sales on completed real estate properties* – Revenue from real estate sales on completed real estate properties is recognized at a point in time when the control over the real estate property is transferred to the buyer. Revenue recognized from real estate sales on completed real estate properties is presented as part of Real estate operations under Revenues in the consolidated statement of income (see Note 21).

If the transaction does not yet qualify as contract revenue under PFRS 15, the deposit method is applied until all conditions for recording the sale are met. Pending the recognition of revenue on real estate sale, consideration received from buyers are presented as part of Reservation deposits under Trade and Other Payables in the consolidated statement of financial position (see Note 17).

For tax reporting purposes, revenue on sale and cost of real estate sold are recognized in full when more than 25% of the contract price is collected within the taxable year; otherwise, revenue and cost of residential condominium units sold are recognized based on the percentage of collections over the contract price, excluding VAT.

- (d) *Common use service area (CUSA) charges* – CUSA is recognized over time when the performance of contractually agreed task has been rendered. Furthermore, recoveries from utility expenses are recognized net of related expenses as the Group acts only as an agent of the utility companies.

Discontinued Operations

- (a) *Airport operations revenue* – Revenue from airport operations pertains to revenue from services related to aeronautical and non-aeronautical activities in the MCIA, which are further classified as follows:
- i. *Aeronautical revenue* – Aeronautical revenues pertain mainly to passenger service charges which are recognized as revenue over time when the related airport services have been rendered, the rates for such fees are provided under Administrative Order (AO) No. 2, Series of 2011, issued by MCIAA. On the other hand, revenues from ancillary services such as parking, tacking, and lighting services are recognized at a point in time upon availment of service.
  - ii. *Concession revenue* – Concession revenues are generated through airport concessionaires, tenants or airport service providers who pay monthly fees for the right to use or access airport facilities to offer their goods and services to the general public and air traveling community. Airport facilities and parking spaces are not specific in the license agreement and the Group still has control over which are available for rental. Payments are in accordance with the negotiated agreements with these parties, and are based on either a minimum monthly guarantee or on gross receipts as applicable. Concession revenue is recognized over time when the related sale of concessionaire is earned.
  - iii. *Commercial revenue* – Commercial revenues comprise advertising charges, car parking and car rental revenues. Car parking revenue comprises time-based charges from the operation of car parking services. Car rental revenue comprises concession charges from car rental companies. Revenue is recognized over time when the related services are provided.
- (b) *Trading operations revenue* – Airport merchandising operations revenues relates to sale of food and non-food items within the premise of MCIA. Airport merchandising operations revenues are recognized at a point in time when the control over the goods have passed to the buyer.
- (c) *Check-in counter revenue* – This comprises rental of check-in counter charged to airline companies and space rental charged to tenants. The Group bills the airlines based on the number of passengers. The rate per passenger varies on the annual number of passengers reached by each airline per cycle. Revenue from check-in counters is recognized over the period when the related services have been rendered.
- (d) *Sale of food and non-food items* – This is recognized at a point in time upon transferring control of the promised goods or services to a customer.

The Group presents a contract asset when it transfers control of goods or performs services before the customer pays consideration or before payment is due. A contract asset is the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer.

The Group presents a contract liability when a customer pays the consideration, or the Group has the right to an amount of consideration that is unconditional (i.e., a receivable), before the Group transfers goods or performs services to the customer. A contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Contract liability also includes cash received from customers which are applied to subsequent progress billings for construction contracts. The Group considers the effect of significant financing component in the contract which is recognized as part of Construction Operation Revenues and Finance Costs in the consolidated statement of income [see Note 3.1(b)].

The Group assesses its revenue agreement against the specific criteria in order to determine if it is acting as a principal or an agent [see Note 3.1(c)]. Billing from common area, air conditioning and other dues are presented at gross amounts since the Group acts as a principal. Other revenues from electricity and water dues, in which the Group acts as an agent, are presented in excess of actual charges and consumption.

The Group incurs incremental costs in obtaining customer contracts (i.e., biddings costs on construction contracts). These costs are expensed when incurred as these are incurred regardless whether the contract is obtained. However, the incremental costs of obtaining a contract to sell real estate property to customers are recognized as an asset and are subsequently amortized over the duration of the contract on the same basis as revenue from such contract is recognized.

The Group also incurs costs in fulfilling contracts with customers. These costs are divided into: (i) costs that give rise to an asset; and, (ii) costs that are expensed as incurred. When determining the appropriate accounting treatment for such costs, the Group first considers any other applicable standards [see Note 2.6(a) and 2.7]. If other standards preclude capitalization of a particular cost, then an asset is not recognized under PFRS 15. If other standards are not applicable to deferred fulfilment costs, the Group applies the following criteria, which, if met, result in capitalization:

- (a) the costs directly relate to a contract or to a specifically identifiable anticipated contract;
- (b) the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and,
- (c) the costs are expected to be recovered.

Deferred fulfilment costs recognized as part of Other Current Assets in the consolidated statement of financial position are subsequently included as part of construction costs and considered in determining the stage of completion of the project. Furthermore, these are derecognized either upon disposal or when no further economic benefits are expected to flow from its use or disposal.

## **2.11 Leases**

The Group accounts for its leases as follows:

- (a) *Group as Lessee*

The Group amortizes the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

On the consolidated statement of financial position, right-of-use assets and lease liabilities have been presented as part of Property, Plant and Equipment and Interest-bearing Loans and Borrowings accounts, respectively.

*(b) Group as Lessor*

The Group determines whether an arrangement is, or contains, a lease based on the substance of the arrangement. It makes an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

**2.12 Foreign Currency Transactions and Translation**

The operating results and financial position of offshore subsidiaries (see Note 1.2), which are measured using the United States (“U.S.”) dollar, are translated to Philippine pesos, the Parent Company’s functional currency.

All resulting translation adjustments are recognized in other comprehensive income and as part of Revaluation Reserves in the consolidated statement of changes in equity.

The translation of the financial statements into Philippine peso should not be construed as a representation that the foreign currency amounts could be converted into Philippine peso amounts at the translation rates or at any other rates of exchange.

**2.13 Impairment of Non-financial Assets**

The Group’s goodwill, investments in associates and joint ventures, property, plant and equipment, intangible assets, investment properties, non-current asset held for sale, deferred fulfilment costs and other non-financial assets are subject to impairment testing. All non-financial assets, except intangible assets not yet available for use which are tested for impairment at least annually, are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

**2.14 Employee Benefits**

The Group provides post-employment benefits to employees through a defined benefit plan, defined benefit contribution plans, and other employee benefits.

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 consolidated financial statements in accordance with PFRS requires management to make judgments and estimates that affect the amounts reported in the consolidated 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 Group's accounting policies, management has made the judgments below and in the succeeding pages, apart from those involving estimation, which have the most significant effect on the amounts recognized in the consolidated financial statements.

##### *(a) Determination of Timing of Satisfaction of Performance Obligations*

###### *Continuing Operations*

###### *(i) Construction Operations Revenues*

The Group determined that its revenue from construction services shall be recognized over time in accordance with the percentage-of-completion method. In making its judgment, the Group considers the timing of receipt and consumption of benefits provided by the Group to the customers. The Group provides the construction services that create or enhance an asset that the customer controls as the asset is created or enhanced. This demonstrates that the customer obtains the benefits of the Group's rendering of construction service as it performs.

In determining the best method of measuring the progress of the Group's rendering of construction services, management considers the input method (i.e., based on the Group's inputs to the satisfaction of a performance obligation) under PFRS 15 because of the direct relationship between the Group's effort, in terms of incurred labor hours, and the transfer of service to the customer.

###### *(ii) Landport Operation Revenues*

The Group has the control over the landport area and the right to collect concessionaire revenue. The Group determined that its revenue from landport operation services shall be recognized using the cost-recovery method in accordance with PFRS 15 since services rendered is one of the Group's performance obligations under Concession Agreement. After the recovery of construction costs, revenues are recognized based on the landport operations costs of the PITX Project (see Note 29.2) up to the extent of the AGP.

(iii) *Real Estate Operations Revenues*

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

- any asset created or enhanced as the Group 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 Group's enforceable right for payment for performance completed to date.

The Group determines that its performance obligation for pre-completed real estate properties is satisfied over time, since it does not have an alternative use of the specific property sold as it is precluded by its contract from redirecting the use of the property for a different purpose. Further, the Group has rights over payment for development completed to date as the Group can choose to complete the development and enforce its rights to full payment under its contracts even if the customer defaults on amortization payments. Conversely, the Group's performance obligation for sale of completed real estate properties is satisfied at a point in time.

*Discontinued Operations*

(i) *Airport Operations Revenues*

The Group determined that its revenue from airport services shall be recognized over time as the services are being rendered and at a point in time for ancillary services (e.g., parking, tacking, and lighting services) that are provided for a short span of time. In making its judgment, the Group considers the timing of receipt and consumption of benefits provided by the Group to the customers. The Group provides the services without the need of reperformance of other entities. This demonstrates that the customers simultaneously receive and consume the benefits of the Group's rendering of aeronautical and non-aeronautical services as it performs.

(ii) *Trading Operations Revenues*

In determining the appropriate method to use in recognizing the Group's revenues from airport merchandising operation revenues, which include sale of food and non-food items in the premises of MCIA, management determines that revenue is recognized at a point in time when the control of the goods has passed to the customer, i.e. generally when the customer acknowledged delivery of goods.

(b) *Determination of Transaction Price and Amounts Allocated to Performance Obligations*

The transaction price for a contract is allocated amongst the material right and other performance obligations identified in the contract based on their stand-alone contract prices. The transaction price for a contract excludes any amounts collected on behalf of third parties (e.g. VAT).

In determining the transaction price, the Group adjusts the amount of consideration for the effects of time value of money for payments received prior to rendering construction services when the construction period is more than one year. This circumstance indicates that the contract contains significant financing component. The Group uses the prevailing interest rate at the time of receipt of advance payments, which approximates the Group's borrowing rate.

(c) *Evaluating Principal Versus Agent Consideration*

The Group exercises judgment to determine whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e., the Group is a principal) or to arrange for the other party to provide those goods or services (i.e., the Group is an agent). Failure to make the right judgment will result in misstatement of revenues and expenses accounts. The Group assessed that it is only acting as an agent for utility transactions of its tenants under operating leases. Moreover, the Group also assessed that it is the principal in its revenue arrangements pertaining to CUSA and air-conditioning charges in its office and retail spaces.

(d) *Accounting for Service Concession Arrangement*

IFRIC 12, *Service Concession Arrangements*, outlines an approach to account for contractual arrangements arising from entities providing public services. It provides that the operator or concessionaire should not account for the infrastructure under PAS 16 as property, plant and equipment, but recognize a financial asset and/or an intangible asset if the conditions below are met:

- The Grantor controls or regulates what services the operator or concessionaire must provide with the infrastructure, to whom it must provide them, and at what price; and,
- The Grantor controls through ownership, beneficial entitlement or otherwise, any significant residual interest in the infrastructure at the end of the term of the arrangement.

*Mactan-Cebu International Airport Project*

As discussed in Note 1.2(p), the Philippine Government, acting through the DOTr and MCIAA, executed a Concession Agreement with GMCAC whereby GMCAC was given an exclusive right to design, develop, and undertake the MCIA Project; and, enjoy complete and uninterrupted possession of the MCIA Project Assets for the purpose of implementing the MCIA Project.

At the end of the concession period, GMCAC shall hand-over the MCIA Project and the Project Assets to the Grantors without cost, free from any liens and encumbrances, including all improvements made to the airport facilities, commercial assets, works in progress, and right to receive revenues. In addition, GMCAC shall be entitled to collect and receive concession revenue consisting of revenues on account of passenger service charge, airport parking fees, and tacking fees; other apron charges; and, revenues from commercial charges. GMCAC may apply for an increase of such fees following the procedures as set forth in the Concession Agreement.

The Group has identified that the Concession Agreement is within the scope of IFRIC 12 and shall be accounted for using the intangible asset model, wherein the service concession asset is recognized as an intangible asset in accordance with PAS 38, *Intangible Assets*. The intangible asset is amortized using the usage-based method over the life of the concession agreement as management believes that straight-line method best reflects the pattern of consumption of the concession asset.

In April 2014, GMCAC paid upfront fees to the Philippine Government amounting to P14,404.6 million to undertake the implementation and operation of the MCIA Project in accordance with the Concession Agreement (see Note 13). The Group identified certain significant and key activities related to the MCIA Project, as also set forth in the Concession Agreement. As such, the upfront fees were allocated among these key activities using proportionate rates based on the expected construction/renovation costs as follows: (i) existing Terminal 1 infrastructure; (ii) construction of new passenger Terminal; (iii) renovation and expansion of Terminal; and, (iv) capacity augmentation. Subsequent project development costs shall be capitalized as incurred on the specific key activities related to the Project. In 2022, following the sale and deconsolidation of GMCAC, the Concession Assets was derecognized from the consolidated statement of financial position (see Note 10).

#### *Parañaque Integrated Terminal Exchange Project*

As discussed in Note 29.2, the Philippine Government acting through the DOTr executed a Concession Agreement on February 25, 2015 with MWMTI whereby the latter was given an exclusive right to design, develop, and undertake the PITX Project and enjoy complete and uninterrupted possession of the Project Assets for the purpose of implementing the PITX Project.

At the end of the concession period, MWMTI shall hand over the PITX Project and Project Assets to the Grantor without cost, free from any liens and encumbrances, including all improvements made to the landport facilities, commercial assets, works in progress, and right to receive revenue.

The PITX Project is composed of separately identifiable landport and commercial areas under a certain development plan with different degrees of control between the Grantor and MWMTI. The landport area is controlled by the Grantor while the commercial area is controlled by MWMTI. In addition, MWMTI shall be entitled to collect and receive the concessionaire revenue from the commercial area while it will be receiving fixed payments from the Grantor for the landport area in the form of AGP.



MWMTI has identified that the Concession Arrangement with respect to the landport area of the PITX Project is within the scope of Philippine Interpretation IFRIC 12 and shall be accounted for using the financial asset model, wherein the concession asset arising from the component of landport area is recognized as financial asset in accordance with PFRS 9.

On the other hand, the Group determined that the component with respect to the commercial area of the PITX Project is not within the scope of IFRIC 12, and therefore, shall be accounted for using the applicable accounting standard based on the control and purpose of the operation, hence, PAS 40, *Investment Property* (see Notes 2.8 and 15).

The related concession asset accounted for under the financial asset model is presented as part of Contract Assets in the consolidated statements of financial position, which includes the recoverable accumulated costs incurred for the development and construction of the PITX Project as determined in accordance with PFRS 15 and equivalent to the fair value of construction services and other considerations provided (see Notes 2.5 and 9).

(e) *Distinction Between Business Acquisition and Asset Acquisition*

The Group determines whether the acquisition of an entity constitute a business acquisition or an asset acquisition. The accounting treatment for the acquisition is determined by assessing whether the transaction involved a purchase of a business, as defined in PFRS 3, taking into consideration the substance of the transaction. Failure to make the right judgment will result in misstatement of assets.

On the basis of the assessment made by management, the acquisition of ownership in Altria was accounted for as asset acquisition (see Note 11.2) since it does not constitute a purchase of business. Conversely, the equity ownership in PH1, PH1-WL, Famtech, MCEI, GMI, MLI, MCBVI, MIL, MWMTI, MTI, MC-SG, WHI, CDI, TLH, MOMC, and TPC are accounted for as investments in subsidiaries.

(f) *Non-consolidation of Entities in which the Group holds more than 50% ownership*

In prior years, the Parent Company's ownership interest in MWCCI was accounted for as an associate even though it held 51% ownership interest as the Parent Company has no control over the relevant activities of MWCCI. Management considers that Citicore has control since it entered into a management agreement with MWCCI, whereby Citicore shall provide management services to MWCCI for the administration of its activities under the MPOC Project. In 2022, the Group has wrote-off its investments in MWCCI [see Note 11.1(a)]. Hence, for both years, MWCCI balances were not included in the consolidated balances.

(g) *Loss of control over GMCAC and presentation of the retained ownership interest as Non-current Asset Classified as Held for Sale*

After the sale of GMCAC in 2022, the Parent Company's ownership interest in GMCAC was reduced from 60% to 33%. Management believes that the Parent Company has lost its controlling interest over GMCAC as it no longer has the majority participation in the BOD of GMCAC. Accordingly, GMCAC's assets and liabilities were deconsolidated from the Group's consolidated financial statements.

The remaining ownership interest in GMCAC is presented as Non-current Asset Held for Sale as it will eventually be exchanged as settlement for the exchangeable notes issued by the Parent Company upon maturity in 2024 (see Note 10). While the terms of exchangeable notes allow the Parent Company to settle the notes by paying cash, the possibility of the Parent Company choosing the cash option is remote considering the significance of the interest rate at 19% per annum. Accordingly, the exchange in 2024 is highly probable. PFRS 5, provides that an entity that is committed to a sale plan involving loss of control of a subsidiary shall classify all the assets and liabilities of that subsidiary as held for sale when the criteria set out in PFRS 5, regardless of whether the entity will retain a non-controlling interest in its former subsidiary after the sale.

*(b) Determination of Control, Joint Control and Significant Influence*

Judgment is exercised in determining whether the Group has joint control of an arrangement or significant influence over an entity. In assessing each interest over an entity, the Group considers voting rights, representation on the BOD or equivalent governing body of the investee, participation in policy-making process and all other facts and circumstances, including terms of any contractual arrangement.

Prior to the sale in 2022 [see Notes 1.2(c) and 10], management considers that the Group had de facto control over GMI even though it effectively holds 50% of the ordinary shares. The Parent Company exercised control over the entity because major decisions involving entering and negotiating Supply and Delivery Agreements with Duty Free Philippines Corporation rests with the Parent Company. In line with this, the Parent Company had control over GMI's operations prior to its sale in 2022. Management also considers that the Group has control over Famtech despite owning 48% of its outstanding capital stock as the Group directs the overall business operations of Famtech through its Vice Chairman who is also the President of the Parent Company.

Further, the Group believes to have significant influence over CMCI, due to the Group's ability to participate over the entity's relevant activities based on the rights and powers of the Parent Company over the management of CMCI exercised through a seat in the BOD of CMCI. Taking this into consideration, the Group concluded that it has significant influence over the investee; accordingly, the investment is accounted for as an investment in an associate. Hence, the investee is considered as an associate (see Note 11.1). In addition, the Group determined that it does not have a significant influence, but has a joint control over MGCJV, MGCJVI, MTRGC, SSPPC and HMDJV due to the contractually agreed sharing of control over these investees wherein decision on relevant activities require unanimous consent between the Group and its co-venturers. The Parent Company's interests in MGCJV, MGCJVI, HMDJV and TTM-JV are recognized as joint operations (see Note 11.4). Prior to its sale and deconsolidation from the Group, GMCAC recognized its interest in MTRGC and SSPPC as joint ventures (see Note 11.3).

On the other hand, the Parent Company determined that its ownership interest in Silay Solar Power Inc. (SSPI) does not result in control or significant influence over SSPI which is presented as part of Financial Assets at Fair Value Through Other Comprehensive Income in the consolidated statements of financial position.

(i) *Distinction Between Operating and Finance Leases for Contracts where the Group is the Lessor*

The Group has entered into various lease agreements for check-in counters and space rental. Critical judgment was exercised by management to distinguish each lease agreement as either an operating or finance lease by looking at the transfer or retention of significant risks 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.

(j) *Determination of Lease Term of Contracts with Renewal and Termination Options*

In determining the lease term, management considers all relevant factors and circumstances that create an economic incentive to exercise a renewal option or not exercise a termination option. Renewal options and/or periods after termination options are only included in the lease term if the lease is reasonably certain to be extended or not terminated. If the renewal options and/or periods are not enforceable (i.e., if the lessee cannot enforce the extension without the agreement of the lessor), it would not be considered in determining the lease term.

For leases of construction and transportation equipment, the factors that are normally the most relevant are (a) if there are significant penalties should the Group pre-terminate the contract, and (b) if any leasehold improvements are expected to have a significant remaining value, the Group is reasonably certain to extend and not to terminate the lease contract. Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The Group included the renewal period as part of the lease term for of construction and transportation equipment, due to the significance of these assets to its operations. These leases have a short, non-cancellable lease period (i.e., four to ten years) and there will be a significant negative effect on production if a replacement is not readily available. However, the renewal options for leases of transportation equipment were not included as part of the lease term because the Group has historically exercises its option to buy these transportation equipment at the end of the lease term.

The lease term is reassessed if an option is actually exercised or not exercised or the Group becomes obliged to exercise or not exercise it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the Group.

(k) *Determination of ECL on Trade and Other Receivables, Refundable Security and Bond Deposits, and Contract Assets*

The Group uses a provision matrix to calculate ECL for trade and other receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., customer type and rating). The provision matrix is based on the Group's historical observed default rates. The Group's management intends to regularly calibrate (i.e., on an annual basis) the matrix to consider the historical credit loss experience with forward-looking information (i.e., forecast economic conditions). Details about the ECL on the Group's trade and other receivables and contract assets are disclosed in Note 32.2(b).

With respect to refundable security and bond deposits, management does not expect significant risks of collectibility since the same can be applied to the last period rentals at the option of the Group.

*(l) Determining Whether Loan Modifications are Substantial Modifications*

Judgment is exercised by management to determine whether changes in the terms of the financial liabilities constitute a substantial modification (extinguishment of debt) or not of the related financial liabilities. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or if the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of the new liability, and the difference in the respective carrying amounts is recognized as gain or loss in profit or loss. For non-substantial modifications, the existing liability is remeasured to the present value of future cash flows and any resulting gain or loss is recognized in profit or loss. Based on management's assessment, GMCAC's loan modification in 2021 does not represent a substantial modification of terms [see Note 18.2(a)].

*(m) Distinction Between Investment Property and Owner-occupied Property*

The Group determines whether a property qualifies as investment property. In making its judgment, the Group considers whether the property generates cash flows largely independent of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to the property but also to other assets used in the performance of the Group's construction activities and its supply process.

*(n) Capitalization of Borrowing Costs*

The Group determines whether the amount of borrowing costs qualify for capitalization as part of the cost of the qualifying asset or expensed outright. The accounting treatment for the borrowing costs is determined by assessing whether the asset is a qualifying asset taking into consideration the period of time to get the asset ready for its intended use. Failure to make the right judgment will result in misstatement of assets and net profit.

*(o) Recognition of Provisions and Contingencies*

Provisions are recognized when present obligations will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events.

Where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the consolidated financial statements. Similarly, possible inflows of economic benefits to the Group that do not yet meet the recognition criteria of an asset are considered contingent assets; hence, are not recognized in the consolidated financial statements. On the other hand, any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset not exceeding the amount of the related provision.

Judgment is exercised by management to distinguish between provisions and contingencies. Disclosures on relevant provisions and contingencies are presented in Note 29.

(p) *Evaluation Whether a Common Control Business Combination has Commercial Substance*

Following the guidance under PIC Q&A 2011-02, management exercises judgment over common control business combinations which is accounted for using either the pooling of interests method or the acquisition method under PFRS 3. Where the acquisition method of accounting is selected, the transaction must have commercial substance from the perspective of the reporting entity. In evaluating whether the business combination has commercial substance, management considers the purpose of the transaction, involvement of outside parties, whether or not the transaction is conducted at fair value, the existing activities of the entities involved in the transaction, and the extent to which an acquiring entity's future cash flows are expected to significantly change as a result of the business combination.

Management has determined that the acquisition of PH1 has commercial substance as the business combination is expected to accelerate the Parent Company's, and ultimately, the Group's growth momentum with consolidated net margins expected to improve on the back of better margins and price appreciation upside associated with property development in the long-term. With PH1's ongoing and pipeline real estate projects, the Group expects to earn stable revenues and improved margins that would result in better net cash inflows for the Group. Accordingly, the Group has applied the acquisition method under PFRS 3 (see Note 7).

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

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period:

(a) *Estimation of Allowance for ECL*

The measurement of the allowance for ECL on financial assets at amortized cost is an area that requires the use of significant assumptions about the future economic conditions and credit behavior (e.g., likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation used in measuring ECL is further detailed in Note 32.2.

(b) *Determining the Fair Value of the Remaining Ownership Interest to GMCAC*

Under PFRS 13, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When a price for an identical asset or liability is not observable, an entity measures fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. Because fair value is a market-based measurement, it is measured using the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk.

Judgment is exercised by management to determine the valuation technique and related assumptions in measuring the fair value of the remaining ownership interest in GMCAC at the date it was classified as noncurrent asset classified as held for sale. The fair value of the non-current asset classified as held for sale is determined by using the cash flow projections from the financial model approved by senior management covering the remaining life of the concession period of 17 years from the date the remaining interest in GMCAC was classified as non-current asset held for sale. PFRS 5 requires an entity to measure a non-current asset classified as held for sale at the lower of their carrying amount and fair value less costs to sell (see Note 2.4).

Costs to sell relate to expenses the Group incurs to dispose of the non-current asset classified as held for sale. When the sale is expected to occur beyond one year, the Group measures the costs to sell at their present value. Any increase in the present value of the costs to sell that arises from the passage of time is presented in profit or loss as a financing cost.

(c) *Estimation of Useful Lives of Intangible Assets, Property, Plant and Equipment, and Investment Property*

The Group estimates the useful lives of computer software and property, plant and equipment based on the period over which the assets are expected to be available for use. The related estimated useful lives are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. In addition, estimation of the useful lives is based on collective assessment of industry practice, internal technical evaluation, and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the amounts and timing of recorded expenses brought about by changes in the factors mentioned above. There were no changes in the estimated useful lives of property, plant and equipment and intangible assets in 2023 and 2022.

Prior to the sale of GMCAC in 2022, the Group applied the usage-based method based on passenger volume and usage of the airport activities over the concession period as it reflected the pattern in which the concession's future economic benefits are expected to be consumed by the Group and will be applied consistently from period to period, unless there is a change in the expected pattern of consumption of those future economic benefits [see Note 2.9(a)]. In 2021, passenger volume significantly declined compared with pre-pandemic levels due to travel and quarantine restrictions imposed by the government. Although amortization expense reduced substantially in 2021, management assessed that the reduced passenger volume is temporary.

In 2022, as the quarantine restrictions eased up, passenger volume showed improvements from December 2021 levels. The positive changes are expected to continue until full recovery of pandemic losses by 2024, hence, amortization expense will eventually normalize. In 2022 and 2021, amortization expense recognized relating to concession assets amounted to P220.6 million and P50.2 million, respectively.

The carrying amounts of intangible assets are analyzed in Notes 12.5 and 13. The carrying amount of property, plant and equipment is analyzed in Note 14.

(d) *Determination of Appropriate Discount Rate in Measuring Lease Liabilities*

The Group measures its lease liabilities at present value of the lease payments that are not paid at the commencement date of the lease contract. The lease payments were discounted using a reasonable rate deemed by management equal to the Group's incremental borrowing rate. In determining a reasonable discount rate, management considers the term of the leases, the underlying asset, and the economic environment. Actual results, however, may vary due to changes in estimates brought about by changes in such factors.

(e) *Determination of Net Realizable Value of Inventories*

In determining the net realizable value of construction materials and real estate inventories, management takes into account the most reliable evidence available at the time the estimates are made.

(i) *Construction Materials*

The Group periodically reviews its construction materials for possible damaged and obsolete items. Items identified as obsolete are provided with impairment allowance.

Management has assessed that no allowance for obsolescence is required to be recognized on construction materials in 2023, 2022 and 2021.

(ii) *Real Estate Inventories*

The future realization of the carrying amounts of real estate inventories is affected by price changes for the cost to complete, and upon completion, the selling prices in the different market segments as well as the trends in the real estate industry. These are considered key sources of estimation uncertainty and may cause significant adjustments to the Group's real estate inventories within the next reporting period.

The carrying value of Group's real estate inventories amounted to P3,872.9 million as of December 31, 2023 (see Note 8.1).

(f) *Determination of Realizable Amount of Deferred Tax Assets*

The Group 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 asset to be utilized.

Management assessed that the deferred tax assets recognized as at December 31, 2023 and 2022 will be fully utilized in the coming years. The carrying value of deferred tax assets as of those dates is disclosed in Note 26.4.

(g) *Fair Value Measurement for Financial Instruments*

Management applies valuation techniques to determine the fair value of financial instruments where active market quotes are not available. This requires management to develop estimates and assumptions based on market inputs, using observable data that market participants would use in pricing the instrument. Where such data is not observable, management uses its best estimate. Estimated fair values of financial instruments may vary from the actual prices that would be achieved in an arm's length transaction at the end of the reporting period.

The carrying values of the Group's financial assets carried at FVTPL and FVOCI, and the amounts of applicable fair value changes recognized on those assets are disclosed in Note 33.4.

(h) *Principal Assumption for Estimation of Fair Value of Investment Properties*

The Group's investment properties composed of land and commercial area of the PITX Project comprising of asset held for lease and are carried at cost less accumulated depreciation and any impairment in value. Although investment properties are measured using the cost model, the financial reporting standard requires the disclosure of its fair value.

The fair value of the commercial area is determined by using the discounted cash flows valuation technique. The Group uses assumptions that are mainly based on market conditions existing at the end of each reporting period, such as: receipt of contractual rentals; expected future market rentals; void periods; maintenance requirements; and, appropriate discount rates. These valuations are regularly compared to actual market yield data and actual transactions by the Group and those reported by the market. The expected future market rentals are determined on the basis of current market rentals for similar properties in the same location and condition.

On the other hand, the Group determines the fair value of the land through appraisals by independent external appraisers.

The fair value disclosures related to the investment properties are further discussed in Note 33.5.



(i) *Impairment of Non-financial Assets*

In assessing impairment, management estimates the recoverable amount of each asset, or a cash-generating unit based on expected future cash flows and uses an interest rate to calculate the present value of those cash flows. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate (see Note 2.13). Though management believes that the assumptions used in the estimation of fair values reflected in the consolidated financial statements are appropriate and reasonable, significant changes in these 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 the Group's non-financial assets in 2023, 2022 and 2021, except for the investment in MWCCI and deferred fulfilment costs which were assessed to be impaired [see Notes 1.2(o), 11.1(a), 12.6 and 25.3].

(j) *Valuation of Post-employment Defined Benefit*

The determination of the Group'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 salary rate increase.

A significant change in any of these actuarial assumptions may generally affect the recognized expense and the carrying amount of the post-employment benefit obligation in the next reporting period.

The amounts of post-employment defined benefit obligation and expense and an analysis of the movements in the estimated present value of DBO, as well as the significant assumptions used in estimating such obligation are presented in Note 24.2.

(k) *Determining Percentage-of-Completion for Construction Contracts and Real Estate Transactions*

(i) *Construction Contracts*

The Group recognizes its revenue from construction contracts based on percentage-of-completion method of the project whereby the performance obligations are satisfied over time. The Group's application of the percentage-of-completion method is based on its efforts or inputs (i.e., actual costs incurred) to the satisfaction of a performance obligation relative to the total expected construction costs. Review of the benchmarks set by management necessary for the determination of percentage-of-completion is done regularly. Actual data is being compared to the related benchmarks and critical judgment is exercised to assess the reliability of the percentage of completion procedures which are currently in place and make the necessary revisions in the light of current progress.

(ii) *Real Estate Transactions*

In determining the amount of revenue to be recognized for real estate transactions involving sale of residential condominium units wherein performance obligations are satisfied over time, the Group measures progress based on the input method that measures the percentage of total costs incurred to date over the estimated costs to complete the projects. The Group estimates the total development costs with reference to the project development plan and any agreement with customers. Management regularly monitors its estimates and applies changes as necessary. A significant change in estimated costs would result in a significant change in the amount of revenue recognized in the year of change.

The Group recognized revenues from sale of residential condominium units amounting to P148.9 million and is presented as Real estate operations under Revenues in the 2023 consolidated statement of income (see Note 21.3).

(l) *Estimating Probability of Collection for Revenue Recognition*

The Group exercises judgment in evaluating the probability of collection (as one of the gating criteria) of transaction price on customer or counterparty contracts wherein revenue is recognized over time or specific point in time. The Group uses historical payment pattern of customers and counterparties in establishing a percentage of collection threshold, or in some instances, when the Group is certain that the sale or contract will not be cancelled (i.e., considering financial capacity, credit worthiness, and business interests of the customer or counterparty) even if the collection is below such threshold but which the Group determines that collection of the transaction price is reasonably assured.

The percentage benchmark used by the Group in determining whether collection of the transaction price is reasonably assured is 10% or more of collection of the total contract price for sale of residential condominium units and 25% of the total contract price for the construction contracts. Management believes that the established collection thresholds are appropriate based on the collection history and credit worthiness of customers in each revenue segment. Buyer's interest in the property (i.e., residential condominium unit) is considered to have vested when the payment of the applicable percentage benchmark of the contract price has been received from the buyer and the Group has ascertained the buyer's commitment and ability to complete the payment of the total contract price.

(m) *Accounting for Business Combinations*

On initial recognition, the assets and liabilities of any acquired business and the consideration paid for them are included in the consolidated financial statements at their fair values. In measuring fair value, management uses estimates of future cash flows and discount rates. Any subsequent change in these estimates would affect the amount of goodwill if the change qualifies as a measurement period adjustment. Any other change would be recognized in profit or loss in the subsequent period.

#### 4. SEGMENT REPORTING

The Group's operating businesses are recognized and managed separately according to the nature of services provided with a segment representing a strategic business unit. The Group's business segments follow:

##### 4.1 *Business Segments*

- (a) *Construction Operations* – principally refers to general construction business, including constructing and sale of precast items and concrete production and rental of construction equipment.
- (b) *Landport Operations* – principally relates to the development and implementation of the PITX Project.
- (c) *Real Estate Operations* – mainly pertains to the to the development and sale of residential condominium units.
- (d) *Airport Operations* – mainly relate to the business of building, rehabilitating, renovating, constructing, developing, operating, and maintaining the MCIA, including the commercial assets thereof and all allied businesses for the operation and maintenance of said airport facility. This segment also has merchandising operations of food and non-food items. In 2022, as a result of the sale and deconsolidation of GMCAC and GMI, the Group's airport operations segment is presented as discontinued operations (see Notes 2.4 and 10.2).

Other operations of the Group comprise the operations and financial control groups. These segments are also the basis of the Group in reporting to its executive committee for its strategic decision-making activities. Transactions between segments are conducted at estimated market rates on an arm's length basis.

Segment revenues and expenses that are directly attributable to business segment and the relevant portions of the Group's revenues and expenses that can be allocated to that business segment are accordingly reflected as revenues and expenses of that business segment.

##### 4.2 *Segment Assets and Liabilities*

Segment assets are allocated based on their physical location and use or direct association with a specific segment and they include all operating assets used by a segment and consist principally of operating cash, receivables, inventories and property, plant and equipment, net of allowances and provisions. Similar to segment assets, segment liabilities are also allocated based on their use or direct association with a specific segment. Segment liabilities include all operating liabilities and consist principally of accounts, wages, taxes currently payable and accrued liabilities. Segment assets and liabilities do not include deferred taxes.

### 4.3 Analysis of Segment Information

Presented below are the relevant operating segment information about the results of operations and financial position of the Group's business segments as of December 31, 2023, 2022 and 2021, and for the years ended December 31, 2023, 2022 and 2021 (amounts in thousands).

	Continuing Operations									Discontinued Operations		
	Construction			Landport			Real Estate	Total			Airport	
	2023	2022	2021	2023	2022	2021	2023	2023	2022	2021	2022	2021
<b>Results of operations</b>												
Sales to external customers	P 18,141,512	P 14,583,322	P 14,329,464	P 347,752	P 258,329	P 715,039	P 148,891	P 18,638,155	P 14,841,651	P 15,044,503	P 1,838,929	P 599,468
Intersegment sales	56,206	3,020	26,905	-	-	-	-	56,206	3,020	26,905	-	-
Segment revenues	<u>18,197,718</u>	<u>14,586,342</u>	<u>14,356,369</u>	<u>347,752</u>	<u>258,329</u>	<u>715,039</u>	<u>148,891</u>	<u>18,694,361</u>	<u>14,844,671</u>	<u>15,071,408</u>	<u>1,838,929</u>	<u>599,468</u>
Cost and other operating expenses:												
Cost excluding depreciation and amortization	14,983,629	11,457,496	11,124,688	135,749	132,964	149,440	72,152	15,191,530	11,590,460	11,274,128	753,488	353,949
Depreciation and amortization	1,149,883	1,206,491	1,133,162	235,770	241,674	413,871	9,709	1,395,362	1,448,165	1,547,033	261,527	102,510
Interest income	( 1,008,903)	( 526,003)	( 464,851)	( 37,237)	( 18)	( 7,614)	( 861)	( 1,047,002)	( 526,021)	( 472,465)	( 13,584)	( 9,515)
Interest expense	1,795,499	1,502,096	1,364,842	259,301	154,332	148,144	2,214	2,057,014	1,656,428	1,512,986	1,720,169	1,294,235
Equity share in profit or loss and joint ventures	35,748	( 4,572)	10,633	-	-	-	-	35,748	( 4,572)	10,633	-	-
Other income	( 127,188)	( 4,154,173)	( 171,387)	( 134,265)	( 117,741)	( 133,884)	( 18,356)	( 279,808)	( 4,271,914)	( 305,271)	( 7,646,246)	( 231,886)
Tax expense (income)	125,987	( 617,976)	67,012	( 64,004)	( 82,715)	21,124	100	62,083	( 700,691)	88,136	183,363	76,866
Other expenses	801,724	3,432,199	939,703	156,928	172,001	46,398	140,904	1,099,556	3,604,200	986,101	1,875,444	385,160
	<u>17,756,379</u>	<u>12,295,558</u>	<u>14,003,802</u>	<u>552,242</u>	<u>500,497</u>	<u>637,479</u>	<u>205,862</u>	<u>18,514,483</u>	<u>12,796,055</u>	<u>14,641,281</u>	<u>( 2,865,839)</u>	<u>1,971,319</u>
Segment Net Profit (Loss)	<u>P 441,339</u>	<u>P 2,290,784</u>	<u>P 352,567</u>	<u>(P 204,490)</u>	<u>(P 242,168)</u>	<u>P 77,560</u>	<u>(P 56,971)</u>	<u>P 179,878</u>	<u>P 2,048,616</u>	<u>P 430,127</u>	<u>P 4,704,768</u>	<u>(P 1,371,851)</u>
<b>Consolidated Statements of Financial Position</b>												
Total Segment Assets	<u>P 59,670,393</u>	<u>P 61,577,831</u>	<u>P 48,988,040</u>	<u>P 6,314,353</u>	<u>P 6,638,544</u>	<u>P 6,727,959</u>	<u>P 4,850,161</u>	<u>P 70,834,907</u>	<u>P 68,216,375</u>	<u>P 55,715,999</u>	<u>P -</u>	<u>P 34,980,098</u>
Total Segment Liabilities	<u>P 43,460,554</u>	<u>P 42,283,646</u>	<u>P 32,351,079</u>	<u>P 4,879,962</u>	<u>P 4,978,471</u>	<u>P 4,826,617</u>	<u>P 3,303,419</u>	<u>P 51,643,935</u>	<u>P 47,262,117</u>	<u>P 37,177,696</u>	<u>P -</u>	<u>P 28,100,062</u>
Capital Expenditures	<u>P 667,594</u>	<u>P 946,624</u>	<u>P 631,034</u>	<u>P 200</u>	<u>P 6,746</u>	<u>P 80,688</u>	<u>P 4,994</u>	<u>P 672,789</u>	<u>P 953,370</u>	<u>P 711,722</u>	<u>P -</u>	<u>P 1,310</u>
Investment in associates and joint ventures accounted for by the equity method	<u>P 257,239</u>	<u>P 231,296</u>	<u>P 813,793</u>	<u>P -</u>	<u>P -</u>	<u>P -</u>	<u>P -</u>	<u>P 257,239</u>	<u>P 231,296</u>	<u>P 813,793</u>	<u>P -</u>	<u>P 47,720</u>

Presented below is a reconciliation of the Group's segment information to the key financial information presented in its consolidated financial statements (amounts in thousands).

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b><u>Continuing operations:</u></b>			
<b>Revenues</b>			
Segment revenues	P 18,694,361	P 14,844,671	P 15,071,408
Intersegment sales	( 56,206)	( 3,020)	( 26,905)
Revenues as reported in the consolidated statements of income	<u>P 18,638,155</u>	<u>P 14,841,651</u>	<u>P 15,044,503</u>
<b>Profit or loss</b>			
Segment net profit	P 179,878	P 2,048,616	P 430,127
Other unallocated income (charges) – net	<u>89,279</u>	<u>( 3,920,639)</u>	<u>48,569</u>
Net profit (loss) from continuing operations as reported in the consolidated statements of income	<u>P 269,157</u>	<u>(P 1,872,023)</u>	<u>P 478,696</u>
<b><u>Discontinued operations:</u></b>			
<b>Profit or loss</b>			
Segment net income (loss) and net income (loss) from discontinued operations as reported in the consolidated statements of income	<u>P -</u>	<u>P 4,704,768</u>	<u>(P 1,371,851)</u>
		<u>2023</u>	<u>2022</u>
<b>Assets</b>			
Total segment assets	P 70,834,907	P 68,216,375	
Elimination of intercompany accounts	( 16,188,182)	( 10,579,021)	
Other unallocated assets	<u>11,680,415</u>	<u>8,815,402</u>	
Total assets as reported in the consolidated statements of financial position	<u>P 66,327,140</u>	<u>P 66,452,756</u>	
<b>Liabilities</b>			
Total segment liabilities	P 51,643,935	P 47,262,117	
Elimination of intercompany accounts	( 4,846,653)	( 3,948,773)	
Other unallocated liabilities	<u>2,597,085</u>	<u>3,472,531</u>	
Total liabilities as reported in the consolidated statements of financial position	<u>P 49,394,367</u>	<u>P 46,785,875</u>	

#### 4.4 Other Segment Information

The Group has not identified any segment based on geographical location since the Group's operation is concentrated in one country of location.

The revenues from three major customers of the construction operations segment in 2023, 2022 and 2021 that accounted for 29%, 39%, and 36%, respectively, of the total revenues from continuing operations are as follows:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Customer A	<b>P 4,105,354,788</b>	P3,206,597,804	P 2,084,313,919
Customer B	<b>3,095,908,636</b>	1,372,220,669	1,767,782,385
Customer C	<b><u>2,035,380,827</u></b>	<u>1,154,917,530</u>	<u>1,586,261,904</u>
	<b><u>P 9,236,644,251</u></b>	<b><u>P 5,733,736,003</u></b>	<b><u>P 5,438,358,208</u></b>

#### 5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are as follows:

	<u>2023</u>	<u>2022</u>
Cash on hand	<b>P 6,232,631</b>	P 6,075,392
Cash in banks	<b>4,050,299,984</b>	15,066,921,254
Short-term placements	<b><u>822,352,760</u></b>	<u>685,200,593</u>
	<b><u>P 4,878,885,375</u></b>	<b><u>P15,758,197,239</u></b>

Cash in banks generally earn interest based on daily bank deposit rates.

Short-term placements are made for varying periods from 14 to 90 days and earn annual average effective interest of 5% in 2023 and 2022.

The interest income earned from these financial assets amounted to P358.2 million, P24.1 million and P23.9 million in 2023, 2022 and 2021, respectively, and are presented as part of Finance income under Income and Expenses section in the consolidated statements of income (see Note 25.2). The interest income earned from discontinued operations is presented as part of Other income (charges) under Discontinued Operations section in the consolidated statements of income [see Note 10.2(f)(ii)].

Accrued interest receivable from these financial assets amounted to P89.2 and P8.3 million as of December 31, 2023 and 2022, respectively, and is presented as part of Accrued interest receivable under Trade and Other Receivables account in the consolidated statements of financial position (see Note 6).

## 6. TRADE AND OTHER RECEIVABLES

This account consists of the following:

	Notes	<u>2023</u>	<u>2022</u>
Contract receivables:			
Third parties		<b>P 3,287,521,576</b>	P 3,178,047,746
Related parties	28.1	<u>1,034,875,840</u>	<u>1,875,612,784</u>
		<u>4,322,397,416</u>	<u>5,053,660,530</u>
Retention receivables:			
Third parties		<u>2,290,413,594</u>	1,913,812,064
Related parties	28.1	<u>739,026,207</u>	<u>736,905,666</u>
		<u>3,029,439,801</u>	<u>2,650,717,730</u>
Real estate sales receivables		<u>538,294,511</u>	-
Advances to:			
Related parties	28.4	<u>6,442,242,587</u>	6,375,326,547
Officers and employees	28.3	<u>98,512,779</u>	<u>98,591,371</u>
		<u>6,540,755,366</u>	<u>6,473,917,918</u>
Rental receivables:	21.2		
Lease receivable – per contract		<u>1,025,536,402</u>	905,481,286
Lease receivable – effect of straight-line method		<u>231,278,304</u>	<u>415,637,728</u>
		<u>1,256,814,706</u>	<u>1,321,119,014</u>
Accrued interest receivables	5, 28.4	<u>2,513,922,379</u>	<u>1,944,838,291</u>
Other receivables	28.2, 28.5	<u>1,216,405,984</u>	<u>1,143,588,790</u>
		<b>19,418,030,163</b>	18,587,842,273
Allowance for impairment		<u>(262,111,638)</u>	<u>(226,842,662)</u>
		<b><u>P 19,155,918,525</u></b>	<b><u>P 18,360,999,611</u></b>

Retention receivables pertain to progress billings which are withheld by the project owners equivalent to 5.0% or 10.0% as provided in the respective construction contract of each project. These will only be collected after a certain period of time upon acceptance by project owners of the certificate of completion.

Real estate sales receivables pertain to the balance of uncollected portion of the contract price of completed units sold that are subject for collection from customers through their respective bank financing, which is normally completed within one to two months.

Rental receivables include those unpaid rentals from third party tenants of the Group, and the related rent receivables arising from the difference between the cash basis rent income and the straight-line rent income of all lease contracts with fixed payments as of the end of the reporting period.

Trade and other receivables except certain advances to related parties do not bear any interest.

All receivables, except advances to officers and employees which are subject to liquidation, are subject to credit risk exposure. The Group's trade and other receivables have been reviewed for impairment using the provision matrix as determined by the management [see Note 32.2(b)].

The total allowance for impairment for contract and retention provided by the Group amounted to P262.1 million and P226.8 million as of December 31, 2023 and 2022, respectively.

A reconciliation of the allowance for impairment at the beginning and end of 2023 and 2022 is shown below.

	<u>Notes</u>	<u>2023</u>	<u>2022</u>
Balance at beginning of year		<b>P 226,842,662</b>	P 231,765,011
Additional ECL for the year	23	<b>35,268,976</b>	14,970,945
Effect of disposal of subsidiaries	10.1	<u>-</u>	<u>( 19,893,294 )</u>
Balance at end of year		<b><u>P 262,111,638</u></b>	<b><u>P 226,842,662</u></b>

The amount of impairment losses is presented as part of Impairment losses on receivables and contract assets under Income and Expenses section and Other Operating Expenses under Discontinued Operations section of the consolidated statements of income [see Notes 10.2(e) and 23].

## 7. GOODWILL

On July 12, 2023, the Parent Company executed a Share Purchase Agreement to acquire 100% of the outstanding capital stock of PH1 from Citicore for a total cash consideration of P5,200.0 million. As a result of the acquisition, the Parent Company obtained controlling interest over PH1, which was accounted for under the acquisition method [see Note 3.1(p)]. The business combination is expected to integrate the innovative approaches of the Parent Company and PH1 in terms of construction and engineering to the residential projects of PH1 with respect to sustainability and technological advancement in living and community spaces.

At the date of acquisition, PH1 owns 100% and 49% of the outstanding capital stock of PH1-WL and Famtech, respectively. As a result of the acquisition of PH1, the Group obtained indirect ownership and control over PH1-WL and Famtech [see Note 1.2(a)]. There were no contingent considerations arrangements and indemnification assets recognized by the Parent Company related to the business combination.

Presented in the succeeding page is the breakdown of the acquisition-date fair value of the assets and liabilities, including the cost of investment.



Assets:

Cash	P	158,812,124
Contract and other receivables		1,058,277,667
Real estate inventories		3,280,736,757
Property and equipment		33,002,846
Right-of-use assets		9,312,106
Other assets		<u>233,084,701</u>
		<u>4,773,226,201</u>

Liabilities:

Trade and other payables	P	1,688,417,798
Interest-bearing loans and borrowings		508,475,383
Reservation deposits		322,954,005
Contract liabilities		76,644,783
Lease liabilities		8,412,681
Deferred tax liabilities		107,696,473
Other liabilities		<u>129,219,090</u>
		<u>2,841,820,213</u>

Fair value of net assets 1,931,405,988

Cash consideration 5,200,000,000

Non-controlling interest 528,475,534

5,728,475,534

Goodwill **P 3,797,069,546**

Based on the management's assessment, the gross contractual amounts of receivable approximate the fair values as of the acquisition date. The best estimate of the contractual cash flows not expected to be collected at acquisition date is also deemed immaterial.

There were no significant acquisition-related costs incurred from this transaction. Subsequent to the acquisition date, the Group recognized revenues and net loss from the real estate operations segment amounting to P148.9 million and P57.0 million, respectively, which are presented in the 2023 consolidated statement of income.

Had the acquisition occurred at the beginning of the year, the Group would have recognized revenues and net loss from real estate operations segment amounting to P241.7 million and P134.8 million, respectively.

The goodwill recognized from the foregoing acquisition reflects the opportunity to strengthen the Group's position in the real estate market, the synergies and economies of scale expected from combining the operations of the Group as a contractor and real estate developer. This also reflects the opportunity to accelerate the Group's growth momentum associated with property development in the long term [see Note 3.1(p)].

The Group performed impairment testing of goodwill as of December 31, 2023 by using value-in-use in determining the recoverable amount. The value-in-use of the cash generating unit was determined using cash flow projections for 13 years, which reflects the timing of the development and completion of the residential projects including the collection period. The management applied a discount rate of 10.2% and growth rate of 3.8% which are the key assumptions used in determining the value-in-use of the cash-generating unit.

The recoverable amount of the cash-generating unit was determined to be higher than its carrying amount. Management believes that any reasonably possible change of +/-1% in the discount rate and +/-1% in the growth rate would not cause the carrying amount of the cash-generating unit to exceed its recoverable amount; hence, management assessed that there is no impairment loss required to be recognized on goodwill as of December 31, 2023.

## 8. INVENTORIES

### 8.1 Real Estate Inventories

As of December 31, 2023, real estate inventories consist of the following:

Land and land development	P 1,928,308,874
Construction costs	<u>1,944,613,123</u>
	<b><u>P 3,872,921,997</u></b>

Construction costs include actual costs of construction and related engineering, architectural and other consultancy fees, and capitalized borrowing costs [see Note 18.2(c)]. In 2023, the Group capitalized borrowing cost of P103.6 million. Borrowing cost are capitalized at 5.9%. All cost incurred relating to the Group's development and construction of its residential condominium projects are recorded under Real Estate Inventories account. The cost of a unit sold under development is charged to cost of sales in the same manner as revenue is recognized.

There were no inventory write-downs recognized in relation to real estate inventories.

### 8.2 Construction Materials

At the end of 2023 and 2022, construction materials were stated at cost which is lower than net realizable value. This account consists of the following:

	<u>2023</u>	<u>2022</u>
Consumables and spare parts	<b>P 1,275,412,094</b>	P 861,088,090
Work in progress	<b>805,324,986</b>	1,076,814,430
Hardware	<b>71,444,583</b>	76,311,848
Precast	<b>54,725,955</b>	38,625,244
Rebars	<b>30,079,375</b>	29,834,799
Mechanical electrical plumbing and fireproof materials	<b>8,076,631</b>	13,332,324
Others	<u><b>34,275,471</b></u>	<u>30,159,502</u>
	<b><u>P 2,279,339,095</u></b>	<b><u>P 2,126,166,237</u></b>

Work in progress inventories pertains to various construction materials delivered to project warehouses and are yet to be installed or used by its subcontractors.

Others pertain to construction materials which include collapsible container office, sand, cement, painting materials, nails and adhesive items.

## 9. CONTRACT ASSETS

The breakdown of contract assets is as follows:

	<u>2023</u>	<u>2022</u>
Construction contracts	<b>P 6,034,871,659</b>	P 5,596,222,556
Terminal operations	<u>692,732,257</u>	<u>597,500,531</u>
	<b>6,727,603,916</b>	6,193,723,087
Allowance for impairment	<u>( 1,087,415,302)</u>	<u>( 1,087,415,302)</u>
	<b><u>P 5,640,188,614</u></b>	<b><u>P 5,106,307,785</u></b>

The significant changes in the contract assets balances during the reporting periods are as follows:

	<u>Note</u>	<u>2023</u>	<u>2022</u>
Balance at beginning of year		<b>P 6,193,723,087</b>	P 5,065,871,418
Increase as a result of changes in measurement of progress		<b>6,452,369,216</b>	9,681,091,164
Decrease as a result of reversal to trade receivables		<b>( 5,918,488,387)</b>	<b>( 7,644,882,227)</b>
Write-off	23	<u>-</u>	<u>( 908,357,268)</u>
		<b>6,727,603,916</b>	6,193,723,087
Allowance for impairment		<b><u>( 1,087,415,302)</u></b>	<b><u>( 1,087,415,302)</u></b>
Balance at end of year		<b><u>P 5,640,188,614</u></b>	<b><u>P 5,106,307,785</u></b>

A reconciliation of the allowance for impairment at the beginning and end of 2023 and 2022 is shown below.

	<u>Note</u>	<u>2023</u>	<u>2022</u>
Balance at beginning of year		<b>P 1,087,415,302</b>	P 288,166,560
Impairment loss for the year	23	<u>-</u>	<u>799,248,742</u>
Balance at end of year		<b><u>P 1,087,415,302</u></b>	<b><u>P 1,087,415,302</u></b>

Contract assets pertains to the gross amount due from customers for contract works of all contracts in progress and the portion arising from the real estate operations, which are not yet billed (see Note 2.10). Contract assets also include the cost of the landport area of the PITX Project will be recovered through the Grantor payments [see Notes 3.1(d) and 15].

The Group satisfies its performance obligation when the full completion of the project and benefit therefrom can be derived by the customers. Invoices are due once related accomplishments for the month is complete.

The Group recognizes contract assets, due to timing difference of billings and satisfaction of performance obligation, to the extent of satisfied performance obligation on all open contracts as of the end of the reporting period. Changes in the contract assets are recognized by the Group when a right to receive payment is already established.

In 2022, the Group wrote-off certain contract assets amounting to P908.4 million related to costs incurred on three big projects that management decided to discontinue due to irreconcilable claims and lack of reasonable expectation that such costs will be recovered. The onset of COVID suspended non-essential construction activities and affected a number of projects in the Group's order book. To maintain strong business relationships, the Group constantly reached out and negotiated with these three customers as early as late 2020, when the impact of COVID through higher input costs and delayed supply chain affected the pricing and performance for these projects. While the Group continued to hold several discussions and negotiations in 2021 and 2022, it became apparent to management in 2022 that the presented claims from these projects can no longer be collected and decided that progress on the remaining works can no longer be continued to manage the financial impact to the Group. The Group, however, is of the opinion that it complied with all the provisions of the contracts and, after exhausting all means available, had sufficient grounds to terminate the contracts.

Also in 2022, the Group provided an allowance for impairment for certain projects which have doubtful recoverability in addition to the contract assets which was written off.

The total impairment loss on contract assets is presented as part of Impairment losses on receivables and contract assets under Income and Expenses section in the 2022 consolidated statement of income. There was no additional impairment loss recognized in 2023.

## **10. NON-CURRENT ASSET CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS**

### ***10.1 Non-current Asset Classified as Held for Sale***

On September 2, 2022 (Execution date), the Parent Company, GMR Airports International BV (GAIBV) and Aboitiz InfraCapital, Inc. (AIC) executed a Share Subscription and Transfer Agreement (the Agreement) for AIC to acquire shares in GMCAC. Subject to the fulfillment of the conditions precedent under the Agreement, the following occurred on December 16, 2022 (Closing date):

1. For a total amount of P9,473.6 million, AIC obtained 33 and 1/3% minus 1 share of the outstanding capital stock of GMCAC. The Parent Company retained 33 and 1/3% plus 1 share, while GAIBV retained 33 and 1/3%; and,

2. The Parent Company and GAIBV issued Exchangeable Notes (Notes) in favor of AIC in the total amount of P15,526.4 million. The Notes will mature on October 30, 2024 (Exercise date) and will be exchanged by AIC for the rest of the 66 and 2/3% plus 1 share of GMCAC's outstanding capital stock currently held by the Parent Company and GAIBV.

On the Exercise date, the Parent Company and GAIBV shall assign, transfer and convey the remaining GMCAC shares to AIC in exchange for the full discharge of the Notes. The Notes is unsecured and non-interest-bearing. At least 10 business days prior to the Exercise date, the Parent Company and GAIBV may exercise the option to pay the Notes in cash and they shall have no obligation to assign, transfer and convey the remaining GMCAC shares. In the event that the Parent Company and GAIBV exercise the cash option, they shall pay the principal amount of the Notes, plus a cash option interest of 19% per annum on the principal amount calculated from the Execution date to the Exercise date. The accrual of the cash option interest and the obligation to pay shall only arise upon exercise of the cash option.

Prior to the closing date, GMCAC converted its shareholders' loans totalling to P2,040.0 million, of which P1,224.0 million came from the Parent Company, to common stock of GMCAC. In addition, GMCAC issued 555.4 million new shares to AIC. The issuance of new shares to AIC resulted in the reduction in the Parent Company's ownership interest in GMCAC from 60.0% to 55.8%.

The transaction closed on December 16, 2022 wherein:

- AIC paid cash amounting to P6,623.6 million to the Parent Company for 1,781.4 million common shares, equivalent to 22.5% of the outstanding capital stock of GMCAC; and,
- the Parent Company issued the Notes for a cash consideration of P7,763.2 million, which will be exchanged by AIC for the rest of the Parent Company's remaining 2,643.3 million common shares, equivalent to 33.3% of the outstanding capital stock of GMCAC, on the Exercise date.

At closing date, the Parent Company retained 33.3% ownership interest in GMCAC.

As a result of the preceding transactions, the Group lost its control over GMCAC [see Note 3.1(g)]. Accordingly, the remaining ownership interest was remeasured at fair value at the date of sale which amounted to P2,879.8 million. The fair value was determined using the discounted cash flow method [see Note 3.2(b)]. The related remeasurement gain amounting to P568.8 million is presented as part of Gain on deconsolidation of subsidiaries under Others – net under Discontinued Operations section in the 2022 consolidated statement of income [see Note 10.2(f)(iii)].

Relative to management's intention to sell the remaining shares held in GMCAC, as evidenced by the issuance of the Notes, the remaining ownership interest in GMCAC amounting to P2,879.8 million is presented as Non-current Asset classified as Held for Sale in the consolidated statements of financial position. No cost to sell was recognized as the expenses incurred in relation to the issuance of the Notes was shouldered by AIC. On the other hand, the Notes amounting to P7,763.2 million is presented as Exchangeable Notes under the Non-current Liabilities section in the 2022 consolidated statement of financial position.

As of December 31, 2023, the Group remains committed to sell the remaining ownership interest in GMCAC. As the transaction is expected to be completed in 2024, the Exchangeable Notes was presented under Current Liabilities in the 2023 consolidated statement of financial position.

The fair values of the identifiable assets and liabilities of GMCAC as at the Closing Date in 2022 were as follows:

Assets:

Cash and cash equivalents	P	230,051,713
Trade and other receivables – net		865,264,321
Concession assets – net		31,760,874,551
Property and equipment – net		215,513,796
Investment in subsidiaries and joint ventures		1,737,804,166
Investment in trust fund		26,266,008
Deferred input VAT		1,741,663,880
Refundable security and bond deposits		710,829,793
Other assets		<u>528,501,802</u>
		<u>37,816,770,030</u>

Liabilities:

Interest-bearing loans and borrowings		25,702,185,130
Trade and other payables		2,261,189,055
Retirement obligation		21,689,826
Deferred tax liabilities		970,422,069
Other liabilities		<u>221,975,078</u>
		<u>29,177,461,158</u>

Fair value of net assets	P	<u>8,639,308,872</u>
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The gain on deconsolidation of a subsidiary is determined as follows:

Cash consideration received	P 6,623,600,000
Fair value of remaining ownership interest	<u>2,879,769,625</u>
	<u>9,503,369,625</u>
Less:	
Carrying amount of net assets sold	6,182,052,349
Carrying amount of non-controlling interest	( <u>2,670,649,101</u> )
	<u>3,511,403,248</u>
Gain on deconsolidation of a subsidiary	5,423,202,187
Gain on remeasurement of remaining ownership interest	<u>568,764,190</u>
	<u>P 5,991,966,377</u>

The gain on deconsolidation of a subsidiary amounting to P5,992.0 million is presented as part of Gain on deconsolidation of subsidiaries under Others – net under Discontinued Operations section in the 2022 consolidated statement of income [see Note 10.2(f)(iii)].

In addition to the above transaction, in 2022, the Group sold its shareholdings in GMI to GMCAC [see Note 1.2(c)], wherein the Group recognized a gain on deconsolidation of a subsidiary amounting to P577.1 million which represents the excess of the cash consideration received amounting to P613.2 million over the carrying value of GMI's net assets as of the date of sale amounting to P36.1 million.

The total gain amounting to P6,569.1 million is presented as Gain on deconsolidation of subsidiaries under Others – net under Discontinued Operations section in the 2022 consolidated statement of income [see Note 10.2(f)(iii)].

## ***10.2 Discontinued Operations***

In 2023, there is no profit or loss and other comprehensive income arising from discontinued operations as the remaining investment in GMCAC was classified as a non-current asset held for sale (see Note 10.1).

In 2022 and 2021, the net loss related to the operations of GMCAC and GMI is presented separately in the consolidated statements of income consolidated statements of comprehensive income as Net Profit (Loss) from Discontinued Operations.

The analysis of the revenue and expenses of the discontinued operations is as follows:

	<u>2022</u>	<u>2021</u>
Airport operations revenue	P 1,690,774,870	P 576,042,561
Trading operations revenue	<u>148,154,108</u>	<u>23,425,514</u>
	<u>1,838,928,978</u>	<u>599,468,075</u>
Cost of airport operations	( 896,975,376)	( 388,164,590)
Cost of trading operations	( <u>77,087,277</u> )	( <u>15,969,198</u> )
	( <u>974,062,653</u> )	( <u>404,133,788</u> )
Gross profit	864,866,325	195,334,287
Other operating expenses	( <u>1,916,396,787</u> )	( <u>437,486,126</u> )
Operating loss	( 1,051,530,462)	( 242,151,839)
Other income (charges) – net	<u>5,939,660,912</u>	<u>( 1,052,834,348)</u>
Profit (loss) before tax	4,888,130,450	( 1,294,986,187)
Tax expense	( <u>183,362,300</u> )	( <u>76,864,397</u> )
Net profit (loss)	<u>P 4,704,768,150</u>	<u>(P 1,371,850,584)</u>

In 2022, and 2021, other comprehensive income from discontinued operations amounted to P4.1 million and P6.2 million, respectively.

*10.2(a) Airport Operations Revenue*

The details of this account for the period ended December 31 are composed of the revenues from:

	<u>2022</u>	<u>2021</u>
Aeronautical	P 807,098,656	P 190,468,401
Concession	254,273,126	102,599,621
Rental	216,572,580	62,709,047
Others	<u>412,830,508</u>	<u>220,265,492</u>
	<u>P 1,690,774,870</u>	<u>P 576,042,561</u>

*10.2(b) Trading Operations Revenue*

The details of this account for the years ended December 31 are as follows:

	<u>2022</u>	<u>2021</u>
Sale of food	P 121,650,323	P 21,540,063
Sale of non-food items	<u>26,503,785</u>	<u>1,885,451</u>
	<u>P 148,154,108</u>	<u>P 23,425,514</u>



10.2(c) *Cost of Airport Operations*

The following is the breakdown of cost of airport operations:

	Note	2022	2021
Amortization of concession asset	13	P 220,574,128	P 50,184,461
Utilities		165,927,493	97,665,013
Repairs and maintenance		102,322,957	64,242,458
Outside services		98,839,665	31,778,939
Insurance		55,215,473	38,415,345
Salaries and employee benefits		51,909,600	47,843,471
Airline collection charges		33,203,341	7,132,347
Airport operator's fee		22,952,332	7,462,095
Technical service charge		18,940,323	14,007,049
Others		<u>127,090,064</u>	<u>29,433,412</u>
		<u>P 896,975,376</u>	<u>P 388,164,590</u>

Other expenses include carpark, supplies, and other operating costs of the airport segment.

10.2(d) *Costs of Trading Operations*

The following is the breakdown of cost of airport merchandising operations for the years ended December 31:

	2022	2021
Cost of goods sold:		
Food	P 66,477,647	P 13,266,924
Non-food	<u>10,609,630</u>	<u>2,702,274</u>
	<u>P 77,087,277</u>	<u>P 15,969,198</u>

10.2(e) *Other Operating Expenses*

The following is the breakdown of other operating expenses of GMCAC and GMI for the years ended December 31:

	Notes	2022	2021
Repairs and maintenance		P 1,391,243,887	P 17,823,178
Salaries and wages		173,150,930	163,244,997
Taxes and licenses		121,567,982	124,255,827
Depreciation and amortization		40,953,400	52,325,848
Selling expense		39,971,317	6,208,188
Professional fees		35,498,774	27,905,131
Outside services		33,007,011	18,781,494
Office supplies		28,239,721	3,133,331
Impairment loss	6	15,480,581	9,490,896
Travel and transportation		11,496,284	2,922,623
Rentals	16.3	9,303,788	6,636,968
Advertising and promotions		2,400,944	2,149,440
Representation and travel		1,467,112	757,407
Insurance		230,732	316,854
Training and seminar		167,839	258,036
Miscellaneous		<u>12,216,485</u>	<u>1,275,908</u>
		<u>P 1,916,396,787</u>	<u>P 437,486,126</u>

10.2(f) Other Income (Charges)

10.2(f)(i) Finance costs

The following is the breakdown of finance costs for the years ended December 31:

	<u>Note</u>	<u>2022</u>	<u>2021</u>
Interest expense from:			
Bank loans	18.2	P 1,320,853,226	P 1,058,982,312
Lease liabilities		165,599	415,652
Foreign currency losses - net		394,230,692	233,623,370
Bank charges		<u>4,919,589</u>	<u>1,213,356</u>
		<u>P 1,720,169,106</u>	<u>P 1,294,234,690</u>

10.2(f)(ii) Finance income

The following is the breakdown of finance income for the years ended December 31:

		<u>2022</u>	<u>2021</u>
Interest income from cash in banks	P	8,242,012	P 8,737,045
Foreign currency gains - net		<u>5,341,955</u>	<u>777,747</u>
		<u>P 13,583,967</u>	<u>P 9,514,792</u>

10.2(f)(iii) Others – Net

The following is the breakdown of others - net for the years ended December 31:

	<u>Note</u>	<u>2022</u>	<u>2021</u>
Gain on deconsolidation of subsidiaries		P 6,569,065,060	P -
Recovery from insurance claims		1,045,888,018	-
Unrealized gain on interest rate swap	18.2	43,247,266	78,648,688
Equity in net losses of joint venture		( 20,315,608)	( 57,050,179)
Gain on loan modification	18.2	-	207,829,510
Others – net		<u>8,361,315</u>	<u>2,457,531</u>
		<u>P 7,646,246,051</u>	<u>P 231,885,550</u>

In 2022, GMCAC recognized insurance claims with respect to the carrying value of the airport infrastructure damaged by typhoon Odette amounting to P1,045.9 million. There was no similar transaction in 2021.

10.2(g) *Cash Flows from Discontinued Operations*

The following relates to the cash flows of the disposal group:

	<u>2022</u>	<u>2021</u>
Net cash from (used in):		
Operating activities	P 438,671,014	(P 635,552,678)
Investing activities	( 1,633,349,283)	210,371,589
Financing activities	<u>1,131,768,262</u>	<u>( 319,524,813)</u>
Net cash outflow	<u>(P 62,910,007)</u>	<u>(P 744,705,902)</u>

**11. INVESTMENTS IN ASSOCIATES AND JOINT VENTURE AND ACQUISITION OF ASSETS**

The Group's associates and joint venture are not listed in the local stock exchange; hence, the fair value of the shares cannot be determined reliably. However, management believes that the carrying amounts of the investments are fully recoverable based on either the prospect of the business or the recoverable amount from the net assets of these associates and joint ventures.

The significant commitments related to the associates and joint venture are discussed in Note 29.2, 29.3, and 29.4.2.

**11.1 Investments in Associates**

The components of the carrying values of this account are as follows:

	<u>Notes</u>	<u>2023</u>	<u>2022</u>
Acquisition cost:			
CMCI		<b>P 200,000,000</b>	P 200,000,000
EDC		<b><u>61,691,000</u></b>	<u>-</u>
		<b><u>261,691,000</u></b>	<u>200,000,000</u>
Equity share in net profit (losses):			
Balance at beginning of year		<b>31,295,805</b>	9,330,545
Equity in net profit (loss) for the year	25.3	<b>( 35,748,149)</b>	4,572,378
Effect of write-off of investment in MWCCI	11.1(a), 25.3	<u>-</u>	<u>17,392,882</u>
Balance at end of year		<b><u>( 4,452,344)</u></b>	<u>31,295,805</u>
		<b><u>P 257,238,656</u></b>	<u>P 231,295,805</u>

The equity in net profit (loss) includes catch-up adjustments in 2023 and 2022 to reflect the audited balances of the associates; hence, might not be equal to the amount of the Group's share in net profit based on the financial information presented in the succeeding pages.

These associates do not have any other comprehensive income or loss in 2023 and 2022.

(a) *MWCCI*

As of December 31, 2023 and 2022, the Parent Company has 51% ownership interest in MWCCI.

In 2016, MWCCI sent a Notice of termination of its BOT Agreement with the DOH, which was accepted by DOH. MWCCI has undertaken measures to recover compensation costs from DOH. However, based on management's assessment, as of December 31, 2022, there is no reasonable expectation of recovery of costs incurred relative to the MPOC Project. Accordingly, the Group wrote-off its investment in MWCCI in 2022. The impairment loss amounting to P587.1 million is presented as part of Impairment losses on non-financial assets under Others – net under Income and Expenses section in the 2022 consolidated statement of income (see Note 25.3).

(b) *CMCI*

The Parent Company, together with Citicore, formed CMCI as a consortium for the construction of classrooms in Regions 3 and 4 under the build-lease-transfer Public Private Partnership (PPP) agreement with the Philippine Department of Education (DepEd) ownership interest (see Note 29.2).

As of December 31, 2023 and 2022, the Parent Company owns 10% interest in CMCI.

(c) *EDC*

In 2023, the Parent Company subscribed to 616,910 new shares or equivalent to 49% ownership interest in EDC for a total subscription price of P61.7 million. The rights and powers of the Parent Company over the management and control of EDC are exercised through a seat in the BOD of EDC. Taking this into consideration, the Parent Company concluded that it has significant influence over the investee; accordingly, the investment is accounted for as an investment in an associate.

The table below presents the financial information of MWCCI, CMCI and EDC as of and for years ended December 31, 2023, 2022 and 2021 of the associates (amounts in thousands of PHP).

	<u>Current</u>	<u>Non-current</u>	<u>Current</u>	<u>Non-current</u>	<u>Revenues</u>	<u>Net Profit</u>
	<u>Assets</u>	<u>Assets</u>	<u>Liabilities</u>	<u>Liabilities</u>		<u>(Loss)</u>
<b>2023:</b>						
MWCCI ( <i>Unaudited</i> )	P 338,947	P 847,397	P 87,447	P -	P -	P -
CMCI ( <i>Unaudited</i> )	3,483,905	647,993	1,883,019	68,024	112,257	112,257
EDC ( <i>Audited</i> )	58,252	595,769	89,267	537,935	-	( 49,956)
<b>2022:</b>						
MWCCI ( <i>Unaudited</i> )	P 87,447	P 847,397	P 87,447	P -	P -	P -
CMCI ( <i>Audited</i> )	4,237,695	972,960	2,251,256	615,844	196,639	50,788
<b>2021:</b>						
MWCCI ( <i>Unaudited</i> )	P 338,947	P 847,398	P 87,447	P -	P -	P -
CMCI ( <i>Audited</i> )	4,316,943	1,920,181	2,343,502	1,588,158	196,639	38,091

A reconciliation of the above summarized financial information to the carrying amount of the investments in associates is shown below (amounts in thousands of PHP).

	<u>% Interest Held</u>		<u>Net Asset Value</u>		<u>Share in Net Asset</u>		<u>Carrying Value of Investments</u>
<b>2023</b>							
CMCI	10%	P	2,180,855	P	218,085	P	220,026
EDC	49%		20,819		<u>10,201</u>		<u>37,213</u>
Total					<u><b>P 228,286</b></u>		<u><b>P 257,239</b></u>
<b>2022</b>							
CMCI	10%	P	2,343,555	P	<u>234,555</u>	P	<u>231,296</u>

Management determined that the difference between the respective share in the net assets of the associates and the carrying amount of the investment in EDC and CMCI is not material to the consolidated financial statements.

As of December 31, 2023 and 2022, the Parent Company did not receive any dividends from its associates.

### ***11.2 Acquisition of Assets of Altria***

On December 26, 2012, pursuant to a memorandum of agreement dated December 17, 2012, the Parent Company acquired 100% ownership interest in Altria. Altria is a company incorporated in the Philippines and holds an investment property in the form of land. The registered office of Altria, which is also its principal place of business, is located at Coastal Road Bangiad, San Juan, Taytay, Rizal.

As of December 31, 2023 and 2022, Altria has no operations and its assets mainly pertain to the land where the Parent Company's precast and batching facilities are constructed (see Note 14). In accordance with Group's policy, the transaction is treated by the Group as an asset acquisition since the transaction does not constitute a business combination.

The purchase price upon acquisition was allocated among the following accounts based on their relative fair values:

Cash in bank	P 486,426
Bond deposits	1,500,958
Land	303,468,569
Accrued expenses	<u>(100,000)</u>
	<u><b>P 305,355,953</b></u>

Subsequent to the date of acquisition, any changes in the carrying value of the net assets acquired in the books of Altria, including the expenses incurred in administering the property (i.e, property taxes), shall be updated in the books of the Parent Company on a line-by-line basis, as if they are consolidated into a single entity. The difference shall be charged directly to profit or loss as part of Others – net account under the Income and Expenses section in the consolidated statements of income (see Note 25.3). The Parent Company charged P1.4 million, P1.5 million and P2.3 million in 2023, 2022 and 2021, respectively, to profit or loss to account for the expenses incurred by Altria, net of changes in cash in bank, bond deposits and accrued expenses.

### **11.3 Interest in Joint Ventures**

This account includes the carrying values of the following components, prior to the sale and deconsolidation of GMCAC in 2022.

Acquisition costs:	
MRTGC	P 58,324,000
SSPPC	<u>58,324,000</u>
	<u>116,648,000</u>
Equity share in net losses:	
Balance at beginning of year	( 68,928,226)
Equity in net loss for the year	<u>( 20,315,608)</u>
	<u>( 89,243,834)</u>
Effect of disposal of a subsidiary	<u>( 27,404,166)</u>
	<u><b>P -</b></u>

These joint ventures do not have any other comprehensive income or loss in 2022 and 2021.

GMCAC has 42% interest in MTRGC and SSPPC, which are primarily engaged in the set-up, operation and management of duty paid retail, food and beverage outlets and provision of related services thereto in the airport terminals (T1 and T2).

In 2022, as a result of the sale and deconsolidation of GMCAC, the carrying amount of the investment in joint ventures amounting to P27.4 million was derecognized from the Group's consolidated statement of financial position.

### **11.4 Interest in Joint Operations**

As discussed in Note 1.2(r), 1.2(s), 1.2(t), and 1.2(u), MGCJV shall undertake the construction works for the renovation and expansion of the MCI A Project in Cebu, MGCJVI shall undertake the construction works of the Clark Airport, HMDJV shall undertake the construction works of the Malolos-Clark Railway, while TTM-JV shall undertake the construction works of the Two Underground Stations (Ortigas North and Ortigas South) and Tunnels of Metro Manila Subway Project. The Parent Company's interests in MGCJV, MGCJVI, HMDJV and TTM-JV are accounted for as joint arrangement – joint operation, as such, the Parent Company accounts for its interest in the relevant assets, liabilities, revenues, and expenses of MGCJV, MGCJVI, HMDJV and TTM-JV.

The capital commitments of the joint operations are disclosed in Note 29.4.2

As of and for the years ended December 31, 2023 and 2022, the relevant financial information of the Group's interest in MGCJV, MGCJVI, HMDJV and TTM-JV which are included in the appropriate accounts in the Group's consolidated statements of financial position and consolidated statements of income are presented in the next page.

	<u>Before</u> <u>Elimination</u>	<u>Elimination</u>	<u>After</u> <u>Elimination</u>
<i>December 31, 2023</i>			
<i>Assets:</i>			
Cash and cash equivalents	P 1,465,203,181	P -	P 1,465,203,181
Trade and other receivables	1,660,260,512	-	1,660,260,512
Other current assets	427,964,824	-	427,964,824
Property, plant, and equipment – net	<u>89,739,417</u>	<u>-</u>	<u>89,739,417</u>
	<b><u>P 3,643,167,934</u></b>	<b><u>P -</u></b>	<b><u>P 3,643,167,934</u></b>
<i>Liabilities:</i>			
Trade and other payables	P 2,762,001,970	P -	P 2,762,001,970
Due to related parties	1,052,953	-	1,052,953
Other liabilities	<u>292,620,286</u>	<u>-</u>	<u>292,620,286</u>
	<b><u>P 3,055,675,209</u></b>	<b><u>P -</u></b>	<b><u>P 3,055,675,209</u></b>
<i>Revenues and Expenses:</i>			
Contract revenues	P 3,054,674,720	P -	P 3,054,674,720
Contract costs	( 2,786,337,472)	-	( 2,786,337,472)
Other operating expenses	( 13,650,491)	-	( 13,650,491)
Finance income	<u>76,174,848</u>	<u>-</u>	<u>76,174,848</u>
	<b><u>P 330,861,605</u></b>	<b><u>P -</u></b>	<b><u>P 330,861,605</u></b>
<i>December 31, 2022</i>			
<i>Assets:</i>			
Cash and cash equivalents	P 839,332,137	P -	P 839,332,137
Trade and other receivables	900,463,755	( 31,658,362)	868,805,393
Other current assets	1,363,930,141	-	1,363,930,141
Property, plant, and equipment – net	<u>98,397,517</u>	<u>-</u>	<u>98,397,517</u>
	<b><u>P 3,202,123,550</u></b>	<b><u>(P 31,658,362)</u></b>	<b><u>P 3,170,465,188</u></b>
<i>Liabilities:</i>			
Trade and other payables	P 1,333,719,347	P -	P 1,333,719,347
Due to related parties	1,291,021	-	1,291,021
Other liabilities	<u>204,126,853</u>	<u>-</u>	<u>204,126,853</u>
	<b><u>P 1,539,137,221</u></b>	<b><u>P -</u></b>	<b><u>P 1,539,137,221</u></b>
<i>Revenues and Expenses:</i>			
Contract revenues	P 1,788,109,336	P -	P 1,788,109,336
Contract costs	( 1,625,734,945)	-	( 1,625,734,945)
Other operating expenses	23,902,039	-	23,902,039
Finance income	<u>29,561,116</u>	<u>-</u>	<u>29,561,116</u>
	<b><u>P 215,837,546</u></b>	<b><u>P -</u></b>	<b><u>P 215,837,546</u></b>

## 12. OTHER ASSETS

This account is composed of the following:

	Notes	<u>2023</u>	<u>2022</u>
Current:			
Advances to contractors and suppliers	12.1	<b>P 8,334,686,068</b>	P 7,165,831,527
Prepaid taxes	12.4	<b>1,345,802,495</b>	825,300,844
Deferred input VAT	12.2	<b>590,050,596</b>	393,356,994
Input VAT	12.2	<b>453,492,959</b>	601,721,836
Deferred fulfilment costs - net	12.6	<b>335,684,686</b>	306,350,738
Prepaid insurance		<b>157,533,800</b>	64,343,994
Refundable security and bond deposits		<b>141,133,290</b>	179,839,066
Prepaid rent		<b>13,979,861</b>	14,731,784
Prepaid debt issuance cost	29.3.1	<b>13,135,255</b>	-
Deferred commission		<b>5,320,264</b>	-
Prepaid subscription		<b>982,976</b>	4,363,721
Miscellaneous		<b>21,631,219</b>	7,444,796
		<b><u>11,413,433,469</u></b>	<u>9,563,285,300</u>
Non-current:			
Deposits for condominium units	12.3	<b>233,837,468</b>	192,537,467
Refundable security deposits		<b>38,590,885</b>	36,950,951
Computer software license – net	12.5	<b>27,178,891</b>	33,251,614
Prepaid debt issuance cost	29.3.1	<b>22,007,046</b>	-
Deferred input VAT	12.2	<b>17,436,879</b>	38,050,273
Deferred commission		<b>15,592,268</b>	-
		<b><u>354,643,437</u></b>	<u>300,790,305</u>
		<b><u>P 11,768,076,906</u></b>	<u>P 9,864,075,605</u>

### 12.1 Advances to Contractors and Suppliers

Advances to contractors and suppliers pertain to down payments made by the Group based on a certain percentage of the contract price. The initial payment will eventually be recouped or deducted from the amount payable of the Group either in a pro-rated basis or in full once billed by the contractors and supplier. These advances are classified as current since it would be applied as payments for subcontractors. This also includes materials and supplies provided by the Group to subcontractors which will be deducted to the progress billings of the subcontractors upon installation. The risk of loss on these materials and supplies are borne by the subcontractors.

Impairment of advances to contractors and suppliers was assessed through determining the financial position of the contractors and suppliers on their capacity to comply according to their performance obligation. Despite the impact of COVID-19, the Group deemed the advances to be recouped by qualifying contractors and suppliers through their work progress as well as using outstanding liability of the Group to the contractors and suppliers as leverage.



## 12.2 Input VAT

Input VAT under other current assets pertains to the payment of VAT on purchases of services and goods that is recoverable within 12 months. Deferred input VAT pertains to the unamortized input VAT on purchases of capital goods exceeding P1.0 million.

Input VAT arising from the purchase of capital goods exceeding P1.0 million starting January 1, 2022 are not amortized. The related input VAT on purchase of capital goods exceeding P1.0 million shall be allowed as credit against output tax outright pursuant to Republic Act (R.A.) No. 10963, known as the *Tax Reform for Acceleration and Inclusion (TRAIN) Law*.

The balance of deferred input VAT non-current pertains to unamortized portion of purchases of capital goods exceeding P1.0 million prior to January 1, 2022.

## 12.3 Deposits for Condominium Units

Deposits for condominium units represent initial downpayments made for the purchase of condominium units. These will be reclassified to investment property upon execution of contract to sell and deed of sale.

## 12.4 Prepaid Taxes

Prepaid taxes pertain to the excess of quarterly income tax payments over the current tax due during the year and creditable withholding taxes.

## 12.5 Computer Software License

The details of this account are presented below.

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Cost	<b>P 166,108,499</b>	P 151,491,418	P 154,805,624
Accumulated amortization	<b>( 138,929,608)</b>	( 118,239,804)	( 115,021,711)
	<b><u>P 27,178,891</u></b>	<u>P 33,251,614</u>	<u>P 39,783,913</u>

In 2022, as a result of the sale and deconsolidation of GMCAC, the balance of computer software license amounting to P4.9 million was derecognized from the Group's 2022 consolidated statement of financial position.

A reconciliation of the carrying amounts of computer software license at the beginning and end of the reporting periods is shown below.

	<u>Notes</u>	<u>2023</u>	<u>2022</u>
Balance at beginning of year		<b>P 33,251,614</b>	P 39,783,913
Additions		<b>14,617,081</b>	25,076,061
Amortization expense			
for the year	23	<b>( 20,689,804)</b>	( 26,685,505)
Effect of disposal of a subsidiary	10	<u>-</u>	( 4,922,855)
Balance at end of year		<b><u>P 27,178,891</u></b>	<u>P 33,251,614</u>

The related amortization charges were recorded as part of Depreciation and amortization under Other Operating Expenses account in the consolidated statements of income [see Notes 10.2(e) and 23].

### 12.6 *Deferred Fulfilment Costs*

Deferred fulfilment costs pertain to costs that are directly related to a specific construction contract, generate or enhance resources that will be used to fulfill a performance obligation of the Group in the future, and are recoverable under the contract. Such costs include, but are not limited to, mobilization costs of equipment and labor, engineering and design costs, insurance and depreciation of equipment related to a specific contract.

The policy on initial and subsequent measurement of these deferred fulfilment costs is discussed in Note 2.10.

The movements of deferred fulfilment costs are shown below:

	Note	<u>2023</u>	<u>2022</u>
Balance at beginning of year		<b>P 634,955,943</b>	P 743,947,850
Additions		<b>33,780,530</b>	2,654,723
Amortization		<b>( 4,446,582)</b>	( 111,646,630)
		<b>664,289,891</b>	634,955,943
Allowance for impairment	25.3	<b>( 328,605,205)</b>	( 328,605,205)
Balance at end of year		<b><u>P 335,684,686</u></b>	<u>P 306,350,738</u>

As of December 31, 2023 and 2022, based on the Group's assessment, certain deferred fulfilment costs related to specific construction contracts have doubtful recoverability. In 2022, the Group recognized impairment losses amounting to P328.6 million which is presented as part of Impairment losses on non-financial assets under Others – net under Income and Expenses section in the 2022 consolidated statement of income (see Note 25.3). There was no additional impairment loss recognized in 2023.

## 13. CONCESSION ASSETS

Concession Agreement refers to the agreement entered into by the Parent Company and GIL with DOTr and MCIA by virtue of Revised Implementing Rules and Regulations of R.A. No. 6957, “*An Act Authorizing the Financing, Construction, Operation and Maintenance of Infrastructure Projects by the Private Sector and for Other Purposes*”, as amended by R.A. No. 7718 (referred to as the “*BOT Law*”). Under the said agreement, GMCAC was granted by DOTr and MCIA an exclusive right to design, develop, and undertake the MCIA Project; and, enjoy complete and uninterrupted possession of all movable and immovable assets for purposes of implementing the Project, whether tangible or intangible pertaining to concessionaire Operations and Maintenance (O&M) Facilities such as the existing assets, project land, assets produced, installed, built and created pursuant to the Concession Agreement, commercial assets, among others, (collectively referred as Project Assets) [see Note 1.2(a)]. The Concession Agreement is for a period of 25 years commencing on O&M start date unless further extended pursuant to the Concession Agreement.

The MCIA Project comprises the following undertaking:

- Construction of Terminal 2 (T2), along with all Associated Facilities;
- Renovation and expansion, but not the demolition of Terminal 1 (T1) and Associated Facilities;
- Complete reconstruction of T2 Apron;
- Capacity augmentation;
- Development of commercial assets; and,
- Operation and maintenance of the concessionaire O&M facilities and commercial assets.

The cost of concession assets includes upfront fees, which pertain mainly to the bid premium paid by GMCAC to the Philippine Government for the MCIA Project, and cost of airport infrastructure which pertains mainly to the design and renovation of passenger terminals and development works of the MCIA Project.

In 2022 and 2021, additions to concession assets amounted to P730.8 million and P625.3 million, respectively. Amortization of the concession assets amounted to P220.6 million and P50.1 million in 2022 and 2021, respectively, and is presented part of Cost of airport operations under Discontinued Operations section in the statements of income [see Note 10.2(c)].

In 2022, as a result of the sale and deconsolidation of GMCAC, the carrying amount of the Concession Assets amounting to P31,014.0 million was derecognized from the Group's 2022 consolidated statement of financial position.

#### 14. PROPERTY, PLANT AND EQUIPMENT

The gross carrying amounts and accumulated depreciation at the beginning and end of December 31, 2023, 2022, and 2021 are shown below.

	Land	Building	Precast Factory	Office Furniture, Fixture and Equipment	Transportation Equipment	Precast and Construction Equipment	Construction in Progress	Right of Use Assets (see Note 16)	Total
December 31, 2023									
Cost	P1,523,642,836	P 501,428,345	P 959,445,657	P1,174,188,914	P 1,026,946,404	P 7,673,082,690	P 1,388,139,720	P1,047,300,454	P15,294,175,020
Accumulated depreciation	-	( 230,496,587)	( 487,134,695)	( 939,039,664)	( 858,974,049)	( 5,976,604,724)	-	( 524,305,787)	( 9,016,555,506)
Net carrying amount	<u>P1,523,642,836</u>	<u>P 270,931,758</u>	<u>P 472,310,962</u>	<u>P 235,149,250</u>	<u>P 167,972,355</u>	<u>P 1,696,477,966</u>	<u>P 1,388,139,720</u>	<u>P 522,994,667</u>	<u>P 6,277,619,514</u>
December 31, 2022									
Cost	P1,395,942,836	P 494,726,377	P 953,278,581	P1,057,172,869	P 990,534,022	P 7,574,498,192	P 985,949,946	P1,134,711,679	P14,586,814,502
Accumulated depreciation	-	( 192,163,927)	( 428,697,792)	( 752,397,094)	( 738,974,984)	( 5,231,178,414)	-	( 509,378,798)	( 7,852,791,009)
Net carrying amount	<u>P1,395,942,836</u>	<u>P 302,562,450</u>	<u>P 524,580,789</u>	<u>P 304,775,775</u>	<u>P 251,559,038</u>	<u>P 2,343,319,778</u>	<u>P 985,949,946</u>	<u>P 625,332,881</u>	<u>P 6,734,023,493</u>
December 31, 2021									
Cost	P 994,081,255	P 507,066,792	P 941,719,545	P 950,957,136	P 938,470,789	P7,921,789,256	P 749,563,344	P1,034,765,485	P14,038,413,602
Accumulated depreciation	-	( 169,052,251)	( 362,704,584)	( 797,714,371)	( 659,693,534)	( 4,482,579,201)	-	( 399,802,319)	( 6,871,546,260)
Net carrying amount	<u>P 994,081,255</u>	<u>P 338,014,541</u>	<u>P 579,014,961</u>	<u>P 153,242,765</u>	<u>P 278,777,255</u>	<u>P3,439,210,055</u>	<u>P 749,563,344</u>	<u>P 634,963,166</u>	<u>P 7,166,867,342</u>

A reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of 2023, 2022, and 2021 is shown below.

	<u>Land</u>	<u>Building</u>	<u>Precast Factory</u>	<u>Office Furniture, Fixture and Equipment</u>	<u>Transportation Equipment</u>	<u>Precast and Construction Equipment</u>	<u>Construction in Progress</u>	<u>Right of Use Asset (see Note 16)</u>	<u>Total</u>
Balance at January 1, 2023, net of accumulated depreciation	P 1,395,942,836	P 302,562,450	P 524,580,789	P304,775,775	P 251,559,038	P2,343,319,778	P 985,949,946	P 625,332,881	P6,734,023,493
Additions	127,700,000	6,266,216	6,167,076	84,169,487	26,426,488	167,715,985	402,189,774	23,807,414	844,442,440
Disposals	-	-	-	-	( 1,240,441)	( 25,723,031)	-	-	( 26,963,472)
Pre-termination	-	-	-	-	-	-	-	( 36,735,903)	( 36,735,903)
Effect of consolidation of subsidiaries	-	-	-	23,427,723	263,017	-	-	9,312,106	33,002,846
Depreciation charges for the year	-	( 37,896,908)	( 58,436,903)	( 177,223,735)	( 109,035,747)	( 788,834,766)	-	( 98,721,831)	( 1,270,149,890)
Balance at December 31, 2023, net of accumulated depreciation	<b><u>P 1,523,642,836</u></b>	<b><u>P 270,931,758</u></b>	<b><u>P 472,310,962</u></b>	<b><u>P 235,149,250</u></b>	<b><u>P 167,972,355</u></b>	<b><u>P 1,696,477,966</u></b>	<b><u>P 1,388,139,720</u></b>	<b><u>P 522,994,667</u></b>	<b><u>P 6,277,619,514</u></b>
Balance at January 1, 2022, net of accumulated depreciation	P 994,081,255	P 338,014,541	P 579,014,961	P153,242,765	P 278,777,255	P3,439,210,055	P 749,563,344	P 634,963,166	P7,166,867,342
Additions	401,861,581	808,027	11,559,036	72,793,533	95,382,089	189,640,143	312,642,225	112,966,905	1,197,653,539
Disposals	-	( 5,281,728)	-	( 399,225)	( 1,986,716)	( 17,921,793)	( 76,255,623)	-	( 101,845,085)
Reclassification	-	12,081,243	-	450,063,459	-	( 462,144,702)	-	-	-
Effect of sale of subsidiaries	-	( 5,611,311)	-	( 148,556,927)	( 25,051,867)	( 1,785,714)	-	( 3,405,389)	( 184,411,208)
Depreciation charges for the year	-	( 37,448,322)	( 65,993,208)	( 222,367,830)	( 95,561,723)	( 803,678,211)	-	( 119,191,801)	( 1,344,241,095)
Balance at December 31, 2022, net of accumulated depreciation	<b><u>P 1,395,942,836</u></b>	<b><u>P 302,562,450</u></b>	<b><u>P 524,580,789</u></b>	<b><u>P 304,775,775</u></b>	<b><u>P 251,559,038</u></b>	<b><u>P 2,343,319,778</u></b>	<b><u>P 985,949,946</u></b>	<b><u>P 625,332,881</u></b>	<b><u>P 6,734,023,493</u></b>
Balance at January 1, 2021, net of accumulated depreciation	P 994,061,255	P 372,436,118	P 406,846,993	P240,059,638	P 298,883,167	P 3,922,979,557	P 396,213,893	P 608,380,974	P7,239,861,595
Additions	20,000	7,255,043	67,614,416	137,116,782	107,848,715	151,313,091	619,846,870	187,575,152	1,278,590,069
Disposals	-	-	-	( 396,854)	( 29,045,197)	( 18,287,460)	( 13,147,930)	( 926,423)	( 61,803,864)
Reclassification	-	-	190,544,803	-	-	62,804,686	( 253,349,489)	-	-
Depreciation charges for the year	-	( 41,676,620)	( 85,991,251)	( 223,536,801)	( 98,909,430)	( 679,599,819)	-	( 160,066,537)	( 1,289,780,458)
Balance at December 31, 2021, net of accumulated depreciation	<b><u>P 994,081,255</u></b>	<b><u>P 338,014,541</u></b>	<b><u>P 579,014,961</u></b>	<b><u>P 153,242,765</u></b>	<b><u>P 278,777,255</u></b>	<b><u>P 3,439,210,055</u></b>	<b><u>P 749,563,344</u></b>	<b><u>P 634,963,166</u></b>	<b><u>P 7,166,867,342</u></b>

Construction in progress pertains to accumulated costs incurred in constructing a new precast warehouse, workers' barracks and logistics department facility which are located in Taytay, Rizal.

In 2023, 2022 and 2021, certain property, plant and equipment were sold for P35.0 million, P105.3 million and P86.1 million, respectively. As a result, the Group recognized gains amounting to P8.0 million, P3.4 million, and P24.3 million in 2023, 2022 and 2021, respectively, and are presented as Gain on disposals of property and equipment as part of Others – net under Income and Expenses section in the consolidated statements of income (see Note 25.3).

Depreciation expense is charged to the following accounts in the consolidated statements of income:

	<u>Notes</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contract costs	22.1	<b><u>P 1,072,674,779</u></b>	P 1,100,085,666	P 1,006,018,603
Cost of landport operations	22.2	<b><u>101,978,627</u></b>	109,468,007	105,768,446
Other operating expenses	23	<b><u>95,496,484</u></b>	<b><u>134,687,422</u></b>	<b><u>177,993,409</u></b>
		<b><u>P 1,270,149,890</u></b>	<b><u>P 1,344,241,095</u></b>	<b><u>P 1,289,780,458</u></b>

## 15. INVESTMENT PROPERTIES

The gross carrying amounts and the accumulated depreciation of investment properties at the beginning and end of the reporting periods are shown below.

	<u>Land</u>	<u>Commercial Area</u>	<u>Construction in Progress</u>	<u>Total</u>
December 31, 2023				
Cost	P 993,128,189	P 4,334,450,080	P -	P 5,327,578,269
Accumulated depreciation	-	( 508,726,443 )	-	( 508,726,443 )
Net carrying amount	<u>P 993,128,189</u>	<u>P 3,825,723,637</u>	<u>P -</u>	<u>P 4,818,851,826</u>
December 31, 2022				
Cost	P 775,959,455	P 4,162,976,628	P 145,743,580	P 5,084,679,663
Accumulated depreciation	-	( 385,608,189 )	-	( 385,608,189 )
Net carrying amount	<u>P 775,959,455</u>	<u>P 3,777,368,439</u>	<u>P 145,743,580</u>	<u>P 4,699,071,474</u>
December 31, 2021				
Cost	P 530,896,780	P 4,080,436,904	P 145,743,580	P 4,757,077,264
Accumulated depreciation	-	( 263,733,450 )	-	( 263,733,450 )
Net carrying amount	<u>P 530,896,780</u>	<u>P 3,816,703,454</u>	<u>P 145,743,580</u>	<u>P 4,493,343,814</u>

A reconciliation of the carrying amounts of investment property at the beginning and end of the reporting periods is shown below and in the succeeding page.

	<u>Land</u>	<u>Commercial Area</u>	<u>Construction in Progress</u>	<u>Total</u>
Balance as of January 1, 2023, net of accumulated depreciation and amortization	P 775,959,455	P 3,777,368,439	P 145,743,580	P 4,699,071,474
Additions	217,168,734	25,729,872	-	242,898,606
Reclassification	-	145,743,580	( 145,743,580 )	-
Depreciation and amortization	-	( 123,118,254 )	-	( 123,118,254 )
Balance at December 31, 2023	<u>P 993,128,189</u>	<u>P 3,825,723,637</u>	<u>P -</u>	<u>P 4,818,851,826</u>
Balance as of January 1, 2022, net of accumulated depreciation and amortization	P 530,896,780	P 3,816,703,454	P 145,743,580	P 4,493,343,814
Additions	245,062,675	82,539,723	-	327,602,398
Depreciation and amortization	-	( 121,874,738 )	-	( 121,874,738 )
Balance at December 31, 2022	<u>P 775,959,455</u>	<u>P 3,777,368,439</u>	<u>P 145,743,580</u>	<u>P 4,699,071,474</u>

	<u>Land</u>	<u>Commercial Area</u>	<u>Construction in Progress</u>	<u>Total</u>
Balance as of January 1, 2021, net of accumulated depreciation and amortization	P 502,509,171	P 3,618,385,194	P 257,486,729	P 4,378,381,094
Additions	28,387,609	55,096,826	145,743,580	229,228,015
Reclassifications	-	257,486,729	( 257,486,729)	-
Depreciation and amortization	-	( 114,265,295)	-	( 114,265,295)
Balance at December 31, 2021	<u>P 530,896,780</u>	<u>P 3,816,703,454</u>	<u>P 145,743,580</u>	<u>P 4,493,343,814</u>

Investment properties account includes parcels of land that are not used by the Group for administrative and supply of goods or services of the business and only held for capital appreciation. Based on management's assessment, the carrying amounts of these assets are fully recoverable, hence, no impairment loss is required in both years. The fair value these assets as of December 31, 2023 and 2022 amounted to P1,915.9 million (see Note 33.5).

As discussed in Note 3.1(d), MWMTI was granted an exclusive right and obligation under the Concession Agreement. Relative to the arrangement, MWMTI incurred costs necessary to construct the facility. The separately identifiable accumulated costs incurred in the development of the PITX Project are allocated based on development and implementation plan for the landport and commercial areas. Any change in the allocation arising from the necessary revisions in the implementation plan is accounted for prospectively in the consolidated financial statements. The Group determined that the component with respect to commercial area of PITX Project is not within the scope of Philippine Interpretation of IFRIC 12, and therefore shall be accounted for using the applicable accounting standard based on the purpose and current use of the assets; hence, were recognized under PAS 40, as these assets are held to earn rentals.

The allocation of cost as of the end of the reporting periods are as follows:

	<u>2023</u>	<u>2022</u>
Landport area (see Note 9)	<b>P 692,732,257</b>	P 597,500,531
Commercial area	<b><u>3,825,723,637</u></b>	<u>3,777,368,439</u>
	<b><u>P4,518,455,894</u></b>	<u>P4,374,868,970</u>

Costs incurred for the landport area are presented as part of Contract Assets account in the consolidated statements of financial position (see Note 9). Contract assets in relation to the landport area is recognized to the extent of actual cost incurred for the period. Meanwhile, costs incurred for the commercial area are presented as part of Investment Properties in the consolidated statements of financial position.

In March 2019, the Group started to depreciate the investment property using straight-line method as the asset is already readily available for its intended use. Depreciation is computed over the concession period of 33 years.

Rental revenues recognized in 2023, 2022 and 2021 amounted to P252.5 million, P171.0 million and P715.0 million, respectively, and are presented as part of Landport Operations account under the Revenues section of the consolidated statements of income (see Note 21.2). Depreciation charges substantially represent the direct costs in leasing these properties. Other operating costs in leasing these properties include Real property taxes amounting to P78.3 million, P106.0 million, and P119.4 million in 2023, 2022, and 2021, respectively, and Repairs and maintenance amounting to P6.1 million, P12.0 million, and P14.7 million in 2023, 2022, and 2021, respectively. Real property taxes is included as part of Taxes and licenses while Repairs and maintenance is presented under Repairs and maintenance under Other Operating Expenses in the consolidated statements of income (see Note 23).

As of December 31, 2023 and 2022, the fair value of the Commercial area amounted to P3,985.2 million and P3,581.2 million, respectively (see Note 33.5).

## 16. LEASES

The Group has leases for parcel of land, construction equipment and transportation equipment. With the exception of short-term leases and leases of low-value underlying assets, each right-of-use asset and lease liability from leases are reflected on the consolidated statements of financial position as part of property, plant and equipment and interest-bearing loans and borrowings, respectively. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and asset.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to purchase the underlying lease asset outright at the end of the lease, or to extend the lease for a further term. The Group is prohibited from selling or pledging the underlying leased assets as security. For leases over warehouses and offices, the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Group must ensure the leased assets and incur maintenance fees on such items in accordance with the lease contracts.

The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognized in the consolidated statements of financial position.

	<u>Number of right-of-use assets leased</u>	<u>Range of remaining term</u>	<u>Number of average remaining lease term</u>	<u>Number of leases with extension options</u>	<u>Number of leases with options to purchase</u>	<u>Number of leases with termination options</u>
<b>2023:</b>						
Transportation equipment	209	1 – 5 years	2 years	-	53	-
Precast and construction equipment	169	1 – 5 years	2 years	-	55	-
Parcel of land	1	4 years	2 years	-	-	-
<b>2022:</b>						
Transportation equipment	204	1 – 5 years	2 years	-	49	-
Precast and construction equipment	168	1 – 5 years	3 years	-	54	-
Parcel of land	1	4 years	3 years	-	-	-

### 16.1 Right-of-use Assets

The carrying amounts of the Group's right-of-use assets (see Note 14) as at December 31, 2023, 2022, and 2021 and the movements during the periods are shown below.

	<u>Land</u>	<u>Precast and Construction Equipment</u>	<u>Transportation Equipment</u>	<u>Total</u>
Balance at January 1, 2023	P 33,981,877	P 483,852,652	P 107,498,352	P 625,332,881
Additions	-	570,808	23,236,606	23,807,414
Pre-termination	-	( 36,735,903)	-	( 36,735,903)
Effect of sale of subsidiaries	-	-	9,312,106	9,312,106
Depreciation and amortization	( 16,990,938)	( 56,700,723)	( 25,030,170)	( 98,721,831)
Balance at December 31, 2023	<b><u>P 16,990,939</u></b>	<b><u>P 390,986,834</u></b>	<b><u>P 115,016,894</u></b>	<b><u>P 522,994,667</u></b>
Balance at January 1, 2022	P 50,972,815	P 456,854,097	P 127,136,254	P 634,963,166
Additions	-	101,437,500	11,529,405	112,966,905
Effect of disposal of subsidiaries	-	-	( 3,405,389)	( 3,405,389)
Depreciation and amortization	( 16,990,938)	( 74,438,945)	( 27,761,918)	( 119,191,801)
Balance at December 31, 2022	<b><u>P 33,981,877</u></b>	<b><u>P 483,852,652</u></b>	<b><u>P 107,498,352</u></b>	<b><u>P 625,332,881</u></b>
Balance at January 1, 2021	P -	P 440,424,375	P 167,956,599	P 608,380,974
Additions	67,963,753	118,058,865	1,552,534	187,575,152
Disposals	-	-	( 926,423)	( 926,423)
Depreciation and amortization	( 16,990,938)	( 101,629,143)	( 41,446,456)	( 160,066,537)
Balance at December 31, 2021	<b><u>P 50,972,815</u></b>	<b><u>P 456,854,097</u></b>	<b><u>P 127,136,254</u></b>	<b><u>P 634,963,166</u></b>

### 16.2 Lease Liabilities

Lease liabilities are presented in the consolidated statements of financial position as part of Interest-bearing Loans and Borrowings (see Note 18) as at December 31, 2023 and 2022 as follows:

	<u>2023</u>	<u>2022</u>
Current	<b><u>P 124,425,289</u></b>	P 182,832,962
Non-current	<b><u>45,161,433</u></b>	<u>98,986,265</u>
	<b><u>P 169,586,722</u></b>	<b><u>P 281,819,227</u></b>

The use of extension and termination options gives the Group added flexibility in the event it has identified more suitable premises in terms of cost and/or location or determined that it is advantageous to remain in a location beyond the original lease term. An option is only exercised when consistent with the Group's business strategy and the economic benefits of exercising the option exceeds the expected overall cost.

As of December 31, 2023, and 2022, the Group has not committed to any leases which had not commenced.



### **16.3 Lease Payments Not Recognized as Liabilities**

The Group has elected not to recognize a lease liability for short-term leases or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognized as lease liabilities and are expensed as incurred.

The expenses pertaining to short-term leases and low-value assets amounted to P66.4 million, P63.7 million and P50.3 million in 2023, 2022 and 2021, respectively, and is as Rentals under Other Operating Expenses in the consolidated statements of income (see Note 23). Rentals amounting to P9.3 million and P6.6 million in 2022 and 2021, respectively, is presented as part of Other operating expenses under Discontinued Operations section in the consolidated statements of income [see Note 10.2(e)].

### **16.4 Additional Profit or Loss and Cash Flow Information**

The total cash outflow in respect of leases amounted to P107.7 million, P296.8 million and P254.5 million in 2023, 2022 and 2021, respectively, and is presented as part of Repayment of Loans and Borrowings in the consolidated statements of cash flows (see Note 34). Interest expense in relation to lease liabilities amounted to P28.6 million, P37.3 million and P45.0 million in 2023, 2022 and 2021, respectively, and is presented as part of Finance costs under Income and Expenses section in the consolidated statements of income (see Note 25.1).

The lease liabilities are secured by the related underlying assets. The maturity analysis of lease liabilities as at December 31, 2023, 2022 and 2021 is as follows:

	Note	<u>2023</u>	<u>2022</u>	<u>2021</u>
Within one year	P	<b>151,099,807</b>	P 203,589,207	P 248,374,420
One to two years		<b>39,505,947</b>	74,683,304	169,959,559
Two to three years		<b>18,093,997</b>	25,054,940	84,711,884
Three to four years		<b>18,439,337</b>	11,370,394	8,765,243
Four to five years		<b>15,160,222</b>	1,147,381	-
	23	<b><u>P 242,299,310</u></b>	<b><u>P 315,845,226</u></b>	<b><u>P 511,811,106</u></b>

## 17. TRADE AND OTHER PAYABLES

This account consists of the following:

	Notes	<u>2023</u>	<u>2022</u>
Trade payables		<b>P 1,303,943,480</b>	P 2,945,348,221
Retention payable		<b>2,324,103,239</b>	1,989,492,062
Reservation deposits		<b>369,930,983</b>	-
Interest payable	18.4	<b>208,484,648</b>	166,339,365
Due to related parties	28.4	<b>144,637,225</b>	51,046,821
Accrued expenses		<b>124,131,302</b>	83,040,832
Security deposits	20	<b>40,191,076</b>	66,767,236
Others		<b><u>138,107,034</u></b>	<u>30,703,414</u>
		<b><u>P 4,653,528,987</u></b>	<b><u>P 5,332,737,951</u></b>

Retention payable pertains to amounts withheld from payments made to subcontractors to ensure compliance and completion of contracted projects ranging from 5% to 10% of every billing made by the contractor. Upon completion of the subcontracted projects, the amounts are returned to the subcontractors.

Reservation deposits pertain to the payments received from the buyers of condominium units which have not yet reached the collection threshold for revenue recognition (see Note 2.10).

Accrued expenses include mainly unpaid utilities.

Others include accrued salaries and other non-trade payables.

## 18. INTEREST-BEARING LOANS AND BORROWINGS

The details of short-term and long-term interest-bearing loans and borrowings are as follows:

	Notes	<u>2023</u>	<u>2022</u>
Current:			
Bank loans	18.2, 29.3	<b>P 17,391,402,346</b>	P 14,524,968,586
Notes payable	18.1, 29.3	<b>3,528,000,000</b>	-
Lease liabilities	16.2	<b><u>124,425,289</u></b>	<u>182,832,962</u>
		<b><u>21,043,827,635</u></b>	<u>14,707,801,548</u>
Non-current:			
Notes payable	18.1, 29.3	<b>1,860,000,000</b>	5,444,000,000
Bonds payable	18.3	<b>3,953,869,786</b>	3,940,233,693
Bank loans	18.2, 29.3	<b>3,699,144,708</b>	3,588,000,000
Lease liabilities	16.2	<b><u>45,161,434</u></b>	<u>98,986,265</u>
		<b><u>9,558,175,928</u></b>	<u>13,071,219,958</u>
		<b><u>P 30,602,003,563</u></b>	<b><u>P 27,779,021,506</u></b>

### 18.1 Notes Payable

#### (a) 2013 Notes Facility

On February 19, 2013, the Parent Company executed a notes facility agreement with a local universal bank. In this agreement, the Parent Company desired to offer and issue fixed-rate corporate notes in the aggregate principal amount of P4,000.0 million. The net proceeds of the notes after deducting direct issue costs, such as underwriting fees and commissions, documentary stamp tax and other expenses associated with the issuance, amounted to P3,957.3 million.

The notes constitute direct, unconditional, unsubordinated, general and unsecured obligation ranking at least pari passu with all other present and future direct, unconditional, unsubordinated and unsecured obligations of the Parent Company.

The notes are issued in three tranches with terms of five to ten years and interest rates referring to Philippine Dealing System Treasury (PDST) Fixing rates plus an interest spread of 1.5% to 1.75%. As at December 31, 2022, the notes were fully settled.

The Parent Company had complied with all the debt covenants set forth in the notes facility agreement.

#### (b) 2016 Various Notes Facility

In 2016, the Parent Company entered into various notes facility arrangement with a local bank to refinance the corporate note issued in 2011 and to finance its capital expenditure and general corporate requirements.

The notes constitute direct, unconditional, unsubordinated, general and unsecured obligation ranking at least pari passu with all other present and future direct, unconditional, unsubordinated and unsecured obligations of the Parent Company.

The notes are issued with the following details:

<u>Date Issued</u>	<u>Principal</u>	<u>Term in years</u>	<u>Interest Rate</u>
September 16, 2016	P 650,000,000	10	5.50%
December 05, 2016	350,000,000	10	6.37%
December 16, 2016	<u>1,000,000,000</u>	10	6.37%
	<b><u>P 2,000,000,000</u></b>		

These 10-year corporate notes bear an interest rate based on the closing per annum rates of a ten (10)-year PDST-R2 rate on the PDS Group website plus a certain spread. The Parent Company has to maintain a debt-to-equity ratio of not more than 2.33 and a debt service coverage ratio of at least 1.1.

On August 10, 2017, the Parent Company sent a letter to the bank requesting the waiver of one of the loan negative covenants that prohibits the stockholdings of Citicore in the Parent Company to fall below 51% or enter into profit sharing, partnership or joint venture whereby its profits are shared with any other person that may have a material adverse effect (see Note 1.1). In September 2017, the request was granted by the bank.

As of December 31, 2023 and 2022, the Parent Company has complied with all the debt covenants set forth in the notes facility agreement.

*(c) 2020 Various Notes Facility*

On February 19, 2020, the Parent Company signed a P5,000.0 million corporate note facility, the proceeds of which will be used by the Parent Company to (a) retire maturing debt obligations, (b) to fund growth projects, and (c) for general corporate purposes.

The notes constitute direct, unconditional, unsubordinated, general and unsecured obligation ranking at least pari passu with all other present and future direct, unconditional, unsubordinated and unsecured obligations of the Parent Company.

The notes will be issued in five tranches as follows:

	<u>Principal</u>
Tranche A	P 3,600,000,000
Tranche B	350,000,000
Tranche C	350,000,000
Tranche D	350,000,000
Tranche E	<u>350,000,000</u>
	<b><u>P 5,000,000,000</u></b>

These 4.5-year corporate notes bear a fixed interest rate based on the closing per annum rates of a 4.5-year PHP BVAL reference rate on the PDS Group website plus a certain spread, subject to a floor rate of 5%. The Parent Company has to maintain a debt-to-equity ratio of not more than 2.33 and a debt service coverage ratio of at least 1.10. Debt pertains to all interest-bearing loans and borrowing.

As of December 31, 2023 and 2022, the carrying amount of all the corporate notes are P5,388.0 million and P5,444.0 million, respectively.

The total interest on these notes payable amounted to P316.4 million, P347.3 million and P328.5 million in 2023, 2022 and 2021, respectively, and is as Interest expense from notes payable under Finance Costs account (see Note 25.1). Unpaid interest as of December 31, 2023 and 2022 amounting to P29.8 million and P31.9 million, respectively is presented as part of Interest payable under Trade and Other Payables account in the consolidated statements of financial position (see Note 17).

The Parent Company is in compliance with all covenants required to be observed under the loan facility agreement as of December 31, 2023 and 2022.

## **18.2 Bank Loans**

### *(a) Omnibus Loan and Security Agreement – December 17, 2014*

On December 17, 2014, GMCAC entered into a P20,000.0 million (which at GMCAC's option may be increased up to P23,300.0 million) OLSA with various local universal banks, as onshore lenders. On January 26, 2015, the parties amended the facility to include another universal bank as offshore lender to contribute US \$75.0 million (or equivalent to P3,500.0 million) into the facility. On June 22, 2018, GMCAC amended the Amended and Restated OLSA increasing the facility by P870.0 million. The additional loan facility will be used to finance the investment related to the Fuel Hydrant System Infrastructure.

The facility had an original term of 15 years, the repayment of which starts in 2019 and shall continue every year thereafter until 2030; and, interest requirements that are payable annually. In 2021, GMCAC renegotiated the terms of its loan agreements with its lenders.

The modifications in the contractual cash flows are not substantial and therefore did not result in the derecognition of the affected financial liabilities. In 2021, total modification gain recognized a result of these modifications amounted to P207.8 million and is presented under Others – net under Discontinued Operations section in the 2021 consolidated statement of income (see Note 10.2).

GMCAC was in compliance with all covenants required to be observed based on the terms of the loan as of December 31, 2021.

In order to hedge the interest rate exposure on this floating rate US dollar-denominated loan, GMCAC entered into an interest rate swap transaction. Prior to the sale and deconsolidation of GMCAC, the derivative liability amounted to P98.1 million. Unrealized gain from changes in the fair value of the interest rate swap amounting to P43.2 million and P78.6 million in 2022 and 2021, is presented as part of Others – net under Discontinued Operations section in the consolidated statements of income.

Total interest on these loans recognized as expense, including the amortization of debt issue costs, amounted to P1,320.9 million and P1,059.0 million in 2022 and 2021, respectively, and is presented as part of Others – net under Discontinued Operations section in the consolidated statements of income [see Note 10.2(f)(i)]. Capitalized borrowings amounted to P719.0 million prior to the sale and deconsolidation of GMCAC at a capitalization rate of 4.99%.

In 2022, as a result of the sale and deconsolidation of GMCAC, the outstanding balance of the loan amounting to P25,702.2 million was derecognized from the Group's 2022 consolidated statement of financial position (see Note 10).

*(b) OLSA for PITX project*

In 2015, MWMTI entered into an Omnibus Loan and Security Agreement (OLSA) with a local universal bank for a loan facility amounting to P3,300.0 million to finance the construction of the ITS Project. In 2019, MWMTI requested the lender to increase the loan by P600.0 million making the total principal loan to P3,900.0 million. In 2017, MWMTI made its first drawdown amounting to P825.0 million while the remaining loan facility was fully drawn in 2019 in tranches amounting to P3,075.0 million. The loan principal shall be amortized quarterly over 15 years and the first principal repayment is due on January 16, 2021. The interest-bearing loan is secured by the Joint Venturers and bears annual interest rates ranging from 4.9% to 7.6%, 2.8% to 6.9%, and 3.55% in 2023, 2022, and 2021, respectively.

The interest-bearing loan requires the MWMTI to maintain a maximum debt-to-equity ratio of 70:30. In addition, the MWMTI is also required to observe at all times until full payment of the loan a debt service coverage ratio of at least 1.25.

In 2023 and 2022, MWMTI complied with all affirmative and negative covenants indicated in the OLSA.

Total interest expense on these loans, including the amortization of debt issue costs, amounted to P254.4 million, P143.7 million, and P138.0 million in 2023, 2022 and 2021, respectively, and is presented as part of Interest expense from bank loans under Finance costs under Income and Expenses section in the consolidated statements of income (see Note 25.1). Total accrued interest amounting to P54.7 million and P28.7 million as of December 31, 2023 and 2022, respectively, is presented as part of Interest payable under Trade and Other Payables in the consolidated statements of financial position (see Note 17).

The current portion of the bank loans of MWMTI as of December 31, 2023 and 2022 amounted to P195.0 million and P136.5 million, while the non-current portion amounted to P3,393.0 million and P3,588.0 million, respectively.

*(c) Other Bank Loans*

As a result of acquisition of PH1, the Group recognized bank loans amounting to P508.5 million (see Note 7). Subsequent to the acquisition, the PH1 obtained additional bank loans amounting to P400.0 million in 2023.

As of December 31, 2023 and 2022, the Group obtained various bank loans with total outstanding balance of P17,502.5 million and P14,388.5, respectively, representing unsecured short-term loans from other local banks. The loans bear fixed average annual interest rates of 6% in 2023 and 2022.

Total interest on these bank loans amounted to P928.3 million, P804.9 million and P635.9 million in 2023, 2022 and 2021, respectively, and is presented as part of Interest expense from bank loans under Finance costs under Income and Expenses section in the consolidated statements of income (see Note 25.1). The unpaid portion of these interest amounted to P110.4 million and P67.9 million as of December 31, 2023 and 2022, respectively, and is presented as part of Interest payable under Trade and Other Payables account in the consolidated statements of financial position (see Note 17).

### **18.3 Bonds Payable**

On August 17, 2022, the Parent Company listed fixed-rate bonds in the total amount of P4,000.0 million, inclusive of the P1,000.0 million oversubscription option, with the Philippine Dealing & Exchange Corp. The Fixed-Rate Bonds consists of Series A (P1.6 billion maturing in three years and six months from issue date at rate of 6.9506%) and Series B (P2.4 billion maturing in five years from issue date a rate of 7.9663%).

The net proceeds of the fixed-rate bonds shall be used by the Parent Company primarily to refinance its short-term debts, fund its capital expenditures and other general corporate requirements. The bonds require the Parent Company to maintain a debt-to equity ratio of not more than 2.33 and a debt service coverage ratio of not less than 1.10.

As of December 31, 2023 and 2022, the Parent Company is in compliance with these covenants.

Bond issue cost capitalized as part of the bonds amounted to P64.6 million. As of December 31, 2023 and 2022, amortization amounted to P13.6 million and P4.9 million while its net carrying value amounted to P46.1 million and P59.8 million, respectively. Total interest on these bonds payable amounted to P316.0 million and P118.3 million in 2023 and 2022 and is presented part of Interest expense from bank loans under Finance costs under Income and Expenses section in the consolidated statements of income (see Note 25.1). Unpaid interest as of December 31, 2023 and 2022 amounting to P13.6 million and P37.8 million is presented as Interest payable under Trade and Other Payables account in the consolidated statements of financial position (see Note 17).

### **18.4 Finance Cost, Events of Default and Covenant Compliance**

Total interest on interest-bearing loans and borrowings amounted to P1,815.1 million, P1,414.1 million and P1,102.4 million in 2023, 2022 and 2021, respectively, and is presented as Interest expense from bank loans, notes payable and bonds payable under Finance Costs account in the consolidated statements of income (see Note 25.1). Unpaid interest as of December 31, 2023 and 2022 amounting to P208.5 million and P166.3 million, respectively and is presented as Interest payable under Trade and Other Payables account in the consolidated statements of financial position (see Note 17).

The Group is in compliance with all covenants required to be observed under the loan facility agreements.

## **19. CONTRACT LIABILITIES**

The breakdown of contract liabilities is as follows:

	<u>2023</u>	<u>2022</u>
Construction contracts	<b>P 5,080,265,478</b>	P 4,995,512,317
Real estate sales	<b>195,098,005</b>	-
	<b><u>P 5,275,363,483</u></b>	<b><u>P 4,995,512,317</u></b>

These are presented and classified in the consolidated statements of financial position as at December 31 as follows:

	<u>2023</u>	<u>2022</u>
Current	<b>P 4,901,660,540</b>	P 3,590,333,090
Non-current	<u>373,702,943</u>	<u>1,405,179,227</u>
	<b><u>P 5,275,363,483</u></b>	<b><u>P 4,995,512,317</u></b>

The significant changes in the contract liabilities balances during the reporting periods are as follows:

	<u>2023</u>	<u>2022</u>
Balance at beginning of year	<b>P 4,995,512,317</b>	P 5,759,391,320
Increase due to billings excluding amount recognized as revenue during the year	<b>4,007,630,723</b>	3,608,178,155
Revenue recognized that was included in contract liability at the beginning of the year	<b>( 3,904,142,791)</b>	( 4,541,087,798)
Effect of consolidation of subsidiaries	<b>76,644,783</b>	-
Effect of financing component	<u>99,718,451</u>	<u>169,030,640</u>
Balance at end of year	<b><u>P 5,275,363,483</u></b>	<b><u>P 4,995,512,317</u></b>

## 20. OTHER LIABILITIES

The details of this account are as follows:

	<u>2023</u>	<u>2022</u>
Current:		
Deferred output VAT	<b>P 126,267,249</b>	P 118,719,439
Deferred revenue	<b>118,093,655</b>	99,459,645
Withholding taxes	<b>79,832,158</b>	53,705,510
Government liabilities	<b>23,246,496</b>	26,619,984
Others	<u>9,722,701</u>	<u>8,023,980</u>
	<b><u>357,162,259</u></b>	<b><u>306,528,558</u></b>
Non-current:		
Security deposits	<b>260,963,874</b>	186,164,653
Unearned rent income	<u>232,727,278</u>	<u>185,309,810</u>
	<b><u>493,691,152</u></b>	<b><u>371,474,463</u></b>
	<b><u>P 850,853,411</u></b>	<b><u>P 678,003,021</u></b>

Deferred revenue represents advance payments from customers and concessionaires that are subject to refund or future billing applications within 12 months from the end of the reporting period.



The Group also received security deposits upon full operations of MWMIT's PITX. These deposits on lease agreements will be refunded at the end of the lease terms, which ranges from one to six years. The resulting day one gain amounting to P32.0 million and P0.5 million in 2023 and 2021, respectively, is presented as part of Finance Income in the 2021 consolidated statements of comprehensive income (see Note 25.2). There was no similar transaction in 2022.

Interest expense, arising from the unwinding of discount on these deposits, amounted to P4.7 million, P10.6 million and P10.1 million in 2023, 2022 and 2021, respectively, is presented as accretion of security deposits under Finance Costs in the consolidated statements of comprehensive income (see Note 25.1).

Unearned rent income pertains to the difference between the fair value and principal amount of security deposits received at the inception of the lease with concessionaires, which are amortized over the corresponding lease term.

## 21. REVENUES

When the Group prepares its investor presentations and when the Group's Executive Committee evaluates the financial performance of the operating segments, it disaggregates revenue similar to its segment reporting as presented in Notes 2.10 and 4.

The Group determines that the categories used in the investor presentations and financial reports used by the Group's management can be used to meet the objective of the disaggregation disclosure requirement of PFRS 15 [except for rentals accounted for under PFRS 16 and disclosed herein as additional information], which is to disaggregate revenue from contracts with customers and other counterparties into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

As a result of the sale and deconsolidation of GMCAC in 2022, the results of airport operations and trading operations were presented as Discontinued Operations in the Group's consolidated statements of income.

A summary of additional disaggregation from the segment revenues and other unallocated income for continuing operations are shown below and in the succeeding page.

	Note	Point in time	Over time	Short-term	Long-term	Total
<b>2023:</b>						
Construction operations:						
Contract revenues	21.1	P -	P 16,606,453,713	P -	P 16,606,453,713	P 16,606,453,713
Sale of ready-mix concrete		-	635,336,732	635,336,732	-	635,336,732
Sale of precast		-	552,490,105	552,490,105	-	552,490,105
Equipment rental		-	347,231,626	347,231,626	-	347,231,626
		-	18,141,512,176	1,535,058,463	16,606,453,713	18,141,512,176
Landport operations:						
Rental revenue – per contract	21.2	-	436,880,047	-	436,880,047	436,880,047
Rental revenue – effect of straight-line method		-	( 184,359,424)	-	( 184,359,424)	( 184,359,424)
Revenue from grantor payments		-	95,231,727	-	95,231,727	95,231,727
		-	347,752,350	-	347,752,350	347,752,350
Real Estate operations –						
Real estate revenue	21.3	-	148,891,156	-	148,891,156	148,891,156
		<b>P -</b>	<b>P 18,638,155,682</b>	<b>P 1,535,058,463</b>	<b>P 17,103,097,219</b>	<b>P 18,638,155,682</b>

	Note	Point in time	Over time	Short-term	Long-term	Total
<b>2022</b>						
Construction operations:	21.1					
Contract revenues	P	-	P 13,862,957,060	P -	P 13,862,957,060	P 13,862,957,060
Sale of ready mix concrete	-	-	247,376,586	247,376,586	-	247,376,586
Sale of precast	-	-	392,303,843	392,303,843	-	392,303,843
Equipment rental	-	-	80,684,490	80,684,490	-	80,684,490
			<u>14,583,321,979</u>	<u>720,364,919</u>	<u>13,862,957,060</u>	<u>14,583,321,979</u>
Landport operations:	21.2					
Rental revenue – per contract	-	-	407,895,995	-	407,895,995	407,895,995
Rental revenue – effect of straight-line method	-	(	236,926,470)	-	( 236,926,470)	( 236,926,470)
Revenue from grantor payments	-	-	87,359,012	-	87,359,012	87,359,012
			<u>258,328,537</u>	<u>-</u>	<u>258,328,537</u>	<u>258,328,537</u>
		<u>P -</u>	<u>P 14,841,650,516</u>	<u>P 720,364,919</u>	<u>P 14,121,285,597</u>	<u>P 14,841,650,516</u>
<b>2021:</b>						
Construction operations:	21.1					
Contract revenues	P	-	P 13,334,034,527	P -	P 13,334,034,527	P 13,334,034,527
Sale of ready mix concrete	-	-	170,512,543	170,512,543	-	170,512,543
Sale of precast	-	-	616,053,269	616,053,269	-	616,053,269
Equipment rental	-	-	208,863,240	208,863,240	-	208,863,240
			<u>14,329,463,579</u>	<u>995,429,052</u>	<u>13,334,034,527</u>	<u>14,329,463,579</u>
Landport operations:	21.2					
Rental revenue – effect of straight-line method	-	-	586,711,216	-	586,711,216	586,711,216
Rental revenue – per contract	-	-	128,328,244	-	128,328,244	128,328,244
			<u>715,039,460</u>	<u>-</u>	<u>715,039,460</u>	<u>715,039,460</u>
		<u>P -</u>	<u>P 15,044,503,039</u>	<u>P 995,429,052</u>	<u>P 14,049,073,987</u>	<u>P 15,044,503,039</u>

### 21.1 Construction Operation Revenues

The details of this account for the years ended December 31, 2023, 2022 and 2021 are composed of the revenues from:

	2023	2022	2021
Contracts in progress	<b>P 16,513,142,806</b>	P 13,095,315,463	P 12,413,132,561
Completed contracts	<u>1,628,369,370</u>	<u>1,488,006,516</u>	<u>1,916,331,018</u>
	<b><u>P 18,141,512,176</u></b>	<b><u>P 14,583,321,979</u></b>	<b><u>P 14,329,463,579</u></b>

### 21.2 Landport Operations Revenues

The PITX Project undertaken by the Group with the DOTr gives the Group the control over the landport area and the right to collect concessionaire revenue. As disclosed in Note 9, contract assets include unbilled receivables which pertain to the cost of the landport area which is to be recovered through the Grantor payments (see Note 29.3).

The construction of the PITX Project was completed in 2019 and the Group has no unsatisfied performance obligations as of December 31, 2023 and 2022.

The details of landport operations revenue for the years ended December 31, 2023, 2022 and 2021 are composed of the revenues from:

	2023	2022	2021
Rental revenue - per contract	<b>P 436,880,047</b>	P 407,895,995	P 586,711,216
Rental revenue - effect of straight-line method	<b>( 184,359,424)</b>	( 236,926,470)	128,328,244
Revenue from grantor payments	<u>95,231,727</u>	<u>87,359,012</u>	<u>-</u>
	<b><u>P 347,752,350</u></b>	<b><u>P 258,328,537</u></b>	<b><u>P 715,039,460</u></b>

### ***21.3 Real Estate Operations Revenues***

Real estate operations revenues comprise of residential condominium units sold in 2023 amounting to P148.9 million.

The aggregate amount of transaction price allocated to partially or wholly unsatisfied contracts as of December 31, 2023 is P790.2 million. As of December 31, 2023, the Group expects to recognize revenue from unsatisfied contracts as follows:

Within one year	P	321,950,777
More than one year to three years		<u>468,237,706</u>
	<b>P</b>	<b><u>790,188,483</u></b>

## **22. DIRECT COSTS**

### ***22.1 Cost of Construction Operations***

The following is the breakdown of this account for the years ended December 31:

	<u>Notes</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Materials		<b>P 6,216,252,626</b>	P 4,646,305,198	P 4,487,949,063
Outside services		<b>6,180,269,482</b>	4,520,729,381	4,367,458,345
Salaries and employee benefits	24.1	<b>1,837,520,518</b>	1,758,941,217	1,354,772,256
Depreciation	14	<b>1,072,674,779</b>	1,100,085,666	1,006,018,603
Project overhead		<b><u>718,386,103</u></b>	<u>531,520,153</u>	<u>914,499,809</u>
	23	<b><u>P 16,025,103,508</u></b>	<u>P 12,557,581,615</u>	<u>P 12,130,698,076</u>

Project overhead includes insurance, repairs and maintenance, gas and oil, travel and transportation, professional fees, utilities, municipal permits, taxes, security services, office supplies and various rental expenses of staging areas.

### ***22.2 Cost of Landport Operations***

The following is the breakdown of cost of landport operations:

	<u>Notes</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Depreciation and amortization	14, 15	<b>P 225,096,881</b>	P 231,342,745	P 220,033,741
Terminal costs		<b>95,231,727</b>	63,703,570	123,478,825
Others		<b><u>40,517,730</u></b>	<u>69,260,073</u>	<u>25,961,107</u>
	23	<b><u>P 360,846,338</u></b>	<u>P 364,306,388</u>	<u>P 369,473,673</u>

### ***22.3 Cost of Real Estate Operations***

Cost of real estate operations include allocated land and development costs aggregating to P72.2 million in 2023 (see Note 23).

**23. EXPENSES BY NATURE**

The details of expenses for continuing operations by nature are shown below.

	Notes	<u>2023</u>	<u>2022</u>	<u>2021</u>
Outside services		<b>P 6,287,426,068</b>	P 4,605,722,251	P 4,516,798,808
Materials, supplies, and facilities		<b>6,291,513,207</b>	4,651,044,695	4,496,296,907
Salaries and employee benefits	24.1	<b>2,267,418,912</b>	2,144,693,362	1,621,245,140
Finance costs	25.1	<b>2,061,753,031</b>	1,657,069,895	1,515,276,560
Depreciation and amortization	12.5, 14, 15	<b>1,413,957,948</b>	1,451,847,939	1,367,563,482
Project overhead		<b>718,386,103</b>	531,520,153	914,499,809
Taxes and licenses	15	<b>171,881,755</b>	253,593,588	236,260,148
Rentals	16.3, 28.2	<b>66,411,213</b>	63,732,951	50,320,752
Professional fees		<b>58,171,189</b>	67,772,597	97,994,628
Advertising		<b>55,034,436</b>	10,172,446	3,423,303
Utilities		<b>36,565,224</b>	27,083,222	73,149,075
Impairment losses on receivables and contract assets	6, 9	<b>35,268,976</b>	814,219,687	213,281,637
Travel and transportation		<b>19,134,308</b>	21,836,421	15,282,050
Insurance		<b>15,745,246</b>	14,654,890	37,705,784
Security services		<b>15,277,375</b>	14,190,574	10,306,007
Representation		<b>13,129,213</b>	10,843,055	24,182,471
Repairs and maintenance	15	<b>8,422,273</b>	15,516,082	21,819,966
Gas and oil		<b>1,167,527</b>	769,665	701,985
Miscellaneous		<b>320,911,972</b>	230,530,268	144,849,347
		<b><u>P19,857,575,976</u></b>	<b><u>P16,586,813,741</u></b>	<b><u>P15,360,957,859</u></b>

Miscellaneous includes certain construction reworks and warranty cost for certain projects already completed.

These expenses for continuing operations are classified in the consolidated statements of income as follows:

	<u>Notes</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Cost of construction operations	22.1	<b>P 16,025,103,508</b>	P12,557,581,615	P12,130,698,076
Cost of landport operations	22.2	<b>360,846,338</b>	364,306,388	369,473,673
Cost of real estate operations	22.3	<b>72,152,014</b>	-	-
Finance costs	25.1	<b>2,061,753,031</b>	1,657,069,895	1,515,276,560
Impairment losses on receivables and other assets	6, 9	<b>35,268,976</b>	814,219,687	213,281,637
Other operating expenses		<u><b>1,302,452,109</b></u>	<u>1,193,636,156</u>	<u>1,132,227,913</u>
		<u><b>P 19,857,575,976</b></u>	<u>P16,586,813,741</u>	<u>P15,360,957,859</u>

## 24. SALARIES

### *24.1 Salaries and Employee Benefits Expense*

Expenses recognized for salaries and employee benefits for continuing operations are presented below.

	<u>Notes</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Short-term employee benefits		<b>P 2,228,236,311</b>	P2,093,624,924	P1,571,434,600
Post-employment benefit	24.2	<u><b>39,182,601</b></u>	<u>51,068,438</u>	<u>49,810,540</u>
	23	<u><b>P 2,267,418,912</b></u>	<u>P2,144,693,362</u>	<u>P1,621,245,140</u>

The expenses for continuing operations are allocated in the consolidated statements of income as follows:

	<u>Notes</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contract costs	22.1	<b>P 1,837,520,518</b>	P1,758,941,217	P1,354,772,256
Other operating expenses		<u><b>429,898,394</b></u>	<u>385,752,145</u>	<u>266,472,884</u>
	23	<u><b>P 2,267,418,912</b></u>	<u>P2,144,693,362</u>	<u>P1,621,245,140</u>

## 24.2 Post-employment Benefit

### (a) Characteristics of Defined Benefit Plan

The Group maintains a partially funded and non-contributory post-employment defined benefit plan covering all regular full-time employees. The Group conforms to the minimum regulatory benefit under the R.A. No. 7641, *Retirement Pay Law*, which is of the defined benefit type and provides a retirement benefit in lump sum equal to 22.5-day pay for every year of credited service. The regulatory benefit is paid in a lump sum upon retirement. The normal retirement age is 60 with a minimum of 5 years of credited service.

### (b) Explanation of Amounts Presented in the Consolidated Financial Statements

Actuarial valuations are made annually to update the retirement benefit costs and the amount of contributions. All amounts presented below and in the succeeding pages are based on the actuarial valuation report obtained from an independent actuary in 2023, 2022 and 2021.

The amounts of post-employment DBO in the consolidated statements of financial position are determined as follows:

	<u>2023</u>	<u>2022</u>
Present value of the DBO	<b>P 254,364,952</b>	P 242,077,688
Fair value of plan assets	<b>( 4,947,691)</b>	( 4,677,017)
	<b><u>P 249,417,261</u></b>	<b><u>P 237,400,671</u></b>

The movements in the present value of the DBO are as follows:

	<u>2023</u>	<u>2022</u>
Balance at beginning of year	<b>P 242,077,688</b>	P 304,816,782
Current service cost	<b>39,182,601</b>	53,923,923
Interest cost	<b>17,627,971</b>	15,576,527
Benefits paid directly from book reserve	<b>( 2,092,224)</b>	( 2,424,932)
Effect of disposal of a subsidiary	-	( 21,689,826)
Net released liability due to employee transfers	-	( 1,721,017)
Remeasurement/actuarial losses (gains) arising from:		
Changes in demographic assumptions	<b>( 54,828,666)</b>	-
Changes in financial assumptions	<b>34,364,098</b>	( 84,073,862)
Experience adjustments	<b>( 21,966,516)</b>	( 22,329,907)
Balance at end of year	<b><u>P 254,364,952</u></b>	<b><u>P 242,077,688</u></b>

Actuarial losses arising from experience adjustments pertain to the net effect of differences between previous actuarial assumptions and what actually incurred.

The movements in the fair value of plan assets are presented below.

	<u>2023</u>	<u>2022</u>
Balance at beginning of year	<b>P 4,677,017</b>	P 4,691,732
Interest income	<b>343,293</b>	135,794
Loss on plan assets (excluding amounts included in net interest)	<b>( 72,619)</b>	( 150,509)
Balance at end of year	<b><u>P 4,947,691</u></b>	<u>P 4,677,017</u>

The plan assets as of December 31, 2023 and 2022 consist mainly of unit investment trust fund (UITF) and government securities amounting to P4.9 million and P4.7 million, respectively. The Group has 2,070 participation units on UITF managed by the trust department of a certain universal bank. Actual gain or loss on plan assets amounted to P3.3 million and P0.2 million loss in 2023 and 2022, respectively.

The components of amounts recognized in consolidated statements of income and in the consolidated statements of comprehensive income in respect of the defined benefit post-employment plan are as follows:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<i>Recognized in consolidated profit or loss from continuing operations:</i>			
Current and past service cost	<b>P 39,182,601</b>	P 51,068,438	P 49,810,540
Net interest expense	<b><u>17,284,678</u></b>	<u>14,384,733</u>	<u>12,500,223</u>
	<b><u>P 56,467,279</u></b>	<u>P 65,453,171</u>	<u>P 62,310,763</u>
<i>Recognized in consolidated other comprehensive income:</i>			
Actuarial gains (losses) arising from:			
Changes in demographic assumptions	<b>P 54,828,666</b>	P -	P 90,220,999
Changes in financial assumptions	<b>( 34,364,098)</b>	84,073,862	( 9,897,354)
Experience adjustments	<b>21,966,516</b>	22,329,907	28,750,969
Loss on plan assets (excluding amounts included in net interest)	<b>( 72,619)</b>	( 150,509)	( 126,017)
	<b><u>P 42,358,465</u></b>	<u>P 106,253,260</u>	<u>P 108,948,597</u>

Current service costs are included as part of Salaries and employee benefits under Other Operating Expenses account in the consolidated statements of income. The net interest expense is included as part of Finance Costs account in the consolidated statements of income (see Note 25.1).

Amounts recognized in other comprehensive income (loss) are presented under item that will not be reclassified subsequently to profit or loss.

In determining the amounts of the post-employment DBO, the following significant actuarial assumptions were used:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Discount rate	<b>6.12%</b>	7.34%	5.17%
Expected return on plan assets	<b>3.00%</b>	3.50%	3.50%
Employee turn-over rate	<b>8.00%</b>	3.00%	3.00%
Salary increase rate	<b>6.00%</b>	6.00%	6.00%

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 21 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 a 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 Defined Benefit Plan*

The plan exposes the Group to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

(i) *Investment and Interest Risks*

The present value of the DBO 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. However, this will be partially offset by an increase in the return on the plan and if the return on plan asset falls below this rate, it will create a deficit in the plan. As of December 31, 2023 and 2022, the plan has short-term investments managed through UITF and government securities.

(ii) *Longevity and Salary Risks*

The present value of the DBO 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 post-employment defined benefit plan are described in the succeeding page.



(i) *Sensitivity Analysis*

The following table summarizes the effects of changes in the significant actuarial assumptions used in the determination of the post-employment DBO as of December 31:

	<b>Impact on Post-Employment Defined Benefit Obligation</b>		
	<u>Change in Assumption</u>	<u>Increase in Assumption</u>	<u>Decrease in Assumption</u>
<b>2023:</b>			
Discount rate	+/- 1%	( P 23,776,302)	P 38,912,962
Salary growth rate	+/- 1%	39,780,296	( 24,978,668)
<b>2022:</b>			
Discount rate	+/- 1%	( P 832,082)	P 59,474,909
Salary growth rate	+/- 1%	64,494,631	( 6,072,130)

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 DBO 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 DBO 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 post-employment DBO recognized in the consolidated 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 retirement plan trustee has no specific matching strategy between the plan assets and the plan liabilities.

The Group is not required to pre-fund the future defined benefits payable under the plan assets before they become due. For this reason, the amount and timing of contributions to the plan assets are at the Group's discretion. However, in the event a benefit claim, the shortfall will be due and payable from the Group to the plan assets.

The maturity profile of undiscounted expected benefit payments within 10 years from the end of the reporting periods follows:

	<u>2023</u>	<u>2022</u>
More than 1 year to 5 years	<b>P 38,777,177</b>	P 43,130,318
More than 5 years to 10 years	<b><u>140,682,896</u></b>	<u>152,413,209</u>
	<b><u>P 179,460,073</u></b>	<u>P 195,543,527</u>

The weighted average duration of the DBO at the end of the reporting period is 16.0 years.

## 25. OTHER INCOME (CHARGES)

### 25.1 Finance Costs

The breakdown of this finance costs for continuing operations is as follows:

	<u>Notes</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Interest expense from:				
Bank loans	18.2	<b>P 1,182,676,825</b>	P 948,580,319	P 773,861,040
Notes payable	18.1	<b>316,369,998</b>	347,316,608	328,542,199
Bonds payable	18.3	<b>316,036,896</b>	118,252,289	-
Lease liabilities	16.4	<b>28,630,703</b>	37,311,233	44,966,662
Accretion of security deposit	20	<b>4,729,498</b>	10,592,994	10,056,267
		<b>1,848,443,920</b>	1,462,053,443	1,157,426,168
Finance cost –				
PFRS 15		<b>104,059,794</b>	169,052,500	285,376,164
Bank charges		<b>89,893,480</b>	11,579,219	51,030,844
Interest expense on retirement obligation – net	24.2	<b>17,284,678</b>	14,384,733	12,500,223
Foreign currency losses – net		<b>2,071,159</b>	-	8,943,161
		<b>P 2,061,753,031</b>	P 1,657,069,895	P 1,515,276,560

Finance cost – PFRS 15 pertains to the portion of the transaction price regarded as interest expense due to the significant financing components within contracts [see Notes 2.10 and 3.1(b)]. This is the adjustment to the transaction price due to the time value of money. A contract is considered to have a significant financing component if the timing of payments agreed to by the parties provides the customer or the entity with a significant benefit of financing the transfer of goods or services.

### 25.2 Finance Income

The details of finance income for continuing operations are the following:

	<u>Notes</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Interest income from:				
Advances to related parties	28.4	<b>P 651,600,367</b>	P 480,228,269	P 441,000,000
Short-term placements	5	<b>267,108,672</b>	8,893,172	9,228,276
Cash in banks	5	<b>91,054,427</b>	15,208,876	14,657,040
Foreign currency gains – net		-	21,672,978	-
Day one gain	20	<b>31,978,005</b>	-	516,268
Other finance income		<b>5,271,310</b>	18,449	7,097,521
		<b>P 1,047,012,781</b>	P 526,021,744	P 472,499,105

### 25.3 Others

This account from continuing operations consists of the following:

	<u>Notes</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Income from scrap sales		<b>P 93,868,692</b>	P 63,469,096	P -
Utility recoveries		<b>76,402,851</b>	30,123,802	23,450,364
Equity in net profit (losses) of associates	11.1	<b>( 35,748,149)</b>	4,572,378	( 10,632,625)
Common usage service area (CUSA) charges		<b>29,747,077</b>	60,245,281	109,916,695
Gain on disposals of property and equipment	14	<b>8,038,783</b>	3,407,646	24,279,017
Impairment losses on non-financial assets	11.1(a), 12.6	-	( 915,675,187)	-
Others – net	11.2, 28.2	<b><u>326,873,391</u></b>	<u>320,176,420</u>	<u>268,146,694</u>
		<b><u>P 499,182,645</u></b>	<u>(P 433,680,564)</u>	<u>P 415,160,145</u>

CUSA pertains to fees charged used to maintain the common areas such as restroom, lobby, and other shared spaces that can be used by all tenants of the building and its customer. The recognition of CUSA was made by MWMTI by grossing up charges to reflect the income and expense arising from these transactions as management determined that the MWMTI is acting as a principal on transactions.

Utility recoveries include aircon repair and maintenance charges which are charged based on leasable area for the month and other such utility recovery billings such as electricity, water, fuel and bioaugmentation.

Others – net represent various technical, and management services provided by the Group arising from the execution of its contract with the customers. The amount also includes various other charges arising from settlement agreement with suppliers.

## 26. TAXES

### 26.1 Registration with the Board of Investments

#### Parent Company

On May 29, 2015, the BOI approved the Parent Company's application for registration of its projects as PPP for School Infrastructure Project Phase 2 – Contract Package A pursuant to Build-Lease-Transfer Agreement with the Philippine DepEd on a nonpioneer status under the Omnibus Investment Code of 1987. Under such registration, the Parent Company is entitled of the following incentives:

- (a) Income tax holiday (ITH) for a period of four years from May 30, 2015 or actual start of commercial operations, whichever is earlier;

- (b) Importation of capital equipment, spare parts and accessories at zero duty for a period of five years from May 30, 2015;
- (c) Additional deduction from taxable income of 50% of the wages corresponding to the increment in number of direct labor for skilled and unskilled workers in the year of availment; and,
- (d) Employment of foreign nationals which will hold supervisory, technical or advisory positions for five years from May 30, 2015.

On June 13, 2019, the BOI has approved the Parent Company's request for extension of the ITH incentive from May 28, 2019 to February 28, 2021 in relation to its PPP for School Infrastructure Project Phase 2.

On September 22, 2020, the Parent Company filed another request for extension of the ITH incentive with the BOI until February 28, 2022, due to delays in obtaining ownership documents and necessary permits as condition for release of Certificate of Final Acceptance.

On February 22, 2019, the BOI approved the Parent Company's application for registration as New Producer of Housing Components (Hollow Core Precast Pre-Stressed Slab) on a Non-Pioneer Status under the Omnibus Investments Code of 1987 (Executive Order No. 226). As such, the Parent Company is entitled to the following incentives:

- (a) ITH for a period of four years from February 2019 or actual start of commercial operations, whichever is earlier;
- (b) Importation of capital equipment, spare parts and accessories at zero-duty under Executive Order No. 57 and its Implementing Rules and Regulations;
- (c) Additional deduction from taxable income of 50% of the wages corresponding to the increment in number of direct labor for skilled and unskilled workers in the year of availment; and,
- (d) Employment of foreign nationals which will hold supervisory, technical or advisory positions for five years from the date of registration.

#### GMCAC

On June 20, 2016, GMCAC was registered with the BOI as a PPP Project for the GMCAC Phase 2 – Operation and maintenance of Terminal 2 (Phase 2 O&M of T2) under the Concession Agreement with the DOTr and MCIA as an expansion Project on a Non-pioneer status under the Omnibus Investment Code of 1987 (Executive Order No. 226).

Under the registration, GMCAC is entitled, among others, to ITH incentives for three years from December 2018 and July 2018 for Phase 1 and Phase 2, respectively, or actual start of commercial operations, whichever is earlier but in no case earlier than the date of registration. GMCAC has informed the BOI that the actual start of commercial operations of Phase I is on January 1, 2016 for ITH purposes.

Also, GMCAC is entitled to additional deduction from taxable income of 50% of the wages corresponding to the increment in number of direct labor in the year of availment as against the previous year, if the project meets the prescribed ratio of capital equipment to the number of workers set by the Board. This may be availed for the first five years from date of registration but not simultaneously with ITH.

GMCAC voluntarily waived the ITH incentive for Phase 2 O&M of T2 for the taxable year 2020. For the period starting January 1, 2021 to June 30, 2021, the end of ITH period, GMCAC filed with the BOI a formal notice of its intention to waive the ITH incentive for Phase 2 O&M of T2 on April 16, 2021. The formal notice was acknowledged as received by the BOI on the same date. GMCAC subjected all revenues and expenses of Phase 2 to RCIT for the year ended December 31, 2021.

### PH1

On August 26, 2016, the BOI approved the PH1's application for registration as a New Developer of Economic and Low Cost Housing Project on a non-pioneer status relative to the Towers A and B of "The Hive" project.

On July 27, 2017, the BOI approved the PH1's application for registration as an Expanding Developer of Economic and Low Cost Housing Project on a non-pioneer status relative to the Towers C and D of "The Hive" project.

### ***26.2 Registration with Clark Freeport Zone***

MGCJVI was registered as Clark Freeport Zone (CFZ) enterprise on April 12, 2018 with registration number C2018-169. On April 26, 2007, R.A. 9400 or "An Act Amending R.A. 7227 as Amended, otherwise known as the Bases Conversion and Development Act of 1992 and for Other Purposes" was approved.

One of the major amendments to R.A. 7227, now embodied in R.A. 9400, is the official declaration of Clark, which used to be a Special Economic Zone, as a Freeport Zone that would cover 4,400 hectares of the former Clark Air Base. Under R.A. 9400, the CFZ shall be operated and managed as a separate customs territory ensuring free flow or movement of goods and capital equipment within, into and exported out of Clark, as well as provide incentives such as tax and duty-free importation of raw materials and capital equipment. However, exportation or removal of goods from the territory of Clark to other parts of the country will also be subjected to customs duties and taxes under the Tariff and Customs Code of the Philippines, as amended by the National Internal Revenue Code. As a CFZ-registered enterprise, in lieu of paying the regular corporate income tax rate of 30%, MGCJVI shall pay 5% tax on gross income earned, divided as follows: 3% to the national government and 2% to the municipality or city where the zone is located. In addition, it is exempt from other internal revenue tax dues for its registered activities within the Freeport Zone, such as business tax, VAT and excise tax.

Under Revenue Regulation No. 02-01, enterprises registered pursuant to the Bases Conversion and Development Act of 1992 under R.A. 7227, as well as other enterprises duly registered under special economic zones declared by law which enjoy payment of special tax rate on their registered operations or activities in lieu of other taxes, are not subject to improperly accumulated earnings tax.

### 26.3 CREATE Act

On March 26, 2021, R.A. No. 11534, *Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act*, as amended, was signed into law and shall be effective beginning July 1, 2020. The following are the major changes brought about by the CREATE Act that are relevant to and considered by the Group:

- regular corporate income tax (RCIT) rate was reduced from 30% to 25% starting July 1, 2020;
- minimum corporate income tax (MCIT) rate was reduced from 2% to 1% starting July 1, 2020 until June 30, 2023; and,
- the allowable deduction for interest expense is reduced from 33% to 20% of the interest income subjected to final tax.

As a result of the application of the lower RCIT rate of 25% starting July 1, 2020, the current income tax expense and income tax payable would be lower by P6.2 million than the amount presented in the 2020 consolidated financial statements and such amount was charged to 2021 profit or loss. In 2021, the recognized net deferred tax liabilities as of December 31, 2020 was remeasured to 25%. This resulted in a decline in the recognized net deferred tax liabilities in 2020 by P139.7 million and such was recognized in the 2021 profit or loss amounting to P139.0 million and in other comprehensive income or loss amounting to P0.7 million.

### 26.4 Current and Deferred Taxes

The components of tax expense (income) as reported in profit or loss and other comprehensive income in the consolidated statements of income and consolidated statements of comprehensive income are presented below and in the succeeding page.

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<i>Continuing operations:</i>			
<i>Reported in consolidated profit or loss</i>			
Current tax expense:			
RCIT at 25%	<b>P 107,063,041</b>	P 37,349,630	P 126,984,852
Final tax at 20% and 7.5%	<b>48,607,593</b>	3,923,899	2,901,949
MCIT at 1%	<b>36,066,884</b>	21,991,057	6,756,827
Other corporate tax of foreign subsidiaries at 42% or 17%	<b>2,759,728</b>	11,534,299	8,329,060
Gross income tax (GIT) at 5%	<b>521,721</b>	3,658,363	1,772,148
Effect of change in income tax rate	<u>-</u>	<u>-</u>	<u>(6,227,434)</u>
<i>Balance carried forward</i>	<b><u>P 195,018,967</u></b>	<b><u>P 78,457,248</u></b>	<b><u>P 140,517,402</u></b>

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<i>Balance brought forward</i>	<b>P 195,018,967</b>	P 78,457,248	P 140,517,402
Deferred tax income arising from origination and reversal of temporary differences	( 137,400,516)	( 767,614,327)	( 34,492,120)
Effect of change in income tax rate	<u>-</u>	<u>-</u>	( 13,517,017)
	<b>( 137,400,516)</b>	<b>( 767,614,327)</b>	<b>( 48,009,137)</b>
	<b><u>P 57,618,451</u></b>	<b><u>(P 689,157,079)</u></b>	<b><u>P 92,508,265</u></b>
<i>Reported in consolidated other comprehensive income (loss)</i>			
Deferred tax expense (income) relating to origination and reversal of temporary differences	<b>P 10,589,616</b>	P 25,535,309	P 25,134,358
Effect of change in income tax rate	<u>-</u>	<u>-</u>	( 596,630)
	<b><u>P 10,589,616</u></b>	<b><u>P 25,535,309</u></b>	<b><u>P 24,537,728</u></b>
<i>Discontinued operations:</i>			
<i>Reported in consolidated profit or loss</i>			
Current tax expense:			
RCIT at 25%	<b>P -</b>	P 9,102,392	(P 167,492)
Deferred tax expense (income) arising from origination and reversal of temporary differences	-	174,259,908	202,492,660
Effect of change in income tax rate	<u>-</u>	<u>-</u>	( 125,460,771)
	<b><u>-</u></b>	<b><u>174,259,908</u></b>	<b><u>77,031,889</u></b>
	<b><u>P -</u></b>	<b><u>P 183,362,300</u></b>	<b><u>P 76,864,397</u></b>
<i>Reported in consolidated other comprehensive income (loss)</i>			
Deferred tax expense relating to origination and reversal of temporary differences	<b>P -</b>	P -	P 2,260,865
Effect of change in income tax rate	<u>-</u>	<u>-</u>	( 79,037)
	<b><u>P -</u></b>	<b><u>P -</u></b>	<b><u>P 2,181,828</u></b>

A reconciliation of tax on pretax profit (loss) computed at the applicable statutory rates to tax expense for the year ended December 31 is as follows:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<i>Continuing operations:</i>			
Tax on pretax profit (loss) at 25%	<b>P 81,693,783</b>	(P 640,294,829)	P 142,801,108
Adjustment for income subjected to lower tax rates	<b>( 48,167,398)</b>	( 32,830,245)	( 15,641,140)
Tax effects of:			
MCIT applied	<b>14,318,330</b>	2,382,718	3,551,780
Non-deductible expenses	<b>8,817,532</b>	4,158,616	10,712,298
Unrecognized deferred tax asset	<b>5,404,102</b>	-	9,747
Non-taxable net profit under ITH	<b>( 5,342,044)</b>	( 33,533,722)	( 31,460,089)
Non-taxable income	<b>894,146</b>	10,960,383	2,279,011
Effect of change in income tax rate	<u>-</u>	<u>-</u>	<u>( 19,744,450)</u>
	<b><u>P 57,618,451</u></b>	<b><u>(P 689,157,079)</u></b>	<b><u>P 92,508,265</u></b>

*Discontinued operations:*

Tax on pretax profit (loss) at 25%	<b>P -</b>	P1,222,032,613	(P 323,746,547)
Adjustment for income subjected to lower tax rates	-	-	( 1,538,647)
Tax effects of:			
Non-taxable income	-	( 1,642,266,315)	71,619,549
Unrecognized deferred tax asset	-	603,596,002	439,287,124
Effect of change in income tax rate	-	-	( 125,460,771)
Non-deductible expenses	<u>-</u>	<u>-</u>	<u>16,703,689</u>
	<b><u>P -</u></b>	<b><u>P 183,362,300</u></b>	<b><u>P 76,864,397</u></b>

The amount of deferred tax assets and deferred tax liabilities presented in the consolidated statements of financial position as at December 31, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Deferred tax assets	<b>P 806,185,082</b>	P 689,304,708
Deferred tax liabilities	<b>( 108,468,781)</b>	<u>-</u>
	<b><u>P 697,716,301</u></b>	<b><u>P 689,304,708</u></b>

In 2023, the Parent Company, BVI and MWM have reported net deferred tax assets while PH1 reported net deferred tax liabilities. In 2022, all subsidiaries reported net deferred tax assets.



The details of net deferred tax assets (liabilities) as of December 31, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Net operating loss carry over	<b>P 380,638,101</b>	P 349,596,903
Impairment losses on contract assets	<b>212,170,038</b>	212,170,038
Right-of-use assets	<b>( 130,748,667)</b>	( 156,333,220)
Deferred fulfilment costs	<b>( 128,431,388)</b>	( 121,097,901)
Difference between tax reporting base and financial reporting base used in sales recognition	<b>( 108,468,781)</b>	-
Impairment losses on trade receivables	<b>104,077,467</b>	97,581,442
Lease liabilities	<b>87,895,179</b>	107,907,908
Impairment losses on deferred fulfilment costs	<b>81,688,295</b>	81,688,295
Post-employment defined benefit obligation	<b>64,012,656</b>	60,485,452
Rent received in advance	<b>59,061,278</b>	( 56,212,110)
Excess MCIT	<b>55,675,223</b>	19,685,665
Effect of significant financing component	<b>32,789,140</b>	54,060,275
Uncollected non-taxable income*	<b>( 32,612,101)</b>	25,207,474
Unrealized foreign currency losses – net	<b>20,126,180</b>	14,720,806
Others	<b>( 156,319)</b>	( 156,319)
	<b><u>P 697,716,301</u></b>	<b><u>P 689,304,708</u></b>

\*This pertains to the excess of revenue recognized under percentage of completion over collection of non-taxable revenues under ITH.

The deferred tax expense (income) recognized in the consolidated statements of income and consolidated statements of comprehensive income for December 31 relate to the following:

	<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>
Uncollected non-taxable income*	<b>( P 46,089,856)</b>	P -	P 5,041,495	P -	P -	P -
Excess MCIT	<b>( 36,066,884)</b>	( 19,685,666)	-	-	-	-
NOLCO	<b>( 31,438,759)</b>	( 346,056,221)	175,396	-	-	-
Right-of-use assets	<b>( 25,584,553)</b>	( 2,407,572)	6,645,548	-	-	-
Construction revenue – PFRS 15	<b>21,271,135</b>	43,878,950	( 29,937,575)	-	-	-
Lease liabilities	<b>20,785,037</b>	36,489,591	7,792,958	-	-	-
Rent received in advance	<b>( 13,710,555)</b>	( 63,079,663)	13,501,584	-	-	-
Post-employment defined benefit obligation	<b>( 13,694,604)</b>	( 16,363,293)	861,766	<b>10,589,616</b>	25,535,309	24,537,728
Unrealized foreign currency gains (losses) – net	<b>( 10,125,230)</b>	986,826	( 632,483)	-	-	-
Impairment losses on trade receivables	<b>( 10,079,734)</b>	( 3,583,709)	( 45,362,005)	-	-	-
Deferred fulfilment cost	<b>7,333,487</b>	( 103,935,237)	( 2,105,918)	-	-	-
Impairment losses on contract assets	-	( 212,170,038)	-	-	-	-
Impairment losses on deferred fulfilment costs	-	( 81,688,295)	-	-	-	-
Others	-	-	( 3,989,903)	-	-	-
Deferred tax expense (income):						
<i>Continuing operations</i>	<b>( P 137,400,516)</b>	( P 767,614,327)	( P 48,009,137)	<b>P 10,589,616</b>	P 25,535,309	P 24,537,728
<i>Discontinued operations</i>	<b>P -</b>	P 174,259,908	P 77,031,889	<b>P -</b>	P -	P 2,481,828

The Group is subject to the MCIT, which is computed at 1.5% and 1% of gross income in 2023 and 2022, respectively, as defined under the tax regulations, or RCIT, whichever is higher.

In 2023, 2022 and 2021, the Group opted to claim itemized deductions in computing for its income tax due.

## 27. EQUITY

### 27.1 Capital Stock

Capital stock consists of:

	Shares			Amount		
	2023	2022	2021	2023	2022	2021
Common shares – P1 par value Authorized	<u>4,930,000,000</u>	<u>4,930,000,000</u>	<u>4,930,000,000</u>	<u>P 4,930,000,000</u>	<u>P 4,930,000,000</u>	<u>P 4,930,000,000</u>
Subscribed and paid in:	<u>2,399,426,127</u>	<u>2,399,426,127</u>	<u>2,399,426,127</u>	<u>P 2,399,426,127</u>	<u>P 2,399,426,127</u>	<u>P 2,399,426,127</u>
Less: Treasury shares						
Balance at beginning of year and end of year	<u>386,016,410</u>	<u>386,016,410</u>	<u>386,016,410</u>	<u>P 4,615,690,576</u>	<u>P 4,615,690,576</u>	<u>P 4,615,690,576</u>
Issued and outstanding	<u>2,013,409,717</u>	<u>2,013,409,717</u>	<u>2,013,409,717</u>			
Preferred shares – P1 par value Authorized						
Balance at beginning of year	<u>150,000,000</u>	<u>150,000,000</u>	<u>124,000,000</u>	<u>P 150,000,000</u>	<u>P 150,000,000</u>	<u>P 124,000,000</u>
Increase during the year	<u>36,000,000</u>	<u>-</u>	<u>26,000,000</u>	<u>36,000,000</u>	<u>-</u>	<u>26,000,000</u>
Balance at end of year	<u>186,000,000</u>	<u>150,000,000</u>	<u>150,000,000</u>	<u>186,000,000</u>	<u>150,000,000</u>	<u>150,000,000</u>
Subscribed and paid in:						
Balance at beginning of year:						
Series 1	<u>40,000,000</u>	<u>40,000,000</u>	<u>40,000,000</u>	<u>40,000,000</u>	<u>40,000,000</u>	<u>40,000,000</u>
Series 2A	<u>26,220,130</u>	<u>26,220,130</u>	<u>26,220,130</u>	<u>26,220,130</u>	<u>26,220,130</u>	<u>26,220,130</u>
Series 2B	<u>17,405,880</u>	<u>17,405,880</u>	<u>17,405,880</u>	<u>17,405,880</u>	<u>17,405,880</u>	<u>17,405,880</u>
Series 3	<u>20,000,000</u>	<u>20,000,000</u>	<u>13,500,000</u>	<u>20,000,000</u>	<u>20,000,000</u>	<u>13,500,000</u>
Series 4	<u>40,000,000</u>	<u>40,000,000</u>	<u>-</u>	<u>40,000,000</u>	<u>40,000,000</u>	<u>-</u>
Issuance during the year:						
Series 3	<u>9,000,000</u>	<u>-</u>	<u>6,500,000</u>	<u>9,000,000</u>	<u>-</u>	<u>6,500,000</u>
Series 4	<u>-</u>	<u>-</u>	<u>40,000,000</u>	<u>-</u>	<u>-</u>	<u>40,000,000</u>
Series 5	<u>15,000,000</u>	<u>-</u>	<u>-</u>	<u>15,000,000</u>	<u>-</u>	<u>-</u>
	<u>167,626,010</u>	<u>143,626,010</u>	<u>143,626,010</u>	<u>167,626,010</u>	<u>143,626,010</u>	<u>143,626,010</u>
Less: Subscription receivable:						
Balance at beginning of year	<u>15,000,000</u>	<u>15,000,000</u>	<u>10,125,000</u>	<u>15,000,000</u>	<u>15,000,000</u>	<u>10,125,000</u>
Subscription – Series 3	<u>6,750,000</u>	<u>-</u>	<u>4,875,000</u>	<u>6,750,000</u>	<u>-</u>	<u>4,875,000</u>
Balance at end of year	<u>21,750,000</u>	<u>15,000,000</u>	<u>15,000,000</u>	<u>21,750,000</u>	<u>15,000,000</u>	<u>15,000,000</u>
Balance at end of year	<u>145,876,010</u>	<u>128,626,010</u>	<u>128,626,010</u>	<u>P 145,876,010</u>	<u>P 128,626,010</u>	<u>P 128,626,010</u>
Less: Treasury shares:						
Balance at beginning of year	<u>40,000,000</u>	<u>40,000,000</u>	<u>-</u>	<u>4,000,000,000</u>	<u>4,000,000,000</u>	<u>-</u>
Redemption of Series 1	<u>-</u>	<u>-</u>	<u>40,000,000</u>	<u>-</u>	<u>-</u>	<u>4,000,000,000</u>
Redemption of Series 2A	<u>26,220,130</u>	<u>-</u>	<u>-</u>	<u>2,622,013,000</u>	<u>-</u>	<u>-</u>
Balance at end of year	<u>66,220,130</u>	<u>40,000,000</u>	<u>40,000,000</u>	<u>P 6,622,013,000</u>	<u>P 4,000,000,000</u>	<u>P 4,000,000,000</u>
Issued and outstanding	<u>79,655,880</u>	<u>88,626,010</u>	<u>88,626,010</u>			

On September 22, 2014, the SEC approved the Parent Company's amendment of articles of incorporation, which includes: (i) the Parent Company's power to extend corporate guarantees to its subsidiaries and affiliates; and, (ii) the increase in its authorized capital stock of P5,000.0 million divided into 4,930.0 million common shares and 70.0 million cumulative, non-voting, non-participating, non-convertible to common shares and redeemable, at the option of the Parent Company, perpetual preferred shares. Both common and preferred shares have a par value of P1.00 per share.

On August 16, 2017, Megacore Holdings, Inc. (Megacore) acquired 313,786,575 shares representing 14.7% ownership over the Parent Company from Citicore. This resulted in a decrease in Citicore's ownership from 66.7% to 51.0%.

On December 20, 2017, the state-owned Social Security System acquired a total of 110,532,500 shares or equivalent to 5.2% interest of the Parent Company through purchase of 3.45% stake held by Megacore and the remaining interest from the public.

On December 22, 2017, Megacore further acquired additional shares from Citicore which resulted in an increase in Megacore's equity interest to the Parent Company equivalent to 28.9% or 617,709,197 as of December 31, 2017.

On September 22, 2020, the SEC has approved the increase of the authorized capital stock of the Parent Company increasing the total authorized capital stock of the Parent Company to P5,054,000,000, divided into the following classes:

- a. 4,930,000,000 voting common shares with the P1 par value; and
- b. 124,000,000 cumulative, non-voting, non-participating, non-convertible, perpetual preferred shares with the P1 par value

The Preferred Shares shall be issued in series, sub-series or in tranches as the BOD may determine, and authority is hereby expressly granted to the BOD, to establish and designate the series, sub-series or tranches of the Preferred Shares, fix the issue price and the number of shares in each sub-series or tranche, establish the specific terms and conditions of each sub-series or tranche and determine the manner by which the Preferred Shares will be subscribed and paid for, such as but not limited to, a private placement transaction or public offering.

Preferred shares of stock shall be cumulative, non-voting, non-participating, non-convertible, perpetual; Provided, that no share will be issued below par value. The preferred shares shall have the following features, rights and privileges:

- a. The issue value of shares shall be determined by the BOD at the time of the issuance of the shares;
- b. The BOD shall declare a dividend rate equivalent to the 7-year benchmark rate or any other rate determined by the BOD as of issue date, payable on a date to be set by the BOD in accordance with Philippine laws, rules and regulations;
- c. Preferred shares shall be non-convertible into common shares;
- d. Preference over holders of common stock in the distribution of the corporate assets in the event of dissolution and liquidation of the corporation and in the payment of the dividend at the rate specified at the time of issuance;
- e. Preferred shares shall be cumulative;
- f. Preferred shares shall be non-participating in any other or further dividends beyond that specifically payable on the shares;
- g. Holders of preferred shares shall have no pre-emptive rights to any issue of shares, common or preferred; and,
- h. The preferred shares may be redeemed by the corporation at the sole option of the BOD at the price to be determined by the BOD.

On September 30, 2020, the Parent Company entered into a Subscription Agreement with Citicore whereby Citicore subscribed to 13,500,000 preferred shares of the Parent Company at P1.00 each and paid 25% of such subscription in cash amounting to P3.4 million.

On November 5, 2020, the SEC has approved the Parent Company's offer and sale of Series 2 preferred shares which are to be issued in two subseries: Series 2A and Series 2B preferred shares, at a subscription price of P100.00. As of December 31, 2020, preferred shares of 26,220,130 and 17,405,880 for Series 2A and 2B, respectively, were subscribed and listed in the PSE. As a result, the Parent Company recognized additional paid-in capital amounting to P4,281.4 million, arising from the excess of subscription price over par value of the issuance of Series 2A and 2B preferred shares. The Parent Company also recognized issuance-related costs amounting to P37.1 million which was charged against the additional paid in capital recorded from the issuance of Series 2A and 2B preferred shares.

On February 26, 2021, the Parent Company's BOD approved the resolution increasing the Parent Company's authorized capital stock on preferred shares by 26.0 million shares, to a total of 150.0 million cumulative, non-voting, non-participating, non-convertible, perpetual preferred shares at a par value of P1.00 per share, thereby increasing the Parent Company's total authorized capital stock to P5,080.0 million. At the same date, the BOD approved the offer and sale of up to 40.0 million preferred shares from the unissued authorized capital stock of the Parent Company and the issuance of 6.5 million shares to Citicore. On September 9, 2021, the SEC has approved the increase in capital stock of preferred shares.

On July 23, 2021, the Parent Company filed with the SEC a registration statement and preliminary prospectus relating to its offer and sale of up to 40.0 million Series 4 preferred shares with a par value of P1.00 per share, composed of a base offer of 30.0 million shares and an oversubscription option of up to 10.0 million shares, at an offer price of P100.00 per share. On September 30, 2021, the SEC has approved the Parent Company's offer and sale of Series 4 preferred shares. As a result, the Parent Company recognized additional paid-in capital amounting to P3,930.1 million, arising from the excess of subscription price over par value related to the issuance of Series 4 preferred shares. Transaction costs from the issuance amounting to P29.9 million was charged against the additional paid in capital relating to this issuance. The proceeds from such issuance were used for the redemption of the outstanding Series 1 preferred shares as discussed in the succeeding paragraphs.

On September 10, 2021, Citicore subscribed to additional 6.5 million preferred shares at a price of P1.00 per share and paid P1.6 million in cash representing the 25% of such subscription. As of December 31, 2021, Citicore has subscribed to a total of 20.0 million preferred shares at a par value of P1.00 per share, and has paid 25% of such subscription.

On October 19, 2021, the BOD approved the redemption of the Parent Company's Series 1 Preferred Shares on December 3, 2021, at a redemption price of P100.00 per share, increasing the treasury shares by P4,000.0 million. The cost of the redemption was considered temporarily as part of treasury shares until such time that the SEC approves the decrease in authorized capital stock of the Parent Company to reflect such redemption wherein the redemption price will be charged against the paid-up capital arising from the original issuance. The details of the redemption are as follows:

<i>Ex-date</i>	November 4, 2021
<i>Record date</i>	November 9, 2021
<i>Redemption date</i>	December 3, 2021

On November 4, 2022 and December 20, 2022, the Parent Company's BOD and stockholders, respectively, has approved the following increase in its authorized capital stock:

	<u>Common Shares</u>		<u>Preferred Shares</u>	
	<u>Number of shares</u>	<u>Amount</u>	<u>Number of shares</u>	<u>Amount</u>
FROM –				
Authorized – P1 par value	4,930,000,000	P 4,930,000,000	150,000,000	P 150,000,000
TO –				
Authorized – P1 par value	4,930,000,000	P 4,930,000,000	186,000,000	P 186,000,000

*Common shares – Voting*

*Preferred shares – Cumulative, non-voting, non-participating, non-convertible, perpetual*

On December 23, 2022, the Parent Company received deposits from Citicore amounting to P2.3 million equivalent to 25% of the subscription price of 9.0 million shares of stock of the Parent Company at par value of P1.00 per share. The deposit is presented as Deposits on Future Stock Subscription under Equity section in the 2022 consolidated statement of financial position.

On January 6, 2023, the Company filed with the SEC a Registration Statement and Preliminary Prospectus relating to its offer and sale of 15.0 million cumulative, non-voting, non-participating, non-convertible, redeemable (non-reissuable) perpetual preferred shares with a par value of P1.0 per share (the Offer Shares). The Offer Shares is for a total of 15.0 million Series 5 Preferred Shares, which shall be issued at a subscription price of P100.0 per share.

On February 15, 2023, the Parent Company's application for the increase in authorized capital stock was approved by the SEC. In 2023, the deposits on future stock subscription were converted to preferred shares (Series 3).

As of December 31, 2023, and 2022, the Parent Company has 35 and 29 holders of its common equity securities owning at least one board lot of 100 shares listed in the PSE, respectively, and its share price closed as of such dates at P3.1 and P3.1 per share in 2023 and 2022, respectively. The Parent Company has 2,399.4 million common shares traded in the PSE as of December 31, 2023, and 2022.

As of December 31, 2023, and 2022, the Parent Company has the following preferred shares traded in the PSE:

	<u>2023</u>		<u>2022</u>	
	<u>No of Shares</u>	<u>Closing Price</u>	<u>No of Shares</u>	<u>Closing Price</u>
Series 2A	26,220,130	P 97.0	26,220,130	P 95.0
Series 2B	17,405,880	93.8	17,405,880	99.6
Series 4	40,000,000	92.0	40,000,000	97.9
Series 5	15,000,000	101.5	-	-

## 27.2 Retained Earnings

### 27.2.1 Common Shares Dividends

On February 6, 2023 and May 12, 2023, the Parent Company's BOD approved the declaration of cash dividends for common shares in the amount of P0.50 per share or equivalent to P1,006.7 million each declaration date to all stockholders of record as of March 6, 2023 and May 26, 2023, payable on March 24, 2023 and June 16, 2023, respectively. No dividends were paid to common stockholders in 2022 and 2021.

### 27.2.2 Preferred Shares Dividends

#### a) Series 1 Preferred Shares

In 2021, the Parent Company's BOD approved the declaration of cash dividends of P1.76 per share or equivalent to P70.3 million per quarter (total of P281.0 million per year) to holders of Series 1 preferred shares, which were taken out of the unrestricted earnings as of December 31, 2020. In 2021, the BOD also approved the redemption of the Parent Company's Series 1 Preferred Shares.

The dividends on Series 1 preferred shares bear cumulative, non-participating cash dividends based on the issue price, payable quarterly in arrears every dividend payment date, at the fixed rate of 7.03% per annum from listing date.

The series of record dates and payments are as follows:

	<u>1<sup>st</sup> Quarter</u>	<u>2<sup>nd</sup> Quarter</u>	<u>3<sup>rd</sup> Quarter</u>	<u>4<sup>th</sup> Quarter</u>
2021:				
<i>Series 1 Preferred Shares:</i>				
Approval dates	January 11, 2021	April 8, 2021	June 30, 2021	October 19, 2021
Record dates	February 8, 2021	May 18, 2021	August 9, 2021	November 9, 2021
Payment dates	March 1, 2021	June 3, 2021	September 3, 2021	December 3, 2021

#### b) Series 2A and Series 2B Preferred Shares

In 2023 and 2022, the Parent Company's BOD approved the declaration of cash dividends of P1.2 per share and P1.4 per share or equivalent to P31.1 million and P25.0 million per quarter (total of P124.5 million and P100.1 million) to holders of Series 2A and Series 2B preferred shares, respectively, which were taken out of the unrestricted earnings as of December 31, 2022 and 2021, respectively.

The series of record dates and payments are as follows:

	<u>1<sup>st</sup> Quarter</u>	<u>2<sup>nd</sup> Quarter</u>	<u>3<sup>rd</sup> Quarter</u>	<u>4<sup>th</sup> Quarter</u>
2023:				
<i>Series 2A Preferred Shares:</i>				
Approval dates	February 6, 2023	April 26, 2023	-	-
Record dates	February 20, 2023	May 12, 2023	-	-
Payment dates	February 27, 2023	May 29, 2023	-	-
<i>Series 2B Preferred Shares:</i>				
Approval dates	February 6, 2023	April 26, 2023	August 1, 2023	October 19, 2023
Record dates	February 20, 2023	May 12, 2023	August 16, 2023	November 7, 2023
Payment dates	February 27, 2023	May 29, 2023	August 29, 2023	November 28, 2023
2022:				
<i>Series 2A Preferred Shares:</i>				
Approval dates	January 18, 2022	April 21, 2022	July 22, 2022	October 19, 2022
Record dates	February 4, 2022	May 9, 2022	August 8, 2022	November 7, 2022
Payment dates	February 28, 2022	May 27, 2022	August 30, 2022	November 28, 2022

	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>
Series 2B Preferred Shares:				
Approval dates	January 18, 2022	April 21, 2022	July 22, 2022	October 19, 2022
Record dates	February 4, 2022	May 9, 2022	August 8, 2022	November 7, 2022
Payment dates	February 28, 2022	May 27, 2022	August 30, 2022	November 28, 2022
2021:				
Series 2A Preferred Shares:				
Approval dates	January 18, 2021	April 8, 2021	June 30, 2021	October 19, 2021
Record dates	February 3, 2021	May 4, 2021	August 5, 2021	November 5, 2021
Payment dates	March 3, 2021	May 27, 2021	August 27, 2021	November 29, 2021
Series 2B Preferred Shares:				
Approval dates	January 18, 2021	April 8, 2021	June 30, 2021	October 19, 2021
Record dates	February 3, 2021	May 4, 2021	August 5, 2021	November 5, 2021
Payment dates	March 3, 2021	May 27, 2021	August 27, 2021	November 29, 2021

c) *Series 4 Preferred Shares*

In 2023 and 2022, the Parent Company's BOD approved the declaration of cash dividends of P1.3 per share or equivalent to P53.0 million per quarter (total of P212.0 million per year) to holders of Series 4 preferred shares, which were taken out of the unrestricted earnings of the Parent Company as of December 31, 2023 and 2022, respectively. In 2021, dividends were declared only for the fourth quarter amounting to P53.0 million, which were taken out of the unrestricted earnings of as of December 31, 2020.

The series of record dates and payments are as follows:

	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>
2023:				
Series 4 Preferred Shares:				
Approval dates	March 21, 2023	July 12, 2023	September 13, 2023	-
Record dates	April 11, 2023	July 26, 2023	October 10, 2023	-
Payment dates	May 2, 2023	July 31, 2023	October 30, 2023	-
2022:				
Series 4 Preferred Shares:				
Approval dates	March 22, 2022	June 23, 2022	September 23, 2022	December 21, 2022
Record dates	April 6, 2022	July 8, 2022	October 10, 2022	January 9, 2023
Payment dates	April 29, 2022	July 29, 2022	October 29, 2022	January 30, 2023
2021:				
Series 4 Preferred Shares:				
Approval dates	-	-	-	December 23, 2021
Record dates	-	-	-	January 10, 2022
Payment dates	-	-	-	January 29, 2022

d) *Series 5 Preferred Shares*

In 2023, the Parent Company's BOD approved the declaration of cash dividends of P1.98 per share or equivalent to P29.6 million per quarter (total of 88.8 million per year) to holders of Series 5 preferred shares, which were taken out of the unrestricted earnings of the Parent Company as of December 31, 2022. In 2023, dividends were declared only for the second to fourth quarter.

The series of record dates and payments are as follows:

	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>
Series 5 Preferred Shares:				
Approval dates	-	July 12, 2023	September 11, 2023	December 11, 2023
Record dates	-	July 17, 2023	September 26, 2023	December 27, 2023
Payment dates	-	July 17, 2023	October 17, 2023	January 17, 2024

The Group's retained earnings are restricted up to the extent of the cost of its treasury shares, except those treasury shares acquired in the redemption of redeemable preferred shares amounting to P6,622.0 million and P4,000.0 million as of December 31, 2023 and 2022, respectively.

Under Section 4(1) of the SEC's 1982 Rules Governing Redeemable and Treasury Shares, the amount of unrestricted retained earnings equivalent to the cost of the treasury shares being held, other than those acquired in accordance with the exceptions provided in Section 3(1) of these rules, shall be restricted from being declared and issued as dividends. Section 3(1) provides that redeemed redeemable shares, although part of treasury shares, is not subtracted from the unrestricted retained earnings to determine the Retained Earnings Available for Dividend Declaration provided that the corporation must still have sufficient assets to cover debts and liabilities inclusive of capital stock, after redemption of the redeemable preferred shares.

### ***27.3 Treasury Shares***

On July 20, 2016, the Parent Company's BOD approved the buy-back of 410.8 million common shares held by Sybase Equity Investment Corporation at a price equal to the seven-trading day volume weighted average price ending on July 28, 2016 or equivalent to P10.03 per share. Total purchase price of the treasury shares including incidental cost of the buy-back amounted P4,138.8 million.

On October 20, 2016, the Parent Company's BOD approved the sale of its 150.0 million treasury shares at P14.90 per share. Net proceeds of the sale of treasury share amounted to P2,181.7 million, net of incidental cost of the transaction. Outstanding balance of the treasury shares after the sale is 260.8 million treasury shares at cost of P2,627.7 million.

On October 1, 2018, the Company's BOD approved a share buyback program worth up to P2.0 billion over a period of two years. Total cost to acquire treasury shares in 2020 and 2019 amounted to P703.1 million and P457.8 million, respectively, which is equivalent to 50.2 million and 26.1 million shares, respectively.

On March 3, 2020, the Parent Company's BOD approved an additional P3.0 billion to its share buyback program, making it a total of P5.0 billion and removal of the period within which to execute the program, making it open-ended. Total cost of acquired treasury shares in 2020 amounted to P703.1 million, which is equivalent to 50.2 million shares. There are no buyback transactions in 2022 and 2021.

On October 19, 2021, the Parent Company's BOD approved the redemption of its Series 1 Preferred Shares on December 3, 2021, at a redemption price of P100.00 per share, increasing the treasury shares by P4,000 million.

On April 26, 2023, the Parent Company's BOD approved the redemption of its Series 2A Preferred Shares, on May 29, 2023, at a redemption price of P100.00 per share, increasing the treasury shares by P2,622.0 million.



## 27.4 Non-controlling Interest

Noncontrolling interests pertain to the equity ownership of minority stockholders in GMCAC, GMI, MCLI, MCEI, MOMC, TPC, and Famtech. The Group determined that only the minority interest in GMCAC is considered as a material non-controlling interest, prior to its sale and deconsolidation from the Group in 2022.

Upon incorporation, the Parent Company acquired 15.0 million shares of GMCAC. The purchase of the shares is part of the shareholders' agreement to execute, undertake, and implement the Project in accordance with the concession agreement. The shares acquired represent 60% of the total issued and outstanding shares of GMCAC (see Note 1.2). The non-controlling interest represents 38.24% ownership of GMR Infrastructure (Singapore) Pte. Ltd. (GISPL) and 1.66% ownership of GIL in GMCAC.

As of December 31, 2023, 2022 and 2021, the non-controlling interests amounting to P516.7 million, P2.5 million, and P2,673.5 million, respectively, as presented in the consolidated statements of financial position.

There were no dividends declared to non-controlling interests in 2023, 2022, and 2021.

The relevant financial information of GMCAC as of and for the year ended December 31, 2021 are as follows:

Current assets	P 1,289,783,173
Non-current assets	<u>33,568,753,075</u>
Total assets	<u>P 34,858,536,248</u>
Current liabilities	P 1,042,499,202
Non-current liabilities	<u>24,433,999,569</u>
Total liabilities	<u>25,476,498,771</u>
Equity	<u>9,382,037,477</u>
Total liabilities and equity	<u>P 34,858,536,248</u>
Revenues	576,042,561
Net loss	( 1,357,648,552)
Total comprehensive loss	( 1,351,419,215)
<i>Equity in NCI:</i>	
Beginning balance	P 3,152,592,405
Net loss allocated to NCI	( <u>540,567,686</u> )
Ending balance	<u>P 2,612,024,719</u>

In 2022, as a result of the sale and deconsolidation of GMCAC, the non-controlling interest in GMCAC was derecognized in the 2022 consolidated statement of financial position (see Note 10).

**27.5 Revaluation Reserves**

The movements of this account which are attributable to the shareholders of the Parent Company are as follows:

	<b>Retirement Benefit Obligation</b> <i>(see Note 24.2)</i>	<b>Foreign Currency Translation</b> <i>(see Note 2.12)</i>	<b>Total</b>
Balance as of January 1, 2023	P 144,252,813	P 5,505,825	P 149,758,638
Remeasurements of post-employment defined benefit plan	42,358,465	-	42,358,465
Foreign currency translation	-	( 5,740,368)	( 5,740,368)
Other comprehensive income (loss) before tax	42,358,465	( 5,740,368)	36,618,097
Tax expense	( 10,589,616)	-	( 10,589,616)
Other comprehensive income (loss) after tax	31,768,849	( 5,740,368)	26,028,481
<b>Balance as of December 31, 2023</b>	<b><u>P 176,021,662</u></b>	<b><u>( P 234,543)</u></b>	<b><u>P 175,787,119</u></b>
Balance as of January 1, 2022	P 70,720,584	P 23,291,312	P 94,011,896
Remeasurements of post-employment defined benefit plan	106,253,260	-	106,253,260
Foreign currency translation	-	( 17,785,487)	( 17,785,488)
Other comprehensive income before tax	106,253,260	( 17,785,487)	88,467,773
Tax expense	( 25,535,309)	-	( 25,535,309)
Other comprehensive income after tax	80,717,951	( 17,785,487)	62,932,464
Non-controlling interest	( 1,644,810)	-	( 1,644,810)
Effect of disposal of a subsidiary	( 5,540,912)	-	( 5,540,912)
Balance as of December 31, 2022	<u>P 144,252,813</u>	<u>P 5,505,825</u>	<u>P 149,758,638</u>

	Retirement Benefit Obligation <u>(see Note 24.2)</u>	Foreign Currency Translation <u>(see Note 2.12)</u>	<u>Total</u>
Balance as of January 1, 2021	(P 9,016,722)	P 65,799	(P 8,950,923)
Remeasurements of post-employment defined benefit plan	108,948,597	-	108,948,597
Foreign currency translation	<u>-</u>	<u>23,225,513</u>	<u>23,225,513</u>
Other comprehensive income before tax	108,948,597	23,225,513	132,174,110
Tax expense	<u>(26,719,556)</u>	<u>-</u>	<u>(26,719,556)</u>
Other comprehensive income after tax	82,229,041	23,225,513	105,454,554
Non-controlling interest	<u>(2,491,735)</u>	<u>-</u>	<u>(2,491,735)</u>
Balance as of December 31, 2021	<u>P 70,720,584</u>	<u>P 23,291,312</u>	<u>P 94,011,896</u>

## 28. RELATED PARTY TRANSACTIONS

The Group's related parties include its ultimate parent company and other shareholders, subsidiaries, associates, joint venture, parties related to the Parent Company by common ownership and key management personnel.

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 consolidated assets based on its latest consolidated 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 vote of the Parent 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 Group's consolidated total assets based on the latest consolidated financial statements, the same board approval would be required for the transactions that meet and exceed the materiality threshold covering the same related party.

The summary of the Group's transactions with related parties for December 31, 2023 is as follows:

<u>Related Party Category</u>	<u>Notes</u>	<u>Amount of Transaction</u>	<u>Outstanding Receivable (Payable)</u>	<u>Terms</u>	<u>Conditions</u>
<b>Ultimate Parent Company:</b>					
Cash advance granted	6, 28.4	P -	P 3,089,095,108	Interest-bearing	Unsecured; Unimpaired
Interest receivable	6, 25.2, 28.4	255,750,000	1,213,998,661	On demand;	Unsecured; Unimpaired
Rent income	6, 28.2	44,643	255,848	Noninterest-bearing Normal credit terms	Unsecured; Unimpaired
Cash advance obtained	17, 28.4	90,233,593	( 90,233,593 )	On demand; Noninterest-bearing	Unsecured; Unimpaired
<b>Associate:</b>					
Revenue from services	6, 21.1, 28.1	-	997,247,698	Normal credit terms	Unsecured; Unimpaired
Cash advance granted	6, 28.4	212,624	9,392,420	On demand; Noninterest-bearing	Unsecured; Unimpaired
Cash advance obtained	17, 28.4	-	( 30,000,000 )	On demand; Noninterest-bearing	Unsecured; Unimpaired
Rent income	6, 28.2	44,643	388,572	Normal credit terms	Unsecured; Unimpaired
<b>Joint Arrangement:</b>					
Revenue from services	6, 21.1, 28.1	854,651,398	22,486,709	Normal credit terms	Unsecured; Unimpaired
Cash advance granted	6, 28.4	614,392	901,012	On demand; Noninterest-bearing	Unsecured; Unimpaired
Cash advance obtained	17, 28.4	( 19,325,804 )	-	On demand; Noninterest-bearing	Unsecured; Unimpaired
<b>Shareholder:</b>					
Revenue from services	6, 28.1	17,857	682,513,352	Normal credit terms	Unsecured; Unimpaired
Cash advance granted	6, 28.4	( 148,119 )	889,795	On demand; Noninterest-bearing	Unsecured; Unimpaired
<b>Related Parties Under Common Ownership:</b>					
Rent income	6, 28.2	5,896,866	35,090,074	Normal credit terms	Unsecured; Unimpaired
Revenue from services	6, 21.1, 28.1	14,433,489	71,654,288	Normal credit terms	Unsecured; Unimpaired
Cash advance granted	6, 28.4	66,237,143	3,341,964,252	On demand; Interest-bearing and Noninterest-bearing	Unsecured; Unimpaired
Cash advance obtained	17, 28.4	22,682,615	( 24,403,632 )	On demand; Noninterest-bearing	Unsecured; Unimpaired
Interest receivable	6, 25.2, 28.4	395,850,367	1,210,731,028	On demand; Noninterest-bearing	Unsecured; Unimpaired
<b>Retirement fund</b>	24.2	270,674	4,947,691	Upon retirement of beneficiaries	Partially funded; Unimpaired
<b>Advances to Officers and Employees</b>	6, 28.3	( 78,592 )	98,512,779	Upon liquidation, Noninterest-bearing	Unsecured; Unimpaired
<b>Key Management Personnel – Compensation</b>	28.6	249,645,711	-	On demand	Unsecured; Unimpaired

The summary of the Group's transactions with related parties for December 31, 2022 is as follows:

<u>Related Party Category</u>	<u>Notes</u>	<u>Amount of Transaction</u>	<u>Outstanding Receivable (Payable)</u>	<u>Terms</u>	<u>Conditions</u>
<b>Ultimate Parent Company:</b>					
Cash advance granted	6, 28.4	(P 200,000 )	P 3,089,095,108	Interest-bearing	Unsecured; Unimpaired
Interest receivable	6, 25.2, 28.4	220,500,000	958,248,661	On demand; Noninterest-bearing	Unsecured; Unimpaired
Rent income	6, 28.2	53,571	211,205	Normal credit terms	Unsecured; Unimpaired
<b>Associate:</b>					
Revenue from services	6, 21.1, 28.1	-	997,248,017	Normal credit terms	Unsecured; Unimpaired
Cash advance granted	6, 28.4	( 32,999,250 )	9,179,796	On demand; Noninterest-bearing	Unsecured; Unimpaired
Cash advance obtained	17, 28.4	10,000,000	( 30,000,000 )	On demand; Noninterest-bearing	Unsecured; Unimpaired
Rent income	6, 28.2	57,321	343,929	Normal credit terms	Unsecured; Unimpaired
<b>Joint Arrangement:</b>					
Revenue from services	6, 21.1, 28.1	819,482,059	69,836,004	Normal credit terms	Unsecured; Unimpaired
Cash advance granted	6, 28.4	( 334,734 )	286,620	On demand; Noninterest-bearing	Unsecured; Unimpaired
Cash advance obtained	17, 28.4	19,325,804	( 19,325,804 )	On demand; Noninterest-bearing	Unsecured; Unimpaired
<b>Shareholder:</b>					
Revenue from services	6, 28.1	254,814,248	613,013,120	Normal credit terms	Unsecured; Unimpaired
Cash advance granted	6, 28.4	1,037,914	1,037,914	On demand; Noninterest-bearing	Unsecured; Unimpaired
<b>Related Parties Under Common Ownership:</b>					
Rent income	6, 28.2	10,719,541	29,193,207	Normal credit terms	Unsecured; Unimpaired
Revenue from services	6, 21.1, 28.1	728,155,948	932,421,309	Normal credit terms	Unsecured; Unimpaired
Cash advance granted	6, 28.4	( 11,055,137 )	3,275,727,109	On demand; Interest-bearing and Noninterest-bearing	Unsecured; Unimpaired
Cash advance obtained	17, 28.4	1,721,017	( 1,721,017 )	On demand; Noninterest-bearing	Unsecured; Unimpaired
Interest receivable	6, 25.2, 28.4	259,728,269	978,257,203	On demand; Noninterest-bearing	Unsecured; Unimpaired

Related Party Category	Notes	Amount of Transaction	Outstanding Receivable (Payable)	Terms	Conditions
<b>Retirement fund</b>	24.2	( P 14,715 )	P 4,677,017	Upon retirement of beneficiaries	Partially funded; Unimpaired
<b>Advances to Officers and Employees</b>	6, 28.3	12,793,296	98,591,371	Upon liquidation, Noninterest-bearing	Unsecured; Unimpaired
<b>Key Management Personnel – Compensation</b>	28.6	302,992,110	-	On demand	Unsecured; Unimpaired

The summary of the Group's transactions with related parties for December 31, 2021 is as follows:

Related Party Category	Notes	Outstanding Amount of Transaction	Receivable (Payable)	Terms	Conditions
<b>Ultimate Parent Company –</b>					
Cash advance granted	6, 28.4	P -	P 3,089,295,108	Interest-bearing	Unsecured; Unimpaired
Interest receivable	6, 25.2, 28.4	220,500,000	726,037,823	On demand; Noninterest-bearing	Unsecured; Unimpaired
<b>Associate:</b>					
Revenue from services	6, 21.1, 28.1	-	1,105,839,908	Normal credit terms	Unsecured; Unimpaired
Cash advance granted	6, 28.4	( 26,922 )	42,179,046	On demand; Noninterest-bearing	Unsecured; Unimpaired
Cash advance obtained	17, 28.4	-	( 20,000,000 )	On demand; Noninterest-bearing	Unsecured; Unimpaired
Rent income	6, 28.2	53,571	286,607	Normal credit terms	Unsecured; Unimpaired
<b>Joint Arrangement:</b>					
Revenue from services	6, 21.1, 28.1	356,773,700	80,247,052	Normal credit terms	Unsecured; Unimpaired
Cash advance granted	6, 28.4	( 735,000 )	621,354	On demand; Noninterest-bearing	Unsecured; Unimpaired
<b>Related Parties Under Common Ownership:</b>					
Rent income	6, 28.2	3,804,016	18,473,666	Normal credit terms	Unsecured; Unimpaired
Revenue from services	6, 21.1, 28.1	378,457,534	1,057,734,512	Normal credit terms	Unsecured; Unimpaired
Cash advance granted	6, 28.4	8,950,004	3,286,782,246	On demand; Interest-bearing and noninterest-bearing	Unsecured; Unimpaired
Interest receivable	6, 25.2, 28.4	220,500,000	726,037,823	On demand; Noninterest-bearing	Unsecured; Unimpaired
Management and consultancy	6, 28.5	103,280,955	103,280,955	Normal credit terms	Unsecured; Unimpaired
<b>Retirement fund</b>	24.2	57,053	4,691,732	Upon retirement of beneficiaries	Partially funded; Unimpaired
<b>Advances to Officers and Employees</b>	6, 28.3	11,316,768	85,798,075	Upon liquidation, Noninterest-bearing	Unsecured; Unimpaired
<b>Key Management Personnel – Compensation</b>	28.6	286,309,661	-	On demand	Unsecured; Unimpaired

### ***28.1 Rendering of Services***

In the normal course of business, the Group provides construction services to its associate, a certain previous shareholder, and other related parties. The related revenue from these transactions amounted to P869.1 million, P1,802.5 million and P735.2 million and in 2023, 2022 and 2021, respectively, and is recognized as part of Construction Operation Revenues account in the consolidated statements of income (see Note 21.1). Services rendered to the above related parties are based on normal terms similar to terms that would be available to non-related parties.

The outstanding contract receivables from these transactions, which are generally unsecured and settled through cash within three to six months, and the related retention receivables, which can only be collected after a certain period of time upon acceptance by project owners of the certificate of completion, are as part of Contract and Retention receivables under Trade and Other Receivables account in the consolidated statements of financial position (see Note 6).

Through application of the ECL model based on the lifetime expected credit loss where in the Group used its historical experience, external indicators and forward-looking information to calculate the ECL using the provision matrix, no impairment losses was required to be recognized for the years ended December 31, 2023, 2022 and 2021.

### ***28.2 Rental of Land and Building***

The Group is a lessee of certain parcels of land and building owned by related parties under common ownership.

The Parent Company also leases out its office space to its associates and related parties under common ownership. As a result, the Group recognized rent income amounting to P6.0 million, P10.8 million, and P3.8 million in 2023, 2022 and 2021, respectively, from the lease of its office building to several related parties. This is recognized as part of Others – net under Income and Expenses section in the consolidated statements of income (see Note 25.3). The outstanding balances arising from these transactions are presented as part of Other receivables under the Trade and Other Receivables account in the consolidated statements of financial position (see Note 6).

### ***28.3 Advances to Officers and Employees***

Advances to officers and employees represent unsecured, noninterest-bearing cash advances for business-related expenditures that are to be liquidated 60 days from the date the cash advances were received. The outstanding receivables from these transactions are presented as part of Trade and Other Receivables (see Note 6).

No impairment losses were recognized in 2023, 2022 and 2021 for these advances.

#### ***28.4 Advances to and from Related Parties***

The Group has provided unsecured, interest-bearing, and noninterest-bearing cash advances to its associates and certain related parties under common ownership for their working capital requirements. Interest income arising from advances to related parties amounted to P651.6 million, P480.2 million and P441.0 million in 2023, 2022 and 2021, respectively, are presented under Finance income (see Note 25.2). Outstanding interest receivable relating to advances to related parties amounting to P2,424.7 million and P1,936.5 million in 2023 and 2022, are presented as part of Accrued interest receivables under Trade and Other Receivables (see Note 6). In 2023 and 2022, the Parent Company provided bridge financing to its parent and associates for the Group's business expansion and diversification program.

##### *Ultimate Parent Company*

In 2022, the Group collected advances to its Ultimate Parent Company amounting to P0.2 million. There was no similar transaction in 2023. The outstanding balance of the Group's advances to its Ultimate Parent Company as of December 31, 2023 and 2022 amounted to P3,089.1 million.

In 2023, the Group obtained advances from its Ultimate Parent Company amounting to P90.2 million. There was no similar transaction in 2022. The outstanding balance of the Group's advances from its Ultimate Parent Company as of December 31, 2023 amounted to P90.2 million.

##### *Associates*

In 2023, the Group granted advances to its associates amounting to P0.2 million. In 2022, the Group collected advances from its associates amounting to P33.0 million. The outstanding balance of the Group's advances to its associates as of December 31, 2023 and 2022 amounted to P9.4 million and P9.2 million, respectively.

On the other hand, the Group received advances from its associates amounting to P10.0 million in 2022. There was no similar transaction in 2023. The outstanding balance of advances from associates as of December 31, 2023 and 2022 amounted to P30.0 million.

##### *Joint arrangement*

In 2023 and 2022, the Group granted and collected advances to entities under joint arrangement amounting to P0.6 million and P0.2 million, respectively. The outstanding balance of the Group's advances to entities under joint arrangement as of December 31, 2023 and 2022 amounted to P0.9 million and P0.3 million, respectively.

In 2023 and 2022, the Group paid and obtained advances from entities under joint arrangement both amounting to P19.3 million. The outstanding balance of the Group's advances from entities under joint arrangement as of December 31, 2022 amounted to P19.3 million. There is no outstanding balance as of December 31, 2023.

##### *Shareholders*

In 2023 and 2022, the Group collected and granted advances to shareholders amounting to P0.1 million and P1.0 million, respectively. The outstanding balance of the Group's advances to shareholders as of December 31, 2023 and 2022 amounted to P0.9 million and P1.0 million, respectively.



*Related parties under the common ownership*

In 2023 and 2022, the Group granted and collected advances to its related parties under common ownership amounting to P66.2 million and P11.1 million, respectively. The outstanding balance of the Group's advances to its related parties under common ownership as of December 31, 2023 and 2022 amounted to P3,342.0 million and P3,275.7 million, respectively.

In 2023 and 2022, the Group obtained advances from its related parties under common ownership amounting to P22.7 and P1.7 million, respectively. The outstanding balance of the Group's advances from its related parties under common ownership as of December 31, 2023 and 2022 amounted to P24.4 million and P1.7 million, respectively.

The breakdown of the outstanding balances are as follows:

	<u>2023</u>	<u>2022</u>
<i>Advances to related parties (see Note 6):</i>		
Related party under common ownership	<b>P 3,341,964,252</b>	P 3,275,727,109
Ultimate parent company	<b>3,089,095,108</b>	3,089,095,108
Associates	<b>9,392,420</b>	9,179,796
Shareholder	<b>889,795</b>	1,037,914
Joint arrangement	<b><u>901,012</u></b>	<u>286,620</u>
	<b><u>P 6,442,242,587</u></b>	<b><u>P 6,375,326,547</u></b>
<i>Due to related parties (see Note 17):</i>		
Ultimate parent company	<b>P 90,233,593</b>	P -
Associates	<b>30,000,000</b>	30,000,000
Related party under common ownership	<b>24,403,632</b>	1,721,017
Joint arrangement	<b><u>-</u></b>	<u>19,325,804</u>
	<b><u>P 144,637,225</u></b>	<b><u>P 51,046,821</u></b>

Further, upon assessment of recoverability based on the capacity to pay and expected collectability of these advances, no impairment losses were recognized in 2023, 2022 and 2021.

The Group's outstanding receivables from and payables to the same related parties as presented can be potentially offset to the extent of their corresponding outstanding balances (see Note 33.2).

### **28.5 Others**

The Parent Company's retirement plan is in the form of a bank-trustee managed account. The fair value of the retirement plan totalled P4.9 million and P4.7 million as of December 31, 2023 and 2022, respectively. The details of the retirement plan are presented in Note 24.2.

In 2021, the Parent Company provided certain project management and consultancy services to a related party under common ownership amounting to P103.3 million. The amount is outstanding as of December 31, 2021 and is presented as part of other receivables (see Note 6). There were no similar transactions in 2023 and 2022.

### 28.6 Key Management Compensation

The compensation of key management personnel is broken down as follows:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Short-term employee benefits	<b>P 249,645,711</b>	P 295,782,971	P 276,313,110
Post-employment benefits	<u>7,937,659</u>	<u>7,209,139</u>	<u>9,996,551</u>
	<b><u>P 257,583,370</u></b>	<b><u>P 302,992,110</u></b>	<b><u>P 286,309,661</u></b>

## 29. COMMITMENTS AND CONTINGENCIES

The following are the significant commitments and contingencies involving the Group:

### 29.1 Lease Commitments - Group as Lessor

The Group is a lessor under operating leases covering rentals from lease of office and commercial spaces presented in the consolidated statements of financial position as Investment Properties. Rental income earned amounted to P252.5 million, P171.0 million and P715.0 million in 2023, 2022 and 2021, respectively, which is recognized under Landport Operations Revenues in the consolidated statements of income (see Note 21.2).

The future minimum lease receivables under the non-cancellable operating leases as of the end of 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Within one year	<b>P 934,323,368</b>	P 718,240,810
After one year but not more than two years	<b>464,619,623</b>	597,558,121
After two years but not more than three years	<b>156,452,529</b>	57,612,103
After three years but not more than four years	<b>107,558,713</b>	44,495,004
After four years but not more than five years	<b>63,320,658</b>	21,796,458
More than five years	<u>16,921,373</u>	<u>29,022,155</u>
	<b><u>P 1,743,196,264</u></b>	<b><u>P 1,468,724,651</u></b>

Variable rent, which pertains to a certain percentage share in the lessees' sales, is included as part of total rent income amounting to P162.5 million, P81.8 million, and P32.5 million in 2023, 2022, and 2021 respectively.

The Group is subject to risks associated with the rights it retains in the properties it leases, such as alterations made by the lessee that may impair the value of the leased properties. To manage the exposure on such risks, the Group exercises strict control over the fit-out process through Construction and Fitout Guidelines and closure of construction punch lists prior to opening. No alterations are allowed to be made without prior approval of the Group. Approvals are accorded based on submission of Architectural, Mechanical, Electrical, Plumbing and Fire Protection Plans and as per guidelines of the regulatory authorities. Moreover, the Group retains its right to inspect the leased properties over the lease term and cite violations on the House rules of the Complex. In case of expiration of lease term or early termination due to the default of the lessee, the Group is entitled to the improvements installed on the leased properties without any obligation to reimburse the lessee for the costs of improvements.

### ***29.2 Build-Operate-Transfer Agreement***

On February 25, 2015, MWMTI entered into a BOT agreement with the DOTr to undertake the PITX Project. Upon completion of the project, MWMTI shall operate and maintain the facility, which is divided into landport and commercial areas, within the agreed concession period of 35 years from the date of the completion of the construction, which is equivalent to 18 months.

The development and implementation of the PITX Project is divided into landport and commercial areas and related developments therein for a total lot area of 193.4 hectares (the Project Assets). Specifically, the PITX Project to be undertaken by MWMTI, as the concessionaire, consists of the following:

- The design, engineering and construction of the PITX Terminal, access road and the pedestrian connections between the PITX Terminal and Asia World Station concourse within 18 months from the construction date;
- From its completion until the end of the concession period, the operation and maintenance of the PITX Terminal in accordance with the Concession Agreement;
- The collection and remittance to the Grantor of landport fee from users of the PITX Terminal;
- The financing of the above activities;
- The design, financing, engineering, and construction of commercial assets, carrying out of the commercial business, and collection of any commercial revenue at the concessionaire's option; and,
- Turn-over of the Project Assets to the Grantor at the end of the Concession Period.

Pursuant to the Concession Agreement, MWMTI shall be entitled to collect and receive the concessionaire revenue comprising of AGP, commercial revenue, and any applicable grantor compensation payments. The AGP is collectible from the Grantor at the end of every anniversary year from the construction completion date thereof. For commercial revenue, MWMTI is free to impose and collect commercial charges from the use of commercial areas. On the other hand, the Grantor shall be entitled to the landport fee revenue from the users of the public service and other charges.

At the end of the concession period, MWMTI shall hand-over the PITX Project Assets to the Grantor without cost, free from any liens and encumbrances, including all improvements made to the landport facilities, commercial assets, works in progress and right to receive commercial revenues.

On November 5, 2018, MWMTI opened the landport while the construction of commercial areas and related developments were completed in 2019.

### ***29.3 Credit Lines and Guarantees***

#### *29.3.1 Credit Lines*

In 2023, CDI entered into a P3,000.0 million facility agreement with a local bank which can be drawn within 2023 to 2029. As of December 31, 2023, there was no drawdown made yet. CDI incurred debt issuance costs amounting to P35.1 million which is presented as Prepaid debt issuance cost under Other Assets in the 2023 consolidated statement of financial position (see Note 12).

The Group has existing credit lines with local banks totalling P22,880.0 million and P21,055.0 million as of December 31, 2023 and 2022.

In 2023 and 2022, the Group has availed additional bank loans amounting P15,962.2 million and P16,541.8 million, respectively (see Notes 18.2 and 34). Unused credit lines as of December 31, 2023 and 2022 amounted to P2,385.9 million and P6,666.0 million, respectively.

#### *29.3.2 Guarantees and Others*

On December 26, 2019 the BOD approved the issuance of corporate guaranty in the amount of P4.5 billion in favor of Citicore. Subsequently on March 28, 2020, the BOD of the Parent Company approved the reduction of the amount of corporate guaranty from P4.5 billion to P1.5 billion. The approval is part of the governance initiative of the Parent Company and is deemed a regular corporate transaction to provide assistance, as needed, to new and other businesses to help them mature and produce strong and predictable cash flows to become stable and consistent contributors to the Group. These include forward integration opportunities in real estate development such as affordable housing segment and mid to high-end residential developments as well as in high-growth potential and fast-growing industries to support Group's long-term goal of strengthening its portfolio to provide additional legs for next level of growth.

On March 23, 2015, CMCI, with the Parent Company as guarantor, executed a Receivable Purchase Agreement (RPA) with certain local commercial banks, whereby the CMCI shall offer an outstanding finance lease receivable arising from PPP school infrastructure project within the purchase period on a limited recourse basis such as upon the occurrence of certain repurchase event under the RPA. Pursuant to the continuing obligations of the CMCI under the RPA, CMCI has been in compliance with the RPA during the reporting periods.

In 2015, MWMTI entered into an OLSA with a local universal bank, with the Parent Company as guarantor, for a loan facility amounting to P3,300.0 million to finance the construction of the PITX Project. In 2019, the Parent Company requested the lender to increase the loan facility by P600.0 million making the total principal loan to P3,900.0 million [see Note 18.2(b)].

## ***29.4 Capital Commitments on Use of Proceeds and Joint Operations***

### ***29.4.1 Use of Proceeds***

The Parent Company has capital commitments to utilize the proceeds from the issuance of its preferred shares amounting to P4,362.6 million for various expansion of its facilities and construction of infrastructure projects as stated in the use of proceeds report. As of December 31, 2023 and 2022, the balance of the unutilized proceeds amounted to P1,427.8 million and P1,555.8 million, respectively.

### ***29.4.2 Joint Operations***

As of December 31, 2023, HMDJV has capital commitments to purchase equipment amounting P217.5 million for the construction works of the Malolos-Clark Railway Project which is expected to be fully utilized upon the completion of the project. There are no commitments pertaining to MGCJV and MGCJVI as the related projects are already completed.

## ***29.5 Others***

Apart from the foregoing significant commitments, and the Group's construction commitments with various counterparties under the ordinary course of business, there are other commitments and contingent liabilities that arise in the normal course of the Group's operations which are not reflected in the consolidated financial statements. Management is of the opinion that losses, if any, from these commitments and contingencies will not have material effects on the Group's consolidated financial statements, taken as a whole.

There are other pending claims, tax assessment, and other legal actions filed by the Group or against the Group arising from the normal course of business. There are no related provisions recognized in the consolidated financial statements as management believes that the Group has strong legal positions related to such claims. Moreover, management believes that the ultimate liability, if any, with respect to such litigations, claims and disputes will not materially affect the financial position and results of operations of the Group.

### 30. EARNINGS (LOSS) PER SHARE

Earnings (loss) per share is calculated as Company's profit divided by the outstanding shares of its common stock and computed as follows:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b><u>Continuing Operations:</u></b>			
Net profit (loss) attributable to shareholders of the Parent Company	<b>P 283,490,119</b>	(P 1,871,908,063)	P 478,704,913
Dividends on cumulative preferred shares	<b>( 410,278,870)</b>	( 489,629,428)	( 505,629,428)
Net loss available to common shareholders of the Parent Company	<b>( 126,788,751)</b>	( 2,361,537,491)	( 26,924,515)
Divided by weighted average number of outstanding common shares	<u>2,013,409,717</u>	<u>2,013,409,717</u>	<u>2,013,409,717</u>
Basic and diluted earnings (loss) from continuing operations per share	<b>(P 0.06)</b>	(P 1.17)	(P 0.01)
<b><u>Discontinued Operations:</u></b>			
Net profit (loss) available to common shareholders of the Parent Company	<b>P -</b>	P5,449,613,779	(P 821,690,147)
Divided by weighted average number of outstanding common shares	<u>-</u>	<u>2,013,409,717</u>	<u>2,013,409,717</u>
Basic and diluted earnings (loss) from discontinued operations per share	<b>P -</b>	P 2.71	(P 0.41)
Basic and diluted earnings (loss) per share	<b>(P 0.06)</b>	P 1.54	(P 0.42)

The Group does not have dilutive potential common shares outstanding as of December 31, 2023, 2022 and 2021; hence, diluted earnings (loss) per share is equal to the basic earnings (loss) per share.

### 31. EVENTS AFTER THE END OF THE REPORTING PERIOD

The Parent Company's BOD approved the declaration of dividends on the following dates which shall be taken out of the unrestricted earnings of the Parent Company as of December 31, 2023.

	<u>1<sup>st</sup> Quarter</u>	<u>2<sup>nd</sup> Quarter</u>	<u>Amount per share for each approval date</u>
<i>Series 4 Preferred shares:</i>			
Approval dates	January 5, 2024	March 22, 2024	P 1.33
Record dates	January 22, 2024	April, 2024	
Payment dates	January 29, 2024	April 29, 2024	
<i>Series 2b Preferred shares:</i>			
Approval dates	January 16, 2024	-	P 1.44
Record dates	February 7, 2024	-	
Payment dates	February 27, 2024	-	
<i>Series 5 Preferred shares:</i>			
Approval dates	March 13, 2024	-	P 1.98
Record dates	April 2, 2024	-	
Payment dates	April 17, 2024	-	

On April 12, 2024, the Parent Company's BOD has authorized the offering of Philippine Peso denominated fixed rate bonds in the amount of up to P5.0 billion Offer Bonds with an aggregate issue size of up to P5.0 billion consisting of the Base Offer of up to P4.0 billion and the Oversubscription Option of up to P1.0 billion in up to three series, at the discretion of the Parent Company, namely: (i) 3-year Series C Bonds due 2027; (ii) 5-year Series D Bonds due 2029; and (iii) 7-year Series E Bonds due 2031, under such terms and conditions as may be approved by the Parent Company's BOD and subject to the registration requirements of the SEC and the listing requirements of the Philippine Dealing and Exchange Corp.

### 32. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to a variety of financial risks in relation to its financial instruments. The Group's financial assets and financial liabilities by category are summarized in Note 33. The main types of risk are market risk, credit risk and liquidity risk.

The Group's risk management is coordinated with the Group's Parent Company, in close cooperation with the BOD, and focuses on actively securing the Group's short-to-medium term cash flows by minimizing the exposure to financial markets. The Group does not actively engage in the trading of financial assets for speculative purposes, nor does it write options. The relevant financial risks to which the Group is exposed to are described below and in the succeeding pages.

#### ***32.1 Market Risk***

The Group is exposed to market risk through its use of financial instruments and specifically to foreign currency risk, interest rate risk and certain other price risk which result from its operating, investing, and financing activities.

##### ***(a) Foreign Currency Risk***

Most of the Group's transactions are carried out in Philippine pesos, its functional currency. The Group also holds US dollar denominated cash in banks. The Group does not have any financial liabilities denominated in foreign currency.

Foreign currency denominated cash in banks, translated into Philippine pesos at the closing rate amounted to P213.9 million and P1,560.7 million as of December 31, 2023 and 2022, respectively.

If the Philippine peso had strengthened by 16.06% and 15.94% in 2023 and 2022, respectively, against the US dollar, with all other variables held constant, profit before tax in 2023 and loss before tax in 2022 would have decreased by P34.4 million and increased by P246.0 million, respectively. If the Philippine peso had weakened by the same percentages against the US dollar, then the impact on profit before tax in 2023 and 2022 would have increased and decreased by the same amounts, respectively. These percentages have been determined based on the average market volatility in exchange rates, using standard deviation, in the previous 12 months, estimated at 99% level of confidence. The sensitivity analysis is based on the Group's foreign currency financial instruments held as at December 31, 2023 and 2022, with effect estimated from the beginning of the year.

Exposures to foreign exchange rates vary during the period depending on the volume of foreign currency transactions. Nonetheless, the analysis above is considered to be representative of the Group's currency risk.

(b) *Interest Rate Risk*

The Group's policy is to minimize interest rate cash flow risk exposures on long-term financing.

As at December 31, 2023 and 2022, the Group is exposed to changes in market rates through its cash in banks and short-term placements, amounting to P4,878.9 million and P15,758.2 million, respectively (see Note 5). All other financial assets and financial liabilities have fixed rates or are noninterest bearing.

The sensitivity of the profit (loss) before tax is analyzed based on a reasonably possible change in interest rates of +/-232.1, +/-369.2 and +/-156.0 basis points in 2023, 2022 and 2021, respectively, based on observation of current market conditions with effect from the beginning of the year. The changes in interest rates have been determined based on the average market volatility in interest rates for each period using standard deviation and the financial instruments held at the end of each reporting period that are sensitive to changes in interest rates.

All other variables held constant, if the interest rates increased by 232.1 basis points, 369.2 basis points and 156.0 basis points in 2023, 2022 and 2021, respectively, profit before tax in 2023 and 2022 and loss before tax in 2021 would have increased by P818.3 million, P486.7 million and P20.9 million, respectively. Conversely, if the interest rates decreased by the same basis points, profit before tax in 2023 and 2022 would have been higher by the same amounts, while the loss before tax in 2021 would also have been lower by the same amount.

**32.2 Credit Risk**

Credit risk is the risk that a counterparty may fail to discharge an obligation to the Group. The Group is exposed to this risk for various financial instruments, such as the granting of loans and receivables to customers and related parties and placing deposits with local banks.



The Group continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporate this information into its credit risk controls. The Group's policy is to deal only with creditworthy counterparties.

The maximum credit risk exposure of financial assets and contract assets is the carrying amount of the related assets as shown in the consolidated statements of financial position or in the detailed analysis provided in the notes to the consolidated financial statements, as summarized below.

	Notes	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	5	<b>P 4,878,885,375</b>	P 15,758,197,239
Trade and other receivables – net	6	<b>19,057,405,746</b>	18,262,408,240
Contract assets	9	<b>5,640,188,614</b>	5,106,307,785
Refundable security and bond deposits	12	<u><b>179,724,175</b></u>	<u>216,790,017</u>
		<u><b>P 29,756,203,910</b></u>	<u>P 39,343,703,281</u>

None of the Group's financial assets are secured by collateral or other credit enhancements, except for cash and cash equivalents, as described below and in the succeeding pages.

*(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) Trade and Other Receivables and Contract Assets*

The Group applies the PFRS 9 simplified approach in measuring ECL which uses a lifetime expected loss allowance for all trade receivables and other receivables and contract assets.

To measure the ECL, trade and other receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due (age buckets). The Group also concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the other receivables as it shares the same credit risk characteristics.

The expected loss rates are based on the payment and aging profiles over a period of 36 months before December 31, 2023 or 2022 respectively, and the corresponding historical credit losses experienced within such period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the interest rate in the Philippines to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in this factor. The additional ECL in 2023 and 2022 is presented as part of Impairment loss under General and Administrative Expenses (see Note 23).

The Group identifies a default when the receivables become credit impaired or when the customer has not been able to settle the receivables when due, depending on the terms with customers or after completion and acceptance of the stage of completion as represented by the billings. In making the assessment, the Group considers the net position of the customer after advances and deposits received from the customer, reason for non-payment (i.e. dispute related to quality of work completed has been raised by the customer) and the credit standing of the customer. In addition, the Group considers qualitative assessment in determining default such as in instances where the customer is unlikely to pay its obligations and is deemed to be in significant financial difficulty. When customer is unlikely to pay a past due account in the next year due to financial difficulty, an ECL is recognized in the books.

The Group has determined that the credit standing and liquidity of the significant portion of its receivables and customers from the construction segment are not affected severely by COVID-19 as these customers have reputable cash management strategies.

On that basis, the loss allowance as at December 31, 2023 and 2022 was determined based on months past due, as follows, for both trade and other receivables:

	Not more than 3 months	More than 3 mos. but not more than 6 mos.	More than 6 mos. but not more than 1 year	More than 1 year	Total
<u>December 31, 2023:</u>					
<i>Expected credit loss rate</i>	-	-	-	18.91%	
Contract receivables	P 4,016,814,301	P 27,277,620	P 197,808,828	P 618,791,178	P4,860,691,927
Lease receivables	<u>345,729,767</u>	<u>58,265,555</u>	<u>85,545,831</u>	<u>767,273,553</u>	<u>1,256,814,706</u>
	4,362,544,068	85,543,175	283,354,659	1,386,064,731	6,117,506,633
<b>Loss allowance</b>	<b><u>P -</u></b>	<b><u>P -</u></b>	<b><u>P -</u></b>	<b><u>P 262,111,638</u></b>	<b><u>P 262,111,638</u></b>
<u>December 31, 2022:</u>					
<i>Expected credit loss rate</i>	-	-	-	22.47%	
Contract receivables	P 4,092,166,912	P 124,746,943	P 180,932,226	P 628,540,736	P5,026,386,817
Lease receivables	<u>568,078,686</u>	<u>98,066,282</u>	<u>274,013,536</u>	<u>380,960,512</u>	<u>1,321,119,016</u>
	4,660,245,598	222,813,225	454,945,762	1,009,501,248	6,347,505,833
Loss allowance	<u>P -</u>	<u>P -</u>	<u>P -</u>	<u>P 226,842,662</u>	<u>P 226,842,662</u>

The Group recognized an allowance for ECL amounting to P1,087.4 million representing unbilled costs incurred by the Group and assessed to be not recoverable. In 2022, the Group wrote-off certain contract assets amounting to P908.4 million (see Note 9). No impairment losses on contract assets have been recognized in 2023 and 2021.

The real estate sales receivables account pertaining to PH1 is secured to the extent of the fair value of the residential condominium units sold (i.e., based on current prices less estimated cost to sell) since the title to the real estate properties remains with the Group until the real estate sales receivables are fully collected. In 2023, estimated fair value of collaterals held against the real estate sales receivables of PH1 exceeded the gross maximum exposure amounting to P538.3 million; hence, the related credit risk exposure is deemed immaterial, and the expected loss given default on real estate sales receivables is nil.

The Group's rental receivables are secured to the extent of advance rentals and security deposits received from lessees. Furthermore, in case of delay in collection of rentals from lessees, the Group imposes penalties pursuant to its standard lease agreements.

ECL for advances to and receivable from related parties are measured and recognized using the liquidity approach. Management determines possible impairment based on the counterparties' ability to repay the receivables upon demand at the reporting date taking into consideration the historical defaults from the counterparties. The Group does not consider any significant risks in the advances to and receivable from related parties since the related parties have enough capacity to pay the advances and receivables upon demand.

(c) *Refundable Security and Bond Deposits*

The Group is not exposed to any significant credit risk exposures to its lessors as lease agreements were executed with reputable entities. The Group can negotiate, before the end of the lease term, to apply deposit to rentals due.

### 32.3 Liquidity Risk

The Group manages its liquidity needs by carefully monitoring cash outflows due in day-to-day business.

Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for six-month and one-year periods are identified monthly.

The Group maintains cash to meet its liquidity requirements for up to 60-day periods. Excess cash is invested in time deposits or short-term placements. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

	<u>Current</u>		<u>Non-current</u>
	<u>Within</u>	<u>6 to 12</u>	<u>1 to 5</u>
	<u>6 Months</u>	<u>Months</u>	<u>Years</u>
<b>December 31, 2023:</b>			
Interest-bearing loans and borrowings	P 17,082,878,391	P4,167,091,185	P10,839,396,032
Trade and other payables	4,283,598,004	-	-
Security deposits*	-	-	260,963,874
	<b><u>P 21,366,476,395</u></b>	<b><u>P4,167,091,185</u></b>	<b><u>P 11,100,359,906</u></b>
 December 31, 2022:			
Interest-bearing loans and borrowings	P 13,599,699,523	P1,887,695,437	P15,147,467,405
Trade and other payables	5,332,737,951	-	-
Security deposits*	-	-	186,164,653
	<b><u>P 18,932,437,474</u></b>	<b><u>P 1,887,695,437</u></b>	<b><u>P15,333,632,058</u></b>

\*Under Other Non-Current Liabilities only, current portion of security deposits is included as part of Trade and Other Payables

The above contractual maturities reflect the gross cash flows, which may differ from the carrying values of the financial liabilities at the end of reporting periods.

### 33. CATEGORIES, OFFSETTING AND FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The carrying amounts and fair values of the categories of financial assets and financial liabilities presented in the consolidated statements of financial position are shown below.

	Notes	2023		2022	
		Carrying Values	Fair Values	Carrying Values	Fair Values
<b>Financial Assets</b>					
At amortized cost:					
Cash and cash equivalents	5	P 4,878,885,375	P 4,878,885,375	P 15,758,197,239	P 15,758,197,239
Trade and other receivables – net	6	19,057,405,746	19,057,405,746	18,262,408,240	18,262,408,240
Refundable security and bond deposits	12	179,724,175	179,724,175	216,790,017	216,790,017
		<u>24,116,015,296</u>	<u>24,116,015,296</u>	<u>34,237,395,496</u>	<u>34,237,395,496</u>
Financial assets at FVOCI:					
Club shares		1,044,472	1,044,472	1,044,472	1,044,472
Investment in SSPI		2,500,000	2,500,000	2,500,000	2,500,000
		<u>3,544,472</u>	<u>3,544,472</u>	<u>3,544,472</u>	<u>3,544,472</u>
		<u>P 24,119,559,768</u>	<u>P 24,119,559,768</u>	<u>P 34,240,939,968</u>	<u>P 34,240,939,968</u>
<b>Financial Liabilities</b>					
At amortized cost:					
Interest-bearing loans and borrowings	18	P 30,602,003,563	P 27,735,555,609	P 27,779,021,506	P 24,797,804,953
Trade and other payables	17	4,283,598,004	4,283,598,004	5,332,737,951	5,332,737,951
Security deposits*	20	260,963,874	260,963,874	186,164,653	186,164,653
		<u>P 35,146,565,441</u>	<u>P 32,280,117,487</u>	<u>P 33,297,924,110</u>	<u>P 30,316,707,557</u>

\*Under Other Non-Current Liabilities only, current portion of security deposits is included as part of Trade and Other Payables

A description of the Group's risk management objectives and policies for financial instruments is provided in Note 32.

#### 33.1 Offsetting of Financial Assets and Financial Liabilities

Currently, all other financial assets and financial liabilities are settled on a gross basis and no offsetting of financial instruments has been made in 2023 and 2022. However, each party to the financial instrument (particularly related parties) will have the option to settle amounts on a net basis in the event of default of the other party through approval by both parties' BOD and stockholders. As such, the Group's outstanding receivables from and payables to the same related parties as presented in Note 28 can be potentially offset to the extent of their corresponding outstanding balances.

#### 33.2 Fair Value Hierarchy

In accordance with PFRS 13, *Fair Value Measurement*, the fair value of financial assets and financial liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS, are categorized into three levels based on the significance of inputs used to measure the fair value. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or 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 value of another instrument which is substantially the same after taking into account the related credit risk of counterparties, or is calculated based on the expected cash flows of the underlying net asset base of the instrument.

When the Group uses valuation technique, it maximizes the use of observable market data where it is available and rely 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.

### ***33.3 Financial Instruments Measured at Fair Value***

Since the fair value of the Group's financial assets through FVOCI approximates the cost amounting to P3.5 million both as of December 31, 2023 and 2022, respectively, the fair value change is deemed immaterial. The Parent Company's financial assets through FVOCI are under Level 2 and 3 of the fair value hierarchy.

As of December 31, 2023, and 2022, instrument included in Level 2 comprise equity securities classified as financial assets at FVOCI. These securities were valued based on their fair market values by reference on published share prices of golf club shares and as at December 31, 2023 and 2022, respectively. These are included in Level 2 as their prices are not derived from market considered as active due to lack of trading activities among market participants at the end or close to the end of the reporting period.

The Group has equity interest of 1% in SSPI as of December 31, 2023 and 2022. These securities were valued based on entity specific estimate, thus included in Level 3.

The Group has no financial liabilities measured at fair value as of December 31, 2023 and 2022.

There were neither transfers between Levels 1 and 2 nor changes in Level 3 instruments in both years.

### 33.4 Financial Instruments Measured at Amortized Cost

The table below summarizes the fair value hierarchy of the Group's financial assets and financial liabilities which are not measured at fair value in the consolidated 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>2023:</b>				
<i>Financial assets:</i>				
Cash and cash equivalents	P 4,878,885,375	P -	P -	P 4,878,885,375
Trade and other receivables - net	-	-	19,057,405,746	19,057,405,746
Refundable security and bond deposits	-	-	179,724,175	179,724,175
	<b><u>P 4,878,885,375</u></b>	<b><u>P -</u></b>	<b><u>P 19,237,129,921</u></b>	<b><u>P 24,116,015,296</u></b>
<i>Financial liabilities:</i>				
Interest-bearing loans and borrowings	P -	P -	P 27,735,555,609	P 27,735,555,609
Trade and other payables	-	-	4,283,598,004	4,283,598,004
Security deposits	-	-	260,963,874	260,964,874
	<b><u>P -</u></b>	<b><u>P -</u></b>	<b><u>P 32,280,117,487</u></b>	<b><u>P 32,280,117,487</u></b>
<b>2022:</b>				
<i>Financial assets:</i>				
Cash and cash equivalents	P 15,758,197,239	P -	P -	P 15,758,197,239
Trade and other receivables - net	-	-	18,262,408,240	18,262,408,240
Refundable security and bond deposits	-	-	216,790,017	216,790,017
	<b><u>P 15,758,197,239</u></b>	<b><u>P -</u></b>	<b><u>P 18,479,198,257</u></b>	<b><u>P 34,237,395,496</u></b>
<i>Financial liabilities:</i>				
Interest-bearing loans and borrowings	P -	P -	P 24,797,804,953	P 24,797,804,953
Trade and other payables	-	-	5,332,737,951	5,332,737,951
Security deposits	-	-	186,164,653	186,164,653
	<b><u>P -</u></b>	<b><u>P -</u></b>	<b><u>P 30,316,707,557</u></b>	<b><u>P 30,316,707,557</u></b>

### 33.5 Fair Value Measurement for Investment Property Carried at Cost

The table below shows the fair value of the Group's investment property measured at cost but for which fair value is disclosed and determined under the Level 3 fair value hierarchy.

	<u>Note</u>	<u>2023</u>	<u>2022</u>
Building for lease	15	<b>P 3,985,165,000</b>	P 3,581,201,711
Land	15	<b><u>1,915,926,447</u></b>	<u>1,915,926,447</u>
		<b><u>P 5,901,091,447</u></b>	<b><u>P 5,497,128,158</u></b>

The fair value of certain parcels of land 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 Group's management with respect to the determination of the inputs such as the size, age, and condition of the land and buildings, and the comparable prices in the corresponding property location. On the other hand, the fair value of other parcels of land was derived using the market comparable approach that reflects the recent transaction prices for similar properties in nearby locations. Both valuation process was applied as sale comparable method.

In estimating the fair value of investment property, 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 Group's non-financial assets indicated above is their current use. In 2023 and 2022, the Level 3 fair value of commercial area under investment properties was determined using the income approach which utilized discounted cash flow method to convert future cash flows to be generated by the non-financial assets in reference to the value of expected income, net of cost of services, other operating expenses and income taxes.

The significant unobservable inputs used in the valuation of the property were future annual free cash flows ranging from P520.0 million to P2,400.0 million for average period of 29 years. The discount rates applied in determining the present value of future annual free cash flows is 12%. The management has determined that a reasonably possible change in the unobservable inputs to a different amounts or rates would not cause the fair values of the non-financial assets to be increase or decrease significantly.

There has been no other change to the valuation techniques used by the Group for its non-financial assets. Also, there were no transfers into or out of Level 3 fair value hierarchy in 2023 and 2022.

#### 34. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Presented below is the reconciliation of the Group's liabilities arising from financing activities, which includes both cash and non-cash changes.

	Bank Loans (Note 18)	Notes Payable (Note 18)	Lease Liabilities (Note 16)	Bonds Payable (Note 18)	Exchangeable Notes (Note 10)	Total
Balance as of January 1, 2023	P 18,112,968,586	P 5,444,000,000	P 281,819,227	P 3,940,233,693	P 7,763,200,000	P 35,542,221,506
Cash flows from financing activities:						
Additional borrowings	15,962,201,900	-	-	-	-	15,962,201,900
Repayment of borrowings	( 13,484,686,134)	( 56,000,000)	( 107,716,696)	-	-	( 13,648,402,830)
Non-cash financing activities:						
Effect of consolidation of a subsidiaries	500,062,702	-	8,412,681	-	-	508,475,383
Pre-termination	-	-	( 36,735,903)	-	-	( 36,735,903)
Additional lease liabilities	-	-	23,807,414	-	-	23,807,414
Amortization of deferred charges	-	-	-	13,636,093	-	13,636,093
<b>Balance as of December 31, 2023</b>	<b><u>P 21,090,547,054</u></b>	<b><u>P 5,388,000,000</u></b>	<b><u>P 169,586,723</u></b>	<b><u>P 3,953,869,786</u></b>	<b><u>P 7,763,200,000</u></b>	<b><u>P 38,365,203,563</u></b>
Balance as of January 1, 2022	P 43,466,007,561	P 5,569,791,232	P 465,697,699	P -	P -	P 49,501,496,492
Cash flows from financing activities:						
Additional borrowings	16,541,804,650	-	-	3,940,233,693	7,763,200,000	28,245,238,343
Repayment of borrowings	( 16,190,177,018)	( 125,791,232)	( 296,845,377)	-	-	( 16,612,813,627)
Non-cash financing activities:						
Effect of deconsolidation	( 25,704,666,607)	-	-	-	-	( 25,704,666,607)
Additional lease liabilities	-	-	112,966,905	-	-	112,966,905
Balance as of December 31, 2022	<u>P 18,112,968,586</u>	<u>P 5,444,000,000</u>	<u>P 281,819,227</u>	<u>P 3,940,233,693</u>	<u>P 7,763,200,000</u>	<u>P 35,542,221,506</u>
Balance as of January 1, 2021	P 39,796,906,098	P 5,590,791,232	P 532,667,977	P -	P -	P 45,920,365,307
Cash flows from financing activities:						
Additional borrowings	4,291,987,360	-	-	-	-	4,291,987,360
Repayment of borrowings	( 2,018,602,072)	( 21,000,000)	( 254,545,430)	-	-	( 2,294,147,502)
Non-cash financing activities:						
Effect of modification	1,118,939,962	-	-	-	-	1,118,939,962
Unrealized forex on dollar valuation	241,381,113	-	-	-	-	241,381,113
Amortization of debt issuance costs	35,395,100	-	-	-	-	35,395,100
Additional lease liabilities	-	-	187,575,152	-	-	187,575,152
Balance as of December 31, 2021	<u>P 43,466,007,561</u>	<u>P 5,569,791,232</u>	<u>P 465,697,699</u>	<u>P -</u>	<u>P -</u>	<u>P 49,501,496,492</u>

### 35. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return to shareholders by pricing services commensurate with the level of risk.

The Group monitors capital on the basis of the carrying amount of equity as presented on the consolidated statements of financial position.

The Group sets the amount of capital in proportion to its overall financing structure, equity and liabilities. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares, re-issuance of treasury shares or sell assets to reduce debt.

	<u>Note</u>	<u>2023</u>	<u>2022</u>
Interest-bearing loans and borrowings ( <i>excluding lease liabilities</i> )	18	<b>P 30,432,416,841</b>	P 27,497,202,279
Total equity		<b><u>16,932,773,747</u></b>	<u>19,666,880,588</u>
		<b><u>1.80: 1.00</u></b>	<u>1.40: 1.00</u>





**Report of Independent Auditors  
to Accompany Supplementary  
Information Required by the  
Securities and Exchange Commission  
Filed Separately from the Basic  
Consolidated Financial Statements**

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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 Stockholders  
Megawide Construction Corporation and Subsidiaries  
*(A Subsidiary of Citicore Holdings Investment, Inc.)*  
20 N. Domingo Street  
Brgy. Valencia  
Quezon City

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of Megawide Construction Corporation and Subsidiaries (the Group) for the year ended December 31, 2023, on which we have rendered our report dated April 12, 2024. Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The applicable supplementary information (see List of Supplementary Information) is presented for purposes of additional analysis in compliance with the requirements of the Revised Securities Regulation Code Rule 68 of the Philippine Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with Philippine Financial Reporting Standards. 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 consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

**PUNONGBAYAN & ARAULLO**

**By: John Endel S. Mata**  
Partner

CPA Reg. No. 0121347  
TIN 257-622-627  
PTR No. 10076144, January 3, 2024, Makati City  
SEC Group A Accreditation  
Partner - No. 121347-SEC (until financial period 2023)  
Firm - No. 0002 (until financial period 2024)  
BIR AN 08-002551-040-2023 (until Jan. 24, 2026)  
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

April 12, 2024

**MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES**  
*(A Subsidiary of Citicore Holdings Investment, Inc.)*  
**LIST OF SUPPLEMENTARY INFORMATION**  
**December 31, 2023**

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MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES  
(A Subsidiary of Citicore Holdings Investment, Inc.)

Schedule A  
Financial Assets - Fair Value Through Profit or Loss, Fair Value Through Other Comprehensive Income  
and Amortized Cost  
December 31, 2023

Name of Issuing Entity and Association of Each Issue	Number of Shares or Principal Amount of Bonds or Notes	Amount Shown in the Statement of Financial Position as of Reporting Period	Valued Based on Market Quotation at End of Reporting Period	Income Received and Accrued (iii)
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*Fair Value through Other Comprehensive Income (FVTOCI)*

Investment in Club shares - The City Club, Alphaland Makati Place	P -	P 1,044,472	P 1,044,472	P -
Investment in Silay Solar Power, Inc.	-	2,500,000	2,500,000	-
<b>TOTAL</b>	<b>P -</b>	<b>P 3,544,472</b>	<b>P 3,544,472</b>	<b>P -</b>

*Financial Assets at Amortized Costs*

Cash and cash equivalents	P -	P 4,878,885,375	P 4,878,885,375	P 358,163,099
Trade and other receivables - net	-	19,057,405,746	19,057,405,746	651,600,367
deposits	-	179,724,175	179,724,175	-
Investment in trust fund	-	-	-	-
<b>TOTAL</b>	<b>P -</b>	<b>P 24,116,015,296</b>	<b>P 24,116,015,296</b>	<b>P 1,009,763,466</b>

**Supplementary Information on FVTOCI –**

*This investment represents equity instrument wherein the Group neither exercises control or significant influence as discussed in the notes to the consolidated financial statements.*

**MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES**  
*(A Subsidiary of Citicore Holdings Investment, Inc.)*  
**Schedule B**  
**Amounts Receivable from Directors, Officers, Employees,**  
**Related Parties and Principal Stockholders (Other than Related Parties)**  
**December 31, 2023**

Name	Balance at Beginning of Period	Additions	Deductions		Ending Balance		Balance at End of Period
			Amounts Collected	Written Off	Current	Non-current	
AILEEN DEL ROSARIO	P 35,000	P 3,000	( P 35,000)	P -	P 3,000	P -	P 3,000
ALBERT SAAVEDRA	172,997	485,294	( 67,200)	-	591,091	-	591,091
ALLAN M. VELASCO	62,350	111,500	( 62,350)	-	111,500	-	111,500
ANNA KARENINA SALGADO	6,868	-	-	-	6,868	-	6,868
BERNADETTE LAURENTE	61,719	-	-	-	61,719	-	61,719
CARI KENNETH C. CASTILLO	58,221	( 9,324)	( 14,720)	-	34,178	-	34,178
CHESTER NEIL R. CARBONELL	294,134	-	-	-	294,134	-	294,134
CHITO BILOG	6,500	-	-	-	6,500	-	6,500
CRISTELLE MAE AMORIN	73,000	58,945	-	-	131,945	-	131,945
DARYL JOHN LOPEZ	43,600	-	-	-	43,600	-	43,600
DEBBIE MAY PURIFICACION	135,276	-	( 29,500)	-	105,776	-	105,776
DEWEY S. OLAYA	775,325	26,500	( 30,000)	-	771,825	-	771,825
DONABELLE SISON	42,600	4,600	( 37,200)	-	10,000	-	10,000
DONNA MAY VILLENA	33,500	-	-	-	33,500	-	33,500
ELEAZAR SANCHEZ	19,840	2,185,124	( 748,000)	-	1,456,964	-	1,456,964
EMILIA CORAZON DE HITTA	299,640	-	( 222,000)	-	77,640	-	77,640
ENRIQUE VALENZUELA JR.	27,911	19,972	( 14,400)	-	33,483	-	33,483
ERICANDO GALANG	336,768	-	( 70,300)	-	266,468	-	266,468
EXEQUIEL A ISMAEL	763,820	372,535	( 1,036,905)	-	99,450	-	99,450
FEBELYN JOY MANAHAN	295,900	489,924	( 84,000)	-	701,824	-	701,824
FREDERICK TAN	197,153	-	-	-	197,153	-	197,153
GILBERT TUGADE	144,000	-	-	-	144,000	-	144,000
GRANT LEE FELLOWES	1,307,240	-	( 635,387)	-	671,853	-	671,853
HANNAH NICOLE Q. BAUTISTA	196,810	68,262	( 22,540)	-	242,532	-	242,532
HAZELLE SILVERIO	33,996	28,200	( 43,060)	-	19,136	-	19,136
JANE MARIE VELADO	18,600	-	-	-	18,600	-	18,600
JANELLE C. MONJARDIN	114,227	9,000	-	-	123,227	-	123,227
JAY ONG	180,900	8,500	( 146,401)	-	42,999	-	42,999
JEFFREY MIRANDILLA	187,800	-	-	-	187,800	-	187,800
JENIFER G. ALBA	1,264,000	17,725	( 639,000)	-	642,725	-	642,725
JERICH A JAN PRIETO	38,531	-	-	-	38,531	-	38,531
JESUS ARIMBUYUTAN	626,095	261,990	( 160,585)	-	727,500	-	727,500
JIEZI FLORALDE	83,220	-	( 57,785)	-	25,435	-	25,435
JOANA MANGAHAS	54,572	-	-	-	54,572	-	54,572
JOEMAR SALINAS	14,510	69,270	-	-	83,780	-	83,780
JOHN ARMAN SERENUELA	777,000	-	-	-	777,000	-	777,000
JOSE CARLO CHAVEZ	679,104	30,355	( 165,600)	-	543,859	-	543,859
JOWELYN ROSARIO	76,130	-	-	-	76,130	-	76,130
LAMBERTO BANSIL III	150,220	-	( 150,220)	-	-	-	-
LUIS RAYMOND ILAGAN	102,536	1,437,922	( 112,000)	-	1,428,458	-	1,428,458
MA. ABIGAIL JANE LIBRANDO	248,000	55,000	-	-	303,000	-	303,000
MA. GLORIA JENNIFER ONTE	315,024	219,358	( 149,654)	-	384,728	-	384,728
MANUEL CRUZ	70,400	-	-	-	70,400	-	70,400
MARIO LOPE PAR	1,030,959	861,831	( 363,384)	-	1,529,406	-	1,529,406
MARVIN GLORIA	201,414	-	-	-	201,414	-	201,414
NELSON LEGARDE	32,785	-	-	-	32,785	-	32,785
NELSON M. CASADO	43,980	-	-	-	43,980	-	43,980
NIDA H. GREFALDO	39,275	67,000	-	-	106,275	-	106,275
NOEL M. BERANA	18,501	-	( 12,600)	-	5,901	-	5,901
OLIVER BERMEJO	7,500	-	-	-	7,500	-	7,500
PAMELA PEREZ	5,975	3,500	-	-	9,475	-	9,475
RACQUEL H. VERZOSA	33,000	-	-	-	33,000	-	33,000
REGOR TITO	-	-	-	-	-	-	-
RIZA MEJIA	31,500	-	-	-	31,500	-	31,500
ROGELIO TUBIG JR.	404,939	( 260,727)	-	-	144,212	-	144,212
RONALD ASUNCION	1,848,806	-	( 1,848,806)	-	-	-	-
SARAH ROSE O. TRAJADA	14,850	-	-	-	14,850	-	14,850
SHARE TREATS INNOVATION CORPOR	224,611	-	-	-	224,611	-	224,611
TRISHA MAY S. MANALO	43,500	15,900	-	-	59,400	-	59,400
VALERIE AYRA RAMOS	30,000	-	-	-	30,000	-	30,000
YVONNE M. RUAYA	24,000	30,872	( 14,046)	-	40,826	-	40,826
ZYRA FACTURAN	103,000	54,400	-	-	157,400	-	157,400
A&E TRADING	276,250	-	-	-	276,250	-	276,250
ABNER CATAUTAN	10,343	10,750	( 21,030)	-	63	-	63
ABONDIO MAGCUHA JR.	1,650	-	-	-	1,650	-	1,650
<i>Balance forwarded</i>	P 14,851,872	P 6,737,177	( P 6,993,672)	P -	P 14,595,377	P -	P 14,595,377

Name	Balance at Beginning of Period	Additions	Deductions		Ending Balance		Balance at End of Period
			Amounts Collected	Written Off	Current	Non-current	
<i>Balance carried forward</i>	P 14,851,872	P 6,737,177	( P 6,993,672)	P -	P 14,595,377	P -	P 14,595,377
ACE B. VISENTADO	1,475	18,000	( 18,321)	-	1,154	-	1,154
ACHAS, VICENTE JESSIE E	-	16,446	-	-	16,446	-	16,446
ACHAS, VICENTE JESSIE E.	4,839	-	( 3,629)	-	1,210	-	1,210
ACUT, WILFRED	-	-	-	-	-	-	-
ADDISON D. CASTA	29,700	-	-	-	29,700	-	29,700
ADLIH EMPAL	11,400	-	-	-	11,400	-	11,400
ADONIE NILE NASTOR	-	160,655	-	-	160,655	-	160,655
ADONIS GONZALES	8,365	59,000	( 58,944)	-	8,421	-	8,421
ADRIAN ANDAYA	91,800	-	-	-	91,800	-	91,800
ADRIAN B. LLANO	1,650	-	-	-	1,650	-	1,650
AGA VELASCO	55,000	427,900	( 28,830)	-	454,070	-	454,070
AGUILUS, ARIEL	716	443	-	-	1,159	-	1,159
AILEEN CATES OLICIA	12,000	-	-	-	12,000	-	12,000
Aileen P. Del Rosario	7,680	-	-	-	7,680	-	7,680
AILEEN ROSALES	1,800	-	-	-	1,800	-	1,800
AILEN HONEY ABITONG	8,400	-	-	-	8,400	-	8,400
AILENE W. ROSALES	7,140	-	-	-	7,140	-	7,140
AISA MARIA TRICCIA E. ESTACIO	1,151	131,000	( 131,463)	-	689	-	689
AISA MARIA TRICCIA ESTACIO	( 521)	521	-	-	-	-	-
AL I. FLORES	1,650	-	-	-	1,650	-	1,650
AL JAY A. PARAGOSO	3,498	-	-	-	3,498	-	3,498
ALARCON, IZER JOHN	52	-	-	-	52	-	52
ALARCON, TERISSE JANE M	-	10,964	( 10,964)	-	-	-	-
ALBERN GALLO	( 215)	215	-	-	-	-	-
ALBERT A. MARTEL	-	2,280	( 2,280)	-	-	-	-
ALBERT BACULI	-	18,000	-	-	18,000	-	18,000
ALBERT ESTRABELA	28,650	-	-	-	28,650	-	28,650
ALBERT MARTEL	5,961	877	( 6,838)	-	-	-	-
ALBERTO LORIO	1,650	-	-	-	1,650	-	1,650
ALCRIE OPENA	-	-	-	-	-	-	-
ALDEN R. SANTANA	-	8,973	-	-	8,973	-	8,973
ALDRIN ESMANE	( 272)	272	-	-	-	-	-
ALDRIN KIM PADILLA	7,175	-	-	-	7,175	-	7,175
ALDRIN LOMIBAO	7,385	-	-	-	7,385	-	7,385
ALDRIN M. ESMANE	8,400	-	-	-	8,400	-	8,400
ALDWIN B. DAIRO	3,850	-	-	-	3,850	-	3,850
ALEGADO, RENATO	2,340	-	-	-	2,340	-	2,340
ALEJANDRO R. GAYTANO	1,650	-	-	-	1,650	-	1,650
ALEJANDRO, MA. ROCHELLE	34	-	-	-	34	-	34
ALETH NOLAN C. VAPOR	13,050	-	-	-	13,050	-	13,050
ALEX SAGAYLE	4,725	-	-	-	4,725	-	4,725
ALEXANDER E. LEONOR	960	-	-	-	960	-	960
ALEXANDER PAUL DORO	7,735	-	-	-	7,735	-	7,735
ALEXIS LUSANTA	( 150)	150	-	-	-	-	-
ALFE E. SUAZO	57,600	-	-	-	57,600	-	57,600
ALFRED SALINAS	5,450	-	-	-	5,450	-	5,450
ALFREDO DE LEON JR.	12,480	-	( 692)	-	11,788	-	11,788
ALIJANDRO FRANCISCO JR.	10,050	-	-	-	10,050	-	10,050
ALLAN ABISO	9,950	-	-	-	9,950	-	9,950
ALLAN B. JAMOSO	-	-	-	-	-	-	-
ALLAN LLOYD J. UNGOS	-	-	-	-	-	-	-
ALLAN NICKO C. DEGUINIO	11,788	-	-	-	11,788	-	11,788
ALLAN P. MAMANAO	1,650	-	-	-	1,650	-	1,650
ALLAN RANDA	-	-	-	-	-	-	-
ALLAN ROSARIO	( 193)	193	-	-	-	-	-
ALLAREY COLLADO	( 475)	475	-	-	-	-	-
ALMA P. GARCIA	128,459	-	-	-	128,459	-	128,459
ALMA, RUEL	-	-	-	-	-	-	-
ALMASIN, JOVEN G	-	10,964	( 10,964)	-	-	-	-
ALMASIN, JOVEN G.	3,226	-	( 3,226)	-	0	-	0
ALVA MONICA A. ESTIPONA	-	20,000	( 14,500)	-	5,500	-	5,500
ALVIN R. NICANOR	3,300	-	-	-	3,300	-	3,300
ALWIN G. CALZADO	1,650	-	( 455)	-	1,195	-	1,195
Alyssa Agustina F. Lazol	32,000	-	-	-	32,000	-	32,000
ALYSSA GERVACIO	( 230)	230	-	-	-	-	-
ALYSSA SIONGCO	( 230)	230	-	-	-	-	-
AMADO, ARNULFO	1,763	-	-	-	1,763	-	1,763
<i>Balance forwarded</i>	P 15,470,832	P 7,624,965	( P 7,284,778)	P -	P 15,811,020	P -	P 15,811,020

Name	Balance at Beginning of Period	Additions	Deductions		Ending Balance		Balance at End of Period
			Amounts Collected	Written Off	Current	Non-current	
<i>Balance carried forward</i>	P 15,470,832	P 7,624,965	( P 7,284,778)	P -	P 15,811,020	P -	P 15,811,020
AMBROSIO CHAVEZ	16,800	-	-	-	16,800	-	16,800
AME E. BODIONGAN	1,650	-	-	-	1,650	-	1,650
AMOS, MA. DOLORES	-	4	-	-	4	-	4
ANA MARIE ARAÑES	-	106,642	-	-	106,642	-	106,642
Analyn V. Bravo	960	-	-	-	960	-	960
ANASTACIO CALUAG JR.	14,400	-	-	-	14,400	-	14,400
ANDREA NICOLE GOMEZ	7,875	-	-	-	7,875	-	7,875
ANDRES ALUNAN Jr.	( 240)	240	-	-	-	-	-
ANDREW PUNGTLAN	41,000	864,600	-	-	905,600	-	905,600
ANGELA CLAIRE D. GELLA	30,000	-	( 30,000)	-	-	-	-
ANGELES, YSRAEL	-	-	-	-	-	-	-
ANGELICA RUTH ICARO	-	92,900	-	-	92,900	-	92,900
ANGELIKA T. BINO	124,412	85,830	( 112,532)	-	97,710	-	97,710
ANGELITO PANTALEON	1,925	-	-	-	1,925	-	1,925
ANGELO OCAMPO	5,950	-	-	-	5,950	-	5,950
ANGELO PANTALEON	4,200	-	-	-	4,200	-	4,200
ANGELO PUNSALAN	( 240)	240	-	-	-	-	-
ANJANETTE VICTORIA	4,200	-	-	-	4,200	-	4,200
Anna Karenina Salgado	374,382	-	-	-	374,382	-	374,382
ANNA LEA M. GALOLO	-	-	-	-	-	-	-
ANNE CHRISTINE C. MARCIA	80,208	-	( 68,250)	-	11,958	-	11,958
ANNE CHRISTINE MARCIA	( 290)	290	-	-	-	-	-
Annie Joy Galang	4,500	-	-	-	4,500	-	4,500
ANNIETH AVANCEÑA	15,000	-	-	-	15,000	-	15,000
Antel-Serenity Tower	-	-	-	-	-	-	-
ANTHONY A. SEDANO	12,960	-	-	-	12,960	-	12,960
ANTHONY C. GALLOS	-	-	-	-	-	-	-
ANTHONY CRUZ	5,375	-	-	-	5,375	-	5,375
ANTHONY M. GOROBAT	12,000	-	-	-	12,000	-	12,000
ANTHONY MANA-AY	20,000	-	-	-	20,000	-	20,000
ANTHONY SAURO	3,798	-	-	-	3,798	-	3,798
ANTONINO B. LA CUMBIS	1,550	-	-	-	1,550	-	1,550
ANTONIO A. RIVERA	7,910	-	-	-	7,910	-	7,910
ANTONIO ALPANTE	6,435	-	-	-	6,435	-	6,435
ANTONIO BARDAJE Jr.	( 288)	288	-	-	-	-	-
ANTONIO G. PAREDES	25,200	-	-	-	25,200	-	25,200
ANTONIO LASTRA	-	-	-	-	-	-	-
ANTONIO R. BARANGGAN	3,498	-	-	-	3,498	-	3,498
ANTONIO SOROAN	3,360	-	-	-	3,360	-	3,360
APOLINARIO LERIT JR.	1,200	-	-	-	1,200	-	1,200
APOLINARIO V. ARGUDO	43,200	-	-	-	43,200	-	43,200
APOSTOL, RYAN	4,347	664	-	-	5,011	-	5,011
ARA C. AMORES	-	122,956	-	-	122,956	-	122,956
ARABELLE VALENCIA	60,567	1,241	( 61,808)	-	0	-	0
ARBIE R. ATIENZA	-	-	-	-	-	-	-
ARDINE GEROLD ANACIETO	6,860	-	-	-	6,860	-	6,860
AREVALO, JEFF	2,679	-	-	-	2,679	-	2,679
ARIEL C. AGUILUS	7,800	-	-	-	7,800	-	7,800
ARIEL MACASLING	1,650	-	-	-	1,650	-	1,650
ARIEL O. PEREZ	7,770	-	-	-	7,770	-	7,770
ARIEL ODTOJAN	6,573	-	-	-	6,573	-	6,573
ARIES BACUAJON	3,185	-	-	-	3,185	-	3,185
ARIES RYAN MORADA	-	3,045	( 3,045)	-	-	-	-
ARIS SAN JOSE	14,325	-	-	-	14,325	-	14,325
ARLENE JOYCE OBLEPIAS	-	-	-	-	-	-	-
ARLENE JOYCE OBLEPIAS/ KRISTIAN	5,000	-	( 5,000)	-	-	-	-
ARLYN MALALAY	5,075	-	-	-	5,075	-	5,075
ARMANDO A. TRASADO	13,955	-	-	-	13,955	-	13,955
ARMANDO BARRAL	33,600	-	-	-	33,600	-	33,600
ARMANDO C. RAMOS	11,700	-	-	-	11,700	-	11,700
ARMANDO CAHAYAG	-	26,725	-	-	26,725	-	26,725
ARNALDO A. DATO JR.	1,650	-	-	-	1,650	-	1,650
ARNEL ALI	7,945	3,000	-	-	10,945	-	10,945
ARNEL DIPOLOG	( 240)	240	-	-	-	-	-
ARNEL MALIGAT	10,500	-	-	-	10,500	-	10,500
ARNEL SISA	3,950	-	-	-	3,950	-	3,950
ARNEL SOLOMON	8,400	-	-	-	8,400	-	8,400
ARNIL JAMITO	( 240)	7,306	( 7,067)	-	-	-	-
ARNOLD D. DOMINGO	-	-	-	-	-	-	-
ARNOLD DOMINGO	-	134	-	-	134	-	134
ARNOLD E. RIZALDA	8,400	-	-	-	8,400	-	8,400
ARNOLD FAMILARAN	( 12,000)	396,624	( 36,984)	-	347,640	-	347,640
ARNOLD G. ANACAYA	4,038	-	-	-	4,038	-	4,038
ARNOLD P. DAVILA	7,560	-	-	-	7,560	-	7,560
<i>Balance forwarded</i>	P 16,568,775	P 9,337,935	( P 7,609,464)	P -	P 18,297,244	P -	P 18,297,244

Name	Balance at Beginning of Period	Additions	Deductions		Ending Balance		Balance at End of Period
			Amounts Collected	Written Off	Current	Non-current	
<i>Balance carried forward</i>	P 16,568,773	P 9,337,935	( P 7,609,464)	p -	P 18,297,244	p -	P 18,297,244
ARNULFO AMADO	-	215,572	-	-	215,572	-	215,572
Arthaland (Superstructure)	93,503	-	-	-	93,503	-	93,503
ARTHUR C. SUMAWAY	1,650	-	-	-	1,650	-	1,650
ARTHURO MERCADO	3,360	-	-	-	3,360	-	3,360
ARVIN SALVADOR	7,800	-	-	-	7,800	-	7,800
ASHLY SOLIMAN	14,400	-	-	-	14,400	-	14,400
ASLIAH T. TOMHE	3,920	-	-	-	3,920	-	3,920
ASRS Cold Storage Taguig	224,692	-	-	-	224,692	-	224,692
AUTOCTTY INC.	8,036	-	-	-	8,036	-	8,036
AVELINO JR, SANTIAGO	1,796	-	-	-	1,796	-	1,796
AYATON, BALINTINO	-	-	-	-	-	-	-
BALDOVINO, RUDY	-	644	( 610)	-	34	-	34
BALINGASA, ROBIN	386	-	-	-	386	-	386
BALINTINO B. AYATON	27,800	-	-	-	27,800	-	27,800
BALMORES, BERNIE	-	-	-	-	-	-	-
BALTAZAR DIONG	9,480	-	-	-	9,480	-	9,480
BARBADILLO, BRIGIDO Jr. E.	4,462	21,551	( 26,013)	-	-	-	-
BART V. CAINDOC	551	-	-	-	551	-	551
BASENCE, JOSELITO C	-	7,309	( 7,309)	-	-	-	-
BASENCE, JOSELITO C.	2,150	-	( 2,150)	-	0	-	0
BASIL C. VARGAS	2,853	-	-	-	2,853	-	2,853
BATAN, RADITH	12,838	-	-	-	12,838	-	12,838
BAUTISTA, DOMINIC	6,240	-	-	-	6,240	-	6,240
BAYLON JAKE	-	531	( 494)	-	38	-	38
BAYLON, JAKE	-	58	-	-	58	-	58
BDO RENTAL, INC.	1,719,833	-	-	-	1,719,833	-	1,719,833
BELJOE BOMBAY	14,925	-	-	-	14,925	-	14,925
BENA KRISTIE U. BALANDRA	17,900	-	-	-	17,900	-	17,900
BENJAMIN MIGUEL Jr.	( 240)	240	-	-	-	-	-
BENNY JOHN R. DALAGUIT	1,650	-	-	-	1,650	-	1,650
BENRAME SALAPANG	23,986	-	-	-	23,986	-	23,986
BERMUDO, MICHAEL	-	1,071	-	-	1,071	-	1,071
BERMUDO, MICHAEL	150,000	3,389	-	-	153,389	-	153,389
BERNA CLARRICE PANCHO	8,400	-	-	-	8,400	-	8,400
BERNABE C. LAGUNAY	1,475	-	-	-	1,475	-	1,475
BERNARD MANLAPAZ	( 159)	159	-	-	-	-	-
BERNARDO REBAMBA	( 248)	248	-	-	-	-	-
BERNIE VIAJE	( 240)	240	-	-	-	-	-
BERTGN MADURO	3,010	-	-	-	3,010	-	3,010
BESA, CHRIS NOMYR V.	-	14,037	( 14,037)	-	-	-	-
BIANCA MAE A. ECALDRE	-	62,125	-	-	62,125	-	62,125
BIENVENIDO P. MIPARANUM	8,400	-	-	-	8,400	-	8,400
BIENVINIDO E. VILLANCA JR.	1,650	-	-	-	1,650	-	1,650
BILL ROBERT GOTO	18,000	-	-	-	18,000	-	18,000
BINOS, JOHN CARLO B	-	7,309	( 7,309)	-	-	-	-
BINOS, JOHN CARLO B.	2,150	-	( 2,150)	-	0	-	0
BOBBY Q. BANZON	7,125	-	-	-	7,125	-	7,125
BOBERTO B. CARLOTO JR.	10,925	-	-	-	10,925	-	10,925
BOLETCHÉ, KENIEL B	-	7,309	( 7,309)	-	0	-	0
BOLONIA, CHRIS	-	2,685	-	-	2,685	-	2,685
BOLONIA, CHRIS	-	1,336	-	-	1,336	-	1,336
BORRES, MARK ANTHONY S	-	18,273	( 13,490)	-	4,783	-	4,783
BORRES, MARK ANTHONY S.	6,451	-	( 4,839)	-	1,613	-	1,613
BOTIS, MARY JOY	( 635)	719	( 84)	-	-	-	-
BOYET ORCA	5,355	-	-	-	5,355	-	5,355
BRANDO DIONG	5,400	-	-	-	5,400	-	5,400
BRAVO JR., RAMON S.	2,150	-	( 2,150)	-	0	-	0
BRIAN BALASABAS	-	20,079	-	-	20,079	-	20,079
BRIAN GERVACIO	4,950	-	-	-	4,950	-	4,950
BRIANNE AGPOON	( 174)	174	-	-	-	-	-
BRIGIDO BARBADILLO JR.	( 855)	59,855	( 40,000)	-	19,000	-	19,000
BRYAN B. REGAÑON	1,650	-	-	-	1,650	-	1,650
BRYAN BALISI	15,675	-	-	-	15,675	-	15,675
BRYAN JESS BACO	10,000	95,290	( 3,043)	-	102,247	-	102,247
BRYAN M. CORTANA	14,325	-	-	-	14,325	-	14,325
BRYAN M. DELOS SANTOS	8,400	-	-	-	8,400	-	8,400
BRYAN MALINAO	29,400	-	-	-	29,400	-	29,400
BRYAN RALPH M. DABUET	1,650	-	-	-	1,650	-	1,650
BRYAN SEVILLANO	3,760	-	-	-	3,760	-	3,760
<i>Balance forwarded</i>	P 19,090,735	P 9,878,137	( P 7,740,451)	p -	P 21,228,421	p -	P 21,228,421

Name	Balance at Beginning of Period	Additions	Deductions		Ending Balance		Balance at End of Period
			Amounts Collected	Written Off	Current	Non-current	
<i>Balance carried forward</i>	P 19,090,735	P 9,878,137	( P 7,740,451)	p -	P 21,228,421	p -	P 21,228,421
BRYAN TOXON	-	94,190	-	-	94,190	-	94,190
CABICO, RACHEL	-	-	-	-	-	-	-
CABRERA, JESSIE B.	5,961	3,798	( 9,467)	-	292	-	292
CALICCO, NOEL	196	-	-	-	196	-	196
CALLEJA, JOHN LESTER	-	596	-	-	596	-	596
CALVIN D. RICON	7,770	-	-	-	7,770	-	7,770
CAMILLE JOY C. PEREDO	48,841	407,706	( 411,553)	-	44,994	-	44,994
CAMILLE JOY PEREDO	119,665	-	-	-	119,665	-	119,665
CANDY MAE GUANIO	5,400	-	-	-	5,400	-	5,400
CAPUTOLAN, INOCENTES C.	5,961	3,506	( 9,467)	-	-	-	-
CARLO D. SAMONTANES	1,650	-	( 321)	-	1,329	-	1,329
CARLO O. PEROCHO	10,050	-	-	-	10,050	-	10,050
CARLOS L. TRECE	-	43,200	-	-	43,200	-	43,200
CARMELA MARIEL I. CINCO	-	369,328	-	-	369,328	-	369,328
CARMELITO PEQUIRO	( 100)	100	-	-	-	-	-
CARMEN ANNE LOUISE V. CONTEMPLA	-	128,800	( 128,800)	-	-	-	-
CARMINA LEBOSADA	2,300	-	-	-	2,300	-	2,300
CAROLYNE GUMARANG	-	4,950	-	-	4,950	-	4,950
CARY PANGILINAN	29,295	-	-	-	29,295	-	29,295
CASTRO, CELINE	1,165	81	( 1,246)	-	-	-	-
CATALINO L. INTANO	8,400	-	-	-	8,400	-	8,400
CATIENZA, EDWIN	-	-	-	-	-	-	-
CEASAR S. TOLETE	8,400	-	-	-	8,400	-	8,400
CEASAR TOLETE	( 267)	267	-	-	-	-	-
CENON DELA PENA JR	4,125	-	-	-	4,125	-	4,125
CERILLO CARDIENTE JR.	1,650	-	-	-	1,650	-	1,650
CESAR GARCIA	12,298	-	-	-	12,298	-	12,298
CHAD GEROME T. AGUIHAP	-	-	-	-	-	-	-
CHALLEN KEITH NG CHUA	-	70,000	( 70,000)	-	-	-	-
CHARLENE JOY R. ESPIRITU	7,275	-	-	-	7,275	-	7,275
CHARLIE A. DESO-ARSIDO	1,650	-	-	-	1,650	-	1,650
CHERRIE ROSE AQUINO	( 390)	777	( 387)	-	-	-	-
CHITO BILOG	45,264	-	-	-	45,264	-	45,264
CHOLA PABLO	7,000	-	-	-	7,000	-	7,000
CHRIS NOMYR BESA	( 375)	375	-	-	-	-	-
CHRISTIAN BIGUEJA	57,600	-	-	-	57,600	-	57,600
CHRISTIAN GONZALES	-	1,837	( 1,837)	-	-	-	-
CHRISTIAN P. CELOZA	-	-	-	-	-	-	-
CHRISTIAN R. DOLFO	-	-	-	-	-	-	-
CHRISTIAN VILLORENTE	( 193)	193	-	-	-	-	-
CHRISTMA ANGELA SONZA	6,713	-	-	-	6,713	-	6,713
CHRISTOPHER BOLONIA	-	40,000	( 40,000)	-	-	-	-
CHRISTOPHER D. LECITA	8,400	-	-	-	8,400	-	8,400
CHRISTOPHER DAN TAMAYO	10,000	33,300	-	-	43,300	-	43,300
CITICORE POWER INC.	3,016,650	-	-	-	3,016,650	-	3,016,650
CLAPTON FERNANDO	3,570	-	-	-	3,570	-	3,570
COLEGADO, ROEL	-	2,053	-	-	2,053	-	2,053
CONCORDIO REMANOQUE Jr.	( 250)	250	-	-	-	-	-
CONRADO D. RAMIREZ	8,400	-	-	-	8,400	-	8,400
CONRADO GREGORIO	2,880	-	-	-	2,880	-	2,880
<i>Balance forwarded</i>	P 22,537,687	P 11,083,445	( P 8,413,530)	p -	P 25,207,601	p -	P 25,207,601



Name	Balance at Beginning of Period	Additions	Deductions		Ending Balance		Balance at End of Period
			Amounts Collected	Written Off	Current	Non-current	
<i>Balance carried forward</i>	P 22,537,687	P 11,083,445	( P 8,413,530)	p -	P 25,207,601	p -	P 25,207,601
CORNELIO ATENCIO	5,400	-	-	-	5,400	-	5,400
CORNELIO O. PLANAS	15,650	-	-	-	15,650	-	15,650
CRIS EMIL A. NAVARRO	8,400	-	-	-	8,400	-	8,400
CRIS EMIL NAVARRO	-	18,000	-	-	18,000	-	18,000
CRISANTO BERTOLDO	54,000	-	-	-	54,000	-	54,000
CRISANTO LABE JR.	2,625	-	-	-	2,625	-	2,625
CRISENCIO TOLENTINO Jr.	( 150)	150	-	-	-	-	-
CRISOLOGO, EUNICE	888	-	-	-	888	-	888
CRISPULO S. OBEDA JR.	-	-	-	-	-	-	-
CRISTEL ANN T. ESTACIO	-	84,350	( 7,490)	-	76,860	-	76,860
CRISTOPER ROGADO	5,975	-	-	-	5,975	-	5,975
CRUZ D. LANORIAS JR.	1,650	-	-	-	1,650	-	1,650
DABLO, MELONA E.	43,294	82,804	( 110,986)	-	15,112	-	15,112
DACUYA, RODEL C.	7,526	-	-	-	7,526	-	7,526
DAET, IJSEN N.	-	7,916	( 7,916)	-	-	-	-
DAHEAN VALENTE	45,561	-	-	-	45,561	-	45,561
DAILEG, EDISON N.	1,344	14,009	( 15,353)	-	0	-	0
DALF LFSAN B. GALELA	114,823	-	-	-	114,823	-	114,823
DANA VALERIE DIAZ	-	4,179	-	-	4,179	-	4,179
DANDIE C. ESPANOL	-	7,028,970	( 7,028,970)	-	-	-	-
DANICA REOYO	63,199	-	-	-	63,199	-	63,199
DANIEL A. YAP	-	-	-	-	-	-	-
DANIEL JOHN ROMERO	( 163)	163	-	-	-	-	-
DANILO C. MALUYA	1,650	-	-	-	1,650	-	1,650
DANILO DIGNOS	17,175	-	-	-	17,175	-	17,175
DANILO GACILO	8,400	-	-	-	8,400	-	8,400
DANILO JALLORINA	( 2,100)	2,100	-	-	-	-	-
DANILO N. MAGHANOY	1,650	-	-	-	1,650	-	1,650
DANILO R. MONTOYA JR.	1,650	-	-	-	1,650	-	1,650
DANTE F. BARAGA	47,759	-	-	-	47,759	-	47,759
DARANCIANG, MARK VONN D	-	14,618	( 14,618)	-	-	-	-
DARANCIANG, MARK VONN D.	4,301	-	( 4,301)	-	0	-	0
Darlyn Pheia B. Lopez	9,600	-	-	-	9,600	-	9,600
Darlyn Pheia Lopez	32,000	-	-	-	32,000	-	32,000
DARWIN FLORES	2,625	-	-	-	2,625	-	2,625
DARWIN LABASTIDA	( 300)	300	-	-	-	-	-
DARWIN R. LABASTIDA	8,260	-	-	-	8,260	-	8,260
DARYL LUMBERIO	8,400	-	-	-	8,400	-	8,400
DARYL NERY	2,880	-	-	-	2,880	-	2,880
DAVE SALAZAR	4,200	-	-	-	4,200	-	4,200
DAVID STEVENSON TACORDA	( 240)	240	-	-	-	-	-
DB3 BEG BAL	179,397	-	-	-	179,397	-	179,397
DE GUZMAN, MARIELLE	-	17	-	-	17	-	17
DE GUZMAN, VINCENT	20,446	-	-	-	20,446	-	20,446
DE LUNA, JAYSON	-	-	-	-	-	-	-
DELA CRUZ, DONNY MARK	-	-	-	-	-	-	-
DELMONTE, NIÑA M.	2,016	9,553	( 11,569)	-	-	-	-
DELOS SANTOS, ANALYN	-	-	-	-	-	-	-
DEMATAWARAN, EDWIN	406	-	-	-	406	-	406
DENARD ABALO	( 199)	199	-	-	-	-	-
DENNIS ALTAR	1,650	-	-	-	1,650	-	1,650
DENNIS L. MAKALINTAL	-	20,000	-	-	20,000	-	20,000
DENNIS L. SABIDAL	8,365	-	-	-	8,365	-	8,365
DENNIS MAKALINTAL	-	1,186,300	( 1,058,532)	-	127,768	-	127,768
DENNIS NORIO	( 202)	202	-	-	-	-	-
DENTOR P. CABRAL	1,650	-	-	-	1,650	-	1,650
DIETER CARDINAL	12,720	3,833	-	-	16,553	-	16,553
DEVONERE, JOHN UMLAS	( 240)	240	-	-	-	-	-
DEXTER MONDEJAR	1,650	-	-	-	1,650	-	1,650
DEXTER SUAZO	10,050	-	-	-	10,050	-	10,050
<i>Balance forwarded</i>	P 23,293,327	P 19,561,586	( P 16,673,265)	p -	P 26,181,649	p -	P 26,181,649

Name	Balance at Beginning of Period	Additions	Deductions		Ending Balance		Balance at End of Period
			Amounts Collected	Written Off	Current	Non-current	
<i>Balance carried forward</i>	P 23,293,327	P 19,561,586	( P 16,673,265)	p -	P 26,181,649	p -	P 26,181,649
Dexterton	27,088	-	-	-	27,088	-	27,088
DIACOSTA, REY	-	-	-	-	-	-	-
DIANE VENICE MARTINEZ	6,900	-	( 6,900)	-	-	-	-
DIONG BALTAZAR	2,880	-	-	-	2,880	-	2,880
DIONISIO A. MAMUAD	1,475	-	-	-	1,475	-	1,475
DIONY D. CANTA	1,475	-	-	-	1,475	-	1,475
DOMINADOR Z. LUMONTOD	9,875	-	-	-	9,875	-	9,875
DOMINGO S. RALA	10,710	-	-	-	10,710	-	10,710
DOMINGUEZ, EDISON A	-	14,618	( 14,618)	-	-	-	-
DONARDO CAYABYAB Jr.	( 300)	300	-	-	-	-	-
DONATO, GIL L.	-	14,618	( 14,618)	-	0	-	0
DONATO, GIL L.	-	-	-	-	-	-	-
DONELLE CHARMAGNE UMALI	-	80,000	( 30,000)	-	50,000	-	50,000
DONNA ANGELA DE JESUS	-	14,400	( 14,400)	-	-	-	-
DONNA DE JESUS	1,427	-	( 1,427)	-	-	-	-
D'SEAL EHDIO	( 100)	100	-	-	-	-	-
DUGTONG, KATHERINE	-	-	-	-	-	-	-
DURANGO, JIMMY D	-	7,309	( 7,309)	-	-	-	-
DURANGO, JIMMY D.	2,150	-	( 2,150)	-	0	-	0
Dyan Karla S. Seno	32,000	-	-	-	32,000	-	32,000
Edades Suites	167,256	-	-	-	167,256	-	167,256
EDDIE CORNELIO	1,650	-	-	-	1,650	-	1,650
EDELTO C. TAPIC	104,123	-	-	-	104,123	-	104,123
EDGAR MILA	-	7,210	-	-	7,210	-	7,210
EDGAR VALERA	112,800	-	-	-	112,800	-	112,800
EDGIE CORTON	1,650	-	-	-	1,650	-	1,650
EDISON A. DOMINGUEZ	11,075	-	-	-	11,075	-	11,075
EDISON DAILEG	( 362)	362	-	-	-	-	-
EDJY MARK A. MINOLTEO	14,185	-	-	-	14,185	-	14,185
EDMALYN BALINUYOS	10,800	-	-	-	10,800	-	10,800
EDMAR F. FETALINO	1,650	-	-	-	1,650	-	1,650
EDMON FRANCO	-	19,500	-	-	19,500	-	19,500
EDMUND A. ESTRELLA	-	36,000	-	-	36,000	-	36,000
EDMUND ALDE	4,025	-	-	-	4,025	-	4,025
EDMUND ESTRELLA	( 240)	240	-	-	-	-	-
EDMUNDO B. JUAREZ	1,650	-	-	-	1,650	-	1,650
EDUARD LANTACA	107,300	-	-	-	107,300	-	107,300
EDUARDO A. CARLOS II	11,770	-	-	-	11,770	-	11,770
EDUARDO CARDINOZA JR.	8,400	-	-	-	8,400	-	8,400
EDUARDO CORTEZ	8,400	-	( 281)	-	8,119	-	8,119
EDUARDO DE LEON	3,100	-	-	-	3,100	-	3,100
EDUARDO MAGLOYUAN	5,050	-	-	-	5,050	-	5,050
EDUARDO S. TANTIADO	11,305	-	-	-	11,305	-	11,305
EDUARDO TANTIADO	3,360	-	-	-	3,360	-	3,360
EDUARDO UTRERA Jr.	( 199)	199	-	-	-	-	-
EDWARD YBANEZ	-	15,710	-	-	15,710	-	15,710
EDWIN ABISO	7,630	-	-	-	7,630	-	7,630
EDWIN ALFONSO	8,190	-	-	-	8,190	-	8,190
EDWIN C. EDRADA	6,955	-	-	-	6,955	-	6,955
EDWIN D. CATIENZA	8,400	-	-	-	8,400	-	8,400
EDWIN PICANA	17,850	-	-	-	17,850	-	17,850
EIGHT DRAGON METAL	14,509	-	-	-	14,509	-	14,509
ELBERT BUYCO	7,700	-	-	-	7,700	-	7,700
ELGIN G. BARREDO	2,880	-	-	-	2,880	-	2,880
ELIZABETH ANN C. MACANAYA	50,000	90,000	( 50,000)	-	90,000	-	90,000
ELJUH N. BUMATAY	1,650	-	-	-	1,650	-	1,650
ELLYMAR A. ANTONIO	-	-	-	-	-	-	-
ELMER CIERVO, JR	1,495,313	128,000	-	-	1,623,313	-	1,623,313
ELMER DIONG	3,360	-	-	-	3,360	-	3,360
ELMER G. CONCEPCION	1,400	-	-	-	1,400	-	1,400
ELMER OFILAN	3,090	-	-	-	3,090	-	3,090
ELPIDIO S. MALAPIT JR	1,650	-	-	-	1,650	-	1,650
<i>Balance forwarded</i>	P 25,608,232	P 19,990,151	( P 16,814,968)	p -	P 28,783,416	p -	P 28,783,416

Name	Balance at Beginning of Period	Additions	Deductions		Ending Balance		Balance at End of Period
			Amounts Collected	Written Off	Current	Non-current	
<i>Balance carried forward</i>	P 25,608,232	P 19,990,151	( P 16,814,968)	p -	P 28,783,416	p -	P 28,783,416
ELVIS DIZON	( 239)	239	-	-	-	-	-
ELWELL LOMA	-	525,000	-	-	525,000	-	525,000
EMILIANO MIRA	3,237	-	-	-	3,237	-	3,237
EMMANUEL F. CRISTOBAL	8,400	-	-	-	8,400	-	8,400
EMMANUEL IOLEJOLE	6,550	-	-	-	6,550	-	6,550
EMMANUEL PAR	-	2,150	-	-	2,150	-	2,150
EMMANUEL S. MAGAS	587,339	4,600	( 39,741)	-	552,198	-	552,198
EMPAL, ADLH R	-	7,309	( 7,309)	-	-	-	-
EMPAL, ADLH R	2,150	-	( 2,150)	-	0	-	0
ENRIQUE DITAUNON	3,240	-	-	-	3,240	-	3,240
ERIC C. DULAY	14,400	-	-	-	14,400	-	14,400
ERIC DULAY	5,280	-	-	-	5,280	-	5,280
ERIC N. ARCANGEL	4,928	-	-	-	4,928	-	4,928
ERICA MARIE DURSA HALILI	-	169,300	-	-	169,300	-	169,300
ERICK JOHN SIBAYAN	( 110)	110	-	-	-	-	-
ERNESTO ALONZO	-	2,400	-	-	2,400	-	2,400
ERNESTO N. CONDADA JR.	1,475	-	-	-	1,475	-	1,475
ERNIE L. TAMBONGCO	2,880	-	-	-	2,880	-	2,880
ERROL SANTOS	12,093	-	-	-	12,093	-	12,093
ERWIN AMARO	-	-	-	-	-	-	-
ERWIN BABIA	-	52,000	( 52,000)	-	-	-	-
ERWIN BAYANI	5,750	-	-	-	5,750	-	5,750
ERWIN HERANDOY	1,650	-	-	-	1,650	-	1,650
ERWIN I. OCHAQUE	1,650	-	-	-	1,650	-	1,650
ERWIN L. SISON	1,650	-	-	-	1,650	-	1,650
ERWIN M. RAMOS	8,400	-	-	-	8,400	-	8,400
ERWIN MARGES	4,410	-	-	-	4,410	-	4,410
ERWIN OMBAJIN	1,650	-	-	-	1,650	-	1,650
ESPINO, RAIZA	3,636	-	-	-	3,636	-	3,636
ESTACIO, CRISTEL	3,326	1,169	( 6)	-	4,489	-	4,489
ESTEBAN L. VALENCIA	1,650	-	-	-	1,650	-	1,650
ESTELITO CENSON JR.	8,400	-	-	-	8,400	-	8,400
ESTELITO M. CENSON JR.	-	15,500	-	-	15,500	-	15,500
ESTHER ROSE CONCEPCION	30,000	-	-	-	30,000	-	30,000
EUBERT RAMOS	3,990	-	-	-	3,990	-	3,990
EUGENE CANOY	-	3,188	( 3,188)	-	-	-	-
EUGENIO G. PADERNAL	4,300	-	-	-	4,300	-	4,300
EUGINE VALENA	2,663	-	-	-	2,663	-	2,663
EUNICE R. CRISOLOGO	98,237	32,746	( 98,237)	-	32,746	-	32,746
EUROBRASS PRODUCT INC.	4,752	-	-	-	4,752	-	4,752
EVANGELIO, RODNEY	-	4	-	-	4	-	4
FEDERICO MARTINEZ	-	-	-	-	-	-	-
FELICIANO, MARY LEI	1,160	3,831	-	-	4,991	-	4,991
FELICIO FELICIANO	8,000	-	( 8,000)	-	-	-	-
FELINO CANAYA	14,400	-	-	-	14,400	-	14,400
FELINO MANLAPAZ	( 159)	159	-	-	-	-	-
FELINO P. DIAZ JR.	-	-	-	-	-	-	-
FELIPE R. GARCIA JR.	1,550	-	-	-	1,550	-	1,550
FERDINAND M. REGINIO	3,710	-	-	-	3,710	-	3,710
FERDINAND NARAJA	( 193)	193	-	-	-	-	-
FERMIN S. GREGORIO III	7,680	-	-	-	7,680	-	7,680
FIDEL BRYAN M. TOLENTINO	8,400	-	-	-	8,400	-	8,400
Fiona Rose R. Nicolas	493,000	-	-	-	493,000	-	493,000
FLOR ROLAND ALABADO	61,475	-	-	-	61,475	-	61,475
FLORANTE C. PACTAO	1,475	-	( 321)	-	1,154	-	1,154
FLORENCIO G. ESCUYOS	14,400	-	-	-	14,400	-	14,400
FLORES, SAMUEL R	-	13,052	( 10,877)	-	2,175	-	2,175
FORTUNATO M. CUAJOTOR JR.	3,360	-	-	-	3,360	-	3,360
FRANCIS DWAYNE BATUIGAS	( 362)	362	-	-	-	-	-
FRANCIS H. HOLAR	-	6,475	-	-	6,475	-	6,475
FRANCISCO B. BELLEZA JR.	1,550	-	-	-	1,550	-	1,550
FRANCISCO RIOJA JR.	1,650	-	-	-	1,650	-	1,650
FRANCISCO TURANO JR.	6,000	-	-	-	6,000	-	6,000
FRANKIE D. SIENES	8,260	-	-	-	8,260	-	8,260
FRANKLIN B. CALANZA	7,770	-	-	-	7,770	-	7,770
FRANKLIN JACOB	( 270)	270	-	-	-	-	-
FREDERICK B. EBREO	1,650	-	-	-	1,650	-	1,650
FRIAS, NOEL	4,712	6,374	-	-	11,085	-	11,085
GABRIEL, KHM	667	-	-	-	667	-	667
<i>Balance forwarded</i>	P 27,095,853	P 20,836,581	( P 17,036,798)	p -	P 30,895,636	p -	P 30,895,636

Name	Balance at Beginning of Period	Additions	Deductions		Ending Balance		Balance at End of Period
			Amounts Collected	Written Off	Current	Non-current	
<i>Balance carried forward</i>	P 27,095,853	P 20,836,581	( P 17,036,798)	p -	P 30,895,636	p -	P 30,895,636
GALLOS, ANTHONY	-	-	-	-	-	-	-
GALOLO, ANA LEA	-	2,679	( 1,339)	-	1,340	-	1,340
GARRERO, MARK JASON	-	-	-	-	-	-	-
GARY CATINGGAN	12,990	-	-	-	12,990	-	12,990
GAVINO A. MAGSUBAR JR.	21,120	-	-	-	21,120	-	21,120
GELLA, ANGELA CLAIRE D.	2,150	-	( 269)	-	1,882	-	1,882
GEMMA LAMOSTE	104,228	-	-	-	104,228	-	104,228
GENARD S. BRANZUELA	2,643	-	-	-	2,643	-	2,643
GENEROL, JESSRIL	3,008	-	-	-	3,008	-	3,008
GENESIS VERANO	8,260	-	-	-	8,260	-	8,260
GEORGE L. BERMUDO	18,200	-	-	-	18,200	-	18,200
GEORGE T. HERMOSO	1,650	-	-	-	1,650	-	1,650
GERAL DAQUILA	2,610	-	-	-	2,610	-	2,610
GERALD DUAZO	3,360	-	-	-	3,360	-	3,360
GERALD T. MORES	16,125	-	-	-	16,125	-	16,125
GERALD TALASTAS	2,835	8,330	-	-	11,165	-	11,165
GERARDO G. FLORES III	1,650	-	-	-	1,650	-	1,650
GERONIMO A. AGUIHAP	19,650	-	-	-	19,650	-	19,650
GERONIMO, LUTHER S	-	7,309	( 7,309)	-	-	-	-
GERONIMO, LUTHER S.	2,150	-	( 2,150)	-	0	-	0
GHINO D. REOLALAS	-	2,400	-	-	2,400	-	2,400
GIGI GABRILLO	-	892	( 892)	-	-	-	-
GIL B. TORRES	-	140,000	-	-	140,000	-	140,000
GIL DONATO	8,400	-	-	-	8,400	-	8,400
GILBERT L. ZAMORA	1,650	-	-	-	1,650	-	1,650
GILBERT RIMBAO	( 193)	193	-	-	-	-	-
GILBERT ROCA	-	6,545	-	-	6,545	-	6,545
GILBERT TONGA	-	10,815	-	-	10,815	-	10,815
GIO ANTHONY GOMEZ	( 240)	240	-	-	-	-	-
GLAISA MAY MAQUINANA	( 220)	220	-	-	-	-	-
GLEEN AGPOON Jr.	( 262)	262	-	-	-	-	-
GLEN DIAZ	-	93,545	( 89,045)	-	4,500	-	4,500
GLEN P. DIAZ	14,400	-	-	-	14,400	-	14,400
GLENDO DATUIN	12,320	-	-	-	12,320	-	12,320
GLENN CABALLERO	5,075	-	-	-	5,075	-	5,075
GLENN DE JESUS	5,825	-	-	-	5,825	-	5,825
GLENN DELA CRUZ	-	28,519	-	-	28,519	-	28,519
GLIZETTE DYAN BERNARDO	59,533	64,600	-	-	124,133	-	124,133
GONZAGA, MARK ANTHONY	-	-	-	-	-	-	-
GONZALO GREGORIO JR.	3,588	-	-	-	3,588	-	3,588
GOROBAT, ANTHONY	674	-	-	-	674	-	674
GRACE ABEGAIL CASEM	39,000	-	-	-	39,000	-	39,000
GRACE M. SANTOS	10,200	-	-	-	10,200	-	10,200
Grant Lee Fellowes	1,318	-	-	-	1,318	-	1,318
GRAZIELLE ALMAZAN	787	-	-	-	787	-	787
Grazielle Ann Q. Almazan	55,143	190,750	( 159,750)	-	86,143	-	86,143
GREGG ESTIMAR	( 193)	5,632	( 5,438)	-	-	-	-
GREGORIO C. SUAZO JR	6,000	-	( 6,000)	-	-	-	-
GREGORIO D. IIZARDO	8,400	-	-	-	8,400	-	8,400
GREGORIO M. JUALICAN	8,400	-	-	-	8,400	-	8,400
GUILLERMO ORTILLO JR.	2,400	4,200	-	-	6,600	-	6,600
GUILLERMO, MIRA ROELLA	3	-	-	-	3	-	3
HAFFELE PHILIPPINES, INC.	4,936	-	-	-	4,936	-	4,936
HAIDEE V. PALACIO	-	90,347	( 7,630)	-	82,717	-	82,717
HANS HERBERT PARALE	9,000	-	-	-	9,000	-	9,000
HAROLD A. SALIMBOT	3,000	-	-	-	3,000	-	3,000
HAROLD NELLAS	5,972	1,168	( 7,139)	-	1	-	1
HARRY DELAMIDE	12,600	-	-	-	12,600	-	12,600
HAYDEE M. CHUA	25,000	-	( 25,000)	-	-	-	-
HAZELLE SILVERIO	-	18,910	-	-	18,910	-	18,910
HEDRO IAN JAY T. PACETE	30,000	-	-	-	30,000	-	30,000
HEHERSON AGCAOLI	9,600	766,011	( 726,611)	-	49,000	-	49,000
HELEN PEDUCHE	( 418)	418	-	-	-	-	-
HENDRICK S. TRANILLA	8,120	-	( 8,120)	-	-	-	-
<i>Balance forwarded</i>	P 27,668,299	P 22,280,564	( P 18,083,490)	p -	P 31,865,373	p -	P 31,865,373

Name	Balance at Beginning of Period	Additions	Deductions		Ending Balance		Balance at End of Period
			Amounts Collected	Written Off	Current	Non-current	
<i>Balance carried forward</i>	P 27,668,299	P 22,280,564	( P 18,083,490)	p -	P 31,865,373	p -	P 31,865,373
HENRY D. CAÑAS	1,650	-	-	-	1,650	-	1,650
HENRY S. ALEGRE	-	8,400	-	-	8,400	-	8,400
HERBERT ANDALUZ	2,080	8,400	-	-	10,480	-	10,480
HERNANDEZ, WILBERT DARYL	-	39,965	( 10,258)	-	29,707	-	29,707
HONEYLENE SENOJA	32,994	-	-	-	32,994	-	32,994
HONIE JOY RAAGAS	25,000	-	-	-	25,000	-	25,000
INOCENSIO GULAY	( 209)	209	-	-	-	-	-
INOCENTES C. CAPUTOLAN	-	8,663	( 8,663)	-	-	-	-
IRENE D. SANTOS	4,800	-	-	-	4,800	-	4,800
IRENEO NARCISO JR.	1,650	-	-	-	1,650	-	1,650
IRENEO R. TAJOS	21,360	-	-	-	21,360	-	21,360
IRINEO AGUIHAP	( 26,440)	138,000	-	-	111,560	-	111,560
IRMA G TORRES	22,400	-	-	-	22,400	-	22,400
ISIDRO BURAYAG	3,360	72,000	-	-	75,360	-	75,360
ISOC Office	1,970	-	-	-	1,970	-	1,970
IVAN VIDAL	5,225	-	-	-	5,225	-	5,225
IVY LEIZEL PARRAS	( 193)	193	-	-	-	-	-
IVY MAE ARGULLA	2,400	-	-	-	2,400	-	2,400
JACKSON J. LO	2,310	-	-	-	2,310	-	2,310
JACKSON LO	2,080	-	-	-	2,080	-	2,080
JAIME BAMBALAN	18,000	-	-	-	18,000	-	18,000
JAIME CORPUZ JR.	-	7,805	-	-	7,805	-	7,805
JAIME RAPHAEL FELICIANO	128,758	-	-	-	128,758	-	128,758
JAKE IGNACIO	1,663	-	-	-	1,663	-	1,663
JALLORINA, DANILLO B.	12,257	17,413	( 29,670)	-	-	-	-
JAMES JUNATAS	572,200	658,800	( 622,843)	-	608,157	-	608,157
JAMES LO	3,360	-	-	-	3,360	-	3,360
JAMES MATTHEW JARAMILLO	-	56,000	-	-	56,000	-	56,000
James S. Mc Carthy	6,720	-	-	-	6,720	-	6,720
JAMES TAD PATRICK BARDON	50,000	1,134,603	-	-	1,184,603	-	1,184,603
JAMOSO, ALLAN B	-	7,309	( 7,309)	-	-	-	-
JAMOSO, ALLAN B.	2,150	-	( 2,150)	-	0	-	0
JAN ANTHONY CRISOSTOMO	( 159)	159	-	-	-	-	-
JAN MICHAEL LACUESTA	( 205)	6,731	( 5,438)	-	1,088	-	1,088
JAN MICHAEL P. SARMIENTO	5,705	-	-	-	5,705	-	5,705
JANE MARIE VELADO	18,600	-	-	-	18,600	-	18,600
JANETH PACLIBAR	70,789	-	-	-	70,789	-	70,789
JANIE O. VILLARMINO	4,200	-	-	-	4,200	-	4,200
JANLIE ESTARDO	20,400	-	-	-	20,400	-	20,400
JASON DE LUNA	-	-	-	-	-	-	-
JASON J. SOMBRENO	24,000	-	-	-	24,000	-	24,000
JASON ROJO	4,975	13,265	-	-	20,240	-	20,240
JAY B. AZANA	1,650	-	-	-	1,650	-	1,650
JAY MIEL CLETO	-	243,778	-	-	243,778	-	243,778
JAYBEE L. LA ROSA	7,980	-	-	-	7,980	-	7,980
JAYJAY GOROSPE	7,980	-	-	-	7,980	-	7,980
JAYMAN ESMANE	( 193)	193	-	-	-	-	-
JAYMARK MAGLOYUAN	9,100	-	-	-	9,100	-	9,100
JAYME CAREDO	( 240)	240	-	-	-	-	-
JAYME F. CAREDO	6,000	-	-	-	6,000	-	6,000
JAYONA, GREYEGO P	-	7,309	( 7,309)	-	-	-	-
JAYONA, GREYEGO P.	2,150	-	( 2,150)	-	0	-	0
JAYSON ABELLANO JR.	1,440	-	-	-	1,440	-	1,440
JAYSON ASINERO	-	7,000	( 7,000)	-	-	-	-
JAYSON B. BARCALA	1,650	-	-	-	1,650	-	1,650
JAYSON B. NARVAEZ	449,020	356,230	( 3)	-	805,246	-	805,246
JAYSON C. SABATER	36,000	-	-	-	36,000	-	36,000
JAYSON DELIS	1,420	-	-	-	1,420	-	1,420
JAYSON DELOS SANTOS	60,960	-	-	-	60,960	-	60,960
JAYSON NARCISO	5,005	-	-	-	5,005	-	5,005
JAYSON PAOLO D. BUNI	4,850	-	-	-	4,850	-	4,850
JAYSON SABENIANO	5,750	-	-	-	5,750	-	5,750
JAYWELL LOPEZ	8,120	-	-	-	8,120	-	8,120
JEAN BEATRICE COMPA	-	-	-	-	-	-	-
JEAN VIRAY	100,000	185,800	( 218,300)	-	67,500	-	67,500
JEFFY C. ABATAY	1,650	-	-	-	1,650	-	1,650
JEFFY M. MANGABON	-	12,600	( 12,600)	-	-	-	-
JEFFERSON TRINIDAD	( 245)	245	-	-	-	-	-
JEFFERSON R. AREVALO	1,650	-	-	-	1,650	-	1,650
JEFFREE VALENCIA	( 100)	100	-	-	-	-	-
JEFFREY B. BAJA	-	50,000	-	-	50,000	-	50,000
<i>Balance forwarded</i>	P 29,425,565	P 25,323,973	( P 19,017,183)	p -	P 35,732,355	p -	P 35,732,355

Name	Balance at Beginning of Period	Additions	Deductions		Ending Balance		Balance at End of Period
			Amounts Collected	Written Off	Current	Non-current	
<i>Balance carried forward</i>	P 29,425,565	P 25,323,973	( P 19,017,183)	p -	P 35,732,355	p -	P 35,732,355
JEFFREY C. PONSIKA	1,650	-	-	-	1,650	-	1,650
JEFFREY CALESA	( 70)	3,000	( 2,930)	-	-	-	-
JEFFREY MAGTIRA	( 480)	480	-	-	-	-	-
JEFFREY OYAS	3,500	-	-	-	3,500	-	3,500
JEFFREY S. CALESA	4,690	-	( 4,690)	-	-	-	-
JEFFREY BELLEN	9,000	-	-	-	9,000	-	9,000
JEFFREY SABELLANO	( 100)	100	-	-	-	-	-
JELYN BANASHIAN	6,405	-	-	-	6,405	-	6,405
JEMSON B. DE CASTRO	8,400	-	-	-	8,400	-	8,400
JENBEN B. ANTOLIN	9,520	-	-	-	9,520	-	9,520
JENNIFER MENDOZA	10,000	109,000	( 102,202)	-	16,798	-	16,798
JEFRE MUÑOZ	-	16,800	-	-	16,800	-	16,800
JEFRE V. MUÑOZ	4,200	-	-	-	4,200	-	4,200
JERICHAN JAN PRIETO	-	24,250	-	-	24,250	-	24,250
JERICK NORIELLE M. CAO	-	1,523	( 1,523)	-	-	-	-
JERMYN LEAL	1,007,974	238,872	( 1,122,585)	-	124,261	-	124,261
JEROME C. CABANES	1,650	-	-	-	1,650	-	1,650
JEROME SAN JUAN	1,920	-	-	-	1,920	-	1,920
JERWIN GAUDIANE	1,768	-	-	-	1,768	-	1,768
JERWIN J. GAUDIANE	1,950	-	-	-	1,950	-	1,950
JERWIN T. QUILLOY	1,650	-	-	-	1,650	-	1,650
JESAVEL B. BARRIO	8,400	-	-	-	8,400	-	8,400
JESIE CHRIS BORJA	11,500	-	-	-	11,500	-	11,500
JESSE JAMES SAYSON	10,073	6,032	( 16,104)	-	-	-	-
JESSICA D. VIÑAS	-	-	-	-	-	-	-
JESSIE CORONEL	3,840	-	-	-	3,840	-	3,840
JESSIE ESPINOSA	2,140	-	-	-	2,140	-	2,140
JESSIE MUÑOZ	1,970	-	-	-	1,970	-	1,970
JESSIE RELAMPAGUS	4,200	-	-	-	4,200	-	4,200
JESSON M. MESIA	11,305	-	-	-	11,305	-	11,305
JESSRIL P. GENEROL	15,960	-	-	-	15,960	-	15,960
JESTONY ESMERIA	10,050	-	-	-	10,050	-	10,050
JESUS ARIMBUYUTAN	-	96,900	( 74,074)	-	22,826	-	22,826
JESUS F. ABRAJANO	1,650	-	-	-	1,650	-	1,650
JETON M. COMENDADOR	1,475	-	-	-	1,475	-	1,475
JHAN GULIMLIM	( 50)	50	-	-	-	-	-
JHEPTE SILVA	( 160)	160	-	-	-	-	-
JHESTER DELA CRUZ	( 240)	240	-	-	-	-	-
JHON RAY PONES	6,440	18,900	( 18,900)	-	6,440	-	6,440
JHONACEL T. DELA CRUZ	4,305	-	-	-	4,305	-	4,305
JHORDAN JIMENO	1,650	-	-	-	1,650	-	1,650
JICJC S. KIAMCO	1,650	-	-	-	1,650	-	1,650
JHESTER KALAW	-	16,415	-	-	16,415	-	16,415
JIEZL FLORALDE	-	79,106	-	-	79,106	-	79,106
JIMENO, JHORDAN S	-	7,309	( 7,309)	-	-	-	-
JIMENO, JHORDAN S.	2,150	-	( 2,150)	-	0	-	0
JIMMY D. DURANGO	14,876	-	-	-	14,876	-	14,876
JIMSON D. CUEVAS	3,498	-	-	-	3,498	-	3,498
JIN MC CLOUD GURO	3,483	-	-	-	3,483	-	3,483
JIPPREY PONCE	6,720	-	-	-	6,720	-	6,720
Jo Paul M. Ricarze	6,720	-	-	-	6,720	-	6,720
JO-ANN OLOSOSISIMO	3,000	-	-	-	3,000	-	3,000
JOANNE GRACE F. GIRADO	8,400	-	-	-	8,400	-	8,400
JOE MARK CAABAY	1,650	-	-	-	1,650	-	1,650
JOEBELOU SIPLAO	6,720	-	-	-	6,720	-	6,720
JOEBERT REGINIO	14,400	-	-	-	14,400	-	14,400
JOEBERT UMPAD	8,502	5,445	( 13,947)	-	0	-	0
JOEFREY E. DE ASIS	2,400	-	-	-	2,400	-	2,400
JOEL CIPRIANO	5,300	-	-	-	5,300	-	5,300
JOEL GUSI Jr.	( 100)	100	-	-	-	-	-
JOEL MARTINEZ	536	10,402	( 536)	-	10,402	-	10,402
JOEL MILLARE	3,360	-	-	-	3,360	-	3,360
JOEL ORDOÑA	5,280	-	-	-	5,280	-	5,280
JOEL P. MORA JR.	3,300	-	-	-	3,300	-	3,300
JOELITO OAS	-	5,575	-	-	5,575	-	5,575
JOEM C. FLOJO	1,650	-	-	-	1,650	-	1,650
JOEMEL L. IRASGA	7,455	-	-	-	7,455	-	7,455
JOENCY ORTENCIO	-	15,000	( 15,000)	-	-	-	-
JOERGE L. TOTAL	1,650	-	-	-	1,650	-	1,650
JOESAL REY B. ERLANO	41,340	-	-	-	41,340	-	41,340
JOEY CORDOVA	-	9,675	-	-	9,675	-	9,675
JOEY M. ABEJO	1,650	-	-	-	1,650	-	1,650
JOEY PORTUGAL	-	20,400	-	-	20,400	-	20,400
JOHN ALDRIN PERMIJO	4,923	-	-	-	4,923	-	4,923
JOHN CARLO VELASCO	11,068	-	-	-	11,068	-	11,068
JOHN DERICK BANGSOY	( 345)	345	-	-	-	-	-
<i>Balance forwarded</i>	P 30,764,935	P 26,010,052	( P 20,399,134)	-	P 36,375,853	-	P 36,375,853

Name	Balance at Beginning of Period	Additions	Deductions		Ending Balance		Balance at End of Period
			Amounts Collected	Written Off	Current	Non-current	
<i>Balance carried forward</i>	P 30,764,935	P 26,010,052	( P 20,399,134)	P -	P 36,375,853	P -	P 36,375,853
JOHN ENRIQUE V. MADRIGAL II	86,764	28,701	( 103,866)	-	11,600	-	11,600
JOHN FAMILIAL	-	67,500	-	-	67,500	-	67,500
JOHN FERDINAND TENCE	5,750	-	-	-	5,750	-	5,750
JOHN HENRY JAY G. MANATT	81,600	-	-	-	81,600	-	81,600
JOHN JOHN A. SALAZAR	8,400	-	-	-	8,400	-	8,400
JOHN KALVIN CARREON	223,251	-	-	-	223,251	-	223,251
JOHN KARLO P. MINA	-	4,200	( 4,200)	-	-	-	-
JOHN KENNETH HADER	( 230)	230	-	-	-	-	-
JOHN MARK ARELLANO	23,475	-	-	-	23,475	-	23,475
JOHN MARK ARTHUR CORRAL	-	3,518	-	-	3,518	-	3,518
JOHN NOEL CANTRE	7,275	-	-	-	7,275	-	7,275
JOHN PATRICK GARCIA	-	16,000	-	-	16,000	-	16,000
JOHN PAUL GAN	( 300)	300	-	-	-	-	-
JOHN PAUL ORTEGA	1,950	-	-	-	1,950	-	1,950
JOHN RENZ MACAYAN	6,160	-	-	-	6,160	-	6,160
JOHN REY ALANZA	5,775	-	-	-	5,775	-	5,775
JOHN REY DANIEL	1,650	-	-	-	1,650	-	1,650
JOHN RODIN BELLO	7,035	-	-	-	7,035	-	7,035
JOHN RODIN P. BELLO	12,443	-	-	-	12,443	-	12,443
JOHN RONALD RENDON	-	40,000	-	-	40,000	-	40,000
JOHN VERGEL MEDILO	13,920	-	-	-	13,920	-	13,920
JOHN VINCENT B. REGANON	-	-	-	-	-	-	-
JOHNREY SALORIA	( 100)	100	-	-	-	-	-
JOJO LANGOB	1,400	-	-	-	1,400	-	1,400
JOJO PERNITO	5,375	-	-	-	5,375	-	5,375
JOLYBERT C. DIAYON	22,290	-	-	-	22,290	-	22,290
JOMAR B. BINOS	1,650	-	-	-	1,650	-	1,650
JOMARI ORDONIO	-	10,000	( 10,000)	-	-	-	-
JOMART PANGAN	( 193)	193	-	-	-	-	-
JON JON PIÑON	1,650	-	-	-	1,650	-	1,650
JONALD BULLECEER	8,400	-	-	-	8,400	-	8,400
JONALYN CLAIRE R. BOHOL	8,260	-	-	-	8,260	-	8,260
JONAS GULAY	( 252)	252	-	-	-	-	-
JONATHAN CELESTE	5,775	-	-	-	5,775	-	5,775
JONATHAN F. SALUDEZ	4,850	-	-	-	4,850	-	4,850
JONATHAN G. CABALITAN	33,960	-	-	-	33,960	-	33,960
JONATHAN H. CAILLANTA	8,400	-	-	-	8,400	-	8,400
JONATHAN H. MOLINA	1,650	-	-	-	1,650	-	1,650
JONATHAN JUALO	4,095	-	-	-	4,095	-	4,095
JONATHAN V. MIRAS	23,240	-	-	-	23,240	-	23,240
JONEL D. ROMANO	1,650	-	-	-	1,650	-	1,650
JONEL G. LOCSIN	-	-	-	-	-	-	-
JONELA F. MENGGOY	4,200	-	-	-	4,200	-	4,200
JONELA MENGGOY	( 225)	225	-	-	-	-	-
JONIE UMAPAS	( 199)	199	-	-	-	-	-
JONNIE TAPIA	3,740	-	-	-	3,740	-	3,740
JONNET D. PEÑAFLOR	109,000	155,000	( 109,000)	-	155,000	-	155,000
JORDAN JOEL ORTIZ	28,766	73,719	( 72,485)	-	30,000	-	30,000
JORDAN PALIZA	6,600	-	-	-	6,600	-	6,600
JORDAN SALVADOR	( 210)	210	-	-	-	-	-
JORGE LOBIGAS	1,650	-	-	-	1,650	-	1,650
JORGE SICAD JR	6,000	-	-	-	6,000	-	6,000
JORIDEL ORIAS	16,650	-	-	-	16,650	-	16,650
JOSE CAMORAL	3,360	-	-	-	3,360	-	3,360
JOSE GARCIA	1,650	-	-	-	1,650	-	1,650
JOSE LALUSIN	5,680	-	-	-	5,680	-	5,680
JOSE LORENZO T. ANTONIO	-	1,768	-	-	1,768	-	1,768
JOSE M. GORPIDO JR.	8,400	-	-	-	8,400	-	8,400
JOSE M. GORPIDO, JR.	1,475	-	-	-	1,475	-	1,475
JOSE MARIE MALAPIT	1,650	-	-	-	1,650	-	1,650
JOSE MARIO LAGAN	-	4,200	( 536)	-	3,664	-	3,664
JOSE P. ASOY JR.	8,400	-	-	-	8,400	-	8,400
JOSE RAMIREZ	175,802	-	( 72,258)	-	103,544	-	103,544
JOSE SIMANGAN	2,938	-	-	-	2,938	-	2,938
JOSE TABALNO	6,965	-	-	-	6,965	-	6,965
JOSE VOLTAIRE DE LA ROSA	-	8,500	( 8,500)	-	-	-	-
JOSEFINO P. ESTRABELA JR.	2,880	-	-	-	2,880	-	2,880
JOSELLER ORBINO	31,931	36,020	-	-	67,951	-	67,951
JOSEPH ANGELO E. NABONG	3,840	-	-	-	3,840	-	3,840
JOSEPH ANGELO NABONG	3,343	-	-	-	3,343	-	3,343
JOSEPH BASLOT	35,100	-	-	-	35,100	-	35,100
JOSEPH DOROPAN	17,825	4,165	-	-	21,990	-	21,990
JOSEPH G. GASPAR	14,075	-	-	-	14,075	-	14,075
JOSEPH GEL ARINAS	( 100)	100	-	-	-	-	-
<i>Balance forwarded</i>	P 31,883,138	P 26,465,150	( P 20,779,977)	P -	P 37,568,311	P -	P 37,568,311

Name	Balance at Beginning of Period	Additions	Deductions		Ending Balance		Balance at End of Period
			Amounts Collected	Written Off	Current	Non-current	
<i>Balance carried forward</i>	P 31,883,138	P 26,465,150	( P 20,779,977)	P -	P 37,568,311	P -	P 37,568,311
JOSEPH LIZA	( 216)	216	-	-	-	-	-
JOSEPH MEDRERO	-	3,395	-	-	3,395	-	3,395
JOSEPH NERIA	4,495	3,763	-	-	8,258	-	8,258
JOSHUA RONQUILLO	28,320	-	-	-	28,320	-	28,320
JOSHUA TUMOMBAY	7,280	-	-	-	7,280	-	7,280
JOSUE G. GA	1,650	-	-	-	1,650	-	1,650
JOUIE LEE OLIVER	52,607	-	-	-	52,607	-	52,607
JOVEL E. POBLETE	-	-	-	-	-	-	-
JOVELOU DE GUZMAN	11,400	-	-	-	11,400	-	11,400
JOVERT N. DATU	8,400	-	-	-	8,400	-	8,400
JOY ANN L. MIRANDO	69,708	-	-	-	69,708	-	69,708
JOY NOREE MARAMBA	-	74,452	( 74,452)	-	-	-	-
JOYSIAN NEPOMUCENO	-	84,604	-	-	84,604	-	84,604
JR. S. LLANO	4,650	-	-	-	4,650	-	4,650
JUAN JR. CORRE II	( 193)	193	-	-	-	-	-
JUAN TIMO	1,650	-	-	-	1,650	-	1,650
JUANITO LICO	36,000	-	-	-	36,000	-	36,000
JUANITO P. LIMBAGA JR.	8,400	-	-	-	8,400	-	8,400
JUANITO REPISO SUNIEL	15,000	-	( 15,000)	-	-	-	-
JUBINUM M. DEL ROSARIO	-	76,280	-	-	76,280	-	76,280
JULES NORMAN RONQUILLO	5,000,000	-	( 5,000,000)	-	-	-	-
JULIE ANN P. PEÑA	3,938	-	-	-	3,938	-	3,938
JULIO JACOB C. ROXAS	15,000	-	( 15,000)	-	-	-	-
JULITO DADLA JR.	75,600	-	-	-	75,600	-	75,600
JULIUS C. MANDAWTE	10,050	-	-	-	10,050	-	10,050
JULIUS DEL MUNDO	( 375)	375	-	-	-	-	-
JULIUS ERVIN ARAGO	1,920	-	-	-	1,920	-	1,920
JULIUS I. DE CHAVEZ	8,400	-	-	-	8,400	-	8,400
JULYSON SOMBRINO	7,105	-	-	-	7,105	-	7,105
JUMAR PANTERIORE	5,670	-	-	-	5,670	-	5,670
JUN JUN C. LILANG	17,400	-	-	-	17,400	-	17,400
JUNAR G. ATIENZA	11,020	-	-	-	11,020	-	11,020
JUNARD SEVILLA	97,350	-	-	-	97,350	-	97,350
JUNE PILLAS	8,400	-	-	-	8,400	-	8,400
JUNEL CATUBIG	2,820	-	-	-	2,820	-	2,820
JUNEL PRINCIPE	3,448	-	-	-	3,448	-	3,448
JUNER CAGANG	80,000	-	-	-	80,000	-	80,000
JUNIE RIVERA	1,400	-	-	-	1,400	-	1,400
JUNIFER BALLERA	6,720	-	-	-	6,720	-	6,720
Junrey Cal	5,760	-	-	-	5,760	-	5,760
JUNRIE A. BONDA-ON	17,775	-	-	-	17,775	-	17,775
JUSTIN JUNEL J. PASCUA	60,000	130,050	( 40,000)	-	150,050	-	150,050
JUSTINE C. RIVERA	87,779	-	-	-	87,779	-	87,779
JUSTINE RIVERA	3,741	-	-	-	3,741	-	3,741
JUVANI BARIANAN	2,363	-	-	-	2,363	-	2,363
JUVY BANZON	2,030	-	-	-	2,030	-	2,030
KARA MAE MENDIOLA	43,699	30,000	-	-	73,699	-	73,699
KAREN JANE D. VALERIO	6,300	-	-	-	6,300	-	6,300
KATE WELLIN GBEZEHA	56,000	-	-	-	56,000	-	56,000
Katherine A. Eleccion	32,000	-	-	-	32,000	-	32,000
KATHERINE DUGTONG	1,246	-	-	-	1,246	-	1,246
KATHLEEN ANN SECO	-	69,430	-	-	69,430	-	69,430
KATHLEEN FIGURA	6,895	82,542	( 12,542)	-	76,895	-	76,895
KATHLEEN PATRICE D. VILLAREAL	25,000	-	( 23,568)	-	1,432	-	1,432
KATRINA B. DOLORIS	39,000	-	-	-	39,000	-	39,000
KEITH ANTHONY CALMAG	150,220	555,000	( 186,970)	-	518,250	-	518,250
KELLY MAY V. TURALDE	47,299	-	-	-	47,299	-	47,299
KEN JAMES ROMANO	-	5,160	-	-	5,160	-	5,160
KENNEDY S. BANGLOY	-	-	-	-	-	-	-
KEVIN GERONIMO	192,319	15,076	( 200,304)	-	7,090	-	7,090
KHRISTIAN JOHN C. FERRER	16,113	20,000	( 31,113)	-	5,000	-	5,000
KHRISTIAN JOHN C. FERRER/SHELLA M	-	20,000	( 12,148)	-	7,852	-	7,852
KIM ALEXIE VALLESTERO	61,250	-	-	-	61,250	-	61,250
KIM DE LOS SANTOS	3,300	-	-	-	3,300	-	3,300
KIM RITA MARIE SOLOMON	8,400	-	-	-	8,400	-	8,400
KIMBERLIE PERLAS	-	52,006	-	-	52,006	-	52,006
KING A. BALINTON	1,650	-	-	-	1,650	-	1,650
KING EGIE BOY GALMAN	-	156,202	-	-	156,202	-	156,202
KING GERARD CALINOG	2,400	-	-	-	2,400	-	2,400
Kirk Alexis B. Cabreros	2,400	-	-	-	2,400	-	2,400
KRISTINA MAE A. INCIONG	50,000	200,000	( 140,000)	-	110,000	-	110,000
KRISTINE AIRA INAO	-	60,000	( 60,000)	-	-	-	-
KRISTINE AIRA M. INAO	5,000	-	( 5,000)	-	-	-	-
KRISTINE JOYCE FRANCO LAGROSA	63,200	76,000	( 63,200)	-	76,000	-	76,000
KUYSEN ENTERPRISES, INC.	57,003	-	-	-	57,003	-	57,003
<i>Balance forwarded</i>	P 38,538,293	P 28,179,894	( P 26,659,275)	P -	P 40,058,913	P -	P 40,058,913



Name	Balance at Beginning of Period	Additions	Deductions		Ending Balance		Balance at End of Period
			Amounts Collected	Written Off	Current	Non-current	
<i>Balance carried forward</i>	P 38,538,293	P 28,179,894	( P 26,659,275)	P -	P 40,058,913	P -	P 40,058,913
LAGO, MA. NORA MAE G.	8,494	5,026	( 12,683)	-	838	-	838
LALO BEATO	5,113	-	-	-	5,113	-	5,113
LAMBERTO BANSIL III	-	437,790	-	-	437,790	-	437,790
LANDICHO, ARLAN	-	2,137	-	-	2,137	-	2,137
LARRY BOY DIAZ	3,360	-	-	-	3,360	-	3,360
LARRY CAAMPUED	28,800	-	-	-	28,800	-	28,800
LARRY JONES R. CHATO	14,775	-	-	-	14,775	-	14,775
LARRY NOCEJA	57,600	-	-	-	57,600	-	57,600
LAстра, ANTONIO	-	-	-	-	-	-	-
LAURITO CABUAL	1,650	-	-	-	1,650	-	1,650
LAYSON, RAYMUNDO	-	3,744	-	-	3,744	-	3,744
LAYSON, RAYMUNDO	1,030	4,014	( 1,341)	-	3,703	-	3,703
LEGITA, CHRISTOPHER	2,430	-	-	-	2,430	-	2,430
LEI ANNE ORBISTA	53,120	-	-	-	53,120	-	53,120
LEMUEL ROI RATON	4,200	-	-	-	4,200	-	4,200
LEMUEL SERENO	5,800	-	-	-	5,800	-	5,800
LENDHEL JOHN AQUINO	( 270)	270	-	-	-	-	-
LENDHEL JOHN B. AQUINO	-	14,400	-	-	14,400	-	14,400
LEO BUENAVENTURA	5,875	-	-	-	5,875	-	5,875
LEO FEDER	6,965	-	-	-	6,965	-	6,965
LEO ROLLAN	5,448	-	( 5,240)	-	208	-	208
LEO TOLENTINO	-	1,500	( 1,500)	-	-	-	-
LEOMAR D. GONZALES	4,500	-	-	-	4,500	-	4,500
LEONARD COGUMBAL	( 390)	390	-	-	-	-	-
LEONARD M. COGUMBAL	2,400	6,375	( 3,000)	-	5,775	-	5,775
LEONARD PALCONAN	15,220	-	-	-	15,220	-	15,220
LEONARDO N. VENUS	8,615	-	-	-	8,615	-	8,615
LEONARDO ROLDAN JR.	2,600	-	-	-	2,600	-	2,600
LEONIL FERNIN	-	-	-	-	-	-	-
LESTER RAMOS	6,600	-	-	-	6,600	-	6,600
LESTER VILLANUEVA	3,535	-	-	-	3,535	-	3,535
LETICIA CATALAN	2,000	-	-	-	2,000	-	2,000
LIAN MACHADO	87,500	-	( 70,000)	-	17,500	-	17,500
LIEZEL CAMAYA	9,000	-	-	-	9,000	-	9,000
LILIAN G. LORES	-	6,364	( 6,364)	-	-	-	-
LIMWEL P. JUGO	1,650	-	-	-	1,650	-	1,650
LIZNIL JANE GEIDT	-	26,696	-	-	26,696	-	26,696
LIZVIRT OSIAS	( 209)	209	-	-	-	-	-
LLOYD JOSEPH CERRERO	6,975	-	-	-	6,975	-	6,975
LONGOS, PRINCESS	47	-	-	-	47	-	47
LORNA SANTOS	-	153,135	( 115,110)	-	38,024	-	38,024
LOUIE PESIMO	4,425	-	-	-	4,425	-	4,425
LOUIE S. ROMERO	10,050	-	( 1,560)	-	8,490	-	8,490
LOYD BRYLE BIEN S. AGENA	7,110	-	-	-	7,110	-	7,110
LUCKY CASTILLO	( 270)	270	-	-	-	-	-
LUTGIE LLANO	36,975	-	-	-	36,975	-	36,975
LUIS RAYMOND ILAGAN	-	203,866	-	-	203,866	-	203,866
LUMBERIO, DARYL M.	-	-	-	-	-	-	-
LUTCRESIO TEJERO	2,975	-	-	-	2,975	-	2,975
LUTHER S. GERONIMO	2,625	-	-	-	2,625	-	2,625
LYNARD G. BARREDO	3,570	-	-	-	3,570	-	3,570
MA. CRISTINA PAULINE ESPELETA	31,333	-	-	-	31,333	-	31,333
MA. GLORIA JENNIFER ONTE	-	195,400	-	-	195,400	-	195,400
MA. NORA MAE G. LAGO	-	70,000	-	-	70,000	-	70,000
MA. ROSE ANNE M. DE LUMBA	-	60,000	( 75)	-	59,925	-	59,925
MAC ROBERT LLANETA	( 213)	213	-	-	-	-	-
MACHADO, LIAN F.	-	9,415	( 9,415)	-	-	-	-
Mactan-Cebu Airport Project	27,070	-	-	-	27,070	-	27,070
MAE ANN INFORNON	-	73,982	-	-	73,982	-	73,982
MAHUMOT, NILO S.	6,188	-	( 3,750)	( 9,938)	-	-	-
<i>Balance forwarded</i>	P 39,024,565	P 29,458,841	( P 26,895,500)	P -	P 41,587,905	P -	P 41,587,905

Name	Balance at Beginning of Period	Additions	Deductions		Ending Balance		Balance at End of Period
			Amounts Collected	Written Off	Current	Non-current	
<i>Balance carried forward</i>	P 39,024,565	P 29,458,841	( P 26,895,500)	P -	P 41,587,905	P -	P 41,587,905
MALCO, MARVIN	5,492	-	-	-	5,492	-	5,492
MANAGERS	-	3,605	( 3,605)	-	-	-	-
MANANSALA, RALSTEIN	-	1,330	-	-	1,330	-	1,330
MANJERON, GREFFEL	2,000	-	-	-	2,000	-	2,000
MANNY D. BALLERA	-	2,130	-	-	2,130	-	2,130
MANOLO PARALEJAS	14,325	-	-	-	14,325	-	14,325
MANUEL ABOGATAL	-	16,023	( 16,023)	-	-	-	-
MANUEL BONIFACIO	1,890	-	-	-	1,890	-	1,890
MANUEL N. PEYRA	8,830	-	-	-	8,830	-	8,830
MANUEL ONGJUCO	-	256,760	( 56,760)	-	200,000	-	200,000
MANUEL SALINAS	16,050	-	-	-	16,050	-	16,050
MAQUINANA, GLAISA MAY F.	782	7,004	( 7,787)	-	-	-	-
MAR ISAVEDRA	-	53,325	-	-	53,325	-	53,325
MARAVILLAS, MAICA	-	446	-	-	446	-	446
MARAVILLAS, MAICA	3	-	-	-	3	-	3
MARAVILLAS, MAICA A	-	7,496	( 7,496)	-	-	-	-
MARAVILLAS, MAICA A.	-	-	-	-	-	-	-
MARC BENI SANSAIT	-	68,152	-	-	68,152	-	68,152
MARCELINO L. MANGAYA-AY JR.	1,475	-	-	-	1,475	-	1,475
MARCELO DEMETRIO	( 100)	100	-	-	-	-	-
MARCELO LUMACANG	6,000	3,600	-	-	9,600	-	9,600
MARCELO, LAWRENCE	528	-	-	-	528	-	528
MARDEL CIARA MARASIGAN	-	20,500	( 20,500)	-	-	-	-
MARIA ARVIE BALASTA	-	65,042	-	-	65,042	-	65,042
MARIA BELINDA B. MORALES	-	60,609	-	-	60,609	-	60,609
MARIA CHRISTINA PELPENOSAS	( 293)	293	-	-	-	-	-
MARIA CYRINE ROLDAN	1,580	-	-	-	1,580	-	1,580
MARIA NIKKI MANTALA	-	78,400	( 8,400)	-	70,000	-	70,000
MARIA NIKKI VILLEGAS	-	-	-	-	-	-	-
MARICEL LUNA	7,000	10,000	( 17,000)	-	-	-	-
MARICON M. VICENCIO	1,846	4,000	( 4,000)	-	1,846	-	1,846
MARIECRIS S. YADA0	-	-	-	-	-	-	-
MARIECRIS YADA0	179	-	-	-	179	-	179
MARIELLE M. OLEA	75,685	7,200	( 5,107)	-	77,778	-	77,778
MARILOU GIANAN	5,400	-	-	-	5,400	-	5,400
MARILOU SHELO BARBIANA	28,800	-	-	-	28,800	-	28,800
MARINEL MERCADO	13,200	-	-	-	13,200	-	13,200
MARIO C. MEDINA	-	30,600	( 30,600)	-	-	-	-
MARIO OMBOY	4,200	-	-	-	4,200	-	4,200
MARIZEL RAHON	10,800	-	-	-	10,800	-	10,800
MARJORIE BALINOYOS	( 524)	3,024	( 2,500)	-	-	-	-
MARK ANGELO C. SALALILA	6,000	-	-	-	6,000	-	6,000
MARK ANGELO SALALILA	( 1,904)	1,904	-	-	-	-	-
MARK ANTAZO	5,750	-	-	-	5,750	-	5,750
MARK ANTHONY BERMEO	8,400	-	-	-	8,400	-	8,400
MARK ANTHONY C. ESTABILLO	14,400	-	-	-	14,400	-	14,400
MARK ANTHONY DOMINGO	6,860	-	-	-	6,860	-	6,860
MARK ANTHONY GONZAGA	3,840	-	-	-	3,840	-	3,840
MARK ANTHONY OPINION	6,600	-	-	-	6,600	-	6,600
MARK ANTHONY S. CO	1,371	-	-	-	1,371	-	1,371
MARK ANTHONY SANTOS	8,365	-	-	-	8,365	-	8,365
MARK BRIONES	1,700	-	-	-	1,700	-	1,700
MARK GOCELA MAÑOZO	2,650	-	-	-	2,650	-	2,650
MARK JASON L. GARRERO	16,050	-	-	-	16,050	-	16,050
MARK IHERICO PERALTA	( 70)	70	-	-	-	-	-
MARK LLOYD A. RAMIREZ	9,950	-	-	-	9,950	-	9,950
MARK ROCAFORT	484,010	432,521	( 519,221)	-	397,310	-	397,310
MARK RODEL SABADO	35,125	27,217	( 22,717)	-	39,625	-	39,625
MARK RODULF CODOYO	( 305)	305	-	-	-	-	-
Mark U. Villagonzalo	3,273	-	-	-	3,273	-	3,273
MARK VERGEL C. CONCEPCION	1,650	-	-	-	1,650	-	1,650
MARK VONN DARANCIANG	3,600	-	( 446)	-	3,154	-	3,154
Markus Hennig	237,057	-	( 237,057)	-	-	-	-
MARLO SIMANGAN	6,335	-	-	-	6,335	-	6,335
MARLON CAMILOTES	2,400	-	-	-	2,400	-	2,400
MARLON JAY MAGNO	2,388	-	-	-	2,388	-	2,388
MARLON JAZARENO	6,703	-	-	-	6,703	-	6,703
MARLON JOSEPH PINEDA	( 193)	193	-	-	-	-	-
MARLON MERCADO	-	6,600	-	-	6,600	-	6,600
MARLON REONICO	2,400	-	-	-	2,400	-	2,400
<i>Balance forwarded</i>	P 40,104,116	P 30,627,289	( P 27,854,719)	P -	P 42,876,686	P -	P 42,876,686

Name	Balance at Beginning of Period	Additions	Deductions		Ending Balance		Balance at End of Period
			Amounts Collected	Written Off	Current	Non-current	
<i>Balance carried forward</i>	P 40,104,116	P 30,627,289	( P 27,854,719)	P -	P 42,876,686	P -	P 42,876,686
MARLOU S. RAMOS	3,000	-	-	-	3,000	-	3,000
MARNELLIE SANIDAD	10,000	10,000	( 10,000)	-	10,000	-	10,000
MARQUEZ, JOHN KRISTOFER	-	-	-	-	-	-	-
MARTIN JACOB E. CORPUZ	-	-	-	-	-	-	-
MARTIN MIGUEL FLORES	37,900	10,000	-	-	47,900	-	47,900
MARTINEZ JOEL	8,400	-	-	-	8,400	-	8,400
MARTINEZ, DIANE	119	-	-	-	119	-	119
MARTINEZ, JOEL	1,513	-	( 1,513)	-	-	-	-
MARTY GEE D. ANOCHE	3,360	-	-	-	3,360	-	3,360
MARVIN CUSTODIO	( 100)	100	-	-	-	-	-
MARVIN ETAC	( 1,612)	1,612	-	-	-	-	-
MARVIN GLORIA	-	30,120	-	-	30,120	-	30,120
MARVIN GUTLAY	8,400	-	-	-	8,400	-	8,400
MARVIN LIMBAGA	6,000	-	-	-	6,000	-	6,000
MARVIN M. ENCARNACION	1,650	-	-	-	1,650	-	1,650
MARVIN M. MALCO	6,000	-	-	-	6,000	-	6,000
MARWIN BEGUEJA	12,810	-	-	-	12,810	-	12,810
MARY ANN D. VILLAGRACIA	6,000	-	-	-	6,000	-	6,000
MARY ANN VILLAGRACIA	( 651)	651	-	-	-	-	-
MARY GRACE A. LI	45,000	-	( 7,500)	-	37,500	-	37,500
MARY GRACE MONTALES	14,400	-	-	-	14,400	-	14,400
MARY JANE ATIENZA	( 150)	150	-	-	-	-	-
MARY JANE CAJAYON	-	13,168	-	-	13,168	-	13,168
MARY JANE V. ATIENZA	-	10,000	-	-	10,000	-	10,000
MARY JOY GOMEZ	( 241)	241	-	-	-	-	-
MARY JOY L. DEDOYCO	8,400	-	-	-	8,400	-	8,400
MARY JOY R. BOTIS	3,185	-	-	-	3,185	-	3,185
MARY LEI M. FELICIANO	-	-	-	-	-	-	-
MARY ROSE F. DE GUZMAN	5,976	-	-	-	5,976	-	5,976
MARZON MOLINA	( 240)	240	-	-	-	-	-
MASTER CEDRIC RIBAMBA	( 193)	193	-	-	-	-	-
MAXICARE HEALTHCARE CORPORATIO	474,849	-	-	-	474,849	-	474,849
MAXIMO ESPINOSA JR	8,260	-	-	-	8,260	-	8,260
MAY CORVERA	( 419)	419	-	-	-	-	-
MAYBELLE PRIETO	21,140	133,700	( 99,500)	-	55,340	-	55,340
MC ALBERT RIBAMBA	( 213)	213	-	-	-	-	-
MELANIE VILLACRUZADA	( 960)	3,100	( 2,140)	-	-	-	-
MELCHOR V. HERRERA	1,650	-	-	-	1,650	-	1,650
MELISSA SALICAN	4,417	217,000	( 164,888)	-	56,529	-	56,529
MELITON CRESCINI JR.	21,000	-	-	-	21,000	-	21,000
MELJUNE MONSANTO	5,575	-	-	-	5,575	-	5,575
MELTON FUENTES	6,315	-	-	-	6,315	-	6,315
MELVIN C. CORDERO	8,330	-	-	-	8,330	-	8,330
MELVIN CASTRO	( 215)	215	-	-	-	-	-
MELVINO FAUSTINO	61,700	28,542	( 30,708)	-	59,534	-	59,534
MENDOZA JR, ANGELITO	-	-	-	-	-	-	-
MENDOZA, JENNIFER	-	2,670	( 1,331)	-	1,339	-	1,339
MENDOZA, JENNIFER RODELLA	-	7,496	( 7,496)	-	-	-	-
MENDOZA, JIM PAUL	242	-	-	-	242	-	242
MERCADO, MARLON	-	9	-	-	9	-	9
MERL B. SALIGUMBA	1,650	-	-	-	1,650	-	1,650
MHELVINA DOMINCIL	( 296)	296	-	-	-	-	-
MHELVINA P. DOMINCIL	-	77,689	( 77,689)	-	-	-	-
MIA BAGAUB	489	-	-	-	489	-	489
MICHAEL ALIA	( 100)	100	-	-	-	-	-
MICHAEL ANDAM	3,028	-	-	-	3,028	-	3,028
MICHAEL ANGELO OCTUBRE	( 100)	100	-	-	-	-	-
MICHAEL ANGELO VICENTE	-	563	-	-	563	-	563
MICHAEL BANARES	1,500	-	-	-	1,500	-	1,500
<i>Balance forwarded</i>	P 40,900,884	P 31,175,876	( P 28,257,485)	P -	P 43,819,275	P -	P 43,819,275

Name	Balance at Beginning of Period	Additions	Deductions		Ending Balance		Balance at End of Period
			Amounts Collected	Written Off	Current	Non-current	
<i>Balance carried forward</i>	P 40,900,884	P 31,175,876	( P 28,257,485)	P -	P 43,819,275	P -	P 43,819,275
MICHAEL BERMUDO	140,000	-	-	-	140,000	-	140,000
MICHAEL CONDADA	1,950	-	-	-	1,950	-	1,950
MICHAEL GARCIA	5,575	-	-	-	5,575	-	5,575
MICHAEL HEHERSON DISTOR	2,000	-	-	-	2,000	-	2,000
MICHAEL JAY P. PAZ	6,580	-	-	-	6,580	-	6,580
MICHAEL L. CONDADA	2,980	-	-	-	2,980	-	2,980
MICHAEL M. BARRACA	8,260	-	-	-	8,260	-	8,260
MICHAEL P. LOHMAN	-	9,000	( 9,000)	-	-	-	-
MICHAEL REDONARIO	1,650	-	-	-	1,650	-	1,650
MICHAEL SIDAYA	( 100)	100	-	-	-	-	-
MICHAEL SIMUNDAC	40,518	-	( 37,972)	-	2,546	-	2,546
MICHELL ANN E. CONDE	44,927	-	( 44,927)	-	-	-	-
Michelle A. Magdato	6,720	-	-	-	6,720	-	6,720
MICHELE ALCANTARA	-	5,000	-	-	5,000	-	5,000
MICHELE SANIDAD	184,778	-	-	-	184,778	-	184,778
MICHELE T. JAYARI	56,350	-	-	-	56,350	-	56,350
MIGUE BOY PACULANAN	( 165)	165	-	-	-	-	-
MIKKA MAE PRINCIPE	142,939	( 10,451)	( 45,337)	-	87,151	-	87,151
MILESTILL YOUNG	130,000	70,000	-	-	200,000	-	200,000
MIPARANUM, BIENVENIDO	3,808	-	-	-	3,808	-	3,808
MIPARANUM, BIENVENIDO P	-	14,618	( 14,618)	-	-	-	-
MIPARANUM, BIENVENIDO P.	4,301	-	( 4,301)	-	0	-	0
MIRANIE B. MONTENEGRO	-	50,000	-	-	50,000	-	50,000
MOLDE, JESSIELITO D.	4,537	2,685	( 7,222)	-	-	-	-
MONICO B. CORRO JR.	1,650	-	-	-	1,650	-	1,650
MORRIS MIQUE	4,480	-	-	-	4,480	-	4,480
MULDONG, ALAN	6,417	2,940	( 455)	-	8,901	-	8,901
NANDY T. PAÑO	8,400	-	-	-	8,400	-	8,400
NAPOLFEON ORIEL	2,288	-	-	-	2,288	-	2,288
NARCISO P. DABUCON JR.	-	-	-	-	-	-	-
NATANIEL NABONG	( 240)	240	-	-	-	-	-
NEIL CASTA	-	24,975	-	-	24,975	-	24,975
NEIL CATABAY	6,000	20,000	( 20,000)	-	6,000	-	6,000
NEIL FRANCIS DIUMANO	2,850	-	-	-	2,850	-	2,850
NEJIAS T. TUMIMBANG	8,400	-	-	-	8,400	-	8,400
NELSON A. BALILO	1,475	-	-	-	1,475	-	1,475
NELSON A. GERVACIO	7,980	-	-	-	7,980	-	7,980
NELSON CEBRERO	1,710	-	-	-	1,710	-	1,710
NELSON E. FLORES	8,400	-	-	-	8,400	-	8,400
NELSON VILLOIN	1,650	-	-	-	1,650	-	1,650
NERIA MIGUEL	-	8,330	-	-	8,330	-	8,330
NERRY M. MONTANO	6,930	-	-	-	6,930	-	6,930
NESIE DE GUZMAN JOSE	76,890	-	( 76,890)	-	-	-	-
NESTOR ABRIAL	34,730	-	-	-	34,730	-	34,730
NESTOR C. ABRIAL	8,925	-	-	-	8,925	-	8,925
NESTOR C. PILAPIL	1,400	-	-	-	1,400	-	1,400
NESTOR GRANDI	8,883	-	-	-	8,883	-	8,883
NESTOR INFANTE	1,650	-	-	-	1,650	-	1,650
NESTOR L. SIERVO JR.	63,100	-	-	-	63,100	-	63,100
NESTOR T. TECSON JR	-	36,000	( 36,000)	-	-	-	-
NESTY LO M. PAGLINAWAN	8,365	-	-	-	8,365	-	8,365
NEW ERA CEBU PENSION INN INC.	3,118	-	-	-	3,118	-	3,118
NEW GOLD BOND MARKETING CORP.	155,667	-	-	-	155,667	-	155,667
NICKSON ADREMESIN	4,500	-	-	-	4,500	-	4,500
NICOLE JAY MACABUHAY	5,700	-	-	-	5,700	-	5,700
NIDA H. GREFALDO	-	184,398	-	-	184,398	-	184,398
NIEL G. PAUSAL	37,200	-	-	-	37,200	-	37,200
NIERRA JOBEL A. AZOGUE	-	60,000	-	-	60,000	-	60,000
NIGEL BRYANT EVANGELISTA	-	250,229	( 109,054)	-	141,175	-	141,175
NIKKA ELLA PEREZ	-	13,560	( 13,560)	-	-	-	-
NIKKO KAYE VILLETE	11,970	-	-	-	11,970	-	11,970
NILO MANOZO	5,430	-	-	-	5,430	-	5,430
NIMFA SODELA	( 302)	302	-	-	-	-	-
NINA DELMONTE	( 302)	302	-	-	-	-	-
<i>Balance forwarded</i>	P 42,183,805	P 31,918,267	( P 28,676,821)	P -	P 45,425,251	P -	P 45,425,251

Name	Balance at Beginning of Period	Additions	Deductions		Ending Balance		Balance at End of Period
			Amounts Collected	Written Off	Current	Non-current	
<i>Balance carried forward</i>	P 42,183,805	P 31,918,267	( P 28,676,821)	P -	P 45,425,251	P -	P 45,425,251
NINO CALOBBANAN	5,050	-	-	-	5,050	-	5,050
NINO DELOS REYES	441,585	172,663	( 351,210)	-	263,038	-	263,038
NINO JOVIT C. JIMENEZ	282,165	53,500	( 30,000)	-	305,665	-	305,665
NOCUM LINDON	70	81	-	-	150	-	150
NOEL AMAC Jr.	( 258)	5,258	( 5,000)	-	-	-	-
NOEL CERIAS	25,650	-	-	-	25,650	-	25,650
NOEL D. OBENA	6,650	-	-	-	6,650	-	6,650
NOEL E. MAHUMOK	3,360	-	-	-	3,360	-	3,360
NOEL GARBO	1,650	-	-	-	1,650	-	1,650
NOEL M. BERANA	2,200	-	( 2,200)	-	-	-	-
NOEL OBENA	7,680	-	-	-	7,680	-	7,680
NOEL S. LAURENCIANO	1,650	-	-	-	1,650	-	1,650
NOEL S. QUINTO	500	-	-	-	500	-	500
NONILON F. MUDLONG	1,650	-	-	-	1,650	-	1,650
NONITO PAZ	6,600	-	-	-	6,600	-	6,600
NONITO T. ENANO	7,890	-	-	-	7,890	-	7,890
NORLINDO J. CABALLERO	8,400	-	-	-	8,400	-	8,400
NORMAN ARMADA	7,315	2,938	-	-	10,253	-	10,253
NORMAN D. CARANCHO	3,640	-	-	-	3,640	-	3,640
NORMAN DELAMIDE	-	6,743	( 3,120)	-	3,623	-	3,623
NORMAN N. ESCOBAR	-	95,000	-	-	95,000	-	95,000
OBLEPIAS, ARLENE JOYCE A.	-	-	-	-	-	-	-
OLIVER BERMEO	-	56,000	-	-	56,000	-	56,000
ORDONIO, JOMARI	3	-	-	-	3	-	3
ORDONIO, JOMARI B	-	17,347	( 17,347)	-	-	-	-
ORDONIO, JOMARI B.	5,354	-	( 5,354)	-	-	-	-
ORLANDO VINAS	8,225	-	-	-	8,225	-	8,225
ORLANDO VINAS	-	3,000	-	-	3,000	-	3,000
ORTEA, ALDWIN	3	4	-	-	7	-	7
OTTMANN INCORPORATED	38,847	-	-	-	38,847	-	38,847
OTTILIE MARKETING, INC.	3,836	-	-	-	3,836	-	3,836
OTHERS	44,499,573	-	( 18,491,897)	-	26,007,676	-	26,007,676
OWEN NIPA	12,470	-	-	-	12,470	-	12,470
PABLITO BAUTISTA JR.	10,200	-	-	-	10,200	-	10,200
PABLO VALENZUELA Jr.	( 215)	215	-	-	-	-	-
PALACIO, HAIDEE	366	-	-	-	366	-	366
PAMELA PEREZ	-	22,874	-	-	22,874	-	22,874
PAREDES, ANTONIO	-	-	-	-	-	-	-
PARINGIT, SAMSON VAL.	1,339	-	-	-	1,339	-	1,339
PARINGIT, SAMSON VAL V.	4,400	-	-	-	4,400	-	4,400
PASCULADO, JOVANIE	1,667	-	-	-	1,667	-	1,667
PATRICK CAMAYA	5,350	-	-	-	5,350	-	5,350
PATRICK JAY CATIPON	9,000	-	-	-	9,000	-	9,000
PATRICK JOHN RAMOS	-	3,973	-	-	3,973	-	3,973
PATRICK MERL L. CASTILLO	7,000	-	-	-	7,000	-	7,000
PAUL ANGELO LAZO Jr.	( 159)	159	-	-	-	-	-
PAUL D. MILLARE	4,700	-	-	-	4,700	-	4,700
PAUL IAN DEL RIO	1,238	7,500	-	-	8,738	-	8,738
PAUL REINIER GANALON	8,700	-	-	-	8,700	-	8,700
PAULA C. LAO	542,000	151,709	( 492,332)	-	201,377	-	201,377
PAULINE MAY ANGELICA HINGZON	213,119	80,000	-	-	293,119	-	293,119
PEDRICO JUALO	-	2,933	( 2,168)	-	765	-	765
PEDRO A. ESPINOSA JR.	7,350	-	-	-	7,350	-	7,350
PEDUCHE, HELEN B.	4,032	7,004	( 11,036)	-	-	-	-
PELPEÑOSAS, MARIA CHRISTINA P.	1,344	6,368	( 7,712)	-	-	-	-
PEREZ, ALJON	-	4,035	-	-	4,035	-	4,035
PEREZ, ALJON	4	10,796	( 2,011)	-	8,789	-	8,789
PERLITO BUCTOLAN	8,400	4,078	( 4,078)	-	8,400	-	8,400
PETER CONRAD TALOSIG	11,865	-	-	-	11,865	-	11,865
PHILIP COSTALES	( 245)	245	-	-	-	-	-
PHILIP RAYMUND M. CERVANCIA	1,650	-	-	-	1,650	-	1,650
<i>Balance forwarded</i>	P 88,408,666	P 32,632,688	( P 48,102,285)	P -	P 72,939,070	P -	P 72,939,070

Name	Balance at Beginning of Period	Additions	Deductions		Ending Balance		Balance at End of Period
			Amounts Collected	Written Off	Current	Non-current	
<i>Balance carried forward</i>	P 88,408,666	P 32,632,688	( P 48,102,285)	P -	P 72,939,070	P -	P 72,939,070
PHOEBE KATHERINE B. REYES	-	3,600	( 3,600)	-	-	-	-
PIELCHE IMSON	24,601	38,038	( 23,038)	-	39,601	-	39,601
POLICARPIO VEGA JR.	15,000	-	-	-	15,000	-	15,000
PRINCESS A. LONGOS	77,350	-	-	-	77,350	-	77,350
PRINCESS INCISO	280,000	( 18,332)	( 268)	-	261,400	-	261,400
PRINCESS MAUREEN DE LEON	8,400	-	-	-	8,400	-	8,400
PRINCESS HYACINTH ESGUERRA	-	326,272	-	-	326,272	-	326,272
PUNZALAN, RODOLFO	-	-	-	-	-	-	-
QUANTUM QUALITY TOURS & TRAVEL	53,869	-	-	-	53,869	-	53,869
QUEENIE FAMILARAN	-	158,870	( 146,278)	-	12,593	-	12,593
RACEL G. CALDERON	144,536	-	( 83,381)	-	61,155	-	61,155
RACHELLE ANN ALJANDRO	56,072	-	-	-	56,072	-	56,072
RACKY SAMSON	5,200	-	-	-	5,200	-	5,200
RACQUEL H. VERZOSA	-	38,000	-	-	38,000	-	38,000
RADITH B. BATAN	960	-	-	-	960	-	960
RAFAEL ANGAB	7,200	-	-	-	7,200	-	7,200
RAIZA JACKIE LOUISE ESPINO	28,465	10,630	( 10,630)	-	28,465	-	28,465
RALPH JOSHUA S. GALANG	-	88,900	( 38,588)	-	50,312	-	50,312
RALPH WALDO CABRERA	150,500	( 2,500)	-	-	148,000	-	148,000
RALPHY LEVI AUMENTADO	1,960	-	-	-	1,960	-	1,960
RAMEL BELONIO	( 240)	240	-	-	-	-	-
RAMELLA CALIGNAOAN	( 270)	270	-	-	-	-	-
RAMER MOSTAZA	5,528	-	-	-	5,528	-	5,528
RAMIE L. BALBUTIN	9,263	-	-	-	9,263	-	9,263
RAMIL A. DIAZ	6,000	-	-	-	6,000	-	6,000
RAMIL MENDOZA	15,225	-	-	-	15,225	-	15,225
RAMIR DACANAY	-	-	-	-	-	-	-
RAMIREZ, JOSE	-	4,015	-	-	4,015	-	4,015
RAMIREZ, JOSE	8,093	11,508	( 4,500)	-	15,101	-	15,101
RAMIREZ, MARK LLOYD A	-	7,309	( 7,309)	-	-	-	-
RAMIREZ, MARK LLOYD A.	2,150	-	( 2,150)	-	-	-	0
RAMON BRAVO JR.	1,650	-	-	-	1,650	-	1,650
RAMON D. BONUEL	8,400	-	-	-	8,400	-	8,400
RAMOS, ERWIN M	-	7,309	( 7,309)	-	-	-	-
RAMOS, ERWIN M.	2,150	-	( 2,150)	-	-	-	0
RAMY CORCINO	3,360	-	-	-	3,360	-	3,360
RANDEL S. ROJO	2,125	-	( 2,125)	-	-	-	-
RANDIE M. VIADO	11,258	-	-	-	11,258	-	11,258
RANDY ABALOS	( 240)	240	-	-	-	-	-
RANDY D. NARIDO	-	-	-	-	-	-	-
RANDY DAVID	( 240)	240	-	-	-	-	-
RANDY L. POTENCIA	8,400	-	-	-	8,400	-	8,400
RANDY RETES	12,600	-	-	-	12,600	-	12,600
RANILO A. CALLO	-	-	-	-	-	-	-
RAPH JAYSON ODATO	-	34,950	-	-	34,950	-	34,950
RASCHEL T. CABILLAN	1,650	-	-	-	1,650	-	1,650
RAUL B. GOLEZ	18,345	-	-	-	18,345	-	18,345
RAUL CIENTUS	-	7,950	-	-	7,950	-	7,950
RAYAN SIEGUE	( 240)	240	-	-	-	-	-
RAYMART M. BRIAGAS	-	9,585	-	-	9,585	-	9,585
RAYMOND A. SECRETARIA	1,650	-	-	-	1,650	-	1,650
RAYMOND DUCOT	( 300)	300	-	-	-	-	-
RAYMOND JAY BERGONIO	706	-	( 706)	-	-	-	-
RAYMOND LIBRAMONTE	9,085	-	-	-	9,085	-	9,085
Raymund Jay S. Gomez	6,100	-	-	-	6,100	-	6,100
RAYMUND M. EBORA	6,510	-	-	-	6,510	-	6,510
RAYMUNDO MARRAS	-	23,990	( 23,990)	-	-	-	-
REA LYN BUENAVENTURA	4,130	-	-	-	4,130	-	4,130
<i>Balance forwarded</i>	P 89,405,627	P 33,384,309	( P 48,458,306)	P -	P 74,331,630	P -	P 74,331,630

Name	Balance at Beginning of Period	Additions	Deductions		Ending Balance		Balance at End of Period
			Amounts Collected	Written Off	Current	Non-current	
<i>Balance carried forward</i>	P 89,405,627	P 33,384,309	( P 48,458,306)	P -	P 74,331,630	P -	P 74,331,630
REBECCA AYCOCHO	5,000	22,145	( 26,600)	-	546	-	546
REDINTO M. OLIVERAS	1,475	-	-	-	1,475	-	1,475
REFSIL MAGSIPOC	4,320	-	-	-	4,320	-	4,320
REGGIE C. CARINO	14,325	-	-	-	14,325	-	14,325
REGIE DASALLA	1,650	-	-	-	1,650	-	1,650
REGINE CARMELLI R. SANTOS	620,000	250,000	( 500,000)	-	370,000	-	370,000
REGINE SOCORRO	8,400	-	-	-	8,400	-	8,400
REGOR TITO	-	26,598	-	-	26,598	-	26,598
REJEAN VALENZUELA	44,100	-	-	-	44,100	-	44,100
RENANTE V. ROJO	1,650	-	-	-	1,650	-	1,650
RENATO ALEGADO	36,900	231,019	( 267,919)	-	-	-	-
RENATO B. CASTRO JR.	8,400	-	-	-	8,400	-	8,400
RENATO BELARO Jr.	( 340)	340	-	-	-	-	-
RENATO DELA PEÑA	2,230	-	-	-	2,230	-	2,230
RENATO M. SILVA JR.	-	24,837	( 24,837)	-	-	-	-
RENATO NAVAL	-	72,000	-	-	72,000	-	72,000
RENE BOY S. BALOHABO	1,650	-	-	-	1,650	-	1,650
RENE BUICO	1,650	-	-	-	1,650	-	1,650
RENNIELYN VERGARA	( 579)	579	-	-	-	-	-
RENY SOLANO	46,560	-	-	-	46,560	-	46,560
REO B. GOTTZA	34,500	-	-	-	34,500	-	34,500
RESTIAN DEBLOIS	( 213)	213	-	-	-	-	-
RESURRECCION, SARAH	-	-	-	-	-	-	-
RETHMON SEVILLA	( 205)	205	-	-	-	-	-
REXFORD ILAGAN	322,295	3,340,623	( 3,157,184)	-	505,734	-	505,734
REY AMOR	19,200	-	-	-	19,200	-	19,200
REY C. RAMIREZ	1,475	-	-	-	1,475	-	1,475
REY DAN S. FAMPULA	-	417,600	-	-	417,600	-	417,600
REY FRANCIS FABRO	10,201	503	( 10,704)	-	-	-	-
REY G. AMOR	15,840	-	-	-	15,840	-	15,840
REY LUGO	-	85,600	-	-	85,600	-	85,600
REY MARK GARCIA	45,090	-	-	-	45,090	-	45,090
REYCELYN D. REYES	14,400	-	-	-	14,400	-	14,400
REYMUND P. SABINO	8,400	-	-	-	8,400	-	8,400
REYNALDO AMESTOSO	( 240)	240	-	-	-	-	-
REYNALDO C. SALVADOR	7,530	-	-	-	7,530	-	7,530
REYNALDO CANDO	1,650	-	-	-	1,650	-	1,650
REYNALDO RESTAURO	9,360	-	-	-	9,360	-	9,360
REYNALDO RODRIN	1,196,524	( 395,000)	( 395,000)	-	406,524	-	406,524
REYNANTE DE VERA	29,654	130,000	-	-	159,654	-	159,654
REYNOLD IAZARENO	2,600	-	-	-	2,600	-	2,600
Reza Marie C. De Guzman	114,340	-	-	-	114,340	-	114,340
RHEA LAMOSTE	( 390)	390	-	-	-	-	-
RHIZ KATHLEEN CONTRERAS	21,438	48,000	( 21,438)	-	48,000	-	48,000
RHODORA E. DE LA CRUZ	19,000	-	-	-	19,000	-	19,000
RIC C. CAIDO	51,258	-	-	-	51,258	-	51,258
RICARDO AMOTO JR.	1,550	-	-	-	1,550	-	1,550
RICARDO B. GILTENDEZ	14,075	-	-	-	14,075	-	14,075
RICARDO C. DONATO	18,000	-	-	-	18,000	-	18,000
RICARDO HERA JR.	4,800	-	-	-	4,800	-	4,800
RICARDO LAPENA	14,400	-	-	-	14,400	-	14,400
RICARDO R. DELOS REYES	2,370	-	-	-	2,370	-	2,370
RICARDO SABANAL	975	-	-	-	975	-	975
RICHARD A. RECELLA JR.	-	4,200	( 4,200)	-	-	-	-
RICHARD ANGOB	8,502	5,445	( 13,947)	-	0	-	0
RICHARD B. FUENTES	1,650	-	-	-	1,650	-	1,650
RICHARD C. CUADRA	11,068	-	-	-	11,068	-	11,068
RICHARD FAMILIAR	-	2,895	-	-	2,895	-	2,895
RICHARD ILUSTRE	( 375)	375	-	-	-	-	-
RICHARD MAGDARAOG	3,360	-	-	-	3,360	-	3,360
RICHARD PENAMAYOR	-	-	-	-	-	-	-
RICHARD PROVIDENCIA	15,000	-	-	-	15,000	-	15,000
RICHARD S. PINGOS	10,560	-	-	-	10,560	-	10,560
RICHMON MILLARE	10,973	-	-	-	10,973	-	10,973
RICHMON O. MILLARE	8,400	-	-	-	8,400	-	8,400
RICKY BALCE	-	190,000	( 169,843)	-	20,157	-	20,157
RICKY PAYNO	1,650	-	-	-	1,650	-	1,650
RICKY PEÑA	14,268	-	-	-	14,268	-	14,268
RICO F. ABAD	7,000	-	-	-	7,000	-	7,000
RITA DOMINGO	( 360)	360	-	-	-	-	-
RIZALDA, ARNOLD	-	-	-	-	-	-	-
ROBBY SALAMANCA	-	60,000	-	-	60,000	-	60,000
ROBERT D. VILLANUEVA	10,050	-	-	-	10,050	-	10,050
ROBERT JASON TORRES	424,803	-	( 391,003)	-	33,800	-	33,800
<i>Balance forwarded</i>	P 92,709,441	P 37,903,475	( P 53,440,979)	P -	P 77,171,937	P -	P 77,171,937

Name	Balance at Beginning of Period	Additions	Deductions		Ending Balance		Balance at End of Period
			Amounts Collected	Written Off	Current	Non-current	
<i>Balance carried forward</i>	P 92,709,441	P 37,903,475	( P 53,440,979)	P -	P 77,171,937	P -	P 77,171,937
ROBERT TABILOG	3,240	-	-	-	3,240	-	3,240
ROBERTO OXINA	8,925	-	-	-	8,925	-	8,925
ROBERTO R. REÑA	1,650	-	-	-	1,650	-	1,650
ROBERTO TAPIA	-	36,000	-	-	36,000	-	36,000
ROBERTSON G. QUIRES	1,475	-	-	-	1,475	-	1,475
ROBIN M. FIGUEROA	10,450	-	-	-	10,450	-	10,450
RODEL GONZALES	3,640	-	-	-	3,640	-	3,640
RODELO B. VALLENTE	-	-	-	-	-	-	-
RODERIC CORPORAL	1,650	-	-	-	1,650	-	1,650
RODNEY C. GARCIA	-	-	-	-	-	-	-
RODNICK CACAFRANCA	2,835	-	-	-	2,835	-	2,835
RODOLF S. SAGUID	1,650	-	-	-	1,650	-	1,650
RODOLFO CERVERA	21,333	-	-	-	21,333	-	21,333
RODOLFO J. CERVERA	1,850	-	( 1,850)	-	-	-	-
RODOLFO PUNZALAN	-	-	-	-	-	-	-
RODRICK I. REYES	1,650	-	-	-	1,650	-	1,650
RODRIGO AURELIO JR	5,555	-	-	-	5,555	-	5,555
ROEL COLEGADO	158,956	-	( 150,556)	-	8,400	-	8,400
ROEL E. FRANCISCO	1,650	-	-	-	1,650	-	1,650
ROGELIO C. REQUIRON JR.	11,400	-	-	-	11,400	-	11,400
ROGELIO F. VILLAMOR	1,920	-	-	-	1,920	-	1,920
ROGELIO H. ENATE	11,163	-	-	-	11,163	-	11,163
ROGELIO TURTOR Jr.	( 204)	204	-	-	-	-	-
ROGER ARESGADO	( 220)	220	-	-	-	-	-
ROGER AROMIN	( 240)	240	-	-	-	-	-
ROGER ARTIGAS	6,695	-	-	-	6,695	-	6,695
ROGER C. PONCECA	1,650	-	-	-	1,650	-	1,650
ROGER C. SALAZAR	6,195	-	-	-	6,195	-	6,195
ROGER CABIGAYAN	-	9,000	-	-	9,000	-	9,000
ROJO, RANDEL S.	20,429	16,173	( 36,601)	-	-	-	-
ROLAND JAZARENO	8,813	-	-	-	8,813	-	8,813
ROLAND N. RINA	10,350	-	-	-	10,350	-	10,350
ROLAND RAYCO	4,740	-	-	-	4,740	-	4,740
ROLANDO F. MECHILINA I	7,245	-	-	-	7,245	-	7,245
ROLDAN PALMA	-	8,042	( 8,042)	-	-	-	-
ROLEN L. JALIMBAWA	1,650	-	-	-	1,650	-	1,650
ROLLEN RALPH L. ORCE	8,400	-	( 8,400)	-	-	-	-
ROMANO B. LIRIO	8,295	-	-	-	8,295	-	8,295
ROMAR B. CARNIYAN	1,650	-	-	-	1,650	-	1,650
ROMAR COBILLA	-	30,762	( 28,060)	-	2,702	-	2,702
ROMEL FERNANDO	( 188)	188	-	-	-	-	-
ROMEO ARITA	5,961	-	( 5,961)	-	-	-	-
ROMEO B. BOBILES	1,650	-	-	-	1,650	-	1,650
ROMEO BOLILAN	( 8,000)	8,000	-	-	-	-	-
ROMEO DIAZ	8,400	-	-	-	8,400	-	8,400
ROMEO H. PEÑANUEVA	72,000	-	-	-	72,000	-	72,000
ROMEO P. CAMINO JR.	11,288	-	-	-	11,288	-	11,288
ROMEO P. FURIGAY	17,113	-	-	-	17,113	-	17,113
ROMEO SAKAY	8,400	-	( 6,000)	-	2,400	-	2,400
ROMMEL AGNES	5,675	-	-	-	5,675	-	5,675
ROMMEL AMADOR	3,553	-	-	-	3,553	-	3,553
ROMMEL GOROSPE	6,000	-	-	-	6,000	-	6,000
ROMMEL NEVADO	10,920	-	-	-	10,920	-	10,920
ROMMEL VIRTUZ	( 193)	193	-	-	-	-	-
ROMNICK T. LLENADO	1,650	-	-	-	1,650	-	1,650
ROMULO G. RUIZ JR.	8,400	-	-	-	8,400	-	8,400
ROMULO OLAGUER	( 376)	376	-	-	-	-	-
ROMULO, RUIZ	9,371	14,721	( 2,341)	-	21,750	-	21,750
RONA C. BAUTISTA	126,000	-	-	-	126,000	-	126,000
RONALD ANDREW MANUEL	( 362)	362	-	-	-	-	-
RONALD P. BUAL	1,650	-	-	-	1,650	-	1,650
RONALD S. ZEMOLABA	7,420	-	-	-	7,420	-	7,420
RONALD TILA	-	2,838	-	-	2,838	-	2,838
RONALDO MERTO	4,380	-	-	-	4,380	-	4,380
RONALDO PALIN	1,650	-	-	-	1,650	-	1,650
RONEL BOFILL	9,898	-	-	-	9,898	-	9,898
RONEL D. BOFILL	2,400	-	-	-	2,400	-	2,400
RONEL E. ABELONG	-	18,000	( 18,000)	-	-	-	-
RONIE BALBUENA	1,650	-	-	-	1,650	-	1,650
RONILO C. PONSICA	1,650	-	-	-	1,650	-	1,650
RONNIE G. BRANDT	1,440	-	-	-	1,440	-	1,440
RONNIE SIENES	51,680	-	-	-	51,680	-	51,680
ROQUE T. GUANGA	11,400	-	-	-	11,400	-	11,400
ROSARIO, ALLAN A.	1,882	6,368	( 8,250)	-	-	-	-
ROSE ANN A. PIQUERO	32,000	-	-	-	32,000	-	32,000
ROSE ANN J. TARROZA	-	7,650	-	-	7,650	-	7,650
<i>Balance forwarded</i>	P 93,462,238	P 38,062,812	( P 53,715,040)	P -	P 77,810,009	P -	P 77,810,010



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			Amounts Collected	Written Off	Current	Non-current	
<i>Balance carried forward</i>	P 93,462,238	P 38,062,812	( P 53,715,040)	P -	P 77,810,009	P -	P 77,810,010
ROSE ANN TARROZA	( 80)	80	-	-	-	-	-
ROSE CELINE CASTRO	6,000	-	-	-	6,000	-	6,000
ROSE TAPADO	6,000	87,124	( 17,124)	-	76,000	-	76,000
Rose Valeris Aceron	9,000	-	-	-	9,000	-	9,000
ROSEBHEL ABALA	5,149	163,399	( 167,074)	-	1,473	-	1,473
ROSEBHEL HIBAYA	6,231	-	-	-	6,231	-	6,231
ROSELITO CARILLO	2,400	-	-	-	2,400	-	2,400
ROSELYN CULMINAR	-	96,245	-	-	96,245	-	96,245
ROSETTE PASCUAL	61,950	3,000	-	-	64,950	-	64,950
ROSS RUSSEL GONZALES	( 300)	300	-	-	-	-	-
ROWEL SAMSON	( 240)	240	-	-	-	-	-
ROWELL SALVADOR	4,900	-	-	-	4,900	-	4,900
ROWENA F. REYES	-	40,071	( 8,369)	-	31,702	-	31,702
ROY JOHN C. LOPEZ	-	-	-	-	-	-	-
ROYCE C. BEGUIJA	2,340	-	-	-	2,340	-	2,340
RUAYA, ELIEZER	-	15,833	-	-	15,833	-	15,833
RUAYA, ELIEZER	6,682	12,043	( 2,676)	-	16,049	-	16,049
RUBEN A. YENOGACIO	30,600	-	-	-	30,600	-	30,600
RUBEN PENALOSA	975	-	-	-	975	-	975
RUDIO, GRACITO	-	-	-	-	-	-	-
RUDY HIZO	( 240)	240	-	-	-	-	-
RUEL ALMA JR.	2,400	55,550	( 5,550)	-	52,400	-	52,400
RUEL DEBLOIS	2,880	-	-	-	2,880	-	2,880
RUFINO DIZO	-	260,330	-	-	260,330	-	260,330
RUIZ, ROMULO	-	1,339	-	-	1,339	-	1,339
RYAN APOSTOL	5,495	45,000	( 50,495)	-	-	-	-
RYAN E. BERJA	-	6,795	( 3,360)	-	3,435	-	3,435
RYAN GABLING	1,200	-	-	-	1,200	-	1,200
RYAN L. FERNANDEZ	3,600	-	-	-	3,600	-	3,600
SALIMBOT, HAROLD	2,421	-	-	-	2,421	-	2,421
SALVADOR CASTILLO JR	4,800	-	-	-	4,800	-	4,800
SALVADOR CASTILLO JR.	2,880	-	-	-	2,880	-	2,880
SAMMER CANLAS	8,400	-	-	-	8,400	-	8,400
SAMSON CARACAS	6,720	-	-	-	6,720	-	6,720
SAMUEL A. SARSONA	18,000	-	-	-	18,000	-	18,000
SAMUEL BOLONDROS	( 240)	240	-	-	-	-	-
SAMUEL FLORES	( 240)	240	-	-	-	-	-
SAMUEL GANTALA	-	50,000	( 50,000)	-	-	-	-
SAMUEL H. GANTALA	8,400	-	-	-	8,400	-	8,400
SAMUEL SARSONA	42,000	-	-	-	42,000	-	42,000
Sandra Mae Undalok	-	150,997	( 15,870)	-	135,127	-	135,127
SANIDAD, MARNELLIE	94	-	-	-	94	-	94
SANTIAGO D. AVELINO JR.	14,250	-	-	-	14,250	-	14,250
SANTIAGO R. GARIN	1,650	-	-	-	1,650	-	1,650
SANTOS, GRACE	573	1,337	-	-	1,911	-	1,911
SARAH LOU SOHO	3,000	-	-	-	3,000	-	3,000
SATURNINO ANCHETA Jr.	( 375)	375	-	-	-	-	-
SATURNINO D. OLIVER JR.	1,550	-	-	-	1,550	-	1,550
SEBASTIAN LIRIOS	( 209)	209	-	-	-	-	-
SERGIO S. MALIGRO JR.	480	-	-	-	480	-	480
SESIE DELA VIRGEN	-	117,411	( 109,078)	-	8,333	-	8,333
SESIE DELA VIRGEN JR.	28,000	181,878	-	-	209,878	-	209,878
SHALLA VALDEZ	63,176	-	-	-	63,176	-	63,176
SHARMINE MAE D. BITAÑA	-	1,350	( 1,350)	-	-	-	-
SHEILA FRANCO	-	2,204,417	( 885,962)	-	1,318,455	-	1,318,455
<i>Balance forwarded</i>	P 93,824,512	P 41,558,852	( P 55,031,948)	P -	P 80,351,415	P -	P 80,351,416

Name	Balance at Beginning of Period	Additions	Deductions		Ending Balance		Balance at End of Period
			Amounts Collected	Written Off	Current	Non-current	
<i>Balance carried forward</i>	P 93,824,512	P 41,558,852	( P 55,031,948)	P -	P 80,351,415	P -	P 80,351,416
SHELLA MAY C. NARCEDA	-	154,410	( 152,759)	-	1,651	-	1,651
SHERMAE B. PUTI	253,886	57,600	( 99,300)	-	212,186	-	212,186
SHIRLEY ALABADO	-	100,000	( 70,279)	-	29,721	-	29,721
Shirley B. Alabado	4,320	-	-	-	4,320	-	4,320
SHOJI F. BEJO	60,960	-	-	-	60,960	-	60,960
SIAN LAURENCE SICAT	2,538	-	-	-	2,538	-	2,538
SIDLACAN, MIKKO	2,070	-	-	-	2,070	-	2,070
SIERVO JR., NESTOR L.	-	22,488	( 1,785)	-	20,703	-	20,703
SIERVO JR., NESTOR L.	7,139	-	( 5,354)	-	1,785	-	1,785
SILVESTRE LEGSON Jr.	( 193)	193	-	-	-	-	-
SILVESTRE Z. LEGSON JR.	6,755	-	-	-	6,755	-	6,755
SIMUNDAC, MICHAEL	-	1,503	-	-	1,503	-	1,503
SIMUNDAC, MICHAEL	6,736	2,458	( 558)	-	8,636	-	8,636
SLOTH, OLE HEIN	2,196	3,397	-	-	5,592	-	5,592
SOLIS, ROBERTO G.	5,943	3,506	( 9,449)	-	-	-	-
SOLTAIRE L. BERMUDO	3,300	-	-	-	3,300	-	3,300
SOLIVEN S. VALENTINO	4,200	-	-	-	4,200	-	4,200
SOMBRENO, JASON	2,340	-	-	-	2,340	-	2,340
SONNY BOY EVANGELISTA	2,338	-	-	-	2,338	-	2,338
SONNY BUSA	4,800	-	-	-	4,800	-	4,800
Southeast Asian Campus	89,790	-	-	-	89,790	-	89,790
Southwest Integrated Transport System	761,136	-	-	-	761,136	-	761,136
STEPHEN PINEDA	6,720	-	-	-	6,720	-	6,720
SULPICIO MORAL, JR.	13,808	4,165	-	-	17,973	-	17,973
SVEND GLENE SAN JUAN	4,200	-	-	-	4,200	-	4,200
TAMAYO, CHRISTOPHER	-	-	-	-	-	-	-
TEDY L. VALLESTERO	480	-	-	-	480	-	480
TEE JAY GAMBOA	-	9,000	-	-	9,000	-	9,000
TEGIE PALLERA	( 218)	218	-	-	-	-	-
TERISSE JANE M. ALARCON	-	-	-	-	-	-	-
THERESA PALISOC	2,800	-	-	-	2,800	-	2,800
TIMOTHY ALEXANDER GLOVA	-	80,000	-	-	80,000	-	80,000
TIMOTHY L. OSMA	-	69,334	( 1,275)	-	68,059	-	68,059
TITO ALINGASA	-	-	-	-	-	-	-
<i>Balance forwarded</i>	P 95,072,554	P 42,067,124	( P 55,372,707)	P -	P 81,766,971	P -	P 81,766,971

Name	Balance at Beginning of Period	Additions	Deductions		Ending Balance		Balance at End of Period
			Amounts Collected	Written Off	Current	Non-current	
<i>Balance carried forward</i>	P 95,072,554	P 42,067,124	( P 55,372,707)	P -	P 81,766,971	P -	P 81,766,971
TOMIE, ASLIAH	-	-	-	-	-	-	-
TONY F. CORRE	-	5,803	( 5,803)	-	-	-	-
TRACELLE ANNE B. NAVARRO	35,360	-	-	-	35,360	-	35,360
TRANILLA, HENDRICK S.	6,676	3,927	( 10,603)	-	-	-	-
UMAPAS, JONIE S.	1,344	7,004	( 8,348)	-	-	-	-
VALENCIA, ALLAN	2,667	-	-	-	2,667	-	2,667
VALENCIA, ALLAN B.	8,468	-	-	-	8,468	-	8,468
VALERIE AYRA RAMOS	-	103,300	-	-	103,300	-	103,300
VALLESTERO, KIM ALEXIE	-	-	-	-	-	-	-
VANNESA ANN P. GERILLA.	( 1)	1	-	-	-	-	-
VEN ROGER GOCOTANO	1,650	-	-	-	1,650	-	1,650
VENERABLE DALUSUNG	3,900	2,729	( 6,629)	-	-	-	-
VERINA, DEXTER Q.	-	6,082	( 5,068)	-	1,014	-	1,014
VERONICA LOVELLA A. ESQUIDA	28,000	18,000	( 45,999)	-	1	-	1
VIC D. DE VERA	4,925	-	-	-	4,925	-	4,925
VICK BASENCE	-	-	-	-	-	-	-
VICTOR C. IBATUAN	10,050	-	-	-	10,050	-	10,050
VICTOR DIONG	-	11,025	-	-	11,025	-	11,025
VICTOR FRIAS	1,650	-	-	-	1,650	-	1,650
VICTOR GENILLA	12,225	-	-	-	12,225	-	12,225
VICTOR L. ASPA, JR.	2,625	-	-	-	2,625	-	2,625
VICTOR PILAPIL	8,448	-	-	-	8,448	-	8,448
VICTOR RIBLORA	10,050	-	-	-	10,050	-	10,050
VICTORIANO TUMOMBAY JR.	12,000	-	-	-	12,000	-	12,000
VILLAMOR, PEDRO	-	-	-	-	-	-	-
VILLARMINO, JANIE	-	-	-	-	-	-	-
VILLEGAS, MARIA NIKKI	5,755	-	-	-	5,755	-	5,755
Vilma P. Lumapas Ii	4,320	-	-	-	4,320	-	4,320
VINCE ALLEN GARCIA	7,310	-	-	-	7,310	-	7,310
VINCENT DONO	9,000	-	-	-	9,000	-	9,000
VINCENT JOHN C. GEVERO	7,735	-	-	-	7,735	-	7,735
VIRGLIO P. BERGADO JR.	8,400	-	-	-	8,400	-	8,400
VON CARLO M. EMPEÑO	-	-	-	-	-	-	-
WALTER QUIAPO	5,896	3,506	( 9,402)	-	-	-	-
WAYNE E. SAN FELIPE	10,190	-	-	-	10,190	-	10,190
WEBFORGE PHILS. INC.	250,000	-	-	-	250,000	-	250,000
WEBSTER T. GENERALAO	975	-	( 692)	-	283	-	283
WELLO AQUINO	5,375	-	-	-	5,375	-	5,375
WENCESLAO, NICO	-	323	-	-	323	-	323
WENS JAMES VERALLO	( 240)	240	-	-	-	-	-
WILBERT DARYL D. HERNANDEZ	-	115,990	( 62,990)	-	53,000	-	53,000
WILFRED ACUT	-	-	-	-	-	-	-
WILFREDO SALINAS JR.	-	4,080	-	-	4,080	-	4,080
WILLIAM L. LABAY	-	-	-	-	-	-	-
WILMER S. LUCAS	1,650	-	-	-	1,650	-	1,650
WILSON CELESTIAL	1,650	-	-	-	1,650	-	1,650
WILSON MACAYAN	4,600	-	-	-	4,600	-	4,600
WILTON PABICA	14,400	-	-	-	14,400	-	14,400
WINNIE F. MATIAS	38,458	80,000	( 72,500)	-	45,958	-	45,958
WINSTON V. JIMENEZ	-	8,000	-	-	8,000	-	8,000
YADAO, MARIECRIS	-	-	-	-	-	-	-
YSRAEL ANGELES	-	-	-	-	-	-	-
YSRAEL ANGELES/ KATHERINE DUGT	32,797	-	( 30,608)	-	2,189	-	2,189
<i>Balance forwarded</i>	P 95,630,862	P 42,437,134	( P 55,631,350)	P -	P 82,436,646	P -	P 82,436,646

Name	Balance at Beginning of Period	Additions	Deductions		Ending Balance		Balance at End of Period
			Amounts Collected	Written Off	Current	Non-current	
<i>Balance carried forward</i>	P 95,630,862	P 42,437,134	( P 55,631,350)	P -	P 82,436,646	P -	P 82,436,646
ZALDY LACANDAZO	2,625	-	-	-	2,625	-	2,625
ZELUS BRION POL	( 180)	180	-	-	-	-	-
Zheena Ocampo	50,000	-	-	-	50,000	-	50,000
ZHELIN B. BALETBET	4,625	-	-	-	4,625	-	4,625
ZYRA FACTURAN	73,680	120,300	-	-	193,980	-	193,980
ANDRIAN B. VILLANUEVA	299,267	-	( 212,303)	-	86,964	-	86,964
ANGELICA SARAH R. CAPARAS	( 7,172)	7,172	-	-	-	-	-
ANNA KARENINA SALGADO	70,000	-	-	-	70,000	-	70,000
ANNALYN LEE	8,581	-	-	-	8,581	-	8,581
APRIL DIANNE MANTUHAC	244,623	-	( 105,000)	-	139,623	-	139,623
JOANNA ANGELITA FAJARDO	1,955	-	-	-	1,955	-	1,955
JOHN KALVIN CARREON	217,217	-	( 36,755)	-	180,461	-	180,461
JUNCARL B. JURADO	14,960	-	-	-	14,960	-	14,960
LYDWENA R. ECO	374,000	-	( 200,000)	-	174,000	-	174,000
MARIA THERESA A. MERCED	168,203	-	( 113,203)	-	55,000	-	55,000
MARYROSE CAMAJALAN	430,908	-	( 339,980)	-	90,929	-	90,929
REINA BELLE TABORADA	89	-	-	-	89	-	89
ROBERT JASON TORRES	114,608	-	( 13,905)	-	100,703	-	100,703
ALDRIN ELBERT ABELLA	-	50,500	-	-	50,500	-	50,500
AUGUSTE IZHAR PEPTO	-	232,600	-	-	232,600	-	232,600
CRISTEL RYANIE NARCA	-	100,000	-	-	100,000	-	100,000
MARIA EMMA LINGGAS	-	182,000	-	-	182,000	-	182,000
JAYPEE S. TRADIO	-	33,333	-	-	33,333	-	33,333
AILEEN MAY S. MAMAC	-	36,217	-	-	36,217	-	36,217
ALEXANDER C. ALVARO	15,660	-	-	-	15,660	-	15,660
ANA CLARISSA ILAGAN	18,865	-	-	-	18,865	-	18,865
ANTHONY GALMAN	12,250	-	-	-	12,250	-	12,250
ARLENE BANCASO	-	-	-	-	-	-	-
ARNOLD VILLANUEVA	-	-	-	-	-	-	-
ARNOLD YUSON	18,000	-	( 18,000)	-	-	-	-
CLAUDIO LUBERIO JR.	-	-	-	-	-	-	-
DEA CARMELISA URBANO	14,445	-	-	-	14,445	-	14,445
DOMINGO IBARLIN, JR.	-	-	-	-	-	-	-
IAN JAUCULAN	-	-	-	-	-	-	-
JAMES ALDWIN LASALA	-	-	-	-	-	-	-
JEAI ARCANO	-	-	-	-	-	-	-
JEREMIAH ANTHONY V. JO	-	-	-	-	-	-	-
JESSICA VICTORIA	234	-	-	-	234	-	234
JOHN KALVIN CARREON	165,000	-	-	-	165,000	-	165,000
JOSE MARI T SALVADOR	260,000	-	-	-	260,000	-	260,000
KAREN CORTEZ	-	-	-	-	-	-	-
KATHLYN FATE BENTAZAL	( 3,569)	28,000	-	-	24,431	-	24,431
KOLYN CALBASA	194,935	-	( 80,000)	-	114,935	-	114,935
LAWRENCE HARDER	-	-	-	-	-	-	-
LEONARD DIVINA	9,000	-	-	-	9,000	-	9,000
MARIA ALTHEA MASANGKAY	66,700	515,559	-	-	582,259	-	582,259
MARIFECOR AVILA	10,000	-	-	-	10,000	-	10,000
RALPH GILBERT BINOS	30,000	749	-	-	30,749	-	30,749
RAPHAEL VICTOR MENIANO	81,000	36,500	( 61,000)	-	56,500	-	56,500
ANGELA LUNGWAY	-	2,048	-	-	2,048	-	2,048
GERARD ANGELO FERNANDEZ	-	1,500	-	-	1,500	-	1,500
IRISH MAE MANLIGUEZ	-	4,568	-	-	4,568	-	4,568
LOREN LIBERA	-	7,228	-	-	7,228	-	7,228
ROWENA BARRA	-	5,163	-	-	5,163	-	5,163
STEWART RIVERA	-	44,125	-	-	44,125	-	44,125
JAY AMOR	-	225,500	-	-	225,500	-	225,500
PAUL ELIEZER NOLASCO	-	70,000	-	-	70,000	-	70,000
JOHN KALVIN CARREON	-	287,200	-	-	287,200	-	287,200
<i>Balance forwarded</i>	P 98,591,371	P 44,427,576	( P 56,811,496)	P -	P 86,207,451	P -	P 86,207,451

Name	Balance at Beginning of Period	Additions	Deductions		Ending Balance		Balance at End of Period
			Amounts Collected	Written Off	Current	Non-current	
<i>Balance carried forward</i>	P 98,591,371	P 44,427,576	( P 56,811,496)	P -	P 86,207,451	P -	P 86,207,451
SANTOS, ROGELIO JR. GULAO	-	180,000	( 90,000)	-	90,000	-	90,000
GUTIERREZ, GLADWIN MILLA	-	960,000	( 870,005)	-	89,995	-	89,995
BROSAS, JAYSON ACONG	-	273,438	( 183,438)	-	90,000	-	90,000
VALENOVA, NOEL SKULSTAD	-	960,000	( 870,280)	-	89,720	-	89,720
JOSCH YUMPING	-	105,000	( 90,000)	-	15,000	-	15,000
MARI JOIE ALTICHE	-	702,500	( 629,000)	-	73,500	-	73,500
DERRICK C. EVARISTO	-	251,628	( 206,628)	-	45,000	-	45,000
APRIL MENDIOLA	-	55,100	( 34,100)	-	21,000	-	21,000
ANNIKA GAILE BARRAMEDA GAMO	-	768,430	-	-	768,430	-	768,430
CARMELA GEMMA L. DOMINGUEZ	-	450,980	( 23,000)	-	427,980	-	427,980
GERMAN ANTONIO	-	45,000	-	-	45,000	-	45,000
JEREMY LOUIS T. TEE	-	5,000	-	-	5,000	-	5,000
KATRINA S. DOMINGO	-	5,000	-	-	5,000	-	5,000
MANIBEL E. IBANEZ	-	1,892,500	( 739,000)	-	1,153,500	-	1,153,500
MARY ANN BINOS	-	45,000	-	-	45,000	-	45,000
MELINDA VOCES	-	90,000	-	-	90,000	-	90,000
QUEENNIE RHOSE S. DAGANIO	-	5,000	-	-	5,000	-	5,000
REINHARDT DURAN	-	45,000	-	-	45,000	-	45,000
REINHARDT JON DURAN	-	45,000	-	-	45,000	-	45,000
RONALDO MACASIEB	-	90,000	-	-	90,000	-	90,000
AILEEN BARACEROS MORALES	-	711,000	-	-	711,000	-	711,000
AIZA ASPRER VILLANUEVA	-	9,000	-	-	9,000	-	9,000
ALPIO L. LUANGCO	-	36,150	( 17,636)	-	18,514	-	18,514
ALYANA GRACE T. ROBLEZA	-	1,597,250	( 1,215,712)	-	381,538	-	381,538
ANTONETTE L. ATIENZA	-	76,250	( 56,417)	-	19,833	-	19,833
ANTONETTE LLAMOSO ATIENZA	-	84,022	-	-	84,022	-	84,022
APRIL DIANNE CABUANG CABRERA	-	9,000	-	-	9,000	-	9,000
ARIANNE CECIL PEREN BRAGA	-	15,760	-	-	15,760	-	15,760
CHRIZSA EULICE DOMINIQUE P. GARCIA	-	2,024,721	( 1,756,500)	-	268,221	-	268,221
Damon Gabriel Dadap	-	210,145	( 158,645)	-	51,500	-	51,500
DERRICK C. EVARISTO	-	4,491,393	( 3,964,721)	-	526,672	-	526,672
DIANA RUTH R. ROMERO	-	73,657	-	-	73,657	-	73,657
DJOAHNA KRISTA P. ENDRINAL	-	93,992	( 1,051)	-	92,940	-	92,940
EARVIN C. TUTOR	-	35,000	-	-	35,000	-	35,000
ELOISA GUINTO PANGILINAN	-	11,100	-	-	11,100	-	11,100
EPHRAIM JOSE D. VALDEZ	-	544,275	-	-	544,275	-	544,275
Enka Danielle Angeles	-	425,042	( 355,042)	-	70,000	-	70,000
Francesca Micaela A. Santeco	-	642,327	( 400,000)	-	242,327	-	242,327
Glen Mark P. Sulbit	-	200,010	-	-	200,010	-	200,010
GRACE AQUINO DOMANTAY	-	9,000	( 3,075)	-	5,925	-	5,925
HERBERT G. ENRIQUEZ	-	35,063	-	-	35,063	-	35,063
IZZY F. MONDONEDO	-	19,084	-	-	19,084	-	19,084
JASMIN M. CO	-	4,559,487	( 4,447,982)	-	111,505	-	111,505
JC Nino Villaruz	-	26,462	( 19,263)	-	7,199	-	7,199
JENIENA MAE D. PIALAGO	-	28,400	( 26,000)	-	2,400	-	2,400
JENIENA MAE DIAMA PIALAGO	-	11,000	-	-	11,000	-	11,000
JENNIFER B. PEDUCA	-	2,200,082	( 327,586)	-	1,872,496	-	1,872,496
JESUS KRISTINA SUASBA SUERTE FELIP	-	35,149	( 1,257)	-	33,892	-	33,892
JODENEE RUBELLE APOLONIO RAMOS	-	17,500	( 4,771)	-	12,729	-	12,729
JOSE EMILIO O. FERRER	-	23,700	-	-	23,700	-	23,700
JUNE JUNE J. DOMONDON	-	1,500	-	-	1,500	-	1,500
KAREN JOY SAN JOSE VISMONTE	-	14,000	( 8,196)	-	5,804	-	5,804
KEN CARLA G. MALABANAN	-	358,805	( 228,157)	-	130,648	-	130,648
LEAN KAYE LAYUG	-	63,940	( 25,196)	-	38,744	-	38,744
LOU ANNE R. PEÑARROYO	-	4,953,994	( 4,293,600)	-	660,394	-	660,394
LOVELY JOY MANLANGIT	-	10,000	-	-	10,000	-	10,000
Luis Alonzo Martin Ligot	-	117,495	( 20,395)	-	97,100	-	97,100
LUNA, JUVILYN ROSETE	-	27,904	-	-	27,904	-	27,904
LYNN CELLES SUMANGIL	-	125,000	-	-	125,000	-	125,000
Ma. Cristina Veronica Rodrigo	-	334,700	( 284,700)	-	50,000	-	50,000
							-
<i>Balance forwarded</i>	P 98,591,371	P 75,664,513	( P 78,162,848)	P -	P 96,093,036	P -	P 96,093,036

Name	Balance at Beginning of Period	Additions	Deductions		Ending Balance		Balance at End of Period
			Amounts Collected	Written Off	Current	Non-current	
<i>Balance carried forward</i>	P 98,591,371	P 75,664,513	( P 78,162,848)	P -	P 96,093,036	P -	P 96,093,036
MARCEL VINA C. BARIT	-	13,784	( 5,134)	-	8,650	-	8,650
MARI ALBERT CAPARAS ONG	-	79,750	-	-	79,750	-	79,750
Marian Bensan	-	305,400	( 305,400)	-	-	-	-
MARICEL SON MAGSUMBOL	-	9,000	( 3,788)	-	5,212	-	5,212
MARIEL MARTUS TEJADA	-	9,000	( 2,157)	-	6,843	-	6,843
MARK AARON OREJOLA LOTERINA	-	10,000	-	-	10,000	-	10,000
MARK LAWRENCE J. LAGUNERO	-	10,418	-	-	10,418	-	10,418
MEGAWIDE CONSTRUCTION CORPORA	-	4,800	( 4,800)	-	-	-	-
MELINDA D. BENDANA	-	301,505	-	-	301,505	-	301,505
MENGUITA, MELISSA VILLANUEVA	-	30,000	-	-	30,000	-	30,000
MIANGA RAMHA C. TORRES	-	134,816	( 77,467)	-	57,349	-	57,349
Michelle Zabal	-	613,170	( 53,482)	-	559,688	-	559,688
MORIKAWA, EMILYN OCCIANO	-	37,951	-	-	37,951	-	37,951
MS. PATRICIA SAMANTHA G. JUGAN	-	13,752,630	( 13,752,630)	-	-	-	-
MUNICIPAL TREASURER OF TAYTAY RI	-	8,000	-	-	8,000	-	8,000
OBILLE, KEVIN REELE MARQUEZ	-	21,072	-	-	21,072	-	21,072
OLIVER DIMACALI DIN	-	10,000	( 3,950)	-	6,050	-	6,050
Ordy T. Mirabueno	-	65,000	( 65,000)	-	-	-	-
PATRICK SHANE PANGILINAN DIAZ	-	53,500	-	-	53,500	-	53,500
PAUL EDISON C. SALVADOR	-	49,000	( 11,667)	-	37,333	-	37,333
PHILIP MARC ESCALA TALAN	-	111,500	( 82,250)	-	29,250	-	29,250
RANNIE BOOTS C. TOMALON	-	20,850	( 6,029)	-	14,821	-	14,821
Rejovee Dela Cruz	-	4,000	-	-	4,000	-	4,000
RENIER V. CALIVARA	-	75,136	( 26,277)	-	48,859	-	48,859
ROMMEL G. TURINGAN	-	1,290,672	( 593,331)	-	697,341	-	697,341
RONALDO B. PASCUAL	-	64,304	( 19,596)	-	44,708	-	44,708
Ryan Vasquez	-	6,000	( 6,000)	-	-	-	-
SHIRLEY JOSAFAT PURGANAN	-	11,000	-	-	11,000	-	11,000
THEA ZARAH R. REYES	-	66,783	( 4,142)	-	62,641	-	62,641
TIMOTHY CHUA CANILAO	-	39,277	( 17,775)	-	21,503	-	21,503
VANESSA MAE MONTIBON APAY	-	49,444	( 14,438)	-	35,006	-	35,006
Venise Lyra Gonzales	-	1,034	-	-	1,034	-	1,034
With manual breakdown	-	1,079,065	( 862,807)	-	216,258	-	216,258
<i>Balance forwarded</i>	P 98,591,371	P 94,002,376	( P 94,080,968)	P -	P 98,512,779	P -	P 98,512,779
<b>TOTAL ADVANCES TO OFFICERS AND EMPLOYEES</b>	<b>P 98,591,371</b>	<b>P 94,002,376</b>	<b>( P 94,080,968)</b>	<b>P -</b>	<b>P 98,512,779</b>	<b>p -</b>	<b>P 98,512,779</b>
<b>SHAREHOLDERS</b>	<b>P 1,037,914</b>	<b>P -</b>	<b>( P 148,119)</b>	<b>P -</b>	<b>P 889,795</b>	<b>P -</b>	<b>P 889,795</b>
<i>Advances to related parties under common ownership</i>							
Future State Myspace, Inc.	35,414	-	-	-	35,414	-	35,414
Megawide Foundation	114,834	84,997	-	-	199,831	-	199,831
ESA Group of Companies Inc.	5,858	-	-	-	5,858	-	5,858
Megacore Holdings, Inc.	750	17,000,000	-	-	17,000,750	-	17,000,750
Excelsior Holdings	(1,974,313)	147,942,291	( 98,922,797)	-	47,045,181	-	47,045,181
Citicore Power Inc.	3,177,716,507	-	-	-	3,177,716,507	-	3,177,716,507
Other related parties under common ownership	99,828,059	132,652	-	-	99,960,711	-	99,960,711
<b>TOTAL ADVANCES TO RELATED PARTIES UNDER COMMON OWNERSHIP</b>	<b>P 3,275,727,109</b>	<b>P 165,159,940</b>	<b>( P 98,922,797)</b>	<b>p -</b>	<b>P 3,341,964,252</b>	<b>p -</b>	<b>P 3,341,964,252</b>
<b>ULTIMATE PARENT COMPANY</b>	<b>P 3,089,095,108</b>	<b>p -</b>	<b>p -</b>	<b>p -</b>	<b>P 3,089,095,108</b>	<b>p -</b>	<b>P 3,089,095,108</b>
<i>Advances to non-controlling interest</i>							
<b>ASSOCIATES AND JOINT ARRANGEMENTS</b>	<b>P 9,466,416</b>	<b>P 827,016</b>	<b>p -</b>	<b>p -</b>	<b>P 10,293,432</b>	<b>p -</b>	<b>P 10,293,432</b>
	<b>P 6,473,917,918</b>	<b>P 259,989,332</b>	<b>( P 193,151,884)</b>	<b>P -</b>	<b>P 6,540,755,366</b>	<b>P -</b>	<b>P 6,540,755,366</b>

MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES

(A Subsidiary of Citicore Holdings Investment, Inc.)

Schedule C

Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements

December 31, 2023

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Deductions		Ending Balance		Balance at End of Period
			Amounts Collected	Written Off	Current	Non-current	
Megawide Construction (BVI) Corporation	P 135,760,957	P -	P -	P -	P 135,760,957	P -	P 135,760,957
Megawide Terminals, Inc.	480,307,508	286,835	-	-	480,594,343	-	480,594,343
Altria East Land, Inc.	143,412,164	1,246,793	-	-	144,658,957	-	144,658,957
Tiger Legend Holdings Limited	298,641,951	-	( 298,641,951 )	-	-	-	-
Megawide OneMobility Corporation	2,166,135	5,572,822	-	-	7,738,957	-	7,738,957
MWM Terminals, Inc.	202,270,835	133,231,971	-	-	335,502,806	-	335,502,806
Megawide Land Inc.	128,686,401	176,759,582	-	-	305,445,983	-	305,445,983
Wide-Horizons, Inc.	122,079	244,367	-	-	366,446	-	366,446
Cebu2World Development, Inc.	225,755,549	-	(225,755,549)	-	-	-	-
PH1 World Developers, Inc.	107,977,611	341,522,389	-	-	449,500,000	-	449,500,000

MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES  
(A Subsidiary of Citicore Holdings Investment, Inc.)

Schedule D  
Long-Term Debt  
December 31, 2023

Title of Issue and Type of Obligation	Amount Authorized by Indenture	Amount Shown Under Caption "Current Portion of Long-term Debt" in Related Statement of Financial Position	Amount Shown Under Caption "Long-Term Debt" in Related Statement of Financial Position
Bank loans (i)	P 21,090,547,054	P 17,391,402,346	P 3,699,144,708
Notes payable (ii)	5,388,000,000	3,528,000,000	1,860,000,000
Lease liabilities (iii)	169,586,723	124,425,289	45,161,434
Bonds payable (iv)	3,953,869,786	-	3,953,869,786
<b>TOTAL</b>	<b>P 30,602,003,563</b>	<b>P 21,043,827,635</b>	<b>P 9,558,175,928</b>

**Supplementary Information on Long-term Debt:**

(i) Total bank loans represent OLSA with a local universal bank comprising P3,900.0 million drawdown with maturity of 15 years. Moreover, as a result of the acquisition of PH1, the Group also recognized bank loans amounting to P306.1 million classified under long-term debt.

(ii) Total notes payable represents unsecured availments from two notes facility agreement with a local bank for private placement amounting to P2,000.0 million in 2016, and P3,600.0 million in 2020. These notes have maturity term that ranges from five to ten years from date of issue.

Specifically, on September 2016 and December 2016, the Parent Company availed an unsecured corporate 10-year corporate loans amounting to P650.0 million, P350.0 million and P1,000.0 million to refinance the 5-year corporate note issued in 2011 and to finance its capital expenditure and general corporate requirements.

In February 2020, the Parent Company availed P3,600.0 unsecured corporate loans from its third loan facility for repayment of maturing debts, funding of new projects and general corporate requirements.

(iii) Lease liabilities have an effective interest rate of 7.0% and 10.8% in 2023 and 2022, respectively with maturity of three to five years from the date of transaction.

(iv) On August 17, 2022, the Parent Company listed fixed-rate bonds in the total amount of P4,000.0 million, inclusive of the P1,000.0 million oversubscription option, with the Philippine Dealing & Exchange Corp. The Fixed-Rate Bonds consists of Series A (P1,600.0 million maturing in three years and six months from issue date at rate of 6.9506%) and Series B (P2,400.0 million maturing in five years from issue date a rate of 7.9663%).

Bond issue cost capitalized as part of the bonds amounted to P64.6 million. As of December 31, 2023, amortization amounted to P13.6 million while its net carrying value amounted to P46.1 million.



MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES  
*(A Subsidiary of Citicore Holdings Investment, Inc.)*  
Schedule E  
Indebtedness to Related Parties  
December 31, 2023

Name of Related Party	Balance at Beginning of Period	Balance at End of Period
Citicore Holdings Investment, Inc.	P -	P 90,233,593
Citicore-Megawide Consortium, Inc. (CMCI)	30,000,000	30,000,000
Others	20,046,821	24,403,632
<b>Total</b>	<b>P 50,046,821</b>	<b>P 144,637,225</b>

MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES

(A Subsidiary of Citicore Holdings Investment, Inc.)

Schedule F

Guarantees of Securities of Other Issuers

December 31, 2023

Name of Related Party		Amount
MWM Terminals, Inc. (MWMTI)	P	3,588,000,000
Citicore Megawide Consortium, Inc. (CMCI)		656,000,000
<b>TOTAL</b>	<b>P</b>	<b>4,244,000,000</b>

**Supplementary Information on Guarantees of Securities and Other Issuers:**

- 1) MWMTI entered in to an OLSA with a local universal bank in 2015, with the Parent Company as guarantor, for a loan facility amounting to P3,300.0 million to finance the construction of the PITX Project. In 2019, the Parent Company requested the lender to increase the loan facility by P600.0 million making the total principal loan to P3,900.0 million. MWMTI has an outstanding loan amounting to P3,588.0 million as of December 31, 2023.
- 2) On March 23, 2015, CMCI, with the Parent Company as guarantor, executed a Receivable Purchase Agreement (RPA) with certain local commercial banks, whereby CMCI shall offer an outstanding arising from public-private partnership school infrastructure project finance lease receivable within the purchase period on a limited recourse basis such as upon the occurrence of certain repurchase event under the RPA. The Parent Company, as guarantor, shall pay on the demand up to the aggregate amount of P656.0 million in case of default of CMCI. Pursuant to the continuing obligations of CMCI under the RPA, CMCI has been in compliance with the RPA during the reporting periods.

**MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES**  
*(A Subsidiary of Citicore Holdings Investment, Inc.)*  
 Schedule G  
 Capital Stock  
 December 31, 2023

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding as Shown Under the Related Statement of Financial Position Caption (f)	Number of Shares Reserved for Options, Warrants, Conversion and Other Rights / Treasury Shares	Number of Shares Outstanding	Number of Shares Held By		
					Related Parties	Directors, Officers and Employees	Others
<b>Common</b>	4,930,000,000	2,399,426,127	386,016,410	2,013,409,717	1,330,634,698	19,164,808	663,610,211
<b>Preferred</b>	186,000,000	167,626,010	66,220,130	101,405,880	29,000,000	-	72,405,880

" On July 20, 2016, the Parent Company's BOD approved the buy-back of 410.8 million common shares held by Sybase Equity Investment Corporation at a price equal to the 7-trading day volume weighted average price ending on July 28, 2016 or equivalent to P10.03 per share. Total purchase price of the treasury shares including incidental cost of the buy-back amounted P4,138.8 million.

On October 20, 2016, the Parent Company's BOD approved the sale of its 150.0 million treasury shares at P14.9 per share. Net proceeds of the sale of treasury share amounted to P2,181.7 million, net of incidental cost of the transaction. Outstanding balance of the treasury shares after the sale is 260.8 million treasury shares at cost of P2,627.7 million.

On October 1, 2018, the Parent Company's BOD approved a share buyback program worth up to P2,000.0 million over a period of two years. Total cost to acquire treasury shares in 2020 and 2019 amounted to P703.1 million and P457.8 million, respectively, which is equivalent to 50.2 million and 26.1 million shares, respectively.

On March 3, 2020, the Parent Company's BOD approved an additional P3,000.0 million to its share buyback program, making it a total of P5,000.0 million and removal of the period within which to execute the program, making it open-ended. Total cost of acquired treasury shares in 2020 amounted to P703.1 million, which is equivalent to 50.2 million shares.

On April 13, 2020, the Parent Company's BOD approved to increase its authorized capital stock for preferred shares by 54.0 million shares to a total of 124.0 million shares, which was approved by the stockholders on June 30, 2020.

On November 27, 2020, the Parent Company raised P4,360.0 million from its Series 2A and 2B preferred shares offering, which is equivalent to 26,220,130 Series 2A preferred shares and 17,405,880 Series 2B preferred shares.

On February 26, 2021, the Parent Company's BOD approved to increase its authorized capital stock for preferred shares by 26.0 million shares to a total of 150.0 million shares, which was approved by the stockholders on May 21, 2021.

On October 29, 2021, the Parent Company raised P4,000.0 million from its Series 4 preferred shares offering, which is equivalent to 40.0 million Series 4 preferred shares."

On January 6, 2023, the Company filed with the Securities and Exchange Commission a Registration Statement and Preliminary Prospectus relating to its offer and sale of fifteen million (15,000,000) cumulative, non-voting, non-participating, non-convertible, redeemable (non-reissuable) perpetual preferred shares with a par value of One Peso (P1.0) per share (the "Offer Shares"). The filing fee for the Registration Statement was paid on January 10, 2023.

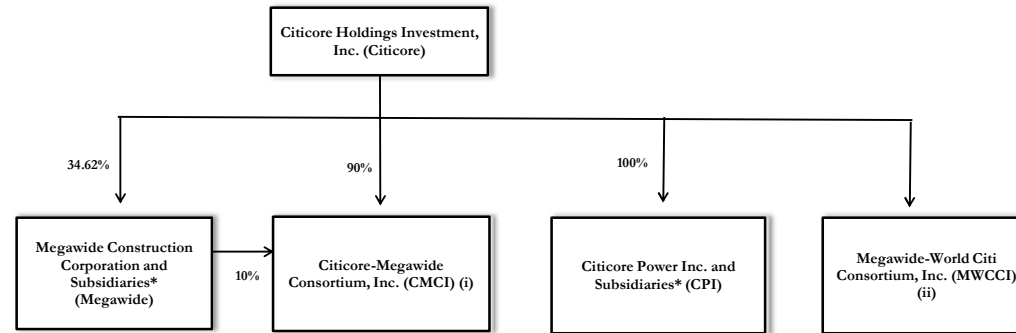
On February 15, 2023, the Company's application for the increase in authorized capital stock was approved by the SEC. In 2023, the deposit on future stock subscription were converted to preferred shares (Series 3).

On April 26, 2023, the Parent Company's BOD approved the redemption of its Series 2A Preferred Shares, on May 29, 2023, at a redemption price of P100.0 per share, increasing the treasury shares by P2,622.0 million.

**MEGAWIDE CONSTRUCTION CORPORATION**  
20 N Domingo Street, Brgy. Valencia, Quezon City  
**Reconciliation of Retained Earnings Available for Dividend Declaration**  
December 31, 2023  
*(Amount in Philippines Pesos)*

<b>Unappropriated Retained Earnings, beginning of reporting period</b>	P 2,663,926,211
<b>Less: Item that is directly debited to Unappropriated Retained Earnings</b>	
Dividend declaration during the year	( <u>2,423,688,587</u> )
<b>Unappropriated Retained Earnings, as adjusted</b>	240,237,624
<b>Net Profit for the Current Year</b>	441,338,730
<b>Less: Other items that should be excluded from the determination of the amount of available for dividends declaration</b>	
Net movement in deferred tax assets and deferred tax liabilities related to right-of-use assets and lease liabilities	( 4,747,845 )
Net movement in deferred tax assets not considered in the reconciling items under the previous categories	( <u>62,301,443</u> )
<b>Total Retained Earnings, end of the reporting period available for dividend</b>	<b><u>P 614,527,066</u></b>

MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES  
MAP SHOWING THE RELATIONSHIP BETWEEN THE COMPANY AND ITS RELATED ENTITIES  
December 31, 2023



\*See Schedule 1

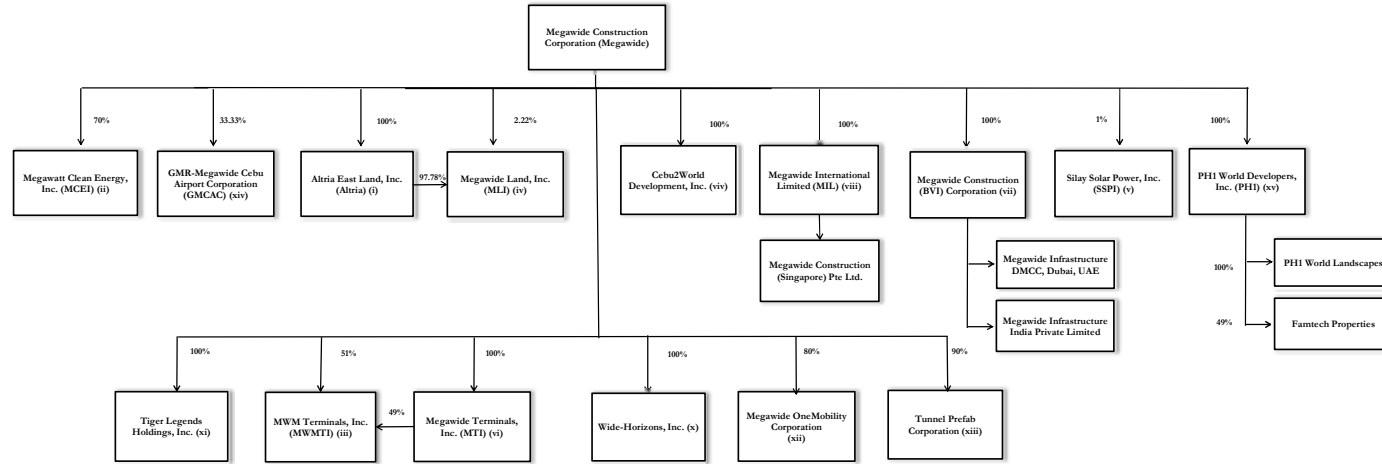
\*See Schedule 2

**Supplementary Information:**

(i) *The rights and powers of Megawide over the management and control of the CMCI are exercised through a seat in the Board of Directors. Taking this into consideration, the Megawide concluded that it has significant influence over the investee; accordingly the investment is accounted for as an investment in associate.*

(ii) *Megawide acquired 51.0% ownership interest in MWCCI, but accounted for the investment as an associate since it does not have control over MWCCI's relevant activities.*

**MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES**  
**MAP SHOWING THE RELATIONSHIP BETWEEN THE COMPANY AND ITS RELATED ENTITIES**  
 Schedule I: Megawide Construction Corporation and Subsidiaries  
 December 31, 2023



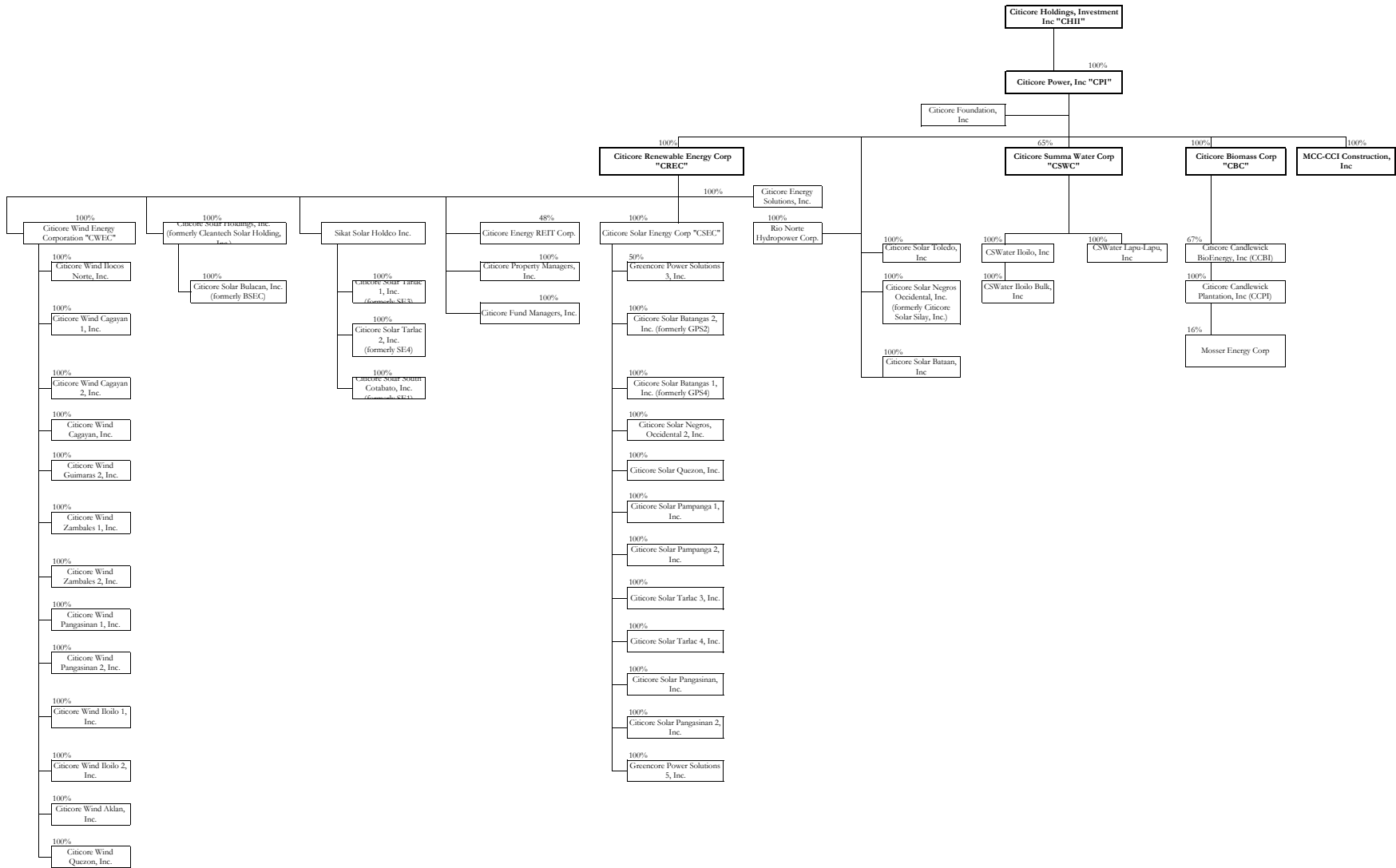
**Supplementary Information:**

- (i) Megawide's acquisition of Altria is treated as an acquisition of asset and not a business acquisition. Hence, Altria is not considered a subsidiary of the Megawide.
- (ii) On September 4, 2014, the Company acquired 70.0% of the issued and outstanding capital stock of MCEI. The investment in MCEI is accounted for as an investment in subsidiary.
- (iii) MWM TI was accounted for as a subsidiary due to the acquisition of 100% ownership in MTT, resulting to the increase in effective ownership of Megawide in MWM TI from 51.0% to 100.0%.
- (iv) On October 28, 2016, Megawide acquired a 100.0% ownership interest in MLJ, an entity incorporated in the Philippines. MLJ is incorporated primarily to engage in real estate and related business.
- (v) In February 2016, SSPI's unissued shares of stock were acquired by CPI resulting in a 75.0% equity interest over SSPI and diluting Megawide's equity interest over SSPI from 100.0% to 25.0%. Hence, SSPI ultimately became a subsidiary of CPI. In 2016, the Megawide's equity interest was reduced from 100.0% to 1.0% upon acquisition of a related party under common ownership.
- (vi) In August 2018, Megawide acquired the outstanding shares of MTT representing 100.0% ownership, making it a wholly owned subsidiary of Megawide.
- (vii) On June 20, 2017, Megawide acquired a 100.0% ownership interest in MCBVI, an entity incorporated in the territory of British Virgin Islands, a primarily engage in buying and holding shares of other companies.
- (viii) MIL, whose registered office is at Mary Building, 2nd Floor, Purell Estate, P.O. Box 2416, Road Town Tortola, British Virgin Islands, was incorporated on July 26, 2019.
- (ix) Cebu2World, whose registered office is at Unit 1504 Ayala Life FGU Center Cebu, Mindanao Avenue corner Biliran Road, Cebu Business Park, Cebu City, was incorporated on November 3, 2020.
- (x) Wide-Horizons, whose registered office is at 20 N. Domingo Street, Brgy. Valencia, Quezon City, was incorporated on November 16, 2020.
- (xi) Tiger Legends was incorporated on October 16, 2020 to primarily engage in buying and holding shares of other companies. Tiger Legend's registered address is at Vista Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, British Virgin Islands.
- (xii) Formerly known as Citicore Infrastructure Holdings, Inc., Megawide Construction Corporation subscribed to 7,500,000 common shares in Megawide OneMobility Corporation on 02 December 2021; Subsequently, Megawide Construction Corporation purchased 500,000 common shares in Megawide OneMobility Corporation on 29 July 2022 from Citicore Holdings Investment, Inc.
- (xiii) Tunnel Prefab Corporation was incorporated on 31 August 2022.
- (xiv) On September 2, 2022, Megawide, GMR Airports International BV (GAI BV), and Abotix InfraCapital, Inc. (AIC) executed a Share Subscription and Transfer Agreement, for AIC to acquire shares in GMCAC, subject to the following conditions:
  - 1) For a total amount of P9,473.6 million, AIC shall own 33.0 and 1/3% minus one share of the outstanding capital stock of GMCAC; Megawide will retain 33.0 and 1/3% plus one share, while GAI BV will retain 33.0 and 1/3%; and,
  - 2) Megawide and GAI BV shall issue Exchangeable Notes in favor of AIC in the total amount of P15,526.4 million. The Exchangeable Notes will mature on October 30, 2024, and will be exchanged by AIC for the rest of the 66.0 and 2/3% plus one share of GMCAC's outstanding capital stock.

On 16 December 2022, AIC completed the acquisition of the 33.0 and 1/3% minus 1.0 share stake in GMCAC, and the Company and GAI BV issued the Exchangeable Notes.

As a result of the disposition of GMCAC shares, Megawide's investment in GMCAC ceases to be controlling interest. However, Megawide maintains that it has significant influence over GMCAC. Accordingly, the retained investment shall be accounted for as an investment in associate.
- (xv) On July 27, 2023, Megawide acquired the outstanding shares of PH1 World Developers, Inc. (PH1) representing 100.0% ownership from Citicore Holdings Investment, making it a wholly owned subsidiary of Megawide. At the date of acquisition, PH1 owns 100% and 49% of the outstanding capital stock of PH1 World Landscapes, Inc. (PH1-WL) and Famech Properties, Inc. (Famech), respectively. As a result of the acquisition of PH1, the Group obtained indirect ownership and control over PH1-WL and Famech

MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES  
MAP SHOWING THE RELATIONSHIP BETWEEN THE COMPANY AND ITS RELATED ENTITIES  
Schedule 2: Citicore Power Inc. and Subsidiaries  
December 31, 2023





## Report of Independent Auditors on Components of Financial Soundness Indicators

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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 Stockholders**  
**Megawide Construction Corporation and Subsidiaries**  
**(A Subsidiary of Citicore Holdings Investment, Inc.)**  
20 N. Domingo Street  
Brgy. Valencia  
Quezon City

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of Megawide Construction Corporation and Subsidiaries (the Group) for the years ended December 31, 2023 and 2022, on which we have rendered our report dated April 12, 2024. Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) 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 consolidated financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2023 and 2022 and for the years then ended and no material exceptions were noted.

### **PUNONGBAYAN & ARAULLO**

**By: John Endel S. Mata**  
Partner

CPA Reg. No. 0121347  
TIN 257-622-627  
PTR No. 10076144, January 3, 2024, Makati City  
SEC Group A Accreditation  
Partner - No. 121347-SEC (until financial period 2023)  
Firm - No. 0002 (until financial period 2024)  
BIR AN 08-002551-040-2023 (until Jan. 24, 2026)  
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

April 12, 2024



**MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES**  
**Supplemental Schedule of Financial Soundness Indicators**  
**December 31, 2023 and 2022**

<b>Ratio</b>	<b>Formula</b>	<b>Amount</b>	<b>2023</b>	<b>Formula</b>	<b>Amount</b>	<b>2022*</b>
Current ratio	Total Current Assets divided by Total Current Liabilities		<b>1.29</b>	Total Current Assets divided by Total Current Liabilities		2.25
	Total Current Assets Total Current Liabilities Current ratio	50,120,456,700 <u>38,719,379,421</u> <b>1.29</b>		Total Current Assets Total Current Liabilities Current ratio	53,794,725,797 <u>23,937,401,147</u> 2.25	
Acid test ratio	Quick assets (Total Current Assets less Inventories, Contract Assets and Other Current Assets) divided by Total Current Liabilities		<b>0.62</b>	Quick assets (Total Current Assets less Inventories, Contract Assets and Other Current Assets) divided by Total Current Liabilities		1.43
	Total Current Assets Less: Inventories Contract Assets Other Current Assets Non-current Asset Held for Sale Quick Assets Total Current Liabilities Acid test ratio	50,120,456,700 (6,152,261,092) (5,640,188,614) (11,413,433,469) <u>(2,879,769,625)</u> 24,034,803,900 <u>38,719,379,421</u> <b>0.62</b>		Total Current Assets Less: Inventories Contract Assets Other Current Assets Non-current Asset Held for Sale Quick Assets Total Current Liabilities Acid test ratio	53,794,725,797 (2,126,166,237) (5,106,307,785) (9,563,285,300) <u>(2,879,769,625)</u> 34,119,196,850 <u>23,937,401,147</u> 1.43	
Solvency ratio	Total Assets divided by Total Liabilities		<b>1.34</b>	Total Assets divided by Total Liabilities		1.42
	Total Assets Total Liabilities Solvency ratio	66,327,140,452 <u>49,394,366,705</u> <b>1.34</b>		Total Assets Total Liabilities Solvency ratio	66,452,756,054 <u>46,785,875,466</u> 1.42	
Debt-to-equity ratio	Total Liabilities divided by Total Equity		<b>2.92</b>	Total Liabilities divided by Total Equity		2.38
	Total Liabilities Total Equity Debt-to-equity ratio	49,394,366,705 <u>16,932,773,747</u> <b>2.92</b>		Total Liabilities Total Equity Debt-to-equity ratio	46,785,875,466 <u>19,666,880,588</u> 2.38	
Assets-to-equity ratio	Total Assets divided by Total Equity		<b>3.92</b>	Total Assets divided by Total Equity		3.38
	Total Assets Total Equity Assets-to-equity ratio	66,327,140,452 <u>16,932,773,747</u> <b>3.92</b>		Total Assets Total Equity Assets-to-equity ratio	66,452,756,054 <u>19,666,880,588</u> 3.38	
Interest rate coverage ratio	Earnings before interest and taxes (EBIT) divided by Interest expense		<b>1.18</b>	Earnings before interest and taxes (EBIT) divided by Interest expense		(0.81)
	EBIT Interest expense** Interest rate coverage ratio	2,141,858,851 <u>1,815,083,719</u> <b>1.18</b>		EBIT Interest expense** Interest rate coverage ratio	(1,147,030,097) <u>1,414,149,216</u> (0.81)	
Return on equity	Net Income divided by Average Equity		<b>0.01</b>	Net Loss divided by Average Equity		(0.10)
	Net Income from Continuing Operations Average Equity Return on equity	269,156,681 <u>18,299,827,168</u> <b>0.01</b>		Net Loss from Continuing Operations Average Equity Return on equity	(1,872,022,234) <u>19,433,894,134</u> (0.10)	

<b>Ratio</b>	<b>Formula</b>	<b>Amount</b>	<b>2023</b>	<b>Formula</b>	<b>Amount</b>	<b>2022</b>
Return on assets	Net Income divided by Average Assets		<b>0.00</b>	Net Loss divided by Average Assets		(0.02)
	Net Income from continuing operations	269,156,681		Net Loss from continuing operations	(1,872,022,234)	
	Average Assets	<u>66,389,948,253</u>		Average Assets	<u>75,814,692,458</u>	
	Return on assets	<b>0.00</b>		Return on assets	(0.02)	
Net profit margin	Net Income divided by Total Revenue		<b>0.01</b>	Net Loss divided by Total Revenue		(0.13)
	Net Income from continuing operations	269,156,681		Net Loss from continuing operations	(1,872,022,234)	
	Total Revenue	<u>18,638,155,682</u>		Total Revenue	<u>14,841,650,516</u>	
	Net profit margin	<b>0.01</b>		Net profit margin	(0.13)	

*\*For the year ended December 31, 2022, interest rate coverage ratio, return on equity, return on assets and net profit margin only includes results of continuing operations.*

*\*\* Interest expense is the sum of interest relating to bank loans, notes payable and bonds payable.*

30 January 2024

**THE DISCLOSURE DEPARTMENT**  
**THE PHILIPPINE STOCK EXCHANGE, INC.**  
6/F PSE Tower, 5<sup>th</sup> Avenue corner 28<sup>th</sup> Street  
Bonifacio Global City, Taguig City

Attention: **MS. ALEXANDRA D. TOM WONG**  
*Officer-in-Charge, Disclosure Department*

Gentlemen and Mesdames:

In compliance with the disclosure requirements of the Philippine Stock Exchange, Inc., please find enclosed are the following:

1. Annual Progress Report on the Application of Proceeds from the Preferred Shares Offering of Megawide Construction Corporation as of and for the year ended 31 December 2023; and
2. Report of Independent Auditors on Factual Findings.

**MEGAWIDE CONSTRUCTION CORPORATION**

By:



---

**JEZ G. DELA CRUZ**  
*Chief Financial Officer*

30 January 2024

**THE DISCLOSURE DEPARTMENT**  
**THE PHILIPPINE STOCK EXCHANGE, INC.**  
6/F PSE Tower, 5<sup>th</sup> Avenue corner 28<sup>th</sup> Street  
Bonifacio Global City, Taguig City

Attention: **MS. ALEXANDRA D. TOM WONG**  
*Officer-in-Charge, Disclosure Department*

Re: **MEGAWIDE CONSTRUCTION CORPORATION**  
*Annual Progress Report as of and for the Year Ended 31 December 2023  
on the Application of Proceeds from the Preferred Shares Offering with  
Certification of Independent Auditors*

Gentlemen and Mesdames:

In connection with the preferred shares offering of **MEGAWIDE CONSTRUCTION CORPORATION** (the "Company") on 17 April 2023, we submit herewith the Company's annual report on the application of the proceeds from the said offering. The details of the disbursements made as of and for the year ended 31 December 2023 are as follows:

<b>Offering Proceeds</b> (15,000,000 shares at PhP 100.00 per share)	<b>PhP</b>	<b>1,500,000,000.00</b>
Less: Expenses related to the public offering*		
Underwriting fees		6,421,102.15
Registration and filing fees		2,626,875.00
Professional fees		6,170,000.00
Documentary stamp tax		125,000.00
Selling Fees		4,012,500.00
Other Expenses		250,000.00
<b>Net Offering Proceeds</b>	<b>PhP</b>	<b>19,605,477.15</b>
Less: Disbursements		
Partial Redemption of Preferred Shares Series 2A		1,480,394,522.85
	<b>PhP</b>	<b>1,480,394,522.85</b>
<b>Balance of the Offering Proceeds as of December 31, 2023</b>	<b>PhP</b>	<b>-</b>

*\*The expenses related to the preferred shared offering amounting to PhP 19.6 million, which were incurred prior to the receipt of the proceeds from the offering, were initially funded using the Company's working capital.*

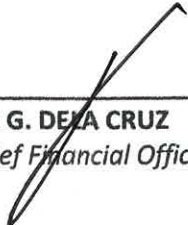
We hope you find everything in order.



Very truly yours,

**MEGAWIDE CONSTRUCTION CORPORATION**

By:



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**JEZ G. DEZA CRUZ**  
*Chief Financial Officer*

## **Report of Independent Auditors on Factual Findings**

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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 Stockholders**  
**Megawide Construction Corporation**  
**(A Subsidiary of Citicore Holdings Investment, Inc.)**  
20 N. Domingo Street  
Brgy. Valencia  
Quezon City

We have performed the procedures agreed with you and enumerated in the succeeding page with respect to the attached Annual Progress Report (the Report) as of and for the year ended December 31, 2023 on the application of proceeds from the Preferred Shares Offering (Offering Proceeds) of Megawide Construction Corporation (the Company) on April 17, 2023. The procedures were performed solely to enable the Company to comply with the requirement of the Philippine Stock Exchange to submit the Report relating to the application of the Offering Proceeds accompanied by an external auditor's report. Our engagement was undertaken and our report is issued in accordance with Philippine Standard on Related Services 4400 (Revised), *Agreed-Upon Procedures Engagements*, applicable to agreed-upon procedures engagements.

The net proceeds for this Offer amounting to P1,480,394,552.85 was used to partially fund the full redemption of the outstanding 26,220,130 Series 2A Preferred Shares at the Offer Price of P100.00 per share on May 27, 2023.

### **Agreed-upon Procedures**

The agreed procedures we performed are as follows:

1. Obtained and checked the mathematical accuracy of the following:
  - a. The Report;
  - b. Schedule of planned use of proceeds from the Offering Prospectus; and,
  - c. Detailed schedule of utilization of proceeds as of and for the year ended December 31, 2023.
2. Agreed total amount of disbursement of the Offering Proceeds shown in the Report to the detailed schedule of disbursements of proceeds as of and for the year ended December 31, 2023.
3. Compared the disbursements of the Offering Proceeds shown in the Report with the schedule of planned use of proceeds indicated in the Offering Prospectus.



4. Inquired and identified the nature of disbursements of the Offering Proceeds in the detailed schedule and checked that such disbursements were consistent with the planned use of the Offering Proceeds.
5. Traced and examined supporting documents of the disbursements in the schedule and agreed the total amount of disbursements per category in the Report.

### **Results of the Performance of Agreed-Upon Procedures**

1. With respect to item 1, we noted no exceptions on the mathematical accuracy of the Report and schedules.
2. With respect to item 2, we noted that the total amount of disbursements appearing in the Report agrees with the amount in the detailed schedule of disbursements of the Offering Proceeds.
3. With respect to item 3, we found the disbursements of proceeds in the Report as of and for the year ended December 31, 2023 is consistent with the planned application of proceeds indicated in the Use of Proceeds section of the Offering Prospectus.
4. With respect to item 4, we noted the following:
  - a) The details of the disbursements incurred from January 1 to December 31, 2023 showed that the Company used the Offering Proceeds for the purpose of partially funding the redemption of the outstanding Series 2A Preferred Shares of the Company.

The net proceeds were intended to partially fund the full redemption of the outstanding 26,220,130 Series 2A Preferred Shares at the Offer Price of P100.00 per share, which was for redemption on May 27, 2023, 2.5 years from its listing date.

The net proceeds of the Series 2A Preferred Shares were used by the Company to finance various Public-Private Partnership projects such as the Mactan Cebu International Airport, Paranaque Integrated Terminal Exchange, Public School Infrastructure Project Phase II, and Clark International Airport.

As of December 31, 2023, the Company's Offering Proceeds are fully allocated and utilized in accordance with the planned use as disclosed above. Disbursements for the year ended December 31, 2023 amounted to P1,480.4 million.

5. We found no exceptions with respect to item 5.

Because the foregoing procedures do not constitute either an audit or review made in accordance with Philippine Standards on Auditing (PSA) or Philippine Standard on Review Engagements (PSRE), respectively, we do not express an assurance on the use of Offering Proceeds based on the said standards. Had we performed additional procedures, or had we performed an audit or review of the financial statements in accordance with PSA or PSRE, respectively, other matters might have come to our attention that would have been reported to you.

We have no responsibility to update this report for events or circumstances occurring after the date of this report.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties. This report relates only to the information and items specified above and does not extend to any financial statements of the Company, taken as a whole.

**PUNONGBAYAN & ARAULLO**



**By: John Endel S. Mata**  
Partner

CPA Reg. No. 0121347  
TIN 257-622-627  
PTR No. 10076144, January 3, 2024, Makati City  
SEC Group A Accreditation  
Partner - No. 121347-SEC (until financial period 2023)  
Firm - No. 0002 (until financial period 2024)  
BIR AN 08-002551-040-2023 (until Jan. 24, 2026)  
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

January 30, 2024





30 January 2024

**THE DISCLOSURE DEPARTMENT**  
**THE PHILIPPINE STOCK EXCHANGE, INC.**  
6/F PSE Tower, 5<sup>th</sup> Avenue corner 28<sup>th</sup> Street  
Bonifacio Global City, Taguig City

Attention: **MS. ALEXANDRA D. TOM WONG**  
*Officer-in-Charge, Disclosure Department*

Gentlemen and Mesdames:

In compliance with the disclosure requirements of the Philippine Stock Exchange, Inc., please find enclosed are the following:

1. Annual Progress Report on the Application of Proceeds from the Preferred Shares Offering of Megawide Construction Corporation as of and for the year ended 31 December 2023; and
2. Report of Independent Auditors on Factual Findings.

**MEGAWIDE CONSTRUCTION CORPORATION**

By:

  
\_\_\_\_\_  
**JEZ G. DELA CRUZ**  
*Chief Financial Officer*



30 January 2024

**THE DISCLOSURE DEPARTMENT**  
**THE PHILIPPINE STOCK EXCHANGE, INC.**  
6/F PSE Tower, 5<sup>th</sup> Avenue corner 28<sup>th</sup> Street  
Bonifacio Global City, Taguig City

Attention: **MS. ALEXANDRA D. TOM WONG**  
*Officer-in-Charge, Disclosure Department*

Re: **MEGAWIDE CONSTRUCTION CORPORATION**  
*Annual Progress Report as of and for the Year Ended 31 December 2023  
on the Application of Proceeds from the Preferred Shares Offering with  
Certification of Independent Auditors*

Gentlemen and Mesdames:

In connection with the preferred shares offering of **MEGAWIDE CONSTRUCTION CORPORATION** (the "Company") on 27 November 2020, we submit herewith the Company's annual report on the application of the proceeds from the said offering. The details of the disbursements made as of and for the year ended 31 December 2023 are as follows:

<b>Offering Proceeds</b> (43,626,010 shares at PhP 100.00 per share)	<b>PhP</b>	<b>4,362,601,000.00</b>
Less: Expenses related to the public offering*		
Underwriting fees		23,881,930.83
Registration and filing fees		6,830,655.00
Professional fees		5,986,013.50
Documentary stamp tax		436,260.10
<b>Net Offering Proceeds</b>	<b>PhP</b>	<b>4,325,466,140.57</b>
Less: Disbursements		
Accumulated costs incurred as of December 31, 2022		2,769,654,572.49
Costs incurred for the year ended December 31, 2023		128,022,329.72
	<b>PhP</b>	<b>2,897,676,902.21</b>
<b>Balance of the Offering Proceeds as of December 31, 2023</b>	<b>PhP</b>	<b>1,427,789,238.36</b>

*\*The expenses related to the preferred shared offering amounting to PhP 36.7 million, which were incurred prior to the receipt of the proceeds from the offering, were initially funded using the Company's working capital. The Company charged this amount against the proceeds from the offering in the last quarter of 2020.*


We hope you find everything in order.



Very truly yours,

**MEGAWIDE CONSTRUCTION CORPORATION**

By:



---

**JEZ G. DELA CRUZ**  
*Chief Financial Officer*

## Report of Independent Auditors on Factual Findings

### 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 Stockholders**  
**Megawide Construction Corporation**  
*(A Subsidiary of Citicore Holdings Investment, Inc.)*  
20 N. Domingo Street  
Brgy. Valencia  
Quezon City

We have performed the procedures agreed with you and enumerated in the succeeding page with respect to the attached Yearly Progress Report (the Report) as of and for the year ended December 31, 2023 on the application of proceeds from the Preferred Shares Offering (Offering Proceeds) of Megawide Construction Corporation (the Company) on November 27, 2020. The procedures were performed solely to enable the Company to comply with the requirement of the Philippine Stock Exchange (PSE) to submit the Report relating to the application of the Offering Proceeds accompanied by an external auditor's report. Our engagement was undertaken and our report is issued in accordance with Philippine Standard on Related Services 4400 (Revised), *Agreed-Upon Procedures Engagements*, applicable to agreed-upon procedures engagements.

We present below the summary of the breakdown and application of the Offering Proceeds as of and for the year ended December 31, 2023 based on the information we obtained from the Company.

	Initial Allocation of Offering Proceeds on November 27, 2020	Revised Allocation of Offering Proceeds as of February 26, 2021	Application of Offering Proceeds as of December 31, 2022	Application of Offering Proceeds for the Year Ended December 31, 2023	Balance of Offering Proceeds as of December 31, 2023
Ninoy Aquino International Airport (NAIA) rehabilitation	P1,224,188,530.35	P -	P -	P -	P -
Development of Cebu Integrated Transport Hub	830,037,568.21	1,274,700,551.18	1,266,397,956.05	8,302,595.13	-
Expansion of MCIA Under Concession Agreement 2 (CA2)	816,125,686.90	816,125,686.90	816,125,686.90	-	-
Development of Lot 2 of the Paranaque Integrated Terminal Exchange (PITX) and other locations	647,702,950.76	994,686,674.38	-	-	994,686,674.38
Expansion of Pre-cast and other Ancillary business units	375,609,437.17	576,828,778.51	277,694,391.64	119,719,734.59	179,414,652.28
Mactan Cebu International Airport (MCIA) multi-use development	215,900,983.59	331,562,224.80	77,874,313.10	-	253,687,911.70
General corporate purposes	215,900,983.59	331,562,224.80	331,562,224.80	-	-
	<u>P4,325,466,140.57</u>	<u>P4,325,466,140.57</u>	<u>P2,789,654,572.49</u>	<u>P128,022,329.72</u>	<u>P 1,427,789,236.36</u>



### **Agreed-upon Procedures**

The agreed procedures we performed are as follows:

1. Obtained and checked the mathematical accuracy of the following:
  - a. The Report;
  - b. Reallocation of the Use of Proceeds Report;
  - c. Schedule of planned use of proceeds from the Offering Prospectus; and,
  - d. Detailed schedule of utilization of proceeds as of and for the year ended December 31, 2023.
2. Agreed total amount of disbursement of the Offering Proceeds shown in the Report to the detailed schedule of disbursements of proceeds as of and for the year ended December 31, 2023.
3. Compared the disbursements of the Offering Proceeds shown in the Report with the schedule of planned use of proceeds indicated in the Offering Prospectus and its approved subsequent revision of allocation.
4. Inquired and identified the nature of disbursements of the Offering Proceeds in the detailed schedule and checked that such disbursements were consistent with the planned use of the Offering Proceeds.
5. Traced to and examined supporting documents of the disbursements in the schedule and agreed the total amount of disbursements per category in the Report.

### **Results of the Performance of Agreed-Up On Procedures**

1. With respect to item 1, we noted no exceptions on the mathematical accuracy of the Report and schedules.
2. With respect to item 2, we noted that the total amount of disbursements appearing in the Report agrees with the amount in the detailed schedule of disbursements of the Offering Proceeds.
3. With respect to item 3, we found the disbursements of proceeds in the Report as of and for the year ended December 31, 2023 is consistent with the planned application of proceeds indicated in the Use of Proceeds section of the Offering Prospectus and its subsequent revision of allocation as approved by the Company's Board of Directors (BOD) on February 26, 2021 and disclosed in the Philippine Stock Exchange Electronic Disclosure Generation Technology on March 1, 2021.
4. With respect to item 4, we noted the following:
  - a.) The details of the disbursements incurred from January 1 to December 31, 2023 showed that the Company used the Offering Proceeds for the following purposes:

- ***NAIA Rehabilitation***

The government's airport modernization and expansion program opened up exciting opportunities for the private sector to contribute to the country's infrastructure development program. Being the largest private sector airport operator, by virtue of its concession agreement with the Philippines' second busiest airport, the Company is well positioned and has a unique advantage to participate in other airport development projects in the government's pipeline.

In a letter dated July 15, 2020, the Manila International Airport Authority (MIAA) granted the consortium led by the Company with GMR Infrastructure Limited as partner operator, the Original Proponent Status (OPS) for the development of the NAIA. Under the Build-Operate-Transfer (BOT) Law, the holder of the OPS will have the right to match any competing offer from another proponent under the Swiss Challenge scenario, subject to the terms and conditions of the Swiss Challenge process.

The project proposal plans for a phased redevelopment of existing NAIA terminals to remove decongestion and increase annual total passenger-handling capacity from the existing 30 million passengers to 65 million. The deliverables also include expanding and interconnecting the existing terminals of NAIA using a People Mover System, upgrading airside facilities, developing commercial facilities to increase airline and airport efficiencies, enhancing passenger comfort and experience and elevating the status of NAIA as the country's premier international gateway.

The Company received communication from the MIAA on December 15, 2020 stating that consortium's OPS has been revoked, with no formal notice on the reasons for the revocation. The Company has submitted a motion for reconsideration for its proposal on December 21, 2020, as it has, at all stages, complied with the all the government's requirements for its unsolicited proposal. The BOD of MIAA denied the motion for reconsideration of the Company, which sought to overturn the revocation of the Megawide's OPS for the rehabilitation of the NAIA. The Company was formally informed of the said denial through a letter from the Corporate Secretary of the MIAA BOD dated January 25, 2021.

The proceeds initially allocated for the said project has been reallocated to other projects as approved by the Company's BOD on February 26, 2021 and disclosed in the PSE Edge on March 1, 2021.

- ***Development of the Cebu Integrated Transport Hub***

The Company executed an Agreement with the Local Government of Cebu on January 12, 2021 for a 50-year concession agreement to redevelop and operate the Carbon Market. The project requires pre-development and logistical expenses in line with its 5-year development timetable.



The proposal involves the transformation of the existing Carbon Market into a mixed-use development anchored on a modern public market and an integrated multi-modal transport hub. Phase 1 of the project involves the rehabilitation of the existing public market, including a new wholesale market, construction of a new night market, and other lifestyle commercial establishments, land transport and ferry terminals, among others. Phase 2 includes a mixed-use development plan (hotel, Meetings, Incentives, Conference, Exhibitions (MICE), retail, etc.) envisioned to transform the property into one of Cebu's primary attractions.

P1,274.7 million from the Offering Proceeds were allocated and were fully used for this purpose as of December 31, 2023. Disbursements for the year ended December 31, 2023 amounted to P8.3 million.

- ***Expansion of MCIA Under Concession Agreement 2 (CA2)***

The Company's expansion of MCIA under CA2 has an OPS status, which will extend its existing Concession Agreement (CA1) in MCIA by another 25 years. Phase 1 involves the takeover of the airside facility, rehabilitation of the existing runway and taxiways, construction of an additional full-length parallel taxiway, development of additional rapid exit taxiways and runway holding positions. Phase 2 involves the construction of a second parallel and independent instrument runway and Phase 3 comprises the construction of Terminal 3.

P816.1 million from the Offering Proceeds were allocated and were fully used for this purpose as of December 31, 2023. There were no disbursements made related to this project for the year ended December 31, 2023.

- ***Development of Lot 2 of the PITX and Other Locations***

The PITX is a flagship project under the government's Build, Build, Build infrastructure program, dubbed as the Philippines "first landport". PITX is a 4.5 hectare development and currently Lot 1 (2.7 hectares) houses the transport terminal, commercial spaces, and office buildings under one roof. PITX is effectively 100% owned by the Company.

With a rated capacity of 100,000 passengers daily, PITX offers seamless connections to and from the southwest portion of Metro Manila, via multiple modes of transportation, from provincial to in city buses, taxis, jeepneys and utility vehicle express shuttles.

The development of Lot 2 (1.8 hectares) will further improve terminal operations by providing a staging area for buses. It will also offer additional employment and business opportunities through the construction of office towers and retail establishments inside the facility.

The original plan is to develop a similar structure to the existing terminal, to be comprised of four levels, with commercial leasing assets occupying the floors above the bus staging area. Estimated cost for the PITX Lot 2 development project is around P5,000.0 million.

The development of PITX Lot 2 has become more imperative, considering that current foot traffic at the existing terminal has breached the capacity of 200,000 daily. In addition, Light Rail Transit 1 (LRT 1) Asia World Station is scheduled to be completed by the fourth quarter of 2024, which is expected to boost foot traffic, based on LRT 1's 100,000 daily ridership.

As for other PITX locations, Baguio is scheduled to be signed by the first half of the year while the location in the south is also being finalized to target signing within the year, with amendments being implemented to comply with the provisions of the new Public Private Partnership Law.

P994.7 million from the Offering Proceeds were allocated to this project. As of and for the year ended December 31, 2023, there were no disbursements made yet related to this project.

- ***Expansion of Pre-Cast and Other Ancillary Business Units***

The Company is anticipating an increased demand for prefabricated construction materials under the new normal, both for its traditional market (i.e. residential, office, and commercial / industrial) and new segments (horizontal infrastructure) it plans to expand and enter into. With the new occupational health and safety protocols arising from the Coronavirus Disease 2019 (COVID-19) pandemic, the Company believes that the pre-cast technology will be well-suited for the industry, given its less human labor requirement and faster turn-around compared with the traditional method.

Moreover, the government's roll out of major infrastructure projects enabled the Company to identify opportunities in this segment, which will be driving force to Company's infrastructure pivot. In addition to the Company's engineering, procurement and construction business, these projects will likewise require huge support from other ancillary services (batching plant, formworks, specialized equipment, transport, and others), being a vertically integrated construction company.

In relation to this, the Company has finalized its plan to expand its pre-cast plant capacity to approximately 40,000 cu/m/month, from the current 13,000 cu/m/month, in various high growth locations across the country, including the existing plant in Taytay, Rizal. Estimated cost of the project is around P1,000.0 million for full capacity and has reached around 25% completion as of the end of 2019. As of December 31, 2023, the project has progressed to around 50% completion. The targeted capacity of 35,000-40,000 cu/m/month is originally projected to be achieved by the end of 2024-2025, subject to market conditions and operating environment.

Furthermore, the expansion of its construction services and ancillary businesses require additional funding and the Company expects the progress of these initiatives to accelerate as soon as new infrastructure contracts are secured within the year.

P576.8 million from the Offering Proceeds were allocated to this project. P397.4 million of which were released as of and for the year ended December 31, 2023. Disbursements for the year ended December 31, 2023 amounted to P119.7 million.

- ***MCIA Multi-Use Developments***

MCIA, the gateway to the Visayas and Southern Philippines, is the second largest airport facility in the country with a consistently growing number of passengers annually.



Under the existing CA1, GMR-Megawide Cebu Airport Corporation (GMCAC) shall deliver a 2nd terminal and rehabilitate the existing terminal, which the company completed in July 2018 and September 2019, respectively, to reduce congestion as well as meet the growing passenger traffic into Cebu. The Capacity Augmentation, which is part of CA1 designed to further expand the airport's capacity, remains in balance. GMCAC is undertaking this capital extensive project to provide a world-class terminal airport with a welcoming ambiance that is distinctly Filipino.

The MCIA mixed-use development project is envisioned to further accelerate the airport's value creation. The initial plans involve the construction of a 400-room hotel, a MICE facility, and a travel retail concept to complement the airport's features. Estimated cost of the MCIA mixed use development project is P3,000.0 million.

While the Cebu hotel industry may have been affected by the COVID-19 pandemic, long-term prospects remain sound given Cebu's ideal location as both as a tourism and business hub. In addition, the project development timetable of two-three years provides enough time for the situation to revert back to pre-COVID-19 environment.

The project has completed the final design and concept stages but is currently on push-button mode and will be re-evaluated on when initial development will commence, subject to resumption of normalcy of travel and airport operations and the project's overall value creation to all its stakeholders.

P331.6 million from the Offering Proceeds were allocated to this project, P77.9 million of which were released as of December 31, 2023. In December 2022, the Company disposed a portion of its interest in GMCAC which was reduced from 60.00% to 33.33% as of December 31, 2022. The management intends to reallocate the remaining balance of the proceeds to another project after the completion of the second close by October 2024. In relation to this, the management intends to reallocate the remaining balance of the proceeds to another project in the second quarter of 2024. There were no disbursements made related to this project for the year ended December 31, 2023.

- **General Corporate Purposes**

General corporate purposes include: (1) purchase or lease or repair of construction equipment; (2) provision for potential projects and business opportunities; and, (3) working capital.

P331.6 million from the Offering Proceeds were allocated and were fully used for this purpose as of December 31, 2023. There were no disbursements made related to this project for the year ended December 31, 2023.

- b.) The remaining balance of the Offering Proceeds amounting to P1,427.8 million as of December 31, 2023 is expected to be applied on costs to be incurred in accordance with the planned use and estimated timing as disclosed in the Offering Prospectus and to the PSE and its subsequent revision of allocation.

5. We found no exceptions with respect to item 5.

Because the foregoing procedures do not constitute either an audit or review made in accordance with Philippine Standards on Auditing (PSA) or Philippine Standard on Review Engagements (PSRE), respectively, we do not express an assurance on the use of Offering Proceeds based on the said standards. Had we performed additional procedures, or had we performed an audit or review of the financial statements in accordance with PSA or PSRE, respectively, other matters might have come to our attention that would have been reported to you.

We have no responsibility to update this report for events or circumstances occurring after the date of this report.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties. This report relates only to the information and items specified above and does not extend to any financial statements of the Company, taken as a whole.

**PUNONGBAYAN & ARAULLO**



By: **John Endel S. Mata**  
Partner

CPA Reg. No. 0121347  
TIN 257-622-627  
PTR No. 10076144, January 3, 2024, Makati City  
SEC Group A Accreditation  
Partner - No. 121347-SEC (until financial period 2023)  
Firm - No. 0002 (until financial period 2024)  
BIR AN 08-002551-040-2023 (until Jan. 24, 2026)  
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

January 30, 2024

# COVER SHEET

C S 2 0 0 4 1 1 4 6 1

S.E.C. Registration Number

M E G A W I D E C O N S T R U C T I O N

C O R P O R A T I O N

(Company's Full Name)

2 0 N . D O M I N G O S T R E E T , B A R A N G A Y

V A L E N C I A , Q U E Z O N C I T Y

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

**TEODULO ANTONIO SAN JUAN JR.**

Contact Person

**(02) 8655-1111**

Company Telephone Number

1 2 - 3 1

Month Day  
Fiscal Year

1 7 - Q

FORM TYPE

0 6 3 0

Month Day  
Annual Meeting

Secondary License Type, if Applicable

S E C

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

\_\_\_\_\_

LCU

Document I.D.

\_\_\_\_\_

Cashier

**STAMPS**

Remarks = pls. Use black ink for scanning purposes

**MEGAWIDE CONSTRUCTION CORPORATION**  
Company's Full Name

**20 N. Domingo Street,  
Barangay Valencia  
Quezon City**  
Company's Address

**655-1111**  
Telephone Number

**December 31**  
Fiscal Year Ending  
(Month & Day)

**SEC FORM 17-Q**  
Form Type

**March 31, 2024**  
Period Ended Date

—  
-----  
(Secondary License Type and File Number)

**cc: Philippine Stock Exchange**

**SECURITIES AND EXCHANGE COMMISSION**

SEC FORM 17-Q

**QUARTERLY REPORT PURSUANT TO SECTION 17  
OF THE SECURITIES REGULATION CODE  
AND SRC RULE 17(2)(b) THEREUNDER**

1. For the Quarterly Period Ended **March 31, 2024**
2. SEC Identification Number **CS200411461**
3. BIR Tax Identification No. **232-715-069-000**
4. Exact Name of Issuer as Specified in its Charter **Megawide Construction Corporation**
5. Province, Country or other Jurisdiction of Incorporation or Organization **Philippines**
6. Industry Classification Code (SEC use only)
7. Address of Principal Office **No. 20 N. Domingo Street,  
Barangay Valencia, Quezon City  
Postal Code 1112**
8. Issuer's Telephone Number, including Area Code **(02) 655-1111**
9. Former Name, Former Address and Fiscal Year, if Changed since Last Report **Not Applicable**
10. Securities registered pursuant to Section 8 and 12 of the SRC, or Section 4 and 8 of the RSA:

<b>Title of Each Class</b>	<b>Number of Shares Issued and Outstanding</b>	<b>Amount of Debt Outstanding (Php)</b>
MWIDE (Common)	2,013,409,717	0
MWP2B (Preferred)	17,405,880	0
MWP3 (Preferred)	29,000,000	0
MWP4 (Preferred)	40,000,000	0
MWP5 (Preferred)	15,000,000	0

11. Are any or all these securities listed on a stock exchange?

Yes [  ]

No [  ]

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

**The Philippine Stock  
Exchange, Inc.**

**- Common Shares (MWIDE)  
- Preferred Shares (MWP2B, MWP4,  
and MWP5)**

12. Check whether the issuer:

has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder of 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

has been subject to such filing requirements for the past 90 days.

Yes  No

## **PART I – FINANCIAL INFORMATION**

### **Item 1. Financial Statements**

The interim Consolidated Financial Statements of Megawide Construction Corporation (“Megawide”) as of March 31, 2024 with comparative figures as of December 31, 2023 and March 31, 2023, Cash Flows and Schedule of Aging Accounts Receivable is incorporated by reference as Exhibit 1.

### **Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations**

#### **A. RESULTS OF OPERATIONS**

*Review of results for the three (3) months ended March 31, 2024 as compared with the results for the three (3) months ended March 31, 2023.*

#### ***Revenues increased by 19% or P846 million***

Consolidated revenues for the period amounted to P5.2 billion, 19% or P846 million higher than the same period last year. The improvement was largely driven by construction operations and revenue contribution of real estate segment..

Construction revenues amounted to P4.9 billion – 16% more than 2023 – and contributed 95% to total consolidated revenues. The segment benefitted from a steady progress accomplishment of its existing projects in addition to the revenue generated by Malolos Clark Railway Project.

New projects secured during the period included affiliate Citicore’s Lumbangan Solar Power Plant Phase 2, Binalonan Solar Power Plant, Arayat Solar Power Plant and Sta. Barbara Solar Power Plant, bringing the order book to P44.58 billion as of end of the period.

Landport operations meanwhile delivered a revenue of P107.2 million from office towers and commercial spaces, 19% more than the same period last year, and contributed close to 2% to the total consolidated revenues.

Meanwhile, revenue from newly consolidated real estate operations amounted to P146.9 million for the period, coming from ongoing project My Enso Lofts and recently completed The Hive. The segment is expected to contribute more significantly to consolidated revenues in the next two years as recently launched projects steadily increase construction accomplishment.

***Direct Costs increased by 8% or P309 million***

Consolidated direct costs amounted to P4.2 billion, 8% higher, and was comprised largely of cost of construction. Landport-related costs were slightly lower, as a result of cost management amid a challenging office leasing environment. Cost of real estate operations, meanwhile, amounted to P79.6 million and was mainly attributed to land and development cost associated with new project launches.

***Gross Profit increased by 133% or P537 million***

Consolidated gross profit reached to P939 million, translating to a consolidated gross profit margin of 18%. The construction business contributed P844 million while real estate development chipped in P67 million, with landport operations accounting for the balance of P27 million.

***Other Operating Expenses decreased by 7% or P30.4 million***

Other Operating Expenses during the period amounted to P383.1 million, lower by P30.4 million as the Group continued to implement more conscious cost reduction measures across the organization.

***Finance Costs increased by 23% or P106 million***

Finance costs amounted to P565.0 million, higher by P106 million, attributed to a higher loan balance from newly drawn working lines, aggravated by an elevated interest rate scenario throughout the period in review.

***Finance Income decreased by 31% or P87 million***

Finance income amounted to P194 million and was P87 million lower than the same period last year due to limited money market placements for the period compared last year.

***Others - net decreased by 52% or P105 million***

Others - net generated an income of P96.5 million, traced mainly to ancillary services and common area charges offered at PITX, income from scrap sales and gain on disposals of property, plant and equipment.

***Tax Expense increased by P78 million or 383%***

Tax expense amounted to P98 million and was P78 million higher than the same period last year due to the improved performance of the construction segment.

***Consolidated Net Income increased by P191 million***

Consolidated net income from continuing operations amounted to P183.4 million, compared with a net loss of P7.4 million in the same period last year. The performance was driven by recovery in construction operations, complemented by the initial contribution from real estate operations.

## **B. FINANCIAL CONDITION**

*Review of financial conditions as of March 31, 2024 as compared with financial conditions as of December 31, 2023.*

### **ASSETS**

#### ***Current Assets increased by 4% or by P2 billion***

The following discussion provides a detailed analysis of the increase in current assets:

#### ***Cash and Cash Equivalents increased by 7% or P334 million***

The increase in cash and cash equivalents was due to proceeds from the down payments of clients for newly awarded projects during the period and net proceeds from loan availments. This is offset by dividend payments on preferred shares, payments of interest cost and other working capital requirements..

#### ***Trade and Other Receivables increased by 7% or by P1.3 billion***

The increase in trade and other receivables is related to timing difference in collections as substantial portion of work accomplishment has been billed towards the end of the quarter and hence are being evaluated by the client whereas some recently billed receivables are not yet due.

#### ***Construction Materials decreased by 14% or by P312 million***

The decrease in inventory levels during the period was due to the steady progress accomplishment across all projects.

#### ***Real estate inventories amounted to P4.0 billion***

Real estate inventories pertain to cost incurred relating to the Group's development and construction of its residential condominium projects. On July 12, 2023, the Group executed a Share Purchase Agreement to acquire 100% of the outstanding capital stock of PH1 from Citicore for a total cash consideration of P5.2 billion.

#### ***Contract Assets increased by 3% or P184 million***

The increase in contract assets is attributed to timing difference on actual billing for portion of work-in-progress completed during the period, which can be billed and evaluated by the client upon completion of the said scope or activity.

#### ***Other Current Assets increased by 5% or by P515 million***

The increase was mainly due to downpayment made by the Parent to its suppliers and subcontractors for its new projects and to lock in the price of steel for projects under structural phase. In addition, prepaid rent also increased due to short-term lease of various construction equipment to support ongoing projects and increase in input vat of the Group.

#### ***Non-Current Asset Held for Sale remains at P2.9 billion***

Total noncurrent assets held for sale pertains to the fair value of investment in GMCAC representing the Company's remaining 33 & 1/3% plus 1 share.



### ***Non-Current Assets amounted to P16 billion***

The following discussion provides a detailed analysis of the decrease in non-current assets:

#### ***Financial Assets at Fair Value Through Other Comprehensive Income (FVTOC) remains at P4 million***

FVTOC which represents shares of stocks held to unconsolidated entity and golf shares with no published market value references remains at P4 million for both periods.

#### ***Investments in Associates and Joint Ventures decreased by P0.88 million***

The decrease is due to share in the net losses taken up on the Group's investment in various joint ventures and associates.

#### ***Property, Plant and Equipment decreased by 2% or by P128 million***

The Group recognized depreciation charges on property, plant and equipment amounting to P377 million and procured certain pre-cast equipment to expand capacity of construction support and various construction equipment to support ongoing projects.

#### ***Investment Properties decreased by P16 million***

The decrease is mainly related to the depreciation charges for the period amounting to P32 million. This was offset by the acquisitions of investment properties amounting to P16 million.

#### ***Deferred tax assets increased by 5% or P36 million***

The increase was mainly due to temporary difference arising from the effect of significant financing component and unrealized foreign currency losses - net.

#### ***Goodwill amounted to P3.8 billion***

On July 12, 2023, the Parent Company executed a Share Purchase Agreement to acquire 100% of the outstanding capital stock of PH1 from Citicore for a total cash consideration of P5,200.0 million. As a result of the acquisition, the Parent Company obtained controlling interest over PH1. The transaction resulted to a goodwill from acquisition as the consideration paid is higher than the fair value of net identifiable assets acquired.

#### ***Other Non-Current Assets decreased by 8% or P27 million***

The decrease in Other Non-Current Assets was mainly due to the decrease in the deferred input VAT balance and amortization charges on computer software license of the Group.

## **LIABILITIES AND EQUITY**

### ***Current Liabilities increased by 1% or P457 million***

The following discussion provides a detailed analysis of the increase in current liabilities:

#### ***Interest-Bearing Loans and Borrowings-Current increased by 6% or P 1.2 billion***

The increase is due to availments made to support the working capital requirements of the Group and reclassification of the noncurrent portion of the long-term loans to current portion based on schedule payments within one year horizon.

***Trade and Other Payables increased by 9% or P414 million***

The increase is due to increase in retention payables to subcontractors and timing difference in paying the vendors of construction segment and monthly amortization of units buyers received by real estate segment.

***Contract liabilities – current decreased by 24% or P 1.2 billion***

The decrease is mainly related to recoupment of downpayments from client.

***Exchangeable notes amounted to P7.8 billion***

In 2022, the Parent Company issued Exchangeable notes in favor of AIC. The notes will mature on October 30, 2024 (exercise date) and are expected to be exchanged by AIC for the rest of the 33% plus 1 share of GMCAC's outstanding capital stock currently held by the Parent Company.

As the transaction is expected to be completed in 2024, the Exchangeable Notes was presented under Current Liabilities in the 2024.

***Other Current Liabilities decreased by 4% or 15 million***

The decrease is mainly related to decrease in the withholding taxes of the Group.

***Non-Current Liabilities increased by 14% or P1.5 billion***

The following discussion provides a detailed analysis of the increase in non-current liabilities:

***Loans and Borrowings-Non-Current increased by 7% or P647 million***

On May 10, 2023, Cebu2World entered into an Omnibus Loan and Security Agreement with a local universal bank for a loan facility to finance the development, design, construction and completion of the ongoing projects. Cebu2World availed the first drawdown last February 29, 2024.

***Contract liabilities –noncurrent increased by 210% or P784 million***

The increase is mainly related to downpayments received for newly awarded contracts such as new packages for Lumbangan Solar Power Plant, Binalonan Solar Power Plant, Arayat Solar Power Plant, and Sta. Barbara Solar Power Plant.

***Other non-current liabilities increased by 11% or P55 million***

The increase is mainly related to deposits and advances received from tenants to be applied on future rentals due on the lease of the Group's investment properties.

***Equity attributable to Parent increased by P81 million***

The increase in equity was due to the net income amounting to P183 million. The increase was offset by the declaration of cash dividends amounting to P 108 million to preferred stock shareholders.

### **C. MATERIAL EVENTS AND UNCERTAINTIES**

There are no other material changes in Megawide's financial position by five percent (5%) or more and condition that will warrant a more detailed discussion. Further, there are no material events and uncertainties known to management that would impact or change reported financial information and condition of Megawide.

Other than the impact of COVID to the business, there are no known trends or demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in increasing or decreasing Megawide's liquidity in any material way. Megawide does not anticipate having any cash flow or liquidity problems. It is not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring it to make payments.

There are no material off-balance transactions, arrangements, obligations (including contingent obligations), and other relationships of Megawide with unconsolidated entities or other persons created during the reporting period.

Megawide has capital commitment on unutilized preferred shares amounting to P1,364.1 million for various PPP projects. Other than that, there are no material commitments for capital expenditures, events or uncertainties that have had or that are reasonably expected to have a material impact on the continuing operations of Megawide.

There were no seasonal aspects that had a material effect on the financial condition or results of operations of Megawide.

There are no explanatory comments on the seasonality of interim operations. There are no material events subsequent to the end of the interim period that have not been reflected in the financial statements of the interim period.

There are no material amounts affecting assets, liabilities, equity, net income or cash flows that are unusual in nature. Neither are there changes in estimates of amounts reported in prior interim period of the current financial year.

## LIQUIDITY AND CAPITAL RESOURCES

### Cash Flows

The following table sets forth information from Megawide's statements of cash flows for the period indicated:

(Amounts in P Millions)	For the three (3) months ended March 31	
	2024 UNAUDITED	2023 UNAUDITED
Cash Flow		
Net cash from (used in) operating activities	(P664)	(P172)
Net cash used in investing activities	(P172)	(P805)
Net cash from (used in) financing activities	P1,167	(P2,284)

### Indebtedness

As of March 31, 2024 Megawide has not been in default in paying interests and principal amortizations.

Megawide is not aware of any events that will trigger direct or contingent financial obligations that are material to it, including any default or acceleration of an obligation.

## E. RISK MANAGEMENT OBJECTIVES AND POLICIES

Megawide is exposed to a variety of financial risks in relation to its financial instruments. Its risk management is coordinated with the Board of Directors, and focuses on actively securing Megawide's short-to-medium term cash flows by minimizing the exposure to financial markets.

Megawide does not engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which it is exposed to are market risk, credit risk and liquidity risk. The detailed discussion of the impact of these risks are discussed in the quarterly financial statements, Exhibit 1.

## F. KEY PERFORMANCE INDICATORS

Megawide's top KPIs are as follows:

<b>Amounts in PhP Billion, except Ratios and Earnings per Share</b>	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Current Ratio <sup>1</sup>	1.33	2.34
Net Debt to Equity Ratio <sup>2</sup>	1.60	0.78
Book Value Per Share <sup>3</sup>	3.36	5.11
Earnings / (loss) per Share <sup>4</sup>	0.04	(0.06)
Gross Profit Margin <sup>5</sup>	0.18	0.09

The KPIs were chosen to provide management with a measure of Megawide's sustainability on financial strength (Current Ratio), and profitability (Earnings per Share, Return on Assets, Return on Equity, Gross Profit Margin).

## PART II—OTHER INFORMATION

There are no any information not previously reported in a report on SEC Form 17-C.

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<sup>1</sup> *Current Assets/Current Liabilities*

<sup>2</sup> *Interest bearing loans and borrowings less cash and cash equivalents and financial assets valued through profit or loss/Stockholder's Equity*

<sup>3</sup> *Total Equity/Issued and Outstanding Shares*

<sup>4</sup> *Net Profit/Issued and Outstanding Shares*

<sup>5</sup> *Gross Profit / Revenue*

**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, thereto duly authorized, in

QUEZON CITY on MAY 10 2024



**EDGAR B. SAAVEDRA**  
*President and Chief Executive Officer*

By:

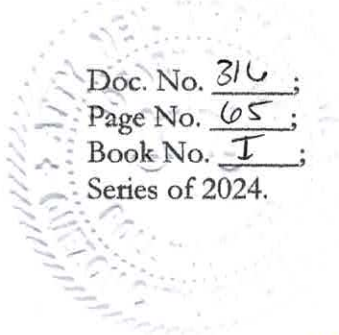


**JEZ G. DELA CRUZ**  
*Group Chief Financial Officer*

**SUBSCRIBED AND SWORN TO** before me in QUEZON CITY on MAY 10 2024  
affiants exhibiting to me their respective valid IDs, as follows:

Name	Competent Evidence of Identity	Date Issued/Date of Expiration	Place Issued
Edgar B. Saavedra	Philippine Passport No. P6875140B	Expiring on: May 26, 2031	DFA Manila
Jez G. Dela Cruz	Philippine Passport No. P8477381B	Expiring on: December 15, 2031	DFA Manila

Doc. No. 316 ;  
Page No. 65 ;  
Book No. I ;  
Series of 2024.




**NEIL KIRBY L. ADA**  
Notary Public for and in Quezon City  
Notarial Commission No. NP-557 (2023-2024)  
Until 31 December 2024  
No. 20 N. Domingo Street, Barangay Valencia, Quezon City  
Roll No. 77893  
PTR No. 5573838 / 01.04.2024 / Quezon City  
IBP No. 397718 / 01.04.2024 / Batangas Chapter  
MCLE Compliance - Admitted to the BAR on 11 May 2022

## STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **Megawide Construction Corporation and its subsidiaries** (the Group) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, as of March 31, 2024 and December 31, 2023 and for the three months ended March 31, 2024, 2023 and 2022, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of 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 Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Company or to cease operations, or has no realistic alternative to do so.

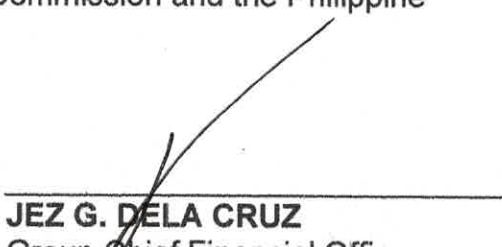
The Board of Directors is responsible for overseeing the Group's financial reporting process.

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

Punongbayan & Araullo (P&A), the independent auditors appointed by the stockholders, has audited the financial statements of the Group for the year ended December 31, 2023, in accordance with Philippine Standards on Auditing, and in their report to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit. The financial statements as of and for the period ended March 31, 2024 and 2023 were not audited as allowed under the applicable rules of the Securities and Exchange Commission and the Philippine Stock Exchange.



\_\_\_\_\_  
**ENGR. EDGAR B. SAAVEDRA**  
President  
195-661-064-000



\_\_\_\_\_  
**JEZ G. DELA CRUZ**  
Group Chief Financial Officer  
215-462-291-000



SUBSCRIBED AND SWORN TO before me this MAY 10 2024 at QUEZON CITY affiants exhibiting to me their valid Tax Identification Numbers stated above.

Signed this MAY 10 2024 at 10 day of May 2024.

Doc. No. 317 ;  
Page No. 65 ;  
Book No. 1 ;  
Series of 2024.



*Neil Kirby L. Ada*  
**NEIL KIRBY L. ADA**  
Notary Public for and in Quezon City  
Notarial Commission No. NP-557 (2023-2024)  
Until 31 December 2024  
No. 20 N. Domingo Street, Barangay Valencia, Quezon City  
Roll No. 77893  
PTR No. 5573838 / 01.04.2024 / Quezon City  
IBP No. 397718 / 01.04.2024 / Batangas Chapter  
MCLE Compliance - Admitted to the BAR on 11 May 2022



**MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES**  
*(A Subsidiary of Citicore Holdings Investment, Inc.)*  
**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**MARCH 31, 2024 AND DECEMBER 31, 2023**  
*(Amounts in Philippine Pesos)*

			March 31, 2024 <u>(Unaudited)</u>		December 31, 2023 <u>(Audited)</u>
<u>ASSETS</u>	<u>Notes</u>				
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	4	P	5,213,112,806	P	4,878,885,375
Trade and other receivables - net	5		20,445,104,774		19,155,918,525
Construction materials	7		1,966,933,183		2,279,339,095
Real estate inventories	7		4,017,651,589		3,872,921,997
Contract assets - net	8		5,824,144,449		5,640,188,614
Other current assets	11		<u>11,927,999,886</u>		<u>11,413,433,469</u>
			49,394,946,687		47,240,687,075
Non-current asset classified as held for sale	9		<u>2,879,769,625</u>		<u>2,879,769,625</u>
Total Current Assets			<u>52,274,716,312</u>		<u>50,120,456,700</u>
<b>NON-CURRENT ASSETS</b>					
Financial assets at fair value					
through other comprehensive income			3,544,472		3,544,472
Investments in associates	10		256,358,555		257,238,656
Property, plant and equipment - net	12		6,149,786,105		6,277,619,514
Investment properties - net	13		4,803,276,015		4,818,851,826
Goodwill	6		3,797,069,546		3,797,069,546
Deferred tax assets - net			733,590,913		697,716,301
Other non-current assets	11		<u>327,512,473</u>		<u>354,643,437</u>
Total Non-current Assets			<u>16,071,138,079</u>		<u>16,206,683,752</u>
<b>TOTAL ASSETS</b>		<b>P</b>	<u><b>68,345,854,391</b></u>	<b>P</b>	<u><b>66,327,140,452</b></u>

	Notes	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
<b><u>LIABILITIES AND EQUITY</u></b>			
<b>CURRENT LIABILITIES</b>			
Interest-bearing loans and borrowings	16	<b>P 22,263,703,250</b>	P 21,043,827,635
Trade and other payables	15	<b>5,067,037,573</b>	4,653,528,987
Contract liabilities	17	<b>3,740,309,313</b>	4,901,660,540
Exchangeable notes	9	<b>7,763,200,000</b>	7,763,200,000
Other current liabilities	18	<b>342,188,017</b>	357,162,259
		<hr/>	<hr/>
Total Current Liabilities		<b>39,176,438,153</b>	38,719,379,421
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing loans and borrowings	16	<b>10,205,342,833</b>	9,558,175,928
Contract liabilities	17	<b>1,157,835,476</b>	373,702,943
Post-employment defined benefit obligation		<b>249,417,261</b>	249,417,261
benefit obligation			
Other non-current liabilities	18	<b>548,341,661</b>	493,691,152
		<hr/>	<hr/>
Total Non-current Liabilities		<b>12,160,937,231</b>	10,674,987,284
		<hr/>	<hr/>
Total Liabilities		<b>51,337,375,384</b>	49,394,366,705
<b>EQUITY</b>			
	21		
Equity attributable to shareholders of the Parent Company:			
Capital stock		<b>2,545,302,137</b>	2,545,302,137
Additional paid-in capital		<b>18,460,789,667</b>	18,460,789,667
Treasury shares	(	<b>11,237,703,576 )</b>	( 11,237,703,576 )
Revaluation reserves - net		<b>175,733,842</b>	175,787,119
Retained earnings		<b>6,552,621,681</b>	6,471,907,771
		<hr/>	<hr/>
Total equity attributable to shareholders of the Parent Company		<b>16,496,743,751</b>	16,416,083,118
		<hr/>	<hr/>
Non-controlling interests		<b>511,735,256</b>	516,690,629
		<hr/>	<hr/>
Total Equity		<b>17,008,479,007</b>	16,932,773,747
		<hr/>	<hr/>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>P</b>	<b>68,345,854,391</b>	P 66,327,140,452

*See Notes to Consolidated Financial Statements.*

**MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES**  
*(A Subsidiary of Citicore Holdings Investment, Inc.)*  
**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2024, 2023 AND 2022**  
*(UNAUDITED)*  
*(Amounts in Philippine Pesos)*

	Notes	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b><u>CONTINUING OPERATIONS</u></b>				
<b>REVENUES</b>				
	19			
Construction operations		P 4,948,228,039	P 4,266,354,926	P 3,791,765,985
Landport operations		107,185,122	90,155,574	130,770,757
Real estate operations		<u>146,885,959</u>	<u>-</u>	<u>-</u>
		<u>5,202,299,120</u>	<u>4,356,510,500</u>	<u>3,922,536,742</u>
<b>DIRECT COSTS</b>				
	20			
Cost of construction operations		4,103,896,515	3,863,475,668	3,196,884,838
Costs of landport operations		79,710,497	90,828,627	88,767,911
Costs of real estate operations		<u>79,587,578</u>	<u>-</u>	<u>-</u>
		<u>4,263,194,590</u>	<u>3,954,304,295</u>	<u>3,285,652,749</u>
<b>GROSS PROFIT</b>		<u>939,104,530</u>	<u>402,206,205</u>	<u>636,883,993</u>
<b>INCOME AND EXPENSES</b>				
Finance costs		( 564,956,958 )	( 458,774,008 )	( 387,364,853 )
Other operating expenses		( 383,087,683 )	( 413,469,414 )	( 245,707,450 )
Finance income		194,181,411	280,996,733	111,914,792
Others - net		<u>96,518,504</u>	<u>202,010,194</u>	<u>66,165,766</u>
		<u>( 657,344,726 )</u>	<u>( 389,236,495 )</u>	<u>( 454,991,745 )</u>
<b>PROFIT BEFORE TAX</b>		281,759,804	12,969,710	181,892,248
<b>TAX EXPENSE</b>		<u>( 98,339,564 )</u>	<u>( 20,356,599 )</u>	<u>( 45,728,459 )</u>
<b>NET PROFIT (LOSS) FROM CONTINUING OPERATIONS</b>		<u>183,420,240</u>	<u>( 7,386,889 )</u>	<u>136,163,789</u>
<b><u>DISCONTINUED OPERATIONS</u></b>				
	9			
<b>LOSS BEFORE TAX</b>		-	-	( 339,942,101 )
<b>TAX INCOME</b>		<u>-</u>	<u>-</u>	<u>11,571,317</u>
<b>NET LOSS FROM DISCONTINUED OPERATIONS</b>		<u>-</u>	<u>-</u>	<u>( 328,370,784 )</u>
<b>NET PROFIT (LOSS)</b>		<u>P 183,420,240</u>	<u>( P 7,386,889 )</u>	<u>( P 192,206,995 )</u>
<b>Net Profit (Loss) Attributable To:</b>				
Shareholders of the Parent Company:				
Continuing operations		P 188,375,613	( P 7,124,340 )	P 136,163,789
Discontinued operations		<u>-</u>	<u>-</u>	<u>( 196,911,955 )</u>
		<u>188,375,613</u>	<u>( 7,124,340 )</u>	<u>( 60,748,166 )</u>
Non-controlling interests:				
Continuing operations		( 4,955,373 )	( 262,549 )	-
Discontinued operations		<u>-</u>	<u>-</u>	<u>( 131,458,829 )</u>
		<u>( 4,955,373 )</u>	<u>( 262,549 )</u>	<u>( 131,458,829 )</u>
		<u>P 183,420,240</u>	<u>( P 7,386,889 )</u>	<u>( P 192,206,995 )</u>
<b>Earnings (Loss) per Share</b>				
Continuing operations		P 0.04	( P 0.06 )	P 0.01
Discontinued operations		<u>-</u>	<u>-</u>	<u>( 0.10 )</u>
		<u>P 0.04</u>	<u>( P 0.06 )</u>	<u>( P 0.08 )</u>

*See Notes to Consolidated Financial Statements.*

MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES  
*(A Subsidiary of Citicore Holdings Investment, Inc.)*  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2024, 2023 AND 2022**  
*(UNAUDITED)*  
*(Amounts in Philippine Pesos)*

	<u>Notes</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>NET PROFIT (LOSS)</b>		<b>P 183,420,240</b>	<b>( P 7,386,889)</b>	<b>( P 192,206,995)</b>
<b>OTHER COMPREHENSIVE LOSS</b>				
Item that will be reclassified subsequently profit or loss				
Foreign currency translation adjustment	(	53,277 )	( 3,722,531 )	( 422,674 )
Tax income		-	-	84,535
<b>Other Comprehensive Loss – net of tax</b>	(	<b>53,277 )</b>	<b>( 3,722,531 )</b>	<b>( 338,139 )</b>
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>		<b>P 183,366,963</b>	<b>( P 11,109,420)</b>	<b>( P 192,545,134)</b>
<b>Total Comprehensive Income (Loss) Attributable To:</b>				
Shareholders of the Parent Company:				
Continuing operations	P	188,322,336	( P 10,846,871)	P 135,825,650
Discontinued operations		-	-	( 196,911,955)
		<u>188,322,336</u>	<u>( 10,846,871)</u>	<u>( 61,086,305)</u>
Non-controlling interests:				
Continuing operations	(	4,955,373 )	( 262,549 )	-
Discontinued operations		-	-	( 131,458,829)
	(	<u>4,955,373 )</u>	<u>( 262,549 )</u>	<u>( 131,458,829)</u>
		<b>P 183,366,963</b>	<b>( P 11,109,420)</b>	<b>( P 192,545,134)</b>

*See Notes to Consolidated Financial Statements.*

MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES  
*(A Subsidiary of Citicore Holdings Investment, Inc.)*  
**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2024, 2023 AND 2022**  
*(UNAUDITED)*  
*(Amounts in Philippine Pesos)*

Attributable to Shareholders of the Parent Company (See Note 21)

	Common Stock	Preferred Stock	Additional Paid-in Capital	Deposit on future stock subscription	Treasury Shares	Revaluation Reserves	Other Reserves	Retained Earnings	Total	Non-controlling Interests (See Note 21)	Total
Balance at January 1, 2024	P 2,399,426,127	P 145,876,010	P 18,460,789,667	-	( P 11,237,703,576 )	P 175,787,119	P -	P 6,471,907,771	P 16,416,083,118	P 516,690,629	P 16,932,773,747
Declaration of cash dividends	-	-	-	-	-	-	-	( 107,661,703 )	( 107,661,703 )	-	( 107,661,703 )
Total comprehensive income (loss) for the period	-	-	-	-	-	( 53,277 )	-	188,375,613	188,322,336	( 4,955,373 )	183,366,963
Balance at March 31, 2024	<b>P 2,399,426,127</b>	<b>P 145,876,010</b>	<b>P 18,460,789,667</b>	<b>p -</b>	<b>( P 11,237,703,576 )</b>	<b>P 175,733,842</b>	<b>p -</b>	<b>P 6,552,621,681</b>	<b>P 16,496,743,751</b>	<b>P 511,735,256</b>	<b>P 17,008,479,007</b>
Balance at January 1, 2023	P 2,399,426,127	P 128,626,010	P 16,987,855,617	P 2,250,000	( P 8,615,690,576 )	P 149,758,638	-	P 8,612,106,239	P 19,664,332,055	P 2,548,533	P 19,666,880,588
Issuance of preferred shares (Series 5)	-	2,250,000	-	( 2,250,000 )	-	-	-	-	-	-	-
Total comprehensive income (loss) for the period	-	-	-	-	-	( 3,722,531 )	-	( 7,124,340 )	( 10,846,871 )	( 262,549 )	( 11,109,420 )
Balance at March 31, 2023	P 2,399,426,127	P 130,876,010	P 16,987,855,617	-	( P 8,615,690,576 )	P 146,036,107	p -	P 7,489,119,683	P 18,537,622,968	P 2,285,984	P 18,539,908,952
Balance at January 1, 2022	P 2,399,426,127	P 128,626,010	P 16,987,855,617	-	( P 8,615,690,576 )	P 94,011,896	( P 22,474,837 )	P 5,555,676,962	P 16,527,431,199	P 2,673,476,480	P 19,200,907,679
Declaration of cash dividends	-	-	-	-	-	-	-	( 109,157,357 )	( 109,157,357 )	-	( 109,157,357 )
Total comprehensive income (loss) for the period	-	-	-	-	-	( 338,139 )	-	( 60,748,166 )	( 61,086,305 )	( 131,458,829 )	( 192,545,134 )
Balance at March 31, 2022	P 2,399,426,127	P 128,626,010	P 16,987,855,617	p -	( P 8,615,690,576 )	P 93,673,757	( P 22,474,837 )	P 5,385,771,439	P 16,357,187,537	P 2,542,017,651	P 18,899,205,188

*See Notes to Consolidated Financial Statements.*

**MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES**  
*(A Subsidiary of Citicore Holdings Investment, Inc.)*  
**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2024, 2023 AND 2022**  
**(UNAUDITED)**  
*(Amounts in Philippine Pesos)*

	Notes	2024	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit (loss) before tax		P 281,759,804	P 12,969,710	( P 158,049,853)
Adjustments for:				
Finance costs		564,956,958	458,774,008	714,200,809
Depreciation and amortization	11, 12, 13	413,974,136	426,635,893	395,355,968
Finance income		( 194,181,411)	( 280,996,733)	( 112,651,861)
Equity in net losses on associates and joint ventures	10	880,101	( 395,897)	9,322,096
Gain on disposals of property, plant and equipment	12	( 6,467,488)	( 6,110,706)	( 790,179)
Unrealized mark-to-market gain in interest rate swap		-	-	( 642,018)
Operating profit before working capital changes		1,060,922,100	610,876,275	846,744,962
Decrease (increase) in trade and other receivables		( 1,123,255,502)	496,161,675	( 728,858,020)
Decrease (increase) in construction materials		312,405,912	( 85,487,716)	( 148,863,653)
Increase in real estate inventories		( 144,729,592)	-	-
Decrease (increase) in contract assets		( 183,955,835)	( 295,106,089)	366,013,587
Increase in other current assets		( 648,780,593)	( 368,551,177)	( 619,542,068)
Decrease in other non-current assets		24,043,732	-	154,135,878
Decrease in contract liabilities		( 393,437,638)	( 441,311,334)	( 530,023,518)
Increase (decrease) in trade and other payables		393,035,362	( 124,652,204)	( 923,605,990)
Increase (decrease) in other liabilities		39,676,267	34,249,217	( 96,074,753)
Increase in post-employment defined benefit obligation		-	1,688,868	1,371,120
Cash generated used in operations		( 664,075,787)	( 172,132,484)	( 1,678,702,455)
Cash paid for income taxes		-	-	( 14,265,462)
Net Cash Used in Operating Activities		( 664,075,787)	( 172,132,484)	( 1,692,967,917)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Acquisitions of property, plant and equipment, and computer software license	11, 12	( 227,539,926)	( 471,073,773)	( 190,452,725)
Interest received		32,001,882	128,079,985	3,752,633
Acquisitions of investment properties	13	( 16,269,747)	( 2,746,752)	( 871,877)
Proceeds from sale of property, plant and equipment	12	38,387,963	8,148,100	19,840,710
Financing granted to related parties	22	( 3,804,495)	( 14,062,161)	( 1,787,838)
Investment in an associate		-	( 500,000,000)	-
Financing collected from related parties	22	5,074,466	46,193,117	1,155,961
Additions to concession assets		-	-	( 158,124,767)
Net Cash Used in Investing Activities		( 172,149,857)	( 805,461,485)	( 326,487,903)
Balance carried forward		( P 836,225,644)	( P 977,593,969)	( P 2,019,455,820)

	Notes	2024	2023	2022
<i>Balance brought forward</i>		( P 836,225,644 )	( P 977,593,969 )	( P 2,019,455,820 )
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from loans and borrowings	16, 28	7,590,795,774	550,000,000	1,348,606,096
Repayment of loans and borrowings	16, 28	( 5,782,921,097 )	( 1,323,483,743 )	( 1,081,135,848 )
Dividends paid	21	( 78,020,953 )	( 1,115,862,216 )	( 109,157,357 )
Interest paid		( 562,461,251 )	( 394,364,264 )	( 148,906,001 )
Net Cash From (Used in) Financing Activities		1,167,392,473	( 2,283,710,223 )	9,406,890
Effect of Changes in Foreign Exchange Rate on Cash and Cash Equivalents		3,060,602	( 21,570,461 )	1,610,834
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		334,227,431	( 3,282,874,653 )	( 2,008,438,096 )
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		4,878,885,375	15,758,197,239	5,846,088,030
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		P 5,213,112,806	P 12,475,322,586	P 3,837,649,934

*See Notes to Consolidated Financial Statements.*

**MEGAWIDE CONSTRUCTION CORPORATION AND SUBSIDIARIES**  
*(A Subsidiary of Citicore Holdings Investment, Inc.)*  
**SELECTED NOTES TO INTERIM CONDENSED CONSOLIDATED**  
**FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2024, 2023 AND 2022**  
*(Amounts in Philippine Pesos)*

**1. CORPORATE INFORMATION**

***1.1 Incorporation and Operations***

Megawide Construction Corporation (Megawide or the Parent Company) was incorporated in the Philippines on July 28, 2004 and is engaged in the general construction business, including constructing, enlarging, repairing, or engaging in any work upon buildings, houses and condominium, roads, plants, bridges, piers, waterworks, railroads and other structures. It performs other allied construction business like the construction and sale of precast items, concrete production, and purchase sale and/or lease of formworks system and construction equipment.

On January 28, 2011, the Philippine Stock Exchange (PSE) and the Securities Exchange Commission (SEC) approved the Parent Company's application for the listing of its common stock. The approval covered the initial public offering (IPO) of 292.0 million unissued common shares of the Parent Company at P7.84 offer price per share and the listing of those shares in PSE's main board on February 18, 2012. On December 3, 2014, the Parent Company made a primary offer of 40.0 million preferred shares at an offer price of P100.0 per share. These preferred shares are also listed in the PSE. Moreover, the Parent Company also made follow-on offerings in 2020, 2021, and 2023.

The Parent Company remains a subsidiary of Citicore Holding Investment, Inc. (Citicore) which owns and controls 35.41% of the issued and outstanding capital stock of the Parent Company as of December 31, 2023 and 2022, because Citicore still directs the overall business operations of the Parent Company through its Chief Executive Officer and President, who is also the President of Citicore. Moreover, Citicore also appoints majority of the board members and remains as the single largest stockholder controlling the Board of Directors (BOD).

Citicore is a company incorporated in the Philippines and is engaged in the business of a holding company through buying and holding shares of other companies. The registered address of Citicore and the Parent Company, which is also their principal place of business, is at 20 N. Domingo Street, Brgy. Valencia, Quezon City.



## 1.2 Subsidiaries, Associates and Joint Arrangements

The Parent Company holds ownership interest in the following subsidiaries, associates and joint arrangements (together with the Parent Company, collectively hereinafter referred to as the Group):

Subsidiaries/Associates/Joint Operations/Joint Ventures	Notes	Percentage of Effective Ownership		
		2024	2023	2022
<b>Subsidiaries:</b>				
PH1 World Developers, Inc. (PH1)	a	100%	100%	-
PH1 World Landscapes Inc. (PH1-WL)	a	100%	100%	-
Famtech Properties, Inc. (Famtech)	a	48%	48%	-
Megawatt Clean Energy, Inc. (MCEI)	b	70%	70%	70%
GlobemERCHANTS, Inc. (GMI)*	c	-	-	-
Megawide Land, Inc. (MLI)		100%	100%	100%
Megawide Cold Logistics, Inc. (MCLI)	d	60%	60%	60%
Megawide Construction (BVI) Corporation (MCBVI)	e	100%	100%	100%
Megawide Construction DMCC (DMCC)	e	100%	100%	100%
Megawide Infrastructure DMCC (MW Infrastructure)	e	100%	100%	100%
MWM Terminals, Inc. (MWMTT)	f	100%	100%	100%
Megawide Terminals, Inc. (MTI)	g	100%	100%	100%
Megawide International Limited (MIL)	h	100%	100%	100%
Megawide Construction (Singapore) Pte. Ltd. (MC-SG)	h	100%	100%	100%
Cebu2World Development, Inc. (CDI)	i	100%	100%	100%
Wide-Horizons, Inc. (WHI)	j	100%	100%	100%
Tiger Legend Holdings Limited (TLH)	k	100%	100%	100%
Megawide OneMobility Corporation (MOMC)	l	80%	80%	80%
Tunnel Prefab Corporation (TPC)	m	90%	90%	90%
<i>Accounted for as Asset Acquisition –</i>				
Altria East Land, Inc. (Altria)	n	100%	100%	100%
<b>Associates:</b>				
Megawide World Citi Consortium, Inc. (MWCCI)	o	51%	51%	51%
Citicore Megawide Consortium, Inc. (CMCI)	o	10%	10%	10%
GMR Megawide Cebu Airport Corporation (GMCAC)*	p	33%	33%	33%
Evolution Data Centres Philippines, Inc. (EDC)	q	49%	49%	-
<b>Joint Operations:</b>				
Megawide GISPL Construction Joint Venture (MGCJV)	r	50%	50%	50%
Megawide GMR Construction Joint Venture, Inc. (MGCJVI)	s	50%	50%	50%
HDEC- Megawide-Dongah JV (HMDJV)	t	35%	35%	35%
Tokyu-Tobishima-Megawide Joint Venture (ITM-JV)	u	30%	30%	-
<b>Joint Ventures:</b>				
Mactan Travel Retail Group Corp. (MTRGC)	v	-	-	-
Select Service Partners Philippines Corp. (SSPPC)	w	-	-	-

\*No longer subsidiaries of the Group (see Note 9)

### a) PH1

On July 12, 2023, the Parent Company and Citicore executed a Share Purchase Agreement (SPA) for the Parent Company to acquire 100% of the outstanding capital stock of PH1 from Citicore. The fulfilment of the conditions precedent under the SPA such as the transfer of 579,457,844 common shares from Citicore to the Parent Company, and the payment by the Parent Company to Citicore for the purchase price of P5,200.0 million were fulfilled on July 27, 2023 that resulted in the closing of the transaction.

PH1 was registered with the SEC on February 6, 2009 primarily to engage in the business of buying, selling, leasing, developing and managing real estate properties. The registered office address of PH1, which is also its principal place of business, is located at No. 20 N. Domingo Street, Brgy. Valencia, Quezon City.

PH1 has a wholly owned subsidiary, PH1-WL. PH1-WL, which was registered on September 16, 2022, is engaged in real estate business. Its registered office is located at 20 N. Domingo Street, Brgy. Valencia, Quezon City, Second District, National Capital Region (NCR) 1112.

PH1 also has a 48% ownership in Famtech, a company incorporated in the Philippines and was established to engage in real estate development. Famtech is consolidated in the Group's financial statements as the management considers that the Group has de facto control over Famtech even though it effectively holds less than 50% ownership interest. The registered office of Famtech is located at 5th Floor Pro-Friends Center, 55 Tinio Street, Brgy. Additional Hills, Mandaluyong City.

**b) MCEI**

MCEI was incorporated in 2014 to engage in the development of clean or renewable energy sources for power generation. Its registered address, which is also its principal place of business, is located at 20 N. Domingo Street Brgy. Valencia, Quezon City. As of March 31, 2024, MCEI has not yet started operations.

**c) GMI**

GMI was incorporated in the Philippines in 2016 and is primarily engaged in general merchandise operations. GMI's registered address, which is also its principal place of business, is located at Mactan-Cebu International Airport Passenger Terminal Building, Airport Terminal, Lapu-Lapu City. GMI started its commercial operations in March 2017.

Prior to its sale in 2022, GMI was 50% owned by the Parent Company and was consolidated in the Group's financial statements as the management considers that the Group has de facto control over GMI even though it effectively holds 50% ownership interest.

In December 2022, the Parent Company sold its ownership interest with GMI to GMCAC.

**d) MLI**

MLI was incorporated in 2016 primarily to engage in real estate and related business. MLI's registered address, which is also its principal place of business, is located at 20 N. Domingo Street Brgy. Valencia, Quezon City. MLI has not commenced its operations as of March 31, 2024.

MLI has a 60% ownership interest in MCLI, a company incorporated in the Philippines and was established to engage in cold and dry storage business. The registered office address of MCLI, which is also its principal place of business, is located at No. 20 N. Domingo Street, Brgy. Valencia, Quezon City.

**e) *MCBVI***

On June 20, 2017, the Parent Company acquired 100% ownership interest in MCBVI, an entity incorporated in the territory of British Virgin Islands to primarily engage in buying and holding shares of other companies. MCBVI's registered address, which is also its principal place of business, is Marcy Building, 2<sup>nd</sup> floor, Purcell Estate, Road Town Tortola, British Virgin Islands. In 2018, MCBVI commenced business operations.

MCBVI has wholly owned subsidiaries, DMCC and MW Infrastructure. DMCC, which was registered on December 10, 2017, is involved in infrastructure works. Its registered office is located at Unit 4401-05, Mazaya Business Avenue BB2, Jumeriah Lake Towers, Dubai UAE. MW Infrastructure was registered on September 30, 2020 as a turnkey project contracting and project development consultant. Its registered office is located at Unit 4501-009 Mazaya Business Avenue BB2 Plot No JLTE-PH2-BB2 Jumeirah Lake Towers, Dubai, UAE. DMCC and MW Infrastructure have not commenced operations as of March 31, 2024.

**f) *MWMTI***

MWMTI is a joint venture arrangement formed on February 10, 2015 by the Parent Company and MTI, both exercising joint control to direct the relevant activities of MWMTI. The joint venture undertakes the development and implementation of the Parañaque Integrated Terminal Exchange (PITX) Project granted by the Philippine Government to MWMTI under a Build-Operate-Transfer Agreement (BOT Agreement) through the DOTr. In November 2018, MWMTI commenced commercial operations.

**g) *MTI***

On August 9, 2018, the Parent Company acquired 344.5 million shares or 100% ownership interest in MTI from existing shareholders of MTI for P344.1 million. MTI owns 49% interest over MWMTI.

MTI is an entity incorporated and registered on November 11, 2011 to establish, own, manage, administer, operate, maintain, and carry the business of providing property management services, either directly or through third parties, but not limited to the services of rent collection, tenant and lease management, marketing and advertising, repair and maintenance, liaison and other similar services. MTI's registered address and principal place of business is at 20 N. Domingo Street Brgy. Valencia, Quezon City.

**h) MIL**

MIL, whose registered office is at Marcy Building, 2<sup>nd</sup> Floor, Purcell Estate, P.O. Box 2416, Road Town Tortola, British Virgin Islands, was incorporated on July 26, 2019. MIL has a 100% owned subsidiary, MC-SG, which was registered on March 1, 2019 as a general building engineering design and consultancy services. Its registered office is located at 8 Cross St. #24-03/04 Manulife Tower Singapore. MIL has not commenced operations as of March 31, 2024.

**i) CDI**

CDI, whose registered office is at Unit 1504 Ayala Life FGU Center Cebu, Mindanao Avenue corner Biliran Road, Cebu Business Park, Cebu City, was incorporated on November 3, 2020 to deal, engage, or otherwise acquire an interest in land or real estate business, without engaging in real estate investment trust.

**j) WHI**

WHI, whose registered office is at 20 N. Domingo Street, Brgy. Valencia, Quezon City, was incorporated on November 16, 2020 to invest in, purchase, or otherwise acquire and own, hold, use, sell, assign, transfer, mortgage, pledge, exchange or otherwise dispose of real and personal property of every kind and description. As of March 31, 2024, WHI has not yet started commercial operations.

**k) TLH**

Tiger Legends was incorporated on October 16, 2020 to primarily engage in buying and holding shares of other companies. Tiger Legend's registered address is located at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, British Virgin Islands. TLH has not commenced operations as of March 31, 2024.

**l) MOMC**

MOMC, whose registered address is at 20 N. Domingo Street, Brgy. Valencia, Quezon City, was incorporated in the Philippines and registered with SEC on March 11, 2015 to engage in buying and holding shares of other companies, either by subscribing to unissued shares of capital stock in public or private offering or by purchasing the shares of other stockholders by way of assignment in private sale. In 2022, the Parent Company subscribed to primary shares of MOMC equivalent to 80% ownership interest for a total consideration of P2.4 million. As of the acquisition date, MOMC has net liabilities of P13.8 million. MOMC has not yet started commercial operations as of March 31, 2024.

**m) TPC**

TPC, whose registered office is at No. 4 Velasquez Street, Sitio Bangiad, Barangay San Juan, 1920, Taytay, Rizal, was incorporated on August 31, 2022 to engage in the business of producing, manufacturing, fabricating, construction, procuring, furnishing, purchasing and/or selling precast concrete materials, items, and systems, formworks materials and systems, construction equipment, and other construction and building supplies for tunnels, highways, horizontal and vertical developments, infrastructure works, and any other construction projects. TPC has not yet started commercial operations as of March 31, 2024.

**n) *Altria***

The Parent Company's acquisition of Altria is accounted for as an asset acquisition since it does not constitute an acquisition of business.

**o) *MWCCI and CMCI***

MWCCI was incorporated in the Philippines on January 16, 2014 and is primarily established to undertake and implement the construction of a 700-bed capacity super-specialty tertiary orthopedic hospital (New Hospital Facility), under the Modernization of the Philippine Orthopedic Center (MPOC) Project. MWCCI's registered office, which is also its principal place of business, is at 20 N. Domingo Street, 1112 Valencia, Quezon City.

CMCI was incorporated in the Philippines on October 15, 2012 and is primarily engaged in general construction business. CMCI's registered address, which is also its principal place of business, is located at 20 N. Domingo Street, Brgy. Valencia, Quezon City.

The Group's investments in MWCCI and CMCI are accounted for as investments in associates despite the percentage of the Parent Company's ownership interest over these entities.

Significant assets of MWCCI pertain to its receivables from the Department of Health (DOH) from the Build-Operate-Transfer Agreement. MWCCI has undertaken measures to recover compensation costs from DOH. However, based on management's assessment, there is no reasonable expectation of recovery of costs incurred relative to the MPOC Project. Accordingly, the Group has wrote off its investment in MWCCI in 2022.

**p) *GMCAC***

GMCAC was incorporated in the Philippines and registered in the SEC in 2024. GMCAC's primary purpose is to construct, develop, operate and maintain the Mactan Cebu International Airport (MCIA), including the commercial assets thereof and all allied businesses for the operation and maintenance of said airport facility (MCIA Project). GMCAC started commercial operations on November 1, 2014.

GMCAC was established for the purpose of implementing the provisions of the Concession Agreement that was signed on April 22, 2014 between the Parent Company and GMR Infrastructure Limited (GIL) or GMR, and the Department of Transportation and Communications (currently, the Philippine Department of Transportation or DOTr) and Mactan-Cebu International Airport Authority (MCIAA) (collectively, the Grantors).

GIL is an entity duly organized and registered in India. DOTr and MCIAA are the agencies of the Philippine Government vested with the power and authority to develop dependable and coordinated transportation systems and to principally undertake the economical, efficient, and effective control, management, and supervision of the MCIA Project. GMCAC's registered address, which is also its principal place of business, is located at Mactan-Cebu International Airport Passenger Terminal Building, Airport Terminal, Lapu-Lapu City.

In 2022, the Parent Company sold a portion of its ownership interest in GMCAC that resulted in the loss of the Group's controlling interest in GMCAC. After the sale transaction, Group's ownership interest in GMCAC was reduced to 33.3%. The remaining ownership interest in GMCAC is classified and presented as Non-current Asset Classified as Held for Sale in the interim condensed consolidated statements of financial position.

**q) EDC**

EDC, whose registered office is at Unit 53J, Shang Salcedo Place, H.V. dela Costa corner Tordesillas Sts., Salcedo Village, Makati, was incorporated on December 9, 2021 to perform and provide computer programming and consultancy services and engage in the creation and development of technological services. As of December 31, 2023, the Parent Company has 49% ownership interest in EDC. EDC has not yet started commercial operations as of March 31, 2024.

**r) MGCJV**

MGCJV is an unincorporated joint venture formed in 2014 by the Parent Company and GMR Infrastructure (Singapore) PTE Limited – Philippines Branch (GISPL) each owning 50% interest and exercising joint control. MGCJV was established to provide construction of works for the renovation and expansion of the MCIA Project and other airport related construction projects of the Group. MGCJV began to operate in 2015.

**s) MGCJVI**

MGCJVI is an incorporated joint arrangement formed in January 2018 by the Parent Company owning 50% interest and GISPL with 45% interest and GMR Holdings Overseas (Singapore) PTE Limited owning the remaining 5%. The Parent Company and GISPL both exercising joint control. MGCJVI was established to provide general construction business including construction, improvement and repair of Clark Airport project. MGCJVI began to operate in 2018.

**t) HMDJV**

HMDJV is an unincorporated joint venture formed on October 27, 2020, by the Parent Company owning 35% and Hyundai Engineering & Construction Co., Ltd. and Dong-ah Geological Engineering Company Ltd. Owning 57.5%, and 7.5% interest, respectively, and exercising joint control. HMDJV was established to provide construction works for the civil structures, viaducts, bridges, and stations of Malolos-Clark Railway Project. HMDJV began to operate in 2021.

**u) TTM-JV**

TTM-JV is an unincorporated joint venture formed on May 31, 2022, by the Parent Company owning 30% and Tokyu Construction Co., Ltd. and Tobishima Corporation owning 40%, and 30% interest, respectively, and exercising joint control over the assets and liabilities of the arrangement. TTM-JV was established to provide construction works of the Two Underground Stations (Ortigas North and Ortigas South) and Tunnels of Metro Manila Subway Project. TTM-JV began to operate in 2023.

v) ***MTRGC***

MTRGC was incorporated and registered with the SEC on March 21, 2018 to develop, set-up, operate, maintain and manage the duty paid outlets at the locations in the Mactan Cebu International Airport. It started operations in 2018.

w) ***SSPPC***

SSPPC was incorporated and registered with the SEC on March 13, 2018 to develop, set-up, operate, maintain and manage food and beverage outlets at specified locations in Terminal 1 and Terminal 2 of Mactan Cebu International Airport and the provision of related services thereto. It started operations in 2018.

***1.3 Approval of the Interim Condensed Consolidated Financial Statements***

The interim condensed consolidated financial statements of the Group as of and for the three months ended March 31, 2024 (including the consolidated financial statements as of December 31, 2023 and interim condensed consolidated financial statements for the three months ended March 31, 2023 and 2022) were authorized for issue by the Parent Company's BOD on May 10, 2024.

**2. MATERIAL ACCOUNTING POLICY INFORMATION**

The material accounting policies that have been used in the preparation of these interim condensed consolidated financial statements are discussed in the succeeding pages. These policies have been consistently applied to all the years presented, unless otherwise stated.

***2.1 Basis of Preparation of Interim Condensed Consolidated Financial Statements***

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

The interim condensed consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRS), as modified by the application of the financial reporting reliefs issued and approved by the SEC in response to the COVID-19 pandemic. The financial reporting reliefs availed of by the Group are disclosed in detail in the succeeding pages. PFRS are adopted by the Financial and Sustainability Reporting Standards Council (FSRSC) from pronouncements issued by the International Accounting Standards Board, and approved by the Philippine Board of Accountancy.

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

(b) *SEC Financial Reporting Reliefs Availed by the Group*

In relation to the Group's real estate operations following the acquisition of PH1 in 2023, the Group has availed of several financial reporting reliefs granted by the SEC relating to several implementation issues of PFRS 15, *Revenue from Contracts with Customers*, affecting the real estate industry under following Memorandum Circular (MC):

- MC No. 14-2018, *Philippine Interpretation Committee Question and Answer (PIC Q&A) No. 2018-12 Implementation Issues Affecting Real Estate Industry*
- MC No. 3-2019, *PIC Q&A Nos. 2018-12-H and 2018-14*
- MC No. 4-2020, *Deferment of the Implementation of IFRS Interpretations Committee (IFRIC) Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23, Borrowing Costs) for Real Estate Industry*
- MC 34-2020, *Deferral of PIC Q&A No. 2018-12 and IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23) for Real Estate Industry for another period of three years or until 2023*

SEC MC No. 08-2021, *Amendment to SEC MC No. 14-2018, MC No. 03-2019, MC No.04-2020, and MC No. 34-2020 to Clarify Transitory Provision*, provides real estate companies the accounting policy option of applying either the full retrospective approach or the modified retrospective approach when they apply the provisions of the PIC and IFRIC pronouncement.

Discussed below and in the succeeding page are the financial reporting reliefs availed of by the Group, including the descriptions of the implementation issues and their estimated qualitative impact to the interim condensed consolidated financial statements. The Group opted to avail the reliefs until the end of the deferment period as provided under the relevant MC.

(i) *IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23) for Real Estate Industry* (deferred until December 31, 2023)

The IFRIC concluded that any inventory (work-in-progress) for unsold units under construction that the entity recognizes is not a qualifying asset, as the asset is ready for its intended sale in its current condition (i.e., the developer intends to sell the partially constructed units as soon as it finds suitable customers and, in signing a contract with a customer, will transfer control of any work-in-progress relating to that unit to the customer). Accordingly, no borrowing costs can be capitalized on such unsold real estate inventories.

Had the Group elected not to defer the IFRIC Agenda Decision, it would have the following impact in the interim condensed consolidated financial statements:

- interest expense would have been higher;
- cost of real estate inventories would have been lower;
- total net profit and total comprehensive income would have been lower;
- retained earnings would have been lower; and,
- the carrying amount of real estate inventories would have been lower.



- (ii) PIC Q&A No. 2018-12-D, *Concept of the Significant Financing Component in the Contract to Sell* and PIC Q&A No. 2020-04, *Addendum to PIC Q&A 2018-12-D: Significant Financing Component Arising from Mismatch between the Percentage of Completion and Schedule of Payments* (deferred until December 31, 2023)

PFRS 15 requires that in determining the transaction price, an entity shall adjust the promised amount of consideration for the effects of the time value of money if the timing of payments agreed to by the parties to the contract (either explicitly or implicitly) provides the customer or the entity with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component. There is no significant financing component if the difference between the promised consideration and the cash selling price of the good or service arises for reasons other than the provision of finance to either the customer or the entity, and the difference between those amounts is proportional to the reason for the difference. Further, the Group does not need to adjust the promised amount of consideration for the effects of a significant financing component if the entity expects, at contract inception that the timing difference of the receipt of full payment of the contract price and that of the completion of the project, are expected within one year and significant financing component is not expected to be significant.

Had the Group elected not to defer this provision of the standard, it would have an impact in the interim condensed consolidated financial statements as there would have been a significant financing component when there is a difference between the percentage of completion (POC) of the real estate project and the right to the consideration based on the payment schedule stated in the contract. The Group would have recognized an interest income when the POC of the real estate project is greater than the right to the consideration and interest expense when lesser. Both interest income and expense will be calculated using the effective interest rate method.

This will impact the retained earnings, real estate sales, and profit or loss in the year of adoption and in comparative periods presented. Furthermore, these would have impacted the cash flows from operations and cash flows from financing activities for the applicable years presented since the year of PH1 acquisition in case of a full retrospective approach. Should the Group elect to apply the modified retrospective approach as allowed by MC No. 2021-08, this will impact the opening retained earnings in the year of adoption.

- (c) *Presentation of Interim Condensed Consolidated Financial Statements*

The interim condensed consolidated financial statements are presented in accordance with Philippine Accounting Standard (PAS) 1, *Presentation of Financial Statements*. The Group opted to present a separate interim condensed consolidated statement of income and interim condensed consolidated statement of comprehensive income.

The Group presents a third interim condensed consolidated 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 interim condensed consolidated statement of financial position at the beginning of the preceding period.

The related notes to the third interim condensed consolidated statement of financial position are not required to be disclosed.

(d) *Functional and Presentation Currency*

These interim condensed consolidated financial statements are presented in Philippine pesos, the Group's functional and presentation currency, and all values represent absolute amounts except when otherwise indicated.

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

## 2.2 *Adoption of Amended Standards*

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

The Group adopted for the first time the following amendments to existing standards, 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 – Disclosure of Accounting Policies
PAS 8 (Amendments)	:	Definition of Accounting Estimates
PAS 12 (Amendments)	:	Deferred Tax Related to Assets and Liabilities from Single Transaction

Discussed below and in the succeeding page 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.

- (ii) PAS 8 (Amendments), *Accounting Policies, Changes in Accounting Estimates and Errors – 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 Group's interim condensed consolidated 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 judgment (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 Group's interim condensed consolidated financial statements.

(b) *Effective in 2023 that are not Relevant to the Group*

Among the amendments to PFRS, which are mandatorily effective for annual periods beginning on or after January 1, 2023, the amendments to PAS 12, *International Tax Reform – Pillar Two Model Rules*, are not relevant to the Group's interim condensed consolidated 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 Group's interim condensed consolidated 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) PFRS 16 (Amendments), *Leases – Lease Liabilities in a Sale and Leaseback* (effective from January 1, 2024)

- (v) PAS 21 (Amendments), *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability* (effective from January 1, 2025)

### 3. SEGMENT REPORTING

The Group's operating businesses are recognized and managed separately according to the nature of services provided with a segment representing a strategic business unit. The Group's business segments follow:

#### 3.1 *Business Segments*

- (a) *Construction Operations* – principally refers to general construction business, including constructing and sale of precast items and concrete production and rental of construction equipment.
- (b) *Landport Operations* – principally relates to the development and implementation of the PITX Project.
- (c) *Real Estate Operations* – mainly pertains to the to the development and sale of residential condominium units.
- (d) *Airport Operations* – mainly relate to the business of building, rehabilitating, renovating, constructing, developing, operating, and maintaining the MCIA, including the commercial assets thereof and all allied businesses for the operation and maintenance of said airport facility. This segment also has merchandising operations of food and non-food items. In 2022, as a result of the sale and deconsolidation of GMCAC and GMI, the Group's airport operations segment is presented as discontinued operations.

Other operations of the Group comprise the operations and financial control groups. These segments are also the basis of the Group in reporting to its executive committee for its strategic decision-making activities. Transactions between segments are conducted at estimated market rates on an arm's length basis.

Segment revenues and expenses that are directly attributable to business segment and the relevant portions of the Group's revenues and expenses that can be allocated to that business segment are accordingly reflected as revenues and expenses of that business segment.

#### 3.2 *Segment Assets and Liabilities*

Segment assets are allocated based on their physical location and use or direct association with a specific segment and they include all operating assets used by a segment and consist principally of operating cash, receivables, inventories and property, plant and equipment, net of allowances and provisions. Similar to segment assets, segment liabilities are also allocated based on their use or direct association with a specific segment. Segment liabilities include all operating liabilities and consist principally of accounts, wages, taxes currently payable and accrued liabilities. Segment assets and liabilities do not include deferred taxes.

### 3.3 Analysis of Segment Information

Presented below are the relevant operating segment information about the results of operations of the Group's business segments for the three months ended March 31, 2024, 2023 and 2022 and financial position as of March 31, 2024 and December 31, 2023 and 2022 (amounts in thousands).

	Continuing Operations										Discontinued	
	Construction			Landport			Real Estate		Total			Operations
	2024	2023	2022	2024	2023	2022	2024	2023	2024	2023	2022	Airport
<b>Results of operations</b>												
Sales to external customers	P 4,948,228	P 4,266,355	P 3,791,766	P 107,185	P 90,156	P 130,771	P 146,886	P -	P 5,202,299	P 4,356,511	P 3,922,537	P 242,276
Intersegment sales	19,164	3,833	-	-	-	-	-	-	19,164	3,833	-	-
Segment revenues	<u>4,967,392</u>	<u>4,270,188</u>	<u>3,791,766</u>	<u>107,185</u>	<u>90,156</u>	<u>130,771</u>	<u>146,886</u>	<u>-</u>	<u>5,221,463</u>	<u>4,360,344</u>	<u>3,922,537</u>	<u>242,276</u>
Cost and other operating expenses:												
Cost excluding depreciation and amortization	3,783,003	3,527,489	2,929,357	30,410	33,681	32,899	79,588	-	3,893,001	3,561,170	2,962,256	94,817
Depreciation and amortization	354,784	362,898	293,673	50,736	60,098	58,467	3,094	-	408,614	422,996	352,140	42,557
Interest income	( 192,265)	( 280,991)	( 111,909)	( 917)	( 3)	( 6)	( 675)	-	( 193,857)	( 280,994)	( 111,915)	( 737)
Interest expense	497,743	399,071	352,773	60,353	59,350	34,221	434	-	558,530	458,421	386,994	326,836
Material non-cash items	-	-	-	-	-	-	-	-	-	-	-	642
Equity share in profit or loss and joint ventures	880	( 396)	-	-	-	-	-	-	880	( 396)	-	10,997
Other income	( 40,441)	( 85,104)	( 12,445)	( 7,701)	( 33,735)	( 30,778)	( 14,403)	-	( 62,545)	( 118,839)	( 43,223)	( 343)
Tax expense (income)	106,437	12,479	47,043	( 12,547)	( 15,005)	( 1,275)	-	-	93,890	( 2,526)	45,768	( 11,570)
Other expenses	164,577	309,398	156,079	41,487	33,940	43,271	104,848	-	310,912	343,338	199,350	107,449
	<u>4,674,718</u>	<u>4,244,844</u>	<u>3,654,571</u>	<u>161,821</u>	<u>138,326</u>	<u>136,799</u>	<u>172,886</u>	<u>-</u>	<u>5,009,425</u>	<u>4,383,170</u>	<u>3,791,370</u>	<u>570,648</u>
Segment Net Profit (Loss)	<u>P 292,674</u>	<u>P 25,344</u>	<u>P 137,195</u>	<u>(P 54,636)</u>	<u>(P 48,170)</u>	<u>(P 6,028)</u>	<u>(P 26,000)</u>	<u>P -</u>	<u>P 212,038</u>	<u>(P 22,826)</u>	<u>P 131,167</u>	<u>(P 328,372)</u>
<b>Consolidated Statements of Financial Position</b>												
Total Segment Assets	<u>P 60,089,202</u>	<u>P 59,670,393</u>	<u>P 61,577,831</u>	<u>P 6,245,160</u>	<u>P 6,314,353</u>	<u>P 6,638,544</u>	<u>P 5,094,273</u>	<u>P 4,850,161</u>	<u>P 71,428,635</u>	<u>P 70,834,907</u>	<u>P 68,216,375</u>	<u>P -</u>
Total Segment Liabilities	<u>P 43,694,351</u>	<u>P 43,460,554</u>	<u>P 42,283,646</u>	<u>P 4,861,130</u>	<u>P 4,879,962</u>	<u>P 4,978,471</u>	<u>P 3,299,933</u>	<u>P 3,303,419</u>	<u>P 51,855,474</u>	<u>P 51,643,935</u>	<u>P 47,262,117</u>	<u>P -</u>
Capital Expenditures	<u>P 211,369</u>	<u>P 667,594</u>	<u>P 946,624</u>	<u>P -</u>	<u>P 200</u>	<u>P 6,746</u>	<u>P 202</u>	<u>P 4,994</u>	<u>P 211,571</u>	<u>P 672,789</u>	<u>P 953,370</u>	<u>P -</u>
Investment in associates and joint ventures accounted for by the equity method	<u>P 256,359</u>	<u>P 257,239</u>	<u>P 231,296</u>	<u>P -</u>	<u>P -</u>	<u>P -</u>	<u>P -</u>	<u>P -</u>	<u>P 256,359</u>	<u>P 257,239</u>	<u>P 231,296</u>	<u>P -</u>

Presented below is a reconciliation of the Group's segment information to the key financial information presented in its interim condensed consolidated financial statements (amounts in thousands).

	<b><u>Three Months Ended March 31 (Unaudited)</u></b>		
	<b><u>2024</u></b>	<b><u>2023</u></b>	<b><u>2022</u></b>
<b><u>Continuing operations:</u></b>			
<b>Revenues</b>			
Segment revenues	P 5,221,463	P 4,360,344	P 3,922,537
Intersegment sales	( 19,164)	( 3,833)	( -)
Revenues as reported in the interim condensed consolidated statements of income	<b><u>P 5,202,299</u></b>	<b><u>P 4,356,511</u></b>	<b><u>P 3,922,537</u></b>
<b>Profit or loss</b>			
Segment net profit	P 212,038	( P 22,826)	P 131,167
Other unallocated income (charges) – net	( 28,618)	15,439	( 328,079)
Net profit (loss) from continuing operations as reported in the interim condensed consolidated statements of income	<b><u>P 183,420</u></b>	<b><u>( P 7,387)</u></b>	<b><u>( P 196,912)</u></b>
<b><u>Discontinued operations:</u></b>			
<b>Profit or loss</b>			
Segment net income (loss) and net income (loss) from discontinued operations as reported in the interim condensed consolidated statements of income	<b><u>P -</u></b>	<b><u>P -</u></b>	<b><u>( P 328,371)</u></b>
	<b><u>2024</u></b>	<b><u>2023</u></b>	
<b>Assets</b>			
Total segment assets	P 71,428,635	P 70,843,907	
Elimination of intercompany accounts	( 15,600,687)	( 16,188,181)	
Other unallocated assets	<b><u>12,517,906</u></b>	<b><u>11,680,415</u></b>	
Total assets as reported in the interim condensed consolidated statements of financial position	<b><u>P 68,345,854</u></b>	<b><u>P 66,327,140</u></b>	
<b>Liabilities</b>			
Total segment liabilities	P 51,855,474	P 51,643,935	
Elimination of intercompany accounts	( 3,945,107)	( 4,846,653)	
Other unallocated liabilities	<b><u>3,427,008</u></b>	<b><u>2,597,085</u></b>	
Total liabilities as reported in the interim condensed consolidated statements of financial position	<b><u>P 51,337,375</u></b>	<b><u>P 49,394,367</u></b>	

#### 4.4 Other Segment Information

The Group has not identified any segment based on geographical location since the Group's operation is concentrated in one country of location.

The revenues from three major customers of the construction operations segment in March 31, 2024, 2023 and 2022 that accounted for 54%, 58%, and 46%, respectively, of the total revenues from continuing operations are as follows:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Customer A	<b>P 1,480,799,253</b>	P 904,232,935	P 842,527,815
Customer B	<b>1,034,602,347</b>	838,068,939	213,505,624
Customer C	<b><u>310,244,019</u></b>	<u>799,201,226</u>	<u>749,771,705</u>
	<b><u>P 2,825,645,619</u></b>	<b><u>P 2,541,503,100</u></b>	<b><u>P 1,805,805,144</u></b>

#### 4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are as follows:

	<b>March 31, 2024 (Unaudited)</b>	<b>December 31, 2023 (Audited)</b>
Cash on hand	<b>P 7,783,354</b>	P 6,232,631
Cash in banks	<b>4,982,076,272</b>	4,050,299,984
Short-term placements	<b><u>223,253,180</u></b>	<u>822,352,760</u>
	<b><u>P 5,213,112,806</u></b>	<b><u>P 4,878,885,375</u></b>

Cash in banks generally earn interest based on daily bank deposit rates.

Short-term placements are made for varying periods from 14 to 90 days and earn annual average effective interest of 5% in 2024 and 2023.

## 5. TRADE AND OTHER RECEIVABLES

This account consists of the following:

	Notes	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Contract receivables:			
Third parties		P 4,155,935,343	P 3,287,521,576
Related parties	22.1	<u>1,289,627,795</u>	<u>1,034,875,840</u>
		<u>5,445,563,138</u>	<u>4,322,397,416</u>
Retention receivables:			
Third parties		2,091,577,470	2,290,413,594
Related parties	22.1	<u>732,618,758</u>	<u>739,026,207</u>
		<u>2,824,196,228</u>	<u>3,029,439,801</u>
Real estate sales receivables		<u>452,942,648</u>	<u>538,294,511</u>
Advances to:			
Related parties	22.4	6,446,047,082	6,442,242,587
Officers and employees	22.3	<u>103,025,018</u>	<u>98,512,779</u>
		<u>6,549,072,100</u>	<u>6,540,755,366</u>
Rental receivables:			
Lease receivable – per contract		1,052,254,924	1,025,536,402
Lease receivable – effect of straight-line method		<u>222,618,163</u>	<u>231,278,304</u>
		<u>1,274,873,087</u>	<u>1,256,814,706</u>
Accrued interest receivables	22.4	<u>2,852,606,831</u>	<u>2,513,922,379</u>
Other receivables	22.2, 22.5	<u>1,307,962,380</u>	<u>1,216,405,984</u>
		20,707,216,412	19,418,030,163
Allowance for impairment		<u>(262,111,638)</u>	<u>(226,842,662)</u>
		<u>P 20,445,104,774</u>	<u>P 19,155,918,525</u>

Retention receivables pertain to progress billings which are withheld by the project owners equivalent to 5.0% or 10.0% as provided in the respective construction contract of each project. These will only be collected after a certain period of time upon acceptance by project owners of the certificate of completion.

Real estate sales receivables pertain to the balance of uncollected portion of the contract price of completed units sold that are subject for collection from customers through their respective bank financing, which is normally completed within one to two months.

Rental receivables include those unpaid rentals from third party tenants of the Group, and the related rent receivables arising from the difference between the cash basis rent income and the straight-line rent income of all lease contracts with fixed payments as of the end of the reporting period.



Trade and other receivables except certain advances to related parties do not bear any interest.

All receivables, except advances to officers and employees which are subject to liquidation, are subject to credit risk exposure. The Group's trade and other receivables have been reviewed for impairment using the provision matrix as determined by the management.

The total allowance for impairment for contract and retention provided by the Group amounted to P262.1 million as of March 31, 2024 and December 31, 2023.

A reconciliation of the allowance for impairment at the beginning and end of 2024 and 2023 is shown below.

	<b>March 31, 2024 (Unaudited)</b>	December 31, 2023 (Audited)
Balance at beginning of year	<b>P 262,111,638</b>	P 226,842,662
Additional ECL for the year	<u>-</u>	<u>35,268,976</u>
Balance at end of year	<b><u>P 262,111,638</u></b>	<b><u>P 262,111,638</u></b>

## 6. GOODWILL

On July 12, 2023, the Parent Company executed a Share Purchase Agreement to acquire 100% of the outstanding capital stock of PH1 from Citicore for a total cash consideration of P5,200.0 million. As a result of the acquisition, the Parent Company obtained controlling interest over PH1, which was accounted for under the acquisition method. The business combination is expected to integrate the innovative approaches of the Parent Company and PH1 in terms of construction and engineering to the residential projects of PH1 with respect to sustainability and technological advancement in living and community spaces.

At the date of acquisition, PH1 owns 100% and 48.77% of the outstanding capital stock of PH1-WL and Famtech, respectively. As a result of the acquisition of PH1, the Group obtained indirect ownership and control over PH1-WL and Famtech. There were no contingent considerations arrangements and indemnification assets recognized by the Parent Company related to the business combination.

Presented in the succeeding page is the breakdown of the acquisition-date fair value of the assets and liabilities, including the cost of investment.

<u>Assets:</u>	
Cash	P 158,812,124
Contract and other receivables	1,058,277,667
Real estate inventories	3,280,736,757
Property and equipment	33,002,846
Right-of-use assets	9,312,106
Other assets	<u>233,084,701</u>
	<u>4,773,226,201</u>
 <u>Liabilities:</u>	
Trade and other payables	P 1,688,417,797
Interest-bearing loans and borrowings	508,475,383
Reservation deposits	322,954,005
Contract liabilities	76,644,783
Lease liabilities	8,412,681
Deferred tax liabilities	107,696,473
Other liabilities	<u>129,219,092</u>
	<u>2,841,820,213</u>
Fair value of net assets	<u>1,931,405,988</u>
Cash consideration	5,200,000,000
Non-controlling interest	<u>528,475,534</u>
	<u>5,728,475,534</u>
Goodwill	<b><u>P 3,797,069,546</u></b>

Based on the management's assessment, the gross contractual amounts of receivable approximate the fair values as of the acquisition date. The best estimate of the contractual cash flows not expected to be collected at acquisition date is also deemed immaterial.

There were no significant acquisition-related costs incurred from this transaction.

The goodwill recognized from the foregoing acquisition reflects the opportunity to strengthen the Group's position in the real estate market, the synergies and economies of scale expected from combining the operations of the Group as a contractor and real estate developer. This also reflects the opportunity to accelerate the Group's growth momentum associated with property development in the long term.

The Group performed impairment testing of goodwill by using value-in-use in determining the recoverable amount. The value-in-use of the cash generating unit was determined using cash flow projections for 13 years, which reflects the timing of the development and completion of the residential projects including the collection period. The management applied a discount rate of 10.2% and growth rate of 3.8% which are the key assumptions used in determining the value-in-use of the cash-generating unit.

The recoverable amount of the cash-generating unit was determined to be higher than its carrying amount. Management believes that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause its carrying amount to exceed its recoverable amount, hence management assessed that there is no impairment loss required to be recognized on goodwill as of March 31, 2024 and December 31, 2023.

## 7. INVENTORIES

### 7.1 Real Estate Inventories

As of March 31, 2024 and December 31, 2023, real estate inventories consist of the following:

	<b>March 31, 2024 (Unaudited)</b>	December 31, 2023 (Audited)
Land and land development	<b>P 1,953,808,874</b>	P 1,928,308,874
Construction costs	<b><u>2,063,842,715</u></b>	<u>1,944,613,123</u>
	<b><u>P 4,017,651,589</u></b>	<u>P 3,872,921,997</u>

Construction costs include actual costs of construction and related engineering, architectural and other consultancy fees, and capitalized borrowing costs. In 2023, the Group capitalized borrowing cost of P103.6 million. Borrowing cost are capitalized at 5.9%. All cost incurred relating to the Group's development and construction of its residential condominium projects are recorded under Real Estate Inventories account. The cost of a unit sold under development is charged to cost of sales in the same manner as revenue is recognized.

There were no inventory write-downs recognized in relation to real estate inventories.

### 7.2 Construction Materials

As of March 31, 2024 and December 31, 2023, construction materials were stated at cost which is lower than net realizable value. This account consists of the following:

	<b>March 31, 2024 (Unaudited)</b>	December 31, 2023 (Audited)
Consumables and spare parts	<b>P 1,219,129,251</b>	P 1,275,412,094
Work in progress	<b>462,471,157</b>	805,324,986
Hardware	<b>68,271,544</b>	71,444,583
Mechanical electrical plumbing and fireproof materials	<b>56,000,008</b>	8,076,631
Rebars	<b>47,733,816</b>	30,079,375
Precast	<b>47,565,119</b>	54,725,955
Others	<b><u>65,762,288</u></b>	<u>34,275,471</u>
	<b><u>P 1,966,933,183</u></b>	<u>P 2,279,339,095</u>

Work in progress inventories pertains to various construction materials delivered to project warehouses and are yet to be installed or used by its subcontractors.

Others pertain to construction materials which include collapsible container office, sand, cement, painting materials, nails and adhesive items.

## 8. CONTRACT ASSETS

The breakdown of contract assets is as follows:

	<b>March 31, 2024 (Unaudited)</b>	<b>December 31, 2023 (Audited)</b>
Construction contracts	<b>P 6,196,739,614</b>	P 6,034,871,659
Terminal operations	<u>714,820,137</u>	<u>692,732,257</u>
	<b>6,911,559,751</b>	6,727,603,916
Allowance for impairment	<u>( 1,087,415,302)</u>	<u>( 1,087,415,302)</u>
	<b><u>P 5,824,144,449</u></b>	<b><u>P 5,640,188,614</u></b>

The significant changes in the contract assets balances during the reporting periods are as follows:

	<b>March 31, 2024 (Unaudited)</b>	<b>December 31, 2023 (Audited)</b>
Balance at beginning of year	<b>P 6,727,603,916</b>	P 6,193,723,087
Increase as a result of changes in measurement of progress	<b>1,872,953,657</b>	6,452,369,216
Decrease as a result of reversal to trade receivables	<u>( 1,688,997,822)</u>	<u>( 5,918,488,387)</u>
	<b>6,911,559,751</b>	6,727,603,916
	<u>( 1,087,415,302)</u>	<u>( 1,087,415,302)</u>
Balance at end of year	<b><u>P 5,824,144,449</u></b>	<b><u>P 5,640,188,614</u></b>

A reconciliation of the allowance for impairment at the beginning and end of 2024 and 2023 is shown below.

	<b>March 31, 2024 (Unaudited)</b>	<b>December 31, 2023 (Audited)</b>
Balance at beginning of year	<b>P 1,087,415,302</b>	P 1,087,415,302
Impairment loss for the year	<u>-</u>	<u>-</u>
Balance at end of year	<b><u>P 1,087,415,302</u></b>	<b><u>P 1,087,415,302</u></b>

Contract assets pertains to the gross amount due from customers for contract works of all contracts in progress and the portion arising from the real estate operations, which are not yet billed. Contract assets also include the cost of the landport area of the PITX Project will be recovered through the Grantor payments.

The Group satisfies its performance obligation when the full completion of the project and benefit therefrom can be derived by the customers. Invoices are due once related accomplishments for the month is complete.

The Group recognizes contract assets, due to timing difference of billings and satisfaction of performance obligation, to the extent of satisfied performance obligation on all open contracts as of the end of the reporting period. Changes in the contract assets are recognized by the Group when a right to receive payment is already established.

There was no additional impairment loss recognized in 2024 and 2023.

## 9. NON-CURRENT ASSET CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS

### 9.1 *Non-current Asset Classified as Held for Sale*

On September 2, 2022 (Execution date), the Parent Company, GMR Airports International BV (GAIBV) and Aboitiz InfraCapital, Inc. (AIC) executed a Share Subscription and Transfer Agreement (the Agreement) for AIC to acquire shares in GMCAC. Subject to the fulfillment of the conditions precedent under the Agreement, the following occurred on December 16, 2022 (Closing date):

1. For a total amount of P9,473.6 million, AIC obtained 33 and 1/3% minus 1 share of the outstanding capital stock of GMCAC. The Parent Company retained 33 and 1/3% plus 1 share, while GAIBV retained 33 and 1/3%; and,
2. The Parent Company and GAIBV issued Exchangeable Notes (Notes) in favor of AIC in the total amount of P15,526.4 million. The Notes will mature on October 30, 2024 (Exercise date) and will be exchanged by AIC for the rest of the 66 and 2/3% plus 1 share of GMCAC's outstanding capital stock currently held by the Parent Company and GAIBV.

On the Exercise date, the Parent Company and GAIBV shall assign, transfer and convey the remaining GMCAC shares to AIC in exchange for the full discharge of the Notes. The Notes is unsecured and non-interest-bearing. At least 10 business days prior to the Exercise date, the Parent Company and GAIBV may exercise the option to pay the Notes in cash and they shall have no obligation to assign, transfer and convey the remaining GMCAC shares. In the event that the Parent Company and GAIBV exercise the cash option, they shall pay the principal amount of the Notes, plus a cash option interest of 19% per annum on the principal amount calculated from the Execution date to the Exercise date. The accrual of the cash option interest and the obligation to pay shall only arise upon exercise of the cash option.

Prior to the closing date, GMCAC converted its shareholders' loans totalling to P2,040.0 million, of which P1,224.0 million came from the Parent Company, to common stock of GMCAC. In addition, GMCAC issued 555.4 million new shares to AIC. The issuance of new shares to AIC resulted in the reduction in the Parent Company's ownership interest in GMCAC from 60.0% to 55.8%.

The transaction closed on December 16, 2022 wherein:

- AIC paid cash amounting to P6,623.6 million to the Parent Company for 1,781.4 million common shares, equivalent to 22.5% of the outstanding capital stock of GMCAC; and,
- the Parent Company issued the Notes for a cash consideration of P7,763.2 million, which will be exchanged by AIC for the rest of the Parent Company's remaining 2,643.3 million common shares, equivalent to 33.3% of the outstanding capital stock of GMCAC, on the Exercise date.

At closing date, the Parent Company retained 33.3% ownership interest in GMCAC.

As a result of the preceding transactions, the Group lost its control over GMCAC. Accordingly, the remaining ownership interest was remeasured at fair value at the date of sale which amounted to P2,879.8 million. The fair value was determined using the discounted cash flow method. The related remeasurement gain amounting to P568.8 million is presented as part of Gain on deconsolidation of subsidiaries under Others – net under Discontinued Operations section in the 2022 consolidated statement of income.

Relative to management's intention to sell the remaining shares held in GMCAC, as evidenced by the issuance of the Notes, the remaining ownership interest in GMCAC amounting to P2,879.8 million is presented as Non-current Asset classified as Held for Sale in the interim condensed consolidated statements of financial position. No cost to sell was recognized as the expenses incurred in relation to the issuance of the Notes was shouldered by AIC.

As of March 31, 2024, the Group remains committed to sell the remaining ownership interest in GMCAC. As the transaction is expected to be completed in 2024, the Exchangeable Notes was presented under Current Liabilities in the 2024 interim condensed consolidated statement of financial position.

The fair values of the identifiable assets and liabilities of GMCAC as at the Closing Date in 2022 were as follows:

Assets:

Cash and cash equivalents	P	230,051,713
Trade and other receivables – net		865,264,321
Concession assets – net		31,760,874,551
Property and equipment – net		215,513,796
Investment in subsidiaries and joint ventures		1,737,804,166
Investment in trust fund		26,266,008
Deferred input VAT		1,741,663,880

Refundable security and bond deposits	710,829,793
Other assets	<u>528,501,802</u>
	<u>37,816,770,030</u>
<u>Liabilities:</u>	
Interest-bearing loans and borrowings	25,702,185,130
Trade and other payables	2,261,189,055
Retirement obligation	21,689,826
Deferred tax liabilities	970,422,069
Other liabilities	<u>221,975,078</u>
	<u>29,177,461,158</u>
Fair value of net assets	<u>P 8,639,308,872</u>

The gain on deconsolidation of a subsidiary is determined as follows:

Cash consideration received	P 6,623,600,000
Fair value of remaining ownership interest	<u>2,879,769,625</u>
	<u>9,503,369,625</u>
Less:	
Carrying amount of net assets sold	6,182,052,349
Carrying amount of non-controlling interest	( <u>2,670,649,101</u> )
	<u>3,511,403,248</u>
Gain on deconsolidation of a subsidiary	5,423,202,187
Gain on remeasurement of remaining ownership interest	<u>568,764,190</u>
	<u>P 5,991,966,377</u>

The gain on deconsolidation of a subsidiary amounting to P5,992.0 million is presented as part of Gain on deconsolidation of subsidiaries under Others – net under Discontinued Operations section in the 2022 consolidated statement of income.

In addition to the above transaction, in 2022, the Group sold its shareholdings in GMI to GMCAC, wherein the Group recognized a gain on deconsolidation of a subsidiary amounting to P577.1 million which represents the excess of the cash consideration received amounting to P613.2 million over the carrying value of GMI's net assets as of the date of sale amounting to P36.1 million.

The total gain amounting to P6,569.1 million is presented as Gain on deconsolidation of subsidiaries under Others – net under Discontinued Operations section in the 2022 consolidated statement of income.

## 9.2 Discontinued Operations

The net loss related to the operations of GMCAC and GMI is presented separately in the interim condensed consolidated statements of income as Net Loss from Discontinued Operations.

The analysis of the revenue and expenses of the discontinued operations is as follows:

	<u>2022</u>
Airport operations revenue	P 223,688,291
Trading operations revenue	<u>18,587,311</u>
	<u>242,275,602</u>
Cost of airport operations	( 116,745,042)
Cost of trading operations	<u>( 11,685,906)</u>
	<u>( 128,430,948)</u>
Gross profit	113,844,654
Other operating expenses	( 116,392,289)
Operating loss	( 2,547,635)
Other charges – net	<u>( 337,394,466)</u>
Loss before tax	( 339,942,101)
Tax income	<u>( 11,571,317)</u>
Net loss	<u>(P 328,370,784)</u>

## 10. INVESTMENTS IN ASSOCIATES AND JOINT VENTURE AND ACQUISITION OF ASSETS

The Group's associates and joint venture are not listed in the local stock exchange; hence, the fair value of the shares cannot be determined reliably. However, management believes that the carrying amounts of the investments are fully recoverable based on either the prospect of the business or the recoverable amount from the net assets of these associates and joint ventures.



### 10.1 Investments in Associates

The components of the carrying values of this account are as follows:

	<b>March 31, 2024 (Unaudited)</b>	December 31, 2023 (Audited)
Acquisition cost:		
CMCI	<b>P 200,000,000</b>	P 200,000,000
EDC	<u><b>61,691,000</b></u>	<u>61,691,000</u>
	<u><b>261,691,000</b></u>	<u>261,691,000</u>
Equity share in net profit (losses):		
Balance at beginning of year	( 4,452,344)	31,295,805
Equity in net profit (loss) for the year	<u>( 880,101)</u>	<u>( 35,748,149)</u>
Balance at end of year	<u>( 5,332,445)</u>	<u>( 4,452,344)</u>
	<u><b>P 256,358,555</b></u>	<u>P 257,238,656</u>

These associates do not have any other comprehensive income or loss in 2024 and 2023.

#### (a) MWCCI

As of March 31, 2024 and December 31, 2023, the Parent Company has 51% ownership interest in MWCCI.

In 2016, MWCCI sent a Notice of termination of its BOT Agreement with the DOH, which was accepted by DOH. MWCCI has undertaken measures to recover compensation costs from DOH. However, based on management's assessment, as of December 31, 2022, there is no reasonable expectation of recovery of costs incurred relative to the MPOC Project. Accordingly, the Group wrote-off its investment in MWCCI in 2022.

#### (b) CMCI

The Parent Company, together with Citicore, formed CMCI as a consortium for the construction of classrooms in Regions 3 and 4 under the build-lease-transfer Public Private Partnership (PPP) agreement with the Philippine Department of Education (DepEd) ownership interest.

As of March 31, 2024 and December 31, 2023, the Parent Company owns 10% interest in CMCI.

(c) EDC

In 2023, the Parent Company subscribed to 616,910 new shares or equivalent to 49% ownership interest in EDC for a total subscription price of P61.7 million. The rights and powers of the Parent Company over the management and control of EDC are exercised through a seat in the BOD of EDC. Taking this into consideration, the Parent Company concluded that it has significant influence over the investee; accordingly, the investment is accounted for as an investment in an associate.

As of March 31, 2024 and December 31, 2023, the Parent Company did not receive any dividends from its associates.

### 10.2 Interest in Joint Ventures

GMCAC has 42% interest in MTRGC and SSPPC, which are primarily engaged in the set-up, operation and management of duty paid retail, food and beverage outlets and provision of related services thereto in the airport terminals (T1 and T2).

In 2022, as a result of the sale and deconsolidation of GMCAC, the carrying amount of the investment in joint ventures was derecognized from the Group's consolidated statement of financial position.

### 10.3 Interest in Joint Operations

As discussed in Notes 1.2(r), 1.2(s), 1.2(t), and 1.2(u), MGCJV shall undertake the construction works for the renovation and expansion of the MCIA Project in Cebu, MGCJVI shall undertake the construction works of the Clark Airport, HMDJV shall undertake the construction works of the Malolos-Clark Railway, while TTM-JV shall undertake the construction works of the Two Underground Stations (Ortigas North and Ortigas South) and Tunnels of Metro Manila Subway Project. The Parent Company's interests in MGCJV, MGCJVI, HMDJV and TTM-JV are accounted for as joint arrangement – joint operation, as such, the Parent Company accounts for its interest in the relevant assets, liabilities, revenues, and expenses of MGCJV, MGCJVI, HMDJV and TTM-JV.

As of March 31, 2024 and December 31, 2023 and for the three months ended March 31, 2024 and 2023, the relevant financial information of the Group's interest in MGCJV, MGCJVI, HMDJV and TTM-JV which are included in the appropriate accounts in the Group's interim condensed consolidated statements of financial position and interim condensed consolidated statements of income are as follows:

	Before <u>Elimination</u>	<u>Elimination</u>	After <u>Elimination</u>
<i>March 31, 2024</i>			
<i>Assets:</i>			
Cash and cash equivalents	P 1,499,882,472	P -	P 1,499,882,472
Trade and other receivables	1,621,278,490	-	1,621,278,490
Other current assets	453,391,724	-	453,391,724
Property, plant, and equipment – net	<u>66,544,258</u>	<u>-</u>	<u>66,544,258</u>
	<b><u>P 3,641,096,944</u></b>	<b><u>P -</u></b>	<b><u>P 3,641,096,944</u></b>

<i>Liabilities:</i>			
Trade and other payables	P 2,705,405,591	P -	P 2,705,405,591
Other liabilities	<u>423,969,838</u>	<u>-</u>	<u>423,969,838</u>
	<b><u>P 3,129,375,429</u></b>	<b><u>P -</u></b>	<b><u>P 3,129,375,429</u></b>
<i>March 31, 2024</i>			
<i>Revenues and Expenses:</i>			
Contract revenues	P 263,337,421	P -	P 263,337,421
Contract costs	( 168,051,583)	-	( 168,051,583)
Other operating expenses	-	-	-
Finance cost	<u>( 19,867,133)</u>	<u>-</u>	<u>( 19,867,133)</u>
	<b><u>P 75,418,705</u></b>	<b><u>P -</u></b>	<b><u>P 75,418,705</u></b>
<i>December 31, 2023</i>			
<i>Assets:</i>			
Cash and cash equivalents	P 1,465,203,181	P -	P 1,465,203,181
Trade and other receivables	1,660,260,512	-	1,660,260,512
Other current assets	427,964,824	-	427,964,824
Property, plant, and equipment – net	<u>89,739,417</u>	<u>-</u>	<u>89,739,417</u>
	<b><u>P 3,643,167,934</u></b>	<b><u>P -</u></b>	<b><u>P 3,643,167,934</u></b>
<i>Liabilities:</i>			
Trade and other payables	P 2,762,001,970	P -	P 2,762,001,970
Due to related parties	1,052,953	-	1,052,953
Other liabilities	<u>292,620,286</u>	<u>-</u>	<u>292,620,286</u>
	<b><u>P 3,055,675,209</u></b>	<b><u>P -</u></b>	<b><u>P 3,055,675,209</u></b>
<i>March 31, 2023</i>			
<i>Revenues and Expenses</i>			
Contract revenues	P 367,668,942	P -	P 367,668,942
Contract costs	( 331,782,544)	-	( 331,782,544)
Other operating expenses	( 425,819)	-	( 425,819)
Finance income	<u>( 11,966,815)</u>	<u>-</u>	<u>( 11,966,815)</u>
	<b><u>P 23,493,764</u></b>	<b><u>P -</u></b>	<b><u>P 23,493,764</u></b>

## 11. OTHER ASSETS

This account is composed of the following:

	Note	March 31, 2024 <u>(Unaudited)</u>	December 31, 2023 <u>(Audited)</u>
Current:			
Advances to contractors and suppliers	11.1	P 8,702,067,681	P 8,334,686,068
Prepaid taxes	11.4	1,334,170,269	1,345,802,495
Deferred input VAT	11.2	679,111,698	590,050,596
Input VAT	11.2	478,665,267	453,492,959
Deferred fulfilment costs - net	11.6	346,445,441	335,684,686
Refundable security and bond deposits		152,877,705	141,133,290
Prepaid rent		101,528,302	13,979,861
Prepaid insurance		83,597,717	157,533,800
Prepaid subscription		18,418,467	982,976
Deferred commission		8,778,685	5,320,264
Prepaid debt issuance cost		-	13,135,255
Miscellaneous		<u>22,338,654</u>	<u>21,631,219</u>
		<u>11,927,999,886</u>	<u>11,413,433,469</u>
Non-current:			
Deposits for condominium units	11.3	233,837,468	233,837,468
Refundable security deposits		38,631,033	38,590,885
Computer software license – net	11.5	24,091,659	27,178,891
Deferred commission		17,535,300	15,592,268
Deferred input VAT	11.2	13,417,013	17,436,879
Prepaid debt issuance cost		<u>-</u>	<u>22,007,046</u>
		<u>327,512,473</u>	<u>354,643,437</u>
		<u>P 12,255,512,359</u>	<u>P 11,768,076,906</u>

### 11.1 Advances to Contractors and Suppliers

Advances to contractors and suppliers pertain to down payments made by the Group based on a certain percentage of the contract price. The initial payment will eventually be recouped or deducted from the amount payable of the Group either in a pro-rated basis or in full once billed by the contractors and supplier. These advances are classified as current since it would be applied as payments for subcontractors. This also includes materials and supplies provided by the Group to subcontractors which will be deducted to the progress billings of the subcontractors upon installation. The risk of loss on these materials and supplies are borne by the subcontractors.

Impairment of advances to contractors and suppliers was assessed through determining the financial position of the contractors and suppliers on their capacity to comply according to their performance obligation. Despite the impact of COVID-19, the Group deemed the advances to be recouped by qualifying contractors and suppliers through their work progress as well as using outstanding liability of the Group to the contractors and suppliers as leverage.

### **11.2 Input VAT**

Input VAT under other current assets pertains to the payment of VAT on purchases of services and goods that is recoverable within 12 months. Deferred input VAT pertains to the unamortized input VAT on purchases of capital goods exceeding P1.0 million.

Input VAT arising from the purchase of capital goods exceeding P1.0 million starting January 1, 2022 are not amortized. The related input VAT on purchase of capital goods exceeding P1.0 million shall be allowed as credit against output tax outright pursuant to Republic Act (R.A.) No. 10963, known as the *Tax Reform for Acceleration and Inclusion (TRAIN) Law*.

The balance of deferred input VAT non-current pertains to unamortized portion of purchases of capital goods exceeding P1.0 million prior to January 1, 2022.

### **11.3 Deposits for Condominium Units**

Deposits for condominium units represent initial downpayments made for the purchase of condominium units. These will be reclassified to investment property upon execution of contract to sell and deed of sale.

### **11.4 Prepaid Taxes**

Prepaid taxes pertain to the excess of quarterly income tax payments over the current tax due during the year and creditable withholding taxes.

### **11.5 Computer Software License**

The details of this account are presented below.

	<b>March 31, 2024 <u>(Unaudited)</u></b>	<b>December 31, 2023 <u>(Audited)</u></b>
Cost	<b>P 178,028,221</b>	P 166,108,499
Accumulated amortization	<b><u>( 153,936,562)</u></b>	<u>( 138,929,608)</u>
	<b><u>P 24,091,659</u></b>	<u>P 27,178,891</u>

A reconciliation of the carrying amounts of computer software license at the beginning and end of the reporting periods is shown below.

	<b>March 31, 2024</b>	December 31, 2023
	<u><b>(Unaudited)</b></u>	<u>(Audited)</u>
Balance at beginning of year	<b>P 27,178,891</b>	P 33,251,614
Additions	<b>1,760,914</b>	14,617,081
Amortization expense for the year	<u><b>( 4,848,146)</b></u>	<u>( 20,689,804)</u>
Balance at end of year	<u><b>P 24,091,659</b></u>	<u>P 27,178,891</u>

### **11.6 Deferred Fulfilment Costs**

Deferred fulfilment costs pertain to costs that are directly related to a specific construction contract, generate or enhance resources that will be used to fulfill a performance obligation of the Group in the future, and are recoverable under the contract. Such costs include, but are not limited to, mobilization costs of equipment and labor, engineering and design costs, insurance and depreciation of equipment related to a specific contract.

The movements of deferred fulfilment costs are shown below:

	<b>March 31, 2024</b>	December 31, 2023
	<u><b>(Unaudited)</b></u>	<u>(Audited)</u>
Balance at beginning of year	<b>P 664,289,891</b>	P 634,955,943
Additions	<b>10,760,755</b>	33,780,530
Amortization	<u><b>( - )</b></u>	<u>( 4,446,582)</u>
	<b>675,050,646</b>	664,289,891
Allowance for impairment	<u><b>( 328,605,205)</b></u>	<u>( 328,605,205)</u>
Balance at end of year	<u><b>P 346,445,441</b></u>	<u>P 335,684,686</u>

## **12. PROPERTY, PLANT AND EQUIPMENT**

As of March 31, 2024, and December 31, 2023, the property, plant and equipment is composed of building, construction equipment, improvements, and right-of-use assets totalling P6,149.8 million and P6,277.6 million, respectively.

For the periods ended March 31, 2024 and December 31, 2023, the Group recognized additions to property, plant and equipment totalling to P225.8 million and P844.4 million, respectively, and sold certain property, plant and equipment for P38.4 million and P27.0 million, respectively. As a result of sale, the Group recognized gains amounting to P6.5 million and P8.0 million for the periods ended March 31, 2024 and December 31, 2023, respectively.

There are no restrictions on title, and property, plant and equipment pledged as security liabilities, except for right-of-use assets with carrying amount of P541.0 million and P523.0 million as of March 31, 2024 and December 31, 2023, respectively.

There is no contractual commitment to acquire property and equipment.

There were no items of property, plant and equipment that were impaired or retired, lost or given up as of March 31, 2024 and December 31, 2023.

### **13. INVESTMENT PROPERTIES**

As of March 31, 2024, and December 31, 2023, the investment properties are composed of land, commercial area and construction in progress totalling P4,803.3 million and P4,818.9 million, respectively.

MWMTI was granted an exclusive right and obligation under the Concession Agreement. Relative to the arrangement, MWMTI incurred costs necessary to construct the facility. The separately identifiable accumulated costs incurred in the development of the PITX Project are allocated based on development and implementation plan for the terminal and commercial areas.

Investment properties include parcels of land that are not used by the Group for administrative and supply of goods or services of the business and only held for capital appreciation amounting to P994.1 million and P993.1 million as of March 31, 2024 and December 31, 2023, respectively. Based on management's assessment, the carrying amounts of these assets are fully recoverable, hence, no impairment loss is required in both years.

There are no restrictions on the realizability of investment property or the remittance of income and proceeds of disposal.

No contractual obligations to purchase, construct, or develop investment property, or for repairs and maintenance or enhancements has been agreed with.

For the period ended March 31, 2024 and December 31, 2023, the Group recognized total additions amounting to P16.3 million and P242.9 million, respectively. There were no disposals of investment properties in 2024 and 2023.

As of March 31, 2024 and December 31, 2023, the investment properties has a fair value amounting to P3,581.2 million which was recognized under the Level 3 fair value hierarchy.

### **14. LEASES**

The Group has leases for construction equipment and transportation equipment. With the exception of short-term leases and leases of low-value underlying assets, each right-of-use asset and lease liability from leases are reflected on the interim condensed consolidated statements of financial position as part of property, plant and equipment and interest-bearing loans and borrowings, respectively. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and asset.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to purchase the underlying lease asset outright at the end of the lease, or to extend the lease for a further term. The Group is prohibited from selling or pledging the underlying leased assets as security. For leases over warehouses and offices, the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Group must ensure the leased assets and incur maintenance fees on such items in accordance with the lease contracts.

The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognized in the interim condensed consolidated statements of financial position.

	Number of right-of-use assets leased	Range of remaining term	Number of average remaining lease term	Number of leases with extension options	Number of leases with options to purchase	Number of leases with termination options
<b>March 31, 2024:</b>						
Transportation equipment	208	1 – 5 years	2 years	-	52	-
Precast and construction equipment	158	1 – 5 years	2 years	-	44	-
Parcel of land	1	4 years	2 years	-	-	-
<b>December 31, 2023:</b>						
Transportation equipment	209	1 – 5 years	2 years	-	53	-
Precast and construction equipment	169	1 – 5 years	3 years	-	55	-
Parcel of land	1	4 years	3 years	-	-	-

#### 14.1 Right-of-use Assets

The carrying amounts of the Group's right-of-use assets as at March 31, 2024 and December 31, 2023, and the movements during the periods are shown below.

	<u>Land</u>	<u>Precast and Construction Equipment</u>	<u>Transportation Equipment</u>	<u>Total</u>
Balance at January 1, 2024	P 16,990,939	P 390,986,834	P 115,016,894	P 522,994,667
Additions	-	55,588,486	-	55,588,486
Pre-termination	-	( 12,864,179)	( 3,119,153)	( 15,983,332)
Depreciation and amortization	( 4,247,735)	( 13,509,832)	( 3,801,578)	( 21,559,145)
Balance at March 31, 2024	<b><u>P 12,743,204</u></b>	<b><u>P 420,201,309</u></b>	<b><u>P 108,096,163</u></b>	<b><u>P 541,040,676</u></b>
Balance at January 1, 2023	P 33,981,877	P 483,852,652	P 107,498,352	P 625,332,881
Additions	-	570,808	23,236,606	23,807,414
Pre-termination	-	( 36,735,903)	-	( 36,735,903)
Effect of sale of subsidiaries	-	-	9,312,106	9,312,106
Depreciation and amortization	( 16,990,938)	( 56,700,723)	( 25,030,170)	( 98,721,831)
Balance at December 31, 2023	<b><u>P 16,990,939</u></b>	<b><u>P 390,986,834</u></b>	<b><u>P 115,016,894</u></b>	<b><u>P 522,994,667</u></b>



### 14.2 Lease Liabilities

Lease liabilities are presented in the interim condensed consolidated statements of financial position as part of Interest-bearing Loans and Borrowings (see Note 16) as at March 31, 2024 and December 31, 2023 as follows:

	<b>March 31, 2024</b>	December 31, 2023
	<u><b>(Unaudited)</b></u>	<u>(Audited)</u>
Current	<b>P 105,632,363</b>	P 124,425,289
Non-current	<u><b>73,683,150</b></u>	<u>45,161,433</u>
	<u><b>P 179,315,513</b></u>	<u>P 169,586,722</u>

The use of extension and termination options gives the Group added flexibility in the event it has identified more suitable premises in terms of cost and/or location or determined that it is advantageous to remain in a location beyond the original lease term. An option is only exercised when consistent with the Group's business strategy and the economic benefits of exercising the option exceeds the expected overall cost.

As of March 31, 2024, and December 31, 2023, the Group has not committed to any leases which had not commenced.

### 14.3 Lease Payments Not Recognized as Liabilities

The Group has elected not to recognize a lease liability for short-term leases or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognized as lease liabilities and are expensed as incurred.

The expenses pertaining to short-term leases and low-value assets amounted to P16.4 million, P13.9 million and P8.8 million in 2024, 2023 and 2022, respectively, and is presented as part of Other Operating Expenses in the interim condensed consolidated statements of income. There are no low-value assets that were not recognized as lease liabilities for the periods presented.

### 14.4 Additional Profit or Loss and Cash Flow Information

The total cash outflow in respect of leases amounted to P45.9 million and P107.7 million in March 31, 2024 and December 31, 2023, respectively, and is presented as part of Repayment of Loans and Borrowings in the interim condensed consolidated statements of cash flows.

The lease liabilities are secured by the related underlying assets. The maturity analysis of lease liabilities as at March 31, 2024, and December 31, 2023 and 2022 is as follows:

	<b>March 31, 2024 (Unaudited)</b>	December 31, 2023 (Audited)	December 31, 2022 (Audited)
Within one year	<b>P 121,790,101</b>	P 151,099,807	P 203,589,207
One to two years	<b>34,694,484</b>	39,505,947	74,683,304
Two to three years	<b>18,628,634</b>	18,093,997	25,054,940
Three to four years	<b>17,783,828</b>	18,439,337	11,370,394
Four to five years	<b>14,845,554</b>	15,160,222	1,147,381
	<b><u>P 207,742,600</u></b>	<u>P 242,299,310</u>	<u>P 315,845,226</u>

## 15. TRADE AND OTHER PAYABLES

This account consists of the following:

	Notes	<b>March 31, 2024 (Unaudited)</b>	December 31, 2023 (Audited)
Trade payables		<b>P 1,347,232,747</b>	P 1,303,943,480
Retention payable		<b>2,436,219,075</b>	2,324,103,239
Reservation deposits		<b>409,510,330</b>	369,930,983
Interest payable		<b>210,980,355</b>	208,484,648
Due to related parties	22.4	<b>149,711,690</b>	144,637,225
Accrued expenses		<b>115,914,350</b>	124,131,302
Security deposits	18	<b>74,622,645</b>	40,191,076
Others		<b><u>322,846,381</u></b>	<u>138,107,034</u>
		<b><u>P 5,067,037,573</u></b>	<u>P 4,653,528,987</u>

Retention payable pertains to amounts withheld from payments made to subcontractors to ensure compliance and completion of contracted projects ranging from 5% to 10% of every billing made by the contractor. Upon completion of the subcontracted projects, the amounts are returned to the subcontractors.

Reservation deposits pertain to the payments received from the buyers of condominium units which have not yet reached the collection threshold for revenue recognition.

Accrued expenses include mainly unpaid utilities.

Others include accrued salaries, other non-trade payables and advances from unit owners which represents deposits from the clients for payment of other charges, a portion of the total contract price of the unit purchased.

## 16. INTEREST-BEARING LOANS AND BORROWINGS

The details of short-term and long-term interest-bearing loans and borrowings are as follows:

	Notes	March 31, 2024 <b>(Unaudited)</b>	December 31, 2023 <u>(Audited)</u>
Current:			
Bank loans	16.2	<b>P 18,666,070,887</b>	P 17,391,402,346
Notes payable	16.1	<b>3,492,000,000</b>	3,528,000,000
Lease liabilities	14.2	<b><u>105,632,363</u></b>	<u>124,425,289</u>
		<b><u>22,263,703,250</u></b>	<u>21,043,827,635</u>
Non-current:			
Notes payable	16.1	<b>1,860,000,000</b>	1,860,000,000
Bonds payable	16.3	<b>3,957,449,143</b>	3,953,869,786
Bank loans	16.2	<b>4,314,210,540</b>	3,699,144,709
Lease liabilities	14.2	<b><u>73,683,150</u></b>	<u>45,161,433</u>
		<b><u>10,205,342,833</u></b>	<u>9,558,175,928</u>
		<b><u>P 32,469,046,083</u></b>	<u>P 30,602,003,563</u>

### 16.1 Notes Payable

#### (a) 2013 Notes Facility

On February 19, 2013, the Parent Company executed a notes facility agreement with a local universal bank. In this agreement, the Parent Company desired to offer and issue fixed-rate corporate notes in the aggregate principal amount of P4,000.0 million. The net proceeds of the notes after deducting direct issue costs, such as underwriting fees and commissions, documentary stamp tax and other expenses associated with the issuance, amounted to P3,957.3 million.

The notes constitute direct, unconditional, unsubordinated, general and unsecured obligation ranking at least pari passu with all other present and future direct, unconditional, unsubordinated and unsecured obligations of the Parent Company.

The notes are issued in three tranches with terms of five to ten years and interest rates referring to Philippine Dealing System Treasury (PDST) Fixing rates plus an interest spread of 1.5% to 1.75%. As at December 31, 2022, the notes were fully settled.

The Parent Company had complied with all the debt covenants set forth in the notes facility agreement.

*(b) 2016 Various Notes Facility*

In 2016, the Parent Company entered into various notes facility arrangement with a local bank to refinance the corporate note issued in 2011 and to finance its capital expenditure and general corporate requirements.

The notes constitute direct, unconditional, unsubordinated, general and unsecured obligation ranking at least pari passu with all other present and future direct, unconditional, unsubordinated and unsecured obligations of the Parent Company.

The notes are issued with the following details:

<u>Date Issued</u>	<u>Principal</u>	<u>Term in years</u>	<u>Interest Rate</u>
September 16, 2016	P 650,000,000	10	5.50%
December 5, 2016	350,000,000	10	6.37%
December 16, 2016	<u>1,000,000,000</u>	10	6.37%
	<b><u>P 2,000,000,000</u></b>		

These 10-year corporate notes bear an interest rate based on the closing per annum rates of a ten (10)-year PDST-R2 rate on the PDS Group website plus a certain spread. The Parent Company has to maintain a debt-to-equity ratio of not more than 2.33 and a debt service coverage ratio of at least 1.1.

On August 10, 2017, the Parent Company sent a letter to the bank requesting the waiver of one of the loan negative covenants that prohibits the stockholdings of Citicore in the Parent Company to fall below 51% or enter into profit sharing, partnership or joint venture whereby its profits are shared with any other person that may have a material adverse effect. In September 2017, the request was granted by the bank.

As of March 31, 2024 and December 31, 2023, the Parent Company has complied with all the debt covenants set forth in the notes facility agreement.

*(c) 2020 Various Notes Facility*

On February 19, 2020, the Parent Company signed a P5,000.0 million corporate note facility, the proceeds of which will be used by the Parent Company to (a) retire maturing debt obligations, (b) to fund growth projects, and (c) for general corporate purposes.

The notes constitute direct, unconditional, unsubordinated, general and unsecured obligation ranking at least pari passu with all other present and future direct, unconditional, unsubordinated and unsecured obligations of the Parent Company.

The notes will be issued in five tranches as follows:

	<u>Principal</u>
Tranche A	P 3,600,000,000
Tranche B	350,000,000
Tranche C	350,000,000
Tranche D	350,000,000
Tranche E	<u>350,000,000</u>
	<b><u>P 5,000,000,000</u></b>

These 4.5-year corporate notes bear a fixed interest rate based on the closing per annum rates of a 4.5-year PHP BVAL reference rate on the PDS Group website plus a certain spread, subject to a floor rate of 5%. The Parent Company has to maintain a debt-to-equity ratio of not more than 2.33 and a debt service coverage ratio of at least 1.10. Debt pertains to all interest-bearing loans and borrowing.

As of March 31, 2024 and December 31, 2023, the carrying amount of all the corporate notes are P5,352.0 million and P5,388.0 million, respectively.

The Parent Company is in compliance with all covenants required to be observed under the loan facility agreement as of March 31, 2024 and December 31, 2023.

## **16.2 Bank Loans**

### *(a) Omnibus Loan and Security Agreement – December 17, 2014*

On December 17, 2014, GMCAC entered into a P20,000.0 million (which at GMCAC's option may be increased up to P23,300.0 million) OLSA with various local universal banks, as onshore lenders. On January 26, 2015, the parties amended the facility to include another universal bank as offshore lender to contribute US \$75.0 million (or equivalent to P3,500.0 million) into the facility. On June 22, 2018, GMCAC amended the Amended and Restated OLSA increasing the facility by P870.0 million. The additional loan facility will be used to finance the investment related to the Fuel Hydrant System Infrastructure.

The facility had an original term of 15 years, the repayment of which starts in 2019 and shall continue every year thereafter until 2030; and, interest requirements that are payable annually. In 2021, GMCAC renegotiated the terms of its loan agreements with its lenders.

The modifications in the contractual cash flows are not substantial and therefore did not result in the derecognition of the affected financial liabilities.

GMCAC was in compliance with all covenants required to be observed based on the terms of the loan as of December 31, 2021.

In order to hedge the interest rate exposure on this floating rate US dollar-denominated loan, GMCAC entered into an interest rate swap transaction.

In 2022, as a result of the sale and deconsolidation of GMCAC, the outstanding balance of the loan amounting to P25,702.2 million was derecognized from the Group's 2022 consolidated statement of financial position.

*(b) OLSA for PITX project*

In 2015, MWMTI entered into an Omnibus Loan and Security Agreement (OLSA) with a local universal bank for a loan facility amounting to P3,300.0 million to finance the construction of the ITS Project. In 2019, MWMTI requested the lender to increase the loan by P600.0 million making the total principal loan to P3,900.0 million. In 2017, MWMTI made its first drawdown amounting to P825.0 million while the remaining loan facility was fully drawn in 2019 in tranches amounting to P3,075.0 million. The loan principal shall be amortized quarterly over 15 years and the first principal repayment is due on January 16, 2021. The interest-bearing loan is secured by the Joint Venturers and bears annual interest rates ranging from 4.9% to 7.6%, 2.8% to 6.9%, and 3.55% in 2023, 2022, and 2021, respectively.

The interest-bearing loan requires the MWMTI to maintain a maximum debt-to-equity ratio of 70:30. In addition, the MWMTI is also required to observe at all times until full payment of the loan a debt service coverage ratio of at least 1.25. MWMTI complied with all affirmative and negative covenants indicated in the OLSA.

*(c) Omnibus Loan and Security Agreement – May 10, 2023*

On May 10, 2023, Cebu2World entered into an Omnibus Loan and Security Agreement with a local universal bank for a loan facility to finance the development, design, construction and completion of the ongoing projects. Cebu2World availed the first drawdown last February 29, 2024.

*(d) Other Bank Loans*

As a result of acquisition of PH1, the Group recognized bank loans amounting to P508.5 million.

As of March 31, 2024 and December 31, 2023, the Group obtained various bank loans with total outstanding balance of P18,666.1 million and P17,391.4 million, respectively, representing unsecured short-term loans from other local banks. The loans bear fixed average annual interest rates of 6% in 2024 and 2023.

**16.3 Bonds Payable**

On August 17, 2022, the Parent Company listed fixed-rate bonds in the total amount of P4,000.0 million, inclusive of the P1,000.0 million oversubscription option, with the Philippine Dealing & Exchange Corp. The Fixed-Rate Bonds consists of Series A (P1.6 billion maturing in three years and six months from issue date at rate of 6.9506%) and Series B (P2.4 billion maturing in five years from issue date a rate of 7.9663%).

The net proceeds of the fixed-rate bonds shall be used by the Parent Company primarily to refinance its short-term debts, fund its capital expenditures and other general corporate requirements. The bonds require the Parent Company to maintain a debt-to equity ratio of not more than 2.33 and a debt service coverage ratio of not less than 1.10.

As of March 31, 2024 and December 31, 2023, the Parent Company is in compliance with these covenants.

Bond issue cost capitalized as part of the bonds amounted to P64.6 million. As of March 31, 2024 and December 31, 2023, amortization amounted to P3.6 million and P13.6 million while its net carrying value amounted to P42.6 million and P46.1 million, respectively.

## 17. CONTRACT LIABILITIES

The breakdown of contract liabilities is as follows:

	<b>March 31, 2024 (Unaudited)</b>	December 31, 2023 (Audited)
Construction contracts	<b>P 4,764,524,995</b>	P 5,080,265,478
Real estate sales	<u>133,619,794</u>	<u>195,098,005</u>
	<b><u>P 4,898,144,789</u></b>	<b><u>P 5,275,363,483</u></b>

These are presented and classified in the interim condensed consolidated statements of financial position as at March 31, 2024 and December 31, 2023 as follows:

	<u>2024</u>	<u>2023</u>
Current	<b>P 3,740,309,313</b>	P 4,901,660,540
Non-current	<u>1,157,835,476</u>	<u>373,702,943</u>
	<b><u>P 4,898,144,789</u></b>	<b><u>P 5,275,363,483</u></b>

The significant changes in the contract liabilities balances during the reporting periods are as follows:

	<b>March 31, 2024 (Unaudited)</b>	December 31, 2023 (Audited)
Balance at beginning of year	<b>P 5,275,363,483</b>	P 4,995,512,317
Increase due to billings excluding amount recognized as revenue during the year	<b>2,507,173,156</b>	4,007,630,723
Revenue recognized that was included in contract liability at the beginning of the year	<b>( 2,896,233,754)</b>	( 3,904,142,791)
Effect of consolidation of a subsidiaries	-	76,644,783
Effect of financing component	<u>11,841,904</u>	<u>99,718,451</u>
Balance at end of year	<b><u>P 4,898,144,789</u></b>	<b><u>P 5,275,363,483</u></b>

## 18. OTHER LIABILITIES

The details of this account are as follows:

	<b>March 31, 2024 <u>(Unaudited)</u></b>	<b>December 31, 2023 <u>(Audited)</u></b>
Current:		
Deferred output VAT	<b>P 145,759,885</b>	P 126,267,249
Deferred revenue	<b>118,093,655</b>	118,093,655
Withholding taxes	<b>38,803,416</b>	79,832,158
Government liabilities	<b>30,586,814</b>	23,246,496
Others	<b><u>8,944,247</u></b>	<u>9,722,701</u>
	<b><u>342,188,017</u></b>	<u>357,162,259</u>
Non-current:		
Security deposits	<b>298,504,100</b>	260,963,874
Unearned rent income	<b><u>249,837,561</u></b>	<u>232,727,278</u>
	<b><u>548,341,661</u></b>	<u>493,681,152</u>
	<b><u>P 890,529,678</u></b>	<u>P 850,853,411</u>

Deferred revenue represents advance payments from customers and concessionaires that are subject to refund or future billing applications within 12 months from the end of the reporting period.

The Group also received security deposits upon full operations of MWMTT's PITX. These deposits on lease agreements will be refunded at the end of the lease terms, which ranges from one to six years.

Unearned rent income pertains to the difference between the fair value and principal amount of security deposits received at the inception of the lease with concessionaires, which are amortized over the corresponding lease term.

## 19. REVENUES

When the Group prepares its investor presentations and when the Group's Executive Committee evaluates the financial performance of the operating segments, it disaggregates revenue similar to its segment reporting as presented in Note 4.4.

The Group determines that the categories used in the investor presentations and financial reports used by the Group's management can be used to meet the objective of the disaggregation disclosure requirement of PFRS 15 [except for rentals accounted for under PFRS 16 and disclosed herein as additional information], which is to disaggregate revenue from contracts with customers and other counterparties into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.



A summary of additional disaggregation from the segment revenues and other unallocated income for continuing operations are shown below and in the succeeding page.

	Note	Point in time	Over time	Short-term	Long-term	Total
<b>March 31, 2024:</b>						
Construction operations:	19.1					
Contract revenues	P	-	P 4,055,248,805	P -	P 4,055,248,805	P 4,055,248,805
Sale of ready-mix concrete	-	-	565,110,600	565,110,600	-	565,110,600
Sale of precast	-	-	206,624,123	206,624,123	-	206,624,123
Equipment rental	-	-	121,244,511	121,244,511	-	121,244,511
			<u>4,948,228,039</u>	<u>892,979,234</u>	<u>4,055,248,805</u>	<u>4,948,228,039</u>
Landport operations:	19.2					
Rental revenue – per contract	-	-	93,757,385	-	93,757,385	93,757,385
Rental revenue – effect of straight-line method	-	(	8,660,142)	-	( 8,660,142)	( 8,660,142)
Revenue from grantor payments	-	-	22,087,879	-	22,087,879	22,087,879
			<u>107,185,122</u>	<u>-</u>	<u>107,185,122</u>	<u>107,185,122</u>
Real Estate operations – Real estate revenue	19.3	-	146,885,959	-	146,885,959	146,885,959
		<b>P -</b>	<b>P 5,202,299,120</b>	<b>P 892,979,234</b>	<b>P 4,309,319,886</b>	<b>P 5,202,299,120</b>
<b>March 31, 2023:</b>						
Construction operations:	19.1					
Contract revenues	P	-	P 3,853,265,813	P -	P 3,853,265,813	P 3,853,265,813
Sale of precast	-	-	135,566,904	135,566,904	-	135,566,904
Sale of ready mix concrete	-	-	172,295,247	172,295,247	-	172,295,247
Equipment rental	-	-	105,226,962	105,226,962	-	105,226,962
			<u>4,266,354,926</u>	<u>413,089,113</u>	<u>3,853,265,813</u>	<u>4,266,354,926</u>
Landport operations:	19.2					
Rental revenue – per contract	-	-	90,629,107	-	90,629,107	90,629,107
Rental revenue – effect of straight-line method	-	(	19,126,021)	-	( 19,126,021)	( 19,126,021)
Revenue from grantor payments	-	-	18,652,488	-	18,652,488	18,652,488
			<u>90,155,574</u>	<u>-</u>	<u>90,155,574</u>	<u>90,155,574</u>
		<b>P -</b>	<b>P 4,356,510,500</b>	<b>P 413,089,113</b>	<b>P 3,943,421,388</b>	<b>P 4,356,510,500</b>
<b>March 31, 2022:</b>						
Construction operations:	19.1					
Contract revenues	P	-	P 2,796,336,933	P -	P 2,796,336,933	P 2,796,336,933
Sale of precast	-	-	616,053,269	616,053,269	-	616,053,269
Sale of ready mix concrete	-	-	170,512,543	170,512,543	-	170,512,543
Equipment rental	-	-	208,863,240	208,863,240	-	208,863,240
			<u>3,791,765,985</u>	<u>995,429,052</u>	<u>2,796,336,933</u>	<u>3,791,765,985</u>
Landport operations:	19.2					
Rental revenue – effect of straight-line method	-	-	79,242,399	-	79,242,399	79,242,399
Rental revenue – per contract	-	-	51,528,358	-	51,528,358	51,528,358
			<u>130,770,757</u>	<u>-</u>	<u>130,770,757</u>	<u>130,770,757</u>
		<b>P -</b>	<b>P 3,922,536,742</b>	<b>P 995,429,052</b>	<b>P 2,927,107,690</b>	<b>P 3,922,536,742</b>

### 19.1 Construction Operation Revenues

The details of this account for the years ended March 31, 2024, 2023 and 2022 are composed of the revenues from:

	2024 (Unaudited)	2023 (Unaudited)	2022 (Unaudited)
Contracts in progress	<b>P 3,778,408,482</b>	<b>P 3,117,555,368</b>	<b>P 1,875,434,967</b>
Completed contracts	<b><u>1,169,819,557</u></b>	<b><u>1,148,799,558</u></b>	<b><u>1,916,331,018</u></b>
	<b><u>P 4,948,228,039</u></b>	<b><u>P 4,266,354,926</u></b>	<b><u>P 3,791,765,985</u></b>

### ***19.2 Landport Operations Revenue***

The PITX Project undertaken by the Group with the DOTr gives the Group the control over the landport area and the right to collect concessionaire revenue. As disclosed in Note 8, contract assets include unbilled receivables which pertain to the cost of the landport area which is to be recovered through the Grantor payments.

The construction of the PITX Project was completed in 2019 and the Group has no unsatisfied performance obligations as of March 31, 2024 and December 31, 2023.

The details of landport operations revenue for the period ended March 31, 2024, 2023 and 2022 are composed of the revenues from:

	<b>2024</b>	2023	2022
	<b>(Unaudited)</b>	(Unaudited)	(Unaudited)
Rental revenue - per contract	<b>P 93,757,385</b>	P 90,629,107	P 79,242,399
Rental revenue - effect of straight-line method	<b>( 8,660,142)</b>	( 19,126,021)	51,528,358
Revenue from grantor payments	<b><u>22,087,879</u></b>	<u>18,652,488</u>	<u>-</u>
	<b><u>P 107,185,122</u></b>	<u>P 90,155,574</u>	<u>P 130,770,757</u>

### ***19.3 Real Estate Operations Revenue***

Real estate operations revenues comprise of residential condominium units sold in March 31, 2024 amounting to P146.9 million.

## **20. DIRECT COSTS**

### ***20.1 Cost of Construction Operations***

The following is the breakdown of this account for the period ended March 31:

	<b>2024</b>	2023	2022
	<b>(Unaudited)</b>	(Unaudited)	(Unaudited)
Materials	<b>P 1,591,997,640</b>	P 1,429,485,997	P 1,184,213,273
Outside services	<b>1,505,466,874</b>	1,390,851,240	1,148,215,121
Salaries and employee benefits	<b>399,641,356</b>	429,556,577	392,767,232
Depreciation	<b>339,931,892</b>	335,986,569	272,333,935
Project overhead	<b><u>266,858,753</u></b>	<u>277,595,285</u>	<u>199,355,277</u>
	<b><u>P 4,103,896,515</u></b>	<u>P 3,863,475,668</u>	<u>P 3,196,884,838</u>

Project overhead includes insurance, repairs and maintenance, gas and oil, travel and transportation, professional fees, utilities, municipal permits, taxes, security services, office supplies and various rental expenses of staging areas.

## 20.2 Cost of Landport Operations

The following is the breakdown of cost of landport operations for the period ended March 31:

	<b>2024</b>	2023	2022
	<b>(Unaudited)</b>	(Unaudited)	(Unaudited)
Depreciation and amortization	<b>P 49,300,312</b>	P 79,110,486	P 55,868,445
Terminal costs	<b>22,087,879</b>	11,718,141	25,206,495
Others	<b>8,322,306</b>	-	7,692,971
	<b><u>P 79,710,497</u></b>	<u>P 90,828,627</u>	<u>P 88,767,911</u>

## 20.3 Cost of Real Estate Operations

Cost of real estate operations include allocated land and development costs aggregating to P79.6 million in 2024.

## 21. EQUITY

### 21.1 Capital Stock

Capital stock consists of:

	<b>Shares</b>			<b>Amount</b>		
	<b>2024</b>	2023	2022	<b>2024</b>	2023	2022
Common shares – P1 par value						
Authorized	<b>4,930,000,000</b>	4,930,000,000	4,930,000,000	<b>P 4,930,000,000</b>	P4,930,000,000	P4,930,000,000
Subscribed and paid in:	<b>2,399,426,127</b>	2,399,426,127	2,399,426,127	<b>P 2,399,426,127</b>	P2,399,426,127	P2,399,426,127
Less: Treasury shares						
Balance at beginning of year and end of year	<b>386,016,410</b>	386,016,410	386,016,410	<b>P 4,615,690,576</b>	P 4,615,690,576	P 4,615,690,576
Issued and outstanding	<b><u>2,013,409,717</u></b>	<u>2,013,409,717</u>	<u>2,013,409,717</u>			
Preferred shares – P1 par value						
Authorized						
Balance at beginning of year	<b>186,000,000</b>	150,000,000	150,000,000	<b>P 186,000,000</b>	P 150,000,000	P 150,000,000
Increase during the year	<b>-</b>	36,000,000	-	<b>-</b>	36,000,000	-
Balance at end of year	<b>186,000,000</b>	186,000,000	150,000,000	<b>186,000,000</b>	186,000,000	150,000,000
Subscribed and paid in:						
Balance at beginning of year:						
Series 1	<b>40,000,000</b>	40,000,000	40,000,000	<b>40,000,000</b>	40,000,000	40,000,000
Series 2A	<b>26,220,130</b>	26,220,130	26,220,130	<b>26,220,130</b>	26,220,130	26,220,130
Series 2B	<b>17,405,880</b>	17,405,880	17,405,880	<b>17,405,880</b>	17,405,880	17,405,880
Series 3	<b>29,000,000</b>	20,000,000	20,000,000	<b>29,000,000</b>	20,000,000	20,000,000
Series 4	<b>40,000,000</b>	40,000,000	40,000,000	<b>40,000,000</b>	40,000,000	40,000,000
Series 5	<b>15,000,000</b>	-	-	<b>15,000,000</b>	-	-
Issuance during the year:						
Series 3	<b>-</b>	9,000,000	-	<b>-</b>	9,000,000	-
Series 4	<b>-</b>	-	-	<b>-</b>	-	-
Series 5	<b>-</b>	15,000,000	-	<b>-</b>	15,000,000	-
	<b><u>167,626,010</u></b>	<u>167,626,010</u>	<u>143,626,010</u>	<b><u>167,626,010</u></b>	<u>167,626,010</u>	<u>143,626,010</u>

	Shares			Amount		
	2024	2023	2022	2024	2023	2022
Less: Subscription receivable:						
Balance at beginning of year	21,750,000	15,000,000	15,000,000	21,750,000	15,000,000	15,000,000
Subscription – Series 3	-	6,750,000	-	-	6,750,000	-
Balance at end of year	21,750,000	21,750,000	15,000,000	21,750,000	21,750,000	15,000,000
Balance at end of year	145,876,010	145,876,010	128,626,010	P 145,876,010	P 145,876,010	P 128,626,010
Less: Treasury shares:						
Balance at beginning of year	66,220,130	40,000,000	40,000,000	6,622,013,000	4,000,000,000	4,000,000,000
Redemption of Series 1	-	-	-	-	-	-
Redemption of Series 2A	-	26,220,130	-	-	2,622,013,000	-
Balance at end of year	66,220,130	66,220,130	40,000,000	P 6,622,013,000	P 6,622,013,000	P 4,000,000,000
Issued and outstanding	79,655,880	79,655,880	88,626,010			

On September 22, 2014, the SEC approved the Parent Company’s amendment of articles of incorporation, which includes: (i) the Parent Company’s power to extend corporate guarantees to its subsidiaries and affiliates; and, (ii) the increase in its authorized capital stock of P5,000.0 million divided into 4,930.0 million common shares and 70.0 million cumulative, non-voting, non-participating, non-convertible to common shares and redeemable, at the option of the Parent Company, perpetual preferred shares. Both common and preferred shares have a par value of P1.00 per share.

On August 16, 2017, Megacore Holdings, Inc. (Megacore) acquired 313,786,575 shares representing 14.7% ownership over the Parent Company from Citicore Holdings Investment, Inc. (Citicore). This resulted in a decrease in Citicore’s ownership from 66.7% to 51.0%.

On December 20, 2017, the state-owned Social Security System acquired a total of 110,532,500 shares or equivalent to 5.2% interest of the Parent Company through purchase of 3.45% stake held by Megacore and the remaining interest from the public.

On December 22, 2017, Megacore further acquired additional shares from Citicore which resulted in an increase in Megacore’s equity interest to the Parent Company equivalent to 28.9% or 617,709,197 as of December 31, 2017.

On September 22, 2020, the SEC has approved the increase of the authorized capital stock of the Parent Company increasing the total authorized capital stock of the Parent Company to P5,054,000,000, divided into the following classes:

- a. 4,930,000,000 voting common shares with the P1 par value; and
- b. 124,000,000 cumulative, non-voting, non-participating, non-convertible, perpetual preferred shares with the P1 par value

The Preferred Shares shall be issued in series, sub-series or in tranches as the BOD may determine, and authority is hereby expressly granted to the BOD, to establish and designate the series, sub-series or tranches of the Preferred Shares, fix the issue price and the number of shares in each sub-series or tranche, establish the specific terms and conditions of each sub-series or tranche and determine the manner by which the Preferred Shares will be subscribed and paid for, such as but not limited to, a private placement transaction or public offering.

Preferred shares of stock shall be cumulative, non-voting, non-participating, non-convertible, perpetual; Provided, that no share will be issued below par value. The preferred shares shall have the following features, rights and privileges:

- a. The issue value of shares shall be determined by the BOD at the time of the issuance of the shares;
- b. The BOD shall declare a dividend rate equivalent to the 7-year benchmark rate or any other rate determined by the BOD as of issue date, payable on a date to be set by the BOD in accordance with Philippine laws, rules and regulations;
- c. Preferred shares shall be non-convertible into common shares;
- d. Preference over holders of common stock in the distribution of the corporate assets in the event of dissolution and liquidation of the corporation and in the payment of the dividend at the rate specified at the time of issuance;
- e. Preferred shares shall be cumulative;
- f. Preferred shares shall be non-participating in any other or further dividends beyond that specifically payable on the shares;
- g. Holders of preferred shares shall have no pre-emptive rights to any issue of shares, common or preferred; and,
- h. The preferred shares may be redeemed by the corporation at the sole option of the BOD at the price to be determined by the BOD.

On September 30, 2020, the Parent Company entered into a Subscription Agreement with Citicore whereby Citicore subscribed to 13,500,000 preferred shares of the Parent Company at P1.00 each and paid 25% of such subscription in cash amounting to P3.4 million.

On November 5, 2020, the SEC has approved the Parent Company's offer and sale of Series 2 preferred shares which are to be issued in two subseries: Series 2A and Series 2B preferred shares, at a subscription price of P100.00. As of December 31, 2020, preferred shares of 26,220,130 and 17,405,880 for Series 2A and 2B, respectively, were subscribed and listed in the PSE. As a result, the Parent Company recognized additional paid-in capital amounting to P4,281.4 million, arising from the excess of subscription price over par value of the issuance of Series 2A and 2B preferred shares. The Parent Company also recognized issuance-related costs amounting to P37.1 million which was charged against the additional paid in capital recorded from the issuance of Series 2A and 2B preferred shares.

On February 26, 2021, the Parent Company's BOD approved the resolution increasing the Parent Company's authorized capital stock on preferred shares by 26.0 million shares, to a total of 150.0 million cumulative, non-voting, non-participating, non-convertible, perpetual preferred shares at a par value of P1.00 per share, thereby increasing the Parent Company's total authorized capital stock to P5,080.0 million. At the same date, the BOD approved the offer and sale of up to 40.0 million preferred shares from the unissued authorized capital stock of the Parent Company and the issuance of 6.5 million shares to Citicore. On September 9, 2021, the SEC has approved the increase in capital stock of preferred shares.

On July 23, 2021, the Parent Company filed with the SEC a registration statement and preliminary prospectus relating to its offer and sale of up to 40.0 million Series 4 preferred shares with a par value of P1.00 per share, composed of a base offer of 30.0 million shares and an oversubscription option of up to 10.0 million shares, at an offer price of P100.00 per share. On September 30, 2021, the SEC has approved the Parent Company's offer and sale of Series 4 preferred shares. As a result, the Parent Company recognized additional paid-in capital amounting to P3,930.1 million, arising from the excess of subscription price over par value related to the issuance of Series 4 preferred shares. Transaction costs from the issuance amounting to P29.9 million was charged against the additional paid in capital relating to this issuance. The proceeds from such issuance were used for the redemption of the outstanding Series 1 preferred shares as discussed in the succeeding paragraphs.

On September 10, 2021, Citicore subscribed to additional 6.5 million preferred shares at a price of P1.00 per share and paid P1.6 million in cash representing the 25% of such subscription. As of December 31, 2021, Citicore has subscribed to a total of 20.0 million preferred shares at a par value of P1.00 per share, and has paid 25% of such subscription.

On October 19, 2021, the BOD approved the redemption of the Parent Company's Series 1 Preferred Shares on December 3, 2021, at a redemption price of P100.00 per share, increasing the treasury shares by P4,000.0 million. The cost of the redemption was considered temporarily as part of treasury shares until such time that the SEC approves the decrease in authorized capital stock of the Parent Company to reflect such redemption wherein the redemption price will be charged against the paid-up capital arising from the original issuance. The details of the redemption are as follows:

<i>Ex- date</i>	November 4, 2021
<i>Record date</i>	November 9, 2021
<i>Redemption date</i>	December 3, 2021

On November 4, 2022 and December 20, 2022, the Parent Company's BOD and stockholders, respectively, has approved the following increase in its authorized capital stock:

	<u>Common Shares</u>		<u>Preferred Shares</u>	
	<u>Number of shares</u>	<u>Amount</u>	<u>Number of shares</u>	<u>Amount</u>
FROM –				
Authorized – P1 par value	4,930,000,000	P 4,930,000,000	150,000,000	P 150,000,000
TO –				
Authorized – P1 par value	4,930,000,000	P 4,930,000,000	186,000,000	P 186,000,000

*Common shares – Voting*

*Preferred shares – Cumulative, non-voting, non-participating, non-convertible, perpetual*

On December 23, 2022, the Parent Company received deposits from Citicore amounting to P2.3 million equivalent to 25% of the subscription price of 9.0 million shares of stock of the Parent Company at par value of P1.00 per share. The deposit is presented as Deposits on Future Stock Subscription under Equity section in the 2022 consolidated statement of financial position.

On January 6, 2023, the Company filed with the SEC a Registration Statement and Preliminary Prospectus relating to its offer and sale of 15.0 million cumulative, non-voting, non-participating, non-convertible, redeemable (non-reissuable) perpetual preferred shares with a par value of P1.0 per share (the Offer Shares). The Offer Shares is for a total of 15.0 million Series 5 Preferred Shares, which shall be issued at a subscription price of P100.0 per share.

On February 15, 2023, the Parent Company's application for the increase in authorized capital stock was approved by the SEC. In 2023, the deposits on future stock subscription were converted to preferred shares (Series 3).

As of December 31, 2023, and 2022, the Parent Company has 35 and 29 holders of its common equity securities owning at least one board lot of 100 shares listed in the PSE, respectively, and its share price closed as of such dates at P3.1 and P3.1 per share in 2023 and 2022, respectively. The Parent Company has 2,399.4 million common shares traded in the PSE as of December 31, 2023, and 2022.

As of March 31, 2024, and December 31, 2023, the Parent Company has the following preferred shares traded in the PSE:

	<u>2024</u>		<u>2023</u>	
	<u>No of Shares</u>	<u>Closing Price</u>	<u>No of Shares</u>	<u>Closing Price</u>
Series 2A	26,220,130	P 97.0	26,220,130	P 97.0
Series 2B	17,405,880	92.5	17,405,880	93.8
Series 4	40,000,000	94.7	40,000,000	92.0
Series 5	15,000,000	101.7	15,000,000	101.5

## ***21.2 Retained Earnings***

### *21.2.1 Common Shares Dividends*

In 2023, the Parent Company's BOD approved the declaration of cash dividends for common shares in the amount of P0.50 per share or equivalent to P1,006.7 million each declaration date to all stockholders of record as of March 6, 2023 and May 26, 2023, payable on March 24, 2023 and June 16, 2023, respectively. No dividends were paid to common stockholders in 2024.

### *21.2.2 Preferred Shares Dividends*

#### *a) Series 1 Preferred Shares*

In 2021, the Parent Company's BOD approved the declaration of cash dividends of P1.76 per share or equivalent to P70.3 million per quarter (total of P281.0 million per year) to holders of Series 1 preferred shares, which were taken out of the unrestricted earnings as of December 31, 2020. In 2021, the BOD also approved the redemption of the Parent Company's Series 1 Preferred Shares.

The dividends on Series 1 preferred shares bear cumulative, non-participating cash dividends based on the issue price, payable quarterly in arrears every dividend payment date, at the fixed rate of 7.03% per annum from listing date.

The series of record dates and payments are as follows:

	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>
2021:				
<i>Series 1 Preferred Shares:</i>				
Approval dates	January 11, 2021	April 8, 2021	June 30, 2021	October 19, 2021
Record dates	February 8, 2021	May 18, 2021	August 9, 2021	November 9, 2021
Payment dates	March 1, 2021	June 3, 2021	September 3, 2021	December 3, 2021

*b) Series 2A and Series 2B Preferred Shares*

The Parent Company's BOD approved the declaration of cash dividends of P1.4 per share or equivalent to P25.0 million per quarter (total of P100.1 million per year) to holders of Series 2B preferred shares, which were taken out of the unrestricted earnings as of December 31, 2023.

The series of record dates and payments are as follows:

	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>
2024:				
Series 2A Preferred Shares:				
Approval dates	-	-	-	-
Record dates	-	-	-	-
Payment dates	-	-	-	-
Series 2B Preferred Shares:				
Approval dates	January 16, 2024	-	-	-
Record dates	February 7, 2024	-	-	-
Payment dates	February 27, 2024	-	-	-
2023:				
Series 2A Preferred Shares:				
Approval dates	February 6, 2023	April 26, 2023	-	-
Record dates	February 20, 2023	May 12, 2023	-	-
Payment dates	February 27, 2023	May 29, 2023	-	-
Series 2B Preferred Shares:				
Approval dates	February 6, 2023	April 26, 2023	August 1, 2023	October 19, 2023
Record dates	February 20, 2023	May 12, 2023	August 16, 2023	November 7, 2023
Payment dates	February 27, 2023	May 29, 2023	August 29, 2023	November 28, 2023
2022:				
Series 2A Preferred Shares:				
Approval dates	January 18, 2022	April 21, 2022	July 22, 2022	October 19, 2022
Record dates	February 4, 2022	May 9, 2022	August 8, 2022	November 7, 2022
Payment dates	February 28, 2022	May 27, 2022	August 30, 2022	November 28, 2022
Series 2B Preferred Shares:				
Approval dates	January 18, 2022	April 21, 2022	July 22, 2022	October 19, 2022
Record dates	February 4, 2022	May 9, 2022	August 8, 2022	November 7, 2022
Payment dates	February 28, 2022	May 27, 2022	August 30, 2022	November 28, 2022

*c) Series 4 Preferred Shares*

The Parent Company's BOD approved the declaration of cash dividends of P1.3 per share or equivalent to P53.0 million per quarter (total of P212.0 million per year) to holders of Series 4 preferred shares, which were taken out of the unrestricted earnings of the Parent Company as of December 31, 2023.



The series of record dates and payments are as follows:

	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>
<b>2024:</b>				
Series 4 Preferred Shares:				
Approval dates	January 5, 2024	-	-	-
Record dates	January 22, 2024	-	-	-
Payment dates	January 29, 2024	-	-	-
<b>2023:</b>				
Series 4 Preferred Shares:				
Approval dates	March 21, 2023	July 12, 2023	September 13, 2023	-
Record dates	April 11, 2023	July 26, 2023	October 10, 2023	-
Payment dates	May 2, 2023	July 31, 2023	October 30, 2023	-
<b>2022:</b>				
Series 4 Preferred Shares:				
Approval dates	March 22, 2022	June 23, 2022	September 23, 2022	December 21, 2022
Record dates	April 6, 2022	July 8, 2022	October 10, 2022	January 9, 2023
Payment dates	April 29, 2022	July 29, 2022	October 29, 2022	January 30, 2023

*d) Series 5 Preferred Shares*

The Parent Company's BOD approved the declaration of cash dividends of P1.98 per share or equivalent to P29.6 million per quarter (total of P118.6 million per year) to holders of Series 5 preferred shares, which were taken out of the unrestricted earnings of the Parent Company as of December 31, 2023.

The series of record dates and payments are as follows:

	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>
<b>2024:</b>				
Series 5 Preferred Shares:				
Approval dates	March 13, 2024	-	-	-
Record dates	April 2, 2024	-	-	-
Payment dates	April 17, 2024	-	-	-
<b>2023:</b>				
Series 5 Preferred Shares:				
Approval dates	-	July 12, 2023	September 11, 2023	December 11, 2023
Record dates	-	July 17, 2023	September 26, 2023	December 27, 2023
Payment dates	-	July 17, 2023	October 17, 2023	January 17, 2024

The Group's retained earnings are restricted up to the extent of the cost of its treasury shares, except those treasury shares acquired in the redemption of redeemable preferred shares amounting to P6,622.0 as of March 31, 2023 and December 31, 2023.

Under Section 4(1) of the SEC's 1982 Rules Governing Redeemable and Treasury Shares, the amount of unrestricted retained earnings equivalent to the cost of the treasury shares being held, other than those acquired in accordance with the exceptions provided in Section 3(1) of these rules, shall be restricted from being declared and issued as dividends. Section 3(1) provides that redeemed redeemable shares, although part of treasury shares, is not subtracted from the unrestricted retained earnings to determine the Retained Earnings Available for Dividend Declaration provided that the corporation must still have sufficient assets to cover debts and liabilities inclusive of capital stock, after redemption of the redeemable preferred shares.

### ***21.3 Treasury Shares***

On July 20, 2016, the Parent Company's BOD approved the buy-back of 410.8 million common shares held by Sybase Equity Investment Corporation at a price equal to the seven-trading day volume weighted average price ending on July 28, 2016 or equivalent to P10.03 per share. Total purchase price of the treasury shares including incidental cost of the buy-back amounted P4,138.8 million.

On October 20, 2016, the Parent Company's BOD approved the sale of its 150.0 million treasury shares at P14.90 per share. Net proceeds of the sale of treasury share amounted to P2,181.7 million, net of incidental cost of the transaction. Outstanding balance of the treasury shares after the sale is 260.8 million treasury shares at cost of P2,627.7 million.

On October 1, 2018, the Company's BOD approved a share buyback program worth up to P2.0 billion over a period of two years. Total cost to acquire treasury shares in 2020 and 2019 amounted to P703.1 million and P457.8 million, respectively, which is equivalent to 50.2 million and 26.1 million shares, respectively.

On March 3, 2020, the Parent Company's BOD approved an additional P3.0 billion to its share buyback program, making it a total of P5.0 billion and removal of the period within which to execute the program, making it open-ended. Total cost of acquired treasury shares in 2020 amounted to P703.1 million, which is equivalent to 50.2 million shares. There are no buyback transactions in 2022 and 2021.

On October 19, 2021, the Parent Company's BOD approved the redemption of its Series 1 Preferred Shares on December 3, 2021, at a redemption price of P100.00 per share, increasing the treasury shares by P4,000 million.

On April 26, 2023, the Parent Company's BOD approved the redemption of its Series 2A Preferred Shares, on May 29, 2023, at a redemption price of P100.00 per share, increasing the treasury shares by P2,622.0 million.

### ***21.4 Non-controlling Interest***

Noncontrolling interests pertain to the equity ownership of minority stockholders in GMCAC, GMI, MCLI, MCEI, MOMC, TPC, and Famtech. The Group determined that only the minority interest in GMCAC is considered as a material non-controlling interest, prior to its sale and deconsolidation from the Group in 2022.

Upon incorporation, the Parent Company acquired 15.0 million shares of GMCAC. The purchase of the shares is part of the shareholders' agreement to execute, undertake, and implement the Project in accordance with the concession agreement. The shares acquired represent 60% of the total issued and outstanding shares of GMCAC. The non-controlling interest represents 38.24% ownership of GMR Infrastructure (Singapore) Pte. Ltd. (GISPL) and 1.66% ownership of GIL in GMCAC.

As of March 31, 2024 and December 31, 2023, the non-controlling interests amounting to P511.7 million and P516.7 million, respectively, as presented in the interim condensed consolidated statements of financial position.

There were no dividends declared to non-controlling interests in 2024, 2023, and 2022.

## 22. RELATED PARTY TRANSACTIONS

The Group's related parties include its ultimate parent company and other shareholders, subsidiaries, associates, joint venture, parties related to the Parent Company by common ownership and key management personnel.

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 consolidated assets based on its latest interim condensed consolidated 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 vote of the Parent 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 Group's consolidated total assets based on the latest interim condensed consolidated financial statements, the same board approval would be required for the transactions that meet and exceed the materiality threshold covering the same related party.

The summary of the Group's transactions with related parties for the three months ended March 31, 2024 is as follows:

Related Party Category	Notes	Amount of Transaction	Outstanding Receivable (Payable)	Terms	Conditions
<b>Ultimate Parent Company:</b>					
Cash advance granted	5, 22.4	P -	P 3,089,095,108	Interest-bearing	Unsecured; Unimpaired
Interest receivable	5, 22.4	63,937,500	1,277,936,161	On demand; Noninterest-bearing	Unsecured; Unimpaired
Rent income	5, 22.2	-	255,848	Normal credit terms	Unsecured; Unimpaired
Cash advance obtained	15, 22.4	-	-	On demand; Noninterest-bearing	Unsecured; Unimpaired
<b>Associate:</b>					
Revenue from services	5, 19.1, 22.1	-	1,008,705,413	Normal credit terms	Unsecured; Unimpaired
Cash advance granted	5, 22.4	83,470	9,475,890	On demand; Noninterest-bearing	Unsecured; Unimpaired
Cash advance obtained	15, 22.4	-	( 30,000,000 )	On demand; Noninterest-bearing	Unsecured; Unimpaired
Rent income	5, 22.2	-	388,572	Normal credit terms	Unsecured; Unimpaired
<b>Joint Arrangement:</b>					
Revenue from services	5, 19.1, 22.1	225,692,111	178,277,516	Normal credit terms	Unsecured; Unimpaired
Cash advance granted	5, 22.4	-	901,012	On demand; Noninterest-bearing	Unsecured; Unimpaired
Cash advance obtained	15, 22.4	-	-	On demand; Noninterest-bearing	Unsecured; Unimpaired
<b>Shareholder:</b>					
Revenue from services	5, 22.1	-	681,053,980	Normal credit terms	Unsecured; Unimpaired
Cash advance granted	5, 22.4	-	889,795	On demand; Noninterest-bearing	Unsecured; Unimpaired
<b>Related Parties Under Common Ownership:</b>					
Rent income	5, 22.2	2,611,172	37,701,245	Normal credit terms	Unsecured; Unimpaired
Revenue from services	5, 19.1, 22.1	356,942	154,209,644	Normal credit terms	Unsecured; Unimpaired
Cash advance granted	5, 22.4	3,721,025	3,345,685,277	On demand; Interest-bearing and Noninterest-bearing	Unsecured; Unimpaired
Cash advance obtained	15, 22.4	( 5,074,466 )	( 29,478,098 )	On demand; Noninterest-bearing	Unsecured; Unimpaired
Interest receivable	5, 22.4	75,747,296	1,286,478,324	On demand; Noninterest-bearing	Unsecured; Unimpaired
<b>Retirement fund</b>		-	4,947,691	Upon retirement of beneficiaries	Partially funded; Unimpaired
<b>Advances to Officers and Employees</b>	5, 22.3	5,464,917	103,977,696	Upon liquidation, Noninterest-bearing	Unsecured; Unimpaired
<b>Key Management Personnel – Compensation</b>	22.6	60,541,613	-	On demand	Unsecured; Unimpaired

The summary of the Group's transactions with related parties for the three months ended March 31, 2023 is as follows:

<u>Related Party Category</u>	<u>Notes</u>	<u>Outstanding Amount of Transaction</u>	<u>Receivable (Payable)</u>	<u>Terms</u>	<u>Conditions</u>
<b>Ultimate Parent Company:</b>					
Cash advance granted	5, 22.4	P -	P 3,089,095,108	Interest-bearing	Unsecured; Unimpaired
Interest receivable	5, 22.4	42,625,000	1,026,406,920	On demand; Noninterest-bearing	Unsecured; Unimpaired
Rent income	5, 22.2	13,393	224,598	Normal credit terms	Unsecured; Unimpaired
<b>Associate:</b>					
Revenue from services	5, 19.1, 22.1	-	997,247,698	Normal credit terms	Unsecured; Unimpaired
Cash advance granted	5, 22.4	6,003,050	15,182,846	On demand; Noninterest-bearing	Unsecured; Unimpaired
Cash advance obtained	15, 22.4	( 5,084,525 )	( 24,915,475 )	On demand; Noninterest-bearing	Unsecured; Unimpaired
Rent income	5, 22.2	13,393	357,322	Normal credit terms	Unsecured; Unimpaired
<b>Joint Arrangement:</b>					
Revenue from services	5, 19.1, 22.1	174,756,542	73,651,126	Normal credit terms	Unsecured; Unimpaired
Cash advance granted	5, 22.4	( 334,734 )	286,620	On demand; Noninterest-bearing	Unsecured; Unimpaired
Cash advance obtained	15, 22.4	( 19,325,804 )	-	On demand; Noninterest-bearing	Unsecured; Unimpaired
<b>Shareholder:</b>					
Revenue from services	5, 22.1	43,736	624,093,318	Normal credit terms	Unsecured; Unimpaired
Cash advance granted	5, 22.4	( 280,771 )	757,143	On demand; Noninterest-bearing	Unsecured; Unimpaired
<b>Related Parties Under Common Ownership:</b>					
Rent income	5, 22.2	2,679,885	31,873,093	Normal credit terms	Unsecured; Unimpaired
Revenue from services	5, 19.1, 22.1	24,521,084	947,897,869	Normal credit terms	Unsecured; Unimpaired
Cash advance granted	5, 22.4	8,339,882	3,284,066,991	On demand; Interest-bearing and Noninterest-bearing	Unsecured; Unimpaired
Cash advance obtained	15, 22.4	( 21,782,787 )	( 23,503,803 )	On demand; Noninterest-bearing	Unsecured; Unimpaired
Interest receivable	5, 22.4	103,933,422	1,082,190,625	On demand; Noninterest-bearing	Unsecured; Unimpaired

Related Party Category	Notes	Outstanding Amount of Transaction	Receivable (Payable)	Terms	Conditions
<b>Retirement fund</b>		P -	P 4,677,017	Upon retirement of beneficiaries	Partially funded; Unimpaired
<b>Advances to Officers and Employees</b>	5, 22.3	1,292,994	99,884,365	Upon liquidation, Noninterest-bearing	Unsecured; Unimpaired
<b>Key Management Personnel – Compensation</b>	22.6	61,729,064	-	On demand	Unsecured; Unimpaired

The summary of the Group's transactions with related parties for the three months ended March 31, 2022 is as follows:

Related Party Category	Notes	Outstanding Amount of Transaction	Receivable (Payable)	Terms	Conditions
<b>Ultimate Parent Company:</b>					
Cash advance granted	5, 22.4	( P 200,000 )	P 3,089,296,278	Interest-bearing	Unsecured; Unimpaired
Interest receivable	5, 22.4	55,125,000	781,162,823	On demand; Noninterest-bearing	Unsecured; Unimpaired
<b>Associate:</b>					
Revenue from services	5, 19.1, 22.1	-	1,014,240,678	Normal credit terms	Unsecured; Unimpaired
Cash advance granted	5, 22.4	250	42,179,296	On demand; Noninterest-bearing	Unsecured; Unimpaired
Cash advance obtained	15, 22.4	-	( 20,000,000 )	On demand; Noninterest-bearing	Unsecured; Unimpaired
Rent income	5, 22.2	13,393	300,000	Normal credit terms	Unsecured; Unimpaired
<b>Joint Arrangement:</b>					
Revenue from services	5, 19.1, 22.1	246,167,262	83,749,823	Normal credit terms	Unsecured; Unimpaired
Cash advance granted	5, 22.4	( 621,354 )	-	On demand; Noninterest-bearing	Unsecured; Unimpaired
<b>Related Parties Under Common Ownership:</b>					
Rent income	5, 22.2	2,706,671	38,633,125	Normal credit terms	Unsecured; Unimpaired
Revenue from services	5, 19.1, 22.1	155,343,497	1,147,191,399	Normal credit terms	Unsecured; Unimpaired
Cash advance granted	5, 22.4	1,151,367	3,287,933,613	On demand; Interest-bearing and Noninterest-bearing	Unsecured; Unimpaired
Interest receivable	5, 22.4	55,125,000	781,162,823	On demand; Noninterest-bearing	Unsecured; Unimpaired

Related Party Category	Notes	Outstanding Amount of Transaction	Receivable (Payable)	Terms	Conditions
<b>Retirement fund</b>		P -	P 4,691,732	Upon retirement of beneficiaries	Partially funded; Unimpaired
<b>Advances to Officers and Employees</b>	5, 22.3	16,745,764	102,543,839	Upon liquidation, Noninterest-bearing	Unsecured; Unimpaired
<b>Key Management Personnel – Compensation</b>	22.6	91,671,050	-	On demand	Unsecured; Unimpaired

The summary of the Group's transactions with related parties for December 31, 2023 is as follows:

Related Party Category	Notes	Outstanding Amount of Transaction	Receivable (Payable)	Terms	Conditions
<b>Ultimate Parent Company:</b>					
Cash advance granted	5, 22.4	P -	P 3,089,095,108	Interest-bearing	Unsecured; Unimpaired
Interest receivable	5, 22.4	255,750,000	1,213,998,661	On demand; Noninterest-bearing	Unsecured; Unimpaired
Rent income	5, 22.2	44,643	255,848	Normal credit terms	Unsecured; Unimpaired
Cash advance obtained	15, 22.4	90,233,593	( 90,233,593 )	On demand; Noninterest-bearing	Unsecured; Unimpaired
<b>Associate:</b>					
Revenue from services	5, 19.1, 22.1	-	997,247,698	Normal credit terms	Unsecured; Unimpaired
Cash advance granted	5, 22.4	212,624	9,392,420	On demand; Noninterest-bearing	Unsecured; Unimpaired
Cash advance obtained	15, 22.4	-	( 30,000,000 )	On demand; Noninterest-bearing	Unsecured; Unimpaired
Rent income	5, 22.2	44,643	388,572	Normal credit terms	Unsecured; Unimpaired
<b>Joint Arrangement:</b>					
Revenue from services	5, 19.1, 22.1	854,651,398	22,486,709	Normal credit terms	Unsecured; Unimpaired
Cash advance granted	5, 22.4	614,391	901,012	On demand; Noninterest-bearing	Unsecured; Unimpaired
Cash advance obtained	15, 22.4	( 19,325,804 )	-	On demand; Noninterest-bearing	Unsecured; Unimpaired
<b>Shareholder:</b>					
Revenue from services	5, 22.1	17,857	682,513,352	Normal credit terms	Unsecured; Unimpaired
Cash advance granted	5, 22.4	( 148,118 )	889,795	On demand; Noninterest-bearing	Unsecured; Unimpaired

Related Party Category	Notes	Outstanding Amount of Transaction	Receivable (Payable)	Terms	Conditions
<b>Related Parties Under Common Ownership:</b>					
Rent income	5, 22.2	5,896,866	35,090,074	Normal credit terms	Unsecured; Unimpaired
Revenue from services	5, 19.1, 22.1	14,433,489	71,654,288	Normal credit terms	Unsecured; Unimpaired
Cash advance granted	5, 22.4	66,237,143	3,341,964,252	On demand; Interest-bearing and Noninterest-bearing	Unsecured; Unimpaired
Cash advance obtained	15, 22.4	22,682,615	( 24,403,632 )	On demand; Noninterest-bearing	Unsecured; Unimpaired
Interest receivable	5, 22.4	305,871,433	1,210,731,028	On demand; Noninterest-bearing	Unsecured; Unimpaired
<b>Retirement fund</b>		270,674	4,947,691	Upon retirement of beneficiaries	Partially funded; Unimpaired
<b>Advances to Officers and Employees</b>	5, 22.3	( 78,592 )	98,512,779	Upon liquidation, Noninterest-bearing	Unsecured; Unimpaired
<b>Key Management Personnel – Compensation</b>	22.6	249,645,711	-	On demand	Unsecured; Unimpaired



### ***22.1 Rendering of Services***

In the normal course of business, the Group provides construction services to its associate, a certain previous shareholder, and other related parties. The related revenue from these transactions amounted to P226.0 million, P869.1 million and P1,802.5 million and in 2024, 2023 and 2022, respectively, and is recognized as part of Construction Operation Revenues account in the interim condensed consolidated statements of income. Services rendered to the above related parties are based on normal terms similar to terms that would be available to non-related parties.

The outstanding contract receivables from these transactions, which are generally unsecured and settled through cash within three to six months, and the related retention receivables, which can only be collected after a certain period of time upon acceptance by project owners of the certificate of completion, are as part of Contract and Retention receivables under Trade and Other Receivables account in the interim condensed consolidated statements of financial position (see Note 5).

Through application of the ECL model based on the lifetime expected credit loss wherein the Group used its historical experience, external indicators and forward-looking information to calculate the ECL using the provision matrix, no impairment losses was required to be recognized for the period ended March 31, 2024 and December 31, 2023 and 2022.

### ***22.2 Rental of Land and Building***

The Group is a lessee of certain parcels of land and building owned by related parties under common ownership.

The Parent Company also leases out its office space to its associates and related parties under common ownership. As a result, the Group recognized rent income amounting to P2.6 million, P6.0 million, and P10.8 million in 2024, 2023 and 2022, respectively, from the lease of its office building to several related parties. This is recognized as part of Others – net under Income and Expenses section in the interim condensed consolidated statements of income. The outstanding balances arising from these transactions are presented as part of Other receivables under the Trade and Other Receivables account in the interim condensed consolidated statements of financial position (see Note 5).

### ***22.3 Advances to Officers and Employees***

Advances to officers and employees represent unsecured, noninterest-bearing cash advances for business-related expenditures that are to be liquidated 60 days from the date the cash advances were received. The outstanding receivables from these transactions are presented as part of Trade and Other Receivables (see Note 5).

No impairment losses were recognized in 2024, 2023 and 2022 for these advances.

## 22.4 Advances to and from Related Parties

The Group has provided unsecured, interest-bearing, and noninterest-bearing cash advances to its associates and certain related parties under common ownership for their working capital requirements. Interest income arising from advances to related parties amounted to P139.7 million, P146.6 million and P110.3 million in 2024, 2023 and 2022, respectively, are presented under finance income. Outstanding interest receivable relating to advances to related parties amounting to P2,852.6 million and P2,513.9 million in March 31, 2024 and December 31, 2023, are presented under Trade and Other Receivables (see Note 5). In 2024 and 2023, the Parent Company provided bridge financing to its parent and associates for the Group's business expansion and diversification program.

The breakdown of the outstanding balances are as follows:

	<b>March 31, 2024 (Unaudited)</b>	December 31, 2023 (Audited)
<i>Due to related parties (see Note 15):</i>		
Ultimate parent company	P -	P 90,233,593
Associates	<b>30,000,000</b>	30,000,000
Related party under common ownership	<b>29,478,098</b>	24,403,632
Joint arrangement	<u>-</u>	<u>-</u>
	<b><u>P 59,478,098</u></b>	<b><u>P 144,637,225</u></b>
<i>Advances to related parties (see Note 5):</i>		
Related party under common ownership	<b>P 3,345,685,276</b>	P 3,341,964,252
Ultimate parent company	<b>3,089,095,108</b>	3,089,095,108
Associates	<b>9,475,890</b>	9,392,420
Shareholder	<b>889,795</b>	889,795
Joint arrangement	<u><b>901,012</b></u>	<u>901,012</u>
	<b><u>P 6,446,047,081</u></b>	<b><u>P 6,442,242,587</u></b>

Further, upon assessment of recoverability based on the capacity to pay and expected collectability of these advances, no impairment losses were recognized in 2024, 2023 and 2022.

The Group's outstanding receivables from and payables to the same related parties as presented can be potentially offset to the extent of their corresponding outstanding balances.

### 22.5 Others

The Parent Company's retirement plan is in the form of a bank-trustee managed account. The fair value of the retirement plan totalled P4.9 million as of March 31, 2024 and December 31, 2023.

### 22.6 Key Management Compensation

The compensation of key management personnel for the periods ended March 31, 2024, 2023 and 2022 pertains only to short-term employee benefits amounting to P60.5 million, P61.7 million and P91.7 million, respectively.

## 23. COMMITMENTS AND CONTINGENCIES

There are commitments, guarantees and contingent liabilities that arise in the normal course of operations of the Group which are not reflected in the accompanying interim condensed consolidated financial information. Management is of the opinion, that losses, if any, from these items will not have any material effect on its interim condensed consolidated financial information.

## 24. EARNINGS (LOSS) PER SHARE

Earnings (loss) per share is calculated as Company's profit divided by the outstanding shares of its common stock and computed as follows:

	<b>Three Months Ended March 31 (Unaudited)</b>		
	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b><u>Continuing Operations:</u></b>			
Net profit (loss) attributable to shareholders of the Parent Company	<b>P 188,375,613</b>	(P 7,124,340)	P 136,163,789
Dividends on cumulative preferred shares	<b>( 107,661,703)</b>	( 109,157,357)	( 109,157,357)
Net profit (loss) available to common shareholders of the Parent Company	<b>80,713,910</b>	( 116,281,697)	27,006,432
Divided by weighted average number of outstanding common shares	<u><b>2,013,409,717</b></u>	<u>2,013,409,717</u>	<u>2,013,409,717</u>
Basic and diluted earnings (loss) from continuing operations per share	<u><b>P 0.04</b></u>	<u>(P 0.06)</u>	<u>P 0.01</u>

	<b>Three Months Ended March 31 (Unaudited)</b>		
	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b><u>Discontinued Operations:</u></b>			
Net profit (loss) available to common shareholders of the Parent Company	<b>P -</b>	P -	(P 196,911,955)
Divided by weighted average number of outstanding common shares	<u>-</u>	<u>-</u>	<u>2,013,409,717</u>
Basic and diluted earnings (loss) from discontinued operations per share	<b><u>P -</u></b>	<b><u>P -</u></b>	<b><u>(P 0.10)</u></b>
Basic and diluted earnings (loss) per share	<b><u>P 0.04</u></b>	<b><u>(P 0.06)</u></b>	<b><u>(P 0.08)</u></b>

The Group does not have dilutive potential common shares outstanding as of March 31, 2024, 2023 and 2022; hence, diluted earnings (loss) per share is equal to the basic earnings (loss) per share.

## 25. EVENTS AFTER THE END OF THE REPORTING PERIOD

The Parent Company's BOD approved the declaration of dividends on the following dates which shall be taken out of the unrestricted earnings of the Parent Company as of December 31, 2023.

	<u>2<sup>nd</sup> Quarter</u>	<u>Amount per share for each approval date</u>
<i>Series 4 Preferred shares:</i>		
Approval dates	March 22, 2024	P 1.33
Record dates	April 12, 2024	
Payment dates	April 29, 2024	
<i>Series 2b Preferred shares:</i>		
Approval dates	April 23, 2024	P 1.44
Record dates	May 10, 2024	
Payment dates	May 27, 2024	

## 26. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to a variety of financial risks in relation to its financial instruments. The Group's financial assets and financial liabilities by category are summarized in succeeding pages. The main types of risk are market risk, credit risk and liquidity risk.

The Group's risk management is coordinated with the Group's Parent Company, in close cooperation with the BOD, and focuses on actively securing the Group's short-to-medium term cash flows by minimizing the exposure to financial markets.

The Group does not actively engage in the trading of financial assets for speculative purposes, nor does it write options. The relevant financial risks to which the Group is exposed to are described below and in the succeeding pages.

### **26.1 Market Risk**

The Group is exposed to market risk through its use of financial instruments and specifically to foreign currency risk, interest rate risk and certain other price risk which result from its operating, investing, and financing activities.

#### *(a) Foreign Currency Risk*

Most of the Group's transactions are carried out in Philippine pesos, its functional currency. The Group also holds US dollar denominated cash in banks. The Group does not have any financial liabilities denominated in foreign currency.

Exposures to foreign exchange rates vary during the period depending on the volume of foreign currency transactions

#### *(b) Interest Rate Risk*

The Group's policy is to minimize interest rate cash flow risk exposures on long-term financing.

The Group is exposed to changes in market rates through its cash in banks and short-term placements which are subject to monthly repricing intervals and some short-term working capital loans which are subject to variable interest rate. Any increase in finance costs due to changes in interest rates will be mitigated by the finance income on cash and cash equivalents and short-term placements.

### **26.2 Credit Risk**

Credit risk is the risk that a counterparty may fail to discharge an obligation to the Group. The Group is exposed to this risk for various financial instruments, such as the granting of loans and receivables to customers and related parties and placing deposits with local banks.

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporate this information into its credit risk controls. The Group's policy is to deal only with creditworthy counterparties.

The maximum credit risk exposure of financial assets and contract assets is the carrying amount of the related assets as shown in the interim condensed consolidated statements of financial position or in the detailed analysis provided in the notes to the interim condensed consolidated financial statements, as summarized below.

	Notes	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Cash and cash equivalents	4	P 5,213,112,806	P 4,878,885,375
Trade and other receivables – net	5	20,342,079,756	19,057,405,746
Contract assets	8	5,824,144,449	5,640,188,614
Refundable security and bond deposits	11	<u>191,508,738</u>	<u>179,724,175</u>
		<u><b>P 31,570,845,749</b></u>	<u><b>P 29,756,203,910</b></u>

None of the Group’s financial assets are secured by collateral or other credit enhancements, except for cash and cash equivalents, as described in the succeeding pages.

(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) *Trade and Other Receivables and Contract Assets*

The Group applies the PFRS 9 simplified approach in measuring ECL which uses a lifetime expected loss allowance for all trade receivables and other receivables and contract assets.

To measure the ECL, trade and other receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due (age buckets). The Group also concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the other receivables as it shares the same credit risk characteristics.

The expected loss rates are based on the payment and aging profiles over a period of 36 months before March 31, 2024 or December 31, 2023 respectively, and the corresponding historical credit losses experienced within such period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the interest rate in the Philippines to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in this factor.

The Group identifies a default when the receivables become credit impaired or when the customer has not been able to settle the receivables when due, depending on the terms with customers or after completion and acceptance of the stage of completion as represented by the billings. In making the assessment, the Group considers the net position of the customer after advances and deposits received from the customer, reason for non-payment (i.e. dispute related to quality of work completed has been raised by the customer) and the credit standing of the customer. In addition, the

Group considers qualitative assessment in determining default such as in instances where the customer is unlikely to pay its obligations and is deemed to be in significant financial difficulty. When customer is unlikely to pay a past due account in the next year due to financial difficulty, an ECL is recognized in the books. The Group has determined that the credit standing and liquidity of the significant portion of its receivables and customers from the construction segment are not affected severely by COVID-19 as these customers have reputable cash management strategies.

On that basis, the loss allowance as at March 31, 2024 and December 31, 2023 was determined based on months past due, as follows, for both trade and other receivables:

	Not more than 3 months	More than 3 mos. but not more than 6 mos.	More than 6 mos. but not more than 1 year	More than 1 year	Total
<u>March 31, 2024:</u>					
<i>Expected credit loss rate</i>	-	-	-	17.01%	
Contract receivables	P 4,648,754,430	P 54,946,456	P 119,332,429	P 622,529,823	P 5,445,563,138
Lease receivables	<u>327,185,614</u>	<u>23,540,114</u>	<u>5,448,927</u>	<u>918,698,432</u>	<u>1,274,873,087</u>
	<u>4,975,940,044</u>	<u>78,486,570</u>	<u>124,781,356</u>	<u>1,541,228,255</u>	<u>6,720,436,255</u>
<b>Loss allowance</b>	<b><u>P -</u></b>	<b><u>P -</u></b>	<b><u>P -</u></b>	<b><u>P 262,111,638</u></b>	<b><u>P 262,111,638</u></b>
<u>December 31, 2023:</u>					
<i>Expected credit loss rate</i>	-	-	-	13.95%	
Contract receivables	P 4,016,814,301	P 27,277,620	P 197,808,828	P 618,791,178	P 4,860,691,927
Lease receivables	<u>345,729,767</u>	<u>58,265,555</u>	<u>85,545,831</u>	<u>767,273,553</u>	<u>1,256,814,706</u>
	<u>4,362,544,068</u>	<u>85,543,175</u>	<u>283,354,659</u>	<u>1,386,064,731</u>	<u>6,117,506,633</u>
<b>Loss allowance</b>	<b><u>P -</u></b>	<b><u>P -</u></b>	<b><u>P -</u></b>	<b><u>P 262,111,638</u></b>	<b><u>P 262,111,638</u></b>

The Group recognized an allowance for ECL amounting to P1,087.4 million representing unbilled costs incurred by the Group and assessed to be not recoverable. In 2022, the Group wrote-off certain contract assets. No impairment losses on contract assets have been recognized in 2024 and 2023.

The real estate sales receivables account pertaining to PH1 is secured to the extent of the fair value of the residential condominium units sold (i.e., based on current prices less estimated cost to sell) since the title to the real estate properties remains with the Group until the contract assets are fully collected. The fair value of the condominium units sold is usually higher than the carrying value of the related contract assets, hence, there is no expected loss given default on contract assets. In 2023, estimated fair value of collaterals held against the real estate sales receivables of PH1 exceeded the gross maximum exposure amounting to P538.3 million; hence, the related credit risk exposure is deemed immaterial.

The Group's rental receivables are secured to the extent of advance rentals and security deposits received from lessees. Furthermore, in case of delay in collection of rentals from lessees, the Group imposes penalties pursuant to its standard lease agreements.

ECL for advances to and receivable from related parties are measured and recognized using the liquidity approach. Management determines possible impairment based on the counterparties' ability to repay the receivables upon demand at the reporting date taking into consideration the historical defaults from the counterparties. The Group does not consider any significant risks in the advances to and receivable from related parties since the related parties have enough capacity to pay the advances and receivables upon demand.

(c) *Refundable Security and Bond Deposits*

The Group is not exposed to any significant credit risk exposures to its lessors as lease agreements were executed with reputable entities. The Group can negotiate, before the end of the lease term, to apply deposit to rentals due.

### 26.3 Liquidity Risk

The Group manages its liquidity needs by carefully monitoring cash outflows due in day-to-day business.

Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for six-month and one-year periods are identified monthly.

The Group maintains cash to meet its liquidity requirements for up to 60-day periods. Excess cash is invested in time deposits or short-term placements. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

	<u>Current</u>		<u>Non-current</u>
	<u>Within</u>	<u>6 to 12</u>	<u>1 to 5</u>
	<u>6 Months</u>	<u>Months</u>	<u>Years</u>
<b>March 31, 2024:</b>			
Interest-bearing loans and borrowings	P 18,322,368,921	P 3,941,334,329	P 10,205,342,833
Trade and other payables	5,067,037,573	-	-
Security deposits*	-	-	298,504,100
	<b><u>P 23,389,406,494</u></b>	<b><u>P 3,941,334,329</u></b>	<b><u>P 10,503,846,933</u></b>
<b>December 31, 2023:</b>			
Interest-bearing loans and borrowings	P 17,082,878,391	P 4,167,091,185	P 10,839,396,032
Trade and other payables	4,371,038,698	-	-
Security deposits*	-	-	260,963,874
	<b><u>P 21,453,917,089</u></b>	<b><u>P 4,167,091,185</u></b>	<b><u>P 11,100,359,906</u></b>

*\*Under Other Non-Current Liabilities only, current portion of security deposits is included as part of Trade and Other Payables*

The above contractual maturities reflect the gross cash flows, which may differ from the carrying values of the financial liabilities at the end of reporting periods.



## 27. CATEGORIES, OFFSETTING AND FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The carrying amounts and fair values of the categories of financial assets and financial liabilities presented in the interim condensed consolidated statements of financial position are shown below.

	Notes	March 31, 2024 (Unaudited)		December 31, 2023 (Audited)	
		Carrying Values	Fair Values	Carrying Values	Fair Values
<b>Financial Assets</b>					
At amortized cost:					
Cash and cash equivalents	4	P 5,213,112,806	P 5,213,112,806	P 4,878,885,375	P 4,878,885,375
Trade and other receivables – net	5	20,342,079,756	20,342,079,756	19,057,405,746	19,057,405,746
Refundable security and bond deposits	11	<u>191,508,738</u>	<u>191,508,738</u>	<u>179,724,175</u>	<u>179,724,175</u>
		<u>25,746,701,300</u>	<u>25,746,701,300</u>	<u>24,116,015,296</u>	<u>24,116,015,296</u>
Financial assets at FVOCI:					
Club shares		1,044,472	1,044,472	1,044,472	1,044,472
Investment in SSPI		<u>2,500,000</u>	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,500,000</u>
		<u>3,544,472</u>	<u>3,544,472</u>	<u>3,544,472</u>	<u>3,544,472</u>
		<b>P 25,750,245,772</b>	<b>P 25,750,245,772</b>	<b>P 24,119,559,768</b>	<b>P 24,119,559,768</b>
<b>Financial Liabilities</b>					
At amortized cost:					
Interest-bearing loans and borrowings	16	P 32,469,046,083	P 32,469,046,083	P 30,602,003,563	P 27,735,555,609
Trade and other payables	15	5,067,037,573	5,067,037,573	4,653,528,987	4,653,528,987
Security deposits*	18	<u>298,504,100</u>	<u>298,504,100</u>	<u>260,963,874</u>	<u>260,963,874</u>
		<u>P 37,834,587,756</u>	<u>P 37,834,587,756</u>	<u>P 35,516,496,424</u>	<u>P 32,650,048,470</u>

\*Under Other Non-Current Liabilities only, current portion of security deposits is included as part of Trade and Other Payables

A description of the Group's risk management objectives and policies for financial instruments is provided in Note 26.

### 27.1 Offsetting of Financial Assets and Financial Liabilities

Currently, all other financial assets and financial liabilities are settled on a gross basis and no offsetting of financial instruments has been made in 2024 and 2023. However, each party to the financial instrument (particularly related parties) will have the option to settle amounts on a net basis in the event of default of the other party through approval by both parties' BOD and stockholders. As such, the Group's outstanding receivables from and payables to the same related parties as presented in Note 22 can be potentially offset to the extent of their corresponding outstanding balances.

### 27.2 Fair Value Hierarchy

In accordance with PFRS 13, *Fair Value Measurement*, the fair value of financial assets and financial liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS, are categorized into three levels based on the significance of inputs used to measure the fair value. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or 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 value of another instrument which is substantially the same after taking into account the related credit risk of counterparties, or is calculated based on the expected cash flows of the underlying net asset base of the instrument.

When the Group uses valuation technique, it maximizes the use of observable market data where it is available and rely 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.

### ***27.3 Financial Instruments Measured at Fair Value***

Since the fair value of the Group's financial assets through FVOCI approximates the cost amounting to P3.5 million both as of March 31, 2024 and December 31, 2023, respectively, the fair value change is deemed immaterial. The Parent Company's financial assets through FVOCI are under Level 2 and 3 of the fair value hierarchy.

As of March 31, 2024, and December 31, 2023, instrument included in Level 2 comprise equity securities classified as financial assets at FVOCI. These securities were valued based on their fair market values by reference on published share prices of golf club shares and as at March 31, 2024 and December 31, 2023, respectively. These are included in Level 2 as their prices are not derived from market considered as active due to lack of trading activities among market participants at the end or close to the end of the reporting period.

The Group has equity interest of 1% in SSPI as of March 31, 2024 and December 31, 2023. These securities were valued based on entity specific estimate, thus included in Level 3.

The Group has no financial liabilities measured at fair value as of March 31, 2024 and December 31, 2023.

There were neither transfers between Levels 1 and 2 nor changes in Level 3 instruments in both years.

## 27.4 Financial Instruments Measured at Amortized Cost

The table below summarizes the fair value hierarchy of the Group's financial assets and financial liabilities which are not measured at fair value in the interim condensed consolidated 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>March 31, 2024:</b>				
<i>Financial assets:</i>				
Cash and cash equivalents	P 5,213,112,806	P -	P -	P 5,213,112,806
Trade and other receivables - net	-	-	20,342,079,756	20,342,079,756
Refundable security and bond deposits	-	-	191,508,738	191,508,738
	<b><u>P 5,213,112,806</u></b>	<b><u>P -</u></b>	<b><u>P 20,533,588,494</u></b>	<b><u>P 25,746,701,300</u></b>
<i>Financial liabilities:</i>				
Interest-bearing loans and borrowings	P -	P -	P 32,469,046,083	P 32,469,046,083
Trade and other payables	-	-	5,067,037,573	5,067,037,573
Security deposits	-	-	298,504,100	298,504,100
	<b><u>P -</u></b>	<b><u>P -</u></b>	<b><u>P 37,834,587,756</u></b>	<b><u>P 37,834,587,756</u></b>
<b>December 31, 2023:</b>				
<i>Financial assets:</i>				
Cash and cash equivalents	P 4,878,885,375	P -	P -	P 4,878,885,375
Trade and other receivables - net	-	-	19,057,405,746	19,057,405,746
Refundable security and bond deposits	-	-	179,724,175	179,724,175
	<b><u>P 4,878,885,375</u></b>	<b><u>P -</u></b>	<b><u>P 19,237,129,921</u></b>	<b><u>P 24,116,015,296</u></b>
<i>Financial liabilities:</i>				
Interest-bearing loans and borrowings	P -	P -	P 27,735,555,609	P 27,735,555,609
Trade and other payables	-	-	4,653,528,987	4,653,528,987
Security deposits	-	-	260,963,874	260,963,874
	<b><u>P -</u></b>	<b><u>P -</u></b>	<b><u>P 32,650,048,470</u></b>	<b><u>P 32,650,048,470</u></b>

## 27.5 Fair Value Measurement for Investment Property Carried at Cost

The table below shows the fair value of the Group's investment property measured at cost but for which fair value is disclosed and determined under the Level 3 fair value hierarchy.

	<u>Note</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>
Building for lease	13	<b>P 3,985,165,000</b>	P 3,985,165,000
Land	13	<b><u>1,915,926,447</u></b>	<u>1,915,926,447</u>
		<b><u>P 5,901,091,447</u></b>	<u>P 5,901,091,447</u>

The fair value of certain parcels of land 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 Group's management with respect to the determination of the inputs such as the size, age, and condition of the land and buildings, and the comparable prices in the corresponding property location. On the other hand, the fair value of other parcels of land was derived using the market comparable approach that reflects the recent transaction prices for similar properties in nearby locations. Both valuation process was applied as sale comparable method.

In estimating the fair value of investment property, 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 Group's non-financial assets indicated above is their current use. In 2024 and 2023, the Level 3 fair value of commercial area under investment properties was determined using the income approach which utilized discounted cash flow method to convert future cash flows to be generated by the non-financial assets in reference to the value of expected income, net of cost of services, other operating expenses and income taxes. The significant unobservable inputs used in the valuation of the property were future annual free cash flows ranging from P520.0 million to P2,400.0 million for average period of 29 years. The discount rates applied in determining the present value of future annual free cash flows is 12%. The management has determined that a reasonably possible change in the unobservable inputs to a different amounts or rates would not cause the fair values of the non-financial assets to be increase or decrease significantly.

There has been no other change to the valuation techniques used by the Group for its non-financial assets. Also, there were no transfers into or out of Level 3 fair value hierarchy in 2024 and 2023.

## 28. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Presented below is the reconciliation of the Group's liabilities arising from financing activities, which includes both cash and non-cash changes.

	Bank Loans (Note 16)	Notes Payable (Note 16)	Lease Liabilities (Note 14)	Bonds Payable (Note 16)	Exchangeable Notes (Note 9)	Total
Balance as of January 1, 2024	P21,090,547,054	P 5,388,000,000	P 169,586,723	P 3,953,869,786	P 7,763,200,000	P 38,365,203,563
Cash flows from financing activities:						
Additional borrowings	7,590,795,774	-	55,588,486	-	-	7,646,384,260
Repayment of borrowings	( 5,701,061,401)	( 36,000,000)	( 45,859,696)	-	-	( 5,782,921,097)
Non-cash financing activities:						
Effect of consolidation of a subsidiaries	-	-	-	-	-	-
Pre-termination	-	-	-	-	-	-
Additional lease liabilities	-	-	-	-	-	-
Amortization of deferred charges	-	-	-	3,579,357	-	3,579,357
<b>Balance as of March 31, 2024</b>	<b><u>P22,980,281,427</u></b>	<b><u>P 5,352,000,000</u></b>	<b><u>P 179,315,513</u></b>	<b><u>P 3,957,449,143</u></b>	<b><u>P 7,763,200,000</u></b>	<b><u>P40,232,246,083</u></b>
Balance as of January 1, 2023	P18,112,968,586	P 5,444,000,000	P 281,819,227	P 3,940,233,693	P 7,763,200,000	P 35,542,221,506
Cash flows from financing activities:						
Additional borrowings	15,962,201,900	-	-	-	-	15,962,201,900
Repayment of borrowings	( 13,484,686,134)	( 56,000,000)	( 107,716,696)	-	-	( 13,648,402,830)
Non-cash financing activities:						
Effect of consolidation of a subsidiaries	500,062,702	-	8,412,681	-	-	508,475,383
Pre-termination	-	-	( 36,735,903)	-	-	( 36,735,903)
Additional lease liabilities	-	-	23,807,414	-	-	23,807,414
Amortization of deferred charges	-	-	-	13,636,093	-	13,636,093
<b>Balance as of December 31, 2023</b>	<b><u>P21,090,547,054</u></b>	<b><u>P 5,388,000,000</u></b>	<b><u>P 169,586,723</u></b>	<b><u>P 3,953,869,786</u></b>	<b><u>P 7,763,200,000</u></b>	<b><u>P38,365,203,563</u></b>
Balance as of January 1, 2022	P43,466,007,561	P 5,569,791,232	P 465,697,699	P -	P -	P49,501,496,492
Cash flows from financing activities:						
Additional borrowings	16,541,804,650	-	-	3,940,233,693	7,763,200,000	28,245,238,343
Repayment of borrowings	( 16,190,177,018)	( 125,791,232)	( 296,845,377)	-	-	( 16,612,813,627)
Non-cash financing activities:						
Effect of deconsolidation	( 25,704,666,607)	-	-	-	-	( 25,704,666,607)
Additional lease liabilities	-	-	112,966,905	-	-	112,966,905
<b>Balance as of December 31, 2022</b>	<b><u>P18,112,968,586</u></b>	<b><u>P 5,444,000,000</u></b>	<b><u>P 281,819,227</u></b>	<b><u>P 3,940,233,693</u></b>	<b><u>P 7,763,200,000</u></b>	<b><u>P35,542,221,506</u></b>

## 29. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return to shareholders by pricing services commensurate with the level of risk.

The Group monitors capital on the basis of the carrying amount of equity as presented on the interim condensed consolidated statements of financial position.

The Group sets the amount of capital in proportion to its overall financing structure, equity and liabilities. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares, re-issuance of treasury shares or sell assets to reduce debt.

	<u>Note</u>	<b>March 31, 2024 (Unaudited)</b>	<b>December 31, 2023 (Audited)</b>
Interest-bearing loans and borrowings ( <i>excluding lease liabilities</i> )	16	<b>P 32,289,730,570</b>	P 30,432,416,841
Total equity		<b><u>17,008,479,007</u></b>	<u>16,932,773,747</u>
		<b><u>1.90:1.00</u></b>	<u>1.80:1.00</u>

15 April 2024

**THE DISCLOSURE DEPARTMENT**  
**THE PHILIPPINE STOCK EXCHANGE, INC.**  
6/F PSE Tower, 5<sup>th</sup> Avenue corner 28<sup>th</sup> Street  
Bonifacio Global City, Taguig City

Attention: **MS. ALEXANDRA D. TOM WONG**  
*Officer-in-Charge, Disclosure Department*

Gentlemen and Mesdames:

In compliance with the disclosure requirements of the Philippine Stock Exchange, Inc., please find enclosed are the following:

1. Quarterly Progress Report on the Application of Proceeds from the Preferred Shares Offering of Megawide Construction Corporation as of and for the Quarter Ended 31 March 2024; and
2. Report of Independent Auditors on Factual Findings.

**MEGAWIDE CONSTRUCTION CORPORATION**

By:



\_\_\_\_\_  
**JEZ G. DELA CRUZ**  
*Chief Financial Officer*

15 April 2024

**THE DISCLOSURE DEPARTMENT**  
**THE PHILIPPINE STOCK EXCHANGE, INC.**  
6/F PSE Tower, 5<sup>th</sup> Avenue corner 28<sup>th</sup> Street  
Bonifacio Global City, Taguig City

Attention: **MS. ALEXANDRA D. TOM WONG**  
*Officer-in-Charge, Disclosure Department*

Re: **MEGAWIDE CONSTRUCTION CORPORATION**  
*Quarterly Progress Report as of and for the Quarter Ended 31 March 2024 on the Application of Proceeds from the Preferred Shares Offering with Certification of Independent Auditors*

Gentlemen and Mesdames:

In connection with the preferred shares offering of **MEGAWIDE CONSTRUCTION CORPORATION** (the "Company") on 27 November 2020, we submit herewith the Company's quarterly report on the application of the proceeds from the said offering. The details of the disbursements made as of and for the quarter ended 31 March 2024 are as follows:

<b>Offering Proceeds</b> (43,626,010 shares at PhP 100.00 per share)	<b>PhP</b>	<b>4,362,601,000.00</b>
Less: Expenses related to the public offering*		
Underwriting fees		23,881,930.83
Registration and filing fees		6,830,655.00
Professional fees		5,986,013.50
Documentary stamp tax		436,260.10
<b>Net Offering Proceeds</b>	<b>PhP</b>	<b>4,325,466,140.57</b>
Less: Disbursements		
Accumulated costs incurred as of December 31, 2023		2,897,676,902.21
Costs incurred for the quarter ended March 31, 2024		63,694,017.99
	<b>PhP</b>	<b>2,961,370,920.20</b>
<b>Balance of the Offering Proceeds as of March 31, 2024</b>	<b>PhP</b>	<b>1,364,095,220.37</b>

*\*The expenses related to the preferred shared offering amounting to PhP 36.7 million, which were incurred prior to the receipt of the proceeds from the offering, were initially funded using the Company's working capital. The Company charged this amount against the proceeds from the offering in the last quarter of 2020.*

We hope you find everything in order.

Very truly yours,

**MEGAWIDE CONSTRUCTION CORPORATION**

By:

  
\_\_\_\_\_  
**JEZ G. DELA CRUZ**  
*Chief Financial Officer*



## Report of Independent Auditors on Factual Findings

**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 Stockholders**  
**Megawide Construction Corporation**  
*(A Subsidiary of Citicore Holdings Investment, Inc.)*  
20 N. Domingo Street  
Brgy. Valencia  
Quezon City

We have performed the procedures agreed with you and enumerated in the succeeding page with respect to the attached Quarterly Progress Report (the Report) as of and for the quarter ended March 31, 2024 on the application of proceeds from the Preferred Shares Offering (Offering Proceeds) of Megawide Construction Corporation (the Company) on November 27, 2020. The procedures were performed solely to enable the Company to comply with the requirement of the Philippine Stock Exchange (PSE) to submit the Report relating to the application of the Offering Proceeds accompanied by an external auditor's report. Our engagement was undertaken and our report is issued in accordance with Philippine Standard on Related Services 4400 (Revised), *Agreed-Upon Procedures Engagements*, applicable to agreed-upon procedures engagements.

We present below the summary of the breakdown and application of the Offering Proceeds as of and for the quarter ended March 31, 2024, based on the information we obtained from the Company.

	Initial Allocation of Offering Proceeds on November 27, 2020	Revised Allocation of Offering Proceeds as of February 26, 2021	Application of Offering Proceeds as of December 31, 2023	Application of Offering Proceeds for the Quarter Ended March 31, 2024	Balance of Offering Proceeds as of March 31, 2024
Ninoy Aquino International Airport (NAIA) rehabilitation	P 1,224,188,530.35	P -	P -	P -	P -
Development of Cebu Integrated Transport Hub	830,037,568.21	1,274,700,551.18	1,274,700,551.18	-	-
Expansion of MCIA Under Concession Agreement 2 (CA2)	816,125,686.90	816,125,686.90	816,125,686.90	-	-
Development of Lot 2 of the Paranaque Integrated Terminal Exchange (PITX) and other locations	647,702,950.76	994,686,674.38	-	-	994,686,674.38
Expansion of Pre-cast and other ancillary business units	375,609,437.17	576,828,778.51	397,414,126.23	63,694,017.99	115,720,634.29
Mactan Cebu International Airport (MCIA) multi-use developments	215,900,983.59	331,562,224.80	77,874,313.10	-	253,637,911.70
General corporate purposes	215,900,983.59	331,562,224.80	331,562,224.80	-	-
	<b>P 4,325,466,140.57</b>	<b>P 4,325,466,140.57</b>	<b>P 2,897,676,902.21</b>	<b>P 63,694,017.99</b>	<b>P 1,364,095,220.37</b>

**Certified Public Accountants**  
Punongbayan & Araullo (P&A) is the Philippine member firm of Grant Thornton International Ltd.

Offices in Cavite, Cebu, Davao  
BOA/ PRC Cert of Reg. No. 0002  
SEC Accreditation No. 0002

grantthornton.com.ph

### Agreed-upon Procedures

The agreed procedures we performed are as follows:

1. Obtained and checked the mathematical accuracy of the following:
  - a. The Report;
  - b. Reallocation of the Use of Proceeds Report;
  - c. Schedule of planned use of proceeds from the Offering Prospectus; and,
  - d. Detailed schedule of utilization of proceeds as of and for the quarter ended March 31, 2024.
2. Agreed total amount of disbursement of the Offering Proceeds shown in the Report to the detailed schedule of disbursements of proceeds as of and for the quarter ended March 31, 2024.
3. Compared the disbursements of the Offering Proceeds shown in the Report with the schedule of planned use of proceeds indicated in the Offering Prospectus and its approved subsequent revision of allocation.
4. Inquired and identified the nature of disbursements of the Offering Proceeds in the detailed schedule and checked that such disbursements were consistent with the planned use of the Offering Proceeds.
5. Traced and examined supporting documents of the disbursements in the schedule and agreed the total amount of disbursements per category in the Report.

### Results of the Performance of Agreed-Upon Procedures

1. With respect to item 1, we noted no exceptions on the mathematical accuracy of the Report and schedules.
2. With respect to item 2, we noted that the total amount of disbursements appearing in the Report agrees with the amount in the detailed schedule of disbursements of the Offering Proceeds.
3. With respect to item 3, we found the disbursements of proceeds in the Report as of and for the quarter ended March 31, 2024 is consistent with the planned application of proceeds indicated in the Use of Proceeds section of the Offering Prospectus and its subsequent revision of allocation as approved by the Company's Board of Directors (BOD) on February 26, 2021 and disclosed in the Philippine Stock Exchange Electronic Disclosure Generation Technology on March 1, 2021.
4. With respect to item 4, we noted the following:
  - a.) The details of the disbursements incurred from January 1 to March 31, 2024 showed that the Company used the Offering Proceeds for the following purposes:

- ***NAIA Rehabilitation***

The government's airport modernization and expansion program opened up exciting opportunities for the private sector to contribute to the country's infrastructure development program. Being the largest private sector airport operator, by virtue of its concession agreement with the Philippines' second busiest airport, the Company is well positioned and has a unique advantage to participate in other airport development projects in the government's pipeline.

In a letter dated July 15, 2020, the Manila International Airport Authority (MIAA) granted the consortium led by the Company with GMR Infrastructure Limited as partner operator, the Original Proponent Status (OPS) for the development of the NAIA. Under the Build-Operate-Transfer (BOT) Law, the holder of the OPS will have the right to match any competing offer from another proponent under the Swiss Challenge scenario, subject to the terms and conditions of the Swiss Challenge process.

The project proposal plans for a phased redevelopment of existing NAIA terminals to remove decongestion and increase annual total passenger-handling capacity from the existing 30 million passengers to 65 million. The deliverables also include expanding and interconnecting the existing terminals of NAIA using a People Mover System, upgrading airside facilities, developing commercial facilities to increase airline and airport efficiencies, enhancing passenger comfort and experience and elevating the status of NAIA as the country's premier international gateway.

The Company received communication from the MIAA on December 15, 2020 stating that consortium's OPS has been revoked, with no formal notice on the reasons for the revocation. The Company has submitted a motion for reconsideration for its proposal on December 21, 2020, as it has, at all stages, complied with the all the government's requirements for its unsolicited proposal. The BOD of MIAA denied the motion for reconsideration of the Company, which sought to overturn the revocation of the Megawide's OPS for the rehabilitation of the NAIA. The Company was formally informed of the said denial through a letter from the Corporate Secretary of the MIAA BOD dated January 25, 2021.

The proceeds initially allocated for the said project has been reallocated to other projects as approved by the Company's BOD on February 26, 2021 and disclosed in the PSE Edge on March 1, 2021.

- ***Development of the Cebu Integrated Transport Hub***

The Company executed an Agreement with the Local Government of Cebu on January 12, 2021 for a 50-year concession agreement to redevelop and operate the Carbon Market. The project requires pre-development and logistical expenses in line with its five-year development timetable.



The proposal involves the transformation of the existing Carbon Market into a mixed-use development anchored on a modern public market and an integrated multi-modal transport hub. Phase 1 of the project involves the rehabilitation of the existing public market, including a new wholesale market, construction of a new night market, and other lifestyle commercial establishments, land transport and ferry terminals, among others. Phase 2 includes a mixed-use development plan (hotel, Meetings, Incentives, Conference, Exhibitions (MICE), retail, etc.) envisioned to transform the property into one of Cebu's primary attractions.

P1,274.7 million from the Offering Proceeds were allocated and were fully used for this purpose as of March 31, 2024.

- ***Expansion of MCIA Under CA2***

The Company's expansion of MCIA under CA2 has an OPS status, which will extend its existing Concession Agreement (CA1) in MCIA by another 25 years. Phase 1 involves the takeover of the airside facility, rehabilitation of the existing runway and taxiways, construction of an additional full-length parallel taxiway, development of additional rapid exit taxiways and runway holding positions. Phase 2 involves the construction of a second parallel and independent instrument runway and Phase 3 comprises the construction of Terminal 3.

P816.1 million from the Offering Proceeds were allocated and were fully used for this purpose as of March 31, 2024.

- ***Development of Lot 2 of the PITX and Other Locations***

The PITX is a flagship project under the government's Build, Build, Build infrastructure program, dubbed as the Philippines "first landport". PITX is a 4.5 hectare development and currently Lot 1 (2.7 hectares) houses the transport terminal, commercial spaces, and office buildings under one roof. PITX is effectively 100% owned by the Company.

With a rated capacity of 100,000 passengers daily, PITX offers seamless connections to and from the southwest portion of Metro Manila, via multiple modes of transportation, from provincial to city buses, taxis, jeepneys and utility vehicles express shuttles.

The development of Lot 2 (1.8 hectares) will further improve terminal operations by providing a staging area for buses. It will also offer additional employment and business opportunities through the construction of office towers and retail establishments inside the facility.

The original plan is to develop a similar structure to the existing terminal, to be comprised of four levels, with commercial leasing assets occupying the floors above the bus staging area. Estimated cost for the PITX Lot 2 development project is around P5,000.0 million.

The development of PITX Lot 2 has become more imperative, considering that current foot traffic at the existing terminal has breached the capacity of 200,000 daily. In addition, Light Rail Transit 1 (LRT 1) Asia World Station is scheduled to be completed by the fourth quarter of 2024, which is expected to boost foot traffic, based on LRT 1's 100,000 daily ridership.

As for other PITX locations, Baguio is scheduled to be signed by the first half of the year while the location in the south is also being finalized to target signing within the year, with amendments being implemented to comply with the provisions of the new Public Private Partnership Law.

P994.7 million from the Offering Proceeds were allocated to this project. As of and for the quarter ended March 31, 2024, there were no disbursements made yet related to this project.

- ***Expansion of Pre-Cast and Other Ancillary Business Units***

The Company is anticipating an increased demand for pre-fabricated construction materials under the new normal, both for its traditional market (i.e., residential, office, and commercial/industrial) and new segments (horizontal infrastructure) it plans to expand and enter into. With the new occupational health and safety protocols arising from the Corona Virus Disease (COVID-19) pandemic, the Company believes that the pre-cast technology will be well-suited for the industry, given its less human labor requirement and faster turnaround compared with the traditional method.

Moreover, the government's roll out of major infrastructure projects enabled the Company to identify opportunities in this segment, which will be the driving force to Company's infrastructure pivot. In addition to the Company's engineering, procurement and construction business, these projects will likewise require huge support from other ancillary services (batching plant, formworks, specialized equipment, transport, and others), being a vertically integrated construction company.

In relation to this, the Company has finalized its plan to expand its pre-cast plant capacity to approximately 40,000 cu/m/month, from the current 13,000 cu/m/month, in various high growth locations across the country, including the existing plant in Taytay, Rizal. Estimated cost of the project is around P1,000.0 million for full capacity and has reached around 25% completion as of the end of 2019. As of March 31, 2024, the project has progressed to around 50% completion. The targeted capacity of 35,000-40,000 cu/m/month is originally projected to be achieved by the end of 2024-2025, subject to market conditions and operating environment.

Furthermore, the expansion of its construction services and ancillary businesses require additional funding and the Company expects the progress of these initiatives to accelerate as soon as new infrastructure contracts are secured within the year.

P576.8 million from the Offering Proceeds were allocated to this project, P461.1 million of which were released as of March 31, 2024. Disbursements for the quarter then ended amounted to P63.7 million.

- ***MCIA Multi-Use Developments***

MCIA, the gateway to the Visayas and Southern Philippines, is the second largest airport facility in the country with a consistently growing number of passengers annually.



Under the existing CA1, GMR-Megawide Cebu Airport Corporation (GMCAC) shall deliver a 2nd terminal and rehabilitate the existing terminal, which the company completed in July 2018 and September 2019, respectively, to reduce congestion as well as meet the growing passenger traffic into Cebu. The Capacity Augmentation, which is part of CA1 designed to further expand the airport's capacity, remains in balance. GMCAC is undertaking this capital extensive project to provide a world-class terminal airport with a welcoming ambiance that is distinctly Filipino.

The MCIA mixed-use development project is envisioned to further accelerate the airport's value creation. The initial plans involve the construction of a 400-room hotel, a MICE facility, and a travel retail concept to complement the airport's features. Estimated cost of the MCIA mixed use development project is P3,000.0 million.

While the Cebu hotel industry may have been affected by the COVID-19 pandemic, long-term prospects remain sound given Cebu's ideal location as both a tourism and business hub. In addition, the project development timetable of two to three years provides enough time for the situation to revert to pre-COVID-19 environment.

The project has completed the final design and concept stages but is currently on push-button mode and will be re-evaluated on when initial development will commence, subject to resumption of normalcy of travel and airport operations and the project's overall value creation to all its stakeholders.

P331.6 million from the Offering Proceeds were allocated to this project, P77.9 million of which were released as of March 31, 2024. In December 2022, the Company disposed a portion of its interest in GMCAC which was reduced from 60.00% to 33.33% as of December 31, 2022. The management intends to reallocate the remaining balance of the proceeds to another project after the completion of the second close by October 2024. There were no disbursements related to this project for the quarter ended March 31, 2024.

- **General Corporate Purposes**

General corporate purposes include: (1) purchase or lease or repair of construction equipment; (2) provision for potential projects and business opportunities; and, (3) working capital.

P331.6 million from the Offering Proceeds were allocated and were fully used for this purpose as of March 31, 2024.

- b.) The remaining balance of the Offering Proceeds amounting to P1,364.1 million as of March 31, 2024 is expected to be applied on costs to be incurred in accordance with the planned use and estimated timing as disclosed in the Offering Prospectus and to the PSE and its subsequent revision of allocation.

5. We found no exceptions with respect to item 5.

Because the foregoing procedures do not constitute either an audit or review made in accordance with Philippine Standards on Auditing (PSA) or Philippine Standard on Review Engagements (PSRE), respectively, we do not express an assurance on the use of Offering Proceeds based on the said standards. Had we performed additional procedures, or had we performed an audit or review of the financial statements in accordance with PSA or PSRE, respectively, other matters might have come to our attention that would have been reported to you.

We have no responsibility to update this report for events or circumstances occurring after the date of this report.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties. This report relates only to the information and items specified above and does not extend to any financial statements of the Company, taken as a whole.

**PUNONGBAYAN & ARAULLO**



**By: John Endel S. Mata**  
Partner

CPA Reg. No. 0121347  
TIN: 257-622-627  
PTR No. 10076144, January 3, 2024, Makati City  
SEC Group A Accreditation  
Partner - No. 121347-SEC (until financial period 2023)  
Firm - No. 0002 (until financial period 2024)  
BIR AN 08-002551-040-2023 (until Jan. 24, 2026)  
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

April 15, 2024

*Accounts Receivable Aging*

	<u>Not more than 3 mos.</u>	<u>More than 3 mos. but not more than 6 mos.</u>	<u>More than 6 mos.</u>	<u>More than 1 year</u>	<u>TOTAL</u>
<b>March 31, 2024</b>					
Contract receivables	4,648,754,430	54,946,456	119,332,429	622,529,823	5,445,563,138
Rental receivables	327,185,614	23,540,114	5,448,927	918,698,432	1,274,873,087
	<b>4,975,940,044</b>	<b>78,486,570</b>	<b>124,781,356</b>	<b>1,541,228,255</b>	<b>6,720,436,225</b>



**MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING  
OF MEGAWIDE CONSTRUCTION CORPORATION**

(the "*Company*")

Held on 12 July 2023 at 2:00 P.M.  
Through Microsoft Teams Live Event

**STOCKHOLDERS PRESENT (IN PERSON AND VIRTUALLY):**

Total No. of Outstanding Voting Shares	2,013,409,717
Total No. of Shares Represented by Voting in Absentia	0
Percentage of Shares Represented by Voting in Absentia	0.00%
Total No. of Shares of Represented by Proxy	1,352,243,476
Percentage of Shares Represented by Proxy	67.16%
Total No. of Shares Participating Remotely	
Percent of Shares Participating Remotely	
Total No. of Shares of Participating Remotely, Represented by Proxy, and Voting in Absentia	1,352,243,476
Percentage of Shares Participating Remotely, Represented by Proxy, and Voting in Absentia	67%

**DIRECTORS PRESENT (IN PERSON):**

<b>EDGAR B. SAAVEDRA</b>	-	<i>Chairman of the Board, CEO, and President</i>
<b>MANUEL LOUIE B. FERRER</b>	-	<i>Vice Chairman of the Board, Executive Director for Infrastructure Development and Chief Corporate Affairs and Branding Officer</i>
<b>OLIVER Y. TAN</b>	-	<i>Director</i>
<b>RAMON H. DIAZ</b>	-	<i>Executive Director, Group Chief Financial Officer</i>
<b>CELSO P. VIVAS</b>	-	<i>Independent Director</i>

**OTHERS PRESENT (IN PERSON):**

<b>ATTY. AL-SHWAID L. ISMAEL</b>	-	<i>Corporate Secretary, Assistant Compliance Officer, and Chief Information Officer</i>
<b>ATTY. SEAN JAMES BORJA</b>	-	<i>Assistant Corporate Secretary</i>
<b>ATTY. MARIA ISABELLE J. POBLETE</b>	-	<i>Corporate Secretarial Team</i>
<b>ATTY. WENDELL LAXAMANA</b>	-	<i>Corporate Secretarial Team</i>

*A list of the attendees of the Annual Stockholders' Meeting ("ASM") for 2023 is attached as Annex "A" and made an integral part of these minutes.*

The host welcomed the stockholders to the 2023 ASM of Megawide Construction Corporation ("Megawide" or the "Company").

The host then introduced the members of the Board and the Corporate Secretary:

Chairman of the Board	Edgar B. Saavedra
Executive Director	Manuel Louie B. Ferrer
Director	Oliver Y. Tan
Executive Director	Ramon H. Diaz
Independent Director	Celso P. Vivas
Corporate Secretary	Al-Shwaid L. Ismael

During the roll call, the Directors present and the Corporate Secretary confirmed:

1. that they can clearly hear and see the other participants;
2. that they received the notices, agenda, and all materials for the ASM; and
3. their location and type of device.<sup>1</sup>

#### I. CALL TO ORDER, PROOF OF NOTICE AND QUORUM

Mr. Edgar B. Saavedra, *Chairman of the Board, Chief Executive Officer, and President*, called the ASM to order and thanked the stockholders for joining the same. He then presented the Agenda and called on Atty. Al-Shwaid L. Ismael, *Corporate Secretary*, to certify that the notices were sent and that a quorum exists to conduct the ASM.

The Secretary confirmed that notices were sent to directors and stockholders of record as of 22 June 2023. He further explained that the notices and agenda were (a) immediately disclosed in the Philippine Stock Exchange, Inc. ("PSE") portal (or "PSE Edge") on 5 June 2023, upon its approval by the Board on the same date; (b) released by the PSE Edge as a Circular on 5 June 2023; (c) published in the newspapers and websites of the Manila Standard and Business World on 20 and 21 June 2023.

Additionally, Megawide's Annual Report and Information Statement have been disclosed in PSE Edge and uploaded in Megawide's website. The Information Statement also contains the instructions on how stockholders may vote, submit their proxies, and participate in the ASM. All these were completed in compliance with the requirements of Megawide's By-Laws, the Revised Corporation Code, and the issuances of the Securities and Exchange Commission ("SEC").

The Secretary certified the existence of a quorum to conduct the ASM, given that stockholders representing 67.16% of the outstanding capital stock of the Company, or 1,352,243,476 shares are participating in person, in absentia, or by proxy.

Thereafter, he proceeded with the discussion on the voting procedure for the ASM:

- a. All the stockholders of record at the close of business on 22 June 2023 were entitled to the Notice and to vote during the ASM.

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<sup>1</sup> Pursuant to the requirement under Securities and Exchange Commission Memorandum Circular No. 06, Series of 2020, dated 12 March 2020 regarding Guidelines on the Attendance and Participation of Directors, Trustees, Stockholders, Members, and other Persons of Corporations in Regular and Special Meetings through Teleconferencing, Video Conferencing and other Remote or Electronic Means of Communication.

- b. All matters in the Agenda shall be decided by a majority vote of the stockholders. The voting results shall be discussed with each Agenda item.
- c. The stockholders were given the opportunity to vote in absentia from 22 June to 5 July 2023, through an online voting portal prepared by Megawide. Only the stockholders who were validated by Megawide's stock transfer agent were allowed to vote in absentia. The stockholders were also permitted to submit proxy forms during the same period, through electronic mail or personal service. Each of the votes cast in absentia and by proxy, shall be considered cast for all the shares of such stockholder.
- d. Megawide's stock transfer agent tabulated the votes cast in absentia and by proxy, which were then confirmed by Megawide's external auditor.

## **II. APPROVAL OF THE MINUTES OF THE SPECIAL STOCKHOLDERS' MEETING HELD LAST 20 DECEMBER 2022**

The next item on the Agenda is the Approval of the Minutes of the Special Stockholders' Meeting ("SSM") held on 20 December 2022.

Mr. Sean James B. Borja, proxy for stockholder Lucena Bongolan, moved 1) to dispense with the reading of the Minutes of the SSM held last 20 December 2022 and 2) to approve the Minutes as presented.

Mr. Carlo T. Capacite, proxy for Citicore Holdings Investment, Inc., seconded the motion.

The Chairman asked the Secretary for the voting results on the matter. The Secretary then reported that based on the votes cast, all shares present or represented in the ASM are in favor of approving the motion.

Considering that all of the votes made were for the approval of the Agenda item, the Chairman approved the motion.

## **III. CHAIRMAN'S ADDRESS AND PRESIDENT'S REPORT**

Mr. Saavedra gave the following report on the financial and operational highlights of the Company for the year 2022, which is the Company's 25<sup>th</sup> year:

- In 2022, Megawide recorded 14.8 Bln in revenues and delivered a net income of 2.83 Bln, reversing the 893.2 Mln loss reported in the previous year. The reported revenue includes the exceptional gain from the Company's airport transaction and items related to terminated contracts in the construction business negatively impacted by the pandemic in 2020.
- The transaction involving the Company's airport subsidiary, GMR-Megawide Cebu Airport Corporation (GMCAC) enabled the Company to monetize an almost non-operational asset during the pandemic. The proceeds enabled the Company to deliver part of its outstanding bank debts which resulted in a more comfortable bank debt to equity ratio of 1.4x by the end of December 2022, from 2.6x in the previous year.
- Megawide's Construction and Engineering Unit has progressed into higher value-generating businesses and forward integration initiatives within the group.

- Megawide is equally responsible to the environment, society, and all stakeholders, and Megawide’s ultimate goal of shared prosperity should prioritize social well-being, economic equity, and ecological sustainability. Megawide has repurposed the objectives of its business units to better appreciate the needs of their stakeholders so the Company may carry out Corporate Social Responsibility (“CSR”) initiatives that answer the need and aspirations of their communities.
- Environmental, Social, and Governance (“ESG”) is built into Megawide’s infrastructure and development projects to ensure that the Company’s operations have minimal environmental footprints and support a Zero Carbon future. Megawide will adapt a more holistic ESG platform guided by programs of Megawide Foundation, Inc. that strives to understand its stakeholders’ interests. Megawide aims to create positive social and environmental impact aligned with the United Nations’ Sustainable Development Goals (“SDGs”).

#### IV. ELECTION OF DIRECTORS

The next item on the Agenda is the election of the regular and independent members of the Board who will hold office until the next stockholders’ meeting and until their respective successors have been elected and qualified.

Atty. Ismael stated that the Governance, Nominations, and Compensation Committee has submitted the final list of six (6) nominees found to be qualified for election as members of the Board of Megawide, in compliance with the requirements of relevant laws, rules, and regulations for publicly-listed companies. The following were nominated for election as regular and independent members of the Board:

- Mr. Edgar B. Saavedra as an Executive Director;
- Mr. Manuel Louie B. Ferrer as an Executive Director;
- Mr. Ramon H. Diaz as an Executive Director;
- Mr. Oliver Y. Tan as a Non-Executive Director;
- Former Chief Justice Hilario G. Davide, Jr. as an Independent Director; and
- Mr. Celso P. Vivas as an Independent Director

Ms. Maria Isabelle Poblete, proxy for stockholder Shirley B. Alabado, moved that the 6 nominees be deemed elected as directors for the ensuing year. Mr. Kobe Lawrence Veneracion, proxy for Zheena E. Ocampo, seconded the motion.

Acknowledging the motion duly made and seconded, the Chairman asked the Secretary to present the voting result on the matter. Atty. Ismael flashed the voting results on the screen, reporting that a majority of the stockholders present or represented in the ASM have approved the election of the 6 nominees as members of the Board of Directors for the ensuing year.

The voting results show:

Total No. of Issued and Outstanding Shares	2,013,409,717
Total No. of Affirmative Votes	1,352,243,476 <i>(For Mr. Saavedra, Mr. Ferrer, Mr. Davide, and Mr. Vivas)</i>

	1,352,212,276 <i>(For Mr. Tan and Mr. Diaz)</i>
Percentage of Affirmative Votes	67.16%

The motion duly made and seconded was passed for the elected members of the Board of Directors for 2023.

#### **V. APPROVAL OF THE 2022 AUDITED FINANCIAL STATEMENTS**

The next item on the Agenda is the approval of the 2022 Audited Financial Statements of Megawide.<sup>2</sup> The Company's audited financial statements for the year ended 31 December 2022 have been distributed with the Annual Report, Information Statement, disclosed in the PSE Edge, and posted in Megawide's website.

Mr. Sean James B. Borja, proxy for stockholder Lucena Bongolan, moved that Megawide's financial statements for the year ended 31 December 2022 and as audited by Punongbayan & Araullo be approved. Ms. Bernice Marie S. Violago, proxy for Maria Belinda Morales, seconded the motion.

The Chairman asked the Secretary for the voting results on the matter. The Secretary then reported that based on the votes cast, all shares present or represented in the ASM are in favor of approving the motion.

Considering that all of the votes made were for the approval of the Agenda item, the Chairman approved the motion to approve the 2022 Audited Financial Statements of Megawide as presented.

#### **VI. APPOINTMENT OF THE EXTERNAL AUDITOR**

The next item on the Agenda is the appointment of Punongbayan & Araullo as external auditor of Megawide.

Upon the recommendation of Megawide's Audit and Compliance Committee, the Board of Directors proposed that Punongbayan & Araullo be appointed as the external auditor.

Mr. Sean James B. Borja, proxy for stockholder Lucena Bongolan, moved to appoint Punongbayan & Araullo as the external auditor of Megawide. Mr. Carlo T. Capacite, proxy for Citicore Holdings Investment, Inc., seconded the motion. On motion duly made and seconded, all stockholders present or represented during the meeting, voted in favor of its approval. Upon the recommendation of the Audit and Compliance Committee, the motion to appoint Punongbayan & Araullo as external auditor was approved.

#### **VII. APPROVAL OF THE ACQUISITION BY THE COMPANY OF PH1 WORLD DEVELOPERS, INC.**

The next item on the Agenda is the approval of the acquisition by Megawide of 100% of the Outstanding Capital Stock of PH1 World Developers Inc. As stated in the Definitive Information Statement circulated to the stockholders, the acquisition by Megawide of 100% of the Outstanding Capital Stock of PH1 World Developers Inc. from Citicore Holdings Investments Inc. for PhP5.2 Billion is part of Megawide's business strategy for forward integration.

<sup>2</sup> The 2022 Audited Financial Statements were disclosed on PSE Edge and uploaded to Megawide's website, along with the Annual Report and Information Statement.

Ms. Maria Isabelle Poblete, proxy for stockholder Shirley B. Alabado, moved to approve the acquisition by Megawide of 100% of the Outstanding Capital Stock of PH1 World Developers Inc. from Citicore Holdings Investments Inc. Ms. Bernice Marie S. Violago, proxy for Maria Belinda Morales, seconded the motion.

Acknowledging the motion duly made and seconded, the Chairman asked the Secretary to present the voting result on the matter. Atty. Ismael flashed the voting results on the screen, reporting that more than 2/3 of the stockholders representing the outstanding capital stock of Megawide present or represented in the ASM have approved the acquisition by Megawide of 100% of the Outstanding Capital Stock of PH1 World Developers Inc. from Citicore Holdings Investments Inc.

The voting results show:

Total No. of Issued and Outstanding Shares	2,013,409,717
Total No. of Affirmative Votes	1,352,243,476
Percentage of Affirmative Votes	67.16%

#### VIII. RATIFICATION OF ALL ACTS OF THE BOARD OF DIRECTORS AND MANAGEMENT

The next item on the Agenda is the ratification of all the acts of Megawide's Board and management.

Mr. Carlo T. Capacite, proxy for Citicore Holdings Investments, Inc., moved that all acts of the Board of Directors and management be ratified. Mr. Kobe Lawrence P. Veneracion, proxy for Zheena E. Ocampo, seconded the motion.

On motion duly made and seconded, the stockholders representing sixty-seven and 16/100 of the outstanding voting capital stock of Megawide, represented during the meeting, voted in favor of ratifying all acts of the Board and Management as reported by the Chairman of the Board and President in the ASM and stated in the Information Statement duly distributed to the stockholders.

The voting results show:

Total No. of Issued and Outstanding Shares	2,013,409,717
Total No. of Affirmative Votes	1,352,243,476
Percentage of Affirmative Votes	67.16%

#### IX. OTHER MATTERS

##### Question and Answer

Thereafter, the ASM proceeded to the question and answer portion. The host announced that questions were received from Megawide's shareholders prior to the ASM.

- The first (1<sup>st</sup>) question was: How much was the acquisition price for PH1? Is this at a discount or premium to the valuation?

Mr. Saavedra responded by ceding the floor to the Corporate Finance the Company to answer the detail on the value. According to Mr. Jez G. Dela Cruz, *Vice President for Corporate Finance and Financial Planning*, the acquisition price was at PhP5.2 Billion and this was based on the internal evaluation done by the Company Management, after assessing the valuation of all the current projects of PH1 and they excluded those projects that were under development. They deemed that it was a fair valuation and to be prudent, they sought the engagement of FTI Consulting to help Megawide validate the reasonableness of the valuation, and from their perspective, they deemed that it was a reasonable valuation.

- The second (2nd) question was: Why did you go into real estate? Is this a profitable business?

Mr. Saavedra responded by recounting that Megawide, for a long time, has been purely into construction. He noted that as a construction business, as its gross profit margin gains, it is a very natural progression to go into real estate. According to him, Megawide has the core competency, and it has been in the construction business for the past 27 years. Accordingly, Megawide is very familiar with the market and the development of the business. He stated that if one looks at the margins for construction, the bottom-line net after tax will normally be a single digit, unlike in real estate where one cannot get double digits. If one looks from the effort bandwidth of the executive, one can say that it is four times better at this state. If one looks at the bandwidth, it is more than eight times. In real estate, in terms of number of headcounts of employer organizations, is normally  $\frac{1}{4}$  of the size of an organization, typically or in comparison to the construction business. If one does one development and it gets a higher topline, there is a higher percentage in the bottom line.

Finally, he explained that in real estate, the specific sector that they want to focus on is the essential part, which is the affordable housing sector segment, wherein they try to target the lower, below mid income, and maximum of the mid income level. They have seen that even during the course of the pandemic where Megawide has projects in residential, commercial and others, the residential remained to be resilient even during the pandemic, especially if one looks at the affordable segment market.

## X. ADJOURNMENT

There being no other matter to discuss, the meeting was adjourned upon motion duly made and seconded.

[Signature page follows.]

Certified Correct:



---

TEODULO ANTONIO G. SAN JUAN, JR.  
*Corporate Secretary*

ATTESTED BY:

---

EDGAR B. SAAVEDRA

*Chairman of the Board, CEO, and President*



REPUBLIC OF THE PHILIPPINES)  
QUEZON CITY ) S.S.

**CERTIFICATION OF INDEPENDENT DIRECTOR**

I, **CELSO P. VIVAS**, Filipino, of legal age and a resident of No. 1125 Wilson Circle, Greenhills, San Juan, Metro Manila, after having been duly sworn in accordance with law, hereby declare that:

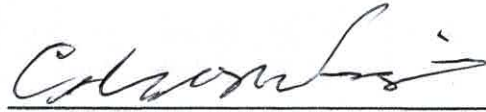
1. I am a nominee for Independent Director of **MEGAWIDE CONSTRUCTION CORPORATION** (the "**Company**"), during its Annual Stockholders' Meeting on 3 July 2024, and have been its Independent Director since 2 July 2018.
2. I am presently affiliated with the following companies or organizations:

<b>Company/Organization</b>	<b>Position/Relationship</b>	<b>Period of Service</b>
Keppel Philippines Holdings, Inc. (Publicly-listed Company)	Lead Independent Director	June 2005 – present
Keppel Philippines Properties, Inc. (Publicly-listed Company)	Independent Director	November 2004 – present
Republic Glass Holdings, Inc. (Publicly-listed Company)	Independent Director	June 2017 – present
Megawide Corporate Foundation, Inc. (Non-stock Corporation)	Independent Trustee	2018 – present
Marubeni Foundation, Inc. (Non-stock Corporation)	Trustee and President	1999 – present

3. I possess all of the qualifications and none of the disqualifications to serve as an Independent Director of the Company, as provided for in Section 38 of the Securities Regulation Code ("**SRC**") and its Implementing Rules and Regulations ("**IRR**"), the Company's New Manual on Corporate Governance based on the Securities and Exchange Commission ("**SEC**") Code of Corporate Governance for Publicly-Listed Companies (the "**Manual**"), and other issuances of the SEC
4. I am not related to the directors, officers, and substantial shareholders of the Company (including its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the SRC.
5. I do not possess any of the grounds for disqualification as a Director under Recommendation 2.6 of the Code of Governance for Publicly-Listed Companies, issued pursuant to SEC Memorandum Circular No. 19, dated 22 November 2016.
6. I shall faithfully and diligently comply with my duties and responsibilities as an Independent Director under the SRC, and its IRR, the Manual, and other issuances of the SEC.
7. I shall inform the Corporate Secretary of the Company of any changes in the abovementioned information within five (5) days from its occurrence.

*[Signature and notarial page follows]*

MAY 22 2024 IN WITNESS WHEREOF, I have executed this Certification of Independent Director this  
in QUEZON CITY, Philippines.



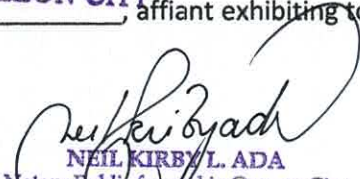
**CELSO P. VIVAS**

Affiant

MAY 22 2024

SUBSCRIBED AND SWORN TO before me this QUEZON CITY at QUEZON CITY, affiant exhibiting to me  
his NSA In No. 666 and issued at San Juan City.  
61067

Doc. No.: 395;  
Page No.: 80;  
Book No.: 1;  
Series of 2024.



**NEIL KIRBY L. ADA**

Notary Public for and in Quezon City

Notarial Commission No. NP-557 (2023-2024)

Until 31 December 2024

No. 20 N. Domingo Street, Barangay Valencia, Quezon City

Roll No. 77893

PTR No. 5573838 / 01.04.2024 / Quezon City

IBP No. 397718 / 01.04.2024 / Batangas Chapter

MCLE Compliance - Admitted to the BAR on 11 May 2022



REPUBLIC OF THE PHILIPPINES)

**QUEZON CITY**

) S.S.

**CERTIFICATION OF INDEPENDENT DIRECTOR**

I, **HILARIO G. DAVIDE, JR.**, Filipino, of legal age and a resident of No. 14 Jade St, Gemsville Subdivision, Lahug Cebu City, after having been duly sworn in accordance with law, hereby declare that:

1. I am a nominee for Independent Director of **MEGAWIDE CONSTRUCTION CORPORATION** (the "**Company**"), during its Annual Stockholders' Meeting on 3 July 2024, and have been its Independent Director since 16 September 2016.
2. I am presently affiliated with the following companies or organizations:

<b>Company/Organization</b>	<b>Position/Relationship</b>	<b>Period of Service</b>
Association of Retired Justices of the Supreme Court of the Philippines	Member (Former President)	Since 2005
Integrated Bar of the Philippines	Lifetime Member	Since 1976
Knights of Columbus of the Philippines Foundation, Inc.	Member of the Board of Trustees	More than 11 years
Knights of Columbus, Fr. George J. Williams, SJ Charities, Inc.	Member of the Board of Trustees	More than 8 years
KOMPASS Credit and Financing Corporation	Director/Chairman	More than 5 years
Manila Bulletin Publishing Corporation	Independent Director and Vice Chairman	More than 11 years
Claudio Teehankee Memorial Foundation, Inc.	Chairman, Board of Trustees	More than 8 years
Philippine Trust Bank Company (Philtrust Bank)	Director	2 years
	(Former Independent Director)	More than 8 years
Council of Elders of the Knights of Rizal	Member	13 years, more or less
Pi Gamma Mu International Social Science Honor Society, Philippine Alpha Chapter	Lifetime Member	More than 13 years (regular member since 1958)
Heart of Francis Foundation, Inc.	Chairman, Board of Trustees	More than 6 years

3. I possess all of the qualifications and none of the disqualifications to serve as an Independent Director of the Company, as provided for in Section 38 of the Securities Regulation Code ("**SRC**") and its Implementing Rules and Regulations ("**IRR**"), the Company's New Manual on Corporate Governance based on the Securities and Exchange Commission ("**SEC**") Code of Corporate Governance for Publicly-Listed Companies (the "**Manual**"), and other issuances of the SEC
4. I shall faithfully and diligently comply with my duties and responsibilities as an Independent Director under the SRC, and its IRR, the Manual, and other issuances of the SEC.
5. I shall inform the Corporate Secretary of the Company of any changes in the abovementioned information within five (5) days from its occurrence.

[Signature and notarial page follows]

IN WITNESS WHEREOF, I have executed this Certification of Independent Director this  
MAY 22 2024 in \_\_\_\_\_, Philippines.


  
HILARIO G. DAVIDE, JR.  
Affiant

MAY 22 2024

SUBSCRIBED AND SWORN TO before me this \_\_\_\_\_ at \_\_\_\_\_, affiant exhibiting to me  
his USCA ID No. \_\_\_\_\_ and issued at Cebu City.

Doc. No.: 396;  
Page No.: 81;  
Book No.: 1;  
Series of 2024.



  
NEIL KIRBY L. ADA  
Notary Public for and in Quezon City  
Notarial Commission No. NP-557 (2023-2024)  
Until 31 December 2024  
No. 20 N. Domingo Street, Barangay Valencia, Quezon City  
Roll No. 77893  
PTR No. 5573838 / 01.04.2024 / Quezon City  
IBP No. 397718 / 01.04.2024 / Batangas Chapter  
MCLE Compliance - Admitted to the BAR on 11 May 2022

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

### SECRETARY'S CERTIFICATE

I, **TEODULO ANTONIO G. SAN JUAN, JR.**, of legal age, Filipino, with office address at Unit 8, 25<sup>th</sup> Floor, Exquadra Tower Exchange Road corner Jade Drive, Ortigas Center, Pasig City 1605, after having been duly sworn in accordance with law, hereby certify that:

1. I am the duly qualified and elected Corporate Secretary of **MEGAWIDE CONSTRUCTION CORPORATION** (the "*Company*"), a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office address at No. 20 N. Domingo Street, Barangay Valencia, Quezon City.
2. The following are the current directors of the Company, who are also nominees for directors in the upcoming Annual Stockholders' Meeting of the Company on 3 July 2024:
  - a. Edgar B. Saavedra – *Chairman of the Board of Directors, Chief Executive Officer, and President;*
  - b. Manuel Louie B. Ferrer – *Vice-Chairman of the Board, Executive Director for Infrastructure Development;*
  - c. Oliver Y. Tan – *Director;*
  - d. Ramon H. Diaz – *Executive Director;*
  - e. Hilario G. Davide Jr. – *Independent Director; and*
  - f. Celso P. Vivas – *Independent Director*
3. The following are the current officers of the Company, who are not directors:
  - a. Christopher A. Nadayag – *Treasurer*
  - b. Jez G. Dela Cruz – *Group Chief Finance Officer*
  - c. Raymund Jay S. Gomez – *Chief Legal Officer, Compliance Officer, and Data Protection Officer;*
  - d. Maria Belinda Morales – *Chief Human Resources Officer;*
  - e. Zheena E. Ocampo – *Acting Chief Audit Executive;*
  - f. Martin Miguel Flores – *Chief Risk Officer;*
  - g. Rolando S. Bondoy – *Head of Investor Relations;*
  - h. Teodulo Antonio G. San Juan, Jr. – *Corporate Secretary, Assistant Compliance Officer, and Corporate Information Officer; and*
  - i. Maria Isabelle J. Poblete – *Assistant Corporate Secretary.*
4. None of the current directors and officers of the Company are connected, either as an officer or an employee, with a government agency or instrumentality.

[Signature page follows]

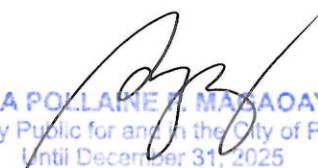
IN WITNESS WHEREOF, I have executed this Secretary's Certificate this MAY 23 2024 in Pasig City, Philippines.



TEODULO ANTONIO G. SAN JUAN, JR.  
Corporate Secretary

SUBSCRIBED AND SWORN TO before me this MAY 23 2024 at Pasig City, affiant exhibiting to me his Driver's License No. N02-86-040987 valid until 03 August 2033.

Doc. No.: 23 ;  
Page No.: 6 ;  
Book No.: I ;  
Series of 2024.



PIA POLLAINE P. MAGAOAY  
Notary Public for and in the City of Pasig  
Until December 31, 2025  
Appointment No. 205 (2024-2025)  
PTR No. 1939943; 02/06/2024; Pasig City  
IBP No. 440284; 02/12/2024; Pangasinan  
Roll No. 90039  
Unit 8, 25th Floor, Exquadra Tower  
Exchange Road corner Jade Drive  
Ortigas Center, Pasig City 1605 Philippines