



GOLDEN MV HOLDINGS

May 24, 2024

PHILIPPINE STOCK EXCHANGE

Philippine Stock Exchange Tower
5th Avenue corner 28th Street, Bonifacio Global City
Taguig City

Attention: **PSE Disclosures Department**

Subject: Golden MV Holdings, Inc.: **Preliminary Information Statement**

Gentlemen:

Please see attached SEC Form 20-IS, Preliminary Information Statement, filed today for the Company's Annual Stockholders Meeting on July 15, 2024.

Thank you.

Kate D. Gator
Officer-in-charge

COVER SHEET

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S.E.C. Registration Number									

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(Company's Full Name)

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

Estrellita S. Tan
Contact Person

(02) 8873-2922
Company Telephone Number

1 2	3 1
<i>Mont</i>	<i>Day</i>
<i>h</i>	
Calendar Year	

20-IS
Preliminary
Information
Statement
FORM TYPE

0 7	1 5
<i>Mont</i>	<i>Day</i>
<i>h</i>	
Annual Meeting	

N/A
Secondary License Type, If Applicable

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



GOLDEN MV HOLDINGS

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Notice is hereby given that the annual meeting of stockholders of **GOLDEN MV HOLDINGS, INC.** (the “**Company**” or “**HVN**”) for the year 2024 will be held online on **July 15, 2024, Monday, at 10:00 a.m.** with the proceedings livestreamed and voting conducted in absentia through the Company’s secure voting online facility which may be accessed through: <https://vote.goldenmv.com.ph/vsrv/registration>.

The following shall be the agenda of the meeting:

1. Call to order
2. Certification of notice and quorum
3. Approval of the minutes of the annual stockholders’ meeting held on July 17, 2023
4. Presentation of the President’s Report, Management Report and Financial Statements for the year 2023
5. Ratification of all acts and resolutions of the Board of Directors and Management from the date of the last annual stockholders’ meeting until the date of this meeting
6. Election of the members of the Board of Directors, including the Independent Directors, for the year 2024
7. Appointment of External Auditors
8. Adjournment

Minutes of the 2023 Annual Meeting of Stockholders is available at the website of the Company (www.goldenhaven.com.ph).

Electronic copies of the Information Statement and Management Report with respect to the 2024 Annual Meeting of Stockholders of the Company, as well as the 2023 Annual Report (SEC Form 17A) and Quarterly Report for period ended 31 March 2024 (SEC Form 17Q) of the Company, are available on the Company’s website (www.goldenmv.com.ph) and PSE Edge (<https://edge.pse.com.ph>).

The Board of Directors has fixed the close of business on June 7, 2024 as the record date for the determination of stockholders entitled to notice of and to vote at the Annual Stockholders’ Meeting.

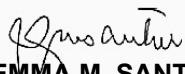
For the convenience of the Company’s stockholders, the Company will dispense with the physical attendance of stockholders at the meeting and will allow attendance only by remote communication and voting only *in absentia* or by appointing the Chairman of the meeting as their proxy.

Stockholders who intend to participate in the meeting via remote communication and to exercise their vote *in absentia* must notify the Corporate Secretary by registering at <https://vote.goldenmv.com.ph/vsrv/registration> on or before July 8, 2024. All information submitted will be subject to verification and validation by the Corporate Secretary.

Stockholders who intend to appoint the Chairman of the Meeting as their proxy should submit duly accomplished proxy forms on or before July 8, 2024 at the Office of the Corporate Secretary at Picazo Buyco Tan Fider & Santos Law Office, Penthouse, Liberty Center, 104 H.V. Dela Costa Street, Salcedo Village, Makati City and/or by email to ir@goldenhaven.com.ph

The procedures for participating in the meeting through remote communication and for casting of votes *in absentia* are set forth in the Information Statement.

A visual/audio recording of the meeting shall be made for future reference.


GEMMA M. SANTOS
Corporate Secretary

AGENDA DETAILS AND RATIONALE

1. Certification of Notice and Quorum

The Corporate Secretary, Atty. Gemma M. Santos, will certify that copies of the Notice of Meeting were duly published in the business section of two (2) newspapers of general circulation, and will certify the number of shares represented in the meeting, for the purpose of determining the existence of quorum to validly transact business.

Pursuant to Sections 23 and 57 of the Revised Corporation Code and SEC Memorandum Circular No. 6, Series of 2020, the Corporation has set up a designated web address which may be accessed by the stockholders to participate and vote in absentia on the agenda items presented for resolution at the meeting. A stockholder who votes in absentia as well as a stockholder participating in remote communication shall be deemed present for purposes of quorum.

The following are the rules and procedures for the conduct of the meeting:

- i. Stockholders may attend the meeting remotely by registering through <https://vote.goldenmv.com.ph/vsrv/registration> (the "Website"). Stockholders may send their questions or comments prior to the meeting by e-mail at ir@goldenhaven.com.ph. The Website shall include a mechanism by which questions may be posted live during the meeting. The Company will endeavor to answer the questions submitted in the course of the meeting, or separately through the Company's Investor Relations Office within a reasonable period after the meeting.
- ii. Each of the Agenda items which will be presented for resolution will be shown on the screen during the live streaming as the same is taken up at the meeting.
- iii. Stockholders must notify the Company of their intention to participate in the meeting by remote communication to be included in determining quorum, together with the stockholders who voted in absentia and by proxy.
- iv. Voting shall only be allowed for stockholders registered in the Company's Electronic Voting in Absentia System or through the Chairman of the meeting as proxy.
- v. All the items in the Agenda for the approval by the stockholders will need the affirmative vote of stockholders representing at least a majority of the issued and outstanding voting stock represented at the meeting.
- vi. The Election of directors will be by plurality of votes and every stockholder will be entitled to cumulate his votes.
- vii. The Company's stock transfer agent and Corporate Secretary will tabulate and validate all votes received.

2. Approval of the minutes of the last Annual Meeting of Stockholders held on July 15, 2023

The minutes of the last Annual Meeting of Stockholders held on July 15, 2023 will be presented for approval by the stockholders, in keeping with Section 49(a) of the Revised Corporation Code.

A copy of such minutes has been uploaded on the Company's website immediately after the 2023 Annual Meeting of Stockholders.

3. President’s Report, Management Report and Audited Financial Statements as of and for the year ended December 31, 2023

The Audited Financial Statements of the Company as of and for the year ended December 31, 2023 (as audited by Punongbayan & Araullo) (“AFS”), a copy of which is incorporated in the Information Statement for this meeting, will be presented for approval by the stockholders. To give context to the AFS and bring to the stockholders’ attention the highlights of the said AFS, the President, Ms. Cynthia J. Javarez, will deliver a report to the stockholders on the Company’s performance for the year ended December 31, 2023 and the full year 2024 outlook.

The Board and Management of the Company believe that in keeping with the Company’s thrust to at all times observe best corporate governance practices, the results of operations and financial condition of the Company should be presented and explained to the stockholders. Any comments from the stockholders, and their approval or disapproval of these reports, will provide guidance to the Board and Management in running the business and affairs of the Company.

4. Ratification of all acts and resolutions of the Board of Directors and Management from the date of the last annual stockholders’ meeting until the date of this meeting.

Ratification by the stockholders will be sought for all the acts and the resolutions of the Board of Directors and all the acts of Management taken or adopted from the date of the last annual stockholders’ meeting until the date of this meeting. A brief summary of these resolutions and actions is set forth in the Information Statement for this meeting. Copies of the minutes of the meetings of the Board of Directors are available for inspection by any stockholder at the principal office of the Company during business hours.

The Board and Management of the Company believes that in keeping with the Company’s thrust to at all times observe best corporate governance practices, the ratification of their acts and resolutions should be requested from the stockholders in this annual meeting. Such ratification will be a confirmation that the stockholders approve of the manner that the Board and Management have been running the business and affairs of the Company.

5. Election of the members of the Board of Directors, including the Independent Directors, for the year 2024

The Corporate Secretary will present the names of the persons who have been duly nominated for election as directors and independent directors of the Company in accordance with the By-Laws and Manual on Corporate Governance of the Company and applicable laws and regulations. The voting procedure is set forth in the Information Statement for this meeting.

6. Appointment of External Auditors

The Audit Committee is endorsing to the stockholders the re-appointment of Punongbayan & Araullo as external auditor of the Company for the year 2024.

PROXY

[NOTE: Stockholders who would like to be represented thereat by the Chairman of the Meeting as proxy may choose to execute and send a proxy form to the Office of the Corporate Secretary (Atty. Gemma M. Santos) at Picazo Buyco Tan Fider & Santos Law Office, Penthouse, Liberty Center, 104 H.V. Dela Costa Street, Salcedo Village, Makati City, on or before July 8, 2024. A sample proxy form is provided below. Stockholders may likewise email a copy of the accomplished proxy form to ir@goldenhaven.com.ph]

The undersigned stockholder of **GOLDEN MV HOLDINGS, INC.** (the “**Company**”) hereby appoints the Chairman of the Meeting as attorney-in-fact or proxy, with power of substitution, to represent and vote _____ shares registered in his/her/its name as proxy of the undersigned stockholder, at the Annual Stockholders’ Meeting of the Company on July 15, 2024 at 10:00 a.m. and at any of the adjournments thereof for the purpose of acting on the following matters:

- | <p>1. Approval of the minutes of the last Annual Meeting of Stockholders held on July 15, 2023</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Abstain</p> | <p>4. Election of the members of the Board of Directors, including the Independent Directors, for the year 2024</p> | | | | | | | | | | | | | | | | |
|--|--|--|--------------|-----------------------|-------|--------------------|-------|------------------------|-------|----------------|-------|-------------------|-------|-------------------------|-------|--------------------|-------|
| <p>2. Noting of the President’s Report and Annual Report and Approval of the Audited Financial Statements for the year 2023</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Abstain</p> | <table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th style="text-align: right; width: 20%;">No. of Votes</th> </tr> </thead> <tbody> <tr><td>Manuel B. Villar, Jr.</td><td style="text-align: right;">_____</td></tr> <tr><td>Cynthia J. Javarez</td><td style="text-align: right;">_____</td></tr> <tr><td>Manuel Paolo A. Villar</td><td style="text-align: right;">_____</td></tr> <tr><td>Mark A. Villar</td><td style="text-align: right;">_____</td></tr> <tr><td>Camille A. Villar</td><td style="text-align: right;">_____</td></tr> <tr><td>Ana Marie V. Pagsibigan</td><td style="text-align: right;">_____</td></tr> <tr><td>Garth F. Castañeda</td><td style="text-align: right;">_____</td></tr> </tbody> </table> | | No. of Votes | Manuel B. Villar, Jr. | _____ | Cynthia J. Javarez | _____ | Manuel Paolo A. Villar | _____ | Mark A. Villar | _____ | Camille A. Villar | _____ | Ana Marie V. Pagsibigan | _____ | Garth F. Castañeda | _____ |
| | No. of Votes | | | | | | | | | | | | | | | | |
| Manuel B. Villar, Jr. | _____ | | | | | | | | | | | | | | | | |
| Cynthia J. Javarez | _____ | | | | | | | | | | | | | | | | |
| Manuel Paolo A. Villar | _____ | | | | | | | | | | | | | | | | |
| Mark A. Villar | _____ | | | | | | | | | | | | | | | | |
| Camille A. Villar | _____ | | | | | | | | | | | | | | | | |
| Ana Marie V. Pagsibigan | _____ | | | | | | | | | | | | | | | | |
| Garth F. Castañeda | _____ | | | | | | | | | | | | | | | | |
| <p>3. Ratification of all acts and resolutions of the Board of Directors and Management from the date of the last annual stockholders’ meeting until the date of this meeting</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Abstain</p> | <p>5. Re-appointment of Punongbayan & Araullo as external auditor</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Abstain</p> | | | | | | | | | | | | | | | | |

Printed Name of the Stockholder	Signature of Stockholder/ Authorized Signatory	Date
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This proxy should be received by the Corporate Secretary on or before July 8, 2024, the deadline for 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 for the election of all nominees and 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.

A stockholder giving a proxy has the power to revoke it at any time before the right granted is exercised.

Notarization of this proxy is not required.

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:
GOLDEN MV HOLDINGS, INC.
(formerly Golden Bria Holdings, Inc.)
3. **Philippines**
Province, country or other jurisdiction of incorporation or organization
4. SEC Identification Number **108270**
5. BIR Tax Identification Code **000-768-991-000**
6. **San Ezekiel, C5 Extension, Las Piñas City** **1746**
Address of principal office Postal Code
7. **8873-2922 / 8873-2923**
Registrant's telephone number, including area code
8. Date, time and place of the meeting of security holders
July 15, 2024, 10:00 a.m. (via Remote Communication)
9. Approximate date on which the Information Statement is first to be sent or given to security holders
June 19, 2024
10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA:

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock	644,117,649 Shares

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

Yes No

The Registrant's common shares are listed on the Philippine Stock Exchange.

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

PART I

INFORMATION STATEMENT

GENERAL INFORMATION

Date, time and place of meeting of security holders.

Date: July 15, 2024
Time: 10:00 a.m.
Place: N/A (via remote communication)

The corporate mailing address of the principal office of the Registrant is San Ezekiel, C5 Extension, Las Piñas City.

This Information Statement may be accessed by the Company's stockholders beginning June 19, 2024 at the Company's website, www.goldenhaven.com.ph, and through the PSE disclosures portal: <https://edge.pse.com.ph>.

Dissenters' Right of Appraisal

Under Sections 41 and 80, Title X, of the Revised Corporation Code of the Philippines ("**Revised Corporation Code**"), any stockholder of the Company shall have the right to dissent and demand payment of the fair value of his shares only in the following instances, as provided by the Revised Corporation Code:

1. 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 outstanding shares of any class, or of extending or shortening the term of corporate existence;
2. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets;
3. In case of merger or consolidation; and
4. In case of investment of corporate funds for any purpose other than the primary purpose of the Company.

The appraisal right, when available, may be exercised by any stockholder who shall have voted against the proposed corporate action, by making a written demand on the corporation within thirty (30) days after the date on which the vote was taken, for payment of the fair value of his shares; provided, That failure to make the demand within such period shall be deemed a waiver of the appraisal right. A stockholder must have voted against the proposed corporate action in order to avail himself of the appraisal right. If the proposed corporate action is implemented or effected, the corporation shall pay to such stockholder upon surrender of his certificate(s) of stock representing his shares, the fair value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

If within a period of sixty (60) days from the date the corporate action was approved by the stockholders, the withdrawing stockholder and the corporation cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the corporation and the third by the two thus chosen. The findings of the majority of 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.

None of the matters that are proposed to be taken up during the meeting gives a dissenter the right of appraisal.

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

None of the officers or directors or any of their associates has any substantial interest, direct or indirect, in any of the matters to be acted upon in the stockholders' meeting.

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

CONTROL AND COMPENSATION INFORMATION

Voting Securities and Principal Holders Thereof

(a) Number of shares outstanding as of April 30, 2024:

Common: 644,117,649

(b) Record Date: June 7, 2024

Each common share of stock of the Registrant is entitled to one (1) vote. Pursuant to Article II, Section 7 of the Registrant's By-Laws, every holder of voting shares of stock may vote during all meetings of stockholders, including the Annual Stockholders' Meeting, either in person or by proxy executed in writing by the stockholder or his duly authorized attorney-in-fact.

Stockholders entitled to vote are also entitled to cumulative voting in the election of directors. Section 23 of the Revised Corporation Code provides, in part, that: "In stock corporations, stockholders entitled to vote shall have the right to vote the number of shares of stock standing in their own names in the stock books of the corporation, at the time fixed in the by-laws, or where the by-laws are silent, at the time of the election. The said stockholder may (a) vote such number of shares for as many persons as there are directors to be elected; (b) cumulate said shares and give one (1) candidate as many votes as the number of directors to be elected multiplied by the number of shares owned; (c) distribute them on the same principle among as many candidates as may be seen fit...."

For this year's meeting, the Board of Directors had adopted a resolution to allow stockholders entitled to notice of, and to attend the meeting, to exercise their right to vote *in absentia*.

Equity Ownership of Foreign and Local Shareholders

Foreign and local security ownership as of April 30, 2024:

Class	Foreign		Filipino		Total Outstanding Shares
	Shares	Percent of Class/Total Outstanding Shares	Shares	Percent of Class/Total Outstanding Shares	
Common	3,852	0.001%	644,113,797	99.99%	644,117,649

Security Ownership of Certain Beneficial Owners and Management

Security ownership of certain record and beneficial owners of more than 5.0% of the Registrant's voting securities as of April 30, 2024:

Title of Class of Securities	Name/Address of Record Owners and Relationship with Us	Name of Beneficial Owner /Relationship with Record Owner	Citizenship	No. of Shares Held	% of Ownership¹
Common	PCD Nominee Corporation 37/F Tower 1, The Enterprise Ctr.6766 Ayala Ave. cor. Paseo de Roxas, Makati City Shareholder	Fine Properties, Inc./ Shares are lodged with PCD Nominee Corporation, record Owner is not the beneficial owner ²	Filipino	412,057,800	63.97%
Common	Cambridge Group, Inc./ Shares are lodged with PCD Nominee Corporation, record Owner is not the beneficial owner ³	Cambridge Group, Inc./ Shares are lodged with PCD Nominee Corporation, record Owner is not the beneficial owner	Filipino	158,744,255 (8,744,255 shares are lodged with PCD)	24.65%
Common	PCD Nominee Corporation 37/F Tower 1, The Enterprise Ctr. 6766 Ayala Ave. cor. Paseo de Roxas, Makati City Shareholder	Record Owner is not the beneficial owner ⁴	Filipino	70,119,845	10.89%

Other than the abovementioned, the Company has no knowledge of any person who, as of the record date, was directly or indirectly the beneficial owner of, or who has voting power or investment power (pursuant to a voting trust or other similar agreement) with respect to, shares comprising more than five percent (5%) of the Company's outstanding common shares of stock.

¹Based on the Company's total issued and outstanding capital stocks as of April 30, 2024 of 644,117,649 common shares.

²Mr. Manuel B. Villar, Jr. and his spouse are the controlling shareholders of Fine Properties, Inc. The right to vote the shares held by Fine Properties, Inc. has in the past been, and in this stockholders' meeting is expected to be exercised by either Mr. Villar or Ms. Cynthia J. Javarez.

³Fine Properties Inc., is the Controlling Shareholder of Cambridge Group, Inc. The right to vote the shares held by Cambridge Group, Inc. has in the past been, and in this stockholders' meeting is expected to be exercised by either Mr. Villar or Ms. Maribeth C. Tolentino

⁴ PCD Nominee Corporation is the registered owner of shares beneficially owned by participants in the Philippine Depository & Trust Corporation, a private company organized to implement an automated book entry system of handling securities transactions in the Philippines (PCD). Under the PCD procedures, when an issuer of a PCD-eligible issue will hold a stockholders' meeting, the PCD shall execute a pro-forma proxy in favor of its participants for the total number of shares in their respective principal securities account as well as for the total number of shares in their client securities account. For the shares held in the principal securities account, the participant concerned is appointed as proxy with full voting rights and powers as registered owner of such shares. For the shares held in the client securities account, the participant concerned is appointed as proxy, with the obligation to constitute a sub-proxy in favor of its clients with full voting and other rights for the number of shares beneficially owned by such clients. Except as indicated above, the Registrant is not aware of any investor beneficially owning shares lodged with the PCD, which comprise more than five percent (5%) of the Registrant's total outstanding capital stock.

Security ownership of directors and executive officers as of April 30, 2024:

Title of class	Name of beneficial owner	Amount and nature of beneficial ownership		Citizenship	Percent of Class⁵
Common	Manuel B. Villar, Jr. <i>(Chairman)</i> C. Masibay St., BF Resort Village, Talon, Las Piñas City	1,000	Indirect ²	Filipino	0.00%
Common	Manuel B. Villar, Jr. <i>(Chairman)</i> C. Masibay St., BF Resort Village, Talon, Las Piñas City	570,802,055 ³	Indirect	Filipino	88.62%
Common	Cynthia J. Javarez <i>(President)</i> Blk 3A Lot 2 Vetta Di Citta Italia, Imus, Cavite	1,000	Indirect ²	Filipino	0.00%
Common	Manuel Paolo A. Villar <i>(Director)</i> C. Masibay St., BF Resort Village, Talon, Las Piñas City	1,000	Indirect ²	Filipino	0.00%
Common	Mark A. Villar <i>(Director)</i> 20 Dobiaco St. Portofino South Subd. Almanza Dos, Las Piñas City	1,000	Indirect ²	Filipino	0.00%
Common	Camille A. Villar <i>(Director)</i> C. Masibay St., BF Resort Village, Talon, Las Piñas City	333,700	Indirect ²	Filipino	0.05%
Common	Ana Marie V. Pagsibigan <i>(Independent Director)</i> 21 Matungao Bulacan, Bulacan	1	Indirect ²	Filipino	0.00%
Common	Garth F. Castañeda <i>(Independent Director)</i> Unit 802, The Amaryllis Condominium 12 th Street cor. E. Rodriguez Ave. Quezon City	1	Indirect ²	Filipino	0.00%
N/A	Gemma M. Santos <i>(Corporate Secretary)</i> Penthouse, Liberty Center, 104 H.V. dela Costa Street, Salcedo Village, Makati City	None	N/A	N/A	N/A

⁵ Based on the Company's total issued and outstanding capital stocks as of April 30, 2023 of 644,117,649 common shares.

² Shares lodged under PCD Nominee Corporation (Filipino).

³ Includes 412,057,800 shares held thru Fine Properties Inc., and 158,744,255 shares held thru Cambridge Group, Inc.

Title of class	Name of beneficial owner	Amount and nature of beneficial ownership		Citizenship	Percent of Class⁵
N/A	Ma. Nalen SJ Rosero <i>(Asst. Corporate Secretary)</i> Blk 5 Lot 1A New Victorienne Row, La Posada Subd., Sucat, Muntinlupa	None	N/A	N/A	N/A
N/A	Estrellita S. Tan <i>(Chief Finance Officer, Chief Information Officer, Treasurer, Investor Relations)</i> #4 Jerusalem St. Camella Pilar, Las Pinas City	None	N/A	N/A	N/A
N/A	Kate D. Cator <i>(Compliance Officer)</i> Blk 5 Lot 38 Amsterdam St. Golden City Phase 1, Imus, Cavite	None	N/A	N/A	N/A
Total		573,972,357		89.11%	

³ Based on the Company's total outstanding and issued capital stocks of 644,117,649 common shares as of April 30, 2024.

Except as indicated in the above table, the above-named officers have no indirect beneficial ownership in the registrant.

Except as aforementioned, no other officers of the Registrant hold, directly or indirectly, shares in the Registrant.

Voting Trust Holders of 5.0% or More

The Registrant is not aware of any person holding more than 5.0% of a class of shares under a voting trust or similar agreement.

Changes in Control

The Registrant is not aware of any arrangements which may result in a change in control of the Registrant. No change in control of the Registrant has occurred since the beginning of its last fiscal year.

Directors and Executive Officers of the Registrant

Term of Office

Each director holds office until the subsequent annual meeting of stockholders and his successor shall have been elected and qualified, except in case of death, resignation, disqualification or removal from office. The term of office of the officers is coterminous with that of directors that elected or appointed them.

Background Information

The following are the names, ages and citizenship of the incumbent directors/independent directors of the Registrant as of April 30, 2024:

Name	Age	Position	Citizenship
Manuel B. Villar, Jr.	74	Director and Chairman of the Board	Filipino
Cynthia J. Javarez	60	Director and President	Filipino
Manuel Paolo A. Villar	47	Director	Filipino
Mark A. Villar	45	Director	Filipino
Camille A. Villar	39	Director	Filipino
Ana Marie V. Pagsibigan	54	Independent Director	Filipino
Garth F. Castañeda	43	Independent Director	Filipino

The following are the names, ages and citizenship of the Registrant's executive officers in addition to its executive and independent directors listed above as of April 30, 2024.

Name	Age	Position	Citizenship
Gemma M. Santos	62	Corporate Secretary	Filipino
Estrellita S. Tan	60	Chief Financial Officer, Chief Information Officer Treasurer, Investor Relations	Filipino
Kate D. Cator	40	Compliance Officer	Filipino
Ma. Nalen S.J. Rosero	52	Asst. Corporate Secretary	Filipino

The following states the business experience of the incumbent directors and officers of the Registrant for the last five (5) years:

MANUEL B. VILLAR, JR., *Director and Chairman of the Board*. Mr. Villar was Senator of the Philippines from 2001 to June 2013. He served as Senate President from 2006 to 2008. He also served as a Congressman from 1992 to 2001 and as Speaker of the House of Representatives from 1998 to 2000. A Certified Public Accountant, Mr. Villar graduated from the University of the Philippines in 1970 with the degree of Bachelor of Science in Business Administration and in 1973 with the degree of Masters in Business Administration. He founded Camella Homes in the early 1970s and successfully managed said company over the years, to become the largest homebuilder in the Philippines now known as the Vista Land Group. Mr. Villar is also Chairman of the Board of Vistamalls, Inc. (formerly Starmalls, Inc.), AllHome Corp., AllValue Holdings Corp., AllDay Marts, Inc. and Golden MV Holdings, Inc. (formerly Golden Bria Holdings, Inc.). He is a member of the following organizations: Makati Business Club, Manila Golf Club, Management Association of the Philippines, Financial Executive Institute of the Philippines (FINEX), Philippine Institute of Certified Public Accountants, and the Villar Social Institute for Poverty Alleviation and Governance (SIPAG).

CYNTHIA J. JAVAREZ, *Director and President*. Ms. Javarez graduated from the University of the East with the degree of Bachelor of Science in Business Administration major in Accounting. She is a Certified Public Accountant. She completed a Management Development Program at the Asian Institute of Management in 2006. Ms. Javarez was previously the Chief Financial Officer of Polar Property Holdings Corp. until 2011 and the Tax and Audit Head in the MB Villar Group of Companies until 2007. She was the Controller and Chief Financial Officer of VLL from 2013 until she became Chief Operating Officer from November 2018 to June 2022. She was the President of Camella Homes, Inc., Communities Philippines, Inc., Crown Asia Properties, Inc., Brittany Corporation and Vista Residences, Inc. until 2021. She is currently the Chairperson of the Board of Prime Asset Ventures, Inc. and is the President of Fine Properties, Inc.

MANUEL PAOLO A. VILLAR, *Director*. Mr. Villar graduated from the Wharton School of the University of Pennsylvania, Philadelphia, USA with the degree of Bachelor of Science in Economics and Bachelor of Applied Science in 1999. He was an Analyst for McKinsey & Co. in the United States from 1999 to 2001. He joined the Vista Land Group in 2001 as Head of Corporate Planning then became the Chief Financial Officer of Vista Land & Lifescapes, Inc. in 2008. He was elected President and Chief Executive Officer of VLL in July 2011 and President of Vistamalls, Inc. (formerly Starmalls, Inc.) in June 2019. In addition, he is the CEO and Chairman of St. Augustine Gold and Copper Limited and Chairman of TVI Resources Development Philippines, Inc., Camella Homes, Inc., Communities Philippines, Inc., Crown Asia Properties, Inc., Brittany Corporation, Vista Residences, Inc., VistaREIT, Inc., and Powersource Phils Development Corp. Mr. Paolo Villar is also the majority shareholder of Prime Asset Ventures, Inc., and director of Fine Properties, Inc. and AllHome Corp.

MARK A. VILLAR, *Director*. Mr. Villar earned his Bachelor of Science in Economics from University of Pennsylvania, Philadelphia, USA. He held various positions in the MB Villar Group of Companies before he was first elected to public office as Congressman of Las Pinas City in 2010. He was Secretary of the Department of Public Works and Highways from 2016 to 2021. He currently serves as a Senator since June 2022.

CAMILLE A. VILLAR, *Director*. Ms. Villar, graduated from Ateneo de Manila University with the degree of Bachelor of Science in Management. She obtained her Masters in Business Administration, Global Executive MBA Program from the IESE Business School, Barcelona, Spain. She joined the Corporate Communications Group of Brittany in 2007 until she assumed the position of Managing Director of the Vista Land Commercial Division. She is also a Director of Vista Land & Lifescapes, Inc., Director and Vice Chairman of the Board of AllHome Corp, Director and Vice Chairman of the Board of AllDay Marts, Inc. and Director and President of AllValue Holdings Corp. Ms. Villar is currently a Congresswoman, representing Las Pinas City. She has been a director of the Company since August 30, 2017.

ANA MARIE V. PAGSIBIGAN, *Independent Director*. Atty. Pagsibigan graduated from the University of the Philippines with a Bachelor's degree in History and from San Sebastian College with a Bachelor's degree in Law. She previously served as a director and the legal counsel of Great Domestic Insurance. She is currently the legal counsel of Primerose Properties Development, Inc., Corporate Secretary of Consolidated Holdings Management of the Philippines, Inc. and a councilor-elect in the Municipality of Bulakan, Bulacan. Atty. Pagsibigan was elected as independent director of the Company in May 2016.

GARTH F. CASTANEDA, *Independent Director*. Atty. Castaneda graduated from the University of Sto. Tomas with a Bachelor's degree in Accountancy and from the University of the Philippines with a Bachelor's degree in Law. He previously served as a consultant of the Privatization Management Office. He is currently a partner at SYMECS Law and serves as a Chairman and Independent Director of Premier Island Power REIT Corporation, President and Chairman of Metro Pacific Land Holdings, Inc., Corporate Secretary of Collab Asia Philippines, Inc., Corporate Secretary and Liquidating Director of Neo Oracle Holdings, Inc and Metro Pacific Foundation Inc. Castaneda was elected as independent director of the Company in May 2016.

GEMMA M. SANTOS, *Corporate Secretary*. Atty. Santos, graduated cum laude with the degree of Bachelor of Arts, Major in History from the University of the Philippines in 1981, and with the degree of Bachelor of Laws also from the University of the Philippines in 1985. She is a practicing lawyer and Special Counsel of Picazo Buyco Tan Fider & Santos Law Offices and Corporate Secretary of various Philippine companies, including Vista Land & Lifescapes, Inc. and VistaREIT, Inc. She is also a director of Philippine Associated Smelting and Refining Corp (PASAR), Fine Properties, Inc., Bulacan Water District and Bulakan Water Co., Inc. She was appointed as corporate secretary on December 22, 2017.

MA. NALEN SJ. ROSERO, *Assistant Corporate Secretary*, Atty. Rosero graduated salutatorian from the San Beda College of Law in 1997. She is currently the Corporate Secretary and a Director of the following companies: Household Development Corporation, Brittany Corporation, Crown Asia Properties, Vista Residences, Inc., Communities Philippines, Inc., Camella Homes, Inc., Mandalay Resources, Inc., Prima Casa Land & Houses, Inc., Vista Leisure Club, Inc., and Brittany Estates Corporation. She is also currently serving as the Chief Compliance Officer and Assistant Corporate Secretary of VistaREIT, Inc. She is also a Director of Manuela Corporation and Masterpiece Properties,

Inc., and the Corporate Secretary of Vistamalls, Inc. (formerly Starmalls, Inc.). From 1997 to 2000, she was an Associate in the Litigation Group of Angara Abello Concepcion Relaga & Cruz (ACCRA) Law Offices. Atty. Rosero was appointed as Assistant Corporate Secretary last July 15, 2022.

ESTRELLITA S. TAN, *Chief Financial Officer, Chief Information Officer, Treasurer, Investor Relations Officer*, is a Certified Public Accountant and graduated with distinction from the Philippine School of Business Administration with the degree of Bachelor of Science in Business Administration Major in Accounting. She is also a licensed Real Estate Broker and has completed a Management Development Program at the Vista Center for Professional Development. She previously served as the President and Chief Operating Officer of Prima Casa Land and Houses, Inc., an affiliate of Vista Land & Lifescapes, Inc. from 2013 to 2020. She currently serves as President of Bria Homes, Inc.

KATE D. CATOR, *Compliance Officer*. Ms. Cator graduated in 2004 from the Polytechnic University of the Philippines - Manila with a degree in Bachelor of Science in Accountancy and is a Certified Public Accountant. She joined Golden Haven in 2008 and has held various positions in the Company. She served as Investor Relations Officer for Golden MV Holdings, Inc. from 2019 to 2021 and is currently the Human Resources Head of the Company and a Director of Golden Future Life Plans, Inc. Ms. Cator was appointed as Compliance Officer of the Company on November 14, 2023.

Board Meeting Attendance*

<i>Director's Name</i>	Jan 12	May 02	May 12	May 19	July 17	July 20	Aug 14	Nov 14
Manuel B. Villar, Jr.	P	P	P	P	P	P	P	P
Cynthia J. Javarez	-	-	-	-	-	P	P	P
Manuel Paolo A. Villar	-	-	-	-	-	P	P	P
Mark A. Villar	-	-	-	-	-	P	P	P
Camille A. Villar	P	P	P	P	P	P	P	P
Ana Marie V. Pagsibigan	P	P	P	P	P	P	P	P
Garth F. Castañeda	0	P	P	P	P	P	A	A

Legend: (A) Absent, (P) Present, (-) Not applicable
**Meetings of the board for 2024*

Board of Directors

Directors elected during the annual meeting of stockholders will hold office for one year until their successors are duly elected and qualified. A director who was elected to fill any vacancy holds office only for the unexpired term of his predecessor.

No Director has resigned or declined to stand for re-election to the Board of Directors since the date of the last annual stockholders' meeting due to disagreement with the Company on any matter relating to the Company's operations, policies or practices.

Independent Directors

The nominees for Independent Directors, Atty. Pagsibigan and Atty. Castañeda, are independent of management and free from any business or other relationship, which could, or could reasonably be perceived to, materially interfere with their exercise of independent judgment in carrying out their responsibilities as directors of the Company.

Specifically, Atty. Pagsibigan and Atty. Castañeda: (i) are not directors or officers or substantial stockholders of the Company or its related companies or any of its substantial shareholders (other than as independent directors of any of the foregoing); (ii) are not relatives of any director, officer or substantial shareholder of the Company, or any of its related companies or any of its substantial shareholders; (iii) are not acting as nominees or representatives of a substantial shareholder of the Company, or any of its related companies or any of its substantial shareholders; (iv) have not been

employed in any executive capacity by the Company, or any of its related companies or by any of its substantial shareholders within the last two (2) years; (v) are not retained as professional advisers by the Company, any of its related companies or any of its substantial shareholders within the last two (2) years, either personally or through their firms; (vi) have not engaged and do not engage in any transaction with the Company or with any of its related companies or with any of its substantial shareholders, whether by themselves or with other persons or through a firm of which they are partners or companies of which they are directors or substantial shareholders, other than transactions which are conducted at arm's length and are immaterial; (vii) do not own more than two percent of the shares of the Company and/or its related companies or any of its substantial shareholders; (viii) are not affiliated with any non-profit organization that receives significant funding from the Company or any of its related companies or substantial shareholders; and (ix) are not employed as executive officers of another company where any of the Company's executives serve as directors. Atty. Pagsibigan and Atty. Castañeda do not possess any of the disqualifications enumerated under the Code of Corporate Governance and SEC Memorandum Circular No. 19, Series of 2016.

The certification of the independent directors are attached hereto as Annexes "A-1 and A-2."

The Company has complied with the guidelines on the nomination and election of independent directors set forth in Rule 38 of the Amended Implementing Rules and Regulations of the Securities Regulation Code. The Nominations Committee of the Company is composed of Manuel B. Villar, Jr. as Chairman and Cynthia J. Javarez and Ana Marie V. Pagsibigan as members.

Significant Employees

The Company has no other significant employee other than its Executive Officers.

Family Relationships

Mr. Manuel B. Villar Jr. is the father of Mr. Paulo A. Villar, Mr. Mark A. Villar and Ms. Camille A. Villar. They are part of the Company's Board of Directors.

Compensation of Directors and Executive Officers

Executive Compensation

The compensation for its executive officers for the years 2020 and 2021 (actual) and 2022 (projected) are shown below:

Name and Principal Position		Year	Salary	Bonus	Others
Manuel B. Villar Jr.	Chairman				
Cynthia J. Javarez	President of Golden MV Holdings, Inc.				
Eduardo T. Aguilar	Operations Head of Bria Homes, Inc.				
Estrellita S. Tan	Chief Financial Officer / Chief Information Officer / Treasurer / Investor Relations /				
Kate D. Cator	Compliance Officer				
Aggregate executive compensation for above named officers		Actual 2022	₱26.7M	₱10.1M	None
		Actual 2023	₱23.3M	₱11.3M	None
		Projected 2024	₱24.4M	₱11.9M	None

Name and Principal Position	Year	Salary	Bonus	Others
Aggregate executive compensation of all other officers and directors, unnamed	Actual 2022	₱21.1M	₱9.7M	None
	Actual 2023	₱18.8M	₱9.6M	None
	Projected 2024	₱21.4M	₱10.1M	None

Standard arrangements

Each director of the Company receives a per diem of Php30,000 for attendance in a Board meeting and a Php30,000 allowance for attendance in a committee meeting (except for independent directors). On September 2023, the per diem for attendance in a Board meeting and the allowance for attendance in a committee meeting was increased to Php30,000 from Php15,000

Other arrangements

Except for each of the individual Directors' participation in the Board, no Director of the Company enjoys other arrangements such as consulting contracts or similar arrangements.

Employment contract between the company and executive officers

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

Warrants and options held by the executive officers and directors

There are no outstanding warrants or options held by the Company's CEO, the named executive officers, and all officers and directors as a group.

Significant employee

While the Company values the contribution of each of its executive and non-executive employees, the Company believes there is no non-executive employee that the resignation or loss of whom would have a material adverse impact on the business of the Company. Other than standard employment contracts, there are no special arrangements with non-executive employees of the Company.

Certain relationships and related transactions

The Company, in the ordinary course of its business, engages in transactions with related parties. The Company's policy with respect to related party transactions is to ensure that these transactions are entered into on terms comparable to those available from unrelated third parties.

For further discussion on the Company's related party transactions, including detailed breakdowns of amounts receivable from and amounts payable to related parties, See Note 16 of the Company's AFS included in this report.

Except as disclosed in the Annual Report of the Registrant (SEC Form 17-A) for the year ended December 31, 2021, the Registrant has not had any transaction during the last two (2) years in which any director or executive officer of the Company or any of their immediate family members had a direct or indirect interest.

Independent Public Accountants

Punongbayan & Araullo, independent certified public accountants, audited the Company's consolidated financial statements without qualification as of and for the years ended December 31, 2021, 2022 and 2023, included in this report.

Punongbayan & Araullo has acted as the Company's external auditors since June 15, 2015. James Joseph Benjamin J. Araullo is the current audit partner for the Company and the other subsidiaries. The Company has not had any disagreements on accounting and financial disclosures with its current external auditors for the same periods or any subsequent interim period. Punongbayan & Araullo has neither shareholdings in the Company nor any right, whether legally enforceable or not, to nominate persons or to subscribe for the securities in the Company. The foregoing is in accordance with the Code of Ethics for Professional Accountants in the Philippines set by the Board of Accountancy and approved by the Professional Regulation Commission.

The following table sets out the aggregate fees billed for each of the last two years for professional services rendered by Punongbayan & Araullo:

	<u>2023*</u>	<u>2022*</u>
Audit and Audit-Related Fees:		
Fees for services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements	₱2,880,000	₱2,425,000
All other fees	—	—
Total	₱2,880,000	₱2,425,000

* Consolidated audit fees of the parent and the subsidiary

Changes in and Disagreement with Accountants on Accounting and Financial Disclosure

Since the incorporation of the Registrant in 1982, there was no instance where the Registrant's public accountants resigned or indicated that they decline to stand for re-election or were dismissed nor was there any instance where the Registrant had any disagreement with its public accountants on any accounting or financial disclosure issue.

The 2023 audit of the Registrant is in compliance with paragraph (3)(b)(iv) of SRC Rule 68, as amended, which provides that the external auditor should be rotated, or the handling partner changed, every five (5) years or earlier.

Audit Committee's Approval Policies and Procedures

In relation to the audit of the Registrant's annual financial statements, the Registrant's Corporate Governance Manual provides that the Registrant's Audit Committee shall, among other activities, (i) evaluate significant issues reported by the external auditors in relation to the adequacy, efficiency and effectiveness of policies, controls, processes and activities of the Registrant; (ii) ensure that other non-audit work provided by the external auditors are not in conflict with their functions as external auditors; and (iii) ensure the compliance of the Registrant with acceptable auditing and accounting standards and regulations.

The Audit Committee of the Registrant is composed of Ana Marie V. Pagsibigan, the Chairman, and the committee members Garth F. Castaneda and Frances Rosalie T. Coloma.

OTHER MATTERS

Action with Respect to Reports

The following reports will be submitted for approval by the stockholders:

1. Minutes of the last Annual Meeting of Stockholders held on July 15, 2023, covering the following matters: (i) approval of the President's Report and the Annual Report for the year 2022; (ii) approval and adoption of the Audited Financial Statements for the year ended December 31, 2022; (iii) ratification of all acts of the Board of Directors and Management since the annual stockholders' meeting held in July 2022; (iv) election of the directors and independent directors of the Company for the ensuing fiscal year; and (v) appointment of the external auditor of the Company for the fiscal year 2023.
2. Audited Financial Statements for the year 2023.

Other Proposed Action

1. Ratification of all acts and resolutions of the Board of Directors and Management from the date of the last annual stockholders' meeting until the date of this meeting as set forth in the minutes of the meetings of the Board of Directors held during the same period and in the disclosures that have been duly filed with the SEC and the PSE. These minutes cover various resolutions of the Board, including approval of the 2023 Audited Financial Statements; appointment of Officers and Board Committee members; opening of bank accounts and availment of banking and financial products and services; appointment of authorized signatories for various transactions in the normal course of business of the Company; appointment of authorized signatories and representatives for memorial park and office transactions of the Company, application and registration of memorial park projects with local government units; appointment of authorized signatories for bank borrowings; land acquisitions (for the memorial park business); approval of Quarterly and Annual reports of the company as filed in the SEC and the PSE; and compliance with requirements of the SEC.
2. Approval of the appointment of Punongbayan & Araullo as external auditor of the Company for the year 2024.

Voting Procedures

Manner of voting

In all items for approval, except in the election of directors, each share of stock entitles its registered owner to one vote.

For the purpose of electing directors, a stockholder may vote such number of his shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them among as many candidates as he shall see fit.

For this year's meeting, the Board of Directors had adopted a resolution to allow stockholders entitled to notice of, and to attend the meeting, to exercise their right to vote *in absentia*.

Stockholders as of Record Date who have successfully registered their intention to participate in the annual meeting via remote communication and to vote *in absentia*, duly verified and validated by the Company, shall be provided with unique log-in credentials to securely access the voting portal. A stockholder voting electronically in absentia shall be deemed present for purposes of quorum.

Stockholders and the Chairman as proxy holder can cast their votes on specific matters for approval, including the election of directors.

Voting requirements

- (a) With respect to the election of directors, candidates who received the highest number of votes shall be declared elected.
- (b) With respect to the approval of the minutes of the last annual meeting of stockholders and the Audited Financial Statements for the year ended December 31, 2023, and the approval or ratification of the other actions set forth under the heading "Other Proposed Actions" above, the vote of majority of the outstanding capital stock entitled to vote and represented in the meeting is required to approve such matters.

Method of counting votes

The Corporate Secretary will be responsible for counting votes based on the number of shares entitled to vote owned by the stockholders who are participating in the meeting by remote communication and are voting in absentia or represented by proxies.

All votes received shall be tabulated by the Office of the Corporate Secretary with the assistance of the Company's stock transfer agent. The Corporate Secretary shall report the results of voting during the meeting.

Participation via Remote Communication

To comply with applicable regulations on mass gatherings, and/or requirements of social distancing to prevent the spread of COVID-19 and to ensure the safety, security, and welfare of our directors and stockholders, the Company will dispense with the physical attendance of stockholders at the meeting and will only allow attendance through remote communication, as set forth above, by voting in absentia or by voting through the Chairman of the meeting as proxy.

The live webcast of the Annual Stockholders Meeting may be accessed through <https://vote.goldenmv.com.ph/vsrv/registration>.

THE COMPANY'S ANNUAL REPORT IS POSTED IN THE COMPANY'S WEBSITE. UPON THE WRITTEN REQUEST OF A STOCKHOLDER, THE REGISTRANT UNDERTAKES TO FURNISH SAID STOCKHOLDER A COPY OF SEC FORM 17-A FREE OF CHARGE, EXCEPT FOR EXHIBITS ATTACHED THERETO WHICH SHALL BE CHARGED AT COST. ANY WRITTEN REQUEST FOR A COPY OF SEC FORM 17-A SHALL BE ADDRESSED AS FOLLOWS:

**Golden MV Holdings, Inc.
San Ezekiel, C5 Extension
Las Piñas City, Philippines**

Attention: Estrellita S. Tan

PART II

MANAGEMENT REPORT

I. FINANCIAL STATEMENTS

The Financial Statements of the Company as of and for the year ended December 31, 2023 are incorporated herein in the accompanying Index to Financial Statements and Supplementary Schedules.

II. INFORMATION ON INDEPENDENT ACCOUNTANT

Punongbayan & Araullo, independent certified public accountants, audited the Company's consolidated financial statements without qualification as of and for the year ended December 31, 2023 included in this report.

Punongbayan & Araullo has acted as the Company's external auditors since June 15, 2015. James Joseph Benjamin J. Araullo is the current audit partner for the Company and the other subsidiaries. The Company has not had any disagreements on accounting and financial disclosures with its current external auditors for the same periods or any subsequent interim period. Punongbayan & Araullo has neither shareholdings in the Company nor any right, whether legally enforceable or not, to nominate persons or to subscribe for the securities in the Company. The foregoing is in accordance with the Code of Ethics for Professional Accountants in the Philippines set by the Board of Accountancy and approved by the Professional Regulation Commission.

In relation to the audit of the Company's annual financial statements, the Company's Corporate Governance Manual provides that the audit committee shall, among other activities (i) evaluate significant issues reported by the external auditors in relation to the adequacy, efficiency and effectiveness of policies, controls, processes and activities of the Company; (ii) ensure that other non-audit work provided by the external auditors are not in conflict with their functions as external auditors; and (iii) ensure the compliance of the Company with acceptable auditing and accounting standards and regulations.

The following table sets out the aggregate fees billed for each of the last two years for professional services rendered by Punongbayan & Araullo:

	<u>2023*</u>	<u>2022*</u>
Audit and Audit-Related Fees:		
Fees for services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements	₱2,880,000	₱2,425,000
All other fees	—	—
Total	₱2,880,000	₱2,425,000

**Consolidated audit fees of the parent and the subsidiary*

III. MANAGEMENT'S DISCUSSION AND ANALYSIS

RESULTS OF OPERATIONS COVERING 3-MONTHS OF 2024 VS. 3-MONTHS OF 2023

Revenues

The revenues of the Company increased from **₱1,614.8 million** for the 3-months ended March 31, 2023 to **₱1,686.3 million** for the 3-months ended March 31, 2024. The **4%** increase was primarily attributable to the following:

- **Real estate sales**
Real estate sales of the group increased to **₱1,620.7 million** for the 3-months of 2024, a **5%** increase from **₱1,547.5 million** in the same period in 2023. This is due to the increase in sales of memorial lots and residential units.
- **Interest income on contract receivables**
Interest income on contract receivables were recorded at **₱35.8 million** in 3-months of 2024, decreased by **15%** compared to **₱42.3 million** in 3-months of 2023. This was due to the lower in-house financed sales on account in 3-months of 2024 compared to 3-months of 2023.
- **Interment income**
There was a **17%** increase in income from interment services to **₱20.6 million** in 3-months of 2024 from **₱17.5 million** in the same period in 2023. This was attributable to the increase in the number of services rendered in 3-months of 2024, compared to the same period in 2023.
- **Income from Chapel Services**
Income from chapel services increased by **23%**, to **₱9.2 million**, from **₱7.5 million**, due to the increase in the number of memorial chapel and cremation services rendered in 3-months of 2024, compared to the same period in 2023.

Costs and Expenses

Cost and expenses is decreased to **₱1,022.8 million** in 3-months ended March 31, 2024, from **₱1,023.8 million** for period ended March 31, 2023. The decrease was primarily attributable to the decrease in other operating expenses.

Other Income (charges) - Net

Other charges - net decreased to **₱50.8 million** in the 3-months of 2024, from **₱58.7 million** in 3-months of 2023. The **14%** decrease was mainly attributable to the decrease in finance costs for the period.

Tax Expense

The Company's tax expense increased by **6%**, to **₱62.7 million** for 3-months of 2024 from **₱59.2 million** for 3-months of 2023 primarily due to a higher taxable base for the period.

Net Income

As a result of the movements above, total net profits increased by **16%**, to **₱549.9 million** in 3-months of 2024 from **₱473.0 million** recorded in 3-months of 2023.

For the 3-months of 2024, except as discussed in Note 1.2 of the 2023 Financial Statements on the impact of Covid-19 Pandemic in the Group's business, there were no other seasonal aspects that had a material effect on the financial condition or results of operations of the Group. Neither were there any trends, events or uncertainties that have had or that are reasonably expected to have a material impact on the net sales or revenues or income from continuing operations. The Group is not aware of events that will cause a material change in the relationship between the costs and revenues.

There are no significant elements of income or loss that did not arise from the Group's continuing operations.

FINANCIAL CONDITION AS OF MARCH 31, 2024 VS. DECEMBER 31, 2023

The Group's total assets were recorded at **₱29,125.6 million** as of March 31, 2024, compared to the **₱27,945.6 million** recorded as of December 31, 2023, increasing by **4%**. This increase was due to the following movements:

- Cash on-hand and in-banks increased by **2%**, from **₱981.2 million** as of December 31, 2023, to **₱1,002.6 million** as of March 31, 2024, due primarily to cash generated from operations.
- Total contracts receivable and contract assets, including non-current, decreased by **3%** from **₱17,309.6 million** as of December 31, 2023, to **₱16,830.1 million** as of March 31, 2024 due to sales on account recorded over the period.
- Due from related parties increased by **61%**, from **₱216.6 million** as of December 31, 2023 to **₱349.1 million** as of March 31, 2024 due primarily to advances made by related parties.
- Other receivables increased by **107%** from **₱1,836.4 million** as of December 31, 2023, to **₱3,809.1 million** as of March 31, 2024 due primarily to increase in receivables from contractors.
- Real estate inventories decreased by **7%**, from **₱6,500.0 million** of December 31, 2023 to **₱6,030.3 million** as of March 31, 2024 due to sales for the period.
- Property and equipment-net increased by **2%**, from **₱202.6 million** as of December 31, 2023 to **₱205.9 million** as of March 31, 2024, due primarily to purchase of property and equipment for the period.

The total liabilities of the Group decreased by **5%** from **₱13,828.9 million** as of December 31, 2023 to **₱14,458.9 million** as of March 31, 2024. This decrease was due to the following:

- Total interest-bearing loans, including non-current, increased by **1%**, from **₱5,250.0 million** as of December 31, 2023 to **₱5,326.5 million** as of March 31, 2024, due to payments made by the Company during the period.
- Trade and other payables increased by **20%** from **₱2,255.2 million** as of December 31, 2023 to **₱2,702.4 million** as of March 31, 2024, due to new contracts in relation to construction and development of residential houses for the period.
- Customers' deposits increased by **5%**, from **₱1,866.5 million** as of December 31, 2023 to **₱1,952.5 million** as of March 31, 2024, due mainly to collections from reservation sales for the period.
- Due to related parties decreased by **8%**, from **₱951.7 million** as of December 31, 2023 to **₱877.1 million** as of March 31, 2024, due mainly to advances made by the company during the period.
- Deferred tax liability increased by **5%**, from **₱1,181.5 million** as of December 31, 2023 to **₱1,237.2 million** as of March 31, 2024 due to the increase in temporary difference for the period.
- Reserved for Perpetual Care decreased by **24%** from **₱1,026.6 million** as of December 31, 2023 to **₱779.0 million** as of March 31, 2024 due to remittance to fund.

Total stockholder's equity increased by 4% or by **₱550.0 million** from **₱14,116.8 million** as of December 31, 2023 to **₱14,666.8 million** as of March 31, 2024, due mostly to an increase in retained earnings by 5%, from **₱10,493.5 million** in December 31, 2023, to **₱11,043.5 million** as of March 31, 2024, coming from the net income earned during the period.

MATERIAL CHANGES TO THE GROUP'S STATEMENT OF FINANCIAL POSITION AS OF MARCH 31, 2024 COMPARED TO DECEMBER 31, 2023 (INCREASE/DECREASE OF 5% OR MORE)

- Due from related parties increased by **₱132.5 million**, or **61%**, from **₱216.6 million** as of December 31, 2023 to **₱349.1 million** as of March 31, 2024 due primarily to advances made by related parties.
- Other receivables increased by **₱1,972.7 million**, or **107%** from **₱3,809.1 million** as of December 31, 2023, to **₱1,836.4 million** as of March 31, 2024 due primarily to a decrease in receivables from contractors.
- Real estate inventories decreased by **₱469.7 million**, or **7%**, from **₱6,500.0 million** of December 31, 2023 to **₱6,030.3 million** as of March 31, 2024 due to sales for the period.
- Other non-current assets increased by **₱2.1 million**, or **5%**, from **₱41.7 million** of December 31, 2023 to **₱43.8 million** as of March 31, 2024 due to increase in other assets for the period.
- Trade and other payables increased by **₱447.2 million**, or **20%** from **₱2,255.2 million** as of December 31, 2023 to **₱2,702.4 million** as of March 31, 2024, due to new contracts in relation to construction and development of residential houses for the period.
- Customers' deposits increased by **₱86.0 million**, or **5%**, from **₱1,866.5 million** as of December 31, 2023 to **₱1,952.5 million** as of March 31, 2024, due mainly to collections from reservation sales for the period.
- Due to related parties decreased by **₱74.6 million**, or **8%**, from **₱951.7 million** as of December 31, 2023 to **₱877.1 million** as of March 31, 2024, due mainly to collection of advances made by the company during the period.
- Income tax payable increased by **₱7.0 million**, or **45%**, from **₱15.5 million** as of December 31, 2023 to **₱22.5 million** as of March 31, 2024, primarily due to the current tax expense incurred during the period.
- Deferred tax liability increased by **₱55.7 million**, or **5%**, from **₱1,181.5 million** as of December 31, 2023 to **₱1,237.2 million** as of March 31, 2024 due to the increase in temporary difference for the period.
- Reserved for Perpetual Care increased by **₱52.4 million**, or **5%**, from **₱1,026.6 million** as of December 31, 2023 to **₱779.0 million** as of March 31, 2024 due to sales recorded for the period.
- Total stockholder's equity increased by **₱550.0 million** or **4%** from **₱14,116.8 million** as of December 31, 2023 to **₱14,666.8 million** as of March 31, 2024, due mostly to an increase in retained earnings by 5%, from **₱10,493.5 million** in December 31, 2023, to **₱11,043.5 million** as of March 31, 2024, due to net income earned during the period.

MATERIAL CHANGES TO THE GROUP'S STATEMENT OF INCOME FOR THE 3-months of 2024 COMPARED TO THE 3-months of 2023 (INCREASE/DECREASE OF 5% OR MORE)

- Real estate sales increased by **₱73.2 million** or **5%**, to **₱1,620.7 million** in 3-months of 2024 from **₱1,547.5 million** in the same period in 2023. The increase was due to higher sales of memorial lots and residential units compared to same period previous year.
- Interest income on contract receivables decreased by **₱6.5 million** or **15%**, to **₱35.8 million** in 3-months of 2024 from **₱42.3 million** in the same period in 2023. This was due to higher in-house financed sales on account in 3-months of 2024 compared to the same period in 2023.
- Interment Income increased by **₱3.1 million** or **17%**, to **₱20.6 million** in 3-months of 2024 from **₱17.5 million** in 3-months of 2023 due to increase in the number of services rendered in 3-months of 2024, compared to the same period in 2023.
- Income from chapel services increased by **₱1.7 million** or **23%**, to **₱9.2 million** in 3-months of 2024 from **₱7.5 million** in 3-months of 2023 due to increase in the number of memorial chapel and cremation services rendered in 3-months of 2024, compared to the same period in 2023.
- Other charges - net decreased by **₱7.9 million** or **14%**, to **₱50.8 million** in the 3-months of 2024, from **₱58.7 million** in 3-months of 2023. The increase was mainly attributable to the decrease in other revenues earned by the company.
- The Company's tax expense increased by **₱3.5 million** or **6%**, to **₱62.7 million** in the 3-months of 2024, from **₱59.2 million** in 3-months of 2023. Primarily due to a higher taxable base for the period.
- As a result of the movements above, net profit increased by **₱76.9 million** or **16%**, to **₱549.9 million** for 3-months of 2024 from **₱473.0 million** for 3-months of 2023.

COMMITMENTS AND CONTINGENCIES

The Group is a lessee under non-cancellable operating lease agreements for its office spaces. The leases have terms ranging from three to five years with renewal options upon mutual written agreement between the parties, and include annual escalation in rental rates.

There are other commitments and contingent liabilities that arise in the normal course of the Company's operations, which are not reflected in the financial statements. Management is of the opinion that losses, if any, from these events and conditions will not have material effects on the Company's financial statements.

REVIEW OF YEAR-END 2023 VS YEAR-END 2022

RESULTS OF OPERATIONS

Revenues

The revenues of the Company decreased from **₱4,963 million** for the year ended December 31, 2022 to **₱4,759 million** for the year ended December 31, 2023, decreasing by **4%**. The decrease was primarily attributable to the following:

- Real estate sales decreased by **5%** from **₱4,696 million** for the year ended December 31, 2022 to **₱4,459 million** for the year ended December 31, 2023, due to the decrease in sales of residential units.
- Interest income on contract receivables increased from **₱169 million** for the year ended December 31, 2022 to **₱191 million** for the year ended December 31, 2023. This **13%** increase was due mostly to a increase on in-house financed sales over the year compared to previous year.
- Interment income increased from **₱69 million** for the year ended December 31, 2022 to **₱75 million** for the year ended December 31, 2023, increasing by **10%**, due to a higher number of interment services rendered for the year.
- Income from chapel services increased from **₱30 million** for the year ended December 31, 2022 to **₱34 million** for the year ended December 31, 2023. The **13%** increase was due to the higher number of memorial services rendered for the year.

Costs and Expenses

Cost and expenses of the Company decreased from **₱3,339 million** for the year ended December 31, 2022 to **₱3,047 million** for the year ended December 31, 2023. The **9%** decrease in the account was mainly attributable to the following:

- Cost of sales and services decreased from **₱2,173 million** for the year ended December 31, 2022 to **₱1,936 million** for the year ended December 31, 2023. The **11%** decrease was due mainly to a decrease in residential units sold.
- Other operating expenses decreased from **₱1,165 million** for the year ended December 31, 2022 to **₱1,111 million** for the year ended December 31, 2023. The decrease was due primarily to decrease in commissions, salaries and employee benefits and loss on cancellations.

Tax Expense

Tax expense increased by **23%**, from **₱146 million** for the year ended December 31, 2022 to **₱179 million** for the year ended December 31, 2023 primarily due to a higher taxable base for the year.

Net Income

As a result of the movements above, total net profits increased from **₱1,293 million** for the year ended December 31, 2022 to **₱1,416 million** for the year ended December 31, 2023, or an increase of **10%**.

For the year-end 2023 except as discussed in Note 1.2 of the 2023 Financial Statements on the impact of Covid-19 Pandemic in the Group's business, there were no seasonal aspects that had a material effect on the financial condition or results of the operations of the Group. Neither were there any trends,

events, or uncertainties that have had or are reasonably expected to have a material impact on the net sales or revenues or income from continuing operations. The Group is not aware of events that will cause a material change in the relationship between the costs and the revenues.

There are no significant elements of income or loss, which did not arise from the Company's continuing operations.

FINANCIAL CONDITION

As of December 31, 2023 vs. December 31, 2022

The Company's total assets were recorded at **₱27,945 million** as of December 31, 2023, slightly lower, from **₱28,038 million** recorded as of December 31, 2022, due to the following:

- Cash on-hand and in-banks increased by **7%**, from **₱919 million** as of December 31, 2022 to **₱981 million** as of December 31, 2023, mainly due to cash generated from operations.
- Total contracts receivable and contract assets, including non-current, increased by **9%** from **₱15,858 million** as of December 31, 2022 to **₱17,310 million** as of December 31, 2023 due mainly to sales on account recorded over the year.
- Due from related parties increased by **895%** from **₱22 million** as of December 31, 2022 to **₱217 million** as of December 31, 2023 due to advances recorded for the year.
- Other Receivable decreased by **46%** from **₱3,400 million** as of December 31, 2022 to **₱1,836 million** as of December 31, 2023 mainly due to advance payments for strategic land acquisition.
- Real estate inventories decreased by **2%** from **₱6,615 million** of December 31, 2022 to **₱6,500 million** as of December 31, 2023 due to sales for the year.
- Other current assets, decreased by **10%**, from **₱844 million** as of December 31, 2022 to **₱758 million** as of December 31, 2023, due mostly to amortization of prepaid expense during the year.
- Property Plant and Equipment – net decreased by **8%**, from **₱219 million** as of December 31, 2022 to **₱203 million** as of December 31, 2023, due mainly to sale of property and equipment and depreciation for the year.
- Right of use assets-net decreased by **38%**, from **₱38 million** as of December 31, 2022 to **₱24 million** as of December 31, 2023, due primarily to pre-termination of certain leases as mutually agreed with its lessors.
- Other non-current assets decreased by **13%**, from **₱48 million** as of December 31, 2022 to **₱42 million** as of December 31, 2023, due mainly to the decrease in other assets for the year.

The total liabilities of the Company decreased by **10%**, from **₱15,346 million** as of December 31, 2022 to **₱13,828 million** as of December 31, 2023, due to the following:

- Total Interest-bearing loans, including non-current, decreased by **18%**, from **₱6,385 million** as of December 31, 2022 to **₱5,250 million** as of December 31, 2023, due mostly to payment of interest-bearing loans.
- Trade and other payables increased by **11%** from **₱2,033 million** as of December 31, 2022 to **₱2,255 million** as of December 31, 2023 due to provisions for future land development.

- Rawland payable increased by **1%** from **₱691 million** as of December 31, 2022 to **₱699 million** as of December 31, 2023 due to raw land acquisition during the year
- Lease Liability, including non-current decreased by **38%** from **₱41 million** as of December 31, 2022 to **₱25 million** as of December 31, 2023, due primarily to pre-termination of certain leases as mutually agreed with its lessors.
- Customers' deposits decreased by **26%** from **₱2,522 million** as of December 31, 2022 to **₱1,866 million** as of December 31, 2023, due to real estate sales recognition for the year.
- Due to related parties decreased by **1%** from **₱961 million** as of December 31, 2022 to **₱952 million** as of December 31, 2023 due mainly to collection of advances made by the Company for the year.
- Income tax payable increased by **79%** from **₱9 million** as of December 31, 2022 to **₱15 million** as of December 31, 2023 due to a higher taxable base for the year
- Deferred tax liabilities-net increased by **12%** from **₱1,050 million** as of December 31, 2022 to **₱1,181 million** as of December 31, 2023 due to the increase in temporary difference for the period.
- Reserve for perpetual care increased by **13%** from **₱912 million** as of December 31, 2022 to **₱1,027 million** as of December 31, 2023 due to sale of memorial lots for the year.
- Retirement benefit obligation increased by **3%** from **₱93million** as of December 31, 2022 to **₱96 million** as December 31, 2023 due to an increase in the present value of the obligation as recorded for the year.

Total stockholder's equity increased by **11%** from **₱12,692 million** as of December 31, 2022 to **₱14,117 million** as of December 31, 2023, due to the following:

- A **16%** increase in retained earnings, from **₱9,077 million** in December 31, 2022, to **₱10,494 million** as of December 31, 2023, mainly due to the net income recorded for the year.
- A **1767%** increase in revaluation reserves from **₱0.5 million** as of December 31, 2022 to **₱9 million** as of December 31, 2023 mainly due to the remeasurement of post-employment defined benefit plan.

Considered as the top five key performance indicators of the Company for the period as shown below:

KEY PERFORMANCE INDICATORS		2023	2022
Liquidity:			
Current Ratio	Current Assets/Current Liability	3.49 :1	2.45 :1
Solvency:			
Debt-to-Equity Ratio	Total Debt/Total Equity	0.37 :1	0.50 :1
Asset-to-equity:			
Asset-to-Equity ratio	Total Assets/Total Equity	1.98 :1	2.21 :1
Interest-rate-coverage:			
Interest-rate-coverage ratio	Profit Before Tax and Interest/Finance Costs (Including capitalized interest)	5.32 : 1	5 : 1
Profitability:			
Return-on-equity	Net Income/Equity	10.03%	10.19%

Material Changes to the Company's Statement of Financial Position as of December 31, 2022 compared to December 31, 2023 (increase/decrease of 5% or more)

- Cash on-hand and in-banks increased by **₱62 million** or **7%**, from **₱919 million** as of December 31, 2022 to **₱981 million** as of December 31, 2023, mainly due to cash generated from operations.
- Total contracts receivable and contract assets, including non-current increased by **₱1,452 million** or **8%**, from **₱15,858 million** as of December 31, 2022 to **₱17,310 million** as of December 31, 2023, mainly due to sales on account recorded during the year.
- Due from related parties increased by **₱194 million** or **895%** from **₱22 million** as of December 31, 2022 to **₱217 million** as of December 31, 2023 mainly due to advances recorded for the year.
- Other Receivable decreased by **₱1,563 million** or **46%** from **₱3,400 million** as of December 31, 2022 to **₱1,836 million** as of December 31, 2023 mainly due to advance payments for future strategic land acquisition.
- Other current assets decreased by **₱86 million** or **10%**, from **₱844 million** as of December 31, 2022 to **₱758 million** as of December 31, 2023, due mostly to amortization of prepaid expense during the year.
- Property Plant and Equipment – net decreased by **₱16 million** or **8%**, from **₱219 million** as of December 31, 2022 to **₱203 million** as of December 31, 2023, due mainly to sale of property and equipment and depreciation for the year.
- Right of use assets-net decreased by **₱14 million** or **38%**, from **₱38 million** as of December 31, 2022 to **₱24 million** as of December 31, 2023, due primarily to pre-termination of certain leases as mutually agreed with its lessors.
- Other non-current assets decreased by **₱6 million** or **13%**, from **₱48 million** as of December 31, 2022 to **₱42 million** as of December 31, 2023, due mainly to the decrease in other assets for the year.
- Total Interest-bearing loans, including non-current, decreased by **₱1,135 million** or **18%**, from **₱6,385 million** as of December 31, 2022 to **₱5,250 million** as of December 31, 2023, due mostly to interest-bearing loans payment made by the Company for the year.
- Trade and other payables increased by **₱222 million** or **11%** from **₱2,033 million** as of December 31, 2022 to **₱2,255 million** as of December 31, 2023 due to provisions for future development.
- Customers' deposits decreased by **₱656 million** or **26%** from **₱2,522 million** as of December 31, 2022 to **₱1,866 million** as of December 31, 2023, due to real estate sales recognition for the year.
- Lease liabilities including non-current portion decreased by **₱16 million** or **38%** from **₱41 million** as of December 31, 2022 to **₱25 million** as of December 31, 2023, due primarily to pre-termination of certain leases as mutually agreed with its lessors.
- Income tax payable increased by **₱6 million** or **79%** from **₱9 million** as of December 31, 2022 to **₱15 million** as of December 31, 2023 due to a higher taxable base for the year.
- Deferred tax liability increased by **₱131 million** or **12%** from **₱1,050 million** as of December 31, 2022 to **₱1,181 million** as of December 31, 2023 due to the increase in temporary difference for the period.
- Reserve for perpetual care increased by **₱115 million** or **13%** from **₱912 million** as of December 31, 2022 to **₱1,027 million** as of December 31, 2023 due to sales recorded for the year.

- Total stockholder's equity increased by **₱1,425 million** or **11%**, from **₱12,692 million** as of December 31, 2022 to **₱14,117 million** as of December 31, 2023. This change was primarily due to the **16%** increase in retained earnings from **₱9,077 million** as of December 31, 2022 to **₱10,494 million** as of December 31, 2023, and a **1,767%** decrease in revaluation reserves from **₱0.5 million** as of December 31, 2022 to **₱9 million** as of December 31, 2023.

Material Changes to the Company's Statement of income for the year ended December 31, 2023 compared to year ended December 31, 2022 (increase/decrease of 5% or more)

- Real estate sales decreased by **₱237 million**, or by **5%**, from **₱4,696 million** for the year ended December 31, 2022 to **₱4,459 million** for the year ended December 31, 2023. The decrease was due mainly to the decrease in sales of residential units.
- Interest income on contract receivables increased by **₱22 million**, or by **13%**, from **₱169 million** for the year ended December 31, 2022 to **₱191 million** for the year ended December 31, 2023. The increase was due mainly to the increase on in-house financed transactions for the year.
- Interment income increased by **₱7 million** or **10%**, from **₱69 million** for the year ended December 31, 2022 to **₱75 million** for the year ended December 31, 2023, due to a increase in the number of interment services rendered for the year.
- Income from chapel services increased by **₱4 million**, or by **13%**, from **₱30 million** for the year ended December 31, 2022 to **₱34 million** for the year ended December 31, 2023 due to the increase in memorial services rendered for the year.
- Cost of sales and services decreased by **₱237 million** or **11%**, from **₱2,173 million** for the year ended December 31, 2022 to **₱1,936 million** in the year ended December 31, 2023, due primarily to decrease in residential units sold.
- Other operating expenses decreased by **₱54 million** or **5%**, from **₱1,165 million** for the year ended December 31, 2022 to **₱1,111 million** in the year ended December 31, 2023, due primarily to decrease in commissions, salaries and employee benefits and loss on cancellations.
- Other charges – net decreased by **₱69 million** or **37%** from a of **₱185 million** for the year ended December 31, 2022 to **₱116 million** for the year ended December 31, 2023. This was due primarily to the increase in other income for the year.
- The Company's tax expense increased by **₱33 million** or **23%**, from **₱146 million** for year ended December 31, 2022 to **₱179 million** for the year ended December 31, 2023. The increase was mainly attributable to higher taxable base for the year.
- Net Profit increased by **₱123 million** or **10%**, from **₱1,293 million** for year ended December 31, 2022 to **₱1,416 million** for the year ended December 31, 2023.

There are no other material changes in the Company's financial position (changes of 5% or more) and condition that will warrant a more detailed discussion. Further, except as discussed in Note 1.2 of the 2023 Financial Statements on the impact of Covid-19 Pandemic in the Group's business, there are no material events and uncertainties known to management that would impact or change reported financial information and condition on the Company.

REVIEW OF YEAR-END 2022 VS YEAR-END 2021

RESULTS OF OPERATIONS

Revenues

The revenues of the Company decreased from **₱5,169 million** for the year ended December 31, 2021 to **₱4,963 million** for the year ended December 31, 2022, decreasing by **4%**. The decrease was primarily attributable to the following:

- Real estate sales decreased by **4%** from **₱4,877 million** for the year ended December 31, 2021 to **₱4,696 million** in the year ended December 31, 2022, due mainly to the adaption of a higher collection threshold for real estate revenue recognition on memorial lot sales.
- Interment income decreased from **₱75 million** for the year ended December 31, 2021 to **₱69 million** for the year ended December 31, 2022, decreasing by **9%**, due to a lower number of interment services rendered for the year.
- Interest income on contract receivables decreased from **₱183 million** for the year ended December 31, 2021 to **₱169 million** for the year ended December 31, 2022. This **8%** change was due mostly to a decrease on in-house financed sales over the year compared to previous year.
- Income from chapel services decreased from **₱34 million** for the year ended December 31, 2021 to **₱30 million** for the year ended December 31, 2022. The **13%** decrease was due to the lower number of memorial services rendered for the year.

Costs and Expenses

Cost and expenses of the Company decreased from **₱3,526 million** for the year ended December 31, 2021 to **₱3,339 million** for the year ended December 31, 2022. The **5%** decrease in the account was mainly attributable to the following:

- Cost of sales and services decreased from **₱2,195 million** for the year ended December 31, 2021 to **₱2,173 million** in the year ended December 31, 2022. The **1%** decrease was due mainly to a decrease in memorial lots sold.
- Other operating expenses decreased by **12%**, from **₱1,331 million** for the year ended December 31, 2021 to **₱1,165 million** in the year ended December 31, 2022. The decrease was due primarily to decrease in commissions, promotions, loss on cancellations and rentals.

Tax Expense

Tax expense increased by **262%**, from **₱90 million** Tax income for year-end 2021 to **₱146 million** for year-end 2022. This was primarily due to a higher taxable base for the year.

Net Income

As a result of the movements above, total net profits decreased from **₱1,538 million** for the year-end 2021 to **₱1,293 million** recorded in year-end 2022, or a decrease of **16%**.

For the year-end 2022, except as discussed in Note 1.2 of the 2022 Financial Statements on the impact of Covid-19 Pandemic in the Group's business, there were no seasonal aspects that had a material effect on the financial condition or results of the operations of the Group. Neither were there any trends, events, or uncertainties that have had or are reasonably expected to have a material impact on the net sales or revenues or income from continuing operations. The Group is not aware of events that will cause a material change in the relationship between the costs and the revenues.

There are no significant elements of income or loss, which did not arise from the Company's continuing operations.

FINANCIAL CONDITION

As of December 31, 2022 vs. December 31, 2021

The Company's total assets were recorded at **₱28,038 million** as of December 31, 2022, increasing by **5%**, from **₱26,826 million** recorded as of December 31, 2021, due to the following:

- Cash on-hand and in-banks decreased by **52%**, from **₱1,924 million** as of December 31, 2021 to **₱919 million** as of December 31, 2022, mainly due to payments of loans and cash used for operations.
- Total contracts receivable and contract assets, including non-current, increased by **17%** from **₱13,552 million** as of December 31, 2021 to **₱15,858 million** as of December 31, 2022 due mainly to sales on account recorded over the year compared to previous year.
- Due from related parties increased by **64%** from **₱13 million** as of December 31, 2021 to **₱22 million** as of December 31, 2022 due to advances recorded for the year.
- Other Receivable increased by **44%** from **₱2,355 million** as of December 31, 2021 to **₱3,400 million** as of December 31, 2022 mainly due to advance payments for future strategic land acquisition.
- Real estate inventories decreased by **9%** from **₱7,291 million** of December 31, 2021 to **₱6,615 million** as of December 31, 2022 due to sales for the year.
- Other current assets, decreased by **34%**, from **₱ 1,279 million** as of December 31, 2021 to **₱844 million** as of December 31, 2022, due mostly to use of purchased construction materials related to construction of residential houses.
- Right of use assets-net increased by **12%**, from **₱34 million** as of December 31, 2021 to **₱38 million** as of December 31, 2022, due primarily to additional office rentals made by the Company.
- Property Plant and Equipment – net decreased by **16%**, from **₱263 million** as of December 31, 2021 to **₱219 million** as of December 31, 2022, due mainly to sale of property and equipment and depreciation for the year.
- Other non-current assets increased by **24%**, from **₱38 million** as of December 31, 2021 to **₱48 million** as of December 31, 2022, due mainly to the increase in security deposit for the year.

The total liabilities of the Company decreased by **1%**, from **₱15,442 million** as of December 31, 2021 to **₱15,346 million** as of December 31, 2022, due to the following:

- Total Interest-bearing loans, including non-current, decreased by **6%**, from **₱6,825 million** as of December 31, 2021 to **₱6,385 million** as of December 31, 2022, due mostly to payment of interest-bearing loans.

- Trade and other payables decreased by **5%** from **₱2,147 million** as of December 31, 2021 to **₱2,033 million** as of December 31, 2022 due to payments of commission payables to sales agents.
- Rawland payable decreased by **18%** from **₱838 million** as of December 31, 2021 to **₱691 million** as of December 31, 2022 due to settlements made on the land purchased on account.
- Lease Liability, including non-current increased by **16%** from **₱35 million** as of December 31, 2021 to **₱41 million** as of December 31, 2022, due to additional office rentals made by the Company for the year.
- Customers' deposits decreased by **7%** from **₱2,716 million** as of December 31, 2021 to **₱2,522 million** as of December 31, 2022, due to real estate sales recognition for the year.
- Due to related parties increased by **1%** from **₱952 million** as of December 31, 2021 to **₱961 million** as of December 31, 2022 due mainly to advances made by the Company for the year.
- Income tax payable decreased by **37%** from **₱14 million** as of December 31, 2021 to **₱9 million** as of December 31, 2022 due primarily to settlement for the year.
- Deferred tax liabilities-net increased by **12%** from **₱940 million** as of December 31, 2021 to **₱1,050 million** as of December 31, 2022 due to the increase in temporary difference for the period.
- Reserve for perpetual care increased by **5%** from **₱872 million** as of December 31, 2021 to **₱912 million** as of December 31, 2022 due to sale of memorial lots for the year.
- Retirement benefit obligation decreased by **10%** from **₱103 million** as of December 31, 2021 to **₱93 million** as December 31, 2022 due to a decrease in the present value of the obligation as recorded for the year.

Total stockholder's equity increased by **11%** from **₱11,384 million** as of December 31, 2021 to **₱12,692 million** as of December 31, 2022, due to the following:

- A **17%** increase in retained earnings, from **₱7,784 million** in December 31, 2021, to **₱9,077 million** as of December 31, 2022, mainly due to the net income recorded for the year.
- A **103%** decrease in revaluation reserves from negative **₱15 million** as of December 31, 2021 to **₱0.5 million** as of December 31, 2022 mainly due to the remeasurement of post-employment defined benefit plan.

Considered as the top five key performance indicators of the Company for the period as shown below:

KEY PERFORMANCE INDICATORS		2022	2021
Liquidity:			
Current Ratio	Current Assets/Current Liability	2.45 :1	2.52 :1
Solvency:			
Debt-to-Equity Ratio	Total Debt/Total Equity	0.50 :1	0.60 :1
Asset-to-equity:			
Asset-to-Equity ratio	Total Assets/Total Equity	2.21 :1	2.36 :1
Interest-rate-coverage:			
Interest-rate-coverage ratio	Profit Before Tax and Interest/Finance Costs (Including capitalized interest)	5 : 1	5.81 : 1
Profitability:			
Return-on-equity	Net Income/Equity	10.19%	13.51%

Material Changes to the Company's Statement of Financial Position as of December 31, 2022 compared to December 31, 2021 (increase/decrease of 5% or more)

- Cash on-hand and in-banks decreased by **₱1,005 million** or **52%**, from **₱1,924 million** as of December 31, 2021 to **₱920 million** as of December 31, 2022, mainly due cash used on operations and loan payments made by the Company for the year.
- Total contracts receivable and contract assets, including non-current increased by **₱2,306 million** or **17%**, from **₱13,552 million** as of December 31, 2021 to **₱15,858 million** as of December 31, 2022, mainly due to higher sales on account recorded for the year compared to previous year.
- Due from related parties increased by **₱9 million** or **64%** from **₱13 million** as of December 31, 2021 to **₱22 million** as of December 31, 2022 due to advances recorded for the year.
- Other Receivable increased by **₱1,045 million** or **44%** from **₱2,355 million** as of December 31, 2021 to **₱3,400 million** as of December 31, 2022 mainly due to advance payments for future strategic land acquisition.
- Real estate inventories decreased by **₱677 million** or **9%** from **₱7,291 million** of December 31, 2021 to **₱6,615 million** as of December 31, 2022 due to sales for the year.
- Other current assets decreased by **₱435 million** or **34%**, from **₱1,279 million** as of December 31, 2021 to **₱844 million** as of December 31, 2022, due mostly to purchase of construction materials related to construction of residential houses.
- Property Plant and Equipment – net decreased by **₱43 million** or **16%**, from **₱263 million** as of December 31, 2021 to **₱219 million** as of December 31, 2022, due mainly to sale of property and equipment and depreciation for the year.
- Right of use assets-net increased by **₱4 million** or **12%**, from **₱34 million** as of December 31, 2021 to **₱38 million** as of December 31, 2022, due to additional office rentals for the year.

- Other non-current assets increased by **₱9 million** or **24%**, from **₱38 million** as of December 31, 2021 to **₱48 million** as of December 31, 2022, due mainly to the increase in security deposit for the year.
- Total Interest-bearing loans, including non-current, decreased by **₱441 million** or **6%**, from **₱6,825 million** as of December 31, 2021 to **₱6,385 million** as of December 31, 2022, due mostly to interest-bearing loans payment made by the Company for the year.
- Trade and other payables decreased by **₱114** or **5%** from **₱2,147 million** as of December 31, 2021 to **₱2,033 million** as of December 31, 2022 due to payments of commission payables to sales agents.
- Raw land payable decreased by **₱147 million** or **18%** from **₱838 million** as of December 31, 2021 to **₱691 million** as of December 31, 2022 due to settlements made of land purchased on account.
- Customers' deposits decreased by **₱194 million** or **7%** from **₱2,716 million** as of December 31, 2021 to **₱2,522 million** as of December 31, 2022, due to real estate sales recognition for the year.
- Lease liabilities including non-current portion increased by **₱6 million** or **16%** from **₱35 million** as of December 31, 2021 to **₱41 million** as of December 31, 2022, due to additional office rentals for the year.
- Income tax payable decreased by **₱5 million** or **37%** from **₱14 million** as of December 31, 2021 to **₱9 million** as of December 31, 2022 due primarily to the settlement for the year.
- Deferred tax Liability increased by **₱111 million** or **12%** from **₱940 million** as of December 31, 2021 to **₱1,050 million** as of December 31, 2022 due to the increase in temporary difference for the period.
- Reserve for perpetual care increased by **₱40 million** or **5%** from **₱872 million** as of December 31, 2021 to **₱912 million** as of December 31, 2022 due to sales recorded for the year.
- Retirement benefit obligation decreased by **₱10 million** or **10%** from **₱103 million** as of December 31, 2021 to **₱93 million** as of December 31, 2022 decrease in the present value of the obligation as recorded for the year.
- Total stockholder's equity increased by **₱1,308 million** or **11%**, from **₱11,384 million** as of December 31, 2021 to **₱12,692 million** as of December 31, 2022. This change was primarily due to the **17%** increase in retained earnings from **₱7,784 million** as of December 31, 2021 to **₱9,077 million** as of December 31, 2022, and a **103%** decrease in revaluation reserves from negative **₱15 million** as of December 31, 2021 to **₱0.5 million** as of December 31, 2022.

Material Changes to the Company's Statement of income for the year ending 2022 compared to year ending 2021 (increase/decrease of 5% or more)

- Interest income on contract receivables decreased by **₱14 million**, from **₱183 million** for the year ended December 31, 2021 to **₱169 million** for the year ended December 31, 2022. The **8%** decrease was due mainly to the decrease on in-house financed transactions for the year.
- Income from chapel services decreased by **₱4 million**, or by **13%**, from **₱34 million** for the year ended December 31, 2021 to **₱30 million** for the year ended December 31, 2022 due to the decrease in memorial services rendered for the year.

- Interment income decreased by **₱7 million** or **9%**, from **₱75 million** for the year ended December 31, 2021 to **₱69 million** for the year ended December 31, 2022, due to a decrease in the number of interment services rendered for the year.
- Other operating expenses decreased by **₱166 million** or **12%**, from **₱1,331 million** for the year ended December 31, 2021 to **₱1,165 million** in the year ended December 31, 2022, due primarily to decrease in commissions, promotions, loss on cancellations and rentals for the year.
- Other charges – net decreased by **₱10 million** or **5%** from a of **₱196 million** for the year-end 2021 to **₱185 million** for the year-end 2022. This was due primarily to the increase in other income for the year.
- The Company's tax expense decreased by **₱236 million**, from tax income of **₱90 million** for year-end 2021 to tax expense of **₱146 million** for year-end 2022. The **262%** increase was mainly attributable to higher taxable base for the year.
- Net Profit decreased by **₱245 million**, from **₱1,538 million** for year ended December 31, 2021 to **₱1,293 million** for the year ended December 31, 2022. The **16%** decrease was primarily due to lower sales and revenues from operations of the company during the year.

There are no other material changes in the Company's financial position (changes of 5% or more) and condition that will warrant a more detailed discussion. Further, except as discussed in Note 1.2 of the 2022 Financial Statements on the impact of Covid-19 Pandemic in the Group's business, there are no material events and uncertainties known to management that would impact or change reported financial information and condition on the Company.

Factors which may have material impact in Company's operations

Economic factors

The economic situation in the Philippines significantly affects the performance of the Company's business. For the residential products, the Company is sensitive to changes in domestic interest and inflation rates. Higher interest rates tend to discourage potential consumers as deferred payment schemes become more expensive for them to maintain. An inflationary environment will adversely affect the Company, as well as other memorial park developers, by increases in costs such as land acquisition, labor, and materials. Although the Company may pass on the additional costs to buyers, there is no assurance that this will not significantly affect the Company's sales.

Competition

Please refer to the discussion on Competition found in Item 1 of this report.

Capital Expenditures

The table below sets out the Company's capital expenditures in 2021, 2022 and 2023.

	Expenditure <i>(in ₱ millions)</i>
2021 (actual)	2,798.67
2022 (actual)	2,707.33
2023 (actual)	1,656.97

**Consolidated amount of the parent and the subsidiary*

The Company's capital expenditures have, in the past, been financed by internally generated funds and long-term borrowings.

Components of the Company's capital expenditures for 2021, 2022 and 2023 are summarized below:

	For the years ended December 31,		
	2021	2022	2023
	<i>(in ₱ millions)</i>		
Land acquisition	263.30	59.00	65.07
Memorial park development	13.12	119.43	138.71
Memorial chapel construction	-	-	18.90
Land development	781.18	790.00	511.00
Construction	1,707.87	1,710.00	823.00
Property and equipment	59.2	28.90	100.29
Total	2,798.67	2,707.33	1,656.97

IV. NATURE AND SCOPE OF BUSINESS

Golden MV Holdings, Inc. (the "Company"), formerly Golden Bria Holdings, Inc., incorporated in November 1982, is one of Philippines' leading developers of memorial parks in the country in terms of land developed. Aside from the development and sale of memorial parks, the Company likewise develops, constructs and operates columbarium facilities. With the acquisition of Bria Homes, Inc. ("Bria"), the Company is now also engaged in mass housing business.

Bria Homes, Inc. is a corporation duly organized and existing under the laws of the Republic of the Philippines. The primary purpose of Bria is to acquire, own, use, improve, develop, subdivide, sell, mortgage, engage, lease, develop, and hold for investment or otherwise improve, manage, or dispose of real estate of all kinds including buildings, houses, apartments, and other structures of whatever kind. Bria is principally engaged in the mass housing business with housing projects located around the country.

Bria Homes, Inc. is the fastest growing mass housing developer in the Philippines. It caters to ordinary Filipinos who dreams of having high quality and affordable homes. Bria established its national footprint by continuously growing and making quality projects. To date, Bria, has over 50 projects and developments around the country.

In relation to its death care business, the Company has memorial parks located in major cities and municipalities across the country. The Company also offers columbaries within its memorial parks and a 20,000-vault columbarium located beneath the Santuario de San Ezekiel Moreno, a chapel constructed by the Company along C5 Road, Pulang Lupa, Las Piñas. The company has also expanded its business into Memorial Chapel Services in Las Pinas and in Angeles, Pampanga. These developments expanded the company's deathcare product offerings to funeral and cremation services, bringing it closer to becoming the country's first fully integrated death care service provider.

The Company offers memorial lots at varying lot sizes and price points within each of its existing memorial parks and within those memorial parks presently in development. The four basic lot packages are lawn lot; garden niche; family patio; and family estate. Purchasers of a family estate lot can elect to construct a mausoleum, the design and construction of which must conform to the Company's parameters as part of the terms of the purchase.

V. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDERS MATTERS

Market Information

Registrant's common shares are listed with the Philippine Stock Exchange. The Registrant was listed on June 29, 2016.

Quarter	2024			2023			2022			2021		
	High	Low	Close	High	Low	Close	High	Low	Close	High	Low	Close
1 st	1,065.00	875.00	1,065.00	788.00	650.00	788.00	685.00	540.00	685.00	450.00	440.00	449.00
2 nd				830.00	786.00	830.00	690.00	635.00	675.00	449.00	411.80	439.00
3 rd				859.00	796.00	850.00	675.00	519.00	675.00	535.00	439.00	535.00
4 th				849.50	786.00	844.50	660.00	536.50	650.00	540.00	522.00	540.00

The market capitalization of HVN as of March 27, 2024 based on the closing price of P1,065.00/share on March 27, 2024, the last trading date for the first quarter of 2024, was approximately P686.0 billion.

There are no events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.

Shareholders

There are approximately 14 holders of common equity security of the Company as of March 31, 2024 (based on the number of accounts registered with the Stock Transfer Agent). The following are the holders of the common securities of the Company:

	Name	No. of Shares	Percentage
1	FINE PROPERTIES, INC.	412,057,800	63.97%
2	CAMBRIDGE GROUP, INC. ²	158,744,255	24.65%
3	PCD NOMINEE CORPORATION (FILIPINO)	72,962,845	11.33%
5	CAMILLE A. VILLAR ¹	333,700	0.05%
5	MYRA P. VILLANUEVA	6,600	0.00%
7	PCD NOMINEE CORPORATION (NON-FILIPINO)	3,847	0.00%
6	MYRNA P. VILLANUEVA	2,300	0.00%
8	MILAGROS P. VILLANUEVA	2,300	0.00%
9	MANUEL B. VILLAR ¹	1,000	0.00%
10	CYNTHIA J. JAVAREZ ¹	1,000	0.00%
	MANUEL PAOLO A. VILLAR ¹	1,000	0.00%
	MARK A. VILLAR ¹	1,000	0.00%
13	ANA MARIE V. PAGESIBIGAN ¹	1	0.00%
14	GARTH F. CASTAÑEDA ¹	1	0.00%
	TOTAL OUTSTANDING ISSUED AND SUBSCRIBED (COMMON)	644,117,649	100.00%

¹ Lodged under PCD Nominee Corp.

² 8,744,255 lodged under PCD Nominee Corp. (Filipino)

Dividend Policy

Under the Revised Corporation Code, the Company's shareholders are entitled to receive a proportionate share in cash dividends that may be declared by the Board out of the surplus profits derived from operations. The same right exists with respect to a stock dividend declaration, the declaration of which is subject to the approval of shareholders representing at least two-thirds of the outstanding capital stock entitled to vote.

The amount of dividends to be declared will depend on the profits, investment requirements and capital expenditures at that time.

The Company has not defined a minimum percentage of net earnings to be distributed to its common shareholders. Dividends may be declared only from the Company's unrestricted retained earnings, except when, among others: (i) justified by definite corporate expansion, or (ii) when the Company is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its consent, and such consent has not been secured, or (iii) when it can be clearly shown that the retention of earnings is necessary under special circumstances obtaining in the Company, its assets and operations, such as when there is a need for special reserves for probable contingencies.

Record Date

Pursuant to existing Philippine SEC rules, cash dividends declared by a company must have a record date not less than 10, nor more than 30 days from the date the cash dividends are declared. With respect to stock dividends, the record date is to be not less than 10 or more than 30 days from the date of shareholder approval, provided however, that the set record date is not to be less than 10 trading days from receipt by the PSE of the notice of declaration of stock dividend. In the event that a stock dividend is declared in connection with an increase in authorized capital stock, the corresponding record date is to be fixed by the Philippine SEC.

Dividends

The Company has not declared dividends in any form for the two most recent fiscal years and any subsequent interim period.

Recent Sale Of Unregistered Or Exempt Securities Including Recent Issuance Of Securities Constituting An Exempt Transaction

The Company has not issued or sold unregistered or exempt securities nor issued securities in an exempt transaction within the past three years.

Stock Options

None

VI. COMPLIANCE WITH LEADING PRACTICE ON CORPORATE GOVERNANCE

The Company's Board has adopted a Revised Manual on Corporate Governance on May 31, 2019. The Company's Revised Manual on Corporate Governance describes the terms and conditions by which the Company intends to conduct sound corporate governance practices that are consistent with the relevant laws and regulations of the Republic of the Philippines, and which seek to enhance business transparency and build shareholder value.

Ultimate responsibility and oversight of the Company's adherence to superior corporate governance practices rests with the Board of Directors. As a policy matter, the Board holds monthly meetings, at which any number of relevant corporate governance issues may be raised for discussion. Practical oversight of the Company's corporate governance standards is exercised through the Board's Corporate Governance Committee.

The Company is committed to building a solid reputation for sound corporate governance practices, including a clear understanding by its Directors of the Company's strategic objectives, structures to ensure that such objectives are realized, systems to ensure the effective management of risks and the systems to ensure the Company's obligations are identified and discharged in all aspects of its business.

There are no known material deviations from the Company's Manual of Corporate Governance.

The Company is taking further steps to enhance adherence to principles and practices of good corporate governance.

PART III

SIGNATURES

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

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 the City of Las Piñas on _____.

GOLDEN MV HOLDINGS, INC.

By:



ESTRELLITA S. TAN
Chief Financial Officer,
Chief Information Officer,
Treasurer, Investor Relations Officer



GOLDEN MV HOLDINGS

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS


The management of **Golden MV Holdings, Inc.** (the Company), is responsible for the preparation and fair presentation of the consolidated financial statements, and the additional supplementary information, for the years ended December 31, 2023, 2022 and 2021, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

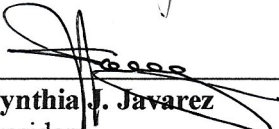
The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements, and the additional supplementary information, and submits the same to the stockholders.

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



Manuel B. Villar, Jr.
Chairman of the Board



Cynthia J. Javarez
President



Estrellita S. Tan
Chief Financial Officer

Signed this 15th day of May, 2024



GOLDEN MV HOLDINGS

SUBSCRIBED AND SWORN to before me this MAY 15 2024 at MANDALUYONG CITY, affiants exhibiting to me their respective passports, to wit:

<u>Name</u>	<u>Passport No.</u>	<u>Date & Place of Issue</u>
Manuel B. Villar	<u>P2529752B</u>	<u>12 Jul 2019 / DFA Manila</u>
Cynthia J. Javarez	<u>P3138029B</u>	<u>10 Sep 2019 / DFA Manila</u>
Estrellita S. Tan	<u>P7957022B</u>	<u>22 Oct 2021 / DFA Manila</u>

who satisfactorily proven to me their identities through their valid identification cards and that they are the same persons who personally signed before me the foregoing and acknowledges that they executed the same.

ATTY. ARBIN OMAR P. CARIÑO
NOTARY PUBLIC
UNTIL DECEMBER 31, 2024
ROLL No. 07146

ISP Lifetime Member No. 018537
PTR No. 5415502 / 05 Jan. 2024 / Mandaluyong City
MCLE Compliance No. VII-0020373 issued dated 03 June 2022
Notarial Commission Appointment No. 0388-23
Vista Corporate Center, Upper Ground Floor,
Worldwide Corporate Center, Shaw Blvd., Mandaluyong City

Doc. No. 65
Page No. 14
Book No. XXIII
Series of 2024.



P&A
Grant Thornton

FOR SEC FILING

Consolidated Financial Statements and
Independent Auditors' Report

Golden MV Holdings, Inc. and Subsidiaries

December 31, 2023, 2022 and 2021



Report of Independent Auditors

The Board of Directors and Stockholders
Golden MV Holdings, Inc. and Subsidiaries
(A Subsidiary of Fine Properties Inc.)
San Ezekiel, C5 Extension
Las Piñas City

Opinion

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

In our opinion, the accompanying consolidated financial statements are prepared in all material respects, 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 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 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 Recognition on Real Estate Sales and Determination of Related Costs

Description of the Matter

The Group's revenue recognition process, policies and procedures on real estate sales, which consists of sale of residential houses and lots, condominium units and memorial lots, are significant to our audit because these involve the application of significant judgment and estimation. In addition, these involve voluminous transactions and significant amounts with real estate sales amounting to P4.5 billion or 93.7% of consolidated Revenues and costs of real estate sales amounting to P1.9 billion or 62.2% of consolidated Costs and Expenses for the year ended December 31, 2023. Areas affected by revenue recognition, which requires significant judgments and estimates, include determining when a contract will qualify for revenue recognition, measuring the progress of the development of real estate projects, which defines the amount of revenue to be recognized and determining the amount of actual costs incurred as cost of real estate sales. These areas were significant to our audit as an error in the application of judgments and estimates could cause a material misstatement in the consolidated financial statements.

The Group's policy for revenue recognition on real estate sales are more fully described in Note 2 to the consolidated financial statements. The significant judgments applied and estimates used by management related to revenue recognition are more fully described in Note 3 to the consolidated financial statements. The breakdown of real estate sales and cost of real estate sales are also disclosed in Notes 16 and 17, respectively, to the consolidated financial statements.

How the Matter was Addressed in the Audit

i) Residential Houses and Lots, and Condominium Units

As disclosed in Notes 2 and 3 to the consolidated financial statements, the Group recognizes revenue from the real estate sale of residential houses and lots, and condominium units over time proportionate to the progress of the project development. The Group uses the input method in determining the percentage of completion after satisfying the gating criteria of PFRS 15, *Revenue from Contracts with Customers*, including establishing that collection of the total contract price is reasonably assured.

Our audit procedures to address the risk of material misstatement relating to revenue and cost recognition on real estate sale of residential houses and lots, and condominium units included, among others, the following:

- updated our understanding of the Group's revenue and cost recognition policy, processes and controls over the recognition and measurement of revenues and cost from real estate sale of residential houses and lots, condominium units, and cost per project;
- tested the design and operating effectiveness of the Group's processes and controls over revenue recognition and measurement, including appropriateness and proper application of the Group's revenue recognition policy, and cost recognition and allocation of cost per project;
- evaluated the appropriateness of the Group's revenue recognition policy in accordance with the requirements of PFRS 15;
- examined, on a sample basis, real estate sales contracts and other relevant supporting documents to ascertain accuracy and occurrence of revenue recognized during the current reporting period;
- recalculated the percentage of collection of sales contract, on a sample basis, based on the total accumulated principal payments as of the reporting date over contract price to determine if the Group established the buyers' commitment to complete their obligations over the sales contract. We have also tested the reasonableness of management's judgment in determining the probability of collection of the consideration in a contract which involves a historical analysis of customer payment pattern and behavior and the Group's sales cancellation experience;
- reviewed the reasonableness of the stage of completion on selected real estate projects by analyzing the cost incurred to date as a proportion of the total estimated budgetary costs to confirm that real estate sales recognized properly reflects the percentage of completion of inventories. We have also performed physical inspection of selected projects under development to assess if the completion based on costs is not inconsistent with the physical completion of the project. In testing the reasonableness of budgetary estimates, we ascertained the qualification of the Group's project engineers who prepared the estimated budgetary costs and reviewed the actual performance of the completed projects with reference to their budgeted costs;
- recomputed the revenues recognized for the year based on the percentage of completion and traced the revenues and costs recognized to the accounting records to ascertain that the amounts recorded agree with the supporting schedules; and,
- performed substantive analytical review procedures over revenues and costs such as, but not limited to, yearly and monthly analyses of real estate sale of house and lots, and condominium units per project based on our expectations and cost incurred per project, which include corroborating evidence from other audit procedures, and verifying that the underlying data used in the analyses are complete.

ii) Memorial Lots

As disclosed in Notes 2 and 3 to the consolidated financial statements, the Group recognizes revenue at a point in time when development of memorial lots are substantially completed after satisfying the gating criteria of PFRS 15, including establishing that collection of the total contract price is reasonably assured.

Our audit procedures to address the risk of material misstatement relating to revenue and cost recognition of sales of memorial lots included, among others, the following:

- updated our understanding of the Group's revenue and cost recognition policy, processes and controls over the recognition and measurement of revenues and cost from sale of memorial lots, and cost per project;
- tested the design and operating effectiveness of the Group's processes and controls over revenue recognition, including appropriateness and proper application of the Group's revenue recognition policy, and cost recognition and allocation of cost per project;
- evaluated the appropriateness of the Group's revenue recognition policy in accordance with the requirements of PFRS 15;
- examined, on a sample basis, purchase agreements and other relevant supporting documents to ascertain accuracy and occurrence of revenue recognized during the current reporting period;
- recalculated the percentage of collection of sales contract, on a sample basis, based on the total accumulated principal payments as of the reporting date over contract price to determine if the Group established the buyers' commitment to complete their obligations over the sales contract. We have also tested the reasonableness of management's judgment in determining the percentage of collection threshold and in assessing the probability of collection of the consideration in a contract which involves a historical analysis of customer payment pattern and behavior and the Group's sales cancellation experience; and,
- performed substantive analytical review procedures over revenues such as, but not limited to, yearly and monthly analyses of sales of memorial lots and cost per project based on our expectations, which include corroborating evidence from other audit procedures, and verifying that the underlying data used in the analyses are complete.

(b) Existence and Valuation of Real Estate Inventories*Description of the Matter*

As of December 31, 2023, the Group's real estate inventories, which relates to significant number of projects located at the major areas throughout the country amounted to P6.5 billion. These include subdivision lots, houses, land development, memorial lots, condominium units and raw land. Real estate inventories are stated at the lower of cost and net realizable value, which is the estimated selling price less costs to complete and sell.

An assessment of the net realizable value of real estate inventories is carried out at each reporting date. It requires estimation of selling prices, which consider recent market prices and conditions, and cost to complete and sell, which are subject to a number of variables including the accuracy of designs, market conditions in respect of materials and subcontractor costs and construction issues. Accordingly, a change in the management estimation of selling prices and estimated cost to complete and sell could have a material impact on the carrying value of real estate inventories in the Group's consolidated financial statements.

Due to the voluminous transactions and the significance of management judgment and estimates involved, we have identified the risks relating to existence and valuation of real estate inventories at lower of cost and net realizable value as significant in our audit.

The Group's accounting policy relative to real estate inventories and the sources of estimation uncertainty on the net realizable value of real estate inventories are disclosed in Notes 2 and 3, respectively, to the consolidated financial statements. The analysis of the Group's real estate inventories is disclosed in Note 7 to the consolidated financial statements.

How the Matter was Addressed in the Audit

Our audit procedures included, among others:

Existence

- performed ocular inspection of selected real estate projects near the reporting date to confirm the existence and current condition of such projects at the end of the reporting period; and,
- examined the supporting documents such as land titles, suppliers' and contractors' agreements, invoices, official or collection receipts and accomplishment reports, to support the cost of real estate inventories capitalized, including the cost of acquired land, during the reporting period.

Valuation

- reviewed the reasonableness and appropriateness of the Group's calculation of the valuation of its real estate inventories at lower of cost and net realizable value; and,
- compared the estimated selling prices, and cost to complete and sell, on a sample basis, against the contract prices of recently completed sales, and historical data related to restoration costs, commissions and other related expenses.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Group's SEC Form 20-IS (Definitive Information Statement) and 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, as modified by the application of the financial reporting reliefs issued and approved by the SEC, 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' Responsibility 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.

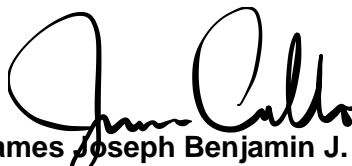
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is James Joseph Benjamin J. Araullo.

PUNONGBAYAN & ARAULLO



By: James Joseph Benjamin J. Araullo
Partner

CPA Reg. No. 0111202
TIN 212-755-957
PTR No. 10076133, January 3, 2024, Makati City
SEC Group A Accreditation
Partner - No. 111202-SEC (until financial period 2026)
Firm - No. 0002 (until financial period 2024)
BIR AN 08-002511-039-2021 (until Nov. 9, 2024)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

May 15, 2024

GOLDEN MV HOLDINGS, INC. AND SUBSIDIARIES
(A Subsidiary of Fine Properties, Inc.)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022
(Amounts in Philippine Pesos)

	Notes	2023	2022
<u>ASSETS</u>			
CURRENT ASSETS			
Cash and cash equivalents	5	P 981,168,858	P 919,371,361
Contract receivables	6	11,895,494,651	10,735,541,206
Contract assets	16	2,326,220,611	2,032,013,837
Due from related parties	20	216,617,610	21,769,131
Other receivables	6	1,836,416,285	3,399,612,842
Real estate inventories	7	6,500,025,136	6,614,750,418
Other current assets	8	758,211,900	843,975,501
Total Current Assets		24,514,155,051	24,567,034,296
NON-CURRENT ASSETS			
Contract receivables	6	2,784,060,546	2,896,967,556
Contract assets	16	303,812,289	193,240,554
Property and equipment – net	9	202,634,541	219,484,580
Right-of-use assets – net	10	23,605,970	37,784,672
Investment properties	11	75,761,379	75,761,379
Other non-current assets	8	41,713,362	47,790,063
Total Non-current Assets		3,431,588,087	3,471,028,804
TOTAL ASSETS		P 27,945,743,138	P 28,038,063,100
<u>LIABILITIES AND EQUITY</u>			
CURRENT LIABILITIES			
Interest-bearing loans	12	P 792,139,985	P 3,219,312,189
Trade and other payables	13	2,255,209,314	2,032,743,035
Contract liabilities	16	426,085,240	596,605,739
Rawland payable	13	698,540,244	691,350,984
Customers' deposits	14	1,866,497,425	2,522,036,634
Due to related parties	20	951,725,398	960,744,332
Lease liabilities	10	10,039,033	12,733,924
Income tax payable		15,479,410	8,641,961
Total Current Liabilities		7,015,716,049	10,044,168,798
NON-CURRENT LIABILITIES			
Interest-bearing loans	12	4,457,854,986	3,165,528,574
Contract liabilities	16	36,507,822	52,792,069
Lease liabilities	10	15,049,626	27,923,533
Deferred tax liabilities – net	19	1,181,471,062	1,050,478,484
Reserve for maintenance care	15	1,026,617,722	912,313,691
Retirement benefit obligation – net	21	95,692,854	92,792,435
Total Non-current Liabilities		6,813,194,072	5,301,828,786
Total Liabilities	28	13,828,910,121	15,345,997,584
EQUITY			
Capital stock	22	644,117,649	644,117,649
Additional paid-in capital		2,970,208,753	2,970,208,753
Revaluation reserves	22	8,988,981	481,430
Retained earnings		10,493,517,634	9,077,257,684
Total Equity	28	14,116,833,017	12,692,065,516
TOTAL LIABILITIES AND EQUITY		P 27,945,743,138	P 28,038,063,100

See Notes to Consolidated Financial Statements.

GOLDEN MV HOLDINGS, INC. AND SUBSIDIARIES
(A Subsidiary of Fine Properties, Inc.)
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021
(Amounts in Philippine Pesos)

	<u>Notes</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
REVENUES	16			
Real estate sales		P 4,459,339,634	P 4,695,956,125	P 4,876,785,596
Interest income on contract receivables	6	190,969,076	168,670,919	182,877,062
Interment income		75,410,499	68,575,137	75,446,574
Income from chapel services		33,654,641	29,860,561	34,235,904
		<u>4,759,373,850</u>	<u>4,963,062,742</u>	<u>5,169,345,136</u>
COSTS AND EXPENSES	17			
Costs of sales and services		1,936,360,357	2,173,298,088	2,194,731,070
Other operating expenses		1,111,061,334	1,165,469,530	1,331,221,778
		<u>3,047,421,691</u>	<u>3,338,767,618</u>	<u>3,525,952,848</u>
OPERATING PROFIT		<u>1,711,952,159</u>	<u>1,624,295,124</u>	<u>1,643,392,288</u>
OTHER INCOME (CHARGES)				
Finance costs	10, 12, 21	(369,273,411)	(360,026,704)	(301,273,945)
Finance income	5	7,054,494	4,531,466	3,944,717
Others	18	245,894,767	170,018,901	101,671,549
		<u>(116,324,150)</u>	<u>(185,476,337)</u>	<u>(195,657,679)</u>
PROFIT BEFORE TAX		1,595,628,009	1,438,818,787	1,447,734,609
TAX INCOME (EXPENSE)	19	(179,368,059)	(146,022,229)	90,343,086
NET PROFIT		<u>1,416,259,950</u>	<u>1,292,796,558</u>	<u>1,538,077,695</u>
OTHER COMPREHENSIVE INCOME				
Item that will not be reclassified subsequently to profit or loss				
Remeasurements of retirement benefit obligation	21	11,343,401	20,652,385	9,799,988
Tax expense	19	(2,835,850)	(5,163,096)	(3,940,520)
		<u>8,507,551</u>	<u>15,489,289</u>	<u>5,859,468</u>
TOTAL COMPREHENSIVE INCOME		<u>P 1,424,767,501</u>	<u>P 1,308,285,847</u>	<u>P 1,543,937,163</u>
Basic and Diluted Earnings Per Share	23	<u>P 2.20</u>	<u>P 2.01</u>	<u>P 2.39</u>

See Notes to Consolidated Financial Statements.

GOLDEN MV HOLDINGS, INC. AND SUBSIDIARIES
(A Subsidiary of Fine Properties, Inc.)
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021
(Amounts in Philippine Pesos)

	Capital Stock <i>(see Note 22)</i>	Additional Paid-in Capital	Revaluation Reserves <i>(see Note 22)</i>	Retained Earnings	Total Equity
Balance at January 1, 2023	P 644,117,649	P 2,970,208,753	P 481,430	P 9,077,257,684	P 12,692,065,516
Total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>8,507,551</u>	<u>1,416,259,950</u>	<u>1,424,767,501</u>
Balance at December 31, 2023	<u>P 644,117,649</u>	<u>P 2,970,208,753</u>	<u>P 8,988,981</u>	<u>P 10,493,517,634</u>	<u>P 14,116,833,017</u>
Balance at January 1, 2022	P 644,117,649	P 2,970,208,753	(P 15,007,859)	P 7,784,461,126	P 11,383,779,669
Total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>15,489,289</u>	<u>1,292,796,558</u>	<u>1,308,285,847</u>
Balance at December 31, 2022	<u>P 644,117,649</u>	<u>P 2,970,208,753</u>	<u>P 481,430</u>	<u>P 9,077,257,684</u>	<u>P 12,692,065,516</u>
Balance at January 1, 2021	P 644,117,649	P 2,970,208,753	(P 20,867,327)	P 6,246,383,431	P 9,839,842,506
Total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>5,859,468</u>	<u>1,538,077,695</u>	<u>1,543,937,163</u>
Balance at December 31, 2021	<u>P 644,117,649</u>	<u>P 2,970,208,753</u>	<u>(P 15,007,859)</u>	<u>P 7,784,461,126</u>	<u>P 11,383,779,669</u>

See Notes to Consolidated Financial Statements.

GOLDEN MV HOLDINGS, INC. AND SUBSIDIARIES
(A Subsidiary of Fine Properties, Inc.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021
(Amounts in Philippine Pesos)

	Notes	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax		P 1,595,628,009	P 1,438,818,787	P 1,447,734,609
Adjustments for:				
Interest expense	10, 12, 21	368,697,911	359,683,337	300,945,519
Interest income	5, 6	(198,023,570)	(173,202,385)	(186,821,779)
Depreciation and amortization	17	81,416,484	85,718,236	92,505,235
Gain on lease cancellation	10	(6,203,743)	-	(59,074)
Operating profit before working capital changes		1,841,515,091	1,711,017,975	1,654,304,510
Decrease (increase) in contract receivables		(1,047,046,435)	(4,445,068,078)	2,182,538,795
Decrease (increase) in contract assets		(404,778,509)	2,139,221,216	(2,105,662,865)
Decrease in real estate inventories		114,725,282	676,649,400	264,185,010
Increase in other receivables		(127,307,923)	(1,044,529,405)	(128,876,752)
Decrease (increase) in other assets		82,041,063	429,866,808	(117,796,108)
Increase (decrease) in rawland payable		7,189,260	(146,740,645)	(478,407,484)
Decrease in customers' deposits		(655,539,209)	(194,047,174)	(236,038,388)
Increase (decrease) in trade and other payables		222,466,279	(113,887,883)	(24,374,259)
Increase (decrease) in contract liabilities		(186,804,746)	649,397,808	-
Increase in reserve for maintenance care		116,460,482	43,891,911	49,071,284
Increase in retirement benefit obligation		7,706,663	5,137,637	10,647,962
Cash generated from (used in) operations		(29,372,702)	(289,090,430)	1,069,591,705
Interest received		198,023,570	173,202,385	186,821,779
Cash paid for income taxes		(35,195,059)	(51,359,245)	(132,408,722)
Net Cash From (Used in) Operating Activities		133,455,809	(167,247,290)	1,124,004,762
CASH FLOWS FROM INVESTING ACTIVITIES				
Advances collected from ultimate parent company	20	1,496,515,368	-	1,035,144
Acquisitions of property and equipment	9	(48,233,738)	(28,924,510)	(59,211,439)
Proceeds from disposals of property and equipment	9	1,187,923	190,657	7,393,006
Advances granted to related parties under common ownership	20	(859,367)	(8,529,737)	(3,889,871)
Net Cash From (Used in) Investing Activities		1,448,610,186	(37,263,590)	(54,673,160)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of interest-bearing loans	12	(4,517,094,279)	(3,319,420,897)	(4,465,415,525)
Proceeds from availments of interest-bearing loans	12	3,381,313,387	2,878,946,777	4,084,581,414
Interest paid on interest-bearing loans	12	(359,862,068)	(350,493,738)	(294,805,149)
Repayment of borrowings from related parties	20	(20,177,113)	-	(542,489)
Repayment of lease liabilities	10	(15,606,604)	(18,137,266)	(12,332,902)
Additional borrowings from related parties	20	11,158,179	8,663,934	-
Net Cash Used in Financing Activities		(1,520,268,498)	(800,441,190)	(688,514,651)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		61,797,497	(1,004,952,070)	380,816,951
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		919,371,361	1,924,323,431	1,543,506,480
CASH AND CASH EQUIVALENTS AT END OF YEAR		P 981,168,858	P 919,371,361	P 1,924,323,431

See Notes to Consolidated Financial Statements.

GOLDEN MV HOLDINGS, INC. AND SUBSIDIARIES
(A Subsidiary of Fine Properties, Inc.)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023, 2022 AND 2021
(Amounts in Philippine Pesos)

1. CORPORATE INFORMATION

1.1 Organization and Operations

Golden MV Holdings, Inc. (HVN or the Parent Company), formerly Golden Bria Holdings, Inc., was incorporated in the Philippines on November 16, 1982. The Parent Company's primary purpose is to invest, purchase or otherwise to acquire and own, hold, use, sell, assign, transfer, lease mortgage, exchange, develop, manage or otherwise dispose of real property, such as but not limited to memorial lots and chapels, or personal property of every kind and description, including shares of stock, bonds, debentures, notes, evidences of indebtedness, and other securities or obligations of any corporations. As of December 31, 2023, the Parent Company is 63.97% effectively owned subsidiary of Fine Properties, Inc. (FPI), which is a holding company and the ultimate parent company of the Parent Company and its subsidiaries (collectively referred to herein as the Group).

In 2017, HVN acquired 99.99% ownership interest in Bria Homes, Inc. (BHI). Accordingly, BHI became a subsidiary of HVN. BHI is presently engaged in developing and selling real estate properties, particularly, residential houses, condominium units and lots. Both the Parent Company and BHI are entities under common control of FPI. Accordingly, the Parent Company accounted for the acquisition of BHI under pooling of interest method of accounting.

HVN owns 99.99% ownership interest in Golden Haven Memorial Park, Inc. (GHMPI), an entity incorporated on August 24, 2020. GHMPI is engaged in the development and selling of memorial lots, particularly those under the administration of HVN's memorial parks. GHMPI has started its commercial operations on June 30, 2022.

HVN owns 99.80% ownership interest in VTech Capital, Inc. (VTECH), an entity which was incorporated on March 1, 2022. VTECH, upon commencement of its commercial operations, is planned to engage in the business of a holding company, to buy and hold shares of other companies particularly in the technology and financial technology related businesses. As of December 31, 2023, VTECH has not yet started commercial operations.

The registered office address of HVN, GHMPI and VTECH, which is also their principal place of business, is located at San Ezekiel, C5 Extension, Las Piñas City. The registered office address of BHI, which is also its principal place of business, is located at Lower Ground Floor, Bldg. B Evia Lifestyle Center, Daang Hari Rd., Almanza Dos, City of Las Pinas. The registered office address of FPI is located at 3rd Level, Starmall Las Piñas, CV. Starr Avenue, Pamplona, Las Piñas City.

On November 23, 2020, the Board of Directors (BOD) approved the change of the Parent Company's corporate name from Golden Bria Holdings, Inc. to Golden MV Holdings, Inc. The required written assent from the Parent Company's stockholders to approve the amendment was received on December 12, 2020. The said change was approved by the Philippine Securities and Exchange Commission (SEC) and Bureau of Internal Revenue (BIR) on January 27, 2021 and May 8, 2021, respectively.

The Parent Company's shares of stock are listed at the Philippine Stock Exchange (PSE) beginning June 29, 2016 (see Note 22.1).

1.2 Approval of 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 of the Group 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 May 15, 2024.

2. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information that have been used in the preparation of these consolidated financial statements are summarized 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 the 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, as modified by the application of the financial reporting reliefs issued and approved by the SEC in response to the COVID-19 pandemic, for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies that follow.

(b) *SEC Financial Reporting Reliefs Availed by the Group*

The Group has availed of certain 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*

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 impacts 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.

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 all years presented 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 presents all items of income, expense and other comprehensive income or loss in a single 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 of the Group 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 PFRS

(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 a 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 is 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, *Income Taxes: 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 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 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 Liability 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 as disclosed in Note 1.1, after the elimination of material intercompany transactions.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting principles.

Acquired subsidiaries are subject to either of the following relevant policies:

- (a) Business acquisitions of entities not under common control of a principal stockholder are accounted for using the acquisition method of accounting.
- (b) Business combinations arising from transfers of interests in entities that are under the common control of the principal stockholder are accounted for under the pooling-of interests method. Transfers of assets between commonly-controlled entities are accounted for under historical cost accounting; hence, the assets and liabilities are reflected in the consolidated financial statements at carrying values and no adjustments are made to reflect fair values or recognize any new assets or liabilities, at the date of the combination that otherwise would have been done under the acquisition method.
- (c) Acquisition of assets in an entity, which does not constitute a business is accounted for as an asset acquisition.

2.4 Financial Instruments

(a) Financial Assets

Regular purchases and sales of financial assets are recognized on their trade date (i.e., the date that the Group commits to purchase or sell the asset).

The only classification and measurement of financial assets relevant to the Group is financial assets at amortized cost.

The Group's financial assets at amortized cost are presented in the consolidated statement of financial position as Cash and Cash Equivalents, Contract Receivables, Due from Related Parties, and Security deposits (presented under Other Current Assets and Other Non-current Assets) and Other Receivables (except Advances to contractors and others, Advances for land acquisition and Advances to employees) which pertain to receivables from customers for documentary fees and other assistance related to processing and transfer of lots and units sold.

The Group assesses impairment of contract receivables and other receivables on a collective basis based on shared credit risk characteristics of financial assets. The Group determines the expected credit losses (ECL) for contract receivables by applying a method that evaluates the credit quality of a portfolio of contract receivables and the cumulative loss rates by analyzing historical net charge-offs arising from sales cancellations for homogenous accounts that share the same origination period.

For other credit exposures, the Group applies the simplified approach in measuring ECL which uses a lifetime expected loss allowance. To calculate the ECL, the Group uses its historical experience, external indicators and forward-looking information using a provision matrix. For due from related parties, the Group applies the low credit risk simplification and measures the ECL on the financial assets based on a 12-month basis unless there has been a significant increase in credit risk since origination, in that case, the loss allowance will be based on the lifetime ECL. The ECL on due from related parties is based on the assumption that repayment of the advances or loans is demanded at the reporting date taking into consideration the historical default of the related parties. Management considers if the related party has sufficient accessible highly liquid assets in order to repay the loan if demanded at the reporting date.

For cash and cash equivalents, the Group applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. Meanwhile, impairment of security deposits is assessed based on potential liquidity of counterparties based on available financial information.

(b) *Financial Liabilities*

Financial liabilities include Interest-bearing Loans, Trade and Other Payables (except tax-related payables), Rawland Payable, Lease Liabilities, Reserve for Maintenance Care, and Due to Related Parties.

2.5 Inventories

(a) *Real Estate Inventories*

Real estate inventories include raw land, memorial lots, residential houses and lots for sale, condominium units and property development costs. Costs of inventories are assigned using specific identification of their individual costs. Cost includes acquisition costs of the land plus the costs incurred for its development, improvement and construction, including capitalized borrowing costs, if any. All costs relating to the real estate property sold are recognized as expense as the work to which they relate is performed.

(b) *Construction Materials*

Construction materials (presented as part of Other Current Assets) pertain to cost of uninstalled and unused construction and development materials at the end of the reporting period. It is recognized at purchase price and is subsequently recognized as part of real estate inventories when installed or used during construction and development of real estate projects. Cost is determined using the weighted average method.

The Group recognizes the effect of revisions in the total project cost estimates in the year in which these changes become known.

Repossessed inventories arising from sales cancellation is recognized at cost. The difference between the carrying amount of the receivable or contract asset to be derecognized and the cost of the repossessed property is recognized in profit or loss.

2.6 Property and Equipment

Property and equipment are stated at cost less accumulated depreciation, amortization and any impairment in value.

Depreciation and amortization is computed on the straight-line basis over the estimated useful lives of the assets starting on the month following the date of acquisition or completion of the assets.

Depreciation and amortization is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Chapel and office building	15 years
Service vehicle	5 years
Service equipment	3-5 years
Park maintenance tools and equipment	3-5 years
System development cost	3-5 years
Chapel and office furniture, fixtures and equipment	2-5 years

Leasehold improvements are amortized over their expected useful lives of five years (determined by reference to comparable assets owned) or the term of lease, whichever is shorter.

2.7 Investment Properties

Investment properties, which consist of parcels of land, are measured at cost less any impairment in value.

2.8 Revenue and Expense Recognition

Revenue comprises revenue from real estate sales and rendering of interment and chapel services measured by reference to the fair value of consideration received or receivable by the Group for goods sold and services rendered, excluding value-added tax (VAT) and trade discounts.

The Group develops real estate properties such as residential house and lot, condominium units and memorial lots. The Group often enters into contracts to sell real properties as they are being developed. The Group also provides interment and chapel services inside its memorial parks.

The significant judgments used in determining the existence of a contract with customer, evaluating the timing of satisfaction of the Group's performance obligation with respect to its contracts to sell real properties and determining the collection threshold for revenue recognition are disclosed in Note 3.1(a), (c) and (d), respectively. In addition, the following specific recognition criteria must also be met before revenue is recognized:

- (a) *Real estate sales on pre-completed residential houses and lots* – Revenue from real estate sales 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.
- (b) *Real estate sales on completed residential houses and lots* – Revenue from real estate sales is recognized at point in time when the control over the real estate property is transferred to the buyer.
- (c) *Real estate sales on memorial lots* – Revenue from the Group's sale of memorial lots, which are substantially completed and ready for use, is recognized as the control transfers at the point in time with the customer.
- (d) *Rendering of services* – income from interment and chapel services is recognized at a point in time when control over the services transfers to the customer.

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.

Contract assets pertain to rights to consideration in exchange for goods or services that the Group has transferred to a customer that is conditioned on something other than passage of time. Under its contracts with customers, the Group will receive an unconditional right to payment for the total consideration upon the completion of the development of the property sold. Any rights to consideration recognized by the Group as it develops the property are presented as Contract Assets in the consolidated statement of financial position. Contract assets are subsequently tested for impairment in the same manner as the Group assesses impairment of its financial assets.

Any consideration received by the Group in excess of the amount for which the Group is entitled is presented as Contract Liabilities, if any, in the consolidated statement of financial position. 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.

In addition, real estate sales are recognized only when certain collection threshold was met over which the Group determines that collection of total contract price is reasonably assured. The Group uses historical payment pattern of customers in establishing a percentage of collection threshold. 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 sales, consideration received from customers are recognized as Customers' Deposits in the consolidated statement of financial position. Customers' deposit is recognized at the amounts received from customers and will be subsequently applied against the contract receivables when the related real estate sales is recognized.

Sales cancellations are accounted for on the year of forfeiture. Any gain or loss on cancellation is charged to profit or loss. The Group accounts for cancellation of sales contract as modification of contract; accordingly, previously recognized revenues and related costs are reversed at the time of cancellation.

2.9 Leases – Group as Lessee

Subsequent to initial recognition, 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.

2.10 Impairment of Non-financial Assets

The Group's property and equipment, investment properties, right-of-use assets and other non-financial assets are subject to impairment testing whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable.

2.11 Employee Benefits

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

The Group's post-employment defined benefit pension plans covers all regular full-time employees. The pension plans are tax-qualified, noncontributory and administered by trustees.

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

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Group's 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 following judgments, apart from those involving estimation, which have the most significant effect on the amounts recognized in the consolidated financial statements:

(a) Determining Existence of a Contract with Customer

In a sale of real estate properties, the Group's primary document for a contract with a customer is a signed contract to sell which is executed when the real estate property is sold.

In rare cases wherein contract to sell are not executed by both parties, management has determined that the combination of other signed documentations with the customers such as reservation agreement, official receipts, computation sheets and invoices, would contain all the elements to qualify as contract with customer (i.e., approval of the contract by the parties, which has commercial substance, identification of each party's rights regarding the goods or services and the related payment terms). Moreover, as part of the evaluation, the Group assesses the probability that the Group will collect the consideration to which it will be entitled in exchange for the real estate property that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, the Group considers the significance of the customer's downpayment in relation to the total contract price.

Collectability is also assessed by considering factors such as past history with the customer and pricing of the property. Management regularly evaluates the historical cancellations and back-outs if it would still support its current threshold of customers' equity before commencing revenue recognition.

(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 selling prices, which are all observable and agreed at the start of the contract. The Group applies judgment in determining the transaction price and amounts allocated to performance obligations on its contracts with customers. The transaction price for a contract excludes any amounts collected on behalf of third parties (e.g., VAT).

The Group enters into contracts to sell with one identified performance obligation which is the sale of the real estate unit together with the services to transfer the title to the buyer upon full payment of contract price. The amount of consideration indicated in the contract to sell is fixed and has no variable consideration.

(c) *Evaluation of the Timing of Satisfaction of Performance Obligations*

(i) *Real Estate Sales*

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's performance obligation are satisfied as follows:

- *Residential condominium units and houses and lots* – Management determines that revenues from sale of pre-completed residential condominium units and houses and lots are satisfied over time, while completed real estate properties is satisfied at a point in 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.
- *Memorial lots* – Management determines that its revenue from sale of memorial lots, which are substantially completed and ready for use, shall be recognized at a point in time when the control of goods have passed to the customer, i.e., upon issuance of purchase agreement (PA) to the customer.

(ii) *Interment and Cremation Services*

The Group determines that revenue from interment and cremation services shall be recognized at a point in time based on the actual services provided to the end of the reporting period as a proportion of the total services to be provided.

(d) *Determination of Collection Threshold for Revenue Recognition*

The Group uses judgment in evaluating the probability of collection of transaction price on real estate sales as a criterion for revenue recognition. The Group uses historical payment pattern of customers and number of sales cancellation in establishing a percentage of collection threshold over which the Group determines that collection of the transaction price is reasonably assured. Reaching this level of collection is an indication of buyer's continuing commitment and the probability that economic benefits will flow to the Group.

The Group considers that the initial and continuing investments by the buyer when reaching the set collection threshold would demonstrate the buyer's commitment to pay the total contract price.

(e) *Determination of ECL on Contract and Other Receivables, Contract Assets, Due from Related Parties and Security Deposits*

The Group uses a provision matrix to calculate ECL for contract 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., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

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 contract and other receivables are disclosed in Note 25.2.

In relation to advances to related parties, PFRS 9, *Financial Instruments*, notes that 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 receivables can be collected, the ECL is limited to the effect of discounting the amount due over the period until cash is realized.

Based on the relevant facts and circumstances existing at the reporting date, management has assessed that all strategies indicate that the Group can fully recover the outstanding balance of its receivables; thus, no ECL is required to be recognized.

(f) *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.

For office leases, 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 office leases due to the significance of these assets to its operations. These leases have a non-cancellable lease period (i.e., 4 to 10 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.

(g) *Distinction Among Investment Properties, Owner-managed Properties and Real Estate Inventories*

The Group classifies its acquired properties as Property and Equipment if used in operations and administrative purposes, as Investment Properties if the Group intends to hold the properties for capital appreciation or rental and as Real Estate Inventories if the Group intends to develop the properties for sale.

Transfers from other accounts (such as Memorial lots and Rawland) are made to investment property when and only when, there is a change in use, evidenced by ending of owner-occupation or commencement of an operating lease to another party. For a transfer from investment property to owner-occupied property or inventories, the cost of property for subsequent measurement is its carrying value at the date of change in use. If the property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use.

(h) *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.

Judgment is exercised by management to distinguish between provisions and contingencies. Disclosures on relevant provisions and contingencies are discussed in Notes 13.2 and 24.

3.2 Key Sources of Estimation Uncertainty

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

(a) *Revenue Recognition for Performance Obligations Satisfied Over Time*

In determining the amount of revenue to be recognized for performance obligations satisfied over time, the Group measures progress on the basis of actual costs incurred relative to the total expected costs to complete such performance obligation. Specifically, 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 apply 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.

(b) *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 25.2.

(c) *Determination of Net Realizable Value of Real Estate Inventories*

In determining the net realizable value of real estate inventories, management takes into account the most reliable evidence available at the time the estimates are made. Management determined that the carrying values of its real estate inventories are lower than their net realizable values based on the present market rates. Accordingly, management did not recognize any valuation allowance on these assets as of December 31, 2023 and 2022.

(d) *Estimation of Useful Lives of Property and Equipment and Right-of-use Assets*

The Group estimates the useful lives of property and equipment and right-of-use assets based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment and right-of-use assets 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.

The carrying amounts of property and equipment and right-of-use assets are analyzed in Notes 9 and 10.1, respectively. Based on management's assessment as at December 31, 2023 and 2022, there is no change in the estimated useful lives of those assets during those years. Actual results, however, may vary due to changes in estimates brought about by changes in factors mentioned above.

(e) *Fair Value Measurement of Investment Properties*

The Group's investment properties which composed of parcels of land are carried at cost at the end of the reporting period. In addition, the accounting standards require the disclosure of the fair value of the investment properties. In determining the fair value of these assets, the Group engages the services of professional and independent appraiser applying the relevant valuation methodologies as discussed in Note 27.3.

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

(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 (see Note 19.2).

(g) *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.

(h) *Impairment of Non-financial Assets*

In assessing impairment, management estimates the recoverable amount of each asset or a cash-generating unit based on expected future cash flows and uses an interest rate to calculate the present value of those cash flows. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. Though management believes that the assumptions used in the estimation of fair values reflected in the 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.

In 2023, 2022 and 2021, no impairment losses were required to be recognized on property and equipment, right-of-use assets, investment properties and other non-financial assets (see Notes 8, 9, 10.1 and 11).

(i) *Valuation of Post-employment DBO*

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

The amounts of post-employment DBO and expense and an analysis of the movements in the estimated present value of post-employment benefit, as well as the significant assumptions used in estimating such obligation are presented in Note 21.2.

4. SEGMENT REPORTING

4.1 *Business Segments*

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's BOD, its chief operating decision-maker. The BOD is responsible for allocating resources and assessing performance of the operating segments.

In identifying its operating segments, management generally follows the Group's products and service lines, which represent the main products and services provided by the Group. Each of these operating segments is managed separately as each of these service lines requires different resources as well as marketing approaches. All inter-segment transfers are carried out at arm's length prices.

The measurement policies the Group uses for segment reporting under PFRS 8, *Operating Segments*, are the same as those used in its consolidated financial statements, except depreciation and amortization that are not included in arriving at the operating profit of the operating segments.

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

There have been no changes from prior periods in the measurement methods used to determine reported segment profit or loss.

The Group's operating businesses are organized and managed separately according to the nature of products and services provided. In identifying its reportable operating segments, management generally follows the Group's two main revenue sources, which represent the products and services provided by the Group, namely Residential Projects and Deathcare.

- (a) *Residential* – This segment pertains to the housing market segment of the Group. It caters on the development and sale of residential house and lots, subdivision lots, and condominium units.
- (b) *Deathcare* – The segment pertains to sale of memorial lots, interment income, and income from chapel services.

4.2 Analysis of Segment Information

Segment information is analyzed as follows for the years ended December 31, 2023, 2022 and 2021.

	<u>Residential</u>	<u>Deathcare</u>	<u>Total</u>
2023			
Revenues from external customers	P 3,905,661,284	P 662,743,490	P 4,568,404,774
Interest revenue	<u>126,318,423</u>	<u>64,650,653</u>	<u>190,969,076</u>
	4,031,979,707	727,394,143	4,759,373,850
Cost of sales and services	(<u>1,796,318,826</u>)	(<u>140,041,531</u>)	(<u>1,936,360,357</u>)
Gross profit	<u>2,235,660,881</u>	<u>587,352,612</u>	<u>2,823,013,493</u>
Other operating expenses	709,443,872	401,513,952	1,110,957,824
Finance costs	367,173,528	2,099,883	369,273,411
Depreciation and amortization	(<u>36,085,225</u>)	(<u>38,474,014</u>)	(<u>74,559,239</u>)
	<u>1,040,532,175</u>	<u>365,139,821</u>	<u>1,405,671,996</u>
Segment profit before tax and depreciation and amortization	<u>P 1,195,128,706</u>	<u>P 222,212,791</u>	<u>P 1,417,341,497</u>
Segment Assets	<u>P 22,611,036,875</u>	<u>P 4,979,770,486</u>	<u>P 27,590,807,361</u>
Segment Liabilities	<u>P 9,958,501,646</u>	<u>P 1,721,665,405</u>	<u>P 11,680,167,051</u>
2022			
Revenues from external customers	P 4,201,344,939	P 593,046,884	P 4,794,391,823
Interest revenue	<u>103,226,934</u>	<u>65,443,985</u>	<u>168,670,919</u>
	4,304,571,873	658,490,869	4,963,062,742
Cost of sales and services	(<u>2,054,018,712</u>)	(<u>119,279,376</u>)	(<u>2,173,298,088</u>)
Gross profit	<u>2,250,553,161</u>	<u>539,211,493</u>	<u>2,789,764,654</u>
Other operating expenses	730,089,697	430,759,927	1,160,849,624
Finance cost	358,388,761	1,637,943	360,026,704
Depreciation and amortization	(<u>39,094,279</u>)	(<u>40,074,479</u>)	(<u>79,168,758</u>)
	<u>1,049,384,179</u>	<u>392,323,391</u>	<u>1,441,707,570</u>
Segment profit before tax and depreciation and amortization	<u>P 1,201,168,982</u>	<u>P 146,888,102</u>	<u>P 1,348,057,084</u>
Segment Assets	<u>P 23,059,483,665</u>	<u>P 4,818,523,407</u>	<u>P 27,878,007,072</u>
Segment Liabilities	<u>P 11,691,716,191</u>	<u>P 1,634,360,616</u>	<u>P 13,326,076,807</u>
2021			
Revenues	P 4,160,588,663	P 825,879,411	P 4,986,468,074
Interest revenue	<u>121,832,222</u>	<u>61,044,840</u>	<u>182,877,062</u>
	4,282,420,885	886,924,251	5,169,345,136
Cost of sales and services	(<u>2,038,688,445</u>)	(<u>156,042,625</u>)	(<u>2,194,731,070</u>)
Gross profit	<u>2,243,732,440</u>	<u>730,881,626</u>	<u>2,974,614,066</u>
Other operating expenses	785,306,167	534,443,661	1,319,749,828
Finance cost	297,758,827	3,515,118	301,273,945
Depreciation and amortization	(<u>39,292,846</u>)	(<u>46,274,394</u>)	(<u>85,567,240</u>)
	<u>1,043,772,148</u>	<u>491,684,385</u>	<u>1,535,456,533</u>
Segment profit before tax and depreciation and amortization	<u>P 1,199,960,292</u>	<u>P 239,197,241</u>	<u>P 1,439,157,533</u>

The results of operations from the two segments are used by management to analyze the Group's operation and to allow them to control and study the costs and expenses. It is also a management indicator on how to improve the Group's operation.

Expenses are allocated through direct association of costs and expenses to operating segments.

4.3 Reconciliation

A reconciliation of the Group's segment information to the key financial information presented in its consolidated financial statements is as follows:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Segment profit before tax			
and depreciation and amortization	P 1,417,341,497	P 1,348,057,084	P 1,439,157,533
Depreciation and amortization	(74,559,239)	(79,168,758)	(97,039,190)
Unallocated loss before tax	(103,510)	(4,619,906)	-
	<u>1,342,678,748</u>	<u>1,264,268,420</u>	<u>1,342,118,343</u>
Other Income:			
Finance income	7,054,494	4,531,466	3,944,717
Others	<u>245,894,767</u>	<u>170,018,901</u>	<u>101,671,549</u>
	<u>252,949,261</u>	<u>174,550,367</u>	<u>105,616,266</u>
Profit before tax	<u>P 1,595,628,009</u>	<u>P 1,438,818,787</u>	<u>P 1,447,734,609</u>
	<u>2023</u>	<u>2022</u>	
Assets:			
Total segment assets	P 27,590,807,361	P 27,878,007,072	
Due from related parties	216,617,610	21,769,131	
Investment properties	75,761,379	75,761,379	
Other unallocated assets	<u>62,556,798</u>	<u>62,525,518</u>	
Total assets as reported in consolidated statements of financial position	<u>P 27,945,743,148</u>	<u>P 28,038,063,100</u>	
Liabilities:			
Total segment liabilities	P 11,680,167,051	P 13,326,076,807	
Due to related parties	951,725,398	960,744,332	
Income tax payable	15,479,410	8,641,961	
Deferred tax liabilities	1,181,471,062	1,050,478,484	
Other unallocated liabilities	<u>67,200</u>	<u>56,000</u>	
Total liabilities as reported in consolidated statements of financial position	<u>P 13,828,910,121</u>	<u>P 15,345,997,584</u>	

4.4 Disaggregation of Revenue from Contract with Customers and Other Counterparties

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 4.1 and 4.2.

The Group determines that the categories used in the investor presentations and financial reports used by the Group's Executive Committee can be used to meet the objective of the disaggregation disclosure requirement of PFRS 15, which is to disaggregate revenue from contracts with customers and other counterparties and disclosed herein as additional information) 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 are shown in the Note 16.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of December 31 follows:

	<u>2023</u>	<u>2022</u>
Cash on hand	P 8,866,873	P 9,262,455
Cash in banks	972,301,985	707,028,692
Short-term placements	<u>-</u>	<u>203,080,214</u>
	<u>P 981,168,858</u>	<u>P 919,371,361</u>

Cash on hand comprises of revolving fund, commission fund and petty cash fund intended for the general use of the Group.

Cash in banks generally earn interest at rates based on daily bank deposit rates. Interest income earned from the Group's cash in banks amounted to P3.8 million, P1.2 million and P3.9 million in 2023, 2022 and 2021, respectively, and is presented as part of Finance Income under Other Income (Charges) section in the consolidated statements of comprehensive income.

In 2022, the Group invested in short-term placements which are made for varying periods from 15 to 30 days and earn effective interest ranging from 0.63% to 5.25%. The related interest income amounting to P3.3 million is presented as part of Finance Income under Other Income (Charges) section in the 2022 consolidated statement of comprehensive income.

6. CONTRACT AND OTHER RECEIVABLES

6.1 Contract Receivables

This account is composed of the following:

	<u>2023</u>	<u>2022</u>
Current	P11,895,494,651	P10,735,541,206
Non-current	<u>2,784,060,546</u>	<u>2,896,967,556</u>
	<u>P14,679,555,197</u>	<u>P13,632,508,762</u>

Contract receivables represent receivables from sale of residential houses and lots, subdivision lots, memorial lots, and condominium units, which are normally collectible within one to ten years. Contract receivables have an annual effective interest rate of 3.00% to 16.00% in 2023 and 5.00% to 12.00% in both 2022 and 2021, respectively. Interest income related to contract receivables amounts to P191.0 million, P168.7 million and P182.9 million in 2023, 2022 and 2021, respectively, and are reported under Revenues in the consolidated statements of comprehensive income.

The Group's contract receivables are effectively secured by the real estate properties sold to the buyers considering that the title over the rights in the real estate properties will only be transferred to the buyers upon full payment.

Certain receivables amounting to P4,509.4 million and P3,554.0 million as of December 31, 2023 and 2022 were used as collateral security against interest-bearing loans. The receivables assigned as collaterals are all current and will mature within 12 months from the end of the reporting period and free of lien and non-delinquent accounts, with interest rates ranging from 6.50% to 8.88% and 7.00% to 8.88% in 2023 and 2022, respectively (see Note 12).

6.2 Other Receivables

The composition of this account as of December 31 is shown below.

	<u>Note</u>	<u>2023</u>	<u>2022</u>
Advances to contractors and others		P 1,589,555,063	P1,547,968,014
Advances to employees		143,029,116	104,244,139
Advances for land acquisition	20.5	-	1,690,504,480
Others		<u>103,832,106</u>	<u>56,896,209</u>
		<u>P 1,836,416,285</u>	<u>P 3,399,612,842</u>

Advances to contractors and others mainly represent advances to contractors or suppliers as advance payments for purchase of construction materials, supplies and construction services. This also includes excess of advances over the remaining liability related to construction development.

Advances to employees represent cash advances and non-interest-bearing short-term loans granted to the Group's employees, which are collected through liquidation and salary deduction.

Others pertain to the documentary and miscellaneous fees and other assistance related to processing and transfer of lots and units sold.

7. REAL ESTATE INVENTORIES

Details of real estate inventories, which are stated at cost and are lower than net realizable value are shown below.

	<u>2023</u>	<u>2022</u>
Raw land	P4,045,622,383	P 3,805,849,636
Memorial lots for sale	1,624,430,498	1,543,779,976
Property development costs	529,872,509	484,374,008
Residential houses and lots for sale	165,913,231	732,296,325
Condominium units for sale	<u>134,186,515</u>	<u>48,450,473</u>
	<u>P6,500,025,136</u>	<u>P 6,614,750,418</u>

Raw land pertains to the cost of several parcels of land acquired by the Group to be developed and other costs incurred to effect the transfer of the title of the properties to the Group.

Memorial lots for sale consist of acquisition costs of the land, construction and development costs, and other necessary costs incurred in bringing the memorial lots ready for sale.

The property development costs represent the accumulated costs incurred in developing the real estate properties for sale. Costs incurred comprise of actual costs of land, construction and related engineering, architectural and other consultancy fees related to the development of residential projects.

Residential houses and lots for sale represent houses and lots in subdivision projects for which the Group has already been granted the license to sell by the Housing and Land Use Regulatory Board of the Philippines. Residential houses include units that are ready for occupancy and units under construction.

Condominium units for sale pertain to the accumulated land costs, construction services and other development costs incurred in developing the Group's condominium projects.

Real estate inventories sold amounting to P1,895.5 million, P2,137.4 million and P2,155.8 million in 2023, 2022 and 2021, respectively, consist of cost of land and construction development cost and are presented as Cost of real estate sales under Costs of Sales and Services in the consolidated statements of comprehensive income (see Note 17.1).

8. **OTHER ASSETS**

This account consists of the following as of December 31:

	<u>Notes</u>	<u>2023</u>	<u>2022</u>
Current:			
Construction materials		P 279,935,803	P 427,781,637
Prepaid commission	16.3	164,151,909	168,475,156
Prepaid expenses		149,670,537	147,020,744
Creditable withholding taxes		127,836,691	92,840,691
Input VAT		20,360,758	-
Security deposits	10.5	6,601,517	6,499,520
Deferred input VAT		76,843	129,883
Other assets		9,577,842	1,227,870
		<u>758,211,900</u>	<u>843,975,501</u>
Non-current:			
Security deposits	10.5	31,713,362	29,490,062
Other assets		10,000,000	18,300,001
		<u>41,713,362</u>	<u>47,790,063</u>
		<u>P 799,925,262</u>	<u>P 891,765,564</u>

Construction materials pertain to various materials to be used in the construction of residential houses.

Deferred input VAT pertains to the unamortized portion of input VAT from purchases of capital goods prior to January 1, 2022, which are subject to amortization.

Input VAT pertains to the payment of VAT on purchases of services and goods that is recoverable within 12 months.

Security deposits pertain to deposits made to utility companies and rental deposits in relation to the leased office spaces, which are expected to be refunded upon reaching maturity.

9. PROPERTY AND EQUIPMENT

The gross carrying amounts and accumulated depreciation and amortization of property and equipment at the beginning and end of 2023 and 2022 are shown below.

	<u>Leasehold Improvements</u>	<u>Service Vehicle</u>	<u>Service Equipment</u>	<u>Park Maintenance Tools and Equipment</u>	<u>Chapel and Office Furniture, Fixtures and Equipment</u>	<u>System Development Cost</u>	<u>Chapel and Office Building</u>	<u>Total</u>
December 31, 2023								
Cost	P 70,060,197	P 70,083,875	P 182,055,053	P 34,756,005	P 201,717,154	P 50,778,711	P 213,853,955	P 823,304,950
Accumulated depreciation and amortization	(56,407,893)	(65,718,599)	(151,766,947)	(32,072,011)	(185,044,924)	(30,550,468)	(99,109,567)	(620,670,409)
Net carrying amount	<u>P 13,652,304</u>	<u>P 4,365,276</u>	<u>P 30,288,106</u>	<u>P 2,683,994</u>	<u>P 16,672,230</u>	<u>P 20,228,243</u>	<u>P 114,744,388</u>	<u>P 202,634,541</u>
December 31, 2022								
Cost	P 60,778,451	P 74,118,049	P 173,380,662	P 42,199,450	P 202,844,907	P 27,751,465	P 212,204,052	P 793,277,036
Accumulated depreciation and amortization	(48,621,098)	(67,491,057)	(141,856,570)	(37,585,205)	(176,061,563)	(18,895,146)	(83,281,817)	(573,792,456)
Net carrying amount	<u>P 12,157,353</u>	<u>P 6,626,992</u>	<u>P 31,524,092</u>	<u>P 4,614,245</u>	<u>P 26,783,344</u>	<u>P 8,856,319</u>	<u>P 128,922,235</u>	<u>P 219,484,580</u>
January 1, 2022								
Cost	P 59,103,781	P 73,163,731	P 167,557,579	P 41,348,374	P 190,420,320	P 24,348,579	P 208,838,042	P 764,780,406
Accumulated depreciation and amortization	(44,477,276)	(61,436,163)	(127,916,604)	(34,352,976)	(152,629,456)	(13,761,230)	(67,399,527)	(501,973,232)
Net carrying amount	<u>P 14,626,505</u>	<u>P 11,727,568</u>	<u>P 39,640,975</u>	<u>P 6,995,398</u>	<u>P 37,790,864</u>	<u>P 10,587,349</u>	<u>P 141,438,515</u>	<u>P 262,807,174</u>

A reconciliation of the carrying amounts of property and equipment at the beginning and end of 2023 and 2022 are as follows:

	<u>Leasehold Improvements</u>	<u>Service Vehicle</u>	<u>Service Equipment</u>	<u>Park Maintenance Tools and Equipment</u>	<u>Chapel and Office Furniture, Fixtures and Equipment</u>	<u>System Development Cost</u>	<u>Chapel and Office Building</u>	<u>Total</u>
Balance at January 1, 2023, net of accumulated depreciation and amortization	P 12,157,353	P 6,626,992	P 31,524,092	P 4,614,245	P 26,783,344	P 8,856,319	P 128,922,235	P 219,484,580
Additions	10,274,829	760,199	10,607,791	164,118	2,684,752	23,027,246	1,649,903	49,168,838
Disposals	(208,995)	-	(773,686)	-	(205,242)	-	-	(1,187,923)
Depreciation and amortization charges for the year	(8,570,883)	(3,021,915)	(11,070,091)	(2,094,369)	(12,590,624)	(11,655,322)	(15,827,750)	(64,830,954)
Balance at December 31, 2023, net of accumulated depreciation and amortization	<u>P 13,652,304</u>	<u>P 4,365,276</u>	<u>P 30,288,106</u>	<u>P 2,683,994</u>	<u>P 16,672,230</u>	<u>P 20,228,243</u>	<u>P 114,744,388</u>	<u>P 202,634,541</u>
Balance at January 1, 2022, net of accumulated depreciation and amortization	P 14,626,505	P 11,727,568	P 39,640,975	P 6,995,398	P 37,790,864	P 10,587,349	P 141,438,515	P 262,807,174
Additions	1,674,700	746,344	5,992,049	991,710	12,750,810	3,402,884	3,366,013	28,924,510
Disposals	-	-	-	-	(190,657)	-	-	(190,657)
Reclassifications	-	-	2,260,491	-	(2,260,491)	-	-	-
Depreciation and amortization charges for the year	(4,143,852)	(5,846,920)	(16,369,423)	(3,372,863)	(21,307,182)	(5,133,914)	(15,882,293)	(72,056,447)
Balance at December 31, 2022, net of accumulated depreciation and amortization	<u>P 12,157,353</u>	<u>P 6,626,992</u>	<u>P 31,524,092</u>	<u>P 4,614,245</u>	<u>P 26,783,344</u>	<u>P 8,856,319</u>	<u>P 128,922,235</u>	<u>P 219,484,580</u>
Balance at January 1, 2021, net of accumulated depreciation and amortization	P 13,445,468	P 17,367,970	P 58,493,994	P 7,044,970	P 35,951,780	P 9,619,349	P 154,239,069	P 296,162,600
Additions	9,277,680	2,288,555	10,991,125	3,684,699	25,551,968	4,650,888	2,766,524	59,211,439
Disposals	(2,891,727)	-	(4,500,641)	-	(638)	-	-	(7,393,006)
Depreciation and amortization charges for the year	(5,204,916)	(7,928,957)	(25,343,503)	(3,734,271)	(23,712,246)	(3,682,888)	(15,567,078)	(85,173,859)
Balance at December 31, 2021, net of accumulated depreciation and amortization	<u>P 14,626,505</u>	<u>P 11,727,568</u>	<u>P 39,640,975</u>	<u>P 6,995,398</u>	<u>P 37,790,864</u>	<u>P 10,587,349</u>	<u>P 141,438,515</u>	<u>P 262,807,174</u>

In 2023, 2022 and 2021, certain property and equipment were sold at carrying value amounting to P1.2 million, P0.2 million and P7.4 million, respectively. Consequently, no gain or loss was recognized in respect of these disposals.

In 2023, the Group acquired certain service equipment through a long-term bank loan with capitalized amount of P0.9 million (see Note 12). There was no similar transaction in 2022 and 2021.

The Group retired certain fully depreciated assets with acquisition costs of P18.0 million and P0.2 million in 2023 and 2022, respectively, which were no longer used in the Group's operation.

The cost of fully depreciated and amortized assets still being used in operations amounted to P404.7 million and P399.2 million as of December 31, 2023 and 2022, respectively.

The amount of depreciation and amortization is allocated as follows (see Note 17.2):

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Other operating expenses	P 55,817,258	P 61,539,269	P 73,701,909
Cost of chapel services	6,707,781	6,195,537	6,796,674
Receivable from fund	2,156,451	3,960,868	4,533,955
Cost of interment	<u>149,464</u>	<u>360,773</u>	<u>141,321</u>
	<u>P 64,830,954</u>	<u>P 72,056,447</u>	<u>P 85,173,859</u>

Depreciation expense of park maintenance tools and portion of service equipment were charged under park operations, which is subsequently closed to maintenance care fund (see Note 15).

10. LEASES

The Group has leases for certain office spaces. With the exception of short-term leases, each lease is reflected on the consolidated statement of financial position as right-of-use assets and a lease liabilities.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublease 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 office spaces, 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 insure the leased assets and incur maintenance fees on such items in accordance with the lease contracts.

In 2023 and 2022, the Group has leased 32 and 31 office spaces with an average remaining lease term of one to four years.

10.1 Right-of-use Assets

The carrying amounts of the Group's right-of-use assets as at December 31, 2023 and 2022, and the movements during the periods are shown below.

	Note	<u>2023</u>	<u>2022</u>	<u>2021</u>
Balance as of January 1		P 37,784,672	P 33,603,348	P 18,247,722
Additions		29,424,772	21,803,981	27,961,494
Pre-termination		(24,861,493)	-	(740,537)
Amortization	17.2	(18,741,981)	(17,622,657)	(11,865,331)
Balance as of December 31		<u>P 23,605,970</u>	<u>P 37,784,672</u>	<u>P 33,603,348</u>

In 2023 and 2021, the Group pre-terminated certain leases as mutually agreed with its lessors. Accordingly, the Group derecognized the corresponding carrying amount of right-of-use assets amounting to P24.9 million and P0.7 million as of pre-termination date in 2023 and 2021, respectively, and remaining balance of lease liabilities amounting to P31.1 million and P0.8 million as of pre-termination date in 2023 and 2021, respectively, (see Note 29). The gain on lease cancellation amounting to P6.2 million and P0.1 million in 2023 and 2021, respectively, is presented as part of Others under Other Income (Charges) section in the 2023 and 2021 consolidated statements of comprehensive income (see Note 18). There was no similar transaction in 2022.

The total amortization on the right-of-use assets is presented as part of Depreciation and amortization under Other Operating Expenses in the consolidated statements of comprehensive income (see Note 17.2).

10.2 Lease Liabilities

Lease liabilities are presented in the consolidated statements of financial position as at December 31, 2023 and 2022 as follows:

	<u>2023</u>	<u>2022</u>
Current	P 10,039,033	P 12,733,924
Non-current	<u>15,049,626</u>	<u>27,923,533</u>
	<u>P 25,088,659</u>	<u>P 40,657,457</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. The future cash outflows to which the Group is potentially exposed to are not reflected in the measurement of lease liabilities represent the amount of monthly rent remaining for the lease term and security deposit to be forfeited. An option is only exercised when consistent with the Group's regional markets strategy and the economic benefits of exercising the option exceeds the expected overall cost.

As at December 31, 2023 and 2022, the Group has no lease commitment, which had not yet commenced.

The lease liabilities are secured by the related underlying assets. The undiscounted maturity analysis of lease liabilities at December 31 are as follows:

	<u>2023</u>	<u>2022</u>
Within one year	P 11,222,141	P 15,300,225
One to two years	7,838,050	12,453,100
Two to three years	6,987,520	10,577,178
Three to four years	1,107,885	7,483,277
Four to five years	<u>-</u>	<u>66,716</u>
	<u>P 27,155,596</u>	<u>P 45,880,496</u>

10.3 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.

The expenses relating to short-term leases amounted to P5.5 million, P6.5 million and P15.6 million in 2023, 2022 and 2021, respectively, are presented as Rentals under Other Operating Expenses in the consolidated statements of comprehensive income (see Note 17.2). There are no existing lease commitments for short-term leases.

10.4 Additional Profit or Loss and Cash Flow Information

The total cash outflow in respect of long-term leases amounted to P15.6 million, P18.1 million and P12.3 million, in 2023, 2022 and 2021, respectively. The total cash outflow in respect of short-term leases amounted to P5.5 million, P6.5 million and P15.6 million in 2023, 2022 and 2021, respectively.

Interest expense in relation to lease liabilities amounted to P2.3 million, P3.9 million and P2.2 million in 2023, 2022 and 2021, respectively. This is presented as part of Finance Costs under Other Income (Charges) in the consolidated statements of comprehensive income.

10.5 Security Deposits

Refundable security deposits represent the lease deposits made to third parties for the lease of the Group's office spaces.

Related rental deposits for these leases amounted to P9.6 million and P11.5 million as of December 31, 2023 and 2022, respectively, and are presented as part of Security deposits under Other Assets in the consolidated statements of financial position (see Note 8).

11. INVESTMENT PROPERTIES

The Group's investment properties consist of parcels of land with carrying amount of P75.8 million as of December 31, 2023 and 2022.

None of the Group's investment properties have generated rental income. There were also no significant directly attributable cost, purchase commitments and any restrictions as to use related to these investment properties during the reporting periods.

Management has assessed that there were no significant circumstances during the reporting periods that may indicate impairment loss on the Group's investment properties.

The fair value and other information about the measurement and disclosures related to the investment properties are presented in Note 27.3.

12. INTEREST-BEARING LOANS

Short-term and long-term interest-bearing loans pertain to bank loans which are broken down as follows:

	<u>2023</u>	<u>2022</u>
Current	P 792,139,985	P 3,219,312,189
Non-current	<u>4,457,854,986</u>	<u>3,165,528,574</u>
	<u>P5,249,994,971</u>	<u>P6,384,840,763</u>

The bank loans represent secured and unsecured loans from local commercial banks. The loans which have maturities ranging from 1 to 15 years bear annual interest rates ranging from 5.00% to 8.88% both in 2023 and 2022.

In 2023, 2022 and 2021, the Group obtained interest-bearing loans amounting to P3,381.3 million, P2,878.9 million and P4,084.6 million, respectively, from local commercial banks for working capital requirements. Also in 2023, the Group obtained a loan amounting to P0.9 million to finance the acquisition of certain service equipment (see Note 9). Accordingly, this loan is secured by the related service equipment with carrying amount of P0.6 million as of December 31, 2023.

The Group is required to maintain certain financial ratios to comply with its debt covenants with local banks. These include maintaining a minimum debt-to-equity ratio and debt service coverage ratio. The Group has properly complied with the debt covenants as of December 31, 2023 and 2022.

Interest expense incurred on these loans amounted to P309.9 million, P310.2 million and P253.6 million for the years ended December 31, 2023, 2022 and 2021, respectively. These are presented as part of Finance Costs under Other Income (Charges) section in the consolidated statements of comprehensive income.

There are no outstanding interest payable as of December 31, 2023 and 2022 related to these loans.

The loans are net of debt issue cost amounting to P86.1 million, P71.8 million and P49.5 million as of December 31, 2023, 2022 and 2021, respectively. The amortization of debt issue cost amounting to P50.0 million, P40.3 million and P20.6 million in 2023, 2022 and 2021, respectively, is presented as part of Finance Costs under Other Income (Charges) section in the consolidated statements of comprehensive income.

Certain loans amounting to P5,250.0 million and P6,384.8 million as of December 31, 2023 and 2022, respectively, of the Group are secured by contract receivables with a carrying amount of P4,509.4 million and P3,554.0 million as of December 31, 2023 and 2022 (see Notes 6.1 and 26.2).

13. TRADE AND OTHER PAYABLES AND RAWLAND PAYABLE

13.1 Rawland Payable

Rawland payable pertains to the amount of outstanding liability regarding the acquisitions of raw land from third parties, which will be used in the development of the Group's projects.

In prior years, the Group purchased various rawlands for expansion and development of the Group's subdivision and memorial lots projects. The outstanding balance arising from these transactions, which is secured by the purchased properties, amounted to P698.5 million and P691.4 million as of December 31, 2023 and 2022, respectively.

13.2 Trade and Other Payables

This account consists of:

	<u>2023</u>	<u>2022</u>
Trade payables	P 1,361,832,934	P 1,120,990,891
Accrued expenses	504,173,092	513,805,799
Deferred output VAT	187,362,875	205,133,531
Retention payable	117,179,777	95,499,319
Refund liability	45,026,838	75,944,387
Commission payable	23,181,439	6,626,962
Output VAT payable	11,498,294	6,443,826
Withholding taxes payable	1,264,206	1,090,090
Other payables	<u>3,689,859</u>	<u>7,208,230</u>
	<u>P 2,255,209,314</u>	<u>P 2,032,743,035</u>

Trade payables comprise mainly of liabilities to suppliers and contractors arising from the construction and development of the Group's real estate properties.

Accrued expenses pertain to accruals of professional fees, salaries and other employee benefits, utilities, advertising, marketing and other administrative expenses.

Deferred output VAT is the portion of VAT attributable to outstanding contract receivables. This is reversed upon payment of monthly amortization from customers.

Retention payable pertains to the amount withheld from payments made to contractors to ensure compliance and completion of contracted projects equivalent to 10% of every billing made by the contractor. Upon completion of the contracted projects, the amounts are remitted to the contractors.

Refund liability pertains to the amounts payable to customers due to sales cancellation in respect of installment sales contracts as covered by the R.A. No. 6552, *Realty Installment Buyer Protection Act*, otherwise known as the Maceda Law, and other refunds to the buyer.

Commission payable refers to the liabilities of the Group as of the end of the reporting periods to its sales agents for every sale that already reached the revenue recognition threshold of the Group.

14. CUSTOMERS' DEPOSITS

Customers' deposits pertain to reservation fees and advance payments from buyers, which did not meet the revenue recognition criteria as of the end of the reporting periods. As of December 31, 2023 and 2022, Customers' Deposits account, as presented in the Current Liabilities section of the consolidated statements of financial position, amounted to P1,866.5 million and P2,522.0 million, respectively (see Note 2.8).

15. RESERVE FOR MAINTENANCE CARE

Under the terms of the contract between the Group and the purchasers of memorial lots, a portion of the amount paid by the purchasers is set aside as Maintenance Care Fund (Fund). The balance of the reserve for maintenance care for memorial lots as of December 31, 2023 and 2022 amounting to P1,026.6 million and P912.3 million, respectively, represents the amount of maintenance care from all outstanding sales contracts, net of amount already remitted for fully collected memorial lots into the Fund amounting to P138.6 million and P127.5 million as of December 31, 2023 and 2022, respectively.

As an industry practice, the amount turned over to the Fund is only for fully collected contracts in as much as the outstanding contracts may still be forfeited and/or rescinded. The income earned from the Fund will be used in the maintenance care and maintenance of the memorial lots. Once placed in the Fund, the assets, liabilities, income and expense of the Fund are considered distinct and separate from the assets and liabilities of the Group; thus, do not form part of the accounts of the Group.

The details of the Fund as of December 31, 2023 and 2022 are shown below.

	<u>2023</u>	<u>2022</u>
Assets:		
Cash	P 427,901	P 1,233,942
Investment in unit investment funds	15,261,874	6,913,260
Investment in other securities and debt instruments	2,774,727	2,731,450
Loans and receivables	-	23,392
Investment in mutual funds	120,154,893	116,673,882
Liability –		
Accrued trust fees and other expenses	<u>-</u>	(<u>29,678</u>)
	<u>P 138,619,395</u>	<u>P 127,546,248</u>

16. REVENUES

16.1 Disaggregation of Revenues

The Group derives revenues from sale of real properties and deathcare operations. An analysis of the Group's major sources of revenues in 2023, 2022 and 2021 is presented below and in the succeeding page.

	<u>Segments</u>		
	<u>Residential</u>	<u>Deathcare</u>	<u>Total</u>
<u>Geographical areas</u>			
<u>2023</u>			
Luzon	P2,641,393,219	P 441,186,289	P3,082,579,508
Visayas	195,774,845	113,052,241	308,827,086
Mindanao	<u>1,194,811,643</u>	<u>173,155,613</u>	<u>1,367,967,256</u>
	<u>P4,031,979,707</u>	<u>P 727,394,143</u>	<u>P4,759,373,850</u>
<u>2022</u>			
Luzon	P3,157,340,053	P 381,216,574	P3,538,556,627
Visayas	1,058,291,889	119,721,343	1,178,013,232
Mindanao	<u>88,939,931</u>	<u>157,552,952</u>	<u>246,492,883</u>
	<u>P4,304,571,873</u>	<u>P 658,490,869</u>	<u>P4,963,062,742</u>
<u>2021</u>			
Luzon	P3,102,945,163	P 446,885,043	P3,549,830,206
Visayas	236,965,564	260,389,761	497,355,325
Mindanao	<u>942,510,158</u>	<u>179,649,447</u>	<u>1,122,159,605</u>
	<u>P4,282,420,885</u>	<u>P 886,924,251</u>	<u>P5,169,345,136</u>

	Segments		
	Residential	Deathcare	Total
<u>Type of product or services</u>			
<u>2023</u>			
Low-cost housing	P 3,685,771,343	P -	P 3,685,771,343
Memorial lots	-	553,678,350	553,678,350
Residential condominium	219,889,941	-	219,889,941
Interest income on contract receivables	126,318,423	64,650,653	190,969,076
Interment	-	75,410,499	75,410,499
Chapel services	-	33,654,641	33,654,641
	<u>P4,031,979,707</u>	<u>P 727,394,143</u>	<u>P4,759,373,850</u>
<u>2022</u>			
Low-cost housing	P 4,111,366,286	P -	P 4,111,366,286
Memorial lots	-	494,611,186	494,611,186
Residential condominium	89,978,653	-	89,978,653
Interest income on contract receivables	103,226,934	65,443,985	168,670,919
Interment	-	68,575,137	68,575,137
Chapel services	-	29,860,561	29,860,561
	<u>P4,304,571,873</u>	<u>P 658,490,869</u>	<u>P4,963,062,742</u>
<u>2021</u>			
Low-cost housing	P 4,101,983,853	P -	P 4,101,983,853
Memorial lots	-	716,196,933	716,196,933
Residential condominium	58,604,810	-	58,604,810
Interest income on contract receivables	121,832,222	61,044,840	182,877,062
Interment	-	75,446,574	75,446,574
Chapel services	-	34,235,904	34,235,904
	<u>P4,282,420,885</u>	<u>P 886,924,251</u>	<u>P5,169,345,136</u>

These are presented in the consolidated statements of comprehensive income under Revenues as follows:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Real estate sales:			
Low-cost housing	P3,685,771,343	P 4,111,366,286	P 4,101,983,853
Memorial lots	553,678,350	494,611,186	716,196,933
Residential condominium	219,889,941	89,978,653	58,604,810
	4,459,339,634	4,695,956,125	4,876,785,596
Interest income			
on contract receivables	190,969,076	168,670,919	182,877,062
Interment income	75,410,499	68,575,137	75,446,574
Income from chapel services	33,654,641	29,860,561	34,235,904
	<u>P4,759,373,850</u>	<u>P4,963,062,742</u>	<u>P5,169,345,136</u>

16.2 Contract Assets and Contract Liabilities

A reconciliation of the movements of contract assets is shown below.

	<u>2023</u>	<u>2022</u>
Balance at beginning of year	P2,225,254,391	P4,364,475,607
Additions during the year	2,630,032,900	2,225,254,391
Transfers from contract assets recognized at the beginning of year to contract receivables	(2,225,254,391)	(4,364,475,607)
Balance at end of year	<u>P2,630,032,900</u>	<u>P2,225,254,391</u>

The current and non-current classification of the Group's Contract Assets account as presented in the consolidated statements of financial position is shown below.

	<u>2023</u>	<u>2022</u>
Current	P2,326,220,611	P2,032,013,837
Non-current	<u>303,812,289</u>	<u>193,240,554</u>
	<u>P2,630,032,900</u>	<u>P2,225,254,391</u>

A reconciliation of the movements of contract liabilities is shown below.

	<u>2023</u>	<u>2022</u>
Balance at beginning of year	P 649,397,808	P -
Transfers from contract liabilities recognized at the beginning of year to trade receivables	(196,534,885)	-
Contract liabilities during the year	<u>9,730,139</u>	<u>649,397,808</u>
Balance at end of year	<u>P 462,593,062</u>	<u>P 649,397,808</u>

The current and non-current classification of the Group's Contract Liabilities account presented in the consolidated statements of financial position is shown below.

	<u>2023</u>	<u>2022</u>
Current	P 426,085,240	P 596,605,739
Non-current	<u>36,507,822</u>	<u>52,792,069</u>
	<u>P 462,593,062</u>	<u>P 649,397,808</u>

The Group recognizes contract assets, due to timing difference of payment and satisfaction of performance obligation, to the extent of satisfied performance obligation on all open contracts as of the end of the reporting period.

Meanwhile, the Group recognizes contract liabilities for the consideration received in excess of the amount for which the Group is entitled.

Changes in the contract assets and contract liabilities are recognized by the Group when a right to receive payment is already established and upon performance of unsatisfied performance obligation.

16.3 Direct Contract Costs

The Group incurs sales commissions upon execution of contract to sell real properties to customers. Incremental costs of commission incurred to obtain contracts are capitalized and presented as Prepaid commission under Other Current Assets in the consolidated statements of financial position (see Note 8). These are amortized over the expected construction period on the same basis as how the Group measures progress towards complete satisfaction of its performance obligation in its contracts. The total amount of amortization for 2023, 2022 and 2021 is presented as part of Commission under Operating Expenses (see Note 17.2).

The movements in balances of prepaid commission in 2023 and 2022 are presented below.

	<u>2023</u>	<u>2022</u>
Balance at beginning of year	P 168,475,156	P 210,390,815
Additional capitalized cost	114,183,599	91,530,068
Reversal due to back-out	(4,250,476)	(2,451,880)
Amortization for the year	(114,256,370)	(130,993,847)
Balance at end of year	<u>P 164,151,909</u>	<u>P 168,475,156</u>

16.4 Transaction Price Allocated to Unsatisfied Performance Obligation

The aggregate amount of transaction price allocated to partially or wholly unsatisfied contracts amounted to P3,060.7 million and P2,245.0 million as of December 31, 2023 and 2022, respectively, which the Group expects to recognize as follows:

	<u>2023</u>	<u>2022</u>
Within a year	P 2,025,496,566	P 1,170,160,407
More than one year to three years	<u>1,035,199,422</u>	<u>1,074,852,501</u>
	<u>P 3,060,695,988</u>	<u>P 2,245,012,908</u>

17. COSTS AND EXPENSES

17.1 Costs of Sales and Services

Presented below are the details of costs of sales and services.

	<u>Note</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Cost of real estate sales	7	P1,895,529,341	P2,137,387,834	P 2,155,801,744
Cost of interment		27,092,300	22,749,091	24,803,872
Cost of chapel services		<u>13,738,716</u>	<u>13,161,163</u>	<u>14,125,454</u>
		<u>P1,936,360,357</u>	<u>P2,173,298,088</u>	<u>P2,194,731,070</u>

Cost of real estate sales is comprised of:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Construction and development costs	P1,093,602,502	P1,440,607,377	P1,163,414,174
Cost of land	<u>801,926,839</u>	<u>696,780,457</u>	<u>992,387,570</u>
	<u>P1,895,529,341</u>	<u>P2,137,387,834</u>	<u>P2,155,801,744</u>

17.2 Operating Expenses by Nature

The details of operating expenses by nature for the year ended December 31 are shown as follows:

	<u>Notes</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Construction and development costs	17.1	P1,093,602,502	P1,440,607,377	P1,163,414,174
Cost of land	17.1	801,926,839	696,780,457	992,387,570
Salaries and employee benefits	21.1	329,586,508	360,622,958	357,049,627
Commission	16.3	166,706,627	169,280,548	201,243,455
Outside services		112,756,220	105,831,065	102,257,662
Advertising		85,672,543	85,188,428	124,728,413
Depreciation and amortization	9, 10.1	81,416,484	85,718,236	92,505,235
Loss on sales cancellations		51,564,932	82,955,248	175,574,208
Repairs and maintenance		44,074,044	41,729,404	44,244,716
Utilities		39,149,523	38,789,598	34,117,571
Transportation and travel		29,959,626	25,849,538	23,671,505
Cost of interment		26,942,836	22,388,318	24,662,551
Prompt payment discount		20,416,681	23,343,051	24,928,230
Management fees		18,505,510	28,196,540	28,731,259
Promotions		15,251,132	11,580,756	14,436,773
Taxes and licenses		11,666,176	14,104,826	10,147,806
Office supplies		10,231,225	10,630,800	18,036,294
Professional fees		9,506,913	8,835,886	11,345,253
Representation		8,464,294	11,767,138	13,442,752
Cost of chapel services		7,030,935	6,965,626	7,328,780
Collection fees		6,976,691	6,797,251	6,838,814
Insurance		5,765,902	7,078,844	7,970,797
Meetings and conferences		5,529,144	2,763,980	3,042,851
Rentals	10.3	5,503,908	6,509,520	15,583,623
Trainings and seminars		2,945,563	1,283,917	733,620
Miscellaneous		<u>56,268,933</u>	<u>43,168,308</u>	<u>27,529,309</u>
		<u>P3,047,421,691</u>	<u>P3,338,767,618</u>	<u>P3,525,952,848</u>

Miscellaneous mainly consist of subscription dues and other fees such as registration, transfer and mortgage fees.

These costs and expenses are classified in the consolidated statements of comprehensive income as follows:

	<u>Note</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Costs of sales and services	17.1	P 1,936,360,357	P 2,173,298,088	P 2,194,731,070
Other operating expenses		<u>1,111,061,334</u>	<u>1,165,469,530</u>	<u>1,331,221,778</u>
		<u>P 3,047,421,691</u>	<u>P 3,338,767,618</u>	<u>P 3,525,952,848</u>

18. OTHER INCOME

This account consists of:

	<u>Note</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Forfeited sales		P 214,981,440	P 132,400,482	P 81,954,587
Transfer fees		13,933,517	5,158,307	2,327,131
Interest on past due accounts		4,567,048	5,530,047	8,079,169
Service tent rentals		2,085,875	3,487,620	484,373
Gain on derecognition of liabilities		-	17,646,595	-
Others	10.1	<u>10,326,887</u>	<u>5,795,850</u>	<u>8,826,334</u>
		<u>P 245,894,767</u>	<u>P 170,018,901</u>	<u>P 101,671,594</u>

In 2022, the Group reversed a portion of its accrued liabilities as management has assessed these liabilities will no longer be claimed. There was no similar transaction in 2023 and 2021.

Others include gain on lease cancellation, penalties from customers with lapsed payments, restructured accounts, and other fees collected for transactions incidental to the Group's operations such as payment for memorial garden construction fee, among others.

19. TAXES

19.1 Registration with the Board of Investments (BOI)

The BOI approved the Company's application for registration as an Expanding Developer of Economic and Low-Cost Housing Project on a Non-pioneer Status relative to its various units under its Bria Homes Alaminos, Bria Homes Alaminos - Pangasinan, Bria Homes Executive Calamba, Bria Homes General Santos, Bria Homes Lumina Classic - Bacong in 2021; Bria Calamba Phase 2, Bria Calamba Phase 4, Bria Calmaba Phase 3, Bria Magalang, Bria Manolo Fortich, Bria Kidapawan, Bria Urdaneta, Bria Norzagaray, Bria Norzagaray Phase 2, Bria Hermosa, Bria Homes, Paniqui, Bria General Trias, Bria Trece Martires, Bria Sta. Cruz, Lumina Tanza Phase 4, Lumina Camarines Sur, Lumina Camarines Sur Classic, Lumina Dumaguete, Lumina Dumaguete 2, and Bria Flats Azure in 2020.

Under the registration, the applicable rights and privileges provided in the Omnibus Investment Code of 1987 shall equally apply and benefit BHI with certain incentives including income tax holiday for a period of four years from the date of registration.

19.2 Current and Deferred Taxes

The components of tax expense (income) reported in consolidated profit or loss and in consolidated other comprehensive income or loss for the years ended December 31 follow:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<i>Reported in consolidated profit or loss:</i>			
Current tax expense:			
Regular corporate income tax (RCIT) at 25%	P 41,343,816	P 33,569,609	P 134,766,701
Minimum corporate income tax (MCIT) at 1.5% in 2023 and 1% in 2022 and 2021	8,996,005	5,935,366	-
Final tax at 20%	871,510	880,781	755,909
Adjustment due to change in income tax rate	<u>-</u>	<u>-</u>	<u>(8,933,963)</u>
	<u>51,211,331</u>	<u>40,385,756</u>	<u>126,588,647</u>
Deferred tax expense (income) arising from:			
Origination and reversal of temporary differences	128,156,728	105,636,473	(23,329,523)
Effect of the change in income tax rate	<u>-</u>	<u>-</u>	<u>(193,602,210)</u>
	<u>128,156,728</u>	<u>105,636,473</u>	<u>(216,931,733)</u>
	<u>P 179,368,059</u>	<u>P 146,022,229</u>	<u>(P 90,343,086)</u>

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<i>Reported in consolidated other comprehensive income or loss –</i>			
Deferred tax expense arising from:			
Origination and reversal of temporary differences	P 2,835,850	P 5,163,096	P 2,449,996
Effect of the change in income tax rate	<u>-</u>	<u>-</u>	<u>1,490,524</u>
	<u>P 2,835,850</u>	<u>P 5,163,096</u>	<u>P 3,940,520</u>

The reconciliation of tax on pretax profit computed at the applicable statutory rate to tax expense (income) is as follows:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Tax on pretax profit at 25%	P 398,907,002	P 359,704,697	P 361,933,652
Adjustment for income subjected to lower tax rates	(244,472)	(220,195)	(178,427)
Tax effects of:			
Non-taxable income	(329,129,545)	(357,976,720)	(434,307,673)
Non-deductible expenses	109,809,196	143,595,170	184,703,333
Unrecognized net operating carry-over (NOLCO)	25,878	1,154,977	42,202
Recognized NOLCO from prior years	-	(235,700)	
Effect of the change in income tax rate	<u>-</u>	<u>-</u>	<u>(202,536,173)</u>
Tax expense (income)	<u>P 179,368,059</u>	<u>P 146,022,229</u>	<u>(P 90,343,086)</u>

The net deferred tax liabilities recognized in the consolidated statements of financial position as of December 31, 2023 and 2022 relate to the following:

	<u>2023</u>	<u>2022</u>
Unrealized gross profit	P 1,215,702,983	P 1,096,759,512
Retirement benefit obligation	(23,923,216)	(27,471,236)
MCIT	(9,448,113)	(5,935,365)
Leases	(853,749)	(1,947,796)
Unamortized past service cost	(6,843)	(29,611)
NOLCO	<u>-</u>	<u>(10,897,020)</u>
	<u>P 1,181,471,062</u>	<u>P 1,050,478,484</u>

The deferred tax income (expense) recognized in the consolidated statements of comprehensive income for December 31 relate to the following:

	<u>Consolidated Profit or Loss</u>			<u>Consolidated Other Comprehensive Income</u>		
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Unrealized gross profit	(P 118,943,471)	(P 129,865,455)	P 216,566,807	P -	P -	P -
NOLCO	(10,897,020)	10,897,020	-	-	-	-
MCIT	3,512,748	5,935,365	-	-	-	-
Leases	(1,094,047)	540,744	203,358	-	-	-
Retirement benefit obligation	(712,170)	6,878,621	222,949	(2,835,850)	(5,163,096)	(3,940,520)
Unamortized past service cost	(22,768)	(22,768)	(61,381)	-	-	-
Deferred Tax Income (Expense)	<u>(P 128,156,728)</u>	<u>(P 105,636,473)</u>	<u>P 216,931,733</u>	<u>(P 2,835,850)</u>	<u>(P 5,163,096)</u>	<u>(P 3,940,520)</u>

The Parent Company and BHI is subject to MCIT, which is computed at 1.5% in 2023, and 1% in 2022 and 2021 of gross income as defined under the tax regulations, or to RCIT, whichever is higher. Meanwhile, GHMPI and VTECH, as incorporated entities in 2020 and 2022, respectively, are not yet subject to MCIT until 2024 and 2026, respectively. The Parent Company and BHI reported RCIT in 2023, 2022 and 2021 as the RCIT is higher than MCIT in those years. GHMPI reported RCIT in 2023 but did not report RCIT in 2022 and 2021 since it is on taxable loss position in those years. Meanwhile, VTECH did not report RCIT since it is on taxable loss position in those years.

In 2022, BHI and GHMPI recognized the deferred tax asset arising from NOLCO since management believes that the related benefits will be utilized within the prescribed period of three to five years. Specifically, NOLCO incurred in 2021 and 2020 can be claimed as a deduction from the taxable income until 2026 and 2025, respectively, in accordance with the Republic Act (RA) No. 11494, *Bayanihan to Recover as One Act*. The breakdown of NOLCO and their expiry dates are presented below.

<u>Year Incurred</u>	<u>Original Amount</u>	<u>Applied During the Year</u>	<u>Expired During the Year</u>	<u>Remaining Balance</u>	<u>Valid Until</u>
2022	P 42,645,277	(P 42,645,277)	P -	P -	2025
2021	155,011	(155,011)	-	-	2026
2020	<u>787,790</u>	<u>(787,790)</u>	<u>-</u>	<u>-</u>	2025
	<u>P 43,588,078</u>	<u>(P 43,588,078)</u>	<u>P -</u>	<u>P -</u>	

In 2023, 2022 and 2021, the Group claimed itemized deductions in computing for its income tax due.

20. RELATED PARTY TRANSACTIONS

The Group's related parties include its ultimate parent company, the Group's key management and other related parties under common ownership.

Based on the requirement of SEC MC 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 board of directors, 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 significant transactions of the Group in the normal course of business with its related parties are described as follows:

Related Party Category	Note	Amount of Transactions			Outstanding Receivable/ (Payable)	
		2023	2022	2021	2023	2022
FPI:						
Advances (collections) for land acquisition	20.5	(P 1,496,515,368)	P 1,690,504,480	P -	P 193,989,112	P 1,690,504,480
Reclassifications (advances) collected	20.1	193,989,112	-	(1,035,144)	195,240,534	1,251,422
Related Parties Under Common Ownership:						
Advances paid (obtained)	20.2	(9,018,934)	(8,663,934)	542,489	(951,725,398)	(960,744,332)
Advances granted	20.1	859,367	8,529,737	3,889,871	21,377,076	20,517,709
Payable to HDC		-	-	62,128,504	-	-
Key Management Personnel – Compensation						
	20.3	34,583,336	36,744,939	35,044,713	-	-

20.1 Due from Related Parties

In the normal course of business, the Group grants noninterest-bearing cash advances to its ultimate parent company and other related parties, including those under common ownership, for working capital requirements, capital asset acquisition and other purposes. These advances are unsecured and generally payable in cash on demand or through offsetting arrangements with related parties.

The outstanding advances arising from these transactions amounting to P22.6 million and P21.8 million as at December 31, 2023 and 2022, respectively, is presented as Due from Related Parties account in the consolidated statements of financial position.

The movements in due from related parties are shown below.

	Note	2023	2022
Balance at beginning of year		P 21,769,131	P 13,149,394
Reclassification from advances for land acquisition	6.2	1,690,504,480	-
Collections		(1,496,515,368)	-
Advances granted during the year		859,367	8,529,737
Balance at end of year		<u>P 216,617,610</u>	<u>P 21,769,131</u>

Based on management's assessment, no impairment losses need to be recognized in 2023, 2022 and 2021 from its receivables from related parties.

20.2 Due to Related Parties

The Group obtained short-term, unsecured, noninterest-bearing advances from related parties under common ownership for working capital requirements payable in cash upon demand. The outstanding balance is presented as Due to Related Parties account in the consolidated statements of financial position.

The movements in the Due to Related Parties account are shown below.

	<u>2023</u>	<u>2022</u>
Balance at beginning of year	P 960,744,332	P 952,080,398
Repayments	(20,177,113)	-
Additions	<u>11,158,179</u>	<u>8,663,934</u>
Balance at end of year	<u>P 951,725,398</u>	<u>P 960,744,332</u>

20.3 Key Management Personnel Compensation

The compensation of key management personnel for the years ended December 31 follows:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Short term benefits	P 23,272,055	P 26,678,938	P 31,311,556
Post-employment benefits	3,543,803	3,153,659	294,755
Other benefits	<u>7,767,478</u>	<u>6,912,342</u>	<u>3,438,402</u>
	<u>P 34,583,336</u>	<u>P 36,744,939</u>	<u>P 35,044,713</u>

20.4 Retirement Fund

The Group does not have a formal retirement plan established separately from the Parent Company and its subsidiaries.

The Group's transactions with the fund mainly pertain to contribution, benefit payments and interest income.

The retirement fund neither provides any guarantee or surety for any obligation of the Group nor its investments covered by any restrictions or liens. The details of the contributions of the Group into the plan are presented in Note 21.2.

20.5 Advances for Land Acquisition

In 2022, the Group made advance payments to FPI for future strategic land acquisition. These advances are unsecured and will be applied as payments for future land acquisitions by the Group.

In 2023, these advances were reclassified to Due from Related Parties based on management's assessment that the purchase of land is not probable due to change in intention (see Note 20.1).

21. EMPLOYEE BENEFITS

21.1 Salaries and Employee Benefits

Details of salaries and employee benefits are presented below.

	<u>Notes</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Short-term employee benefits		P 321,879,845	P 338,392,821	P 346,401,665
Post-employment defined benefit	21.2	<u>7,706,663</u>	<u>22,230,137</u>	<u>10,647,962</u>
	17.2	<u>P 329,586,508</u>	<u>P 360,622,958</u>	<u>P 357,049,627</u>

21.2 Post-employment Defined Benefit Plan

(a) Characteristics of the Post-Employment Defined Benefit Plan

The Group maintains a funded, non-contributory post-employment benefit plan. The post-employment plan covers all regular full-time employees.

The Group's post-employment defined benefit plan is based solely on the requirement of RA No. 7641, *The Retirement Pay Law*. The optional retirement age is 60 with a minimum of five years of credited service. Normal retirement benefit is based on the employee's final salary and years of credited service.

(b) Explanation of Amounts Presented in the Consolidated Financial Statements

Actuarial valuations are made annually to update the post-employment 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 and 2022.

The amounts of net retirement benefit obligation recognized in the consolidated statements of financial position are shown below.

	<u>2023</u>	<u>2022</u>
Present value of the obligation	P 104,084,592	P 101,278,339
Fair value of plan assets	<u>(8,391,738)</u>	<u>(8,485,904)</u>
	<u>P 95,692,854</u>	<u>P 92,792,435</u>

The movements in the fair value of plan assets are presented below.

	<u>2023</u>	<u>2022</u>
Balance at beginning of year	P 8,485,904	P 9,149,411
Loss on plan assets (excluding amounts included in net interest)	<u>(913,290)</u>	<u>(1,138,361)</u>
Interest income	<u>819,124</u>	<u>474,854</u>
Balance at end of year	<u>P 8,391,738</u>	<u>P 8,485,904</u>

The Group's plan assets is composed of special deposit account. The plan assets do not comprise any of the Group's own financial instruments or any of its assets occupied and/or used in its operations.

The loss on plan assets amounted to P0.9 million, P1.1 million and P0.1 million in 2023, 2022 and 2021, respectively.

The movements in the present value of defined benefit obligation recognized in the books are as follows:

	<u>2023</u>	<u>2022</u>
Balance at beginning of year	P 101,278,339	P 112,172,242
Current service cost	7,706,663	22,230,137
Interest expense	7,356,281	5,759,205
Actuarial losses (gains) arising from:		
Experience adjustments	(19,640,491)	(16,520,807)
Changes in financial assumptions	11,152,952	(5,269,939)
Changes in demographic assumptions	(3,769,152)	-
Benefits paid	<u>-</u>	<u>(17,092,499)</u>
Balance at end of year	<u>P 104,084,592</u>	<u>P 101,278,339</u>

The components of amounts recognized in consolidated profit or loss and in consolidated other comprehensive income or loss in respect of the post-employment defined benefit plan are shown below.

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<i>Reported in profit or loss:</i>			
Current service cost	P 7,706,663	P 22,230,137	P 10,647,962
Interest expense – net	<u>6,537,157</u>	<u>5,284,351</u>	<u>3,930,593</u>
	<u>P 14,243,820</u>	<u>P 27,514,488</u>	<u>P 14,578,555</u>
<i>Reported in other comprehensive income or loss:</i>			
Actuarial gains (losses) arising from:			
Experience adjustments	P 19,640,491	P 16,520,807	(P 9,629,980)
Changes in financial assumptions	(11,152,952)	5,269,939	19,488,178
Changes in demographic assumptions	3,769,152	-	-
Loss on plan assets	<u>(913,290)</u>	<u>(1,138,361)</u>	<u>(58,210)</u>
	<u>P 11,343,401</u>	<u>P 20,652,385</u>	<u>P 9,799,988</u>

Current service cost is presented as part of Salaries and employee benefits under the Other Operating Expenses account in the consolidated statements of comprehensive income (see Notes 17.2 and 21.1).

Net interest expense is presented as part of Finance Costs under Other Income (Charges) in the consolidated statements of comprehensive income.

Amounts recognized in other comprehensive income or loss were included within items that will not be reclassified subsequently to profit or loss.

For the determination of the retirement benefit obligation, the following actuarial assumptions were used:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Discount rates	6.16%	7.32%	5.16%
Expected rate of salary increases	7.75%	7.75%	7.75%

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 eight years for both male and female. 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 bond with terms to maturity approximating to the terms of the post-employment obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

(c) *Risks Associated with the Retirement Plan*

The plan exposes the 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 bond will increase the plan obligation. However, this will be partially offset by an increase in the return on the plan's investments in savings deposit accounts and if the return on plan asset falls below this rate, it will create a deficit in the plan. Currently, the plan has only investments in cash in banks.

(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 both 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, the Group's timing and uncertainty of future cash flows related to the retirement plan are presented below and in the succeeding page.

(i) *Sensitivity Analysis*

The table presented in the succeeding page summarizes the effect of changes in the significant actuarial assumptions used in the determination of the defined benefit obligation as of December 31.

	<u>Impact on Retirement Benefit Obligation</u>		
	<u>Change in Assumption</u>	<u>Increase in Assumption</u>	<u>Decrease in Assumption</u>
2023:			
Discount rate	+7.16%/-5.16%	(P 36,756,513)	P 42,380,804
Salary growth rate	+7.75%/-5.75%	42,667,913	(36,846,124)
2022:			
Discount rate	+8.28%/-6.28%	(P 29,416,112)	P 35,153,633
Salary growth rate	+6.00%/-4.00%	35,575,185	(29,655,806)

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognized in the consolidated statements of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

(ii) *Asset-liability Matching Strategies*

To efficiently manage the retirement plan, the Group through its Retirement Committee, ensures that the investment positions are managed in accordance with its asset-liability matching strategy to ensure that long-term investments are in line with the obligations under the retirement scheme. This strategy aims to match the plan assets to the retirement obligations by investing in fixed interest financial assets, primarily in short-term placements. The Group monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the retirement obligations.

The plan asset is currently composed of special deposit accounts as the Group believes that these investments are the best returns with an acceptable level of risk.

There has been no change in the Group's strategies to manage its risks from previous period.

(iii) *Funding Arrangements and Expected Contributions*

The plan is currently underfunded by P95.7 million as at year-end, while there are no minimum funding requirement in the Philippines, there is a risk that the Group may not have the cash if several employees retire within the same year.

The Group expects to contribute P7.6 million to the retirement fund in 2024.

The maturity profile of undiscounted expected benefit payment from the plan are as follows:

	<u>2023</u>	<u>2022</u>
Less than one year	P 11,625,531	P 1,309,675
One to less than five years	28,255,883	36,377,562
Five to less than 10 years	55,775,162	65,286,258
More than 10 years to 15 years	57,871,157	76,438,572
More than 15 years to 20 years	64,979,071	94,217,342
More than 20 years	<u>568,817,166</u>	<u>627,575,520</u>
	<u>P 787,323,970</u>	<u>P 901,204,929</u>

The weighted average duration of the defined benefit obligation at the end of the reporting period is 14.39 years.

22. EQUITY

22.1 *Capital Stock*

Capital stock in 2023 and 2022 consists of:

	<u>Shares</u>	<u>Amount</u>
Common shares – P1.00 par value		
Authorized		
Balance at beginning and end of year	<u>996,000,000</u>	<u>P 996,000,000</u>
Issued and outstanding		
Balance at beginning and end of year	<u>644,117,649</u>	<u>P 644,117,649</u>
Preferred shares – P0.01 par value		
Authorized		
Balance at beginning and end of year	<u>400,000,000</u>	<u>P 4,000,000</u>

On March 17, 2016, the SEC approved the increase in the Parent Company's authorized capital stock from P20.0 million divided into 200,000 common shares with par value of P100 per share to P1,000.0 million divided into 996,000,000 common shares with par value of P1.00 per share and 400,000,000 preferred shares with par value of P0.01 per share.

On April 1, 2016, the Parent Company applied for the registration of its common shares with the SEC and the listing of the Parent Company's shares on the PSE. The PSE approved the Parent Company's application for the listing of its common shares on June 8, 2016 and the SEC approved the registration of the 74,117,649 common shares of the Parent Company on June 14, 2016.

On June 3, 2016, the SEC approved the listing of the Parent Company's common shares totaling 74.1 million. The shares were initially issued at an offer price of P10.50 per common share. In 2023 and 2022, there were no additional issuances.

On June 29, 2016, by way of an initial public offering (IPO), sold 74,117,649 shares of its common stock at an offer price of P10.50 and generated net proceeds of approximately P703.0 million. The IPO resulted in the recognition of additional paid-in capital amounting to P628.9 million, net of IPO-related expenses amounting to P75.2 million.

On December 27, 2017, the Parent Company's BOD authorized the issuance of 150,000,000 common shares to Cambridge Group, Inc., a related party under common ownership, out of the unissued authorized capital stock, at a subscription price of P20.1 per share or an aggregate subscription price of P3,014.0 million.

22.2 Revaluation Reserves

As of December 31, 2023 and 2022, revaluation reserves pertain to accumulated actuarial losses and gains, net of tax, due to remeasurement of post-employment defined benefit plan amounting to P9.0 million and P0.5 million, respectively (see Note 21.2).

23. EARNINGS PER SHARE

The basic and diluted earnings per share were computed as follows:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Consolidated net profit	P 1,416,259,950	P 1,292,796,558	P 1,538,077,695
Divided by the weighted number of outstanding common shares	<u>644,117,649</u>	<u>644,117,649</u>	<u>644,117,649</u>
Basic and diluted earnings per share	<u>P 2.20</u>	<u>P 2.01</u>	<u>P 2.39</u>

The Group has no dilutive potential common shares as at December 31, 2023, 2022 and 2021; hence, diluted earnings per share is the same as the basic earnings per share.

24. COMMITMENTS AND CONTINGENCIES

The Group is contingently liable with respect to sales contracts and other transactions arising in the ordinary course of business.

There are 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 events and conditions will not have material effects on the Group's consolidated financial statements.

25. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to a variety of financial risks which result from both its operating and investing activities. The Group's risk management focuses on actively securing the Group's short to medium-term cash flows by minimizing the exposure to financial markets. Long-term financial investments are managed to generate lasting returns.

The Group does not engage in the trading of financial assets for speculative purposes nor does it write options. The relevant financial risks, unless otherwise stated, to which the Group is exposed to are described below and in the succeeding pages.

25.1 Interest Rate Risk

The Group has no financial instruments subject to floating interest rate, except cash in banks, which have historically shown small or measured changes in interest rates. As such, the Group's management believes that interest rate risks are not material.

25.2 Credit Risk

The Group operates under sound credit-granting criteria wherein credit policies are in place. These policies include a thorough understanding of the customer or counterparty as well as the purpose and structure of credit and its source of repayment. Credit limits are set and monitored to avoid significant concentrations to credit risk. The Group also employs credit administration activities to ensure that all facets of credit are properly maintained.

The maximum credit risk exposure of financial assets and contract assets is the carrying amount of the financial assets as shown in the consolidated statements of financial position or in the detailed analysis provided in the notes to the consolidated financial statements, are summarized in the succeeding page.

	Notes	2023	2022
Cash and cash equivalents	5	P 981,168,858	P 919,371,361
Contract receivables	6.1	14,679,555,197	13,632,508,762
Contract assets	16.2	2,630,032,900	2,225,254,391
Due from related parties	20.1	216,617,610	21,769,131
Security deposits	8	38,314,879	35,989,582
Other receivables	6.2	103,832,106	56,896,208
		<u>P18,649,521,550</u>	<u>P16,891,789,435</u>

Cash in banks are insured by the Philippine Deposit Insurance Commission up to a maximum coverage of P0.5 million for every depositor per banking institution. Also, the Group's contract receivables are effectively collateralized by residential houses and lots and memorial lots. Other financial assets are not secured by any collateral or other credit enhancements.

The Group applies the PFRS 9 simplified approach in measuring ECL which uses a lifetime expected loss allowance for all contract receivables and other receivables. To measure the expected credit losses, contract receivables and other receivables have been grouped based on shared credit risk characteristics and the days past due (age buckets). The other receivables relate to receivables from both third and related parties other than contract receivables and have substantially the same risk characteristics as the contract receivables.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before December 31, 2023 and 2022, 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 management determined that there is no required ECL to be recognized on the Group's contract receivables since the fair value of real estate sold when reacquired is sufficient to cover the unpaid outstanding balance of the related receivable arising from sale. Therefore, there is no expected loss given default as the recoverable amount from subsequent resale of the real estate is sufficient. Accordingly, no allowance was recorded by the Group as of December 31, 2023 and 2022.

The Contract Assets account is secured to the extent of the fair value of the real estate sale of house and lot and condominium units sold since the title to the real estate properties remains with the Group until the contract assets or receivables are fully collected. Therefore, there is also no expected loss given default on the contract asset.

The Group considers credit enhancements in determining the expected credit loss. Contract receivables and contract assets from real estate sales are collateralized by the real properties.

The estimated fair value of collateral and other security enhancements held against contract receivables and contract assets are presented below.

	<u>Gross Maximum Exposure</u>	<u>Fair Value of Collaterals</u>	<u>Net Exposure</u>
<u>2023</u>			
Contract receivables	P 14,679,555,197	P 15,895,122,475	P -
Contract assets	<u>2,630,032,900</u>	<u>3,017,924,960</u>	<u>-</u>
	<u>P17,309,588,097</u>	<u>P 18,913,047,435</u>	<u>P -</u>
<u>2022</u>			
Contract receivables	P 13,632,508,762	P 14,702,420,468	P -
Contract assets	<u>2,225,254,391</u>	<u>2,479,543,320</u>	<u>-</u>
	<u>P 15,857,763,153</u>	<u>P 17,181,963,788</u>	<u>P -</u>

Some of the unimpaired contract receivables, which are mostly related to real estate sales, are past due as at the end of the reporting period and are presented below.

	<u>2023</u>	<u>2022</u>
Current (not past due)	P 13,700,343,818	P 12,641,597,925
Past due but not impaired:		
More than one month but not more than 3 months	345,170,762	312,673,834
More than 3 months but not more than 6 months	281,939,637	228,332,395
More than 6 months but not more than one year	184,421,822	222,620,680
More than one year	<u>167,679,158</u>	<u>227,283,928</u>
	<u>P 14,679,555,197</u>	<u>P 13,632,508,762</u>

ECL for due from related parties are measured and recognized using the liquidity approach. Management determines possible impairment based on the related party's ability to repay the advances upon demand at the reporting date taking into consideration the historical defaults from the related parties. The Group does not consider any significant risks in the due from related parties as these are entities whose credit risks for liquid funds are considered negligible, since counterparties are in good financial condition. As of December 31, 2023 and 2022, impairment allowance is not material.

Security deposits are subject to credit risk. The Group's security deposits pertain to receivable from lessors and third party utility providers. Based on the reputation of those counterparties, management considers that these deposits will be refunded when due.

25.3 Liquidity Risk

The Group manages its liquidity needs by carefully monitoring cash outflows due in a 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 a 6-month and one-year period are identified monthly.

As of December 31, the Group's financial liabilities (excluding lease liabilities – see Note 10.2) have contractual maturities which are presented below.

	<u>Within 12 months</u>	<u>More than One Year to Five Years</u>
<u>2023</u>		
Trade and other payables	P2,055,083,939	P -
Rawland payable	698,540,244	-
Interest-bearing loans	1,067,595,761	4,808,619,014
Due to related parties	951,725,398	-
Reserve for maintenance care	<u>-</u>	<u>1,026,617,722</u>
	<u>P4,772,945,342</u>	<u>P5,835,236,736</u>
<u>2022</u>		
Trade and other payables	P1,820,075,588	P -
Rawland payable	691,350,984	-
Interest-bearing loans	3,501,380,182	3,479,060,352
Due to related parties	960,744,332	-
Reserve for maintenance care	<u>-</u>	<u>912,313,691</u>
	<u>P6,973,551,086</u>	<u>P4,391,374,043</u>

26. CATEGORIES AND OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

26.1 Carrying Values and Fair Values by Category

The carrying values and fair values of the categories of financial assets and financial liabilities presented in the consolidated statements of financial position are shown as follows:

	Notes	<u>2023</u>		<u>2022</u>	
		<u>Carrying Values</u>	<u>Fair Values</u>	<u>Carrying Values</u>	<u>Fair Values</u>
<i>Financial Assets</i>					
At amortized cost:					
Cash and cash equivalents	5	P 981,168,858	P 981,168,858	P 919,371,361	P 919,371,361
Contract receivables	6.1	14,679,555,197	14,506,921,031	13,632,508,762	13,480,030,096
Due from related parties	20.1	216,617,610	216,617,610	21,769,131	21,769,131
Security deposits	8	38,314,879	35,052,113	35,989,582	32,938,375
Other receivables	6.2	<u>103,832,106</u>	<u>103,382,106</u>	<u>56,896,209</u>	<u>56,896,209</u>
		<u>P 16,019,488,650</u>	<u>P 15,843,141,718</u>	<u>P 14,666,535,045</u>	<u>P 14,511,005,172</u>

	Notes	2023		2022	
		Carrying Values	Fair Values	Carrying Values	Fair Values
Financial Liabilities					
At amortized cost:					
Interest-bearing loans	12	P 5,249,994,971	P 5,159,921,449	P 6,384,840,763	P 6,384,803,332
Trade and other payables	13	2,055,083,939	2,055,083,939	1,820,075,588	1,820,075,588
Lease liabilities	10.2	25,088,659	24,493,322	40,657,457	39,905,114
Due to related parties	20.2	951,725,398	951,725,398	960,744,332	960,744,332
Rawland payable	13.2	698,540,224	698,540,224	691,350,984	691,350,984
Reserve for maintenance care	15	1,026,617,722	1,026,617,722	912,313,691	912,313,691
		<u>P 10,007,050,913</u>	<u>P 9,916,382,054</u>	<u>P 10,809,982,815</u>	<u>P 10,809,193,041</u>

See Note 2.4 for a description of the accounting policies for each category of financial instrument. A description of the Group's risk management objectives and policies for financial instruments is provided in Note 25.

26.2 Offsetting of Financial Assets and Financial Liabilities

Except as more fully described in Note 20, the Group has not set-off financial instruments in 2023 and 2022 and does not have relevant offsetting arrangements. Currently, all other financial assets and financial liabilities are settled on a gross basis; however, each party to the financial instrument (particularly related parties) will have the option to settle all such 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 20 can be potentially offset to the extent of their corresponding outstanding balances.

The Group has cash in certain local banks to which it has outstanding loans (see Note 12). Moreover, the Group has certain contract receivables which were used as collateral security against interest-bearing loans (see Note 6.1). Accordingly, in case of the Group's default on loan amortization, cash in bank amounting to P972.3 million and P601.8 million and contract receivables amounting to P4,509.4 million and P3,554.0 million can be applied against its outstanding loans amounting to P5,250.0 million and P6,384.8 million as of December 31, 2023 and 2022, respectively.

27. FAIR VALUE MEASUREMENT AND DISCLOSURES

27.1 Fair Value Hierarchy

In accordance with PFRS 13, *Fair Value Measurement*, the fair value of financial assets and financial liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS, are categorized into three levels based on the significance of inputs used to measure the fair value. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

27.2 Financial Instruments Measured at Amortized Cost for which Fair Value is Disclosed

The Group's financial assets which are not measured at fair value in the consolidated statements of financial position but for which fair value is disclosed include cash and cash equivalents, which are categorized as Level 1, and contracts and other receivables, due from related parties and security deposits which are categorized as Level 3. Financial liabilities which are not measured at fair value but for which fair value is disclosed pertain to interest-bearing loans, trade and other payables, due to related parties, rawland payable, and reserve for maintenance care which are categorized as Level 3.

The fair values of the financial assets and financial liabilities included in Level 3, which are not traded in an active market, are determined based on the expected cash flows of the underlying net asset or liability based on the instrument where the significant inputs required to determine the fair value of such instruments are not based on observable market data.

27.3 Fair Value Measurement for Non-financial Assets

The Group's investment properties amounting to P75.8 million are categorized under level 3 hierarchy of non-financial assets measured at cost as of December 31, 2023 and 2022 (see Note 11).

The fair value of the Group's investment properties, pertaining to parcels of land, amounting to P1,096.3 million and P994.5 million as of December 31, 2023 and 2022, respectively, are determined on the basis of the appraisals performed by an independent appraiser, respectively, 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 and condition of the land, and the comparable prices in the corresponding property location.

In estimating the fair value of these properties, management takes into account the market participant's ability to generate economic benefits by using the assets in their highest and best use. Based on management assessment, the best use of the Group's non-financial assets indicated above is their current use.

The Group determines the fair value of idle properties through appraisals by independent valuation specialists using market-based valuation approach where prices of comparable properties are adequate for specific market factors such as location and condition of the property.

The level 3 fair value of land was determined based on the observable recent prices of the reference properties, adjusted for differences in key attributes such as property size, zoning, and accessibility. The most significant input into this valuation approach is the price per square meter; hence, the higher the price per square meter, the higher the fair value.

28. 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 products and services commensurate with the level of risk.

The Group sets the amount of capital in proportion to its overall financing structure, i.e., equity and liabilities. The Group manages the capital structure and makes adjustments to it in 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 or sell assets to reduce debt.

The Group monitors capital on the basis of the carrying amount of equity as presented in the consolidated statements of financial position. Capital for the reporting periods under review is summarized as follows:

	<u>2023</u>	<u>2022</u>
Total liabilities	P 13,828,910,121	P 15,345,997,584
Total equity	<u>14,116,833,017</u>	<u>12,692,065,516</u>
Debt-to-equity ratio	<u>0.98:1.00</u>	<u>1.21:1.00</u>

The Group has complied with its covenant obligations, including maintaining the required debt-to-equity ratio and debt service coverage ratio for 2023 and 2022.

29. SUPPLEMENTAL INFORMATION ON CASH FLOWS

29.1 Reconciliation of Liabilities Arising from Financing Activities

Presented below and in the succeeding page is the supplemental information on the Group's liabilities arising from financing activities (see Notes 10.2, 12 and 20.2):

	<u>Interest-bearing Loans</u>	<u>Due to Related Parties</u>	<u>Lease Liabilities</u>	<u>Total</u>
Balance as at January 1, 2023	P 6,384,840,763	P 960,744,332	P 40,657,457	P7,386,242,552
Cash flows from financing activities:				
Repayments	(4,517,094,279)	(20,177,113)	(15,606,604)	(4,552,877,996)
Additional borrowings	3,381,313,387	11,158,179	-	3,392,471,566
Interest paid	359,862,068	-	-	359,862,068
Non-cash financing activities:				
Interest accrued	(359,862,068)	-	-	(359,862,068)
Derecognition of lease liabilities	-	-	(31,065,236)	(31,065,236)
Additional lease liabilities	-	-	28,804,356	28,804,356
Interest expense on lease liabilities	-	-	2,298,686	2,298,686
Additional borrowings	<u>935,100</u>	<u>-</u>	<u>-</u>	<u>935,100</u>
Balance as at December 31, 2023	<u>P 5,249,994,971</u>	<u>P 951,725,398</u>	<u>P 25,088,659</u>	<u>P6,226,809,028</u>

	Interest-bearing Loans	Due to Related Parties	Lease Liabilities	Total
Balance as at January 1, 2022	P 6,825,314,883	P 952,080,398	P 35,079,904	P7,812,475,185
Cash flows from financing activities:				
Repayments	(3,319,420,897)	-	(18,137,266)	(3,337,558,163)
Additional borrowings	2,878,946,777	8,663,934	-	2,887,610,711
Interest paid	350,493,738	-	-	350,493,738
Non-cash financing activities:				
Interest accrued	(350,493,738)	-	-	(350,493,738)
Additional lease liabilities	-	-	19,809,571	19,809,571
Interest expense on lease liabilities	-	-	3,905,248	3,905,248
Balance as at December 31, 2022	<u>P 6,384,840,763</u>	<u>P 960,744,332</u>	<u>P 40,657,457</u>	<u>P7,386,242,552</u>
Balance as at January 1, 2021	P 7,206,148,994	P 952,622,887	P 18,660,533	P8,177,432,414
Cash flows from financing activities:				
Repayments	(4,465,415,525)	(542,489)	(12,332,902)	(4,478,290,916)
Additional borrowings	4,084,581,414	-	-	4,084,581,414
Interest paid	294,805,149	-	-	294,805,149
Non-cash financing activities:				
Interest accrued	(294,805,149)	-	-	(294,805,149)
Additional lease liabilities	-	-	27,342,107	27,342,107
Interest expense on lease liabilities	-	-	2,209,777	2,209,777
Derecognition of lease liabilities	-	-	(799,611)	(799,611)
Balance as at December 31, 2021	<u>P 6,825,314,883</u>	<u>P 952,080,398</u>	<u>P 35,079,904</u>	<u>P7,812,475,185</u>

29.2 Supplemental Information on Non-cash Activities

The following discusses the supplemental information on non-cash investing and financing activities as presented in the consolidated statements of cash flows for the years ended December 31, 2023, 2022 and 2021:

- In 2023, 2022 and 2021, the Group recognized right-of-use assets amounting to P29.4 million, P21.8 million and P28.0 million, respectively, and lease liabilities amounting to P28.8 million, P19.8 million and P27.3 million, respectively (see Note 10).
- In 2023 and 2021, the Group pre-terminated certain leases as mutually-agreed with its lessors. Accordingly, the Group derecognized the corresponding carrying amount of right-of-use assets amounting to P24.9 million and P0.7 million as of pre-termination date in 2023 and 2021, respectively, and remaining balance of lease liabilities amounting to P31.1 million and P0.8 million as of pre-termination date in 2023 and 2021, respectively (see Note 10). There was no similar transaction in 2022.
- In 2023, the Group acquired certain service equipment through a long-term bank loan with capitalizable amount of P0.9 million (see Notes 9 and 12). There was no similar transaction in 2022 and 2021.
- In 2022, the Group made advance payments to FPI for future strategic land acquisition. However, these advances were reclassified to Due from Related Parties based on management's assessment that the purchase of land is no longer probable due to change in intention in 2023 (see Note 20.5).
- In 2021, the Group transferred certain parcels of land previously classified as Investment Properties to Real Estate Inventories with carrying amount of P24.8 million. There was no similar transaction in 2023 and 2022.



**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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**The Board of Directors and Stockholders
Golden MV Holdings, Inc. and Subsidiaries
(A Subsidiary of Fine Properties Inc.)**
San Ezekiel, C5 Extension
Las Piñas City

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of Golden MV Holdings, Inc. and subsidiaries (the Group) for the year ended December 31, 2023, on which we have rendered our report dated May 15, 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 and is not a required part of the basic consolidated financial statements prepared in accordance with Philippine Financial Reporting Standards, as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission. Such supplementary information is the responsibility of the Group's 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: **James Joseph Benjamin J. Araullo**
Partner

CPA Reg. No. 0111202
TIN 212-755-957
PTR No. 10076133, January 3, 2024, Makati City
SEC Group A Accreditation
Partner - No. 111202-SEC (until financial period 2026)
Firm - No. 0002 (until financial period 2024)
BIR AN 08-002511-039-2021 (until Nov. 9, 2024)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

May 15, 2024

GOLDEN MV HOLDINGS, INC. AND SUBSIDIARIES
(A Subsidiary of Fine Properties, Inc.)
List of Supplementary Information
December 31, 2023

<u>Schedule</u>	<u>Content</u>	<u>Page No.</u>
Schedules Required under Annex 68-J of the Revised Securities Regulation Code Rule 68		
A	Financial Assets	1
B	Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)	2
C	Amounts Receivable to Related Parties which are Eliminated during the Consolidation of Financial Statements	3
D	Long-term Debt	4
E	Indebtedness to Related Parties (Long-term Loans from Related Companies)	N/A
F	Guarantees of Securities of Other Issuers	N/A
G	Capital Stock	5
Other Required Information		
	Reconciliation of Retained Earnings Available for Dividend Declaration	6
	Map Showing the Relationship Between the Company and its Related Entities	7

Golden MV Holdings, Inc. and Subsidiaries
(A Subsidiary of Fine Properties, Inc.)
 Schedule A - Financial Assets
 Financial Assets at Amortized Cost
 December 31, 2023

<i>Name of issuing entity and association of each issue</i>	<i>Number of shares or principal amount of bonds or notes</i>	<i>Amount shown on the balance sheet</i>	<i>Valued based on the market quotation at balance sheet date</i>	<i>Income received and accrued</i>
Cash and cash equivalents	P -	P 981,168,858	P 981,168,858	P 3,801,722
Contract receivable		14,679,555,197	14,506,921,031	190,969,076
Due from related parties		216,617,610	216,617,610	-
Security deposits		38,314,879	35,052,113	-
Other receivables		103,832,106	103,832,106	
	<u>P -</u>	<u>P 16,019,488,650</u>	<u>P 15,843,591,718</u>	<u>P 194,770,798</u>

Golden MV Holdings, Inc. and Subsidiaries
(A Subsidiary of Fine Properties, Inc.)
Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders
(Other than Related Parties)
December 31, 2023

<i>Name</i>	<i>Beginning Balance</i>	<i>Additions</i>	<i>Deductions</i>	<i>Ending Balance</i>		<i>Total</i>
				<i>Current</i>	<i>Not current</i>	
Manuel B. Villar, Jr.	P 100,000	-	-	P 100,000	-	P 100,000
Maribeth C. Tolentino	100,000	-	-	100,000	-	100,000
Estrellita S. Tan	100,000	-	-	100,000	-	100,000
Camille A. Villar	100,000	-	-	100,000	-	100,000
Manuel Paolo A. Villar	100,000	-	-	100,000	-	100,000

Golden MV Holdings, Inc. and Subsidiaries
(A Subsidiary of Fine Properties, 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 the beginning of period	Additions	Deductions		Current	Not current	Balance at the end of the period
			Amounts collected	Amounts written off			
<i>Due to related parties –</i>							
Golden Haven Memorial Park, Inc.	P 50,190,991	P 23,321,530	(P 14,042,816)	P -	P 59,469,705	p -	P 59,469,705
<i>Due from related parties:</i>							
Bria Homes, Inc.	158,210,936	-	(85,911,933)	-	72,299,003	-	72,299,003
Vtech Capital, Inc.	4,563,906	92,310	-	-	4,656,216	-	4,656,216

Golden MV Holdings, Inc. and Subsidiaries
(A Subsidiary of Fine Properties, Inc.)
 Schedule D - Long-Term Debt
 December 31, 2023

<i>Title of issue and type of obligation</i>	<i>Amount authorized by indenture</i>	<i>Amount shown under caption "Current portion of long-term debt" in related balance sheet</i>	<i>Amount shown under caption "Long-Term Debt" in related balance sheet</i>
Long-term loan (Domestic)	P 7,284,587,074	P 792,139,985	P 4,457,854,986

Golden MV Holdings, Inc. and Subsidiaries
(A Subsidiary of Fine Properties, Inc.)
Schedule G - Capital Stock
December 31, 2023

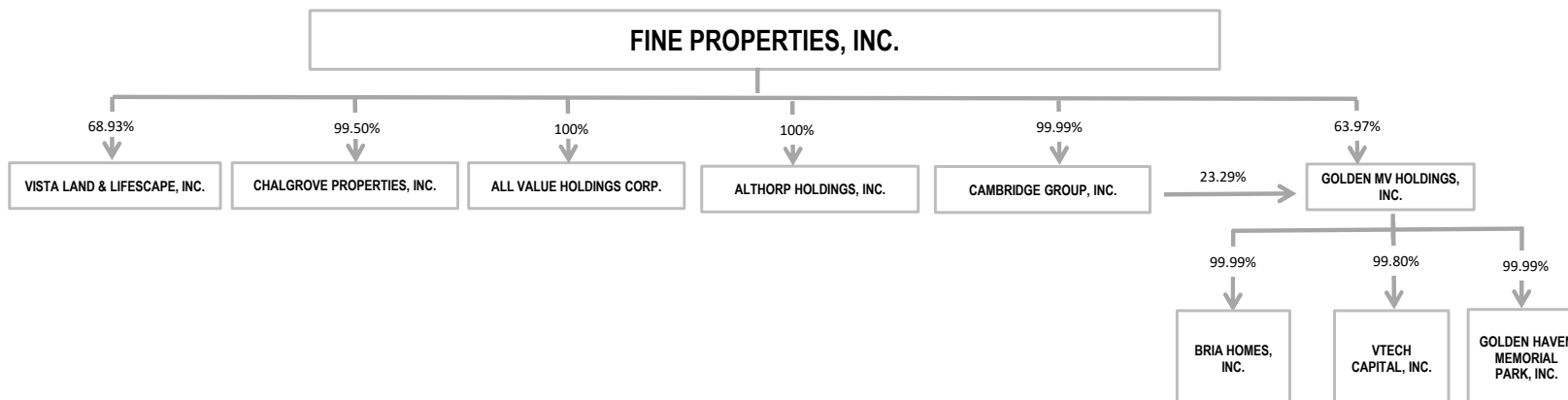
<i>Title of Issue</i>	<i>Number of shares authorized</i>	<i>Number of shares issued and outstanding as shown under the related balance sheet caption</i>	<i>Number of shares reserved for options, warrants, conversion and other rights</i>	<i>Number of shares held by</i>		
				<i>Related parties</i>	<i>Directors, officers and employees</i>	<i>Others</i>
Common shares - P1 par value	996,000,000	644,117,649	-	570,802,055	337,702	72,977,892
Preferred shares - P.01 par value	400,000,000	-	-	-	-	-

GOLDEN MV HOLDINGS, INC.
(A Subsidiary of Fine Properties, Inc.)
SAN EZEKIEL, C5 EXTENSION, LAS PIÑAS CITY
Reconciliation of Retained Earnings Available for Dividend Declaration
December 31, 2023

Unappropriated Retained Earnings beginning of reporting period	P 1,471,050,449
Add: Net Income for the current year	143,221,690
Add/ Less: Other items that should be excluded from the determination of the amount of available for dividends distribution	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right-of-use of asset and lease liability, set-up of asset retirement obligation	<u>507,128</u>
Total Retained Earnings, end of the reporting period available for dividend	<u><u>P 1,614,779,267</u></u>

GOLDEN MV HOLDINGS, INC. AND SUBSIDIARIES
 SHOWING THE RELATIONSHIPS BETWEEN AND AMONG COMPANIES IN THE GROUP
 DECEMBER 31, 2023

ULTIMATE PARENT COMPANY AND SUBSIDIARIES





Report of Independent Auditors on Components of Financial Soundness Indicators

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

T +63 2 8988 2288

The Board of Directors and Stockholders
Golden MV Holdings, Inc. and Subsidiaries
(A Subsidiary of Fine Properties Inc.)
San Ezekiel, C5 Extension
Las Piñas City

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of Golden MV Holdings, Inc. and subsidiaries (the Group) for the years ended December 31, 2023 and 2022, on which we have rendered our report dated May 15, 2024. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) 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 (SEC), and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS, as modified by the application of the financial reporting reliefs issued and approved by the SEC. 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 each of the two years in the period ended December 31, 2023 and no material exceptions were noted.

PUNONGBAYAN & ARAULLO

By: **James Joseph Benjamin J. Araullo**
Partner

CPA Reg. No. 0111202
TIN 212-755-957
PTR No. 10076133, January 3, 2024, Makati City
SEC Group A Accreditation
Partner - No. 111202-SEC (until financial period 2026)
Firm - No. 0002 (until financial period 2024)
BIR AN 08-002511-039-2021 (until Nov. 9, 2024)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

May 15, 2024

GOLDEN MV HOLDINGS, INC.
(A Subsidiary of Fine Properties, Inc.)
Supplemental Schedule of Financial Soundness Indicators
December 31, 2023 and 2022

Ratio	Formula	2023	Formula	2022
Current ratio	Total Current Assets divided by Total Current Liabilities	3.49	Total Current Assets divided by Total Current Liabilities	2.45
	Total Current Assets P 24,514,155,051		Total Current Assets P 24,567,034,296	
	Divide by: Total Current Liabilities 7,015,716,049		Divide by: Total Current Liabilities 10,044,168,798	
	Current ratio 3.49		Current ratio 2.45	
Acid test ratio	Quick assets (Total Current Assets less Real Estate Inventories) divided by Total Current Liabilities	2.57	Quick assets (Total Current Assets less Real Estate Inventories) divided by Total Current Liabilities	1.79
	Total Current Assets P 24,514,155,051		Total Current Assets P 24,567,034,296	
	Less: Real Estate Inventories 6,500,025,136		Less: Real Estate Inventories 6,614,750,418	
	Quick Assets 18,014,129,915		Quick Assets 17,952,283,878	
	Divide by: Total Current Liabilities 7,015,716,049		Divide by: Total Current Liabilities 10,044,168,798	
	Acid test ratio 2.57		Acid test ratio 1.79	
Solvency ratio	Earnings before interest, taxes, depreciation and amortization (EBITDA) divided by Total Debt (includes interest-bearing loans and borrowings)	0.27	Earnings before interest, taxes, depreciation and amortization (EBITDA) divided by Total Debt (includes interest-bearing loans and borrowings)	0.30
	Net Profit P 1,416,259,950		Net Profit P 1,292,796,558	
	Add: Interest expense 369,273,411		Add: Interest expense 360,026,704	
	Tax expense 179,368,059		Tax expense 146,022,229	
	Depreciation expense 81,416,484		Depreciation expense 85,718,236	
	EBITDA P 2,046,317,904		EBITDA P 1,884,563,727	
	Divide by: Total Debt 5,249,994,971		Divide by: Total Debt 6,384,840,763	
	Solvency ratio 0.27		Solvency ratio 0.30	
Debt-to-equity ratio	Total Debt (includes interest-bearing loans and borrowings) divided by Total Equity	0.37	Total Debt (includes interest-bearing loans and borrowings) divided by Total Equity	0.50
	Total Debt P 5,249,994,971		Total Debt P 6,384,840,763	
	Divide by: Total Equity 14,116,833,017		Divide by: Total Equity 12,692,065,516	
	Debt-to-equity ratio 0.37		Debt-to-equity ratio 0.50	
Assets-to-equity ratio	Total Assets divided by Total Equity	1.98	Total Assets divided by Total Equity	2.21
	Total Assets P 27,945,743,138		Total Assets P 28,038,063,100	
	Divide by: Total Equity 14,116,833,017		Divide by: Total Equity 12,692,065,516	
	Assets-to-equity ratio 1.98		Assets-to-equity ratio 2.21	
Interest rate coverage	Earnings before interest and taxes (EBIT) divided by Interest expense	5.32	Earnings before interest and taxes (EBIT) divided by Interest expense	5.00
	Net Profit P 1,416,259,950		Net Profit P 1,292,796,558	
	Add: Interest expense 369,273,411		Add: Interest expense 360,026,704	
	Tax expense 179,368,059		Tax expense 146,022,229	
	EBIT P 1,964,901,420		EBIT P 1,798,845,491	
	Divide by: Interest expense 369,273,411		Divide by: Interest expense 360,026,704	
	Interest rate coverage ratio 5.32		Interest rate coverage ratio 5.00	
Return on equity	Net Profit divided by Total Equity	0.10	Net Profit divided by Total Equity	0.10
	Net Profit P 1,416,259,950		Net Profit P 1,292,796,558	
	Divide by: Total Equity 14,116,833,017		Divide by: Total Equity 12,692,065,516	
	Return on equity 0.10		Return on equity 0.10	
Return on assets	Net Profit divided by Total Assets	0.05	Net Profit divided by Total Assets	0.05
	Net Profit P 1,416,259,950		Net Profit P 1,292,796,558	
	Divide by: Total Assets 27,945,743,138		Divide by: Total Assets 28,038,063,100	
	Return on assets 0.05		Return on assets 0.05	
Net Profit Margin	Net Profit divided by Total Revenues	0.30	Net Profit divided by Total Revenues	0.26
	Net Profit P 1,416,259,950		Net Profit P 1,292,796,558	
	Divide by: Total Revenues 4,759,373,850		Divide by: Total Revenues 4,963,062,742	
	Net profit margin 0.30		Net profit margin 0.26	

COVER SHEET

1	0	8	2	7	0				
S.E.C. Registration Number									

G	O	L	D	E	N		M	V		H	O	L	D	I	N	G	S	,	I	N	C	.					
A	N	D		S	U	B	S	I	D	I	A	R	I	E	S												

(Company's Full Name)

S	A	N		E	Z	E	K	I	E	L	,		C	5		E	X	T	E	N	S	I	O	N	,		
L	A	S		P	I	Ñ	A	S		C	I	T	Y														

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

Estrellita S. Tan

Contact Person

(02) 8873-2922

Company Telephone Number

1 2	3 1
<i>Month</i>	<i>Day</i>
Calendar Year	

17-Q

FORM TYPE

0 7	1 5
<i>Month</i>	<i>Day</i>
Annual Meeting	

N/A

Secondary License Type,
If Applicable

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Dept. Requiring this Doc.

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Amended Articles Number/Section

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Total No. of Stockholders

Total Amount of Borrowings		
Domestic		Foreign

To be accomplished by SEC Personnel concerned

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File Number

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Document I.D.

Cashier

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: **108270**
3. BIR Tax Identification No: **768-991-000**
4. **Golden MV Holdings, Inc.**
Exact name of issuer as specified in its charter
5. **Philippines**
Province, country or other jurisdiction of incorporation or organization
6. Industry Classification Code: (SEC Use Only)
7. **San Ezekiel, C5 Extension, Las Piñas City, Philippines** **1746**
Address of issuer's principal office Postal Code
8. **(632) 8873-2922 / (632) 8873-2923**
Issuer's telephone number, including area code
9. **Golden Bria Holdings, Inc**
Former name, former address and former fiscal year, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock outstanding And amount of debt outstanding
Common	644,117,649

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

Yes [X] No []

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

Philippine Stock Exchange

Common Stock

12. Check whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Securities Regulation Code and SRC Rule 17 thereunder, and Section 25 and 177 of the Revised Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period of the registrant was required to file such reports.)

Yes [x] No []

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

Yes [x] No []

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GOLDEN MV HOLDINGS, INC. AND SUBSIDIARIES
(Formerly Golden Bria Holdings, Inc.)
[A Subsidiary of Fine Properties, Inc.]

GOLDEN MV HOLDINGS As of March 31, 2024 and December 31, 2023
(Amount in Thousands)

	Notes	UNAUDITED March 2024	AUDITED December 2023
ASSETS			
Current Assets			
Cash and cash equivalents	5	₱1,002,567	₱981,169
Contracts receivables	6	13,173,240	11,895,495
Contract assets	16	2,326,221	2,326,221
Due from related parties	20	349,096	216,618
Other receivables	6	2,127,916	1,836,416
Real estate inventories	7	6,030,276	6,500,025
Other current assets	8	755,555	758,213
Total Current Assets		25,764,871	24,514,157
Non-current Assets			
Contracts receivables	6	2,707,974	2,784,061
Contract assets	16	303,812	303,812
Property and equipment – net	9	205,852	202,635
Right-of-use assets – net	10	23,606	23,606
Investment properties	11	75,761	75,761
Other non-current assets	8	43,750	41,713
Total Non-current Assets		3,360,755	3,431,588
TOTAL ASSETS		₱29,125,626	₱27,945,745
LIABILITIES AND EQUITY			
Current Liabilities			
Interest-bearing loans	12	₱792,140	₱792,140
Trade and other payables	13	2,702,406	2,255,211
Contract liability	16	426,085	426,085
Rawland payables	13	678,244	698,540
Lease liability	10	10,039	10,039
Customers’ deposits	14	1,952,489	1,866,497
Due to related parties	20	877,130	951,725
Income tax payable	19	22,475	15,479
Total Current Liabilities		7,461,008	7,015,716
Noncurrent Liabilities			
Interest-bearing loans	12	4,534,432	4,457,855
Contract liability	16	36,508	36,508
Lease liability	10	15,050	15,050
Deferred tax liabilities – net	19	1,237,164	1,181,471
Reserve for maintenance care	15	1,079,005	1,026,618
Retirement benefit obligation		95,693	95,693
Total Noncurrent Liabilities		6,997,852	6,813,195
Total Liabilities		14,458,860	13,828,911
EQUITY			
Capital stock	21	644,118	644,118
Additional paid-in capital		2,970,209	2,970,209
Retained earnings		11,043,450	10,493,518
Revaluation reserves		8,989	8,989
Total Equity		14,666,766	14,116,834
TOTAL LIABILITIES AND EQUITY		₱29,125,626	₱27,945,745

See accompanying Notes to Financial Statements



GOLDEN MV HOLDINGS, INC. AND SUBSIDIARIES
(Formerly Golden Bria Holdings, Inc.)
[A Subsidiary of Fine Properties, Inc.]

STATEMENT OF COMPREHENSIVE INCOME
For the three months ended March 31, 2024 and 2023
(Amount in Thousands)

	Notes	UNAUDITED JAN – MAR Q1-2024	UNAUDITED JAN – MAR 2024	UNAUDITED JAN – MAR Q1-2023	UNAUDITED JAN – MAR 2023
Real estate sales		₱ 1,620,721	₱ 1,620,721	₱ 1,547,492	₱ 1,547,492
Interest income on contract receivables	6	35,794	35,794	42,259	42,259
Interment Income		20,558	20,558	17,544	17,544
Income from chapel services		9,199	9,199	7,495	7,495
	16	1,686,272	1,686,272	1,614,790	1,614,790
COSTS AND EXPENSES	17				
Costs of sales and services		709,045	709,045	707,654	707,654
Other operating expenses		313,761	313,761	316,188	316,188
		1,022,806	1,022,806	1,023,842	1,023,842
OPERATING PROFIT		663,466	663,466	590,948	590,948
OTHER CHARGES - net					
Finance costs	12	(70,388)	(70,388)	(102,346)	(102,346)
Finance income	5	2,867	2,867	44	44
Other revenues	18	16,715	16,715	43,556	43,556
		(50,806)	(50,806)	(58,746)	(58,746)
PROFIT BEFORE TAX		612,660	612,660	532,202	532,202
TAX EXPENSE	19	(62,728)	(62,728)	(59,163)	(59,163)
NET INCOME		₱549,932	₱549,932	₱473,039	₱473,039
TOTAL COMPREHENSIVE INCOME		₱549,932	₱549,932	₱473,039	₱473,039
Basic and Diluted Earnings Per Share	22	₱0.85	₱0.85	₱0.73	₱0.73

See accompanying Notes to Financial Statements



GOLDEN MV HOLDINGS, INC. AND SUBSIDIARIES
(Formerly Golden Bria Holdings, Inc.)
[A Subsidiary of Fine Properties, Inc.]

STATEMENT OF CHANGES IN EQUITY
For the three months ended March 31, 2024 and 2023
(Amount in Thousands)

	Capital Stock	Paid-in Capital	Revaluation Reserves	Retained Earnings	Total Equity
Balance at January 1, 2024	₱644,118	₱2,970,209	₱8,989	₱10,493,518	₱14,116,834
Total comprehensive income for the period	–	–	–	549,932	549,932
Balance at March 31, 2024	₱644,118	₱2,970,209	₱8,989	₱11,043,450	₱14,666,766
Balance at January 1, 2023	₱644,118	₱2,970,209	₱481	₱9,077,257	₱12,692,065
Total comprehensive income for the period	–	–	–	473,039	473,039
Balance at March 31, 2023	₱644,118	₱2,970,209	₱481	₱9,550,296	₱13,165,104

See accompanying Notes to Financial Statements



GOLDEN MV HOLDINGS, INC. AND SUBSIDIARIES
(Formerly Golden Bria Holdings, Inc.)
[A Subsidiary of Fine Properties, Inc.]
STATEMENT OF CASH FLOWS

GOLDEN MV HOLDINGS For the three months ended March 31, 2024 and 2023
(Amount in Thousands)

	UNAUDITED JAN – MAR Q1-2024	UNAUDITED JAN – MAR 2024	UNAUDITED JAN – MAR Q1-2023	UNAUDITED JAN – MAR 2023
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	₱612,660	₱612,660	₱532,202	₱532,202
Adjustments for:				
Interest income	(38,661)	(38,661)	(42,303)	(42,303)
Depreciation and amortization	13,912	13,912	14,248	14,248
Interest expense	70,388	70,388	102,346	102,346
Operating profit before working capital changes	658,299	658,299	606,493	606,493
Decrease (increase) in:				
Contracts receivables	(1,201,658)	(1,201,658)	(1,037,109)	(1,037,109)
Due from related parties	(132,478)	(132,478)	(5,053)	(5,053)
Other receivables	(291,500)	(291,500)	(23,888)	(23,888)
Real estate inventories	469,749	469,749	393,919	393,919
Other assets	621	621	(5,766)	(5,766)
Increase (decrease) in:				
Trade and other payables	447,195	447,195	391,649	391,649
Rawland payable	(20,296)	(20,296)	(6,330)	(6,330)
Customers' deposits	85,992	85,992	189,432	189,432
Other liabilities	(22,208)	(22,208)	6,756	6,756
Cash from (used in) operations	(6,284)	(6,284)	510,103	510,103
Interest received	38,661	38,661	42,303	42,303
Cash paid for income taxes	(39)	(39)		
Net Cash From (Used in) Operating Activities	32,338	32,338	552,406	552,406
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of property and equipment	(17,129)	(17,129)	(34,168)	(34,168)
Cash Used in Investing Activities	(17,129)	(17,129)	(34,168)	(34,168)
CASH FLOWS FROM FINANCING ACTIVITIES				
Net availment/(payment) of interest-bearing loans	76,577	76,577	(158,408)	(158,408)
Interest paid	(70,388)	(70,388)	(102,346)	(102,346)
Net Cash From (Used in) Financing Activities	6,189	6,189	(260,754)	(260,754)
NET INCREASE (DECREASE) IN CASH	21,398	21,398	257,484	257,484
CASH AT BEGINNING OF PERIOD	981,169	981,169	919,371	919,371
CASH AT END OF PERIOD	₱1,002,567	₱1,002,567	₱1,176,855	₱1,176,855

See accompanying Notes to Financial Statements

GOLDEN MV HOLDINGS, INC. AND SUBSIDIARIES
(Formerly Golden Bria Holdings, Inc.)
(A Subsidiary of Fine Properties, Inc.)
NOTES TO FINANCIAL STATEMENT

1. CORPORATE INFORMATION

1.1 Organization and Operations

Golden MV Holdings, Inc. (HVN or the Parent Company), formerly Golden Bria Holdings, Inc., was incorporated in the Philippines on November 16, 1982. The Parent Company's primary purpose is to invest, purchase or otherwise to acquire and own, hold, use, sell, assign, transfer, lease mortgage, exchange, develop, manage or otherwise dispose of real property, such as but not limited to memorial lots and chapels, or personal property of every kind and description, including shares of stock, bonds, debentures, notes, evidences of indebtedness, and other securities or obligations of any corporations. As of March 31, 2024, the Parent Company is 63.97% effectively owned subsidiary of Fine Properties, Inc. (FPI), which is a holding company and the ultimate parent company of the Parent Company and its subsidiaries (collectively referred to herein as the Group).

In 2017, HVN acquired 99.99% ownership interest in Bria Homes, Inc. (BHI). Accordingly, BHI became a subsidiary of HVN. BHI is presently engaged in developing and selling real estate properties, particularly, residential houses, condominium units and lots. Both the Parent Company and BHI are entities under common control of FPI. Accordingly, the Parent Company accounted for the acquisition of BHI under pooling of interest method of accounting.

In 2020, HVN owns 99.99% ownership interest in Golden Haven Memorial Park, Inc. (GHMPI), an entity incorporated on August 24, 2020. GHMPI is engaged in the development and selling of memorial lots, particularly those under the administration of HVN's memorial parks. GHMPI has started its commercial operations on June 30, 2022.

In 2022, HVN owns 99.80% ownership interest in VTech Capital, Inc. (VTECH), an entity which was newly incorporated on March 1, 2022. VTECH, upon commencement of its commercial operations, is planned to engage in the business of a holding company, to buy and hold shares of other companies particularly in the technology and financial technology related businesses. As of March 31, 2023, VTECH has not yet started commercial operations.

The registered office address of HVN, GHMPI and VTECH, which is also their principal place of business, is located at San Ezekiel, C5 Extension, Las Piñas City. The registered office address of BHI, which is also its principal place of business, is located at Lower Ground Floor, Bldg. B Evia Lifestyle Center, Daang Hari Rd., Almanza Dos, City of Las Pinas. The registered office address of FPI is located at 3rd Level, Starmall Las Piñas, CV. Starr Avenue, Pamplona, Las Piñas City.

On November 23, 2020, the Board of Directors (BOD) approved the proposed amendment to change the Parent Company's Corporate name from Golden Bria Holdings, Inc. to Golden MV Holdings, Inc. The required written assent from the Parent Company's stockholders to approve the amendment was received on December 12, 2020. The said change was approved by the Philippine Securities and Exchange Commission (SEC) and Bureau of Internal Revenue (BIR) on January 27, 2021 and May 8, 2021, respectively.

The Parent Company's shares of stock are listed at the Philippine Stock Exchange (PSE) beginning June 29, 2016 (see Note 21.1).

2. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policy information that have been used in the preparation of these consolidated financial statements are summarized 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 the 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, as modified by the application of the financial reporting reliefs issued and approved by the SEC in response to the COVID-19 pandemic, for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies that follow.

(b) SEC Financial Reporting Reliefs Availed by the Group

The Group has availed of certain 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*

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 impacts 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.

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 all years presented 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 presents all items of income, expense and other comprehensive income or loss in a single 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 of the Group 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 PFRS

(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 a 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 is 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, *Income Taxes – 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 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 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 Liability 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 as disclosed in Note 1.1, after the elimination of material intercompany transactions.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting principles.

Acquired subsidiaries are subject to either of the following relevant policies:

- (a) Business acquisitions of entities not under common control of a principal stockholder are accounted for using the acquisition method of accounting.
- (b) Business combinations arising from transfers of interests in entities that are under the common control of the principal stockholder are accounted for under the pooling-of interests method. Transfers of assets between commonly-controlled entities are accounted for under historical cost accounting; hence, the assets and liabilities are reflected in the consolidated financial statements at carrying values and no adjustments are made to reflect fair values or recognize any new assets or liabilities, at the date of the combination that

otherwise would have been done under the acquisition method.

- (c) Acquisition of assets in an entity, which does not constitute a business is accounted for as an asset acquisition.

2.4 Financial Instruments

(a) Financial Assets

Regular purchases and sales of financial assets are recognized on their trade date (i.e., the date that the Group commits to purchase or sell the asset).

The only classification and measurement of financial assets relevant to the Group is financial assets at amortized cost.

The Group's financial assets at amortized cost are presented in the consolidated statement of financial position as Cash and Cash Equivalents, Contract Receivables, Due from Related Parties, and Security deposits (presented under Other Current Assets and Other Non-current Assets) and Other Receivables (except Advances to contractors and others, Advances for land acquisition and Advances to employees) which pertain to receivables from customers for documentary fees and other assistance related to processing and transfer of lots and units sold.

The Group assesses impairment of contract receivables and other receivables on a collective basis based on shared credit risk characteristics of financial assets. The Group determines the expected credit losses (ECL) for contract receivables by applying a method that evaluates the credit quality of a portfolio of contract receivables and the cumulative loss rates by analyzing historical net charge-offs arising from sales cancellations for homogenous accounts that share the same origination period.

For other credit exposures, the Group applies the simplified approach in measuring ECL which uses a lifetime expected loss allowance. To calculate the ECL, the Group uses its historical experience, external indicators and forward-looking information using a provision matrix. For due from related parties, the Group applies the low credit risk simplification and measures the ECL on the financial assets based on a 12-month basis unless there has been a significant increase in credit risk since origination, in that case, the loss allowance will be based on the lifetime ECL. The ECL on due from related parties is based on the assumption that repayment of the advances or loans is demanded at the reporting date taking into consideration the historical default of the related parties. Management considers if the related party has sufficient accessible highly liquid assets in order to repay the loan if demanded at the reporting date.

For cash and cash equivalents, the Group applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. Meanwhile, impairment of security deposits is assessed based on potential liquidity of counterparties based on available financial information.

(b) Financial Liabilities

Financial liabilities include Interest-bearing Loans, Trade and Other Payables (except tax-related payables), Rawland Payable, Lease Liabilities, Reserve for Maintenance Care and Due to Related Parties.

2.5 Inventories

a) Real Estate Inventories

Real estate inventories include raw land, memorial lots, residential houses and lots for sale, condominium units and property development costs. Costs of inventories are assigned using specific identification of their individual costs. Cost includes acquisition costs of the land plus the costs incurred for its development, improvement and construction, including capitalized borrowing costs. All costs relating to the real estate property sold are recognized as expense as the work to which they relate is performed.

b) Construction Materials

Construction materials (presented as part of Other Current Assets) pertain to cost of uninstalled and unused construction and development materials at the end of the reporting period. It is recognized at purchase price and is subsequently recognized as part of real estate inventories when installed or used during construction and development of real estate projects. Cost is determined using the weighted average method.

The Group recognizes the effect of revisions in the total project cost estimates in the year in which these changes become known.

Repossessed inventories arising from sales cancellation is recognized at cost. The difference between the carrying amount of the receivable or contract asset to be derecognized and the cost of the repossessed property is recognized in profit or loss.

2.6 Property and Equipment

Property and equipment are stated at cost less accumulated depreciation, amortization and any impairment in value.

Depreciation and amortization is computed on the straight-line basis over the estimated useful lives of the assets starting on the month following the date of acquisition or completion of the assets.

Depreciation and amortization is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Chapel and office building	15 years
Service vehicle	5 years
Service equipment	3-5 years
Park maintenance tools and equipment	3-5 years
System development cost	3-5 years
Chapel and office furniture, fixtures and equipment	2-5 years

Leasehold improvements are amortized over their expected useful lives of five years (determined by reference to comparable assets owned) or the term of lease, whichever is shorter.

2.7 Investment Properties

Investment properties, which consist of parcels of land, are measured at cost less any impairment in value.

2.8 Revenue and Expense Recognition

Revenue comprises revenue from real estate sales and rendering of interment and chapel services measured by reference to the fair value of consideration received or receivable by the Group for goods sold and services rendered, excluding value-added tax (VAT) and trade discounts.

The Group develops real estate properties such as residential house and lot, condominium units and memorial lots. The Group often enters into contracts to sell real properties as they are being developed. The Group also provides interment and chapel services inside its memorial parks.

The significant judgments used in determining the existence of a contract with customer, evaluating the timing of satisfaction of the Group's performance obligation with respect to its contracts to sell real properties and determining the collection threshold for revenue recognition are disclosed in Note 3.1(a), (b) and (c), respectively. In addition, the following specific recognition criteria must also be met before revenue is recognized:

- (a) *Real estate sales on pre-completed residential houses and lots* – Revenue from real estate sales 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.
- (b) *Real estate sales on completed residential houses and lots* – Revenue from real estate sales is recognized at point in time when the control over the real estate property is transferred to the buyer.
- (c) *Real estate sales on memorial lots* – Revenue from the Group's sale of memorial lots, which are substantially completed and ready for use, is recognized as the control transfers at the point in time with the customer.
- (d) *Rendering of services* – income from interment and chapel services is recognized at a point in time when control over the services transfers to the customer.

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.

Contract assets pertain to rights to consideration in exchange for goods or services that the Group has transferred to a customer that is conditioned on something other than passage of time. Under its contracts with customers, the Group will receive an unconditional right to payment for the total consideration upon the completion of the development of the property sold. Any rights to consideration recognized by the Group as it develops the property are presented as Contract Assets in the consolidated statement of financial position. Contract assets are subsequently tested for impairment in the same manner as the Group assesses impairment of its financial assets.

Any consideration received by the Group in excess of the amount for which the Group is entitled is presented as Contract Liabilities, if any, in the consolidated statement of financial position. 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.

In addition, real estate sales are recognized only when certain collection threshold was met over which the Group determines that collection of total contract price is reasonably assured. The Group uses historical payment pattern of customers in establishing a percentage of collection threshold. 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 sales, consideration received from customers are recognized as Customers' Deposits in the consolidated statement of financial position. Customers' deposit is recognized at the amounts received from customers and will be subsequently applied against the contract receivables when the related real estate sales is recognized.

Sales cancellations are accounted for on the year of forfeiture. Any gain or loss on cancellation is charged to profit or loss. The Group accounts for cancellation of sales contract as modification of contract; accordingly, previously recognized revenues and related costs are reversed at the time of cancellation.

2.9 Leases – Group as Lessee

Subsequent to initial recognition, 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.

2.10 Impairment of Non-financial Assets

The Group's property and equipment, investment properties, right-of-use assets and other non-financial assets are subject to impairment testing whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable.

2.11 Employee Benefits

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

The Group's post-employment defined benefit pension plans covers all regular full-time employees. The pension plans are tax-qualified, noncontributory and administered by trustees.

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

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Group's 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 following judgments, apart from those involving estimation, which have the most significant effect on the amounts recognized in the consolidated financial statements:

(a) Determining Existence of a Contract with Customer

In a sale of real estate properties, the Group's primary document for a contract with a customer is a signed contract to sell which is executed when the real estate property is sold.

In rare cases wherein contract to sell are not executed by both parties, management has determined that the combination of other signed documentations with the customers such as reservation agreement, official receipts, computation sheets and invoices, would contain all the elements to qualify as contract with customer (i.e., approval of the contract by the parties, which has commercial substance, identification of each party's rights regarding the goods or services and the related payment terms). Moreover, as part of the evaluation, the Group assesses the probability that the Group will collect the consideration to which it will be entitled in exchange for the real estate property that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, the Group considers the significance of the customer's downpayment in relation to the total contract price.

Collectability is also assessed by considering factors such as past history with the customer and pricing of the property. Management regularly evaluates the historical cancellations and back-outs if it would still support its current threshold of customers' equity before commencing revenue recognition.

(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 selling prices, which are all observable and agreed at the start of the contract. The Group applies judgment in determining the transaction price and amounts allocated to performance obligations on its contracts with customers. The transaction price for a contract excludes any amounts collected on behalf of third parties (e.g., VAT).

The Group enters into contracts to sell with one identified performance obligation which is the sale of the real estate unit together with the services to transfer the title to the buyer upon full payment of contract price. The amount of consideration indicated in the contract to sell is fixed and has no variable consideration.

(c) Evaluation of the Timing of Satisfaction of Performance Obligations

(i) Real Estate Sales

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's performance obligation are satisfied as follows:

- *Residential condominium units and houses and lots* – Management determines that revenues from sale of pre-completed residential condominium units and houses and lots are satisfied over time, while completed real estate properties is satisfied at a point in 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.
- *Memorial lots* – Management determines that its revenue from sale of memorial lots, which are substantially completed and ready for use, shall be recognized at a point in time when the control of goods have passed to the customer, i.e., upon issuance of purchase agreement (PA) to the customer.

(ii) *Interment and Cremation Services*

The Group determines that revenue from interment and cremation services shall be recognized at a point in time based on the actual services provided to the end of the reporting period as a proportion of the total services to be provided.

(d) *Determination of Collection Threshold for Revenue Recognition*

The Group uses judgment in evaluating the probability of collection of transaction price on real estate sales as a criterion for revenue recognition. The Group uses historical payment pattern of customers and number of sales cancellation in establishing a percentage of collection threshold over which the Group determines that collection of the transaction price is reasonably assured. Reaching this level of collection is an indication of buyer's continuing commitment and the probability that economic benefits will flow to the Group.

The Group considers that the initial and continuing investments by the buyer when reaching the set collection threshold would demonstrate the buyer's commitment to pay the total contract price.

(e) *Determination of ECL on Contract and Other Receivables, Contract Assets, Due from Related Parties and Security Deposits*

The Group uses a provision matrix to calculate ECL for contract 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., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

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 contract and other receivables are disclosed in Note 24.2.

In relation to advances to related parties, PFRS 9 notes that 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 receivables can be collected, the ECL is limited to the effect of discounting the amount due over the period until cash is realized.

Based on the relevant facts and circumstances existing at the reporting date, management has assessed that all strategies indicate that the Group can fully recover the outstanding balance of its receivables; thus, no ECL is required to be recognized.

(f) 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.

For office leases, 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 office leases due to the significance of these assets to its operations. These leases have a non-cancellable lease period (i.e., 4 to 10 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.

(g) Distinction Among Investment Properties, Owner-managed Properties and Real Estate Inventories

The Group classifies its acquired properties as Property and Equipment if used in operations and administrative purposes, as Investment Properties if the Group intends to hold the properties for capital appreciation or rental and as Real Estate Inventories if the Group intends to develop the properties for sale.

Transfers from other accounts (such as Memorial lots and Rawland) are made to investment property when and only when, there is a change in use, evidenced by ending of owner-occupation or commencement of an operating lease to another party. For a transfer from investment property to owner-occupied property or inventories, the cost of property for subsequent measurement is its carrying value at the date of change in use. If the property occupied by the Group as an owner-occupied property becomes an

investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use.

(b) 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.

Judgment is exercised by management to distinguish between provisions and contingencies. Disclosures on relevant provisions and contingencies are discussed in Notes 13.1 and 23.

3.2 Key Sources of Estimation Uncertainty

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

(a) Revenue Recognition for Performance Obligations Satisfied Over Time

In determining the amount of revenue to be recognized for performance obligations satisfied over time, the Group measures progress on the basis of actual costs incurred relative to the total expected costs to complete such performance obligation. Specifically, 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 apply 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.

(b) 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 24.2.

(c) Determination of Net Realizable Value of Real Estate Inventories

In determining the net realizable value of real estate inventories, management takes into account the most reliable evidence available at the time the estimates are made. Management determined that the carrying values of its real estate inventories are lower than their net realizable values based on the present market rates. Accordingly, management did not recognize any valuation allowance on these assets as of March 31, 2024 and December 31, 2023.

(d) Estimation of Useful Lives of Property and Equipment and Right-of-use Assets

The Group estimates the useful lives of property and equipment and right-of-use assets based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment and right-of-use assets 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.

The carrying amounts of property and equipment and right-of-use assets are analyzed in Notes 9 and 10.1, respectively. Based on management's assessment as at March 31, 2024 and December 31, 2023, there is no change in the estimated useful lives of those assets during those years. Actual results, however, may vary due to changes in estimates brought about by changes in factors mentioned above.

(e) Fair Value Measurement of Investment Properties

The Group's investment properties which composed of parcels of land are carried at cost at the end of the reporting period. In addition, the accounting standards require the disclosure of the fair value of the investment properties. In determining the fair value of these assets, the Group engages the services of professional and independent appraiser applying the relevant valuation methodologies as discussed in Note 26.3.

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

(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 March 31, 2024 and December 31, 2023 will be fully utilized in the coming years (see Note 19.2).

(g) 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.

(h) Impairment of Non-financial Assets

In assessing impairment, management estimates the recoverable amount of each asset or a cash-generating unit based on expected future cash flows and uses an interest rate to calculate the present value of those cash flows. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. Though management believes that the assumptions used in the estimation of fair values reflected in the 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.

(i) *Valuation of Post-employment DBO*

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

4. SEGMENT REPORTING**4.1 Business Segments**

The Group's operating businesses are organized and managed separately according to the nature of products and services provided. In identifying its reportable operating segments, management generally follows the Group's two main revenue sources, which represent the products and services provided by the Group, namely Residential Projects and Deathcare.

- (a) *Residential* – this segment pertains to the housing market segment of the Group. It caters on the development and sale of residential house and lots, subdivision lots, and condominium units.
- (b) *Deathcare* – the segment pertains to sale of memorial lots, interment income, and income from chapel services.

4.2 Analysis of Segment Information

The following table present revenue and profit information regarding business segments of the Group for the period ended March 31, 2024:

	Death Care	Residential	Total
Revenues	₱242,679	₱1,443,593	₱ 1,686,272
Cost of sales and services	(47,481)	(661,564)	(709,045)
Gross profit	195,198	782,029	977,227
Other operating expenses	114,891	198,870	313,761
Depreciation and amortization	(7,691)	(6,221)	(13,912)
	107,200	192,649	299,849
Segment profit before tax and depreciation and amortization	₱87,998	₱589,380	₱677,378
Segment Assets	₱4,982,926	₱23,717,843	₱28,700,769
Segment Liabilities	₱1,779,854	₱10,542,237	₱12,322,091

The results of operations from the two segments are used by management to analyze the Group's operation and to allow them to control and study the costs and expenses. It is also a management indicator on how to improve the Group's operation. Expenses are allocated through direct association of costs and expenses to operating segments.

4.3 Reconciliation

Presented below and succeeding page is a reconciliation of the Group's segment information to the key financial information presented in its consolidated financial statements.

	<i>(in thousands)</i>
Assets:	
Total segment asset	₱28,700,769
Due from related parties	349,096
Investment property	75,761
Group Total Assets	₱29,125,626
Liabilities:	
Total segment liabilities	₱12,322,091
Due to related parties	877,130
Income tax payable	22,475
Deferred tax liabilities	1,237,164
Group Total Liabilities	₱14,458,860

4.4 Disaggregation of Revenue from Contract with Customers and Other Counterparties

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 4.1 and 4.2.

The Group determines that the categories used in the investor presentations and financial reports used by the Group's Executive Committee can be used to meet the objective of the disaggregation disclosure requirement of PFRS 15, which is to disaggregate revenue from contracts with customers and other counterparties and disclosed herein as additional information) 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 are shown in the Note 16.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of March 31 follows:

	<i>(in thousands)</i>
Cash on hand	₱6,513
Cash in bank	996,054
	₱1,002,567

Cash on hand comprises of revolving fund, commission fund and petty cash fund intended for the general use of the Group. Cash in banks generally earn interest at rates based on daily bank deposit rates. The related interest income earned amounted to ₱2.87 million and ₱0.04 million on March 31, 2024 and 2023, respectively, is presented as Finance Income in the statements of comprehensive income.

6. CONTRACTS AND OTHER RECEIVABLES

6.1 Contracts Receivables

This account is composed of the following:

	<i>(in thousands)</i>
Current	₱13,173,240
Non-current	2,707,974
	<u>₱15,881,214</u>

Contracts receivables represent receivables from sale of residential houses and lots, subdivision lots, memorial lots, and condominium units, which are normally collectible within one to ten years. Contracts receivables have an annual effective interest rate of 5% to 12% in 2024 and 2023. Interest income related to contracts receivables amounted to ₱35.8 million and ₱42.3 million on March 31, 2024 and 2023, respectively, and are reported under Revenues in the consolidated statements of comprehensive income.

The Group's contracts receivables are effectively collateralized by the real estate properties sold to the buyers considering that the title over the rights in the real estate properties will only be transferred to the buyers upon full payment.

In 2024, certain receivables amounting to ₱4,519.0 million were used as collateral security against interest-bearing loans (see Note 12).

6.2 Other Receivables

The composition of this account as of March 31 is shown below.

	<i>(in thousands)</i>
Advances to contractors and others	₱1,876,154
Advances to employees	86,545
Others	165,217
	<u>₱2,127,916</u>

Advances to contractors and others mainly represent advances to contractors or suppliers as advance payments for purchase of construction materials, supplies and construction services. This also include excess of advances over the remaining liability related to construction development.

Advances to employees represent cash advances and noninterest-bearing short-term loans granted to the Group's employees, which are collected through liquidation and salary deduction.

Others mainly pertain to receivables from the buyers for documentary fees and other assistance related to processing and transfer of lots and units sold.

7. REAL ESTATE INVENTORIES

Details of real estate inventories, which are stated at cost and is lower than NRV, are shown below.

	<i>(in thousands)</i>
Raw land	₱4,336,464
Memorial lots	1,355,971
Residential houses and lots	178,101
Condominium units	125,578
Property development costs	34,162
	₱6,030,276

Raw land pertains to the cost of several parcels of land acquired by the Group to be developed and other costs incurred to effect the transfer of the title of the properties to the Group.

Memorial lots consist of acquisition costs of the land, construction and development costs, and other necessary costs incurred in bringing the memorial lots ready for sale.

Residential houses and lots represent houses and lots in subdivision projects for which the Group has already been granted the license to sell by the Housing and Land Use Regulatory Board of the Philippines. Residential houses include units that are ready for occupancy and units under construction.

Condominium units for sale pertain to the accumulated land costs, construction services and other development costs incurred in developing the Group's condominium projects.

The property development costs represent the accumulated costs incurred in developing the real estate properties for sale. Costs incurred comprise of actual costs of land, construction and related engineering, architectural and other consultancy fees related to the development of residential projects.

8. OTHER ASSETS

This account consists of the following as of March 31:

	<i>(in thousands)</i>
Current:	
Prepaid commission	₱301,170
Construction materials	263,175
Creditable withholding taxes	128,587
Prepaid expenses	24,528
Deferred input VAT	21,910
Security deposits - current	6,607
Other assets	9,578
	755,555
Non-current:	
Security deposits	33,750
Other assets	10,000
	43,750
	₱799,305

Construction materials pertain to aluminum forms and various materials to be used in the construction of residential houses. Deferred input VAT pertains to the payment of VAT on purchases of services and goods that is recoverable within 12 months.

9. PROPERTY AND EQUIPMENT

The gross carrying amounts and accumulated depreciation and amortization of property and equipment at March 31, 2024 shown below.

	Building	Leasehold Improvements	Service Vehicle	Service Equipment	Park Maintenance Tools and Equipment	Furniture, Fixtures and Equipment	System Development Cost	Total
Cost	₱218,354	₱70,079	₱155,487	₱20,223	₱42,706	₱246,726	₱56,034	₱809,609
Accumulated depreciation and amortization	(103,464)	(55,193)	(138,706)	(12,596)	(40,372)	(219,316)	(34,110)	(603,757)
Net carrying amount	₱114,890	₱14,886	₱16,781	₱ 7,627	₱2,334	₱27,410	₱21,924	₱205,852

The amount of depreciation and amortization is presented as part of Cost of Sales and Services and Other Operating Expenses in the consolidated statements of comprehensive income (see Note 17). Depreciation expense of park maintenance tools and portion of service equipment were charged under park operations, which is subsequently closed to maintenance care fund (see Note 15).

10. LEASES

The Group has leases for certain office spaces. With the exception of short-term leases, each lease is reflected on the consolidated statement of financial position as right-of-use assets and a lease liabilities.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublease 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 office spaces, 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 insure the leased assets and incur maintenance fees on such items in accordance with the lease contracts.

The Group has leased 32 office spaces with an average remaining lease term of one to four years.

10.1 Right-of-use Assets

The carrying amounts of the Group's right-of-use assets as of March 31, 2024 is ₱23.6 million.

The total amortization on the right-of-use assets is presented as part of Depreciation and amortization under Other operating expense in the consolidated statement of comprehensive income (see Note 17.2).

10.2 Lease Liabilities

Lease liabilities are presented in the consolidated statement of financial position as at March 31, 2024 as follows:

	<i>(in thousands)</i>
Current	₱10,039
Non-current	15,050
	<u>₱25,089</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. The future cash outflows to which the Group is potentially exposed to are not reflected in the measurement of lease liabilities represent the amount of monthly rent remaining for the lease term and security deposit to be forfeited.

An option is only exercised when consistent with the Group's regional markets strategy and the economic benefits of exercising the option exceeds the expected overall cost.

As at March 31, 2024, the Group has no lease commitment, which had not yet commenced.

10.3 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.

The expenses relating to short-term leases amounted to ₱6.1 million is presented as Rentals as part of Other Operating Expenses in the consolidated statements of comprehensive income (see Note 17.2). There are no existing lease commitments for short-term leases.

10.4 Security Deposits

Refundable security deposits represent the lease deposits made to third parties for the lease of the Group's office spaces.

Related rental deposits for these leases amounted to ₱9.6 million as of March 31, 2024 and is presented as part of the Other Assets in the consolidated statements of financial position (see Note 8).

11. INVESTMENT PROPERTIES

The Group's investment properties consist of parcels of land which is intended for capital appreciation amounting to ₱75.8 million as of March 31, 2024.

None of the Group's investment properties have generated rental income. There were also no significant directly attributable cost, purchase commitments and any restrictions as to use related to these investment properties during the reporting periods.

Management has assessed that there were no significant circumstances during the reporting periods that may indicate impairment loss on the Group's investment properties.

The fair value and other information about the measurement and disclosures related to the investment properties are presented in Note 26.3.

12. INTEREST-BEARING LOANS

Short-term and long-term interest-bearing loans and borrowings pertain to bank loans which are broken down as follows:

	<i>(in thousands)</i>
Current	₱ 792,140
Non-current	4,534,432
	<u>₱5,326,572</u>

The bank loans represent secured and unsecured loans from local commercial banks. The loans which have maturities ranging from 1 to 15 years bear annual interest rates ranging from 5.0% to 8.8%.

Interest expense incurred on these loans amounted to ₱70.4 million and ₱102.3 million for the periods ended March 31, 2024 and 2023, respectively. These are presented as part of Finance Cost in the consolidated statements of comprehensive income.

There are no outstanding interest payable as of March 31, 2024 related to these loans.

The loans are net of debt issue cost amounting to ₱91.0 million as of March 31, 2024. The amortization of debt issue cost amounting to ₱52.5 million, is presented as part of Finance Cost under Other Income (Charges) section in the consolidated statements of comprehensive income.

Certain loans of the Group are secured by contract receivables with a carrying amount of ₱4,519.0 million as of March 31, 2024 (see Note 6.1 and 25.2).

13. TRADE AND OTHER PAYABLES AND RAWLAND PAYABLE

13.1 Trade and Other Payables

This account consists of:

	<i>(in thousands)</i>
Trade payables	₱1,779,677
Accrued expenses	539,052
Deferred output tax	191,539
Retention payable	119,874
Commission payable	56,903
VAT payable	11,845
Withholding taxes payable	2,722
Other payables	794
	<u>₱2,702,406</u>

Trade payables comprise mainly of liabilities to suppliers and contractors arising from the construction and development of the Group's real estate properties.

Accrued expenses pertain to accruals of professional fees, salaries and other employee benefits, utilities, advertising, marketing and other administrative expenses.

Deferred output tax is the portion of VAT attributable to outstanding contract receivables. This is reversed upon payment of monthly amortization from customers.

Retention payable pertains to the amount withheld from payments made to contractors to ensure compliance and completion of contracted projects equivalent to 10% of every billing made by the contractor. Upon completion of the contracted projects, the amounts are remitted to the contractors.

Commission payable refers to the liabilities of the Group as of the end of the reporting periods to its sales agents for every sale that already reached the revenue recognition threshold of the Group.

13.2 Rawland Payables

Rawland payables pertain to the amount of outstanding liability regarding the acquisitions of rawland from third parties, which will be used in the development of the Group's subdivision and memorial lots projects.

The Group purchased various rawlands for expansion and development of the Group's subdivision and memorial lots projects. The outstanding balance arising from these transactions amounted to ₱678.2 million and ₱698.5 million as of March 31, 2024 and December 31, 2023, respectively.

14. CUSTOMERS' DEPOSITS

Customers' deposits pertain to reservation fees and advance payments from buyers, which did not meet the revenue recognition criteria as of the end of the reporting periods. As of March 31, 2024, Customers' Deposits account, as presented in the current liabilities section of the consolidated statements of financial position, amounted to ₱1,952.5 million.

15. RESERVE FOR MAINTENANCE CARE

Under the terms of the contract between the Group and the purchasers of memorial lots, a portion of the amount paid by the purchasers is set aside as Maintenance Care Fund (Fund). The balance of the reserve for maintenance care for memorial lots as of March 31, 2024 and December 31, 2023 amounted to ₱1,079.0 million and ₱1,026.6 million, respectively, represents the total amount of maintenance care from all outstanding sales contracts, net of amount already remitted for fully collected memorial lots into the Fund.

As an industry practice, the amount turned over to the Fund is only for fully collected contracts in as much as the outstanding contracts may still be forfeited and/or rescinded. The income earned from the Trust Fund will be used in the maintenance care and maintenance of the memorial lots. Once placed in the Fund, the assets, liabilities, income and expense of the Fund are considered distinct and separate from the assets and liabilities of the Group, thus, do not form part of the accounts of the Group.

16. REVENUES

16.1 Disaggregation of Revenues

The Group derives revenues from sale of real properties and deathcare operations. An analysis of the Group's major sources of revenues for the period ended March 31, 2024 is presented below.

	Segments		Total
	Death Care	Residential	
Geographical areas			
Luzon	₱158,688	₱1,003,324	₱1,162,012
Visayas	38,057	39,070	77,127
Mindanao	45,934	401,199	447,133
	₱242,679	₱1,443,593	₱1,686,272

16.2 Contract Assets and Contract Liabilities

The Group recognizes contract assets, due to timing difference of payment and satisfaction of performance obligation, to the extent of satisfied performance obligation on all open contracts as of the end of the reporting period.

The Group recognized contract liabilities, which pertain to consideration received by the Group in excess of the amount for which the Group is entitled.

Changes in the contract assets are recognized by the Group when a right to receive payment is already established and upon performance of unsatisfied performance obligation.

16.3 Direct Contract Costs

The Group incurs sales commissions upon execution of contracts to sell real properties to customers. Incremental costs of commission incurred to obtain contracts are capitalized and presented as Prepaid commission under Other Current Assets in the consolidated statements of financial position (see Note 8). These are amortized over the expected construction period on the same basis as how the Group measures progress towards complete satisfaction of its performance obligation in its contracts. The total amount of amortization is presented as part of Commission under Operating Expenses (see Note 17.2).

17. COSTS AND EXPENSES

17.1 Costs of Sales and Services

Presented below are the details of costs of sale and services.

	<i>(in thousands)</i>
Cost of real estate sales	₱697,523
Cost of interment	7,435
Cost of chapel services	4,087
	₱709,045

Cost of real estate sales is comprised of:

	<i>(in thousands)</i>
Construction and development costs	₱647,242
Cost of land	50,281
	<u>₱697,523</u>

17.2 Operating expenses by nature

The details of operating expenses by nature for the period ended March 31, 2024 is shown below.

	<i>(in thousands)</i>
Salaries and wages	₱81,998
Commission	52,351
Advertising	42,015
Outside services	31,330
Depreciation and amortization	13,912
Promotions	11,261
Utilities	10,865
Repairs and maintenance	10,278
Loss on Sales Cancellation	8,911
Transportation and travel	8,177
Prompt payment discount	7,551
Management fees	6,500
Rentals	6,115
Taxes and licenses	3,097
Office supplies	2,261
Insurance	2,026
Professional fees	1,963
Collection fees	1,564
Meetings and conferences	1,259
Training and seminars	206
Representation	176
Miscellaneous expenses	9,945
	<u>₱313,761</u>

Miscellaneous mainly consist of subscription dues and other fees such as registration, transfer and mortgage fees.

18. OTHER REVENUES

This account consists of:

	<i>(in thousands)</i>
Forfeited sales	₱11,439
Transfer fee	1,893
Interest on past due accounts	1,848
Service Tent rental	197
Others	1,338
	<u>₱16,715</u>

Others include penalties from customers with lapsed payments, restructured accounts, and other fees collected for transactions incidental to the Group's operations such as payment for memorial garden construction fee, among others.

19. TAXES

19.1 Registration with the Board of Investments (BOI)

The BOI approved the Company's application for registration as an Expanding Developer of Economic and Low-Cost Housing Project on a Non-pioneer Status relative to its various units under its Bria Alaminos, Bria Alaminos-Pangasinan, Bria Calamba Executive and Bria General Santos in 2021, Bria Calamba Phase 2, Bria Calamba Phase 4, Bria Calamba Phase 3, Bria Magalang, Bria Manolo Fortich, Bria Kidapawan, Bria Urdaneta, Bria Norzagaray, Bria Norzagaray Phase 2, Bria Hermosa, Bria Homes, Paniqui, Bria General Trias, Bria Trece Martires, Bria Sta. Cruz, Lumina Tanza Phase 4, Lumina Camarines Sur, Lumina Camarines Sur Classic, Lumina Dumaguete, Lumina Dumaguete 2, and Bria Flats Azure in 2020; Lumina Quezon Phase 2, Bria La Hacienda, Bria San Pablo, Lumina Gensan, Bria Flats Mykonos, Bria Flats Levitha, Bria Flats Corfu, Bria Flats Rhodes, Bria Flats Capri, Bria Sta. Maria, Bria Homes Digos, Bria Homes Tagum, Bria Flats Crimson, Bria Flats Scarlet, Bria Flats Magenta, and Lumina Classic 2B in 2019; Bria Calamba Phases 1 and 2 project in December 2018; under the Northridge Central Lane, Northridge Grove Phase 2, Northridge View, Bria Home Binangonan and Bria General Santos projects in December 2017; and, under the Lumina Tanza Phase 2, Lumina Homes San Pablo and Lumina General Trias (Phases 1 and 2) projects in December 2016.

Under the registration, the applicable rights and privileges provided in the Omnibus Investment Code of 1987 shall equally apply and benefit the BHI with certain incentives including income tax holiday (ITH) for a period of four years from the date of registration.

19.2 Current and Deferred Taxes

The components of tax expense reported in consolidated profit or loss and in consolidated other comprehensive income for the period ended March 31, 2024 follow:

	<i>(in thousands)</i>
Current	₱7,035
Deferred	55,693
	<u>₱62,728</u>

The Group is subject to the MCIT, which is computed at 1% of gross income as defined under the tax regulations, or RCIT, whichever is higher. The Group reported RCIT in 2024 and 2023 as the RCIT is higher than MCIT in such years.

In March 31, 2024 and 2023, the Group claimed itemized deductions in computing for its income tax due.

20. RELATED PARTY TRANSACTIONS

20.1 Due from Related Parties

In the normal course of business, the Group grants noninterest-bearing cash advances to its parent company and other related parties, including those under common ownership, for working capital requirements, capital asset acquisition and other purposes. These advances

are unsecured and generally payable in cash on demand or through offsetting arrangements with related parties.

The outstanding advances arising from these transactions amounting to ₱155.1 million and ₱22.6 million as at March 31, 2024 and December 31, 2023, is presented as Due from Related Parties account in the consolidated statements of financial position.

The movements in the Due from Related Parties account are shown below.

	<i>(in thousands)</i>
Balance at beginning of period	₱216,618
Additions	162,478
	<u>₱349,096</u>

Based on management's assessment, no impairment losses need to be recognized for the period ended March 31, 2024 and December 31, 2024 from its receivables from related parties.

20.2 Due to Related Parties

The Group obtained short-term, unsecured, noninterest-bearing advances from prelated parties under common control for working capital requirements payable in cash upon demand. The outstanding balance is presented as Due to Related Parties account as at March 31, 2024 and December 31, 2024.

The movements in the Due to Related Parties account are shown below.

	<i>(in thousands)</i>
Balance at beginning of period	₱951,725
Payments	(74,595)
	<u>₱877,130</u>

21. EQUITY

21.1 Capital Stock

Capital stock consists of:

	March 31, 2024	Dec 31, 2023
<u>Common</u>		
Authorized	996,000,000	996,000,000
Par value per share	₱1.00	₱1.00
Issued shares	644,117,649	644,117,649
Value of shares issued	₱644,117,649	₱644,117,649
<u>Preferred</u>		
Authorized	400,000,000	400,000,000
Par value per share	₱0.01	₱0.01
Issued shares	—	—
Value of shares issued	—	—

On March 17, 2016, the SEC approved the increase in the Parent Company's authorized capital stock from P20.0 million divided into 200,000 common shares with par value of ₱100

per share to ₱1.0 billion divided into 996,000,000 common shares with par value of ₱1 per share and 400,000,000 preferred shares with par value of ₱0.01 per share.

On April 1, 2016, the Parent Company applied for the registration of its common shares with the SEC and the listing of the Parent Company's shares on the PSE.

The PSE approved the Parent Company's application for the listing of its common shares on June 8, 2016 and the SEC approved the registration of the 74,117,649 common shares of the Parent Company on June 14, 2016.

On June 3, 2016, the SEC approved the listing of the Parent Company's common shares totaling 74.1 million. The shares were initially issued at an offer price of ₱10.50 per common share. In 2021 and 2020, there were no additional issuances.

On June 29, 2016, by way of an initial public offering (IPO), sold 74,117,649 shares of its common stock at an offer price of P10.50 and generated net proceeds of approximately ₱703.0 million. The IPO resulted in the recognition of additional paid-in capital amounting to ₱628.9 million, net of IPO-related expenses amounting to ₱75.2 million.

On December 27, 2017, the Parent Company's BOD authorized the issuance of 150,000,000 common shares to CGI, a related party under common ownership, out of the unissued authorized capital stock, at a subscription price of ₱20.1 per share or an aggregate subscription price of ₱3,014.0 million.

As at March 31, 2024, there are 7 holders of the listed common shares owning at least one board lot of 100 shares. Such listed shares closed at ₱1,070.00 per share as of March 31, 2024.

21.2 Revaluation Reserves

As of March 31, 2024, the Company has revaluation reserves which pertains to accumulated actuarial losses and gains, net of tax, due to remeasurement of post-employment defined benefit plan amounting to ₱9.0 million.

22. EARNINGS PER SHARE

The basic and diluted earnings per share were computed as follows:

	<i>(in thousands)</i>
Net profit	₱549,932
Divided by the number of outstanding common shares	644,118
Basic and diluted earnings per share	₱0.85

The Group has no dilutive potential common shares as at March 31, 2024, hence, diluted earnings per share equals the basic earnings per share.

23. COMMITMENTS AND CONTINGENCIES

23.1 Operating Lease Commitments

The Group is contingently liable with respect to sales contracts and other transactions arising in 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 events and conditions will not have material effects on the Group's consolidated financial statements.

24. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to a variety of financial risks which result from both its operating and investing activities. The Group's risk management focuses on actively securing the Group's short to medium-term cash flows by minimizing the exposure to financial markets. Long-term financial investments are managed to generate lasting returns.

The Group does not engage in the trading of financial assets for speculative purposes nor does it write options. The relevant financial risks, unless otherwise stated, to which the Group is exposed to are described below and in the succeeding pages.

24.1 Interest Rate Risk

The Group has no financial instruments subject to floating interest rate, except cash in banks, which has historically shown small or measured changes in interest rates. As such, the Group's management believes that interest rate risks are not material.

24.2 Credit Risk

The Group operates under sound credit-granting criteria wherein credit policies are in place. These policies include a thorough understanding of the customer or counterparty as well as the purpose and structure of credit and its source of repayment. Credit limits are set and monitored to avoid significant concentrations to credit risk. The Group also employs credit administration activities to ensure that all facets of credit are properly maintained.

The maximum credit risk exposure of financial assets and contract assets is the carrying amount of the financial assets as shown on the consolidated statements of financial position are summarized below.

	<i>(in thousands)</i>
Cash and cash equivalents	₱1,002,567
Contracts receivable	15,881,214
Contract assets	2,630,033
Due from related parties	349,096
Security deposits	40,357
Other receivables	165,217
	<u>₱20,068,484</u>

Cash in banks are insured by the Philippine Deposit Insurance Commission up to a maximum coverage of ₱0.5 million for every depositor per banking institution. Also, the Group's contracts receivable are effectively collateralized by residential houses and lots and memorial lots. Other financial assets are not secured by any collateral or other credit enhancements.

The Company applies the PFRS 9 simplified approach in measuring ECL which uses a lifetime expected loss allowance for all contract receivables and other receivables. To measure the expected credit losses, contract receivables and other receivables have been

grouped based on shared credit risk characteristics and the days past due (age buckets). The other receivables relate to receivables from both third and related parties other than contract receivables and have substantially the same risk characteristics as the contract receivables.

The expected loss rates are based on the payment profiles of sales over a period of 36 months 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 management determined that there is no required ECL to be recognized on the Group's contract receivables since the fair value of real estate sold when reacquired is sufficient to cover the unpaid outstanding balance of the related receivable arising from sale. Therefore, there is no expected loss given default as the recoverable amount from subsequent resale of the real estate is sufficient. Accordingly, no additional allowance was recorded by the Group as of March 31, 2024 and 2023.

The Contract Asset account is secured to the extent of the fair value of the real estate sale of house and lot and condominium units sold since the title to the real estate properties remains with the Group until the contract assets or receivables are fully collected. Therefore, there is also no expected loss given default on the contract asset.

The Group considers credit enhancements in determining the expected credit loss. Contract receivables and contract assets from real estate sales are collateralized by the real properties. The estimated fair value of collateral and other security enhancements held against trade receivables are presented below.

	Gross Maximum Exposure	Fair Value of Collaterals	Net Exposure
Contract receivables	₱15,881,214	₱15,881,214	₱-
Contract assets	2,630,033	2,630,033	-
	<u>₱18,511,247</u>	<u>₱18,511,247</u>	<u>₱-</u>

As of March 31, 2024, the aging of receivables is as follows:

<i>(In Thousands)</i>	Current	Within 90 days	91-180 days	181-360 days	Over 1 Year	Total
Contracts receivable	₱14,091,480	₱517,257	₱429,575	₱219,098	₱623,804	₱15,881,214
Due from related parties	349,096	-	-	-	-	349,096
Other receivables	165,217	-	-	-	-	165,217
Total	<u>₱14,605,793</u>	<u>₱517,257</u>	<u>₱429,575</u>	<u>₱219,098</u>	<u>₱623,804</u>	<u>₱19,025,560</u>

ECL for due from related parties are measured and recognized using the liquidity approach. Management determines possible impairment based on the related party's ability to repay the advances upon demand at the reporting date taking into consideration the historical defaults from the related parties.

The Group does not consider any significant risks in the due from related parties as these are entities whose credit risks for liquid funds are considered negligible, since counterparties are in good financial condition. As of March 31, 2024, impairment allowance is not material.

Security deposits are subject to credit risk. The Group's security deposits pertain to receivable from lessors and third party utility providers. Based on the reputation of those counterparties, management considers that these deposits will be refunded when due.

24.3 Liquidity Risk

The Group manages its liquidity needs by carefully monitoring cash outflows due in a 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 a 6-month and one-year period are identified monthly.

As of March 31, 2024, the Group's financial liabilities have contractual maturities which are presented below.

	Within 12 Months	More than One Year to Five Years
Trade and other payables	₱2,496,301	₱–
Rawland payable	678,244	–
Interest-bearing loans and borrowings	792,140	4,534,432
Due to related parties	877,130	–
Lease liability	10,039	15,050
Reserve for maintenance care	–	1,079,005
	₱4,853,854	₱5,628,487

25. CATEGORIES AND OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

25.1 Carrying Amounts and Fair Values by Category

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	Carrying Values <i>(in thousands)</i>	Fair Values
<i>Financial Assets</i>			
At amortized cost:			
Cash and cash equivalents	5	₱1,002,567	₱1,002,567
Contracts receivables	6	15,881,214	15,881,214
Due from related parties	20.1	349,096	349,096
Security deposits	8	40,357	40,357
Other Receivables		165,217	165,217
		₱17,438,451	₱17,438,451

	Notes	Carrying Values <i>(in thousands)</i>	Fair Values
<i>Financial Liabilities</i>			
At amortized cost:			
Interest-bearing loans	12	₱5,326,572	₱5,326,572
Trade and other payables	13	2,496,301	2,496,301
Rawland payables	13	678,244	678,244
Lease liability	10	25,089	25,089
Reserve for maintenance care	15	1,079,005	1,079,005
		₱9,605,211	₱9,605,211

See Note 2.4 for a description of the accounting policies for each category of financial instrument. A description of the Group's risk management objectives and policies for financial instruments is provided in Note 24.

25.2 Offsetting of Financial Assets and Financial Liabilities

Except as more fully described in Note 20, the Group has not set-off financial instruments and does not have relevant offsetting arrangements. Currently, all other financial assets and financial liabilities are settled on a gross basis; however, each party to the financial instrument (particularly related parties) will have the option to settle all such 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 20 can be potentially offset to the extent of their corresponding outstanding balances.

26. CATEGORIES AND OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

26.1 Fair Value Hierarchy

In accordance with PFRS 13, Fair Value Measurement, the fair value of financial assets and financial liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS, are categorized into three levels based on the significance of inputs used to measure the fair value. The fair value hierarchy has the following levels:

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

The level within which the asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

26.2 Financial Instruments Measured at Amortized Cost for which Fair Value is Disclosed

The Group's financial assets which are not measured at fair value in the consolidated statements of financial position but for which fair value is disclosed include cash and cash equivalents, which are categorized as Level 1, and contract and other receivables, due from related parties and security deposits which are categorized as Level 3. Financial liabilities which are not measured at fair value but for which fair value is disclosed pertain to interest-bearing loans and borrowings, trade and other payables, due from related parties, rawland payable, and reserve for maintenance care which are categorized as Level 3.

The fair values of the financial assets and financial liabilities included in Level 3, which are not traded in an active market, are determined based on the expected cash flows of the underlying net asset or liability based on the instrument where the significant inputs required to determine the fair value of such instruments are not based on observable market data.

26.3 Fair Value Measurement for Non-financial Assets

The Group's investment properties amounting to ₱75.8 million are categorized under level 3 hierarchy of non-financial assets measured at cost as of March 31, 2024 (see Note 11).

The fair value of the Group's investment properties, pertaining to parcels of land, amounting to ₱994.5 million as of December 31, 2023, are determined on the basis of the appraisals performed by an independent appraiser, respectively, 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.

In estimating the fair value of these properties, management takes into account the market participant's ability to generate economic benefits by using the assets in their highest and best use. Based on management assessment, the best use of the Group's non-financial assets indicated above is their current use.

The Group determines the fair value of idle properties through appraisals by independent valuation specialists using market – based valuation approach where prices of comparable properties are adequate for specific market factors such as location and condition of the property.

The level 3 fair value of land was determined based on the observable recent prices of the reference properties, adjusted for differences in key attributes such as property size, zoning, and accessibility. The most significant input into this valuation approach is the price per square foot; hence, the higher the price per square foot, the higher the fair value.

27. 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 products and services commensurate with the level of risk.

The Group sets the amount of capital in proportion to its overall financing structure, i.e., equity and financial liabilities. The Group manages the capital structure and makes adjustments to it in 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 or sell assets to reduce debt.

The Group monitors capital on the basis of the carrying amount of equity as presented in the consolidated statements of financial position. Capital for the reporting periods under review is summarized as follows:

	<i>(in thousands)</i>
Total interest-bearing loans	₱5,326,572
Total adjusted equity	14,766,766
Debt-to-equity ratio	0.36:1.00

Financial Soundness Indicator

Below are the financial ratios that are relevant to the Company for the period ended March 31, 2024 and 2023.

		31-Mar-24	2023
Liquidity:			
Current Ratio	Current Assets/Current Liability	3.45:1	3.49:1
Solvency:			
Solvency ratio	EBITDA / Total debt (Total debt includes interest bearing loans and borrowings)	0.13:1	0.39:1
Total Liabilities-to-Equity Ratio	Total debt / Total stockholders' equity (Total debt includes interest bearing loans and borrowings)	0.36:1	0.37:1
Asset-to-equity:			
Asset-to-Equity ratio	Total Assets/Total Equity	1.99:1	1.98:1
		31-Mar-24	31-Mar-23
Interest-rate-coverage:			
Interest-rate-coverage ratio	Profit Before Tax and Interest/Finance Costs (Including capitalized interest)	9.70:1	6.20:1
Profitability:			
Return-on-equity	Net profit / Average total equity	15%	11%

**MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS**

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS COVERING

3-MONTHS OF 2024 VS. 3-MONTHS OF 2023

Revenues

The revenues of the Company increased from **₱1,614.8 million** for the 3-months ended March 31, 2023 to **₱1,686.3 million** for the 3-months ended March 31, 2024. The **4%** increase was primarily attributable to the following:

- **Real estate sales**
Real estate sales of the group increased to **₱1,620.7 million** for the 3-months of 2024, a **5%** increase from **₱1,547.5 million** in the same period in 2023. This is due to the increase in sales of memorial lots and residential units.
- **Interest income on contract receivables**
Interest income on contract receivables were recorded at **₱35.8 million** in 3-months of 2024, decreased by **15%** compared to **₱42.3 million** in 3-months of 2023. This was due to the lower in-house financed sales on account in 3-months of 2024 compared to 3-months of 2023.
- **Interment income**
There was a **17%** increase in income from interment services to **₱20.6 million** in 3-months of 2024 from **₱17.5 million** in the same period in 2023. This was attributable to the increase in the number of services rendered in 3-months of 2024, compared to the same period in 2023.
- **Income from Chapel Services**
Income from chapel services increased by **23%**, to **₱9.2 million**, from **₱7.5 million**, due to the increase in the number of memorial chapel and cremation services rendered in 3-months of 2024, compared to the same period in 2023.

Costs and Expenses

Cost and expenses is decreased to **₱1,022.8 million** in 3-months ended March 31, 2024, from **₱1,023.8 million** for period ended March 31, 2023. The decrease was primarily attributable to the decrease in other operating expenses.

Other Income (charges) - Net

Other charges - net decreased to **₱50.8 million** in the 3-months of 2024, from **₱58.7 million** in 3-months of 2023. The **14%** decrease was mainly attributable to the decrease in finance costs for the period.

Tax Expense

The Company's tax expense increased by **6%**, to **₱62.7 million** for 3-months of 2024 from **₱59.2 million** for 3-months of 2023 primarily due to a higher taxable base for the period.

Net Income

As a result of the movements above, total net profits increased by **16%**, to **₱549.9 million** in 3-months of 2024 from **₱473.0 million** recorded in 3-months of 2023.

For the 3-months of 2024, except as discussed in Note 1.2 of the 2023 Financial Statements on the impact of Covid-19 Pandemic in the Group's business, there were no other seasonal aspects that had a material effect on the financial condition or results of operations of the Group. Neither were there any trends, events or uncertainties that have had or that are reasonably expected to have a material impact on the net sales or revenues or income from continuing operations. The Group is not aware of events that will cause a material change in the relationship between the costs and revenues.

There are no significant elements of income or loss that did not arise from the Group's continuing operations.

FINANCIAL CONDITION AS OF MARCH 31, 2024 VS. DECEMBER 31, 2023

The Group's total assets were recorded at **₱29,125.6 million** as of March 31, 2024, compared to the **₱27,945.6 million** recorded as of December 31, 2023, increasing by **4%**. This increase was due to the following movements:

- Cash on-hand and in-banks increased by **2%**, from **₱981.2 million** as of December 31, 2023, to **₱1,002.6 million** as of March 31, 2024, due primarily to cash generated from operations.
- Total contracts receivable and contract assets, including non-current, decreased by **3%** from **₱17,309.6 million** as of December 31, 2023, to **₱16,830.1 million** as of March 31, 2024 due to sales on account recorded over the period.
- Due from related parties increased by **61%**, from **₱216.6 million** as of December 31, 2023 to **₱349.1 million** as of March 31, 2024 due primarily to advances made by related parties.
- Other receivables increased by **107%** from **₱1,836.4 million** as of December 31, 2023, to **₱3,809.1 million** as of March 31, 2024 due primarily to increase in receivables from contractors.
- Real estate inventories decreased by **7%**, from **₱6,500.0 million** of December 31, 2023 to **₱6,030.3 million** as of March 31, 2024 due to sales for the period.
- Property and equipment-net increased by **2%**, from **₱202.6 million** as of December 31, 2023 to **₱205.9 million** as of March 31, 2024, due primarily to purchase of property and equipment for the period.

The total liabilities of the Group decreased by **5%** from **₱13,828.9 million** as of December 31, 2023 to **₱14,458.9 million** as of March 31, 2024. This decrease was due to the following:

- Total interest-bearing loans, including non-current, increased by **1%**, from **₱5,250.0 million** as of December 31, 2023 to **₱5,326.5 million** as of March 31, 2024, due to payments made by the Company during the period.
- Trade and other payables increased by **20%** from **₱2,255.2 million** as of December 31, 2023 to **₱2,702.4 million** as of March 31, 2024, due to new contracts in relation to construction and development of residential houses for the period.
- Customers' deposits increased by **5%**, from **₱1,866.5 million** as of December 31, 2023 to **₱1,952.5 million** as of March 31, 2024, due mainly to collections from reservation sales for the period.
- Due to related parties decreased by **8%**, from **₱951.7 million** as of December 31, 2023 to **₱877.1 million** as of March 31, 2024, due mainly to advances made by the company during the period.
- Deferred tax liability increased by **5%**, from **₱1,181.5 million** as of December 31, 2023 to **₱1,237.2 million** as of March 31, 2024 due to the increase in temporary difference for the period.
- Reserved for Perpetual Care decreased by **24%** from **₱1,026.6 million** as of December 31, 2023 to **₱779.0 million** as of March 31, 2024 due to remittance to fund.

Total stockholder's equity increased by **4%** or by **₱550.0 million** from **₱14,116.8 million** as of December 31, 2023 to **₱14,666.8 million** as of March 31, 2024, due mostly to an increase in retained earnings by **5%**, from **₱10,493.5 million** in December 31, 2023, to **₱11,043.5 million** as of March 31, 2024, coming from the net income earned during the period.

MATERIAL CHANGES TO THE GROUP'S STATEMENT OF FINANCIAL POSITION AS OF MARCH 31, 2024 COMPARED TO DECEMBER 31, 2023 (INCREASE/DECREASE OF 5% OR MORE)

- Due from related parties increased by **₱132.5 million**, or **61%**, from **₱216.6 million** as of December 31, 2023 to **₱349.1 million** as of March 31, 2024 due primarily to advances made by related parties.
- Other receivables increased by **₱1,972.7 million**, or **107%** from **₱3,809.1 million** as of December 31, 2023, to **₱1,836.4 million** as of March 31, 2024 due primarily to a decrease in receivables from contractors.
- Real estate inventories decreased by **₱469.7 million**, or **7%**, from **₱6,500.0 million** of December 31, 2023 to **₱6,030.3 million** as of March 31, 2024 due to sales for the period.
- Other non-current assets increased by **₱2.1 million**, or **5%**, from **₱41.7 million** of December 31, 2023 to **₱43.8 million** as of March 31, 2024 due to increase in other assets for the period.
- Trade and other payables increased by **₱447.2 million**, or **20%** from **₱2,255.2 million** as of December 31, 2023 to **₱2,702.4 million** as of March 31, 2024, due to new contracts in relation to construction and development of residential houses for the period.
- Customers' deposits increased by **₱86.0 million**, or **5%**, from **₱1,866.5 million** as of December 31, 2023 to **₱1,952.5 million** as of March 31, 2024, due mainly to collections from reservation sales for the period.
- Due to related parties decreased by **₱74.6 million**, or **8%**, from **₱951.7 million** as of December 31, 2023 to **₱877.1 million** as of March 31, 2024, due mainly to collection of advances made by the company during the period.
- Income tax payable increased by **₱7.0 million**, or **45%**, from **₱15.5 million** as of December 31, 2023 to **₱22.5 million** as of March 31, 2024, primarily due to the current tax expense incurred during the period.
- Deferred tax liability increased by **₱55.7 million**, or **5%**, from **₱1,181.5 million** as of December 31, 2023 to **₱1,237.2 million** as of March 31, 2024 due to the increase in temporary difference for the period.
- Reserved for Perpetual Care increased by **₱52.4 million**, or **5%**, from **₱1,026.6 million** as of December 31, 2023 to **₱779.0 million** as of March 31, 2024 due to sales recorded for the period.
- Total stockholder's equity increased by **₱550.0 million** or **4%** from **₱14,116.8 million** as of December 31, 2023 to **₱14,666.8 million** as of March 31, 2024, due mostly to an increase in retained earnings by **5%**, from **₱10,493.5 million** in December 31, 2023, to **₱11,043.5 million** as of March 31, 2024, due to net income earned during the period.

MATERIAL CHANGES TO THE GROUP'S STATEMENT OF INCOME FOR THE 3-months of 2024 COMPARED TO THE 3-months of 2023 (INCREASE/DECREASE OF 5% OR MORE)

- Real estate sales increased by **₱73.2 million** or **5%**, to **₱1,620.7 million** in 3-months of 2024 from **₱1,547.5 million** in the same period in 2023. The increase was due to higher sales of memorial lots and residential units compared to same period previous year.
- Interest income on contract receivables decreased by **₱6.5 million** or **15%**, to **₱35.8 million** in 3-months of 2024 from **₱42.3 million** in the same period in 2023. This was due to higher in-house financed sales on account in 3-months of 2024 compared to the same period in 2023.
- Interment Income increased by **₱3.1 million** or **17%**, to **₱20.6 million** in 3-months of 2024 from **₱17.5 million** in 3-months of 2023 due to increase in the number of services rendered in 3-months of 2024, compared to the same period in 2023.
- Income from chapel services increased by **₱1.7 million** or **23%**, to **₱9.2 million** in 3-months of 2024 from **₱7.5 million** in 3-months of 2023 due to increase in the number of memorial chapel and cremation services rendered in 3-months of 2024, compared to the same period in 2023.
- Other charges - net decreased by **₱7.9 million** or **14%**, to **₱50.8 million** in the 3-months of 2024, from **₱58.7 million** in 3-months of 2023. The increase was mainly attributable to the decrease in other revenues earned by the company.
- The Company's tax expense increased by **₱3.5 million** or **6%**, to **₱62.7 million** in the 3-months of 2024, from **₱59.2 million** in 3-months of 2023. Primarily due to a higher taxable base for the period.
- As a result of the movements above, net profit increased by **₱76.9 million** or **16%**, to **₱549.9 million** for 3-months of 2024 from **₱473.0 million** for 3-months of 2023.

COMMITMENTS AND CONTINGENCIES

The Group is a lessee under non-cancellable operating lease agreements for its office spaces. The leases have terms ranging from three to five years with renewal options upon mutual written agreement between the parties, and include annual escalation in rental rates.

There are other commitments and contingent liabilities that arise in the normal course of the Company's operations, which are not reflected in the financial statements. Management is of the opinion that losses, if any, from these events and conditions will not have material effects on the Company's financial statements.

PART II – OTHER INFORMATION

Item 3. 3-months of 2024 Developments

A. New Projects of Investments in another line of business or corporation

None.

B. Composition of the Board of Directors

Name	Position
Manuel B. Villar, Jr.	Director and Chairman of the Board
Cynthia J. Javarez	Director and President
Manuel Paulo A. Villar	Director
Mark A. Villar	Director
Camille A. Villar	Director
Ana Marie V. Pagsibigan	Independent Director
Garth F. Castaneda	Independent Director

C. Performance of the corporation or result/progress of operations

Please see unaudited Financial Statements and Management Discussion and Analysis.

D. Declaration of Dividends

None.

E. Contracts of merger, consolidation, or joint venture; contract of management, licensing, marketing, distributorship, technical assistance, or similar agreements.

None.

F. Offering of rights, granting of Stock Options and corresponding plans thereof.

None.

G. Acquisition of additional mining claims or other capital assets or patents, formula, real estate

Not applicable.

H. Other information, material events or happenings that may have affected or may affect the market price of security.

None.

I. Transferring of assets, except in normal course of business.

None.

Item 4. Other Notes as of 3-months of 2024 Operations and Financials.

- J. Nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that is unusual because of their nature, size, or incidents.**

None.

- K. Nature and amount of changes in estimates of amounts reported in prior periods and their material effect in the current period.**

In 2024, the Group reassessed the historical behavior of its customers and determined a new percentage of collection threshold in recognizing revenue from sale of memorial lots, results of which was reflected in the audited financial statements.

- L. New financing through loans/ issuances, repurchases and repayments of debt and equity securities.**

See notes to Financial Statements and Management Discussion and Analysis.

- M. Material events subsequent to the end of interim period that have not been reflected in the financial statements for the interim period.**

See notes to Financial Statements and Management Discussion and Analysis.

- N. The effect of changes in the composition of the issuer during the interim period including business combinations, acquisition or disposal of subsidiaries and long term investments, restructurings, and discontinuing operations.**

None.

- O. Changes in contingent liabilities or contingent assets since the last annual statement of financial position date.**

None.

- P. Existence of material contingencies and other material events or transactions during the interim period.**

None.

- Q. Events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.**

None.

- R. Material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.**

None.

- S. Material commitment for capital expenditures, general purpose and expected sources of funds.**

The movement of capital expenditures being contracted arose from the regular land development and construction requirements which are well within the regular cash flow budget coming from internally generated funds.

T. Known trends, events or uncertainties that have had or that are reasonably expected to have impact on sales/revenues/income from continuing operations.

As of March 31, 2024, no known trends, events, or uncertainties that are reasonably expected to have impact on sales/revenues/income from continuing operations except for those being disclosed in the 3-months of 2024 financial statements.

U. Significant elements of income or loss that did not arise from continuing operations.

None.

V. Causes for any material change/s from period to period in one or more line items of the financial statements.

None.

W. Seasonal aspects that had material effects on the financial condition or results of operations.

None.

X. Disclosures not made under SEC Form 17-C.

None.

SIGNATURE

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

GOLDEN MV HOLDINGS, INC
Issuer

By:



ESTRELLITA S. TAN
Chief Finance Officer/ Chief Information
Officer/ Investor Relations Officer/ Treasurer

Date: May 17, 2024

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **ANA MARIE V. PAGESIBIGAN**, Filipino, of legal age and a resident of **21 Matungao, Bulakan, Bulacan**, after having been duly sworn to in accordance with law do hereby declare that:

1. I am an Independent Director of **Golden MV Holdings, Inc.**
2. I am affiliated with the following companies or organizations:

Company/ Organization	Position/ Relationship	Period of Service
Primerose Properties Development, Inc.	Legal Counsel	2011 – Present
SEDAS Security Specialists	Corporate Secretary	2019 – Present
Reed Steel Fabricators, Inc	Legal Counsel	2017 – Present
Goldmine Realty Development Corp.	Legal Counsel	2019 – Present
Sangguniang Bayan, Bulakan, Bulacan	Councilor	2022 – Present

3. I possess all the qualifications and none of the disqualifications to serve as an independent director of **Golden MV Holdings, Inc.**, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations.
4. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code.
5. I shall inform the corporate secretary of **Golden MV Holdings, Inc.** of any changes in the abovementioned information within five days from its occurrence.

Signed this MAY 24 2024 day of _____ 2024.


ANA MARIE V. PAGESIBIGAN
 Affiant

SUBSCRIBED AND SWORN to before me this MAY 24 2024 at LAS PINAS CITY, affiant personally appeared before me and exhibited to me his TIN 130-342-324.

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 Page No. 45
 Book No. 39
 Series of 2024


ATTY. JORREY T. SAMPIOR
 Notary Public
 For and in the City of Las Pinas, Metro Manila
 Appt. No. LP-22-024 until December 31, 2024
 IBP No. 394893 / 1 / 3 / 24 / Roll No. 56539
 MCLE NO. VII-0017824-5/12/22
 PTR No. 12653702/1-2-24 Las Pinas City
 254 Alabang Zapote Rd. Pamplona 2, Las Pinas City
 Tel No. 02-677-6125/09165464886

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **GARTH F. CASTAÑEDA**, Filipino, of legal age and a resident of **The Amaryllis Condominium 12th St. cor. E. Rodriguez Ave. New Manila, Quezon City**, after having been duly sworn to in accordance with law do hereby declare that:

1. I am an Independent Director of **Golden MV Holdings, Inc.**
2. I am affiliated with the following companies or organizations:

Company/ Organization	Position/ Relationship	Period of Service
SYMECS LAW	Partner	2010 – Present
Premier Island Power REIT Corporation	Chairman and Independent Director	2022 – Present
Prudential Life Plans, Inc.'s Trust Fund Assets	Co-Liquidator	2012 – Present
Neo Oracle Holdings, Inc.	Corporate Secretary / Liquidating Director	2017 - Present
Metro Pacific Foundation, Inc.	Corporate Secretary / Liquidating Director	2017 - Present
Metro Pacific Land Holdings, Inc.	President / Chairman	2017 - Present

3. I possess all the qualifications and none of the disqualifications to serve as an independent director of **Golden MV Holdings, Inc.**, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations.
4. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code.
5. I shall inform the corporate secretary of **Golden MV Holdings, Inc.** of any changes in the abovementioned information within five days from its occurrence.

Signed this _____ day of _____ 2024.


GARTH F. CASTAÑEDA
Affiant

SUBSCRIBED AND SWORN to before me this _____ at _____, affiant personally appeared before me and exhibited to me his TIN 248-536-734.

Doc. No.
Page No.
Book No.
Series of 2024.


REPUBLIC OF THE PHILIPPINES)
) S.S.
MANDALUYONG CITY

UNDERTAKING TO SUBMIT

I, **KATE D. CATOR**, of legal age, Filipino and with office address at San Ezekiel, C5 Extension, Las Piñas City, hereby certify that:

1. I am the incumbent Compliance Officer of **GOLDEN MV HOLDINGS, INC.** (the "Corporation"), with office address at San Ezekiel, C5 Extension, Las Piñas City.
2. Atty. Garth F. Castaneda is currently out of the country and unable to sign his wet-ink signature for the certification on his qualification as an Independent Director of the Corporation. He is expected to return by the end of June 2024. Thus, the Certification of Atty. Castaneda submitted with the Preliminary Information Statement of the Company is signed with his electronic signature.
3. The Corporation hereby undertakes to submit the wet-ink and notarized certification of Atty. Castaneda within five (5) days from the time he is available to sign and have the document notarized.

MAY 24 2024 IN WITNESS WHEREOF, we have hereunto affixed our signatures this
at _____, Philippines.


KATE D. CATOR
Compliance Officer

MAY 24 2024
SUBSCRIBED AND SWORN to before me this _____ day of _____
at **MANDALUYONG CITY** by:

Name	Valid ID	Date Issued
Kate D. Cator	PP No. P1178032C	04 Aug 2022, DFA Manila

Doc. No. 197 ;
Book No. 41 ;
Page No. XXIII ;
Series of 2024.

ATTY. ARBIN OMAR P. CARIÑO
NOTARY PUBLIC
UNTIL DECEMBER 31, 2024
ROLL No. 57146
IBP Lifetime Member No. 018537
PTR No. 5415602 / 05 Jan. 2024 / Mandaluyong City
MCLE Compliance No. VII-0020373 issued dated 03 June 2022
Notarial Commission Appointment No. 0388-23
Vista Corporate Center, Upper Ground Floor,
Worldwide Corporate Center, Shaw Blvd., Mandaluyong City



GOLDEN MV HOLDINGS

CERTIFICATION

Golden MV Holdings, Inc. (the “Company”) hereby certifies that except for Ms. Camille A. Villar, Atty. Ana Marie V. Pagsibigan and Mr. Mark A. Villar, none of the directors and officers of the Company named in the Information Statement for the Annual Meeting of its shareholders for the year 2024 works in the government as of the date hereof.

Ms. Villar is currently a duly elected Congresswoman, representing Las Piñas City. She is not disqualified from being and does not require any consent or approval to serve as, a director of the Company on account of her said position.

Atty. Pagsibigan is currently a duly elected Councilor of the Municipality of Bulakan, Bulacan. She is not disqualified from being and does not require any consent or approval to serve as, a director of the Company on account of her said position.

Mr. Villar is currently a duly elected Senator of the Philippines. He is not disqualified from being and does not require any consent or approval to serve as, a director of the Company on account of his said position.

Issued this 24th day of May 2024.

GOLDEN MV HOLDINGS, INC.

By:


Kate D. Cator
Compliance Officer