



OMICO CORPORATION

1109 East Tower
Philippine Stock Exchange Centre
Exchange Road, Ortigas Center, Pasig City

A Listed Company at the
Philippine Stock Exchange

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

TO ALL STOCKHOLDERS

NOTICE IS HEREBY GIVEN that the Annual Meeting of the Stockholders of **OMICO CORPORATION** will be conducted through remote communication on May 31, 2024, Friday, at 9:00a.m., with the following agenda:

1. Call to Order
2. Certification of Notice and Quorum
3. Approval of the Minutes of the Annual Stockholders' Meeting held on May 26, 2023
4. Presentation of Annual Report and Approval of the Audited Financial Statements as of December 31, 2023
5. Ratification of Acts and Proceedings of the Board of Directors and Management from May 26, 2023
6. Election of Directors
7. Election of External Auditor
8. Other Business
9. Adjournment

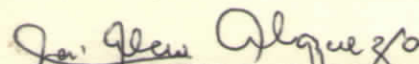
The meeting will be conducted through remote communication via video conferencing and can be accessed at the meeting link which will be provided to stockholders after successful registration.

Stockholders of record as of May 3, 2024 shall be entitled to notice of and to vote at the meeting or any adjournment thereof.

Stockholders may attend the meeting and/or cast their vote *in absentia* by registering via email at corporatesecretary@omico.com.ph on or before 5:00p.m. on May 22, 2024. Upon verification of their registration credentials, an email from the Company will be sent containing instructions on how the registered online participants may access the annual stockholders' meeting and/or cast their votes on matters to be taken up during the meeting. Participants may send in questions or remarks via email.

Stockholders who cannot attend the meeting may designate their authorized representative by submitting a signed proxy form via email to corporatesecretary@omico.com.ph no later than 5:00p.m. on May 22, 2024. For corporate stockholders, the proxies should be accompanied by a Secretary's Certification on the appointment of the corporation's authorized signatory. Validation of proxies will be on May 24, 2024 at 2:00p.m.

The Company's Definitive Information Statement (SEC Form 20-IS) will be uploaded at the Company website (www.omico.com.ph) and at the PSE EDGE (<http://edge.pse.com.ph>), for your reference. Hard copies of this Notice, Definitive SEC Form 20-IS, and its attachments shall be provided upon request.


MARIA ELENA F. ALQUEZA
Corporate Secretary

Tel. # 637-6923 to 25 / 637-6920 (Fax)

OMICO CORPORATION

RATIONALE FOR AGENDA ITEMS

1. Call to Order

The call is done to officially open the 2024 Annual Stockholders' Meeting of Omico Corporation (the "Corporation"). Pursuant to the Amended By-Laws of the Corporation, the meeting shall be presided over by the Chairman of the Board.

2. Certification of Notice and Quorum

The Corporate Secretary will certify the date when notices for the 2024 Annual Stockholders' Meeting were sent out to the stockholders of record. The Corporate Secretary will also certify to the existence of a quorum. Stockholders representing at least a majority of the outstanding capital stock, present in person or by proxy, shall constitute a quorum for the transaction of business.

3. Approval of the Minutes of the Annual Stockholders' Meeting held on May 26, 2023

A copy of the minutes is posted on the Corporation's website at <https://www.omico.com.ph/minutes-of-all-general-or-special-stockholders-meeting/> and will be presented to the stockholders for approval.

4. Presentation of Annual Report

The Report presents a summary of the performance of the Corporation in 2023. It includes the highlights of the Audited Financial Statements (AFS) of the Corporation which are incorporated in the Definitive Information Statement. Copies of the AFS were submitted to the Securities and Exchange Commission and the Bureau of Internal Revenue. The 2023 Annual Report may be accessed at the Company's website at <https://omico.com.ph/annual-reports/>.

5. Ratification of Acts and Proceedings of the Board of Directors and Management from May 26, 2023

All actions, proceedings and contracts entered into, as well as resolutions made and adopted by the Board of Directors and of Management from the date of the Stockholders' Meeting held on May 26, 2023 to the date of this meeting shall be presented to the stockholders for confirmation, approval and ratification.

6. Election of Directors for 2024 - 2025 (including the Independent Directors)

The nominees for directors for 2024 - 2025, including independent directors, will be presented to the stockholders for election. The profile of nominees will be provided in the Information Statement.

7. Appointment of External Auditor

The Audit Committee has pre-screened and recommended, and the Board has endorsed for the consideration of the stockholders, the re-appointment of R. R. Tan & Associates, CPAs as the Company's External Auditor for the fiscal year 2024.

8. Other Business

The Chairman of the Meeting will open the floor for comments and questions by the stockholders. Stockholders may raise such matters as may be relevant or appropriate to the occasion.

9. Adjournment

After consideration of all business, the Chairman shall declare the meeting adjourned. This formally ends the 2024 Annual Stockholders' Meeting of the Corporation.

OMICO CORPORATION
ANNUAL STOCKHOLDERS' MEETING FOR 2024

**PROCEDURES FOR PARTICIPATING IN THE MEETING AND
FOR VOTING THROUGH REMOTE COMMUNICATION OR *IN ABSENTIA***

Only stockholders of OMICO CORPORATION (“the Corporation”) as of May 3, 2024 (the “Eligible Stockholders”) are entitled to participate in the Annual Stockholders’ Meeting of the Corporation scheduled on May 31, 2024 (“the 2024 ASM”) and to vote on the matters to be presented during the ASM.

The procedure to facilitate the registration of Eligible Stockholders who are interested in participating in the 2024 ASM and voting is shown below:

1. Registration – Cut-off Dates

Eligible stockholders who intend to participate by attending the meeting through remote communication must register for the meeting by notifying the Corporation and providing the information and documents listed in Item No. 2 through email at corporatesecretary@omico.com.ph on or before 5:00p.m. on May 22, 2024. For purposes of determination of quorum, only Eligible Stockholders who have registered for the meeting on or before 5:00p.m. on May 22, 2024 will be considered in the computation of stockholders’ attendance.

Eligible stockholders who intend to cast their votes on any of the matters to be presented during the 2024 ASM must register by notifying the Corporation and providing information and documents listed in Item No. 2 on or before 5:00p.m. on May 22, 2024.

2. Requirements for Registration

Eligible stockholders must provide by email the information required and upload the documents needed to complete their registration:

a) For individual stockholders:

- i. Full name: First Name, Middle Name, Last Name
- ii. Birthdate
- iii. Address
- iv. Active email address
- v. Active mobile number and/or landline-phone number
- vi. Current photograph of the stockholder, with face fully visible
- vii. Valid/unexpired government-issued ID¹ of the stockholder containing a specimen signature of the stockholder

¹ Government-issued IDs include: Driver’s License, Passport, Unified Multi-Purpose ID (UMID), GSIS ID, PRC ID, IBP ID, iDOLE Card, OWWA ID, Comelec Voter’s ID, Senior Citizen’s ID.

- viii. Stockholders with joint accounts shall further submit a scanned copy of an authorization letter signed by all stockholders, identifying who among them is authorized to cast the vote for the account
- ix. Additional Documents:
If the stockholder holds “scripless shares” (or holds shares under PCD Participant/Brokers Account), a copy of the Broker’s Certification confirming the stockholder’s full account name and the corresponding number of shares owned as of May 3, 2024.

b) For corporate stockholders:

- i. Full name of the Company
- ii. Address
- iii. Active email address of the authorized representative
- iv. Active mobile number and/or landline-phone number of the authorized representative
- v. Scanned copy of a notarized Secretary’s Certificate in favor of the authorized representative of the corporate stockholder who is authorized to participate and vote
- vi. Current photograph of the Authorized Representative, with face fully visible
- vii. Valid/unexpired government-issued ID of the Authorized Representative containing a specimen signature of the authorized representative
- viii. Additional Documents:
If the corporate Stockholder holds “scripless shares” (or holds shares under PCD Participant/Brokers Account), a copy of the Broker’s Certification confirming the stockholder’s full account name and the corresponding number of shares owned as of May 3, 2024.

3. Upon successful registration, the Office of the Corporate Secretary will send a confirmation email to stockholders whose respective accounts have been verified. The confirmation email will include the dedicated meeting link with password and a sample Voting Ballot/Proxy Form attached.

ONLY ELIGIBLE STOCKHOLDERS WHO HAVE REGISTERED FOR THE MEETING AS ABOVE-DESCRIBED ON OR BEFORE 5:00P.M. ON MAY 22, 2024 AND HAVE BEEN VALIDATED TO BE ELIGIBLE STOCKHOLDERS OF THE CORPORATION WILL BE CONSIDERED IN COMPUTING STOCKHOLDERS’ ATTENDANCE AT THE 2024 ASM AND FOR THE DETERMINATION OF QUORUM.

4. Voting Procedure and Voting Deadline

- a) Eligible Stockholders can only cast their votes on any of the matters to be presented during the 2024 ASM by way of Voting Ballot/Proxy Forms submitted on or before 5:00p.m. on May 22, 2024 (“Voting Deadline”). A sample Voting Ballot/Proxy Form is included in the Definitive Information Statement.

ONLY VOTING BALLOTS/PROXIES SIGNED BY THE ELIGIBLE STOCKHOLDER OR THE AUTHORIZED REPRESENTATIVE, AS THE CASE MAY BE, WHICH HAVE BEEN RECEIVED BY THE OFFICE OF THE CORPORATE SECRETARY ON OR BEFORE THE VOTING DEADLINE EITHER (i) BY DELIVERY OR MAIL TO SUITE 1109 EAST TOWER, TEKTITE TOWERS (Formerly: PSE CENTRE), EXCHANGE ROAD, ORTIGAS CENTER, PASIG CITY OR (ii) BY EMAIL SENT TO corporatesecretary@omico.com.ph SHALL BE COUNTED.

For the election of Directors, the Eligible Stockholder, or Authorized Representative or proxy, may vote for all nominees or cumulate his vote for one or some of the nominees, provided that the total number of allowable votes will not exceed the total number of shares held/owned by the Eligible Stockholder multiplied by 7 (i.e., the number of Board seats).

- b) For Eligible Stockholders holding “scripless shares” (or shares under PCD Participant/Brokers Account), the Stockholders must coordinate with their brokers for the execution of this type of proxy.
 - c) After the Voting Deadline, the Eligible Stockholder may no longer change or revise the vote cast. However, if the vote was cast by proxy, the Eligible Stockholder may revoke the entire proxy at least five (5) days prior to the 2024 ASM and in such case, the vote will not be counted.
 - d) The Corporate Secretary and the Corporation’s stock transfer agent will tabulate all votes received and validate the results.
5. The proceedings of the 2024 ASM will be recorded, subject to applicable provisions of the Revised Corporation Code.
 6. Stockholders who have questions or comments about the 2024 ASM or requests for clarification on the procedure for attending the 2024 ASM through remote communication, may send the questions, comments or requests by email to corporatesecretary@omico.com.ph.
 7. Data of each individual stockholder (or that of the corporate stockholder’s Authorized Representative) will be collected, stored, processed and used exclusively for the purposes of the 2024 ASM.

VOTING BALLOT/PROXY

The undersigned stockholder of OMICO CORPORATION (the "Company") hereby appoints _____ or in his absence, the Chairman of the meeting, as attorney and proxy, with power to substitute, represent, and vote all shares registered in his/her/its name as proxy of the undersigned stockholder, at the Annual Stockholders' Meeting of the Company on May 31, 2024, and at any of the adjournments thereof, for the purpose of acting on the following matters:

1. Election of Directors.

____ 1.1. Vote for all nominees listed below:

- 1.1.1. Tommy Kin Hing Tia
- 1.1.2. Anson Chua Tiu Co
- 1.1.3. Anna Mei Nga Tia
- 1.1.4. Angel Severino Raul B. Ilagan, Jr.
- 1.1.5. Timothy K. Tia
- 1.1.6. Ricardo R. Blancaflor (Independent Director)
- 1.1.7. Jason Paul P. Malajacan (Independent Director)

____ 1.2. Withhold authority for all nominees listed above

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

2. Approval of Minutes of previous Annual Stockholders' Meeting held on May 26, 2023.

___ Yes ___ No ___ Abstain

3. Approval of 2023 Annual Report and Audited Financial Statements as of December 31, 2023

___ Yes ___ No ___ Abstain

4. Ratification of all acts and resolutions of the Board of Directors and Management from the date of last Stockholders' Meeting held on from May 26, 2023 to May 31, 2024.

___ Yes ___ No ___ Abstain

5. Appointment of R. R. Tan & Associates, CPAs as external auditor.

___ Yes ___ No ___ Abstain

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

___ Yes ___ No ___ Abstain

Printed Name of Stockholder

Signature of Stockholder /
Authorized Signatory

Date

THIS PROXY FORM SHOULD BE RECEIVED BY THE CORPORATE SECRETARY (IN HARDCOPY TO THE OFFICE OF THE CORPORATE SECRETARY AT SUITE 1109, EAST TOWER, TEKTITE TOWERS (FORMERLY: PSE CENTRE), ORTIGAS CENTER, PASIG CITY OR EMAILED TO CORPORATESECRETARY@OMICO.COM.PH ON OR BEFORE MAY 22, 2024.

WE ARE NOT SOLICITING PROXIES

SECRETARY'S CERTIFICATE

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

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

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

"RESOLVED, that _____ be authorized and appointed, as he/she is hereby authorized and appointed, as the Corporation's Proxy (the "Proxy") to attend all meetings of the stockholders of Omico Corporation whether the meeting is regular or special, or at any meeting postponed or adjourned therefrom, with full authority to vote the shares of stock of the Corporation held in Omico Corporation and to act upon all matters and resolution that may come before or presented during meetings, or any adjournments thereof, in the name, place and stead of the Corporation; and

RESOLVED, FINALLY, That Omico Corporation be furnished with a certified copy of this resolution, and Omico Corporation may rely on the continuing validity of this resolution until receipt of written notice of its revocation."

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

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

Printed Name and Signature of the
Corporate Secretary

SUBSCRIBED AND SWORN TO BEFORE ME on _____ in _____ . Affiant exhibited to me his/her Competent Evidence of Identity by way of _____ issued on _____ at _____.

Doc. No. _____;
Page No. _____;
Book No. _____;
Series of 20__.



**OMICO
CORPORATION**

1109 East Tower
Philippine Stock Exchange Centre
Exchange Road, Ortigas Center, Pasig City

A Listed Company at the
Philippine Stock Exchange

CERTIFICATION

April 11, 2024

SECURITIES AND EXCHANGE COMMISSION

17th Floor, The SEC Headquarters
7907 Makati Avenue, Salcedo Village
Barangay Bel-Air, Makati City

Attention: Director Vicente Graciano P. Felizmenio, Jr.
Markets and Securities Regulation Department

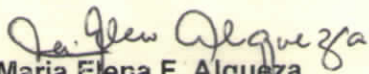
Gentlemen:

This is to certify that none of the following Directors/Officers and Nominees to the Board of Directors of the Company works with the Philippine Government, whether national or local:

Name	Position
Tommy Kin Hing Tia	Chairman
Anson Chua Tiu Co	Vice-Chairman
Anna Mei Nga Tia	President/CEO
Angel Severino Raul B. Ilagan, Jr.	Director
Timothy K. Tia	Director
Ricardo R. Blancaflor	Independent Director
Jason Paul P. Malajacan	Independent Director

Thank you.

Very truly yours,


Maria Elena F. Alqueza
Corporate Secretary

Mandaluyong City

SUBSCRIBED AND SWORN to before me in the City/Municipality of _____ this ____ day of **APR 11 2024** by _____, who has satisfactorily proven to me her identity through her SSS ID No. 33-0354485-9 and who personally signed and affirmed before me the foregoing Secretary's Certificate.

Doc. No. 337;
Page No. 69;
Book No. 157;
Series of 20 24

ATTY. JAMES P. ABUGAN
Notary Public
APPT. NO. 0442-23 Until 12-31, 2024
IBP No. 400022 Jan. 04, 2024 Rizal Chapter
Roll No. 26890 Lifetime
MCLE No. VII-0020194 until 4/14/2025
TIN No. 116-239-956
PTR No. 5420682 01/03/2024
Rm. 314 J&B Bldg., 251 EDSA,
Mandaluyong City Tel. No. (02)854-523-21

Tel. # 637-6923 to 25 / 637-6920 (Fax)

COVER SHEET

3 6 1 9 0

S.E.C. Registration Number

O M I C O C O R P O R A T I O N

(Company's Full Name)

S U I T E 1 1 0 9 E A S T T O W E R
T E K T I T E T O W E R S E X C H A N G E R O A D
O R T I G A S C E N T E R P A S I G C I T Y

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

J U A N A L O U R D E S M . B U Y S O N

Contact Person

8 6 3 7 6 9 2 3

Company Telephone Number

Certification of Independent Directors

Ricardo R. Blancaflor
Jason Paul P. Malajacan

FORM TYPE

Last Friday

0 5

Month Day
Annual Meeting

1 2 3 1

Month Day
Fiscal Year

Secondary License Type, If Applicable

Secondary License Type, If Applicable

M S R D

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

2 8 6 9 as of March 31, 2024

Total No. of Stockholders

N O N E

Domestic

N O N E

Foreign

To be accomplished by SEC Personnel concerned

File Number

File Number

LCU

LCU

Document I.D.

Document I.D.

Cashier

Cashier

STAMPS

Remarks = pls. Use black ink for scanning purposes

CERTIFICATION OF INDEPENDENT DIRECTOR


I, **RICARDO R. BLANCAFLOR**, Filipino, of legal age, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of **Omico Corporation**.
2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
Romulo Mabanta Buenaventura Sayoc & De Los Angeles Law Firm	Of Counsel	Jan. 2016 – Present
Institute of Corporate Directors	Fellow	Year 2015 - Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **Omico Corporation**, as provided for in Section 38, of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am not related to any director, officer or substantial shareholder of **Omico Corporation** and its subsidiaries or any of its related companies or any of its substantial shareholders.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
7. I shall inform the Corporate Secretary of **Omico Corporation** of any changes in the abovementioned information within five days from its occurrence.

Done, this 03 day of APR 2024, at PASIG CITY.


RICARDO R. BLANCAFLOR
Affiant

SUBSCRIBED AND SWORN to before me this 03 day of APR 2024
at PASIG CITY, affiant exhibited to me his competent evidence of identity Tax Identification No. _____ issued by the Bureau of Internal Revenue.

Doc. No. 359 :
Page No. 72 :
Book No. 32 :
Series of 624 :

FERDINAND D. AYAHAO
Notary Public

For and in Pasig City and the Municipality of Pateros
Appointment No. 96 (2024-2025) valid until 12/31/2025
MCLE Exemption No. VII-BEP003234, until 04/14/28
Roll No. 46377; IBP LRN 02459; OR 535886; 06/21/2001
TIN 123-011-785; PTR 1634583AA; 01/03/24; Pasig City
Unit 5, West Tower PSE, Exchange Road
Ortigas Center, Pasig City Tel. +632-86314090

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **JASON PAUL P. MALAJACAN**, Filipino, of legal age, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of **Omico Corporation**.
2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
Red Crab Group	Senior Business Development Consultant	March 2014 - Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **Omico Corporation**, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am not related to any director, officer or substantial shareholder of **Omico Corporation** and its subsidiaries or any of its related companies or any of its substantial shareholders.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
7. I shall inform the Corporate Secretary of **Omico Corporation** of any changes in the abovementioned information within five days from its occurrence.

Done, this 03 APR 2024 day of PASIG CITY, at _____.

JASON PAUL P. MALAJACAN
Affiant

SUBSCRIBED AND SWORN to before me this 03 APR 2024 day of _____ at _____, affiant exhibited to me his competent evidence of identity Tax Identification No. _____ issued by the Bureau of Internal Revenue.

Doc. No. 377 :
Page No. 72 :
Book No. 03 :
Series of D24 :

FERDINAND D. AYHAO
Notary Public

For and in Pasig City and the Municipality of Pateros
Appointment No. 96 (2024-2025) valid until 12/31/2025
MCLE Exemption No. VIII-BEP003234, until 04/14/26
Roll No. 46377; IBP LRN 02459; OR 535886; 06/21/2001
TIN 123-011-785; PTR 1634583AA; 01/03/24; Pasig City
Unit 5, West Tower PSE, Exchange Road
Ortigas Center, Pasig City Tel. +632-86314090

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. **OMICO CORPORATION**
Name of registrant as specified in its charter
3. **Philippines**
Province, country or other jurisdiction of incorporation or registration
4. **36190**
SEC Identification Number
5. **000-483-136-000**
BIR Tax Identification Code
6. **Suite 1109 East Tower, Tektite Towers, Exchange Road, Ortigas Center, Pasig City**
Address of principal office Postal Code **1605**
7. **(632) 86376923**
Registrant's telephone number, including area code
8. **May 31, 2024 / 9:00A.M. / Through Remote Communication Via Videoconferencing**
Date, time and place of meeting of security holders
9. **May 10, 2024**
Approximate date on which the Information Statement is first to be sent or given to security holders
10. **Securities registered pursuant to Sections 8 & 12 of the Code**

Title of Each Class	Number of Shares of Common Stock Outstanding
<u>Common Stock, PhP1.00 par value</u>	<u>1,050,461,673 Shares</u>
11. **Are any or all registrant's securities listed on the Philippine Stock Exchange?**
Yes (x) No ()
If yes, disclose the name of such Stock Exchange and the class of securities listed therein:
Philippine Stock Exchange, Inc. – Common Stock

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

**INFORMATION STATEMENT OF
OMICO CORPORATION**

A. GENERAL INFORMATION

Item 1. DATE, TIME AND PLACE OF MEETING OF SECURITY HOLDERS

Date : May 31, 2024
Time : 9:00 A.M.
Place : Through Remote Communication Via Videoconferencing

COMPLETE MAILING ADDRESS OF THE REGISTRANT

**Suite 1109 East Tower, Tektite Towers
Exchange Road, Ortigas Center
Pasig City 1605**

DATE OF TRANSMITTAL OF INFORMATION STATEMENT TO SECURITY HOLDERS

The approximate date on which the information statement will be sent to security holders is on **May 10, 2024**.

Item 2. DISSENTERS' RIGHT OF APPRAISAL

The matters to be voted upon in the Annual Stockholders' Meeting on **May 31, 2024** are not among the instances enumerated under Sections 41 and 80 of the Revised Corporation Code ("Revised Corporation Code") of the Philippines under which a stockholder may exercise his appraisal right.

Under Sections 80 to 85 of the Revised Corporation Code, any stockholder shall have the right of appraisal in certain circumstances where he has dissented and voted against a proposed corporate action, including:

- (a) In case an 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;
- (b) In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Revised Corporation Code;
- (c) In case of any merger or consolidation; and
- (d) In case of investment of corporate funds for any purpose other than the primary purpose of the corporation.

There are no matters or actions to be taken up at the Annual Stockholders' Meeting which may give rise to a possible exercise by stockholders of their appraisal rights under the Revised Corporation Code.

How Right is Exercised. –

The dissenting stockholder who votes against a proposed corporate action may exercise the right of appraisal by making a written demand on the corporation for the payment of the fair value of shares held within thirty (30) days from the date on which the vote was taken: *Provided*, that failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented, the corporation shall pay the stockholder, upon surrender of the certificate or certificates of stock representing the stockholder's shares, the fair value thereof as of the day before the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

If, within sixty (60) days from the approval of the corporate action 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 (2) thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by the corporation within thirty (30) days after such award is made: *Provided*, that no payment shall be made to any dissenting stockholder unless the corporation has unrestricted retained earnings in its books to cover such payment: *Provided, further*, that upon payment by the corporation of the agreed or awarded price, the stockholder shall forthwith transfer the shares to the corporation.

Item 3. INTEREST OF CERTAIN PERSONS IN OR OPPOSITION TO MATTERS TO BE ACTED UPON

- a) No person who has been a director or officer or nominee for election as director of the Company or associate of such persons, have substantial interest, direct or indirect, in any matter to be acted upon, other than the election of directors for the year 2024 to 2025.
- b) The Company is not aware of any director or security holder who intends to oppose any action to be taken by the Company during the stockholders' meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

As of March 31, 2024, the total number of outstanding shares of the Company is **1,050,461,673** Common Shares, which are entitled to one (1) vote each.

The number of foreign-owned shares as of March 31, 2024 is 36,700,876 which is equivalent to 3.49% of the total number of issued and outstanding common shares of 1,050,461,673.

All stockholders of record as of **May 3, 2024** are entitled to notice and to vote at the Annual Stockholders' Meeting.

With respect to election of directors, said stockholder may vote such number of 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 on the same principle among as many candidates as he shall see fit, provided, that the total number of votes cast by him shall not exceed the number of shares owned by him multiplied by the whole number of directors to be elected.

There has been NO CHANGE in the control of the Company since the beginning of its last fiscal year.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Security Ownership of Certain Record and Beneficial Owners

As of March 31, 2024, the Company knows of no one who beneficially owns in excess of 5% of the Company's common stock except as set forth in the table below:

Title of Class	Name and Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent of Class
Common	PCD Nominee Corporation 6764 Ayala Avenue, Makati City (No relationship with Issuer)	PCD Nominee Corporation is the record owner and the participants of PCD are the beneficial owners of such shares. The PCD participants who beneficially own more than 5% are the following:	Filipino	953,500,959 R	90.770%
	(Accredited stock broker of the Company)	Bernad Securities, Inc. 1033 M.H. Del Pilar St., Ermita, Manila The Company is not aware of any beneficial owner with more than 5% shareholdings in Bernad Securities, Inc.	Filipino	199,975,499	19.037%
	No relationship with Issuer)	First Metro Securities Brokerage Corporation 18/F PSBank Center, 7777 Paseo de Roxas corner Sedeño St., Makati City The Company is not aware of any beneficial owner with more than 5% shareholdings in First Metro Securities Brokerage Corporation.	Filipino	133,401,332	12.699%
	No relationship with Issuer)	Equitiworld Securities, Inc.	Filipino	96,026,851	9.141%

		Suite 807 to 809, 8 th Floor PSE Tower 1 Ayala Triangle Ayala Ave. cor. Paseo de Roxas, Makati City The Company is not aware of any beneficial owner with more than 5% shareholdings in Equitiworld Securities, Inc.			
--	--	---	--	--	--

Notes:

The PCD Nominee Corporation is a wholly-owned subsidiary of the Philippine Depository and Trust Corporation (PDTC) (formerly the Philippine Central Depository, Inc. or PCD) and is the registered owner of the shares in the books of the Company's transfer agent. The participants of PDTC are the beneficial owners of such shares. PDTC holds the shares on their behalf or in behalf of their clients.

There are no non-Filipino holders/participants to PCD Nominee Corp. that hold more than 5% of the Company's outstanding shares.

The registrant is not aware of any person/entity that holds more than 5% of a class under a voting trust or similar agreement.

Security Ownership of Management

As of March 31, 2024, the following are the number of shares beneficially owned by directors and executive officers of the Company:

Title of Class	Name of Beneficial Owner	Amount/Nature of Record/ Beneficial Ownership (indicate "R" or "B")	Citizenship	Percent of Class
Common	Tommy Kin Hing Tia	14,020,000 B	Chinese	1.335%
Common	Anson Chua Tiu Co	1,000,000 B	Filipino	0.095%
Common	Anna Mei Nga Tia	22,793,750 B	Filipino	2.170%
Common	Angel Severino Raul Ilagan, Jr.	10,000B	Filipino	0.001%
Common	Timothy K. Tia	14,181,333B	Filipino	1.350%
Common	Ricardo R. Blancaflor	1,000 B	Filipino	0.000%
Common	Jason Paul P. Malajacan	1,000B	Filipino	0.000%
Common	Emilio S. Teng	1,000B	Filipino	0.000%
Common	Juana Lourdes M. Buyson	13,000B	Filipino	0.001%
	All Directors and Officers as a Group	52,021,083		4.952%

Voting Trust Holders of 5% or More

The registrant is not aware of any person/entity that holds more than 5% of class under a voting trust or similar agreement.

Changes in Control

To the extent known to the Company, there are no arrangements that may result in a change in control of the Company.

Item 5. DIRECTORS AND EXECUTIVE OFFICERS

Board of Directors

The Directors of the Company are elected at the annual meeting of stockholders to hold office until the next annual meeting and until each respective successor shall have been elected and qualified. Each Board member serves for a term of one year or until his successor is duly elected and qualified.

The following are the incumbent directors of the Company and their business experience for the past five (5) years.

Name	Age	Citizenship	Position	Period Served
Tommy Kin Hing Tia	60	Chinese	Chairman Co-Vice-Chairman President/CEO Treasurer/ CFO	May 2013 – Present May 2010 – May 2013 January 2001 – May 2010 October 1993 – January 2001
Anson Chua Tiu Co	54	Filipino	Vice-Chairman Director	May 2013 – Present November 2008 – May 2013
Anna Mei Nga Tia	60	Filipino	President/CEO Director – EVP	May 2010 – Present April 2004 – May 2010
Angel Severino Raul B. Ilagan, Jr.	60	Filipino	Director	May 2012 – Present
Timothy K. Tia	27	Filipino	Director	May 2022 – Present
Ricardo R. Blancaflor	69	Filipino	Independent Director	May 2022 – Present
Jason Paul P. Malajacan	42	Filipino	Independent Director	May 2022 – Present

Tommy Kin Hing Tia was elected as Chairman on May 31, 2013. He served as Co-Vice-Chairman from May 2010 up to May 2013 and was the President and Chief Executive Officer from January 2001 up to May 2010, after serving as Treasurer/CFO of the Company since 1993. He was formerly the Chairman of the Board of Federal Resources Investment Group Inc. (now LBC Express Holdings Inc.) from August 2007 up to April 2015. He has vast experience in equity market by serving as Managing Director of Angping & Associates Securities, Inc. until 1999. He was responsible for setting up branch's network of Angping & Associates Securities, Inc. Mr. Tia graduated from the De La Salle University-Manila with a Bachelor's degree in Computer Science.

Anson Chua Tiu Co was elected a Vice-Chairman on May 31, 2013. He joined the Board on November 07, 2008. Mr. Tiu Co has been the Vice President for Corporate Administration of San An Realty Development Corporation (Baguio City) since 2000, Head of the Human Resources Department of Coo YeeSan Hotel Plaza (Baguio City) since 2000 and General Manager of Shape Up Boxing and Fitness Gym (Baguio City) since 2003. He was the General Manager of Joffan Marketing (Pasay City) from 1995 to 2000 and General Manager of Promark Marketing (Pasay City) from 1992 to 1995. He graduated from the El Camino College in Los Angeles, California, USA with a degree in Business Management. He also obtained a degree in International Business from the University of California in Los Angeles, California, USA.

Anna Mei Nga Tia was elected as President and Chief Executive Officer on May 29, 2010. She joined the Board on April 30, 2004 and served as Executive Vice President from April 2004 up to May 2010. She was formerly the President/CEO of Federal Resources Investment Group Inc. (now LBC Express Holdings Inc.) from August 2007 up to May 2015. She is the President of Hingson Food Products since 1994 and Chairman/President of Mcdolbee Commercial Corporation. She was formerly the Managing Director of Success Remittance (HK) Limited Inc. and General Manager of Hi Tech Appliances Center. Ms. Tia graduated from the Philippine School of Business Administration with a Bachelor's degree in Commerce major in Marketing.

Angel Severino Raul B. Ilagan, Jr., Director, joined the Board on May 25, 2012. He is the President/Director of Firmware Corporation, Ohana Property Holdings Corporation and Ramar Management Corporation; Director of Hosaku International Corp. and Pinoygolfer Media, Inc.; and Independent Director of Riviera Sports and Country Club, Inc. He is a Senior Partner of Bernas Law Offices. He graduated from Ateneo de Manila University with a degree in Bachelor of Science, Major in Legal Management and Bachelor of Laws and has a Masters in Entrepreneurship from the Asian Institute of Management.

Timothy K. Tia, Director, joined the Board on May 27, 2022. He is the Operations Manager of Silicon Valley Computer Group Phils. Inc. since June 2019 up to present. He graduated from Ateneo de Manila University in May 2019 with a degree in Bachelor of Arts, Major in Management Economics.

Ricardo R. Blancaflor, Independent Director, joined the Board on May 27, 2022. He is an Of Counsel of Romulo, Buenaventura, Mabanta, Sayoc and Delos Santos Angeles Law Firm since January 2016 up to present. Atty. Blancaflor is a Fellow and Member of the Teaching Faculty of the Institute of Corporate Directors. He was formerly the Director General of Intellectual Property Office from March 2010 up to December 2014 and Undersecretary of the Department of Justice and National Defense from 2001 to 2005 and 2008 to 2009. He was also an Undersecretary of the Office of the President from 2006 to 2007. He graduated from Ateneo de Manila University with a Bachelor of Science Degree, Major in Economics and from Ateneo Law School with a Bachelor of Laws Degree.

Jason Paul P. Malajacan, Independent Director, joined the Board on May 27, 2022. He is the Senior Business Development Consultant of the Red Crab Group from March 2014 up to present. He was formerly the Franchise Director of the Blackbeard's Seafood Island from April 2018 up to April 2021. He graduated from Informatics Computer Institute with a diploma in Business Computing. He graduated from the Thames International Business School with a degree in Bachelor of Arts in Marketing.

Nominees

The following have been nominated to the Board of Directors of the Company:

<u>Name</u>	<u>Age</u>	<u>Citizenship</u>
Tommy Kin Hing Tia	60	Chinese
Anson Chua Tiu Co	54	Filipino
Anna Mei Nga Tia	60	Filipino
Angel Severino Raul B. Ilagan, Jr.	60	Filipino
Timothy K. Tia	27	Filipino
Ricardo R. Blancaflor	69	Filipino
Jason Paul P. Malajacan	42	Filipino

In line with the existing Nomination Guidelines approved by the previous Board of Directors on August 22, 2008, the Nomination Committee receives the names of nominees and screens them based on the policies and parameters for screening nominees for regular and independent directors. The Nomination Committee for 2023-2024 is composed of Ms. Anna Mei Nga Tia, Chairperson, Mr. Timothy K. Tia and Atty. Ricardo R. Blancaflor, members.

The following are the nominees for independent directors:

Ricardo R. Blancaflor
Jason Paul P. Malajacan

Ricardo R. Blancaflor and Jason Paul P. Malajacan were nominated as independent directors by Juana Lourdes M. Buyson. Ms. Buyson is not related to any of the foregoing nominees for independent director. Messrs. Blancaflor and Malajacan, having possessed the qualifications and none of the disqualifications of an independent director, were nominated in accordance with the guidelines for the nomination and election of independent directors pursuant to Rule 38 of the Securities Regulation Code (SRC). The Company has adopted the provisions of Rule 38 of the SRC on nomination and election of independent directors. (Article III-A of the Amended By-Laws, as approved by the SEC on February 29, 2008.)

Executive Officers

Officers are appointed or elected annually by the Board of Directors during its organizational meeting following the Annual Meeting of Stockholders, each to hold office until the corresponding meeting of the Board of Directors in the next year or until a successor shall have been elected, appointed or shall have qualified.

The incumbent executive officers of the Company are the following:

- | | |
|---------------------------------|---------------------------------|
| a) Tommy Kin Hing Tia | - Chairman |
| b) Anson Chua Tiu Co | - Vice Chairman |
| c) Anna Mei Nga Tia | - President/CEO |
| d) Emilio S. Teng | - Corporate Information Officer |
| f) Juana Lourdes M. Buyson | - Treasurer/Compliance Officer |
| g) Maria Elena F. Alqueza | - Corporate Secretary |
| h) Ma. Marry Janette M. Lescano | - Asst. Corporate Secretary |

Emilio S. Teng, 61, Corporate Information Officer, joined the Company on May 30, 2008. He is a partner of Teng and Cruz Law Office, Director of Blue Cross Insurance Inc, Corporate Secretary of Vishay Philippines, Inc. and Director/Treasurer of Blue Properties Worldwide Inc. He graduated from Ateneo De Manila University with a degree of Bachelor of Arts, Major in Political Science and Bachelor of Laws.

Juana Lourdes M. Buyson, 70, Treasurer/Compliance Officer, joined the Company in January 2001. She was formerly connected with AP Securities, Inc. as Treasury Head from 1995 to December 2000. She graduated from the University of Santo Tomas with a degree of Bachelor of Science in Commerce, Major in Accounting. She is a Certified Public Accountant.

Maria Elena F. Alqueza, 55, Corporate Secretary, joined the Company in November 2000. She graduated from the Polytechnic University of the Philippines with a degree of Bachelor of Science in Commerce, Major in Accounting.

Ma. Marry Janette M. Lescano, 60, Assistant Corporate Secretary, joined the Company in July 2007. She graduated from the Centro Escolar University with a degree of Bachelor of Science in Business Administration.

SIGNIFICANT EMPLOYEES

The Company considers the collective efforts of the Board of Directors, Management and all of the Company's employees as instrumental to the Company's overall success.

FAMILY RELATIONSHIPS

Mr. Tommy Kin Hing Tia, Chairman, is the spouse of Ms. Anna Mei Nga Tia, President/CEO. Mr. Anson Chua Tiu Co, Vice Chairman, is the son of Mr. Co An, a principal stockholder of the Company. Mr. Timothy K. Tia, Director, is the son of Mr. Tommy Kin Hing Tia and Ms. Anna Mei Nga Tia. Except for said relationships, there are no other family relationships known to the Company.

INVOLVEMENT IN CERTAIN LEGAL PROCEEDINGS

No director or executive officer was involved during the past five (5) years and as of the date of filing of this report in any conviction by final judgment in any criminal proceeding, any order, judgment or decree of any court of competent jurisdiction permanently or temporarily enjoining, barring, suspending or otherwise limiting their involvement in any type of business, securities, commodities or banking activities, or in any proceeding involving violation of securities or commodities laws or regulations.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The significant transactions of the Company with related parties, as discussed in Note 23 *Related Party Transactions* of the Notes to the Financial Statements, are stated below:

- a) The Parent Company's advances to its subsidiaries represent cash advances for subsidiaries' operating expenses paid by the Parent Company. These advances are shown as part of Receivables in the Parent Company's statements of financial position. The outstanding balance amounted to PhP6,870,080, P6,687,373 and PhP6,641,032 as of December 31, 2023, 2022 and 2021, respectively. Full allowance for credit losses were provided in 2023, 2022 and 2021. These accounts were eliminated in full in the consolidated financial statements.
- b) The Parent Company's cash advances from its subsidiary in previous years are shown as Due to subsidiary in the Parent Company's statements of financial position. The outstanding balance amounted to PhP221,084,873 as of December 31, 2023, 2022 and 2021. This amount was eliminated in the consolidated financial statements.

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence which include affiliates.

Transactions with related parties, if any, are made at normal market prices. There have been no guarantees provided or received for any related party receivables or payables. Assessment is undertaken each financial year through examining the financial position of the related parties and the markets in which the related parties operate.

There are no transactions or proposed transactions during the last two years to which the company or its subsidiary was or is to be a party, in which a director, executive officer, or stockholder owns ten percent (10%) or more of total outstanding shares and members of their immediate families, had or is to have a direct or indirect material interest.

The Company or its related parties have no material transaction with parties falling outside the definition of "related parties" under the Philippine Accounting Standard No. 24 that are not available for other, more clearly independent parties on an arm's length basis.

PARENT COMPANY

The Company has no parent company.

RESIGNATION OR DECLINATION TO STAND FOR RE-ELECTION OF A DIRECTOR

Since the Company's last Annual Meeting of Stockholders held on May 26, 2023, no director has resigned or declined to stand for re-election because of disagreement with the Company on any matter relating to the Company's operations, policies or practices.

LEGAL PROCEEDINGS

The company has no material pending legal proceedings to which the Company or any of its subsidiaries is a party or of which any of the Company's property is the subject.

Item 6. *COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS*

Compensation of Directors and Executive Officers

Name and Principal Position	Year	Salary	Bonus	Other Compensation
Anna Mei Nga Tia - President/CEO				
Juana Lourdes M. Buyson - Treasurer				
Maria Elena F. Alqueza - Corporate Secretary				
Ma. Marry Janette M. Lescano - Asst. Corporate Secretary				
Mario P. Tuason – Project Engineer				
TOTAL for the top 5 most highly compensated directors and officers named above				
(Estimated)	2024	7,137,000	-0-	-0-
(Actual)	2023	7,030,669	-0-	-0-
(Actual)	2022	6,871,342	-0-	-0-
All other directors and officers as a Group unnamed				
(Estimated)	2024	-0-	-0-	-0-
(Actual)	2023	-0-	-0-	-0-
(Actual)	2022	-0-	-0-	-0-

Standard Arrangements: A Director's compensation represents per diem allowance of PhP6,000 for attendance at each Board meeting and Board Committee meeting.

Section 8 of Article III of the Amended By-Laws which pertain to compensation of Directors read as follows:

Section 8. Compensation – By resolution of the Board, each director shall receive a reasonable *per diem* allowance for his attendance at each meeting of the Board. As compensation, the Board may receive and allocate an amount of not more than ten percent (10%) of the net income before income tax of the corporation during the preceding year. Such compensation shall be determined and apportioned among the directors in such manner as the Board may deem proper, subject to the approval of stockholders representing at least a majority of the outstanding capital stock at a regular or special meeting of the stockholders.

The following directors of the Company received the following per diem as compensation for their performance of duties and functions as members of the Board of Directors and Board Committees for the Year 2023:

Director	For the Year 2023	No. of Meetings Attended
Tommy Kin Hing Tia	48,000	4 Board meetings, 4 Audit Com. meetings
Anson Chua Tiu Co	24,000	4 Board meetings
Anna Mei Nga Tia	24,000	4 Board meetings
Angel Severino Raul B. Ilagan, Jr.	24,000	4 Board meetings
Timothy K. Tia	36,000	4 Board meetings, 2 Corporate Governance Com. meetings
Ricardo R. Blancaflor	60,000	4 Board meetings, 4 Audit Com. meetings, 2 Corporate Governance Com. meetings
Jason Paul P. Malajacan	60,000	4 Board meetings, 4 Audit Com. meetings, 2 Corporate Governance Com. meetings

Other Arrangements: The Company has no other arrangement with regard to the remuneration of its existing directors aside from the compensation received on per diem allowance of Php6,000 for attendance at each Board meeting and Board Committee meeting.

All employees of the Company, including officers, sign a standard engagement contract which states their compensation, benefits and privileges.

The Company does not have any special employment contracts or any compensatory plan or arrangement resulting from the resignation, retirement, or any other termination of an executive officer's employment with the Company or from a change in control of the Company except for such rights as may have already vested under the Company's retirement plan or as may be provided for under its standard benefits.

There were no bonuses, profit sharing, and other compensation given to directors and executive officers during the last two fiscal years.

Stock Warrants and Options Outstanding

There are no stock warrants or options outstanding.

During the Annual Stockholders' Meeting held on April 27, 2007, the stockholders owning or representing at least two thirds (2/3) of the outstanding capital stock approved the allocation of ten percent (10%) of the Company's outstanding capital stock for the grant of stock options to the Company's deserving employees, officers and board members which rules shall be determined by the Compensation Committee and approved by the Board of Directors. The terms and conditions governing the proposed stock option plan still has to be determined by the Company's Compensation Committee and approved by the Board of Directors.

Item 7. INDEPENDENT PUBLIC ACCOUNTANTS

The Board of Directors, upon the favorable endorsement of the Audit Committee, nominated R. R. Tan & Associates, CPAs, with business address at U-1705 Antel Global Corporate Center, Julia Vargas Avenue, Ortigas Center, Pasig City, as the external auditor of the Company for the fiscal year 2024. The stockholders are requested to approve the re-appointment of R. R. Tan & Associates, CPAs as external auditor of the Company for 2024 at the Annual Stockholders' Meeting to be held on May 31, 2024.

The representatives of R. R. Tan & Associates, CPAs are expected to be present at the Annual Stockholders' Meeting and they will have the opportunity to make a statement if they desire to do so and such representatives are expected to be available to respond to appropriate questions with respect to matters for which their services were engaged.

The Company has no disagreement with R. R. Tan & Associates on any matter relating to accounting principles or practices, financial statement disclosure, or auditing scope or procedure.

Pursuant to the General Requirements of SRC Rule 68, Section 3.b.iv (Qualifications of Independent Auditors), the external auditors shall be rotated every after five (5) years of engagement. In case of a firm, the signing partner shall be rotated every after said period. The Company is in compliance with SRC Rule 68, Section 3.b.iv.

R. R. Tan & Associates, CPAs has existing and valid Certificate of Accreditation issued by the Professional Regulatory Board of Accountancy.

No independent accountant previously engaged by the Company has resigned or has declined to stand for re-election or was dismissed or otherwise ceased performing services.

EXTERNAL AUDIT FEES (for the last two (2) fiscal years):

a) Audit and Audit-Related Fees	2023	2022
1) For the audit of the Company's annual financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements for those fiscal years	PhP503,912	PhP479,915
2) For other assurance and related services by the external auditor that are reasonably related to the performance of the audit or review of the Company's financial statements.	-0-	-0-
b) Tax Fees		
For services for tax accounting compliance, advice, planning and any other form of tax services.	-0-	-0-
c) All other Fees		
For products and services rendered by the external auditor, other than the services reported under items (a) & (b) above.	-0-	-0-

d) The Audit Committee evaluates the performance of the external auditor and keeps under review the fees billed for the audit of the Company's financial statements.

MEMBERS OF THE AUDIT COMMITTEE

The following are the members of the Company's Audit Committee:

- a) Ricardo R. Blancaflor - Chairman
- b) Tommy Kin Hing Tia - Member
- c) Jason Paul P. Malajacan - Member

Item 8. COMPENSATION PLANS

If action is to be taken with respect to any plan pursuant to which cash or non-cash compensation may be paid or distributed to the following information:

- With respect to any stock options, warrants or rights plan:

During the Annual Stockholders' Meeting held on April 27, 2007, the stockholders owning or representing at least two thirds (2/3) of the outstanding capital stock approved the allocation of ten percent (10%) of the Company's outstanding capital stock for the grant of stock options to the Company's deserving employees, officers and board members which rules shall be determined by the Compensation Committee and approved by the Board of Directors. The terms and conditions governing the proposed stock option plan still has to be determined by the Company's Compensation Committee and approved by the Board of Directors.

- With respect to any other type of compensation plan:

The company has no other type of compensation plan.

Item 11. FINANCIAL AND OTHER INFORMATION

The General Nature and Scope of Business, Market Prices including the closing price as of April 24, 2024, Stockholders and Dividends, Recent Issuance of Securities, Compliance with the Corporate Governance Manual, Management's Discussion and Analysis of Financial Condition and Results of Operations and Status and Plan of Operations are included in Annex "A".

The audited financial statements for the year ended December 31, 2023 are attached hereto.

The Company's website is in compliance with the SEC-prescribed website template as required under SEC Memorandum Circular No. 2, Series of 2018 dated January 22, 2018 entitled "Compliance with SEC-Prescribed Website Template."

D. OTHER MATTERS

Item 15. ACTION WITH RESPECT TO REPORTS

1) The following items shall be submitted to the stockholders for approval:

The Minutes of the Annual Stockholders' Meeting held on May 26, 2023 will be submitted for approval of the stockholders at the annual meeting to be held on May 31, 2024. Below is the summary of the items and/or resolutions approved at the Annual Stockholders' Meeting held on May 26, 2023:

- a) The 2023 Annual Stockholders' Meeting was called to order at 9:00a.m. by Mr. Tommy Kin Hing Tia, the Chairman of the Board of Directors of the Company.

- b) The Corporate Secretary certified that the Notice of the Annual Stockholders' Meeting together with other materials relevant for the meeting such as the Information Statement and the Annual Report/SEC Form 17-A for 2022 were distributed through the following methods: (1) by the publication of the Notice of the Meeting in the Daily Tribune and Malaya Business Insight on May 2 and May 3, 2023, in both print and online formats; (2) by disclosure to the PSE resulting in the posting of the Notice of Meeting, Information Statement and the other relevant materials on the PSE EDGE disclosure portal; and (3) by uploading the same documents on the website of the Corporation. These methods were in compliance with the Notice of the SEC dated March 16, 2021, which was issued by the SEC in order to provide publicly-listed companies an alternative mode of complying with the requirements for the distribution to its stockholders of notices and materials for their respective annual meeting. The Notice of the Meeting and other relevant materials were released on May 2, 2023 which is at least 21 days prior to the meeting date of May 26, 2023, in accordance with the Revised Corporation Code and applicable SEC regulations. Through the Notice of the Annual Meeting, stockholders were informed that the meeting would be conducted online by remote communication in lieu of physical meeting. The Information Statement included the *Procedures for Participating in the Meeting and for Voting Through Remote Communication or In Absentia*.

The Corporate Secretary reported that for purposes of determination of the meeting quorum, stockholders as of the meeting's Record Date of April 27, 2023 who registered for this meeting on or before May 17, 2023 at 5:00pm were considered in the computation of stockholders' attendance. The stockholders who timely registered for this meeting hold a total of 606,676,351 common shares of the Company representing approximately 57.75% of the total issued and outstanding common shares as of April 27, 2023 of 1,050,461,673, and are therefore considered as present or represented in this meeting. Accordingly, the Corporate Secretary certified that a quorum for the annual meeting have been established.

- c) Upon motion duly made and seconded, the stockholders approved the minutes of the Annual Stockholders' Meeting held on May 27, 2022. The Corporate Secretary stated that the subject minutes were uploaded and posted on the Company's website several days after the meeting was held and available for inspection by any stockholders at the office of the Corporate Secretary. The Chairman provided the stockholders present at the meeting an opportunity to ask questions on the Minutes of the 2022 Annual Stockholders' Meeting, however, none was raised.
- d) The President of the Company presented the annual management report and Audited Financial Statements for the year ended December 31, 2022. She presented the highlights of the performance of the Company, the details of which were incorporated into the Company's annual report as distributed to the stockholders. The management report included a discussion on the operations, financial report and plans. The Chairman opened the floor for questions to be raised on the report on the Company's operations. He noted that the representatives of the Company's external auditor, R. R. Tan & Associates CPAs will be on hand to entertain questions on the Company's financial reports. No questions, however, were raised by the stockholders present on the report on the Company's operations and its Audited Financial Statements. No questions having been raised and upon motion duly made and seconded, the annual management report was duly noted and the Audited Financial Statements for the year ended December 31, 2022 was approved.
- e) Upon motion duly made and seconded, the stockholders approved, ratified and confirmed all acts and proceedings of the incumbent Board of Directors and Officers of the Company performed or undertaken from May 27, 2022 up to May 26, 2023. The Chairman opened the floor for questions or issues to be taken up pertaining to the ratification of all corporate acts and proceedings, however, no questions or issues were raised on the corporate acts and proceedings.

Resolutions, contracts, and acts of the Board of Directors and Management for ratification refer to those passed or undertaken by them during the year and for the day-to-day operations of the Company as contained or reflected in the minute books, annual report and financial statements. These acts are covered by resolutions of the Board of Directors duly adopted in the normal course of trade or business.

- f) The following were elected as directors of the Company:

Regular Directors:

Tommy Kin Hing Tia
Anson Chua Tiu Co
Anna Mei Nga Tia
Angel Severino Raul B. Ilagan, Jr.
Timothy K. Tia

Independent Directors:

Ricardo R. Blancaflor
Jason Paul P. Malajacan

There being no other nominees for the Board of Directors and their election being uncontested, the Chairman declared the above-named persons to be the duly elected Directors for the ensuing year 2023-2024 or until their successors have been duly elected and have qualified as provided for in the Company's By-laws.

- g) Upon motion duly made and seconded, the accounting firm of R. R. Tan and Associates, CPAs was elected as external auditor of the Company for the then current fiscal year. No questions or objections were raised by the stockholders present despite the opportunity having been given by the Chairman.
- h) There being no other matters and further business to discuss, on motion duly made and seconded, the annual stockholders' meeting was adjourned.

2) Voting Procedures and Results

- a) Approval/ratification of the minutes of the Annual Stockholders' Meeting held on May 27, 2022
b) Approval of the Audited Financial Statements for the Year ended December 31, 2022
c) Ratification of the corporate acts and proceedings of the Board of Directors and Officers
d) Appointment of Independent External Auditor

Vote required for approval: Affirmative vote of 606,676,351 common shares of the Company representing approximately 57.75% of the total issued and outstanding common shares as of April 27, 2023 of 1,050,461,673, and are therefore considered as present or represented in this meeting.

Method by which votes were counted: Each outstanding common stock shall be entitled to one (1) vote. Voting was done through raising of hands. The counting of votes was done by the Office of the Corporate Secretary.

- e) Election of Directors

Vote required: The 5 candidates for regular directors and 2 candidates for independent directors receiving the highest number of votes cast for regular directors and votes cast for independent directors were declared elected.

Method by which votes were counted: Cumulative voting applies. Under this method of voting, a stockholders entitled to vote shall have the right to vote *in absentia* or by proxy the number of shares of stock standing in his own name on the stock books of the Company as of the Record Date,

and said stockholders may vote such number of 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 on the same principle among as many candidates as he shall see fit.

After their nominations were duly made and seconded, the following persons were unanimously elected as members of the Board of Directors of the Company for the ensuing year 2023-2024 or until their successors have been duly elected and have qualified as provided in the Company's By-laws, after receiving the votes indicated opposite their names:

Name	Number of Votes Received
Tommy Kin Hing Tia	606,676,351
Anson Chua Tiu Co	606,676,351
Anna Mei Nga Tia	606,676,351
Angel Severino Raul B. Ilagan, Jr.	606,676,351
Timothy K. Tia	606,676,351
Ricardo R. Blancaflor	606,676,351
Jason Paul P. Malajacan	606,676,351

Messrs. Ricardo R. Blancaflor and Jason Paul P. Malajacan were elected as independent members of the Board in accordance with the requirements of the SEC and the Code of Corporate Governance.

Item 16. MATTERS NOT REQUIRED TO BE SUBMITTED

No action is to be taken with respect to any matter which is not required to be submitted to a vote of security holders.

Item 17. AMENDMENT OF CHARTER, BYLAWS OR OTHER DOCUMENTS

There is no proposed amendment to the Articles of Incorporation or By-Laws.

Item 18. OTHER PROPOSED ACTIONS

- a) Election of the Members of the Board of Directors
- b) Election of Independent Directors

Item 19. SUMMARY OF VOTING MATTERS/PROCEDURES

1) Summary of matters to be presented to the Stockholders

- a) Approval/ratification of the minutes of the annual meeting of stockholders held on May 26, 2023.
- b) Ratification of the acts and proceedings of the incumbent Board of Directors and Officers of the Company performed or undertaken from May 26, 2023.

Resolutions, contracts, and acts of the Board of Directors and Management for ratification refer to those passed or undertaken by them during the year and for the day-to-day operations of the Company as contained or reflected in the minute books, annual report and financial statements. These acts are covered by resolutions of the Board of Directors duly adopted in the normal course of trade or business.

- 1) Election of officers, appointment of chairperson and members of various committees;
- 2) Treasury matters related to bank accounts and transactions;

- 3) Approval of the minutes of previous meetings;
- 4) Approval of the schedule, venue and agenda of the annual stockholders' meeting for the year 2024;
- 5) Setting of record date for the annual stockholders' meeting;
- 6) Approval of the annual financial statements for the year ended December 31, 2023;
- 7) Application with the Home Development Mutual Fund (commonly known as Pag-IBIG Fund) for a Pag-IBIG Budget Allocation;
- 8) Appointment of R. R. Tan and Associates CPAs as External Auditor for 2024; and
- 9) Availment by Omico Kapital Corporation, a wholly-owned subsidiary of Omico Corporation, of the SEC Amnesty as per SEC MC. No. 2 Series of 2023.

c) Appointment of R. R. Tan and Associates CPAs as independent external auditor of the Company.

d) Election of a Board of seven (7) Directors who will hold office for a period of one year and until the next annual meeting of stockholders and until his or her successor is elected and qualified. The Nominees for directors are:

Regular Directors:

Tommy Kin Hing Tia
 Anson Chua Tiu Co
 Anna Mei Nga Tia
 Angel Severino Raul B. Ilagan, Jr.
 Timothy K. Tia

Independent Directors:

Ricardo R. Blancaflor
 Jason Paul P. Malajacan

2) Voting Procedures

- a) Approval/ratification of the minutes of the annual stockholders' meeting held on May 26, 2023

Vote required: A majority of the outstanding common stock present in person or by proxy, provided constituting a quorum.

Method by which votes shall be counted: Each outstanding common stock shall be entitled to one (1) vote. The votes shall be counted by a show of hands or, upon motion duly made and seconded, by secret ballot.

- b) Ratification of the acts of the Board of Directors and Officers

Vote required: A majority of the outstanding common stock present in person or by proxy, provided constituting a quorum.

Method by which votes shall be counted: Each outstanding common stock shall be entitled to one (1) vote. The votes shall be counted by a show of hands or, upon motion duly made and seconded, by secret ballot.

- c) Appointment of Independent External Auditor

Vote required: A majority of the outstanding common stock present in person or by proxy, provided constituting a quorum.

Method by which votes shall be counted: Each outstanding common stock shall be entitled to one (1) vote. The votes shall be counted by a show of hands or, upon motion duly made and seconded, by secret ballot.

d) Election of Directors

Vote required: The 5 candidates for regular directors and 2 candidates for independent directors receiving the highest number of votes cast for regular directors and votes cast for independent directors shall be declared elected.

Method by which votes shall be counted: Cumulative voting applies. Under this method of voting, a stockholders entitled to vote shall have the right to vote *in absentia* or by proxy the number of shares of stock standing in his own name on the stock books of the Corporation as of the Record Date, and said stockholders may vote such number of 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 on the same principle among as many candidates as he shall see fit.

In compliance with the disclosure requirements of Section 49 of the Revised Corporation Code, please be informed of the following:

- 1) Description of the voting and voting tabulation procedures used in the previous meeting - Please see *Item 15. Action with Respect to Reports No. 2 Voting Procedures and Results.*
- 2) Description of the opportunity given to stockholders to ask questions and a record of the questions asked or answers given – After each item in the Agenda, the Chairman asked the stockholders if they had any questions and opened the floor for discussion. However, no questions were raised.
- 3) A record of voting results for each agenda item - Please see *Item 15. Action with Respect to Reports No. 2 Voting Procedures and Results.*
- 4) List of directors, officers and stockholders who attended the Annual Stockholders’ Meeting held on May 26, 2023.

Name	Designation
Tommy Kin Hing Tia	Chairman
Anson Chua Tiu Co	Vice-Chairman
Anna Mei Nga Tia	President/CEO
Angel Severino Raul B. Ilagan, Jr.	Director
Timothy K. Tia	Director
Ricardo R. Blancaflor	Independent Director
Jason Paul P. Malajacan	Independent Director
Emilio S. Teng	Corporate Information Officer
Juana Lourdes M. Buyson	Treasurer
Maria Elena F. Alqueza	Corporate Secretary
Ma. Marry Janette M. Lescano	Asst. Corporate Secretary

- 5) List of material information on the current stockholders and their voting rights as of March 31, 2024:

Rank	Name of Stockholder	Citizenship	Number of Shares	Percentage
1	PCD Nominee Corp.	Filipino	953,500,959	90.770%
2	PCD Nominee Corp.	Non-Filipino	34,683,416	3.302%
3	Co An	Filipino	30,000,000	2.856%
4	Dexter O. Tiu	Filipino	3,673,000	0.350%
5	Estate of Gregorio K. Sy Suan	Filipino	3,437,000	0.327%
6	Agustin G. Tiu	Filipino	3,273,000	0.312%

7	Solar Securities, Inc.	Filipino	2,729,383	0.260%
8	Chih Hui Li	Taiwanese	1,000,000	0.095%
9	Lucio Wong Yan	Filipino	1,000,000	0.095%
10	Tommy Kin Hing Tia	Chinese	600,000	0.057%
11	Pio R. Marcos	Filipino	560,044	0.053%
12	Horacio Rodriguez	Filipino	500,000	0.048%
13	Manuel Sy	Filipino	500,000	0.048%
14	Jandric Arvin Yao	Filipino	500,000	0.048%
15	Betty Limsin or Bernard Legarda	Filipino	400,000	0.038%
16	Santiago Javier Ranada	Filipino	360,000	0.034%
17	Helen H. Espino	Filipino	325,440	0.031%
18	Cristino Naguiat, Jr.	Filipino	300,000	0.029%
19	Romeo C. Espino	Filipino	262,500	0.025%
20	Leslie Espino	Filipino	255,000	0.024%

Voting Rights

Each share is entitled to one (1) vote.

With respect to election of directors, said stockholder may vote such number of 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 on the same principle among as many candidates as he shall see fit, provided, that the total number of votes cast by him shall not exceed the number of shares owned by him multiplied by the whole number of directors to be elected.

6) An explanation of the dividend policy and the fact of payment of dividends or the reasons for non-payment thereof - Please see Annex "A" Page 2 Dividends.

7) A director attendance report, indicating the attendance of each director at each of the meetings of the board and its committees and in regular or special stockholders' meeting – Please see Annex "A" Page 4 Attendance of Directors in Board meetings, regular stockholders' meeting and Board Committee meetings.

8) Appraisals and performance report for the Board and their criteria and procedure for assessment – Members of the Board annually assess the Board's and their own individual performance based on standards by indicating whether the director is compliant with each of the standard. In case of non-compliance to a particular standard, the director is required to disclose the same and state the reason for the non-compliance. The duly accomplished Director's Performance Evaluation Sheet is submitted to the Corporation's Executive Committee.

9) A directors' compensation report prepared in accordance with the Code and the rules the Commission may prescribe – Please see *Item 6. Compensation of Directors and Executive Officers*.

10) Directors' disclosures on self-dealing and related party transactions – There are no self-dealing or related party transactions related to any of the Directors.

UNDERTAKING

UPON WRITTEN REQUEST OF A STOCKHOLDER, THE COMPANY WILL PROVIDE, WITHOUT CHARGE, A COPY OF THE COMPANY'S 2023 ANNUAL REPORT ON SEC FORM 17-A DULY FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. SUCH WRITTEN REQUEST SHOULD BE ADDRESSED TO:

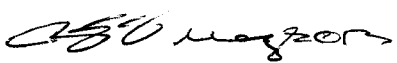
**THE OFFICE OF THE CORPORATE SECRETARY
OMICO CORPORATION
Suite 1109 East Tower, Tektite Towers (formerly: PSE Centre)
Exchange Road, Ortigas Center, Pasig City 1605**

SIGNATURES

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in Pasig City on April 25, 2024.

OMICO CORPORATION

.....
Issuer


By: JUANA LOURDES M. BUYSON
Treasurer

ANNEX “A”

BRIEF DESCRIPTION OF THE GENERAL NATURE AND SCOPE OF BUSINESS

Omico Corporation (the Parent Company or the Company or Omico) was incorporated in the Philippines and was registered with the Securities and Exchange Commission (SEC) on August 30, 1968. Its corporate term was extended to another fifty (50) years from and after the date of expiration of its first fifty (50)-year term on August 29, 2018, as per SEC Certificate of Filing of Amended Articles of Incorporation dated October 21, 2015. It holds 100% interest both in Omico Kapital Corporation, a subsidiary which ceased operations in 1997, and Omico Mining Inc. (*formerly Omico-Ivanhoe Mining Inc.*). The two subsidiaries have no commercial operation as of December 31, 2023 and 2022. The Company listed its shares of stock in the Philippine Stock Exchange (PSE) on May 2, 1969.

The Company’s main business activities are mining exploration and property development. The Company is licensed to operate, prospect, mine, and deal with all kinds of ores, metals and minerals.

The mining exploration segment is engaged in the exploration activities of mine site while the property development segment is engaged in the marketing and sale of real estate and evaluation of future development of other real estate properties.

MARKET PRICE AND DIVIDENDS ON REGISTRANT’S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Market Information

The Company’s common equity is traded in the PSE. As of March 31, 2024, the total number of shares owned by the public is 887,835,590 or 84.519% of the total issued and outstanding shares of the Company of 1,050,461,673 shares.

Stock price as of April 24, 2024 was at PhP0.24 per share.

The high and low share prices for the first quarter 2024 and for each quarter for fiscal years 2023 and 2022 are as follows:

Quarter	High	Low
<u>2024</u>		
1 ST	0.275	0.228
<u>2023</u>		
4 TH	0.275	0.228
3 RD	0.260	0.228
2 ND	0.315	0.250
1 ST	0.330	0.295
<u>2022</u>		
4 TH	0.380	0.300
3 RD	0.350	0.330
2 ND	0.350	0.340
1 ST	0.365	0.335

Stockholders

The approximate number of holders of each class of common security as of March 31, 2024 is 2,869.

As of March 31, 2024, the top twenty (20) shareholders are the following:

Rank	Name of Stockholder	Citizenship	Number of Shares	Percentage
1	PCD Nominee Corp.	Filipino	953,500,959	90.770%
2	PCD Nominee Corp.	Non-Filipino	34,683,416	3.302%
3	Co An	Filipino	30,000,000	2.856%
4	Dexter O. Tiu	Filipino	3,673,000	0.350%
5	Estate of Gregorio K. Sy Suan	Filipino	3,437,000	0.327%
6	Agustin G. Tiu	Filipino	3,273,000	0.312%
7	Solar Securities, Inc.	Filipino	2,729,383	0.260%
8	Chih Hui Li	Taiwanese	1,000,000	0.095%
9	Lucio Wong Yan	Filipino	1,000,000	0.095%
10	Tommy Kin Hing Tia	Chinese	600,000	0.057%
11	Pio R. Marcos	Filipino	560,044	0.053%
12	Horacio Rodriguez	Filipino	500,000	0.048%
13	Manuel Sy	Filipino	500,000	0.048%
14	Jandric Arvin Yao	Filipino	500,000	0.048%
15	Betty Limsin or Bernard Legarda	Filipino	400,000	0.038%
16	Santiago Javier Ranada	Filipino	360,000	0.034%
17	Helen H. Espino	Filipino	325,440	0.031%
18	Cristino Naguiat, Jr.	Filipino	300,000	0.029%
19	Romeo C. Espino	Filipino	262,500	0.025%
20	Leslie Espino	Filipino	255,000	0.024%

Dividends

Declaration of dividends is subject to approval by the Board of Directors and/or its Shareholders. As per Section 42 of the Revised Corporation Code, the Board of Directors of a stock corporation may declare dividends out of the unrestricted retained earnings which shall be payable in cash, property, or in stock held by them.

There were no dividends declared during the last two fiscal years 2023 and 2022 and during the first quarter of year 2024. The Company's continuing net loss performance inhibits the paying of dividends to shareholders.

Recent Sales of Unregistered Securities or Exempt Securities, Including Recent Issuance of Securities Constituting an Exempt Transaction

- No securities sold
- No underwriters and other purchases
- No consideration
- No exemption from Registration Claimed

CORPORATE GOVERNANCE

Compliance with Leading Practices on Corporate Governance

Compliance with SEC Memorandum Circular No. 2 Series 2002, Code of Corporate Governance, dated April 05, 2002 as well as relevant circulars on Corporate Governance had been monitored. The Company's Manual on Corporate Governance was revised and amended on March 19, 2010 pursuant to SEC Memorandum Circular No. 6 Series of 2009, Revised Code of Corporate Governance (the "Code"). On July 31, 2014, the Company submitted the amended Manual on Corporate Governance pursuant to SEC Memorandum Circular No. 9 Series of 2014 – Amendment to the Revised Code of Corporate Governance. In compliance with SEC Memorandum Circular No. 19, Series of 2016, entitled "Code of Corporate Governance for Publicly-Listed Companies," the Company submitted its New Manual on Corporate Governance on May 31, 2017.

Pursuant to the SEC Memorandum Circular No. 24, Series of 2019, on the Code of Corporate Governance for Public Companies and Registered Users, a New Manual on Corporate Governance shall be submitted within six (6) months from the effectivity of the said SEC MC or until July 12, 2020. On June 05, 2020, the Board of Directors resolved to approve and adopt the Company's New Manual on Corporate Governance (June 2020) and was submitted to the PSE and SEC July 13, 2020. This New Manual on Corporate Governance (June 2020) shall supersede the Manual on Corporate Governance adopted by the Company on May 31, 2017.

The Company complied with the leading practices and principles on good corporate governance. The Company's Manual on Corporate Governance has been complied with and there were no deviations from the same.

Pursuant to the SEC Memorandum Circular No. 4, Series of 2012 ("Guidelines for the Assessment of the Performance of Audit Committees of Companies Listed on the Exchange"), the Corporation's Audit Committee Charter was approved by the Board of Directors on September 26, 2012 and the prescribed yearly self-assessment for the year 2022 was conducted by the Audit Committee on April 20, 2023.

In compliance with SEC Memorandum Circular No. 20, Series of 2013, the Company's directors and key officers have attended the Corporate Governance Seminar for the year 2023 conducted by an accredited training provider of the SEC.

Pursuant to the New Code of Corporate Governance as per SEC MC No. 19, Series of 2016 and in accordance with the Company's New Manual on Corporate Governance, the Board of Directors of the Company created the Corporate Governance Committee on May 25, 2018 to assist the Board in the performance of its corporate governance responsibilities. The Corporate Governance Committee Charter sets out the mandate, significance, membership, operations and functions of the Committee of the Company and provides the guidelines which shall govern the performance of its duties and responsibilities.

The Board of Directors conducted a review of the Company's material controls (including operational, financial and compliance controls) and risk management systems.

The Board of Directors continues to review and evaluate the Company's Manual of Corporate Governance and makes necessary changes in response to changes in the Company's business. The Company plans to adopt whatever new principles and practices applicable to the Company that may evolve to improve its corporate governance.

Annual Corporate Governance Reports

The SEC MC No. 15, Series of 2017 entitled “Integrated Annual Corporate Governance Report (I-ACGR)” states that to harmonize the corporate governance requirements of the SEC and the PSE, the SEC pursuant to its regulatory and supervisory power mandates that all companies already listed in the PSE by December 31 of a given year shall submit a fully accomplished I-ACGR on May 30 of the following year for every year that the company remains listed in the PSE. The SEC MC No. 15, Series of 2017, further states that the I-ACGR shall be posted on the company website within five (5) business days from submission to the SEC.

Pursuant to the SEC MC No. 15, Series of 2017, the Company submitted its I-ACGR as of December 31, 2022 to the SEC and the PSE on May 26, 2023 and posted the same to the Company’s website thereafter.

Attendance of Directors in Board Meetings (for the Year 2023)

Board	Name	Date of Election	No. of Meetings Held during the year	No. of Meetings Attended	%
Board Chairman	Tommy Kin Hing Tia	05.26.23	4	4	100%
Board Vice-Chairman	Anson Chua Tiu Co	05.26.23	4	4	100%
Board Member President/CEO	Anna Mei Nga Tia	05.26.23	4	4	100%
Board Member	Angel Severino Raul B. Ilagan, Jr.	05.26.23	4	4	100%
Board Member	Timothy K. Tia	05.26.23	4	4	100%
Board Member Independent Director	Ricardo R. Blancaflor	05.26.23	4	4	100%
Board Member Independent Director	Jason Paul P. Malajacan	05.26.23	4	4	100%

Attendance of Directors in Regular Stockholders’ Meeting

All of the above-named directors attended the regular Annual Stockholders’ Meeting held on May 26, 2023.

Attendance of Directors in Board Committee Meetings (for the Year 2023)

In 2023, the Audit Committee held four (4) meetings with full Committee Members attendance.

In 2023, the Corporate Governance Committee held two (2) meetings with full Committee Members attendance.

Training and external courses attended by Directors and Senior Management for the past three (3) years and continuing education programs for Directors

Name of Director/Officer	Date of Training	Program	Name of Training Institution
Tommy Kin Hing Tia - Chairman	October 6, 2023 October 21, 2022 September 24, 2021	Corporate Governance Seminar Corporate Governance Seminar Corporate Governance Seminar	ROAM, Inc. ROAM, Inc. ROAM, Inc.
Anson Chua Tiu Co - Vice Chairman	October 6, 2023 October 21, 2022 September 24, 2021	Corporate Governance Seminar Corporate Governance Seminar Corporate Governance Seminar	ROAM, Inc. ROAM, Inc. ROAM, Inc.
Anna Mei Nga Tia - President/CEO	October 6, 2023 October 21, 2022 September 24, 2021	Corporate Governance Seminar Corporate Governance Seminar Corporate Governance Seminar	ROAM, Inc. ROAM, Inc. ROAM, Inc.
Angel Severino Raul B. Ilagan, Jr. - Director	October 6, 2023 October 21, 2022 September 24, 2021	Corporate Governance Seminar Corporate Governance Seminar Corporate Governance Seminar	ROAM, Inc. ROAM, Inc. ROAM, Inc.
Timothy K. Tia - Director	October 6, 2023 October 21, 2022	Corporate Governance Seminar Corporate Governance Seminar	ROAM, Inc. ROAM, Inc.
Jason Paul P. Malajacan - Independent Director	October 6, 2023 October 21, 2022	Corporate Governance Seminar Corporate Governance Seminar	ROAM, Inc. ROAM, Inc.
Emilio S. Teng - Corporate Information Officer	October 6, 2023 October 21, 2022 August 19 & 20, 2021	Corporate Governance Seminar Corporate Governance Seminar Corporate Governance Training	ROAM, Inc. ROAM, Inc. Institute of Corporate Directors (ICD)
Juana Lourdes M. Buyson – Treasurer/Compliance Officer	October 6, 2023 October 21, 2022 September 24, 2021	Corporate Governance Seminar Corporate Governance Seminar Corporate Governance Seminar	ROAM, Inc. ROAM, Inc. ROAM, Inc.
Maria Elena F. Alqueza - Corporate Secretary	October 6, 2023 October 21, 2022 September 24, 2021	Corporate Governance Seminar Corporate Governance Seminar Corporate Governance Seminar	ROAM, Inc. ROAM, Inc. ROAM, Inc.
Ma. Marry Janette M. Lescano - Assistant Corporate Secretary	October 6, 2023 October 21, 2022 September 24, 2021	Corporate Governance Seminar Corporate Governance Seminar Corporate Governance Seminar	ROAM, Inc. ROAM, Inc. ROAM, Inc.

Atty. Ricardo R. Blancaflor, Independent Director, is a Fellow and Member of the Teaching Faculty of the Institute of Corporate Directors, an SEC accredited institutional training provider for corporate governance and as such, Atty. Blancaflor is considered to be exempt from compliance with SEC Memorandum Circular No. 20, Series of 2013 which directs all key officers and members of the board of publicly-listed companies to attend, at least once a year, a program on corporate governance conducted by training providers that are duly accredited by the SEC.

Audit Committee Report for 2023

The Audit Committee Charter, which was approved by the Board on September 26, 2012, sets out the mandate, significance, membership, operations and functions of the Audit Committee of the Company and provides the guidelines which shall govern the performance of its duties and responsibilities. The provisions of the Audit Committee Charter have been complied with.

The Company has a Management Attestation Statement from the President/CEO and the Compliance Officer containing representations, among others, that a sound internal control and compliance system is in place and working effectively.

The Audit Committee, in fulfillment of its oversight responsibilities under the Code, has assisted the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control/risk management systems, audit process and monitoring of compliance with applicable laws, rules and regulations.

On March 25, 2019, the Board of Directors, on the recommendation of the Audit Committee, approved the Amended Audit Committee Charter in compliance with the provisions of the SEC New Code of Corporate Governance as per SEC MC No. 19, Series of 2016 entitled “Code of Corporate Governance for Publicly-Listed Companies” and in accordance with the Company’s New Manual on Corporate Governance dated May 2017. The amendments include, among others, the other duties and responsibilities of the Audit Committee which are the performance of the functions of a Board Risk Oversight Committee that should be responsible for the oversight of the Company’s Enterprise Risk Management system to ensure its functionality and effectiveness and the performance of the functions of a Related Party Transactions Committee which is tasked with reviewing all material related party transactions of the Company.

Material Related Party Transactions (RPT) Rules

Pursuant to the SEC MC No. 10, Series of 2019, entitled “Rules on Material Related Party Transactions for Publicly-Listed Companies,” compliance to the SEC Material RPT Rules shall be mandatory for all Publicly-Listed Companies.

On October 08, 2019, pursuant to the SEC MC No. 10, Series of 2019, the Company submitted to the SEC a Policy on Material Related Party Transactions in accordance with the SEC Material RPT Rules.

SEC Requirement on the Submission of E-mail Addresses and Cellular Phone Numbers (SEC MC No. 28, Series of 2020)

On August 27, 2020, the SEC issued Memorandum Circular (MC) No. 28, Series of 2020, on the Requirement for Corporations, Partnerships, and Individuals to Create and/or Designate E-mail Account Address and Cellular Phone Number for Transactions with the SEC, which shall be submitted to the SEC within sixty (60) days from the effectivity of said rules.

In addition to the valid official e-mail address and official cellular phone number, every corporation, association, partnership, and person under the jurisdiction and supervision of the SEC shall also submit a valid alternate e-mail address and valid alternate cellular phone number. The submission of the e-mail addresses and cellular phone numbers shall be accompanied by a duly signed Certification of Authorization which shall state that the corporation, partnership, association, or person allows the SEC to send notices, letter-replies, orders, decisions, and/or other documents through the e-mail addresses and cellular phone numbers provided, for the purpose of complying with the notice requirement of administrative due process.

Pursuant to the SEC MC No. 28, Series of 2020, the Company submitted to the SEC the Company’s designated official e-mail address, official cellphone number, alternate e-mail address, alternate cellular phone number and the required Certification of Authorization on December 23, 2020.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

REVIEW OF CURRENT YEAR 2023 OPERATIONS

Total assets decreased by 2.913% from PhP633.79Million as of December 31, 2022 to PhP615.32Million as of December 31, 2023. Total liabilities decreased by 4.451% from PhP26.00Million in 2022 to PhP24.84Million in 2023. Stockholders' Equity decreased to PhP590.48Million as of December 31, 2023 from PhP607.78Million as of December 31, 2022.

Revenues for the year 2023 amounted to PhP27.39Million derived from real estate sales and investment and other income as compared to PhP50.49Million in 2022. Total cost and expenses amounted to PhP47.04Million and PhP62.73Million for the year 2023 and 2022, respectively. Net loss amounted to PhP19.66Million and PhP12.24Million for the year 2023 and 2022, respectively.

The top five (5) key performance ratios/indicators of the Company for the years ended December 31, 2023 and 2022 are as follows:

Financial Ratios:

Ratios	Formula	2023	2022
Current Ratio		34.845:1	29.976:1
	Current Assets/ Current Liabilities	<u>438,120,658</u> 12,573,119	<u>426,225,567</u> 14,219,051
Debt to Equity Ratio		0.042:1	0.043:1
	Total Liabilities/ Stockholders' Equity	<u>24,844,511</u> 590,476,734	<u>26,001,781</u> 607,783,865
Debt to Total Assets Ratio		0.040:1	0.041:1
	Total Liabilities/ Total Assets	<u>24,844,511</u> 615,321,245	<u>26,001,781</u> 633,785,646
Book Value Per Share		PhP0.562	PhP0.579
	Stockholders' Equity/ Total No. Shares	<u>590,476,734</u> 1,050,461,673	<u>607,783,865</u> 1,050,461,673
Earnings/(Loss) Per Share		(PhP.01871)	(PhP.0117)
	Net Income/ (Loss) Weighted Average Shares	<u>(19,657,131)</u> 1,050,461,673	<u>(12,241,994)</u> 1,050,461,673

(i) Known Trends, Events or Uncertainties Affecting Liquidity

The Company does not expect any trends, demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Company's liquidity increasing or decreasing in a material way.

The Company is not aware of any trends, demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Company's liquidity increasing or decreasing in a material way.

The company does not anticipate any cash flow or liquidity problems.

The company is not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring payments.

The Company is evaluating possible business ventures in which it is allowed to engage under its articles of incorporation, to invest its sizeable cash and cash equivalent to provide additional sources of revenue and maximize investor return.

(ii) Events That Will Trigger Direct or Contingent Financial Obligation

The Company does not expect any event that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

(iii) Material Off-Balance Sheet Transactions, Arrangements, Obligations

The Company has no 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.

(iv) Capital Expenditures

There are no material commitments for capital expenditures for the next twelve months. However, the Company is evaluating possible business ventures, which may require capital expenditures.

(v) Known Trends, Events or Uncertainties Affecting Sales

The Company does not expect any trends, events or uncertainties that may have material favorable or unfavorable impact on sales or revenues.

(vi) Significant Elements of Income or Loss

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

(vii) Causes for Material Changes in the Financial Statements

Balance Sheet (Financial Position) Accounts

Decrease in Cash and Cash Equivalents - 3.243%

December 31, 2023	December 31, 2022	Increase/(Decrease)
290,619,543	300,361,359	(9,741,816)

The net decrease in Cash and Cash Equivalents is mainly due to the Company's investment in Crown Technologies Inc., disbursements for development costs on the Company's Sta. Rosa Homes project and operating expenses which was partially offset by the proceeds from the sale of Sta. Rosa Homes housing units, interest income on deposits/placements with banks and dividend income.

Cash accounts with banks generally earn interest at rates based on prevailing bank deposit rates. Short-term placements can be pre-terminated at any time and have average interest rates ranging from 0.10% to 6.38% and 0.10% to 6.00% per annum in 2023 and 2022, respectively.

Decrease in Financial Assets at Fair Value through Profit or Loss – 37.72%

December 31, 2023	December 31, 2022	Increase/(Decrease)
45,874,820	73,654,707	(27,779,887)

The Company's financial assets at fair value through profit or loss consist of shares of stocks of publicly listed companies which are classified as held for trading.

The Company recognized fair value loss of P12,767,419 and P9,114,309 in 2023 and 2022, respectively. The Company also disposed certain shares of stock which resulted to a net gain of P2,247,636 and P58,838 in 2023 and 2022, respectively.

Dividend income earned on these investments amounted to P2,622,062 and P2,528,855 in 2023 and 2022, respectively.

Decrease in Receivables - Net - 28.932%

December 31, 2023	December 31, 2022	Increase/(Decrease)
24,389,066	34,317,962	(9,928,896)

The net decrease in Receivables is mainly due to the decrease in receivables on installment sales contract on the sale of Sta. Rosa Homes housing units and receivable from HDMF (Pag-IBIG Fund).

Installment contracts receivable on the sale of house and lots which pertains to Sta. Rosa Homes project are collectible in monthly installments for periods ranging from 3 to 7 years and bear an interest rate of 21% per annum computed on the diminishing balance, portion of which are covered with postdated checks.

For the years ended December 31, 2023 and 2022, interest income on installment accounts amounted to PhP1.88Million and PhP1.38Million, respectively.

Due from HDMF (Pag-IBIG Fund) represents portion of take-out proceeds on sale of real estate properties that were withheld in accordance with financing agreement with Home Development Mutual Fund.

Increase in Real Estate for Sale - 403.572%

December 31, 2023	December 31, 2022	Increase/(Decrease)
72,621,453	14,421,256	58,200,197

Real estate for sale, which is carried at cost, principally pertains to cost of raw land, property developments and other expenses related to construction and development of subdivision and condominium units. Construction and development costs include the cost of materials, labor and other related costs.

In 2023, Management has determined that certain parcels of land in Urdaneta City with a total area of 21.85 hectares will be developed into a low and medium cost residential and commercial subdivision. In view thereof, these parcels of land with a carrying value of P48,868,370 were reclassified out of investment property to real estate for sale classification.

Increase in Prepayments and Other Current Assets – 33.009%

December 31, 2023	December 31, 2022	Increase/(Decrease)
4,615,776	3,470,283	1,145,493

The increase in Prepayments and Other Current Assets is mainly due to the increase prepaid taxes and input value added tax.

Prepaid taxes consist of creditable withholding taxes at source.

Input value added tax represents the 12% Value Added Tax (VAT) on purchases of goods and services.

Decrease in Installment Contract Receivable – net of current portion - 19.204%

December 31, 2023	December 31, 2022	Increase/(Decrease)
12,159,402	15,049,531	(2,890,129)

The decrease in Installment Contract Receivable represents the decrease in the non-current portion of installment contract receivable on the sale of housing units in the Company's Sta. Rosa Homes' project.

Increase in Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI) – 384.773%

December 31, 2023	December 31, 2022	Increase/(Decrease)
37,992,090	7,837,090	30,155,000

Financial assets at fair value through other comprehensive income (FVOCI) increased from PhP7.88Million in 2022 to PhP37.99Million in 2023.

Unquoted equity investments comprise of equity interest in Macawiwili Gold Mining and Development Co., Inc and Simple Agreement for Future Equity (SAFE) investment in Crown Technologies Holding Pte. Ltd., a private limited company incorporated in Singapore.

SAFE is an instrument allowing the Company a future right to subscribe to shares of stock of the issuer for an undetermined price. The conversion of the instrument to shares of stock will occur after the 12-month period from the date of purchase at prevailing market valuation. In the event that the SAFE agreement is terminated prior to conversion date, the Company is entitled for full refund plus interest of 8%. As of December 31, 2023, the instrument is classified as financial instrument at FVOCI.

Other Financial Assets consist of golf club shares in Manila Southwoods and Tagaytay Midlands.

Increase in Property and Equipment – Net – 53.508%

December 31, 2023	December 31, 2022	Increase/(Decrease)
4,291,949	2,795,917	1,496,032

The net increase in Property and Equipment is mainly due to the acquisition of a Company vehicle and provision for depreciation for the year 2023.

In 2023, a condominium unit with carrying value of P1,487,708 was reclassified to investment property classification as this property is now held to earn rental.

Decrease in Investment Properties - 35.448%

December 31, 2023	December 31, 2022	Increase/(Decrease)
107,660,630	166,781,025	(59,120,395)

In 2023, Management has determined that certain parcels of land in Urdaneta City with a total area of 21.85 hectares will be developed into a low and medium cost residential and commercial subdivision. In view thereof, these parcels of land with a carrying value of P48,868,370 were reclassified out of investment property to real estate for sale classification.

During 2023, a condominium unit owned by the Company located at Maybunga, Pasig City with a floor area of 30.10 square meters which was previously used as an office was reclassified into investment property as such unit is now held for rental.

Decrease in Accounts Payable and Accrued Expenses – 11.576%

December 31, 2023	December 31, 2022	Increase/(Decrease)
12,573,119	14,219,051	(1,645,932)

The decrease in Accounts Payable and Accrued Expenses is mainly due to the decrease in customers' advances and deposits on the sale of Sta.Rosa Homes' housing units wherein the buyers' deposits were recognized as accounts payable and the decrease in Accrued Taxes and Other Liabilities.

Customers' advances pertain to funding from buyers of real estate for future application against transfer and registration fees and other taxes to be incurred upon transfer of properties to the buyer.

Customers' deposits represent collections from the buyers which have not reached the minimum required percentage of collections. These deposits will be recognized as revenue when the required percentage of collection is met.

Accrued taxes and other liabilities include deferred output tax and withholding taxes payable.

Increase in Accrued Retirement Liability – 4.147%

December 31, 2023	December 31, 2022	Increase/(Decrease)
12,271,392	11,782,730	488,662

The net increase in Accrued Retirement Liability is mainly due to the accrual of retirement benefits and payment of retirement expense for the year 2023.

Accrued Retirement Liability pertains to the accrual of retirement benefits as required by the provisions of RA No. 7641 (Retirement Law). Under RA 7641, the Company is required to provide minimum retirement benefits to qualified employees.

Revenues and Expenses

Decrease in Revenues – 45.753%

December 31, 2023	December 31, 2022	Increase/(Decrease)
27,387,282	50,486,392	(23,099,110)

The net decrease in Revenues is mainly due to the decrease in real estate sales of housing units in the Company's Sta. Rosa Homes housing project located in Sta. Rosa, Nueva Ecija and condominium units at The Wellington Courtyard, Tagaytay City, a joint venture project with RLC.

Decrease in Cost and Expenses – 25.003%

December 31, 2023	December 31, 2022	Increase/(Decrease)
47,044,413	62,728,386	(15,683,973)

The decrease in Cost and Expenses is mainly due to the decrease in cost of real estate sales of housing units in the company's Sta. Rosa Homes housing project located in Sta. Rosa, Nueva Ecija.

There are no seasonal aspects that will have material effect on the Company's financial condition or results of operations.

REVIEW OF PREVIOUS YEAR 2022 OPERATIONS

Total assets decreased by 2.294% from PhP648.66Million as of December 31, 2021 to PhP633.79Million as of December 31, 2022. Total liabilities decreased by 18.328% from PhP31.84Million in 2021 to PhP26.00Million in 2022. Stockholders' Equity decreased to PhP607.78Million as of December 31, 2022 from PhP616.83Million as of December 31, 2021.

Revenues for the year 2022 amounted to PhP50.49Million derived from real estate sales and investment and other income as compared to PhP39.51Million in 2021. Total cost and expenses amounted to PhP62.73Million and PhP54.75Million for the year 2022 and 2021, respectively. Net loss amounted to PhP12.24Million and PhP15.24Million for the year 2022 and 2021, respectively.

The top five (5) key performance ratios/indicators of the Company for the years ended December 31, 2022 and 2021 are as follows:

Financial Ratios:

Ratios	Formula	2022	2021
Current Ratio		29.976:1	26.514:1
	Current Assets/ Current Liabilities	<u>426,225,567</u> 14,219,051	<u>444,747,708</u> 16,774,197
Debt to Equity Ratio		0.043:1	0.052:1
	Total Liabilities/ Stockholders' Equity	<u>26,001,781</u> 607,783,865	<u>31,837,009</u> 616,825,859
Debt to Total Assets Ratio		0.041:1	0.049:1
	Total Liabilities/ Total Assets	<u>26,001,781</u> 633,785,646	<u>31,837,009</u> 648,662,868
Book Value Per Share		PhP0.579	PhP0.587
	Stockholders' Equity/ Total No. Shares	<u>607,783,865</u> 1,050,461,673	<u>616,825,859</u> 1,050,461,673
Earnings/(Loss) Per Share		(PhP.0117)	(PhP.0145)
	Net Income/ (Loss)	<u>(12,241,994)</u>	<u>(15,237,734)</u>

Weighted Average Shares	1,050,461,673	1,050,461,673
----------------------------	---------------	---------------

Causes for Material Changes in the Financial Statements

Balance Sheet (Financial Position) Accounts

Decrease in Cash and Cash Equivalents - 5.964%

December 31, 2022	December 31, 2021	Increase/(Decrease)
300,361,359	319,410,098	(19,048,739)

The net decrease in Cash and Cash Equivalents is mainly due investment in marketable securities which are held for trading, disbursements for development costs on the Company's Sta. Rosa Homes project and operating expenses which was partially offset by the proceeds from the sale of Sta. Rosa Homes housing units and The Wellington Courtyard, Tagaytay City, condominium units, interest income on deposits/placements with banks and dividend income.

Cash accounts with banks generally earn interest at rates based on prevailing bank deposit rates. Short-term placements can be pre-terminated at any time and have average interest rates ranging from 0.10% to 6.00% and 0.10% to 0.90% per annum in 2022 and 2021, respectively.

Increase in Financial Assets at Fair Value through Profit or Loss – 12.972%

December 31, 2022	December 31, 2021	Increase/(Decrease)
73,654,707	65,197,538	8,457,169

The Company's financial assets at fair value through profit or loss consist of shares of stocks of publicly listed companies which are classified as held for trading.

The Company disposed certain shares of stock which resulted to a net gain of PhP58,838 and PhP3.3Million in 2022 and 2021, respectively. The Company recognized fair value loss of P9.11Million and P3.72Million in 2022 and 2021, respectively.

Increase in Receivables - Net - 61.861%

December 31, 2022	December 31, 2021	Increase/(Decrease)
34,317,962	21,202,123	13,115,839

The net increase in Receivables is mainly due to the increase in receivables on installment sales contract on the sale of Sta. Rosa Homes housing units and receivable from HDMF (Pag-IBIG Fund).

Installment contracts receivable on the sale of house and lots which pertains to Sta. Rosa Homes project are collectible in monthly installments for periods ranging from 3 to 7 years and bear an interest rate of 21% per annum computed on the diminishing balance, portion of which are covered with postdated checks.

For the years ended December 31, 2022 and 2021, interest income on installment accounts amounted to PhP1.38Million and PhP1.64Million, respectively.

Due from HDMF (Pag-IBIG Fund) represents portion of take-out proceeds on sale of real estate properties that were withheld in accordance with financing agreement with Home Development Mutual Fund.

Decrease in Real Estate for Sale - 29.730%

December 31, 2022	December 31, 2021	Increase/(Decrease)
14,421,256	35,811,261	(21,390,005)

The decrease in Real Estate for Sale is mainly due to the sale of Sta. Rosa Homes' housing units located in Sta. Rosa, Nueva Ecija and condominium units in The Wellington Courtyard, Tagaytay City, a joint venture project with RLC.

Real estate for sale, which is carried at cost, principally pertains to cost of raw land, property developments and other expenses related to construction and development of subdivision housing units. Construction and development costs include the cost of materials, labor and other related costs.

Increase in Prepayments and Other Current Assets – 10.989%

December 31, 2022	December 31, 2021	Increase/(Decrease)
3,470,283	3,126,688	343,595

The increase in Prepayments and Other Current Assets is mainly due to the increase prepaid taxes.

Increase in Installment Contract Receivable – net of current portion - 6.148%

December 31, 2022	December 31, 2021	Increase/(Decrease)
15,049,531	14,177,842	871,689

The increase in Installment Contract Receivable represents the increase in the non-current portion of installment contract receivable on the sale of housing units in the Company's Sta. Rosa Homes' project.

Increase in Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI) – 69.009%

December 31, 2022	December 31, 2021	Increase/(Decrease)
7,8378,090	4,637,090	3,200,000

Financial assets at fair value through other comprehensive income (FVOCI) increased from PhP4.64Million in 2021 to PhP7.84Million in 2022.

Unquoted equity investments comprise of equity interest in Macawiwili Gold Mining and Development Co., Inc. amounting to PhP337thousand in 2022 and 2021.

Other Financial Assets consist of golf club shares in Manila Southwoods and Tagaytay Midlands which share prices have increased from year 2021 to 2022. The fair values of these assets have been determined directly by reference to published prices in an active market.

The allowance for market adjustment amounting to PhP43.23Million and PhP46.43Million for

2022 and 2021, respectively, is shown under Equity as valuation reserve on FVOCI financial assets.

Decrease in Property and Equipment – Net – 13.243%

December 31, 2022	December 31, 2021	Increase/(Decrease)
2,795,917	3,222,687	(426,770)

The net decrease in Property and Equipment is mainly due to the provision for depreciation and acquisition of certain office equipments for the year 2022.

Decrease in Accounts Payable and Accrued Expenses – 15.233%

December 31, 2022	December 31, 2021	Increase/(Decrease)
14,219,051	16,774,197	(2,555,146)

The decrease in Accounts Payable and Accrued Expenses is mainly due to the decrease in customers' advances and deposits on the sale of Sta.Rosa Homes' housing units wherein the buyers' deposits were recognized as accounts payable.

Customers' advances pertain to funding from buyers of real estate for future application against transfer and registration fees and other taxes to be incurred upon transfer of properties to the buyer.

Customers' deposits represent collections from the buyers which have not reached the minimum required percentage of collections. These deposits will be recognized as revenue when the required percentage of collection is met.

Decrease in Accrued Retirement Liability – 21.776%

December 31, 2022	December 31, 2021	Increase/(Decrease)
11,782,730	15,062,812	(3,280,082)

The net decrease in Accrued Retirement Liability is mainly due to the payment of retirement expense and accrual of retirement benefits for the year 2022.

Accrued Retirement Liability pertains to the accrual of retirement benefits as required by the provisions of RA No. 7641 (Retirement Law). Under RA 7641, the Company is required to provide minimum retirement benefits to qualified employees.

Revenues and Expenses

Increase in Revenues – 27.764%

December 31, 2022	December 31, 2021	Increase/(Decrease)
50,486,392	39,515,396	10,970,996

The increase in Revenues is mainly due to the real estate sales of housing units in the Company's Sta. Rosa Homes housing project located in Sta. Rosa, Nueva Ecija and condominium units at The Wellington Courtyard, Tagaytay City, a joint venture project with RLC.

Increase in Cost and Expenses – 14.566%

December 31, 2022	December 31, 2021	Increase/(Decrease)
62,728,386	54,753,130	7,975,256

The increase in Cost and Expenses is mainly due to the increase in cost of real estate sales, administrative and selling expenses.

REVIEW OF PRIOR YEAR 2021 OPERATIONS

Total assets decreased by 8.420% from PhP708.30Million as of December 31, 2020 to PhP648.66Million as of December 31, 2021. Total liabilities increased by 14.838% from PhP27.72Million in 2020 to PhP31.84Million in 2021. Stockholders' Equity decreased to PhP616.83Million as of December 31, 2021 from PhP680.58Million as of December 31, 2020.

Revenues for the year 2021 amounted to PhP39.51Million derived from real estate sales and investment and other income as compared to PhP33.34Million in 2020. Total cost and expenses amounted to PhP54.75Million and PhP47.31Million for the year 2021 and 2020, respectively. Net loss amounted to PhP15.24Million and PhP13.97Million for the year 2021 and 2020, respectively.

The top five (5) key performance ratios/indicators of the Company for the years ended December 31, 2021 and 2020 are as follows:

Financial Ratios:

Ratios	Formula	2021	2020
Current Ratio		26.514:1	31.919:1
	Current Assets/	<u>444,747,708</u>	<u>453,316,684</u>
	Current Liabilities	16,774,197	14,201,905
Debt to Equity Ratio		0.052:1	0.041:1
	Total Liabilities/	<u>31,837,009</u>	<u>27,723,517</u>
	Stockholders' Equity	616,825,859	680,576,503
Debt to Total Assets Ratio		0.049:1	0.039:1
	Total Liabilities/	<u>31,837,009</u>	<u>27,723,517</u>
	Total Assets	648,662,868	708,300,020
Book Value Per Share		PhP0.587	PhP0.648
	Stockholders' Equity/	<u>616,825,859</u>	<u>680,576,503</u>
	Total No. Shares	1,050,461,673	1,050,461,673
Earnings/(Loss) Per Share		(PhP.0145)	(PhP.0133)
	Net Income/ (Loss)	<u>(15,237,734)</u>	<u>(13,966,911)</u>
	Weighted Average Shares	1,050,461,673	1,050,461,673

Causes for Material Changes in the Financial Statements

Balance Sheet (Financial Position) Accounts

Decrease in Cash and Cash Equivalents - 15.381%

December 31, 2021	December 31, 2020	Increase/(Decrease)
319,410,098	377,467,602	(58,057,504)

The net decrease in Cash and Cash Equivalents is mainly due investment in marketable securities which are held for trading, disbursements for development costs on the Company's Sta. Rosa Homes project and operating expenses which was partially offset by the proceeds from the sale of Sta. Rosa Homes housing units and interest income on deposits/placements with banks.

Cash accounts with banks generally earn interest at rates based on prevailing bank deposit rates. Short-term placements can be pre-terminated at any time and have average interest rates ranging from 0.10% to 0.90% and 0.10% to 1.00% per annum in 2021 and 2020, respectively.

Increase in Financial Assets at Fair Value through Profit or Loss – 1,715.705%

December 31, 2021	December 31, 2020	Increase/(Decrease)
65,197,538	3,590,757	61,606,781

The Company's financial assets at fair value through profit or loss consist of shares of stocks of publicly listed companies which are classified as held for trading.

The Company disposed certain shares of stock which resulted to a net gain of PhP3.3million in 2021 and net loss of PhP7.47million in 2020. The Company recognized fair value loss of PhP3.7million in 2021 and fair value gain of PhP9.03million in 2020.

Increase in Receivables - Net - 12.207%

December 31, 2021	December 31, 2020	Increase/(Decrease)
21,202,123	18,895,592	2,306,531

The net increase in Receivables is mainly due to the increase in receivables on installment sales contract on the sale of Sta. Rosa Homes housing units and receivable from HDMF (Pag-IBIG Fund).

Installment contracts receivable on the sale of house and lots which pertains to Sta. Rosa Homes project are collectible in monthly installments for periods ranging from 3 to 7 years and bear an interest rate of 21% per annum computed on the diminishing balance, portion of which are covered with postdated checks.

For the years ended December 31, 2021 and 2020, interest income on installment accounts amounted to PhP1.6million and PhP1.3million, respectively.

Due from HDMF (Pag-IBIG Fund) represents portion of take-out proceeds on sale of real estate properties that were withheld in accordance with financing agreement with Home Development Mutual Fund.

Decrease in Real Estate for Sale - 28.811%

December 31, 2021	December 31, 2020	Increase/(Decrease)
35,811,261	50,304,691	(14,496,430)

The decrease in Real Estate for Sale is mainly due to the sale of Sta. Rosa Homes' housing units located in Sta. Rosa, Nueva Ecija and a condominium unit in The Wellington Courtyard, Tagaytay City, a joint venture project with RLC.

Real estate for sale, which is carried at cost, principally pertains to cost of raw land, property developments and other expenses related to construction and development of subdivision housing units. Construction and development costs include the cost of materials, labor and other related costs.

Decrease in Installment Contract Receivable – net of current portion - 6.345%

December 31, 2021	December 31, 2020	Increase/(Decrease)
14,177,842	15,138,382	(960,540)

The decrease in Installment Contract Receivable represents the decrease in the non-current portion of installment contract receivable on the sale of housing units in the Company's Sta. Rosa Homes' project.

Decrease in Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI) - 91.275%

December 31, 2021	December 31, 2020	Increase/(Decrease)
4,637,090	53,150,000	(48,512,910)

The decrease in Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI) is mainly due to the decrease in the valuation of the equity interest in Macawiwili Gold Mining and Development Co., Inc.

Quoted equity investments consist of golf club shares in Manila Southwoods and Tagaytay Midlands. The fair values of these assets have been determined directly by reference to published prices in an active market.

The allowance for market adjustment amounting to PhP46.43million is shown under Equity as valuation reserve on FVOCI financial assets.

Decrease in Property and Equipment – Net – 33.103%

December 31, 2021	December 31, 2020	Increase/(Decrease)
3,222,687	4,817,413	(1,594,726)

The decrease in Property and Equipment is mainly due to the provision for depreciation for the year 2021.

Increase in Accounts Payable and Accrued Expenses - 18.112%

December 31, 2021	December 31, 2020	Increase/(Decrease)
16,774,197	14,201,905	2,572,292

The increase in Accounts Payable and Accrued Expenses is mainly due to the increase in customers' advances and deposits on the sale of Sta.Rosa Homes' housing units wherein the buyers' deposits were recognized as accounts payable.

Customers' advances pertain to funding from buyers of real estate for future application against transfer and registration fees and other taxes to be incurred upon transfer of properties to the buyer.

Customers' deposits represent collections from the buyers which have not reached the minimum required percentage of collections. These deposits will be recognized as revenue when the required percentage of collection is met.

Increase in Accrued Retirement Liability - 11.398%

December 31, 2021	December 31, 2020	Increase/(Decrease)
15,062,812	13,521,612	1,541,200

The increase in Accrued Retirement Liability is mainly due to the accrual of retirement benefits for the year as required by the provisions of RA No. 7641 (Retirement Law). Under RA 7641, the Company is required to provide minimum retirement benefits to qualified employees.

Revenues and Expenses

Increase in Revenues – 18.499%

December 31, 2021	December 31, 2020	Increase/(Decrease)
39,515,396	33,346,687	6,168,709

The increase in Revenues is mainly due to the real estate sales of housing units in the Company's Sta. Rosa Homes housing project located in Sta. Rosa, Nueva Ecija and condominium unit at The Wellington Courtyard, Tagaytay City, a joint venture project with RLC.

Increase in Cost and Expenses - 15.724%

December 31, 2021	December 31, 2020	Increase/(Decrease)
54,753,130	47,313,598	7,439,532

The increase in Cost and Expenses is mainly due to the increase in cost of real estate sales, administrative and selling expenses.

STATUS AND PLAN OF OPERATION

The Company's main business activities are mining exploration and property development. The Company is licensed to operate, prospect, mine, and deal with all kinds of ores, metals and minerals. The Company is also engaged in the business of real estate development.

The mining exploration segment was previously engaged in the exploration activities of mine site while the property development segment is presently engaged in the marketing and sale of real estate and evaluation of future development of other real estate properties.

The Company's businesses are organized and managed separately according to the nature of products provided, with each segment representing a strategic business unit that offers different products and serves different markets. The Company's business is segregated into mining exploration and property development.

MINING EXPLORATION SEGMENT

Omico-Macawiwili Mining Project

The Company previously held a mining agreement with Macawiwili to operate and mine on several claim blocks located within the Baguio Gold District, in the municipality of Itogon, Benguet. The agreement which was signed on September 30, 1968 and extended on January 10, 1996 is effective until January 10, 2021. On August 29, 2012, the Company executed a Termination of Mining Agreement with Macawiwili wherein the Company is relinquishing all its rights and obligations under the mining agreement including the MPSA. With this Agreement, the Company has given the reins in managing the project to Macawiwili but remains an active minority investor in the venture.

Philex Mining Corporation ("Philex") has made an Offer for an option to acquire controlling interest of the issued and outstanding capital stock in Macawiwili from the Macawiwili shareholders subject to the provisions of the Philex' Offer as embodied in a Philex' letter addressed to the Macawiwili shareholders.

Omico has 33,709,009 shares in Macawiwili or 2.2863% of Macawiwili's total issued and outstanding shares of 1,474,412,521 with a par value of PhP0.01 per share. Omico, as a minority shareholder, shall cooperate with Macawiwili and will abide by the decision of the majority of the Macawiwili shareholders regarding Philex' Offer.

Management decided to terminate the mining agreement with Macawiwili because Management would like to focus on other mining prospects/projects.

The Company is still interested in investing in mining and is scouting for other mining projects to explore, manage, operate or invest either solely or in partnership with other entities.

PROPERTY DEVELOPMENT SEGMENT

Ongoing Project – Sta. Rosa Homes, Sta. Rosa, Nueva Ecija

In December 2005, the Company launched the Sta. Rosa Homes project located in Bgy. Lourdes, Sta. Rosa, Nueva Ecija which is a 14.8-hectare residential project. When completed, the housing project will comprise 1,201 housing units with a balanced mix of single detached, single attached, duplex and rowhouse. The project will have complete community facilities which include underground drainage system, water and electrical distribution system, concrete road network, a clubhouse, parks and playgrounds. The Company is presently engaged in the marketing and selling of the housing units and the financing options available to buyers are Pag-Ibig and In-House financing.

The estimated total development cost of the Sta. Rosa Homes project is PhP395.60Million. As of December 31, 2023, the carrying value of the Sta. Rosa Homes project representing site acquisition cost, housing unit construction, initial land development costs, land use conversion expenses, permits and licenses, net of housing units sold, amounted to PhP9.17Million. With the proceeds from the stock rights offering, the Company allocated PhP110.32Million for site preparation, road construction, drainage and power distribution system, house construction, project overhead, taxes and licenses. The balance for the completion of the development of the Sta. Rosa Homes project is expected to be sourced from internally-generated funds on the sale of the housing units and from credit facility with banks. The total sale from the Sta. Rosa Homes project when completed is estimated at PhP635Milion.

As of December 31, 2023, the Company sold or received reservation payments for 1,176 units, 703 units through Pag-Ibig housing scheme and 473 units through in-house financing. The total sales contract amount of the 1,176 units is PhP623.06Million. As of December 31, 2023, total collections on the sale of housing units amounted to PhP579.26Million including HDMF loan takeout proceeds amounting to PhP336.29Million.

The Home Development Mutual Fund (commonly known as Pag-Ibig Fund) approved a budget allocation/funding commitment line of PhP19.775Million for the year 2023 for the Company as an accredited developer in the Expanded Housing Loan Program of the Pag-IBIG Fund. On April 24, 2006, the Company was granted by the Board of Investments (BOI) a certificate of registration as a “New Developer of Mass Housing Project” for the Company’s Sta. Rosa Homes project. As registrant, the Company is entitled to Income Tax Holiday (ITH) for a period of four (4) years from June 2006. The ITH expired in May 2010.

Joint Venture Project – Tagaytay City Property

On December 21, 2006, the Company entered into a Joint Venture Agreement with Robinsons Land Corporation (“RLC”), as the Developer, whereby the Company contributed three (3) parcels of land located in Tagaytay City with approximate land area of 9,372 square meters. RLC will develop a high density two-phase residential subdivision, consisting of five (5) 5-storey residential condominium buildings. Under the agreement, the Company and the Developer shall share in the development of Phase 1, consisting of 2 Medium Rise Buildings with a land area of 2,606 square meters, by dividing the saleable floor area of the Phase 1 between them, hence, the Company will be entitled to a saleable floor area of 485.04 square meters equivalent to 9 units. The development of Phase 2, consisting of 3 Medium Rise Buildings with a land area of 4,028 square meters, shall also be undertaken by the Developer.

On May 14, 2009, the Company signed the Addendum to the Joint Venture Agreement with RLC for the development of Phase 2. The Company will be entitled to a saleable floor area of 801.19 square meters which is equivalent to 16 units.

The residential project, which is located at the corner of Mahogany Avenue and Mayor’s Drive, is named The Wellington Courtyard (“TWC”). As per RLC’s development plan, the project has a country-inspired courtyard community with amenities like a main swimming pool, a reflecting pool and wading pool, and a multipurpose open court sprawled at the center for sports and special events. Each of the five (5) buildings has a western style design. RLC has already accomplished 100% of the construction of Building A and B of Phase 1, Building C, D and E of Phase 2 and site development and amenities.

The carrying values of the property contributed, which pertains to parcels of land net of the cost of condominium units sold, amounted to PhP2.84Million as of December 31, 2023. The Company expects to generate PhP85.43Million from the sale of the Company’s share of condominium units in Phase 1 (9 units) and Phase 2 (16 units). The development of Phase 3 or the commercial strip, which will be located in front of the residential project, shall be undertaken by the Company. RLC will have no share in Phase 3.

As of December 31, 2023, twenty four (24) condominium units out of the total allocation of twenty five (25) units have already been sold under RLC’s regular financing or lease-to-own program with a total selling price of PhP82.40Million of which PhP78.55Million were collected and remitted by RLC to the Company. Management has initiated some marketing effort, in coordination with RLC, to promote and augment the sale of the Company’s assigned condominium units.

On March 9, 2018, the Company entered into a Termination Agreement of the Joint Venture Agreement wherein RLC shall continue to manage the six (6) remaining condominium units enrolled under the Lease-to-Own Program of RLC. On March 16, 2018, the Company entered into a Memorandum Agreement with RLC for compensation for the excess developed area in the JV project wherein RLC will assign to the Company Parking Slot No. 14 in Building C of the TWC and waive payment of prior years’ real property taxes amounting to PhP96,128.26.

Joint Venture Project – Urdaneta Property, Pangasinan

On August 30, 2022, Omico Corporation has executed a Rescission of the Memorandum of Agreement (MOA) on Property Development executed by Omico with Sta. Lucia Realty and Development Inc. (“SLRDI”) on April 19, 2005 for the development of the Corporation’s real properties with an aggregate area of more or less 23.25 hectares located in Pinmaludpod, Urdaneta, Pangasinan into a residential and/or commercial subdivision.

The MOA on Property Development executed on April 19, 2005 by Omico (as Landowner) with SLRDI (as Developer) provided for the development by SLRDI of the real properties of Omico with an aggregate area of more or less 23.25 hectares located in Pinmaludpod, Urdaneta, Pangasinan into a residential and/or commercial subdivision. As provided in the MOA for the development by SLRDI of the real properties of Omico, SLRDI shall be entitled to 55% of the developed saleable lots while the remaining 45% shall be retained by and remain with Omico. The other provisions in the MOA, include, among others, that expenses for the transfer of titles to SLRDI, as Developer, shall be for its account, including capital gains tax, documentary stamps, and VAT, if any. The saleable area pertaining to the parties shall be distributed by alternating two (2) or three (3) lots until the agreed distribution ratio of 55%/45% shall be achieved. In the aforementioned distribution, the percentages shall apply to the areas in square meters of the said developed saleable lots and not to the mere numbers of such lots. The “developed saleable lots” is understood to mean all lots remaining after deducting thirty percent (30%), more or less, from the total land area to be devoted to roads and open spaces as required by law. SLRDI, as the Developer, shall endeavor to maximize the saleable area to close to seventy percent (70%) of the project area.

Upon mutual agreement, Omico and SLRDI decided to rescind the originally executed MOA and hereby agreed to revoke, rescind, and declare of no force and effect the above-mentioned MOA with respect to the afore-mentioned properties of Omico. The rescission of the MOA shall take effect and to be enforced when duly executed. The decision made by both parties is to focus on their skills and resources on their respective real estate projects. With regards to Omico, it will be an opportune time to enhance Omico’s capability to develop its real properties on its own, increase its revenues and maximize investor return.

The projected development of Omico’s real properties is expected to be sourced from its cash reserves and internally-generated funds from the sale of housing units in Omico’s Sta. Rosa Homes Project which is located in Sta. Rosa, Nueva Ecija.

The carrying amount of property contributed, which pertains to the parcel of land, amounted to PhP60.61 Million as of December 31, 2023.

On April 16, 2013, the Company filed the application for DAR Land Use Conversion (“DAR LUC”) for 4.68 hectares which was approved by DAR on August 22, 2013 as per DARRO Conversion Order No. 08-2013-238. On May 17, 2017, the Company filed the application for DAR LUC from agricultural to residential use for 17.17 hectares which was approved by DAR on April 04, 2019, as per DARCO Order No. CON-1904-1372 Series of 2019. With this development, Omico, has decided to merge the development of the 4.68 and 17.17 hectares Urdaneta property into one project, however, the Covid-19 pandemic occurred thus disrupting Omico’s development plans.

After over three years, the country is no longer under the state of public health emergency due to COVID-19, following a proclamation issued by President Ferdinand Marcos Jr. in July 2023. With this recent development and in view of the issuance of the DAR LUC from agricultural to residential for the Company’s Urdaneta City properties with an aggregate area of 21.8545 hectares, Management has decided to pursue the Company’s planned development of this property located in Brgy. Pinmaludpod, Urdaneta City,

The Company is in the process of preparing the Masterplan for the Company’s Urdaneta, Pangasinan property project and has made improvement on the drainage fronting the highway and will build its fence. The Company will hire security personnel to guard the property. The Company may choose to hire subcontractors for the project’s site development and house construction instead of in-house project development.

There is an on-going preparation of the subdivision plans for the commercial and residential area for the project. The requirements for the application of the Development Permit for submission to the Sangguniang Bayan of Urdaneta City are being processed. There is also an on-going market research of the project in comparison with the other subdivision projects located in Urdaneta City. The Company will file an application for a Fencing Permit with the Urdaneta City Office of the Building Official.

Proposed Project – Baguio Homes, Bgy. Banangan, Sablan, Benguet

The Company is considering the development of one (1) of the two (2) investment properties located in Bgy, Banangan, Municipality of Sablan, Province of Benguet. The project will be called Baguio Homes and has an area of 6.6217 hectares located on the slopes of mountainside terrain with the majestic view of the Cordilleras. The average sloping terrain is about 18% making the area ideal for a housing project. The project is designed to cater to the low-cost housing needs of Metro Baguio. When completed, it will comprise a neighborhood of one hundred sixty (160) units of socialized houses and two hundred fifty three (253) units of single attached houses. The land had already been converted in the local level from agricultural to residential use.

The project will have complete community facilities which include concrete road network, underground and open canal drainage system, water and electrical distribution system, a clubhouse, parks and playgrounds. As of December 31, 2023, the Company had already infused in the Baguio Homes project a total amount of PhP16.37Million for land acquisition, maintenance, permits and licenses.

Other Investment Properties

Pasong Tamo, Makati Property

The Company is the registered owner of two (2) parcels of land located at the corner of Pasong Tamo Extension and EDSA, Makati City, evidenced by TCT Nos. 206902 and 203760 of the Registry of Deeds for Makati City. These properties were sold by the Guevent Investments and Development Corporation (GIDC) and Honeycomb Builders Inc. (HBI) to the Company. These two properties were separated by a property owned by GIDC and HBI situated between them, indicating an intent by the parties to have these parcels of land developed together with the properties of GIDC and HBI. The parties thus entered into a Joint Venture Agreement (“JVA”) in 1995 for the purpose. However, events that were not foreseen and beyond the control of the Company, including the 1997 Asian Financial Crisis, prevented the implementation of the JVA. This resulted in disputes between the parties to the JVA. GIDC threatened a civil suit demanding damages in the hundreds of millions. However, the company resisted the demand and threat and instead started negotiations for amicable settlement with GIDC. Thereafter, GIDC and HBI rescinded the JVA in 2008 and said rescission led to the filing of criminal cases against officers of the Company. However, negotiations for settlement continued between the parties. After several negotiations variously conducted spanning over a decade, the parties have come to an agreement that they must end their long-drawn dispute amicably and withdraw all cases that have been filed or initiated by GIDC and HBI against the officers of the Company. As a necessary consequence of the desire of the parties to settle their differences, the Company has agreed to sell back the subject properties upon terms mutually acceptable to both parties.

On June 10, 2017, the Company entered into a Memorandum of Agreement (MOA) and a Deed of Absolute Sale each for each of the two parcels of land, with GIDC and HBI for the sell back of the Company’s two (2) parcels of land located at the corner of Pasong Tamo Extension and EDSA, Makati City, with TCT Nos. 203760 and 206902 of the Registry of Deeds of Makati City in favor GIDC and HBI for PhP177.0Million wherein the first tranche of PhP88.50Million was received in June 2017 and second tranche of PhP88.50Million in July 2017. The Company recognized a gain of PhP37.20Million from the sale transaction. The sell back is the culmination of years of negotiations to settle the disputes over the Joint Venture Agreement to develop the properties, among the parties, and free the investment of Omico Corporation for other projects.

Omico Pine Villas - Haddad Property, Sablan, Benguet

This property, which is situated in Bgy. Banangan, Municipality of Sablan, Province of Benguet with an area of 66,846 square meters, has a spectacular view of the Cordilleras, and as far away as Lingayen Gulf, the beaches of La Union and the South China Sea. The Haddad Property is being planned as an upscale vacation and residential community in Metro Baguio and will be named the Omico Pine Villas. The Company had commissioned Belt Collins Hawaii, a design firm based in Honolulu, in the design of the master plan of the Omico Pine Villas. The property had been granted by the DENR – Cordillera Administrative Region the ECC from agricultural to residential/commercial purposes. The carrying value of the Haddad Property in the books of the Company as of December 31, 2023 is PhP37.03Million.

Cabanatuan Property

This property, which is situated in Barangay Mayapyap Sur, Cabanatuan City, Nueva Ecija and located along the Maharlika National Highway, has an area of 42,333 square meters. The property has been re-classified as residential area by the City Government of Cabanatuan. Development plans are being formulated for the property and it is beamed at the middle-income residential market. The carrying value of the Cabanatuan Property in the books of the Company as of December 31, 2023 is PhP19.20Million.

Sablan, Benguet – Belmonte Property

This property, which is situated in Dackes, Bgy. Banangan, Municipality of Sablan, Province of Benguet and located along Naguilian Road, Baguio City has an area of 23,624 square meters. The carrying value of the Belmonte Property in the books of the Company as of December 31, 2023 is PhP3.10Million.

Tagaytay City Property

The Tagaytay Property which is situated in Barangay Kaybagal South, Tagaytay City has an area of 2,738 square meters. This property is located in front of The Wellington Courtyard residential condominium project, a joint venture project of the Company with RLC. The Company plans to build in this area a low-rise building with 5 floors, with commercial area at the ground floor and hotel and Airbnb rooms at the second to fifth floors. The carrying value of the Tagaytay Property in the books of the Company as of December 31, 2023 is PhP12.12Million.

Condominium Unit at Solare – Capri Oasis, Pasig City

This office condominium unit with an area of 30.10 square meters is located at Solare Building – Capri Oasis, Dr. Sixto Antonio Ave., Maybunga, Pasig City, which is the subject of a lease agreement with Thermolab Technologies Corporation for the lease period April 1, 2022 up to March 31, 2024. The carrying value of this condominium unit as of December 31, 2023 is PhP1.48Million.

2023

CONSOLIDATED AUDITED FINANCIAL

STATEMENTS

OMICO CORPORATION AND SUBSIDIARIES

December 31, 2023 and 2022

R. R. TAN AND ASSOCIATES
Certified Public Accountants

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

The Management of **OMICO CORPORATION AND SUBSIDIARIES** (the "Group") is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the years ended December 31, 2023 and 2022, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

R. R. Tan & Associates, CPAs, the independent auditor appointed by the stockholders, has audited the consolidated financial statements of the Group in accordance with Philippine Standards on Auditing, and in its report to stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.


Tommy Kin Hing Tia
Chairman, Board of Directors


Anna Mei Nga Tia
President/CEO


Juana Lourdes M. Buyson
Treasurer

MAR 22 2024

SUBSCRIBED AND SWORN to before me this _____ day of _____ affiants presented to me their respective proof or identification, to wit:

Name	Type of Identification
Tommy Kin Hing Tia	TIN 105-834-884
Anna Mei Nga Tia	TIN 103-915-047
Juana Lourdes M. Buyson	TIN 131-482-310

all known to me and to me known to be the same persons who executed the foregoing Statement of Management's Responsibility for Consolidated Financial Statements.

IN WITNESS WHEREOF, I have hereunto affixed my notary seal at the date and place first above written.

Doc. No. 59
Page No. 13
Book No. 152
Series of 2024

ATTY. JAMES K. ABUGAN
Notary Public
APPT. NO. 0442-23 Until 12-31, 2024
IBP No. 400022 Jan. 04, 2024 Rizal Chapter
Roll No. 26890 Lifetime
MCLE No. VII-062024 until 4/14/2025
TIN No. 116-239-956
PTR No. 5420882 01/03/2024
Rm. 314 J&B Bldg., 251 EDSA,
Mandaluyong City Tel. No. (02)854-523-21

Report of Independent Public Accountants

The Board of Directors and Stockholders
OMICO CORPORATION AND SUBSIDIARIES
Suite 1109 East Tower, Tektite Towers
Exchange Road, Ortigas Center, Pasig City

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Omico Corporation and its 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 a summary of significant accounting policies.

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

Basis for Opinion

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

Key Audit Matters

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

Revenue Recognition on Real Estate Sales and Determination of Cost of Real Estate Sales

The Group's revenue recognition process, policies and procedures on real estate sales are significant to our audit because these involve the application of significant judgment and estimation.

Real estate sales and cost of real estate sales amounted to P17,478,200 or 63.82% of total revenue and P10,526,271 or 24.11% of total cost and expenses, respectively, for the year ended December 31, 2023. The areas affected by revenue and cost recognition, which requires significant judgments and estimates, include determining when a contract will qualify for revenue recognition, particularly on the assessment of the probability of collecting the contract price; 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 to be transferred out to cost of real estate sales. These areas were significant to our audit as an error in application of judgments and estimates could cause a material misstatement in the consolidated financial statements.

The Group's policy for revenue and cost recognition are fully described in Note 4 to the consolidated financial statements. The significant judgments applied and estimates used by management related to revenue recognition is described in Note 5 to the consolidated financial statements. Real estate sales and cost of real estate sales are disclosed in Notes 19 and 20 to the consolidated financial statements.

Audit Procedures Conducted

We obtained an understanding of the Group's revenue recognition policy and the related processes and evaluated whether it is established and implemented consistent with the underlying principles of the applicable revenue recognition standard and is appropriate in the context of the Group's real estate transactions.

We evaluated the design effectiveness of implemented controls relevant to the recognition and measurement of revenues from real estate sales, tested the operating effectiveness of certain relevant controls, particularly those addressing the existence and occurrence of recognized sales.

We inspected pertinent documents giving rise to contract with identified customers, on a sample basis, which include contract-to-sell, disclosure statements detailing the terms of the sales contracts, and official receipts to determine whether the related real estate sales transactions occurred and were appropriately recognized based on the Group's revenue recognition policy.

We evaluated the assumptions of management in determining the amount of collection at which point the collectability of the receivables from real estate sales is reasonably assured. Evaluation of management's basis was made by comparing this to the historical analysis of sales cancellations from buyers with accumulated payments above the collection threshold.

In relation to cost of real estate sales, we obtained an understanding of the Group's cost accumulation process and performed tests of the relevant controls. On a sampling basis, we traced costs accumulated to supporting documents such as invoices, accomplishment reports and official receipts.

Going Concern Assessment

The Group has been incurring losses for the past years, as revenues are not enough to cover the cost of operations. While some of its investment properties may provide revenues, the same have become idle since management is still determining the most advantageous and profitable project. We consider this a key audit matter because a steady stream of revenues and cash, coupled with efforts in managing cost and expenses, will provide financial strength for the Group.

The investment properties for which housing projects are given due consideration and their corresponding fair values are disclosed in Note 15 to the consolidated financial statements.

Audit Procedures Conducted

We thoroughly discussed with management the prospect of launching real estate projects covering the Group's investment properties, which may include a joint venture operation with other property developers. To support management's assertion regarding its probability, we evaluated the conditions of certain properties to determine the feasibility and marketability of real estate projects.

We also assessed the appropriateness of management's determination of the disclosed fair value of investment properties. We have reviewed the reasonableness of the assumptions used to estimate the fair value of these investment properties by testing raw land's value by comparison with similar properties, verifying proposal to buy/sell the properties or adjacent properties thereto and verifying valuation inputs such as size, location, neighborhood and road network.

Other Information

Management is responsible for the other information. The other information comprises the SEC Form 17-A for the year ended December 31, 2023, but does not include the consolidated financial statements and our auditor's report, which we obtained prior to the date of this auditor's report, and the SEC Form 20-IS (Definitive Information Statement) and Annual Report for the year ended December 31, 2023, which are expected to be made available to us after that date.

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

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above 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.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 PFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

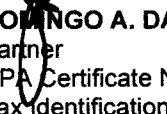
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Domingo A. Daza, Jr.

R. R. TAN AND ASSOCIATES, CPAs


By: **DOMINGO A. DAZA, JR.**
Partner
CPA Certificate No. 109993
Tax Identification No. 203-917-449
PTR No. 0173936, January 05, 2024, Pasig City
BIR Accreditation No. 07-100512-002-2022, valid until September 14, 2025

March 22, 2024
Pasig City

OMICO CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022

	Notes	2023	2022
ASSETS			
Current Assets			
Cash and cash equivalents	8	P 290,619,543	P 300,361,359
Financial assets at fair value through profit or loss	9	45,874,820	73,654,707
Receivables	10	24,389,066	34,317,962
Real estate for sale	11	72,621,453	14,421,256
Prepayments and other current assets	12	4,615,776	3,470,283
Total Current Assets		438,120,658	426,225,567
Non-current Assets			
Installment contract receivable - net of current portion	10	12,159,402	15,049,531
Financial assets at fair value through other comprehensive income (FVOCI)	13	37,992,090	7,837,090
Property and equipment - net	14	4,291,949	2,795,917
Investment properties	15	107,660,630	166,781,025
Other non-current assets - net	16	15,096,516	15,096,516
Total Non-current Assets		177,200,587	207,560,079
TOTAL ASSETS		P 615,321,245	P 633,785,646
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable and accrued expenses	17	P 12,573,119	P 14,219,051
Non-current Liabilities			
Accrued retirement liability	22	12,271,392	11,782,730
Total Liabilities		24,844,511	26,001,781
Equity			
Share capital	18	1,050,461,673	1,050,461,673
Additional paid-in capital		78,000	78,000
Fair value loss on FVOCI financial assets	13	(40,882,910)	(43,232,910)
Deficit		(419,180,029)	(399,522,898)
Total Equity		590,476,734	607,783,865
TOTAL LIABILITIES AND EQUITY		P 615,321,245	P 633,785,646

See accompanying notes to financial statements

OMICO CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021

	Notes	2023	2022	2021
REVENUES				
Real estate sales - net	19 P	17,478,200	49,549,081	34,534,816
Investment and other income - net	19	9,909,082	937,311	4,980,580
		27,387,282	50,486,392	39,515,396
COST AND EXPENSES				
Cost of real estate sales	20	10,526,271	30,789,626	24,752,492
Administrative expenses	21	31,950,829	28,435,354	27,361,461
Selling expenses		1,169,344	2,020,478	1,732,245
		43,646,444	61,245,458	53,846,198
LOSS BEFORE INCOME TAX		(16,259,162)	(10,759,066)	(14,330,802)
INCOME TAX EXPENSE	25	3,397,969	1,482,928	906,932
LOSS FOR THE YEAR		(19,657,131)	(12,241,994)	(15,237,734)
OTHER COMPREHENSIVE INCOME				
Amount to not be reclassified to profit or loss in subsequent periods:				
Fair value changes in FVOCI financial assets	13	2,350,000	3,200,000	(48,512,910)
TOTAL COMPREHENSIVE LOSS		P (17,307,131)	P (9,041,994)	P (63,750,644)
BASIC/DILUTED EARNINGS				
(LOSS) PER SHARE	24 P	(0.018713)	(0.011654)	(0.014506)

See accompanying notes to financial statements

OMICO CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021

	Notes	2023	2022	2021
SHARE CAPITAL	18	P 1,050,461,673	P 1,050,461,673	P 1,050,461,673
ADDITIONAL PAID-IN CAPITAL		78,000	78,000	78,000
FAIR VALUE GAIN (LOSS) ON FVOCI				
FINANCIAL ASSETS				
Balance at beginning of year		(43,232,910)	(46,432,910)	2,080,000
Fair value changes in FVOCI financial assets	13	2,350,000	3,200,000	(48,512,910)
Balance at end of year		(40,882,910)	(43,232,910)	(46,432,910)
DEFICIT				
Balance at beginning of year		(399,522,898)	(387,280,904)	(372,043,170)
Loss for the year		(19,657,131)	(12,241,994)	(15,237,734)
Balance at end of year		(419,180,029)	(399,522,898)	(387,280,904)
		P 590,476,734	P 607,783,865	P 616,825,859

See accompanying notes to financial statements

OMICO CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021

	Notes	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before income tax		P (16,259,162)	P (10,759,066)	P (14,330,802)
Adjustments for:				
Fair value loss on FVPL financial assets	9,19	12,767,419	9,114,309	3,718,416
Depreciation	14,21	1,169,699	1,099,939	1,679,592
Gain on sale of FVPL financial assets	9,19	(2,247,636)	(58,838)	(3,262,942)
Unrealized foreign exchange gain	19	-	(48,973)	(25,008)
Retirement expense	22	3,913,058	1,546,580	1,541,200
Dividend income	19	(2,622,062)	(2,528,855)	(884,148)
Interest income		(17,670,566)	(7,084,033)	(4,302,899)
Operating Loss Before Working Capital Changes		(20,949,250)	(8,718,937)	(15,866,591)
(Increase) decrease in receivables		14,409,966	(13,052,129)	(1,476,208)
Decrease in real estate for sale		2,407,906	21,390,005	14,493,430
(Increase) decrease in prepayments and other current assets		(1,280,746)	(436,089)	430,032
Increase (decrease) in accounts payable and accrued expenses		(1,645,931)	(2,555,146)	2,572,291
Cash provided by (used in) operations		(7,058,055)	(3,372,296)	152,954
Cash paid for retirement benefits	22	(3,424,396)	(4,826,662)	-
Cash paid for taxes		(3,262,717)	(1,390,436)	(1,405,608)
Interest received from installment contract receivable	19	1,875,552	1,376,987	1,639,319
Net Cash Provided by (Used in) Operating Activities		(11,869,616)	(8,212,407)	386,665
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of:				
FVPL financial assets		17,260,103	23,586,706	42,576,231
Additions to:				
Property and equipment	14	(4,153,438)	(673,169)	(84,866)
FVPL financial assets	9	-	(41,099,346)	(104,638,486)
FVOCI financial assets	13	(27,805,000)	-	-
Dividend received	19	2,622,062	2,528,855	884,148
Interest received from cash and cash equivalents		14,204,073	4,771,649	2,793,796
Net Cash Provided by (Used in) Investing Activities		2,127,800	(10,885,305)	(58,469,177)
DECREASE IN CASH AND CASH EQUIVALENTS		(9,741,816)	(19,097,712)	(58,082,512)
EFFECT OF FOREIGN EXCHANGE GAIN ON				
CASH AND CASH EQUIVALENTS	19	-	48,973	25,008
NET DECREASE IN CASH AND CASH EQUIVALENTS		(9,741,816)	(19,048,739)	(58,057,504)
CASH AND CASH EQUIVALENTS				
AT BEGINNING OF YEAR		300,361,359	319,410,098	377,467,602
CASH AND CASH EQUIVALENTS				
AT END OF YEAR		P 290,619,543	P 300,361,359	P 319,410,098

See accompanying notes to financial statements

OMICO CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023, 2022 AND 2021

1. CORPORATE INFORMATION AND STATUS OF OPERATIONS

Corporate Information

Omico Corporation (the “Parent Company or the Company”) was incorporated in the Philippines and was registered with the Securities and Exchange Commission (“SEC”) on August 30, 1968. Its corporate term was extended to another fifty (50) years from and after the date of expiration of its first fifty (50)-year term on August 29, 2018, as per SEC Certificate of Filing of Amended Articles of Incorporation dated October 21, 2015. It holds 100% interest both in Omico Kapital Corporation, a subsidiary which ceased operations in 1997, and Omico Mining Inc. (*formerly Omico-Ivanhoe Mining Inc.*). The two subsidiaries have no commercial operation as of December 31, 2023 and 2022. The Parent Company listed its shares of stock in the Philippine Stock Exchange on May 2, 1969.

The Parent Company and Subsidiaries’ (the Group) main business activities are mining exploration and property development. It is licensed to operate, prospect, mine, and deal with all kinds of ores, metals and minerals.

The registered office of the Company is located at Suite 1109 East Tower, Tektite Towers, Exchange Road, Ortigas Center, Pasig City. Omico Corporation has no ultimate Parent Company.

The consolidated financial statements of the Group for the year ended December 31, 2023 with (comparative figures for 2022 and 2021) were authorized for issue by the Company’s Board of Directors on March 22, 2024.

Status of Mining Operations

On August 29, 2012, the Parent Company terminated the Mining Agreement with Macawiwili Gold Mining and Development Co., Inc. (Macawiwili) entered in September 30, 1968. With this Agreement, the Parent Company has given the reins in managing the project to Macawiwili but remains an active minority investor in the venture.

Management decided to terminate the mining agreement with Macawiwili because Management would like to focus on other mining prospects/projects.

The Parent Company is still interested in investing in mining and is scouting for other mining projects to explore, manage, operate or invest either solely or in partnership with other entities.

2. STATEMENT OF COMPLIANCE, BASIS OF PREPARATION, PRESENTATION AND PRINCIPLE OF CONSOLIDATION

Statement of Compliance

The accompanying consolidated financial statements have been prepared in accordance with generally accepted accounting principles as set forth in Philippine Financial Reporting Standards (PFRS), Philippine Accounting Standards (PAS) and Philippine Interpretations from International Financial Reporting Interpretations Committee (IFRIC) issued by the Philippine Financial and Sustainability Reporting Standards Council (FSRSC) and adopted by the SEC, including SEC pronouncements.

The consolidated financial statements are presented in Philippine Peso, the currency of the primary economic environment in which the Group operates. All values represent absolute amounts except when otherwise indicated.

The preparation of consolidated financial statements in conformity with PFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the

process of applying the Group's accounting policies. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances.

Principle of Consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and entities it controlled (the subsidiaries) as of December 31, 2023 and 2022. A parent controls a subsidiary when it is exposed, or has rights, to variable returns from its involvement with a subsidiary and has the ability to affect those returns through its power over the subsidiary. Specifically, control is achieved only if a parent company has all the following;

- (i) Power over the investee;
- (ii) Exposure rights, to variable returns from its involvement with the subsidiary; and
- (iii) The ability to use its power over the investee to affect the amount of the parent company's returns.

The Parent Company reassesses whether or not it controls a subsidiary if facts and circumstances indicate that there are changes to one or more of the three elements of control.

The following are the subsidiaries and the respective percentages of ownership as of the period therein presented:

	% of ownership	
	2023	2022
Omico Kapital Corporation	100	100
Omico Mining Inc.	100	100

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Parent Company obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting policies. All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full.

If a parent loses control of a subsidiary, the parent

- Derecognizes the assets and liabilities of the former subsidiary from the statement of financial position
- Recognize any investment retained in the former subsidiary at its fair value and subsequently accounts for it and for any of the amounts owed by or to the former subsidiary in accordance with applicable PFRS.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

New Accounting Standards and Amendments to Existing Standards Effective as of January 1, 2023

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the following amendments to PFRS effective beginning January 1, 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the consolidated financial statements of the Group.

Amendments to PAS 12, Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense).

An entity applies the amendments to transactions that occur on or after the beginning of the earliest comparative period presented for annual reporting periods on or after January 1, 2023. The amendments do not have a material impact on the Group.

Amendments to PAS 8, Definition of Accounting Estimates

The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

An entity applies the amendments to changes in accounting policies and changes in accounting estimates that occur on or after January 1, 2023 with earlier adoption permitted. The amendments do not have a material impact on the Group.

Amendments to PAS 1 and PFRS Practice Statement 2, Disclosure of Accounting Policies

The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies, and
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

The amendments 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 amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the financial statements. The application of these amendments is reflected in the Group's financial statements under Note 4.

Amendments to PAS 12, International Tax Reform – Pillar Two Model Rules

The amendments introduce a mandatory exception in PAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes.

The amendments also clarify that PAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD), including tax law that implements qualified

domestic minimum top-up taxes. Such tax legislation, and the income taxes arising from it, are referred to as 'Pillar Two legislation' and 'Pillar Two income taxes', respectively. Management assessed that the application of such amendments had no significant impact on the Group's financial statements.

New Accounting Standard, Amendments to Existing Standards and Interpretations Effective Subsequent to December 31, 2023

The standards, amendments and interpretations which have been issued but not yet effective as at December 31, 2023 are disclosed below. Except as otherwise indicated, the Group does not expect the adoption of the applicable new and amended PFRS to have a significant impact on its financial position or performance.

Effective beginning on or after January 1, 2024

Amendments to PAS 1, Presentation of Financial Statements – Classification of Liabilities as Current or Non-current

The amendments clarify paragraphs 69 to 76 of PAS 1, Presentation of Financial Statements, to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. However, in November 2021, the International Accounting Standards Board (IASB) tentatively decided to defer the effective date to no earlier than January 1, 2024. The Group is currently assessing the impact the amendments will have on current practice.

Amendments to PFRS 16, Leases - Lease Liability in a Sale and Leaseback

The amendments clarify that the liability that arises from a sale and leaseback transaction, that satisfies the requirements of PFRS 15, Revenue from Contracts with Customers, to be accounted for as a sale, is a lease liability to which PFRS 16 applies and give rise to a right-of-use asset. For the subsequent measurement, the seller-lessee shall determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognize any amount of the gain or loss that relates to the right of use retained by the seller-lessee. Applying this subsequent measurement does not prevent the seller-lessee from recognizing any gain or loss relating to the partial or full termination of lease. Any gain or loss to the partial or full termination of the lease does not relate to the right of use retained but to the right of use terminated.

Amendments to PAS 7 and PFRS 7, Supplier Finance Arrangements

The amendments added disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.

The amendments are effective for annual periods beginning on or after January 1, 2024 with earlier adoption permitted. The amendments are not expected to have an impact on the Group's financial statements.

The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied retrospectively. Early application is permitted. The amendments are not expected to have a material impact on the Group's consolidated financial statements.

Effective beginning on or after January 1, 2025

PFRS 17, Insurance Contracts

PFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of PFRS 17 is to ensure that

an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of the financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows.

The key principles in PFRS 17 are that an entity:

- Identifies as insurance contracts those contracts under which the entity accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder;
- Separates specified embedded derivatives, distinct investment components and distinct performance obligations from the insurance contracts;
- Divides the contracts into groups that it will recognize and measure;
- Recognizes and measures groups of insurance contracts at:
 - i. a risk-adjusted present value of the future cash flows (the fulfilment cash flows) that incorporates all of the available information about the fulfilment cash flows in a way that is consistent with observable market information; plus (if this value is a liability) or minus (if this value is an asset); or
 - ii. an amount representing the unearned profit in the group of contracts (the contractual service margin);
- Recognizes the profit from a group of insurance contracts over the period the entity provides insurance cover, and as the entity is released from risk. If a group of contracts is or becomes loss-making, an entity recognizes the loss immediately;
- Presents separately insurance revenue (that excludes the receipt of any investment component), insurance service expenses (that excludes the repayment of any investment components) and insurance finance income or expenses; and
- Discloses information to enable users of the financial statements to assess the effect that contracts within the scope of PFRS 17 have on the financial position, financial performance, and cash flows of an entity.

On December 15, 2021, the FRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB.

PFRS 17 is effective for reporting periods beginning on or after January 1, 2025, with comparative figures required. Early application is permitted. The new standard is not applicable to the Group since it has no activities that are predominantly connected with insurance or issue insurance contracts.

Deferred effectivity

PFRS 10, *Consolidated Financial Statements* and PAS 28, *Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* These amendments address an acknowledged inconsistency between the requirements in PFRS 10 and those in PAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

These amendments are originally effective from annual periods beginning on or after January 1, 2016. This mandatory adoption date was later on deferred indefinitely pending the final outcome of the IASB's research project on International Accounting Standards 28. Adoption of these amendments when they become effective will not have any impact on the financial statements.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

Current versus non-current classification

The Group presents assets and liabilities in the consolidated statements of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading; or
- Expected to be realized within twelve months after the end of the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the end of the reporting period.

The Group classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the end of the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the end of the reporting period.

The Group classifies all other liabilities as non-current.

Financial Instruments

Date of Recognition

Financial assets and financial liabilities are recognized in the consolidated statements of financial position of the Group when it becomes a party to the contractual provisions of the instrument.

Initial Recognition

All financial assets and financial liabilities are initially recognized at fair value. Except for financial assets and financial liabilities at FVPL, the initial measurement of these financial instruments includes transaction costs.

Determination of Fair Value

The fair value for instruments traded in active market at the reporting date is based on their quoted market price. For all other financial instruments not listed in an active market, the fair value is determined by using appropriate techniques or comparison to similar instruments for which market observable prices exists.

Where the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instruments or based on a valuation technique, the Group recognizes the difference between the transaction price and fair value in the statement of comprehensive income unless it qualifies for recognition as some other type of asset.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the consolidated statements of financial position.

Classification and Measurement of Financial Assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. Except for financial assets at FVPL, all financial assets are initially measured at fair value plus transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under PFRS 15.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

- Financial Assets at Amortized Cost

The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized or impaired.

The Group's financial assets at amortized cost includes cash and cash equivalents and receivables.

- Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)

Equity instruments

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Subsequent to initial recognition, financial assets at FVOCI are carried at fair value. Gains and losses on these financial assets are never recycled to profit or loss. However, the Group may transfer the cumulative gain or loss within equity. Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at FVOCI are not subject to impairment assessment.

Included in this category are the Group's quoted and unquoted equity investments. (see Note 13)

Debt instruments

A debt financial asset is measured at FVOCI if both of the following conditions are met:

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These financial assets are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of equity. Impairment losses or reversals, interest income and foreign exchange gains and losses are recognized in profit and loss until the financial asset is derecognized.

Upon derecognition, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss. This reflects the gain or loss that would have been recognized in profit or loss upon derecognition if the financial asset had been measured at amortized cost. Impairment is measured based on the expected credit loss (ECL) model.

As of December 31, 2023 and 2022, the Group does not have debt instruments at FVOCI.

- Financial Assets at Fair Value through Profit or Loss (FVPL)

Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at FVOCI, as described above, debt instruments may be designated at FVPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVPL are subsequently carried in the consolidated statement of financial position at fair value with net changes in fair value recognized in the consolidated statements of comprehensive income. Dividends are also recognized as other income in the consolidated statements of comprehensive income when the right of payment has been established.

As of December 31, 2023 and 2022, included in this category are the Group's equity investments listed in Philippine Stock Exchange.

Classification and Measurement of Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

After initial recognition, interest-bearing loans, borrowings and other financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the consolidated statements of comprehensive income.

As of December 31, 2023 and 2022, included in this category are the Group's accounts payable and accrued expenses.

Reclassification of Financial Assets

The Group can only reclassify financial assets if the objective of its business model for managing those financial assets changes. Accordingly, the Group is required to reclassify financial assets:

- (i) from amortized cost to FVPL, if the objective of the business model changes so that the amortized cost criteria are no longer met; and,
- (ii) from FVPL to amortized cost, if the objective of the business model changes so that the amortized cost criteria start to be met and the characteristic of the instrument's contractual cash flows meet the amortized cost criteria.

A change in the objective of the Group's business model will be effected only at the beginning of the next reporting period following the change in the business model.

Impairment of Financial Assets

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established probability of default rates for third party trade receivables based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The Group applies the historical credit loss method in case undue cost or effort is involved in calculating the ECL by considering the forward-looking factors. For inter-group trade receivables, the Group has established probability of default rates based on internal credit rating of the customers. Internal credit ratings are based on methodologies adopted by independent credit rating agencies. Therefore, the internal ratings already consider forward looking information.

The Group considers a financial asset to be in default when contractual payments are 180 days past due. However, the Group considers internal or external information when there are indicators that the Parent Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Derecognition of Financial Instruments

Financial Assets

A financial asset (or, where applicable a part of a financial asset or part of a group of financial assets) is derecognized where:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party.
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred the control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

Cash and Cash Equivalents

Cash and cash equivalents are defined as cash on hand, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. Cash and cash equivalents are initially measured at fair value.

Real Estate for Sale

Real estate for sale is carried at the lower of cost and net realizable value. Cost includes the value of land plus expenditures necessary to complete the housing units (materials and labor cost). Net realizable value is the estimated selling price in the ordinary course of business less cost to complete and sell the units. NRV is determined in a manner provided in Note 5. As of December 31, 2023 and 2022, real estate inventories are carried at cost.

Prepayments and Other Current Assets

Prepayments and other current assets consist of input taxes, prepaid expenses and deposits. They are carried at cost less the amortized portion.

Property and Equipment

Property and equipment are initially recognized at cost. The initial cost of property and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Property and equipment are subsequently stated at cost less accumulated depreciation and impairment loss, if any. Expenditures for additions, improvements and renewals are capitalized; expenditures for repairs and maintenance are charged to expense as incurred. When assets are sold, retired or otherwise disposed of, their cost and related accumulated depreciation and impairment losses are removed from the accounts and any resulting gain or loss is reflected in income for the period.

Depreciation or amortization of an item of property and equipment begins when it becomes available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is computed using the straight-line method over the stipulated useful lives of the assets as follows:

	Estimated useful life
Condominium units and improvements	15-25 years
Office furniture, fixtures and office equipment	3-5 years
Transportation equipment	3-5 years

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The residual values and estimated useful lives of property and equipment are reviewed, and adjusted if appropriate, at each reporting period.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the consolidated statements of comprehensive income in the year the item is derecognized.

Investment Properties

Investment properties are properties that are held to earn rentals or for capital appreciation or both and that is not occupied by the Parent Company. Investment properties are initially measured at cost and subsequently carried at cost, less impairment losses, if any.

The Group's investment properties include parcels of land that are held for currently undetermined future use or for capital appreciation and a condominium unit leased out to earn rentals.

Investment properties are derecognized when either they have been disposed of, or when the investment property is permanently withdrawn from service and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the consolidated statements of comprehensive income in the year of retirement or disposal.

Transfers are made to and from investment property when, and only when there is change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. The transfer is recorded using the carrying amount of the investment property at the date of change in use.

Joint Arrangements

For interests in jointly controlled assets, the Group recognized in its consolidated financial statements the assets that it controls/contributed and the liabilities that it incurs, and the related income and expenses from the sale/development of the assets. No adjustment or other consolidation procedures are required since the assets, liabilities, income and expenses of the joint operation are recognized in the financial statements of the operator.

Impairment of Non-financial Assets

The carrying values of property and equipment and investment properties are reviewed for impairment when events or changes in circumstances indicate that their carrying values may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount. The recoverable amount of property and equipment and investment is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the consolidated statements of comprehensive income.

If there is any indication at end of the reporting period that an impairment loss recognized for an asset in prior years may no longer exist or may have decreased, the Group estimates the recoverable amount of that asset and the carrying amount of the asset is adjusted to the recoverable amount resulting in the reversal of the impairment loss.

Equity

Share capital is determined at the par value of shares that have been issued.

Additional paid-in capital includes any premiums received on the initial issuance of capital stock. Any transaction costs associated with the issuance of shares are deducted from additional paid-in capital, net of any related income tax benefits.

Fair value gain on FVOCI financial assets pertains to mark-to-market valuation of financial assets at fair value through other comprehensive income.

Deficit includes all current and prior period results of operations as disclosed in the consolidated statements of comprehensive income including changes in accounting standard in accordance with PAS 8.

Other comprehensive income comprises items of income and expenses (including items previously presented in the Consolidated Statement of Changes in Equity) that are not recognized in the consolidated statements of comprehensive income for the year in accordance with PFRS.

Earnings Per Share

Basic earnings per share is computed by dividing profit for the period by the weighted average number of shares issued and outstanding during the year.

Diluted EPS is computed by dividing the profit for the period by the weighted average number of shares issued and outstanding during the year plus the weighted average number of shares that would be issued on the conversion of dilutive potential shares.

Operating Segments

Operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses whose operating results are regularly reviewed by the chief operating decision maker to make decisions about how resources are to be allocated and for which discrete financial information is available. Financial information on operating segments is presented in Note 27.

Related Party Transactions

Parties are considered related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The related party transactions are recognized based on transfer of resources or obligations between related parties, regardless whether a price is charged.

Revenue Recognition

Revenue from contracts with customers is recognized when control of the goods and services are transferred to the customer at transaction price. Transaction price is the amount that reflects the consideration to which the Group expects to be entitled to in exchange for those goods and services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods and services before transferring them to the customer.

The following specific recognition criteria must be met before revenue is recognized:

- Real estate

The Group derives its real estate revenue from sale of lots, house and lot and condominium units. Revenue from substantially completed real estate projects where collectability of sales price is reasonably assured is accounted for using the full accrual method. Collectability of the sales price is demonstrated by the buyer's commitment to pay, which in turn is supported by substantial initial and continuing investments that give the buyer a stake in the property sufficient that the risk of loss through default motivates the buyer to honor its obligation to the seller. Revenue from sale of real estate projects under pre-completion stage are recognized over time during the construction period using the Percentage of Completion (POC) method where the Group have material obligation under the sales contract to complete the project after the property is sold. In measuring the progress of its performance obligation over time, the Group uses output method. The Group recognizes revenue on the basis of direct measurements of the value to customers of the goods and services transferred to date, relative to the remaining goods and services promised under the contract. Progress is measured using survey performance completed to date.

Any excess of progress of work over the right to an amount of consideration that is unconditional, is recognized as installment contract receivables.

Any excess of collections over recognized receivables are included in the "Customers' advances and deposits" account.

If any of the criteria under full accrual or POC method is not met, the deposit method is applied until all the conditions for recording the sale are met. Pending recognition of sale, cash received from buyers are presented under "Customers' advances and deposits" account except when the underlying contract is a lease contract with option to purchase.

Penalties are recognized as income when cash is received and forfeitures from cancelled sales and reservation fees are recognized as income when the cancellation of sales and reservation fees of buyers has been determined and established.

- Investment income

Interest income is recognized as the interest accrues (taking into account the effective yield on the asset).

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

Fair value gain (loss) represents all gain and losses for changes in fair values of financial assets at FVPL.

Realized gain (loss) in sale of shares of stock is recognized upon sale.

- **Gains**
Gains represent other items that meet the definition of income and may, or may not, arise in the course of ordinary activities of the Group. Gains represent increases in economic benefits and have the same nature as revenue. These are recognized as income when earned.

Costs Recognition

- **Cost of real estate sales**
Cost of real estate sales is recognized consistent with the revenue recognition method applied. Costs of subdivision lots and housing unit and condominium units sold before the completion of the development is determined on the basis of the acquisition cost of the land and its full development costs, which include estimated costs for future development works, as determined by the Group's in-house technical team.

The cost of inventory recognized in profit or loss on disposal is determined with reference to specific costs of the property. These costs are allocated to saleable area, with the portion allocable to the sold area being recognized as costs of sales while the portion allocable to the unsold area being recognized as part of real estate inventories.

- **Administrative expense**
Administrative expenses are recognized in the consolidated statement of comprehensive income when decrease in future economic benefit related to a decrease in an asset or increase in a liability has arisen that can be measured reliably.

Administrative expenses are recognized in the consolidated statements of comprehensive income:

- (i) On the basis of a direct association between the costs incurred and the earning of specific items of income;
 - (ii) On the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association can be broadly or indirectly determined; or
 - (iii) Immediately when expenditures produce no future economic benefits or when, and to the extent that, future economic benefits do not qualify or cease to qualify, for recognition in the consolidated statement of financial position as an asset.
- **Commission expense**
The Group recognizes commission expense when services are rendered by agents. Commission expense is recognized upon receipt of certain level of payment from the buyer comprising a substantial portion of the contract price and the capacity to pay and credit worthiness of buyers have been reasonably established for sales of real estate.

Employee Benefits

Retirement Benefit Obligation

Pension benefits are provided to employees based on the amounts required by law, under R.A. 7641.

The Group has not yet established a formal retirement plan; however, it accrues the estimated cost of retirement benefits required by the provisions of RA No. 7641 (Retirement Law). Under RA 7641, the Group is required to provide minimum retirement benefits to qualified employees. The retirement cost accrued includes normal cost and estimated past service cost.

Short-term Employee Benefits

Salaries and wages are recognized in the consolidated statements of comprehensive income when the employees' services have been rendered to the Group.

Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in PFRS 16.

As a Lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset of the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case, the right-of-use asset will be depreciated over the useful life of the underlying asset which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payment that depends on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual guarantee; and
- The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension, or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group used a number of practical expedients when applying PFRS 16 to leases previously classified as operating leases under PAS 17. In particular, the Group:

- Did not recognize right-of-use assets and liabilities for leases for which the lease term ends within 12 months from the date of initial application;
- Excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- Used hindsight when determining the lease term.

Short-term Leases and Leases of Low-value Assets

The Group has elected not to recognize right-of-use assets and lease liabilities for the leases of low-value assets and short-term leases. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a Lessor

Leases where a significant portion of the risks and rewards of ownership over the asset are retained by the lessor, are classified as operating leases. Rental income on operating leases is recognized in profit or loss on a straight-line basis of accounting over the period of the lease.

Income Taxes

Current income tax assets or liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting period, that are uncollected or unpaid at the end of reporting period. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognized as a component of tax expense in the consolidated statements of comprehensive income.

Deferred tax is provided, using the balance sheet liability method on temporary differences at the end of reporting period between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Under the balance sheet liability method, with certain exceptions, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and the carry forward of unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deferred tax asset is to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of reporting period.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss in the consolidated statement of comprehensive income. Deferred tax items are recognized in relation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax relate to the same taxable entity and the same taxation authority.

Functional Currency and Foreign Currency Transactions

- *Functional and Presentation Currency*
Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Philippine pesos, which is the Group's functional currency.

- *Transaction and Balances*

The accounting records of the Group are maintained in Philippine pesos. Foreign currency transactions during the year are translated into the functional currency at exchange rates which approximate those prevailing on transaction dates.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statements of comprehensive income.

Provisions

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 commitment that has resulted from past events, for example, legal disputes or onerous contracts.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the end of reporting period, including the risks and uncertainties associated with the present obligation. Any reimbursement expected to be received in the course of settlement of the present obligation is recognized, if virtually certain as a separate asset, not exceeding the amount of the related provision. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. In addition, long-term provisions are discounted to their present values, where time value of money is material.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the consolidated financial statements.

Probable inflows of economic benefits that do not yet meet the recognition criteria of an asset are considered contingent assets, hence, are not recognized in the consolidated financial statements.

Contingencies

Contingent liabilities are not recognized in the consolidated financial statements. They are disclosed unless the possibility of outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

Events after the End of Reporting Period

The Group identifies subsequent events as events that occurred after the reporting period but before the date when the consolidated financial statements were authorized for issue. Any subsequent events that provide additional information about the Group's financial position at the balance sheet date are reflected in the consolidated financial statements.

Events that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

5. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the consolidated financial statements in conformity with PFRS requires management to make judgments and estimates that affect the amounts reported in the consolidated financial statements. The judgments and estimates used in the consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the consolidated financial statements. Actual results could differ from such estimates. Future events may occur which will cause the judgments and estimates used in arriving at the estimates to change. The effects of any change in judgments and estimates are reflected in the consolidated financial statements as they become reasonably determinable.

Judgments

In the process of applying the accounting policies of the Group, management has made the following judgments, apart from those involving estimations, which have the most significant effect on amounts recognized in the consolidated financial statements:

- *Determination of control* - The Parent Company controls an entity if and only if the Parent Company has (i) Power over the entity, (ii) Exposure or rights to variable returns from its involvement with the entity, and (iii) The ability to use its power over the entity to affect the amount of Parent Company's returns.

The Parent Company regularly reassesses whether it controls an investee when facts and circumstances indicate that there are changes to one or more elements of controls above.

As of December 31, 2023 and 2022, the Parent Company determined that it exercise control over its subsidiaries.

- *Assessment of joint arrangement* – The Group reviews the joint arrangement with its co-joint operators for any changes in facts and circumstances leading to the determination of joint control between joint operators. Management has determined that its joint arrangements are in the nature of joint operation as guided by PFRS 11.
- *Recognition of deferred tax assets* – the Group review the carrying amounts at the end of each reporting period and adjust the balance of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. As of December 31, 2023 and 2022, the Group did not recognize deferred tax asset amounting to P24.7 million and P19.3 million, respectively, since it does not expect to have sufficient profit against which the deferred tax asset can be utilized. (see Note 25)
- *Classification of financial instruments* – the Group classifies financial assets in their entirety based on the contractual cash flows characteristics of the financial assets and the Group's business model for managing the financial assets. The Group classifies its financial assets into the following measurement categories:
 - a. Financial assets measured at amortized cost;
 - b. Financial assets measured at fair value through profit or loss;
 - c. Financial assets measured at fair value through other comprehensive income, where cumulative gains or losses previously recognized are reclassified to profit or loss; and
 - d. Financial assets measured at fair value through other comprehensive income, where cumulative gains or losses previously recognized are not reclassified to profit or loss.

The Group determines the classification at initial recognition and re-evaluates this classification at every reporting date.

- *Classification of property* – The Group determines whether a property is classified as investment property or inventory as follows:
 - a. Investment property comprises of land and condominium unit which are not occupied substantially for use by, or in the operations of the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation.
 - b. Inventory comprises property that is held for sale in the ordinary course of business. Principally, this is residential property that the Group develops and intends to sell before or on completion of construction.
- *Revenue recognition* – Part of the assessment process of the Group before revenue recognition is to assess the probability that the Group will collect the consideration to which it will be entitled in exchange for the real estate property that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, the Group considers the significance of the customer's initial payments in relation to the total contract price. Collectability is

also assessed by considering factors such as past history of customer, age 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.

- *Litigations* – The Group is currently involved in some legal proceedings. While estimates have been developed on possible outcome of these cases, management believes that the ultimate outcome will not have a material effect on the consolidated financial statements. However, a change in underlying estimates could affect the consolidated financial statements in the future.

As of December 31, 2023 and 2022, there were no provisions for litigation in the accompanying consolidated financial statements.

Accounting Estimates

The key assumptions concerning the future and other key sources of estimation of uncertainty at the end of reporting period, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- *Determination of fair value of assets and liabilities*

The Group measures fair value of assets and liabilities using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1

Included in the Level 1 category are assets and liabilities that are measured in whole or in part by reference to published quotes in an active market. Assets and liabilities are regarded as quoted in an active market 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.

Level 2

Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)

Level 3

Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

Fair value measurement is discussed in Note 6.

- *Impairment of non-financial assets* – the Group assesses whether there are indications of impairment on its long-lived assets, at least on an annual basis. This requires an estimation of the value-in-use of the cash generating units to which the assets belong. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the cash generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.
- *Provisions* – the Group provides for present obligations (legal or constructive) where it is probable that there will be an outflow of resources embodying economic benefits that will be required to settle said obligations. An estimate of the provisions is based on known information at end of the reporting period, net of any estimated amount that may be reimbursed to the Group. The amount of provision is being re-assessed at least on an annual basis to consider new relevant information.
- *Estimating useful lives and residual values of property and equipment* – the Group estimate the useful lives and residual values of property and equipment based on the internal technical evaluation and experience. Estimated lives of property and equipment are reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical and commercial obsolescence and other limits on the use of the assets.

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

	Estimated useful life
Condominium units and improvements	15-25 years
Office furniture, fixtures and office equipment	3-5 years
Transportation equipment	3-5 years

- *Estimating NRV of Real Estate Inventories* -The carrying value of real estate inventories is carried at lower of cost and NRV. The estimates used in determining NRV is dependent on the recoverability of its cost with reference to existing market prices, location or the recent market transactions. The amount and timing of recorded cost for any period would differ if different estimates were used.
- *Estimating retirement benefits cost* – the Group’s retirement benefit cost is computed using the provisions of R.A. 7641. This entails using certain assumptions with respect to (1) salary increases and (2) employees’ length of stay. (see Note 22)
- *Estimation of allowance for impairment loss on receivables* – The Group reviews its receivables at each reporting date to assess whether an allowance for impairment should be recorded in the consolidated statements of comprehensive income. The measurement of credit losses under PFRS 9 requires significant judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowance.

6. FAIR VALUE MEASUREMENT

The fair value for assets and liabilities traded in active market at the reporting date is based on their quoted market price. For all other assets and liabilities not listed in an active market, the fair value is determined by using appropriate techniques or comparison to similar instruments for which market observable prices exists.

Where the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instruments or based on a valuation technique, the Group recognizes the difference between the transaction price and fair value in the consolidated statements of comprehensive income unless it qualifies for recognition as some other type of asset.

Assets and liabilities measured at fair value and those which are not measured at fair value but fair value is required to be disclosed are categorized in a manner discussed in Note 5.

The following table presents the summary of the Group's assets and liabilities measured or disclosed at fair value on a recurring or non-recurring basis recognized in the Consolidated Statements of Financial Position as of December 31, 2023 and 2022:

2023	Level 1		Level 2		Level 3	
Assets						
Loans and receivables						
Cash and cash equivalents*	P	-	P	290,589,543	P	-
Receivables		-		24,389,066		-
Non-current installment contracts receivable						
		-		9,709,793		-
Financial assets at FVPL		45,874,820		-		-
Financial assets at FVOCI						
Unquoted equity investments		-		28,142,090		-
Quoted equity investments		9,850,000		-		-
Other non-current assets		-		15,096,516		-
Investment properties		-		528,412,500		58,000,000
	P	55,724,820	P	896,339,508	P	58,000,000
Liabilities						
Accounts payable and accrued expenses	P	-	P	12,573,119	P	-

* Amount is exclusive of cash on hand amounting to P30,000.

2022	Level 1		Level 2		Level 3	
Assets						
Loans and receivables						
Cash and cash equivalents*	P	-	P	300,331,359	P	-
Receivables		-		34,317,962		-
Non-current installment contracts receivable						
		-		12,017,682		-
Financial assets at FVPL		73,654,707		-		-
Financial assets at FVOCI						
Unquoted equity investments		-		337,090		-
Quoted equity investments		7,500,000		-		-
Other non-current assets		-		15,096,516		-
Investment properties		-		992,000,000		58,000,000
	P	81,154,707	P	1,354,100,609	P	58,000,000
Liabilities						
Accounts payable and accrued expenses	P	-	P	14,219,051	P	-

* Amount is exclusive of cash on hand amounting to P30,000.

Fair values were determined as follows:

- Due to short-term nature of transactions of cash and cash equivalents, receivables and accounts payable and accrued expenses, the fair values approximate the carrying amounts.
- Fair values of non-current installment contracts receivable were determined by discounting future cash flows at market prevailing interest rates.
- Fair values of FVPL financial assets were determined through the Philippine Stock Exchange.
- Fair values of quoted equity investments were determined using the quoted market prices at the end of reporting period.
- The fair values of unquoted equity investments were determined using market approach.
- Fair values of Investment properties under level 2 were determined by reference to the proposal to buy/sell the properties and adjacent properties thereto. Fair value of level 3 investment properties was determined using Sales comparison approach.

7. RISK MANAGEMENT OBJECTIVES AND POLICIES

Risk management framework

The Group's audit committee is responsible for the over-all effectiveness of risk management system. Furthermore, it is also the committee's purpose to lead the general evaluation and to provide assistance in the continuous improvement of the Group's risk management, control and governance processes. These functions also require that:

- (i) Financial reports comply with established internal policies and procedures, pertinent accounting and auditing standards, and other regulatory requirements;
- (ii) Risks are properly identified, evaluated and managed, specifically in the areas of managing credit, market, liquidity, operational, legal and other risks;
- (iii) The BOD is properly assisted in the development of policies that would enhance the risk management.

Market Risk

Market risk is the risk of change in fair value of financial instruments from fluctuation in foreign exchange rates (currency risk), market interest rates (interest rate risk) and market prices (price risk), whether such change in price is caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market.

i. Foreign Currency Risk

The risk that the Group will face with respect to the unstable changes in foreign exchange particularly in US dollar. To minimize this risk, the Group maintains a considerable amount of cash and cash equivalents so as not to be affected by the fluctuation of Philippine peso vis-à-vis US dollar.

The Group's exposure to foreign currency risk pertains to its Dollar denominated cash and cash equivalents.

The following table demonstrates the sensitivity to a reasonable change in the US\$ exchange rate, with all other variables held constant, of the Group's income before tax and equity:

Increase/Decrease in Peso to US Dollar Rate	Effect on income before taxes				Effect on equity			
	2023		2022		2023		2022	
+P5.00	P	48,656	P	45,820	P	36,492	P	34,365
-P5.00		(48,656)		(45,820)		(36,492)		(34,365)

ii. Interest rate risk

As of December 31, 2023 and 2022, financial instruments subject to variable interest rate risk are as follows:

2023	Interest rate		Due in		
			1 year	2-5 years	
Financial assets that are:					
Cash and cash equivalents	0.10%-6.38%	P	290,589,543	P	-

2022	Interest rate		Due in		
			1 year	2-5 years	
Financial assets that are:					
Cash and cash equivalents	0.10%-6.00%	P	300,331,359	P	-

The table below demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax:

		Increase/decrease in interest rates	Effect on profit before tax
Cash and cash equivalents	2023	+100 bps P	2,954,605
	2023	-100 bps	(2,954,605)
	2022	+100 bps	3,388,845
	2022	-100 bps	(3,388,845)

iii. Price risk

The Group's price risk exposure at year end relates to financial assets whose rates will fluctuate as a result of changes in market prices, principally, financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income.

Management monitors movements of equity price on a regular basis by assessing the expected changes in the different portfolios due to parallel movements of a 5% increase or decrease in market values.

The equity securities are classified as financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. Any increase and a decrease in the market values of stocks would result to an impact on the consolidated statements of comprehensive income and equity as follows:

% of change in market values		Impact on income		Impact on equity	
		2023	2022	2023	2022
+5%	P	2,293,741 P	3,682,735 P	2,578,329 P	3,993,715
-5%		(2,293,741)	(3,682,735)	(2,578,329)	(3,993,715)

Credit Risk

Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the face of the consolidated statements of financial position (or in the detailed analysis provided in the notes to the consolidated financial statements). Credit risk, therefore, is only disclosed in circumstances where the maximum potential loss differs significantly from the financial asset's carrying amount.

The Group actively monitors its receivables to avoid significant concentrations of credit risk. They set a maximum limit on the amount that each employee can borrow. In addition, receivables from employees are subject to salary deductions.

The gross maximum exposure to credit risk at the end of reporting period is as follows:

	2023	2022
Cash and cash equivalents*	P 290,589,543	P 300,331,359
Receivables	36,548,468	49,367,493
Financial assets at fair value through profit or loss	75,025,199	90,037,667
Financial assets at FVOCI	78,875,000	51,070,000
Other non-current assets**	27,243,494	27,243,494
	P 508,281,704	P 518,050,013

* Amount is exclusive of cash on hand amounting to P30,000.

** Amount is exclusive of nonfinancial asset amounting to P302,935.

The tables below show the credit quality by class of financial assets as at December 31, 2023 and 2022:

	Neither past due nor impaired		Past due but not impaired	Past due and impaired	Total
	High grade	Standard grade	90 days past due		
2023					
Cash and cash equivalents	P 290,589,543	P -	P -	P -	P 290,589,543
Receivables	7,291,868	29,256,600	-	-	36,548,468
FVPL financial assets	75,025,199	-	-	-	75,025,199
Financial assets at FVOCI	28,875,000	-	50,000,000	-	78,875,000
Other non-current assets	-	-	14,793,581	12,449,913	27,243,494
	P 401,781,610	P 29,256,600	P 64,793,581	P 12,449,913	P 508,281,704

	Neither past due nor impaired		Past due but not impaired	Past due and impaired	Total
	High grade	Standard grade	90 days past due		
2022					
Cash and cash equivalents	P 300,331,359	P -	P -	P -	P 300,331,359
Receivables	14,439,786	34,927,707	-	-	49,367,493
FVPL financial assets	90,037,667	-	-	-	90,037,667
Financial assets at FVOCI	1,070,000	-	50,000,000	-	51,070,000
Other non-current assets	-	-	14,793,581	12,449,913	27,243,494
	P 405,878,812	P 34,927,707	P 64,793,581	P 12,449,913	P 518,050,013

High grade cash and cash equivalents are short-term placements and working cash fund placed, invested, or deposited in banks belonging to the top banks in the Philippines in terms of resources and profitability.

High grade accounts, other than cash and cash equivalents, are accounts considered to be of high value. The counterparties have a very remote likelihood of default and have consistently exhibited good paying habits.

Standard grade accounts are active accounts with propensity of deteriorating to mid-range age buckets. These accounts are typically not impaired as the counterparties generally respond to credit actions and update their payments accordingly.

Liquidity Risk

Liquidity or funding risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from either the inability to sell financial assets quickly at their fair values; or counterparty failing on repayment of a contractual obligation; or inability to generate cash inflows as anticipated.

Liquidity risk is a risk due to uncertain liquidity. An institution may suffer liquidity problem when its credit rating falls. The Group is also exposed to liquidity risk if markets on which it depends on are subject to loss of liquidity.

The table below summarizes the maturity profile of the Group's financial liabilities as of December 31, 2023 and 2022, based on undiscounted contractual payments:

		Not later than one month	Later than 1 month & not Later than 3 months	Later than 3 months & not later than 1 year	Total
Accounts payable and accrued expenses	2023	P 784,620	P 406,326	P 11,382,173	P 12,573,119
	2022	887,333	459,518	12,872,200	14,219,051

8. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of December 31, 2023 and 2022 are as follows:

	2023		2022	
Cash on hand and in banks	P	61,840,975	P	58,679,431
Short-term placements		228,778,568		241,681,928
	P	290,619,543	P	300,361,359

Cash accounts with banks generally earn interest at rates based on prevailing bank deposit rates. Short-term placements can be pre-terminated at any time and have average interest rates ranging from 0.10% to 6.38% and 0.10% to 6.00% per annum in 2023 and 2022, respectively.

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group's financial assets at fair value through profit or loss consist of shares of stock of publicly listed companies which are classified as held for trading.

All amounts presented have been determined directly by reference to published price quoted in the stock market.

The reconciliation of this account is shown below:

	2023		2022	
Balance, January 1	P	73,654,707	P	65,197,538
Acquisitions during the year		-		41,099,346
Disposals during the year		(15,012,468)		(23,527,868)
Changes in market value (Note 19)		(12,767,419)		(9,114,309)
	P	45,874,820	P	73,654,707

The Group recognized fair value loss of P12,767,419 and P9,114,309 in 2023 and 2022, respectively. The Group also disposed certain shares of stock which resulted to a net gain of P2,247,636 and P58,838 in 2023 and 2022, respectively. (see Note 19)

Dividend income earned on these investments amounted to P2,622,062 and P2,528,855 in 2023 and 2022, respectively. (see Note 19)

10. RECEIVABLES

In the consolidated financial statements as of December 31, this account is composed of:

	2023	2022
Installment contract receivable	P 19,451,270	P 29,489,316
Due from HDMF	13,767,479	13,174,318
Accrued interest on short-term placements	1,590,941	935,397
Advances to officers and employees	1,243,794	1,624,474
Advances to agent	60,500	94,500
Other receivables	434,484	4,049,488
	36,548,468	49,367,493
Less: Non-current portion	12,159,402	15,049,531
	P 24,389,066	P 34,317,962

Installment contracts receivable on sale of house and lots which pertains to Sta. Rosa project are collectible in monthly installments for periods ranging from 3 to 7 years and bear an interest rate of 21% per annum computed on the diminishing balance. Portion of which are covered by postdated checks.

Non-current portion represents installment contract receivable that are due beyond 1 year.

For the years ended December 31, 2023, 2022 and 2021, interest income on these installment accounts amounted to P1,875,552, P1,376,987 and P1,639,319, respectively. (see Note 19)

Due from HDMF represents portion of take-out proceeds on sale of real estate properties that were withheld in accordance with financing agreement with Home Development Mutual Fund.

Due to short-term nature of transactions of current receivables, the fair values approximate the carrying amounts.

11. REAL ESTATE FOR SALE

This account consists of:

	2023	2022
Real estate for sale - at cost		
Land	P 61,217,883	P 769,896
Housing units and developments	8,560,649	10,808,439
Condominium units	2,842,921	2,842,921
	P 72,621,453	P 14,421,256

The movements in real estate for sale is set out below:

	2023		2022	
Real estate for sale, beginning	P	14,421,256	P	35,811,261
Construction and development costs incurred		8,118,365		9,399,621
Reclassification		60,608,103		-
Transferred to cost of sales (Note 20)		(10,526,271)		(30,789,626)
Real estate for sale, ending	P	72,621,453	P	14,421,256

Real estate for sale, which is carried at cost, principally pertains to cost of raw land, property developments and other expenses related to construction and development of subdivision and condominium units. Construction and development costs include the cost of materials, labor and other related costs.

In 2023, Management has determined that certain parcels of land in Urdaneta City with a total area of 21.85 hectares will be developed into a low and medium cost residential and commercial subdivision. In view thereof, these parcels of land with a carrying value of P48,868,370 were reclassified out of investment property to real estate for sale classification. (see Note 15)

12. PREPAYMENTS AND OTHER CURRENT ASSETS

In the consolidated financial statements, this account is composed of the following:

	2023		2022	
Prepaid taxes	P	3,789,707	P	3,210,483
Input value added tax		1,404,540		838,271
Others		259,800		259,800
		5,454,047		4,308,554
Less: Allowance for impairment losses		838,271		838,271
	P	4,615,776	P	3,470,283

Prepaid taxes consist of creditable withholding taxes at source.

Input value added tax represents the 12% Value Added Tax (VAT) on purchases of goods and services.

Others include prepaid membership dues and insurances.

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)

Details of this account in 2023 and 2022 are as follows:

	2023		2022	
Cost:				
Unquoted equity investments	P	77,805,000	P	50,000,000
Quoted equity investments		1,070,000		1,070,000
		78,875,000		51,070,000
Allowance for market adjustment		(40,882,910)		(43,232,910)
	P	37,992,090	P	7,837,090

The movements of this account during the year are as follows:

	2023		2022	
Balance at beginning of year	P	7,837,090	P	4,637,090
Acquisition of investment		27,805,000		-
Changes in fair value		2,350,000		3,200,000
Balance at end of year	P	37,992,090	P	7,837,090

Unquoted equity investments comprise of equity interest in Macawiwili Gold Mining and Development Co., Inc and Simple Agreement for Future Equity (SAFE) investment in Crown Technologies Holding Pte. Ltd., a private limited company incorporated in Singapore.

SAFE is an instrument allowing the Parent Company a future right to subscribe to shares of stock of the issuer for an undetermined price. The conversion of the instrument to shares of stock will occur after the 12-month period from the date of purchase at prevailing market valuation. In the event that the SAFE agreement is terminated prior to conversion date, the Company is entitled for full refund plus interest of 8%. As of December 31, 2023, the instrument is classified as financial instrument at FVOCI.

Quoted equity investments consist of golf club shares in Manila Southwoods and Tagaytay Midlands.

The fair values were determined in a manner discussed in Note 6.

14. PROPERTY AND EQUIPMENT

The movement of property and equipment as of December 31, 2023 is as follows.

	Condominium Units and Improvements		Office Furniture and Fixtures		Office Equipment		Transportation Equipment		Total	
Cost										
At January 1, 2023	P	14,140,270	P	853,231	P	3,550,519	P	12,715,183	P	31,259,203
Additions		-		-		387,368		3,766,071		4,153,439
Reclassification		(2,412,500)		-		-		-		(2,412,500)
At December 31, 2023		11,727,770		853,231		3,937,887		16,481,254		33,000,142
Accumulated depreciation										
At January 1, 2023		12,440,702		853,230		2,593,120		12,576,234		28,463,286
Provisions		96,500		-		172,652		900,547		1,169,699
Reclassification		(924,792)		-		-		-		(924,792)
At December 31, 2023		11,612,410		853,230		2,765,772		13,476,781		28,708,193
Net Carrying Value										
At December 31, 2023	P	115,360	P	1	P	1,172,115	P	3,004,473	P	4,291,949

The movement of property and equipment as of December 31, 2022 is as follows.

	Condominium Units and Improvements	Office Furniture and Fixtures	Office Equipment	Transportation Equipment	Total
Cost					
At January 1, 2022	P 14,140,270	P 853,231	P 2,877,350	P 12,715,183	P 30,586,034
Additions	-	-	673,169	-	673,169
At December 31, 2022	14,140,270	853,231	3,550,519	12,715,183	31,259,203
Accumulated depreciation					
At January 1, 2022	12,344,202	853,230	2,425,960	11,739,955	27,363,347
Provisions	96,500	-	167,160	836,279	1,099,939
At December 31, 2022	12,440,702	853,230	2,593,120	12,576,234	28,463,286
Net Carrying Value					
At December 31, 2022	P 1,699,568	P 1	P 957,399	P 138,949	P 2,795,917

The Group has fully depreciated assets which are still being used amounting to P19,367,384 and P19,019,128 as at December 31, 2023 and 2022, respectively.

In 2023, a condominium unit with carrying value of P1,487,708 was reclassified to investment property classification as this property is now held to earn rental. (see Note 15)

15. INVESTMENT PROPERTIES

Investment properties comprise properties that are held for a currently undetermined future use, for capital appreciation or to earn rentals. As at December 31, 2023 and 2022, this account consists of parcels of land and a condominium unit in the following locations:

Sablan, Benguet	P	56,494,235	P	56,494,235
Mayapyap, Cabanatuan City		19,200,222		19,200,222
Urdaneta City, Pangasinan (Note 26)		18,361,680		78,969,783
Tagaytay City, Cavite		12,116,785		12,116,785
Condominium unit, Pasig City - net		1,487,708		-
	P	107,660,630	P	166,781,025

- The Sablan, Benguet properties consists of Haddad property, Bueno property and Belmont property with an area of 6.68 hectares, 6.62 hectares and 23.62 hectares, respectively.

The aggregate fair value of the Sablan, Benguet properties is estimated to be P58 million in 2023 and 2022, determined under level 3 in the fair value hierarchy. The value was determined in consultation with real estate brokers operating within the Baguio district which management believes to be a representative of its fair value.

- The Mayapyap property, which is situated in Brgy. Mayapyap Sur, Cabanatuan City, Nueva Ecija and located along the Maharlika National Highway, has an area of 4.13 hectares and has a fair value of P144 million in 2023 and 2022. Fair value was determined by reference to the proposals to sell adjacent properties received from a certain seller which is categorized as level 2 in the fair value hierarchy.
- The property held in Urdaneta City, Pangasinan consists of parcels of land with a total area of 35.32 hectares as of December 31, 2022. In 2023, in view of Management's plan to develop certain parcels of land, with an area of 21.85 hectares, the same were reclassified to real estate for sale. (see Note 11)

Management determines that based on recent transactions and offers to buy/sell adjacent properties, the fair value of the property which is categorized as level 2 in the fair value hierarchy amounted to P286 million and P752 million in 2023 and 2022.

- The Tagaytay property, which is situated in Kaybagal South, Tagaytay City, Cavite has an area of 2,738 square meters. Management determines that based on recent transactions and offers to buy/sell adjacent properties, the fair value of the property which is categorized as level 2 in the fair value hierarchy amounted to P96 million in 2023 and 2022.
- During 2023, a condominium unit owned by the Group located at Maybunga, Pasig City with a floor area of 30.10 square meters which was previously used as an office was reclassified into investment property as such unit is now held for rental. Management determines that based on recent transactions and offers to buy/sell adjacent properties, the fair value of the property which is categorized as level 2 in the fair value hierarchy amounted to P2.4 million in 2023 and 2022. Rent income earned amounted to P110,000 and P90,000 during 2023 and 2022, respectively. (see Note 19)

The description of valuation techniques and inputs used in determining the fair value of investment properties classified as Level 3 in the fair value hierarchy is as follows:

Valuation techniques	Significant unobservable inputs	Range
Sales comparison approach	Asking price (per square meter) Size Location Neighborhood Transport/Road network	P200 - P450

Sales comparison approach is a comparative approach to value that considers the sales of similar or substitute properties and related market data and establishes a value estimate by processes involving comparison. Except for asking price, the quantitative information on significant unobservable inputs cannot be determined by management alone.

During 2023 and 2022, there were no transfers between levels of fair value hierarchy. No property has been pledged as collateral or security for any of the Parent Company's liabilities and there have been no restrictions on the realizability of these investment properties. There are no contractual obligations to purchase, construct or develop these properties or for repairs, maintenance, or enhancements.

Except from the condominium unit, there was no rental income generated from these investment properties. Operating expenses included in the statements of comprehensive income related to the investment properties amounted to P0.37 million in 2023 and P0.36 million in 2022.

16. OTHER NON-CURRENT ASSETS

As of December 31, 2023 and 2022, other non-current assets account consists of the following:

Advances	P 16,512,244
Cash bond	10,731,250
Mining equipment	302,935
	27,546,429
Less: Allowance for impairment losses	12,449,913
	P 15,096,516

The details of Advances as of December 31, 2023 and 2022, which represent funds given by the Parent Company as its contribution to various housing projects, are as follows:

Beneco Housing	11,528,881
Sto. Domingo Housing	4,983,363
	P 16,512,244

Cash bond represents bond required by the Department of Agrarian Reform (DAR) in connection with the Parent Company's Land Use Conversion (LUC) application of a property in Urdaneta, Pangasinan. The cash bond is refundable upon issuance of the order of conversion or convertible into performance bond at the Parent Company's option.

Breakdown of allowance for impairment losses as at December 31, 2023 and 2022 is as follows:

Advances:		
Beneco Housing	P 11,528,881	
Sto. Domingo Housing	618,097	
Mining and other equipment	302,935	
	P 12,449,913	

Movement of allowance for impairment losses is as follows:

		2023		2022
Balance, January 1	P	12,449,913	P	18,495,289
Written-off		-		(6,045,376)
Balance, December 31	P	12,449,913	P	12,449,913

17. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

This account consists of:

		2023		2022
Customers' advances and deposits	P	8,765,398	P	9,267,083
Accounts payable		3,769,441		3,850,594
Accrued taxes and other liabilities		38,280		1,101,374
	P	12,573,119	P	14,219,051

Customers' advances pertain to funding from buyers of real estate for future application against transfer and registration fees and other taxes to be incurred upon transfer of properties to the buyer.

Customers' deposits represent collections from the buyers which have not reached the minimum required percentage of collections. These deposits will be recognized as revenue in the consolidated statement of comprehensive income when the required percentage of collection is met.

Accounts payable comprise of amounts due to contractors and suppliers of goods and services.

Accrued taxes and other liabilities include deferred output tax and withholding taxes payable.

18. EQUITY

Share capital

The Group's capital structure as of December 31, 2023 and 2022 is as follows:

Authorized - P1 par value	P	2,000,000,000
Issued and outstanding - 1,050,461,673		1,050,461,673

Capital management

The Group manages its capital requirements by assessing shortfalls between reported and required capital levels on a regular basis. Adjustments to current capital levels are made in light of changes in economic conditions and risk characteristics of the Group's activities. In order to maintain or adjust the capital structure, the Group's may require infusion of additional capital.

19. REVENUES

(a) Real estate sales - net

Real estate sales comprise the sale of lots, house and lot and condominium units in Sta. Rosa, Nueva Ecija and Tagaytay City, Cavite. The Sta. Rosa project is registered with the Housing and Land Use Regulatory Board as seller of low-cost housing units. Low-cost housing units refer to housing units which are within the affordability level of the average and low-income earners.

Real estate sales of low-cost housing units and condominium units, net of discounts, amounted to P17,478,200 in 2023, P49,549,081 in 2022 and P34,534,816 in 2021.

(b) Investment and other income - net consists of:

	2023	2022	2021
Interest income on:			
Cash and cash equivalents	P 15,796,014	P 5,707,046	P 2,663,580
Installment contract receivable (Note 10)	1,875,552	1,376,987	1,639,319
Fair value loss on FVPL financial assets (Note 9)	(12,767,419)	(9,114,309)	(3,718,416)
Dividend income (Note 9)	2,622,062	2,528,855	884,148
Gain on sale of FVPL financial assets (Note 9)	2,247,636	58,838	3,262,942
Rental income (Note 15)	110,000	90,000	-
Foreign exchange loss	(5,093)	-	-
Unrealized foreign exchange gain	-	48,973	25,008
Other income	30,330	240,921	223,999
	P 9,909,082	P 937,311	P 4,980,580

20. COST OF REAL ESTATE SALES

In the consolidated financial statements, details of this account are as follows:

	2023		2022		2021
Real estate inventory, beginning	P 14,421,256	P	35,811,261	P	50,304,691
Add: Development costs incurred	8,118,365		9,399,621		10,259,062
Reclassification (Note 11)	60,608,103		-		-
Real estate available for sale	83,147,724		45,210,882		60,563,753
Less: Real estate inventory, ending	72,621,453		14,421,256		35,811,261
Cost of real estate sales	P 10,526,271	P	30,789,626	P	24,752,492

21. ADMINISTRATIVE EXPENSES

This account consists of:

	2023		2022		2021
Compensation and other employees' benefits (Note 22)	P 11,833,924	P	9,898,206	P	9,223,833
Transportation and travel	7,088,145		6,972,422		6,791,340
Taxes, licenses and filing fees	3,287,582		2,530,702		2,101,645
Professional fees	2,787,089		2,633,532		2,635,256
Representation and entertainment	2,468,066		2,871,744		2,741,603
Depreciation (Note 14)	1,169,699		1,099,939		1,679,592
Meetings and conferences	946,897		524,650		252,423
Repairs and maintenance	569,695		482,809		409,869
Communication, light and water	398,119		395,509		383,972
Association and membership dues	309,956		376,309		357,485
Directors' fee	252,000		222,000		252,000
Insurance	225,583		167,977		166,680
Office supplies	189,650		207,821		142,899
Caretaker's fee	-		10,714		42,512
Miscellaneous	424,424		41,020		180,352
	P 31,950,829	P	28,435,354	P	27,361,461

22. COMPENSATION AND OTHER EMPLOYEES' BENEFITS

The breakdown of the consolidated compensation and other benefits is as follows:

	2023		2022		2021
Salaries and wages	P 6,655,800	P	7,064,964	P	6,492,979
Retirement expense	3,913,058		1,546,580		1,541,200
Social security cost	741,375		768,099		675,880
13th month pay	523,691		518,563		513,774
	11,833,924	P	9,898,206	P	9,223,833

The movements in the defined benefit obligation recognized and presented as *Accrued Retirement Liability* under Non-current Liabilities in the consolidated statements of financial position are as follows:

	2023	2022	2021
Balance, January 1	P 11,782,730	P 15,062,812	P 13,521,612
Expense recognized	3,913,058	1,546,580	1,541,200
Payment during the year	(3,424,396)	(4,826,662)	-
Balance, December 31	P 12,271,392	P 11,782,730	P 15,062,812

The Group's retirement benefit plan is patterned under the requirements of R. A. 7641 and covers 12 employees. As such, the plan is deemed to be a Defined Benefit Plan. The retirement expense for the years ended December 31, 2023, 2022 and 2021 amounted to P3,913,058, P1,546,580 and P1,541,200, respectively. No actuarial valuations are made as management believes that the defined benefit obligation computed using the provisions of R.A. 7641 is not materially different with the amount computed using the projected unit credit method required under the revised PAS 19, *Employee Benefits*.

23. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence which include affiliates.

Transactions with related parties, if any, are made at normal market prices. Outstanding balances at yearend are unsecured, non-interest bearing and settlement occurs in cash, unless otherwise indicated. There have been no guarantees provided or received for any related party receivables or payables. Assessment is undertaken each financial year by examining the financial position of the related parties and the markets in which the related parties operate.

The following tables provide the total amount of transactions that have been entered into with related parties and the outstanding balances as of December 31, 2023, 2022 and 2021:

Category	Year	Amount of transactions	Outstanding Balance		Terms and conditions
			Due from related parties	Due to related parties	
Subsidiaries					
Omico Kapital Corporation					
<i>Cash advances</i>	2023	P 168,044	P 529,075	P 221,084,873	Demandable; non-interest bearing; unsecured; payable in cash
	2022	(9,526)	361,031	221,084,873	
	2021	23,180	370,557	221,084,873	
Omico Mining Inc.					
<i>Cash advances</i>	2023	14,663	6,341,005	-	Demandable; non-interest bearing; unsecured; payable in cash
	2022	15,098	6,326,342	-	
	2021	17,589	6,311,244	-	
	2023	P 6,870,080	P 221,084,873		
	2022	P 6,687,373	P 221,084,873		
	2021	P 6,641,032	P 221,084,873		

The Parent Company's advances to its subsidiaries represent cash advances for subsidiaries' operating expenses paid by the Parent Company. These advances are shown as part of Receivables in the Parent Company's statements of financial position. The outstanding balance amounted to P6,870,080, P6,687,373 and P6,641,032 as of December 31, 2023, 2022 and 2021, respectively. Full allowance for credit losses were provided in 2023, 2022 and 2021. These accounts were eliminated in full in the consolidated financial statements.

The Parent Company's cash advances from its subsidiary in previous years are shown as Due to subsidiary in the Parent Company's statements of financial position. The outstanding balance amounted to P221,084,873 as of December 31, 2023, 2022 and 2021. This amount was eliminated in the consolidated financial statements.

Compensation of key management personnel by benefit type is as follows:

		2023		2022		2021
Short-term employee benefits	P	4,621,100	P	5,677,317	P	5,676,471
Post-employment benefits		1,993,292		565,697		544,299
	P	6,614,392	P	6,243,014	P	6,220,770

24. LOSS PER SHARE

The following table presents the computation of basic EPS.

		2023		2022		2021
Loss for the year	P	(19,657,131)	P	(12,241,994)	P	(15,237,734)
Divided by: Weighted Average Shares		1,050,461,673		1,050,461,673		1,050,461,673
Basic/Diluted earnings (loss) per share	P	(0.018713)	P	(0.011654)	P	(0.014506)

25. INCOME TAXES

- Income tax expense for the years ended December 31, 2023, 2022 and 2021 is broken down as follows:

		2023		2022		2021
MCIT	P	135,252	P	204,924	P	116,456
Final tax		3,262,717		1,278,004		790,476
	P	3,397,969	P	1,482,928	P	906,932

- The Group's reconciliation of tax on pretax income from operation computed at the applicable statutory rates to tax expense are as follows:

	2023		2022		2021	
Statutory income tax	P	(4,064,791)	P	(2,689,825)	P	(3,582,701)
Adjustments resulting from:						
Income subjected to final taxes		(4,510,854)		(1,441,412)		(691,085)
Income exempt from income tax		(655,515)		(632,214)		(221,037)
Non-deductible expenses		3,912,284		3,073,243		1,859,559
Effect of unrecognized deductible temporary differences		8,716,845		3,173,136		3,542,196
Tax expense reported in the statements of comprehensive income	P	3,397,969	P	1,482,928	P	906,932

- The Group did not recognize the balance of the deferred tax assets on net operating loss carry over (NOLCO), excess MCIT and other temporary differences because management believes that the related deferred tax assets may not be recovered. The breakdown of deferred tax assets, which can still be applied if the Group has taxable income in the future, are as follows:

	2023		2022	
Allowance for impairment losses	P	4,829,998	P	4,784,322
Accrued retirement		3,067,848		2,945,682
Excess MCIT		456,632		418,638
Net operating loss carryover (NOLCO)		16,373,643		11,190,390
	P	24,728,121	P	19,339,032

- The carry-forward benefits of the NOLCO and the excess of the MCIT over the regular corporate income tax, which can be claimed by the Group as credits against the regular corporate income tax due, are as follows:

NOLCO									
Year Incurred	Amount	Applied Previous Year	Expired	Remaining Balance	Expiry				
2020	P 16,485,921	P -	P -	P 16,485,921	2025				
2021	12,170,956	-	-	12,170,956	2026				
2022	16,104,682	-	-	16,104,682	2025				
2023	20,733,011	-	-	20,733,011	2026				
	P 65,494,570	P -	P -	P 65,494,570					

MCIT									
Year Incurred	Amount	Applied	Expired	Remaining Balance	Expiry				
2020	P 97,258	P -	P 97,258	P -	2023				
2021	116,456	-	-	116,456	2024				
2022	204,924	-	-	204,924	2025				
2023	135,252	-	-	135,252	2026				
	P 553,890	P -	P 97,258	P 456,632					

NOLCO

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4(bbbb) of "Bayanihan to Recover As One Act" which provide that the NOLCO incurred for taxable

years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act

On February 1, 2021, the Bicameral Conference Committee, approved the House Bill No. 4157 and Senate Bill No.1357 (the CREATE) which seeks to reduce the corporate income tax rates and to rationalize the current fiscal incentives by making it time-bound, targeted and performance-based. CREATE pursues to dynamically fight the effects of COVID-19 and help businesses to recover as quickly as possible.

Among the reforms provided under CREATE Act are the following:

- (i) Reduction in Corporate Income Tax rate effective July 1, 2020 as follows:
 - Those with assets amounting to P100,000,000 and below, and with taxable income equivalent to P5,000,000 and below will be subjected to a 20% tax rate;
 - Those with assets above P100,000,000 or those with taxable income amounting to more than P5,000,000 will be subjected to a 25% tax rate.
- (ii) Effective July 1, 2020 until June 30, 2023, the MCIT rate shall be one percent (1%) and will revert back to two percent (2%) effective June 30, 2023. The effective MCIT rate for 2023 is 1.5%.

26. JOINT ARRANGEMENTS

On April 19, 2005, a Memorandum of Agreement (MOA) was executed between Omico as Landowner with Sta. Lucia Realty and Development Inc. (SLRDI) as Developer for the development by SLRDI of the real properties of Omico located in Pinmaludpod, Urdaneta, Pangasinan into a residential and/or commercial subdivision. As provided in the MOA for the development by SLRDI of the real properties of Omico, SLRDI shall be entitled to 55% of the developed saleable lots while the remaining 45% shall be retained by and remain with Omico.

On August 30, 2022, Omico has executed a Rescission of the Memorandum of Agreement (MOA) on Property Development executed by Omico with SLRDI on April 19, 2005.

The carrying amount of property contributed, which pertains to the parcel of land is presented under investment property as at December 31, 2022.

The above arrangement was accounted as "Joint Operation" in accordance with PFRS 11, Joint Arrangements.

27. OPERATING SEGMENTS

The Group's businesses are organized and managed separately according to the nature of products provided, with each segment representing a strategic business unit that offers different products and serves different markets. The segment information in the consolidated financial statements as of December 31, 2023, 2022 and 2021 are as follows:

	As of December 31, 2023					
	Corporate and			Total		
		Real estate	others		Real estate	others
Segment revenue	P	19,353,752	P	8,033,530	P	27,387,282
Segment result		(19,500,070)		3,240,908		(16,259,162)
Segment asset		212,649,412		402,671,833		615,321,245
Segment liabilities		11,381,787		13,462,724		24,844,511
Segment cash flows						
Operating		(9,287,708)		(2,582,675)		(11,870,383)
Investing		4,153,438		(2,024,871)		2,128,567
Other information:						
Depreciation		-		1,169,699		1,169,699
Capital expenditures		-		4,153,438		4,153,438
	As of December 31, 2022					
	Corporate and			Total		
		Real estate	others		Real estate	others
Segment revenue	P	50,926,068	P	(439,676)	P	50,486,392
Segment result		(6,027,570)		(4,731,496)		(10,759,066)
Segment asset		224,475,416		409,310,230		633,785,646
Segment liabilities		11,859,476		14,142,305		26,001,781
Segment cash flows						
Operating		5,203,984		(13,416,157)		(8,212,173)
Investing		(673,170)		(10,212,369)		(10,885,539)
Other information:						
Depreciation		-		1,099,939		1,099,939
Capital expenditures		-		673,169		673,169
	As of December 31, 2021					
	Corporate and			Total		
		Real estate	others		Real estate	others
Segment revenue	P	36,174,135	P	3,341,261	P	39,515,396
Segment result		(13,567,844)		(762,958)		(14,330,802)
Segment asset		237,576,214		411,086,654		648,662,868
Segment liabilities		14,042,654		17,794,355		31,837,009
Segment cash flows						
Operating		(1,614,914)		2,001,579		386,665
Investing		(84,866)		(58,384,311)		(58,469,177)
Financing						-
Other information:						
Depreciation		-		1,679,592		1,679,592
Capital expenditures		-		84,866		84,866

Reconciliation between segment information and consolidated financial statements is shown below:

	2023		2022		2021
Total segment results	P (16,259,162)	P	(10,759,066)	P	(14,330,802)
Income tax expense	(3,397,969)		(1,482,928)		(906,932)
Loss for the period	P (19,657,131)	P	(12,241,994)	P	(15,237,734)

28. OTHER MATTERS

Non-cash transactions

Non-cash transactions were excluded in the statements of cash flows. Details of non-cash transactions for the year ended December 31, 2023 are as follows:


Reclassification of parcels of land (see Note 11)	P 60,608,103
Reclassification of a condominium unit (see Note 14)	1,487,708
	P 62,095,811

Independent Auditors' Report on Supplementary Schedules

The Board of Directors and Stockholders
OMICO CORPORATION AND SUBSIDIARIES
Suite 1109 East Tower, Tektite Towers
Exchange Road, Ortigas Center, Pasig City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Omico Corporation and its subsidiaries (the Group) as at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023, included in this Form 17-A, and have issued our report thereon dated March 22, 2024. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Consolidated Financial Statements and Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68 and are not part of the consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements, and in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

R. R. TAN AND ASSOCIATES, CPAs


By: **DOMINGO A. DAZA, JR.**
Partner
CPA Certificate No. 109993
Tax Identification No. 203-917-449
PTR No. 0173936, January 05, 2024, Pasig City
BIR Accreditation No. 07-100512-002-2022, valid until September 14, 2025

March 22, 2024
Pasig City

Omico Corporation and Subsidiaries
Index to the Consolidated Financial Statements and Supplementary Schedules
Under Revised Securities Regulation Code Rule 68
December 31, 2023

Table of Contents

Schedule	Description	Page
I	Financial Soundness Indicators	1
II	Parent Company Reconciliation of Retained Earnings Available for Dividend Declaration	2
III	A Map Showing the Relationship Between and Among the Parent Company and its Subsidiaries	3
A	Financial Assets	4
B	Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)	5
C	Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements	6
D	Long Term Debt	Not Applicable
E	Indebtedness to Related Parties	7
F	Guarantee Securities of Other Issuers	Not Applicable
G	Capital Stock	8

Omico Corporation and Subsidiaries
Schedule I - Financial Soundness Indicators

Key Performance Indicators	Formula	For the Year Ended December 31	
		2023	2022
A. Current/Liquidity Ratio			
Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	17.63:1	29.98:1
Quick Ratio	$\frac{\text{Current Assets} - \text{Inventory} - \text{Other Current Assets}}{\text{Current Liabilities}}$	14.53:1	28.72:1
B. Solvency Ratio/Debt-to-Equity Ratio			
Solvency Ratio	$\frac{\text{Net Income Before Depreciation and Amortization}}{\text{Total Liabilities}}$	(0.61):1	(0.46):1
Debt-to-Equity Ratio	$\frac{\text{Total Liabilities}}{\text{Total Equity}}$	0.04:1	0.04:1
C. Asset to Equity Ratio			
Asset-to-Equity Ratio	$\frac{\text{Total Assets}}{\text{Total Equity}}$	1.04:1	1.04:1
D. EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization)	Profit Before Tax Add: Depreciation and Amortization Foreign Exchange Loss Interest Expense Less: Interest Income	(P32.8) Million	(P16.8) Million
E. Profitability Ratios			
Profit Before Tax Margin Ratio	$\frac{\text{Profit (Loss) Before Tax}}{\text{Total Revenue}}$	(59.37%)	(21.31%)
Return on Assets	$\frac{\text{Net Income}}{\text{Average Total Assets}}$	(3.15%)	(1.91%)
Return on Equity	$\frac{\text{Net Income}}{\text{Average Total Equity}}$	(3.28%)	(2.00%)

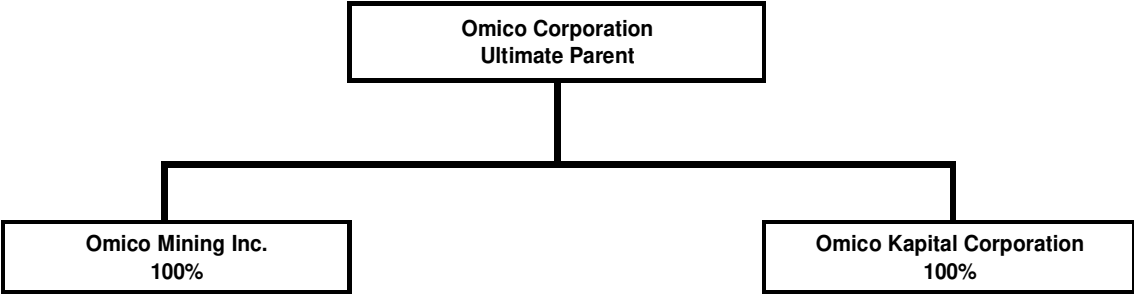
Reconciliation of Retained Earnings Available for Dividend Declaration
DECEMBER 31, 2023

OMICO CORPORATION
Suite 1109 East Tower, Teklite Towers, Exchange Road, Ortigas Center, Pasig City

Omico Corporation and Subsidiaries
Schedule II - Parent Company Reconciliation of Retained Earnings Available for Dividend Declaration
DECEMBER 31, 2023

Unappropriated Retained Earnings, beginning of reporting period	P (427,441,385)
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings	
Reversal of Retained Earnings Appropriation/s	-
Effect of restatements or prior-period adjustments	-
Others	-
	<hr/>
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings	
Dividend declaration during the reporting period	-
Retained Earnings appropriated during the reporting period	-
Effect of restatements or prior-period adjustments	-
Others	-
	<hr/>
Unappropriated Retained Earnings, as adjusted	(427,441,385)
Add/Less: Net Income (loss) for the current year	(19,657,364)
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)	
Equity in net income of associate/joint venture, net of dividends declared	-
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	-
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	12,767,419
Unrealized fair value gain of Investment Property	-
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-
Subtotal	<hr/> 12,767,419
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)	
Realized foreign exchange gain, except those attributable to cash and cash equivalents	-
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-
Realized fair value gain of Investment Property	-
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-
Subtotal	<hr/> -
Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)	
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-
Reversal of previously recorded fair value gain of Investment Property	-
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded	-
Subtotal	<hr/> -
Adjusted Net Income/Loss	-
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)	
Depreciation on revaluation increment (after tax)	-
Subtotal	<hr/> -
Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP	
Amortization of the effect of reporting relief	-
Total amount of reporting relief granted during the year	-
Others	-
Subtotal	<hr/> -
Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution	
Net movement of treasury shares (except for reacquisition of redeemable shares)	-
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	-
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	-
Adjustment due to deviation from PFRS/GAAP - gain (loss)	-
Others	-
Subtotal	<hr/> -
Total Retained Earnings, end of the reporting period available for dividend	P (434,331,330)

Omico Corporation and Subsidiaries
Schedule III - A Map Showing the Relationship Between and Among the Parent Company
and its Subsidiaries
December 31, 2023



Omico Corporation and Subsidiaries
Schedule A - Financial Assets
December 31, 2023

Name of Issuing Entity and Association of Each Issue	Number of Share or Principal Amount of Bonds and Notes	Amount Shown in the Statement of Financial Position	Valued based on Market Quotation at End of Reporting Period	Income Received and Accrued
Cash on hand and in banks	NA	61,840,975	61,840,975	63,938
Short-term placements	NA	228,778,568	228,778,568	15,732,076
Cash and cash equivalents		290,619,543	290,619,543	15,796,014
Installment contract receivables	NA	19,451,270	19,451,270	1,875,552
Due from HDMF	NA	13,767,479	13,767,479	-
Advances to officers and employees	NA	1,243,794	1,243,794	-
Accrued interest on short-term placements	NA	1,590,941	1,590,941	-
Other receivables	NA	494,984	494,984	-
Receivables		36,548,468	36,548,468	1,875,552
Empire East Land Holdings Inc.	1,230,500	155,043	155,043	-
Megaworld Corporation	1,000	1,970	1,970	-
Security Bank Corporation	199	14,229	14,229	-
SM Prime Holdings, Inc.	1,505	49,515	49,515	-
APC Group Inc.	28,000	6,580	6,580	-
Waterfront Phillipines Inc.	22,000	8,250	8,250	-
Citicore Energy REIT Corp.	200,000	512,000	512,000	-
Cosco Capital, Inc.	492,200	2,273,964	2,273,964	-
First Gen Corp.	60,000	1,044,000	1,044,000	-
Puregold Price Club, Inc.	578,300	15,556,270	15,556,270	-
VistaREIT, Inc.	600,000	1,002,000	1,002,000	-
DDMP REIT, Inc.	7,610,000	9,208,100	9,208,100	-
DITO CME Holdings Corp.	650,000	1,527,500	1,527,500	-
Synergy Grid & Development Phils., Inc.	1,650,000	10,807,500	10,807,500	-
MerryMart Consumer Corp.	50,000	51,500	51,500	-
GT Capital Holdings, Inc.	5,000	2,950,000	2,950,000	-
ABS-CBN Corporation	100,000	462,000	462,000	-
CEMEX HOLDINGS PHILIPPINES, INC.	260,000	244,400	244,400	-
Financial assets at fair value through profit or loss	13,538,704	45,874,820	45,874,820	-
Macawiwili Gold Mining and Development Co., Inc.	33,709,009	337,090	337,090	-
Manila Southwoods	2	8,000,000	8,000,000	-
Tagaytay Midlands	1	1,850,000	1,850,000	-
Crown Technologies Holding Pte. Ltd.	NA	27,805,000	27,805,000	-
Financial assets at fair value through OCI	33,709,012	37,992,090	37,992,090	-
Advances and other receivables	NA	15,096,516	15,096,516	-
Other non-current assets		15,096,516	15,096,516	-
Total		426,131,437	426,131,437	17,671,566

Omico Corporation and Subsidiaries
Schedule B - Amount Receivable from Directors, Officers, Employees,
Related Parties and Principal Stockholders (Other than Related Parties)
December 31, 2023

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Amounts Collected	Amounts Written Off	Current	Not Current	Balance at End of Period
Receivable from officer and employees	P 1,624,476	P 654,551	P 1,035,231	P -	P 1,243,794	P -	P 1,243,794

Omico Corporation and Subsidiaries

**Schedule C - Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements
December 31, 2023**

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Amounts Collected	Amounts Written Off	Current	Not Current	Balance at End of Period
Subsidiaries:							
Omico Kapital Corporation	P 361,031	P 168,045	P -	P -	P 529,075	P -	P 529,075
Omico Mining Inc.	6,326,342	14,663	-	-	6,341,005	-	6,341,005
	P 6,687,373	P 182,708	P -	P -	P 6,870,081	P -	P 6,870,081

Omico Corporation and Subsidiaries
Schedule E - Indebtedness to Related Parties
December 31, 2023

Related Party	Balance at Beginning of Period	Balance at End of Period
Omico Kapital Corporation P	221,084,873 P	221,084,873

OMICO CORPORATION
Schedule G - Capital Stock
December 31, 2023

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding as shown under related Statement of Financial Position Caption	Number of Shares Reserved for Options, Warrants, Conversion and other Rights	Number of Shares Held by Related Parties	Directors, Officers and Employees	Others
Common shares - P1.00 par value	2,000,000,000	1,050,461,673	-	-	52,021,083	998,440,590

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. Commission ID Number: **36190**

3. BIR Tax ID No.: **000-483-136-000**

4. Exact Name of issuer as specified in its charter:

OMICO CORPORATION

5. **Metro Manila, Philippines**

Province, Country or Other Jurisdiction
of incorporation or organization

6. Industry Classification Code: (SEC Use only)

7. **Suite 1109 East Tower, Tektite Towers**
Exchange Road, Ortigas Center, Pasig City

Address of principal office

1605
Postal Code

8. **(02) 86376923**

Registrant's telephone number, including area code

9. Former name, former address, and former fiscal year, if changed since last report. **N/A**

10. Securities registered pursuant to Sections 4 & 8 of the RSA

Title of Each Class

**Number of Shares of Common Stock
Outstanding**

Common Stock

1,050,461,673 shares

11. Are any of these securities listed on the Philippine Stock Exchange? Yes (/) No ()

12. Indicate by check mark whether registrant:

- a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports)
Yes (/) No ()
- b) has been subject to such filing requirements for the past ninety (90) days.
Yes (/) No ()

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

The Unaudited Interim Financial Statements of the Company for the period ending March 31, 2024 are hereto attached as follows:

Statements of Financial Position	-	Annex "A"
Statements of Comprehensive Income	-	Annex "B"
Statements of Cash Flows	-	Annex "C"
Statements of Changes in Equity	-	Annex "D"
Aging of Accounts Receivable	-	Annex "E"
Notes to Interim Financial Statements	-	Annex "F"

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations - Annex "G"

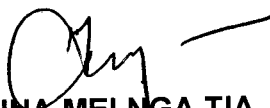
PART II – OTHER INFORMATION (None)

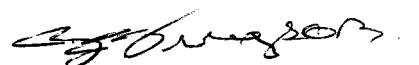
SIGNATURES

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

OMICO CORPORATION
Issuer

By:


ANNA MEI NGA TIA
President/CEO


JUANA LOURDES M. BUYSON
Treasurer/Compliance Officer

Date: April 19, 2024

Annex "A"

OMICO CORPORATION
STATEMENTS OF FINANCIAL POSITION
March 31, 2024

	31.Mär.24	(Audited Figures) December 31, 2023
A S S E T S		
CURRENT ASSETS		
Cash and cash equivalents	286,426,860	290,619,543
Financial assets at fair value through profit or loss	48,434,991	45,874,820
Receivables	24,329,287	24,389,066
Real estate for sale	71,072,067	72,621,453
Prepayments and other current assets	5,701,808	4,615,776
Total Current Assets	435,965,013	438,120,658
NON-CURRENT ASSETS		
Installment contract receivable-net of current portion	12,159,402	12,159,402
Financial asset at fair value through other comprehensive income (FVOCI)	-	-
Property and equipment - net	10,609,007	4,291,949
Investment properties	107,636,505	107,660,630
Other non-current assets-net	15,096,516	15,096,516
Total Non-current Assets	183,493,520	177,200,587
TOTAL ASSETS	619,458,534	615,321,245
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	13,332,809	12,573,119
Total Current Liabilities	13,332,809	12,573,119
NON-CURRENT LIABILITIES		
Accrued retirement liability	12,271,392	12,271,392
Total Non-Current Liabilities	12,271,392	12,271,392
TOTAL LIABILITIES	25,604,201	24,844,511
EQUITY		
Capital Stock (at P1.00 par value)		
Authorized - 2 billion shares		
Issued and outstanding - 1,050,461,673 shares	1,050,461,673	1,050,461,673
Additional paid-in capital	78,000	78,000
Fair value loss on available-for-sale financial assets	(40,882,910)	(40,882,910)
Deficit	(415,802,432)	(419,180,029)
Total Equity	593,854,332	590,476,734
TOTAL LIABILITIES AND EQUITY	619,458,534	615,321,245

Annex "B"

OMICO CORPORATION
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED MARCH 31, 2024 AND 2023
(For Three Months)

	2024	2023
	January to March	January to March
REVENUES		
Interest income	3,547,144	3,694,899
Realized gross profit on real estate sale	3,201,803	1,319,223
Gain on market recovery	2,560,171	-
Dividend Income	907,354	1,309,804
Rent Income	40,000	-
Gain marketable securities	-	1,353,023
Miscellaneous Income	-	22,321
	<u>10,256,472</u>	<u>7,699,270</u>
EXPENSES		
Transportation and travel, gas and oil	1,333,703	1,226,652
Compensation and other employee's benefits	1,742,715	1,856,465
Taxes and Licenses	1,245,701	1,058,680
Professional fees	513,295	609,109
Representation and entertainment	504,546	656,557
Depreciation and amortization	473,138	159,684
Commission	312,090	442,735
Insurance and bond expenses	251,896	13,136
Repairs and maintenance	102,018	185,785
Association and membership dues	74,671	141,882
Light, power and utilities	67,434	78,879
Office supplies	66,127	38,184
Directors fee	60,000	54,000
Communications	46,224	43,057
Fair value loss	-	1,334,658
Miscellaneous	85,318	97,737
TOTAL EXPENSES	<u>6,878,875</u>	<u>7,997,200</u>
NET INCOME (LOSS)	<u>3,377,597</u>	<u>(297,931)</u>
INCOME (LOSS) PER SHARE	<u>0.0032153</u>	<u>(0.0002836)</u>

Computation:

March 31, 2024 (PhP3,377,597.00 /1,050,461,673)

March 31, 2023 (PhP-297,931.00 /1,050,461,673)

Annex "C"

OMICO CORPORATION
STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED MARCH 31, 2024 and 2023
(For Three Months)

	31.Mär.24	31.Mär.23
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income (loss)	3,377,597	(297,931)
Adjustments for:		
Depreciation and amortization	473,138	159,684
Financial assets at fair value through profit & loss	(2,560,171)	9,455,820
(Increase) decrease in receivables	59,779	7,382,203
(Increase) decrease in real estate for sale	1,549,386	(2,155,851)
(Increase) decrease in prepayment and other current assets	(1,086,032)	(348,234)
(Increase) decrease in property and equipment	(6,766,071)	(35,519)
Increase (decrease) in accounts payable and accrued expenses	759,690	162,317
	<u>759,690</u>	<u>162,317</u>
Net Cash Used in Operating Activities	(4,192,684)	14,322,489
CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase) decrease available for sale (AFS) financial assets - net	-	-
	<u>-</u>	<u>-</u>
Net Cash From Investing Activities	-	-
	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(4,192,683)	14,322,489
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	290,619,543	300,361,359
	<u>290,619,543</u>	<u>300,361,359</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>286,426,860</u></u>	<u><u>314,683,849</u></u>

Annex "D"

OMICO CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIOD ENDED MARCH 31, 2024 AND 2023
(For Three Months)

	<u>31.Mär.24</u>	<u>31.Mär.23</u>
CAPITAL STOCK		
Common Stock- P1.00 par value		
Authorized - 2,000,000,000 shares		
Issued and outstanding - 1,050,461,673 shares	<u>1,050,461,673</u>	<u>1,050,461,673</u>
	1,050,461,673	1,050,461,673
ADDITIONAL PAID-IN CAPITAL	<u>78,000</u>	<u>78,000</u>
FAIR VALUE GAIN (LOSS) ON AVAILABLE FOR-SALE FINANCIAL ASSETS		
Balance at beginning of year	<u>(40,882,910)</u>	<u>(43,232,910)</u>
	(40,882,910)	(43,232,910)
DEFICIT		
Balance at beginning of year	(419,180,029)	(399,522,898)
Net Income (loss) for the period	<u>3,377,597</u>	<u>(297,931)</u>
Balance at end of period	<u>(415,802,432)</u>	<u>(399,820,829)</u>
TOTAL EQUITY	<u><u>593,854,332</u></u>	<u><u>607,485,935</u></u>

Annex "E"

OMICO CORPORATION
Accounts Receivable Aging Schedule
March 31, 2024

	Advances to Officers and Employees	Accrued Interest Receivable	Installment Contracts Receivable	Advances to Agents	HDMF Retention	Other Receivables	TOTAL
Current	1,303,634	1,707,554	5,933,948	53,500	14,065,454	665,619	23,729,710
30 days			599,577				599,577
60 days			-				-
90 days			-				-
180 days			-				-
More than 180 days	-	-	-	-		-	-
TOTAL	1,303,634	1,707,554	6,533,525	53,500	14,065,454	665,619	24,329,287

NOTES TO FINANCIAL STATEMENTS
First Quarter 2024

1. Corporate Information

Omico Corporation (the “Parent Company” or the “Company” or “Omico”) was incorporated in the Philippines and was registered with the Securities and Exchange Commission (SEC) on August 30, 1968. Its corporate term was extended to another fifty (50) years from and after the date of expiration of its first fifty (50)-year term on August 29, 2018, as per SEC Certificate of Filing of Amended Articles of Incorporation dated October 21, 2015. It holds 100% interest both in Omico Kapital Corporation, a subsidiary which ceased operations in 1997, and Omico Mining Inc. (*formerly Omico-Ivanhoe Mining Inc*). The two subsidiaries have no commercial operation as of December 31, 2023 and 2022. The Company listed its shares of stock in the Philippine Stock Exchange (PSE) on May 2, 1969.

The Company’s main business activities are mining and real property development. It is authorized under its articles of incorporation to operate, prospect, mine, and deal with all kinds of ores, metals and minerals and various other kinds of businesses. It is presently mainly engaged in the business of the development of real property on its own or in joint venture with other real property developers.

The mining exploration segment is now mainly inactive with only a minor investment in Macawiwili Gold Mining and Development Co. Inc. while the property development segment is engaged in the marketing and sale of real estate and evaluation of future development of other real estate properties.

The principal office of the Company is located at Suite 1109 East Tower, Tektite Towers (Formerly: PSE Centre), Exchange Road, Ortigas Center, Pasig City.

2. Basis of Preparation, Presentation and Consolidation

Statement of Compliance

The accompanying consolidated financial statements have been prepared in accordance with generally accepted accounting principles as set forth in Philippine Financial Reporting Standards (PFRS), Philippine Accounting Standards (PAS) and Philippine Interpretations from International Financial Reporting Interpretations Committee (IFRIC) issued by the Philippine Financial Reporting Standards Council and adopted by the SEC, including SEC pronouncements.

Basis of Financial Statements Preparation and Presentation

The consolidated financial statements have been prepared under the historical cost method except for:

- Financial instruments measured at amortized cost;
- Financial instruments which are valued at fair value; and
- Inventories at lower of cost and net realizable value (NRV)

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The consolidated financial statements are presented in Philippine Peso and all values represent absolute amounts except when otherwise indicated.

The preparation of consolidated financial statements in conformity with PFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Company’s accounting policies. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances.

Principle of Consolidation

The consolidated statements of financial position, statements of comprehensive income, statements of changes in equity and cash flows comprise the accounts of Omico Corporation (Omico), the parent company and its wholly owned subsidiaries, Omico Kapital Corporation (Omico Kapital) and Omico Mining, Inc. (formerly Omico-Ivanhoe Mining Inc.), after 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 policies.

3. Summary of Material Accounting Policies

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

Current versus non-current classification

The Company presents assets and liabilities in the consolidated statements of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading; ·
- Expected to be realized within twelve months after the end of the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the end of the reporting period.

The Company classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the end of the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the end of the reporting period.

The Company classifies all other liabilities as non-current.

Financial Instruments

Date of Recognition

Financial assets and financial liabilities are recognized in the consolidated statements of financial position of the Company when it becomes a party to the contractual provisions of the instrument.

Initial Recognition

All financial assets and financial liabilities are initially recognized at fair value. Except for financial assets and financial liabilities at FVPL, the initial measurement of these financial instruments includes transaction costs.

Determination of Fair Value

The fair value for instruments traded in active market at the reporting date is based on their quoted market price. For all other financial instruments not listed in an active market, the fair value is determined by using appropriate techniques or comparison to similar instruments for which market observable prices exists.

Where the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instruments or based on a valuation technique, the Company

recognizes the difference between the transaction price and fair value in the statement of comprehensive income unless it qualifies for recognition as some other type of asset.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the consolidated statements of financial position.

Classification and Measurement of Financial Assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. Except for financial assets at FVPL, all financial assets are initially measured at fair value plus transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under PFRS 15.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

- Financial Assets at Amortized Cost

The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized or impaired.

The Company's financial assets at amortized cost includes cash and cash equivalents and receivables.

- Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)

Equity instruments

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under *PAS 32 Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Subsequent to initial recognition, financial assets at FVOCI are carried at fair value. Gains and losses on these financial assets are never recycled to profit or loss. However, the Company may transfer the cumulative gain or loss within equity. Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at FVOCI are not subject to impairment assessment.

Included in this category are the Company's unquoted and quoted equity investments.

Unquoted equity investments comprise of equity interest in Macawiwili Gold Mining and Development Co., Inc and Simple Agreement for Future Equity (SAFE) investment in Crown Technologies Holding Pte. Ltd., a private limited company incorporated in Singapore.

SAFE is an instrument allowing the Parent Company a future right to subscribe to shares of stock of the issuer for an undetermined price. The conversion of the instrument to shares of stock will occur after the 12-month period from the date of purchase at prevailing market valuation. In the event that the SAFE agreement is terminated prior to conversion date, the Company is entitled for full refund plus interest of 8%. As of March 31, 2024 and December 31, 2023, the instrument is classified as financial instrument at FVOCI.

Quoted equity investments consist of golf club shares in Manila Southwoods and Tagaytay Midlands.

Debt instruments

A debt financial asset is measured at FVOCI if both of the following conditions are met:

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These financial assets are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of equity. Impairment losses or reversals, interest income and foreign exchange gains and losses are recognized in profit and loss until the financial asset is derecognized. Upon derecognition, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss. This reflects the gain or loss that would have been recognized in profit or loss upon derecognition if the financial asset had been measured at amortized cost. Impairment is measured based on the expected credit loss (ECL) model.

As of March 31, 2024 and December 31, 2023, the Company does not have debt instruments at FVOCI.

- Financial Assets at Fair Value through Profit or Loss (FVPL)

Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at FVOCI, as described above, debt instruments may be designated at FVPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVPL are subsequently carried in the consolidated statement of financial position at fair value with net changes in fair value recognized in the consolidated statement of profit or loss. Dividends are also recognized as other income in the consolidated statement of profit or loss when the right of payment has been established.

As of March 31, 2024 and December 31, 2023, included in this category are the Company's equity investments listed in the Philippine Stock Exchange.

Classification and Measurement of Financial Liabilities

Financial liabilities are measured at amortized cost, except for the following:

- (i) Financial liabilities measured at fair value through profit or loss;
- (ii) Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the Company retains continuing involvement;
- (iii) Financial guarantee contracts;
- (iv) Commitments to provide a loan at a below-market interest rate; and
- (v) Contingent consideration recognized by an acquirer in accordance with PFRS 3.

A financial liability may be designated at fair value through profit or loss if it eliminates or significantly reduces a measurement or recognition inconsistency (an accounting mismatch) or:

- (i) If a host contract contains one or more embedded derivatives; or
- (ii) If a group of financial liabilities or financial assets and liabilities is managed and its performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Where a financial liability is designated at fair value through profit or loss, the movement in fair value attributable to changes in the Company's own credit quality is calculated by determining the changes in credit spreads above observable market interest rates and is presented separately in other comprehensive income.

As of March 31, 2024 and December 31, 2023, included in this category are the Company's accounts payable and accrued expenses.

Reclassification of Financial Assets

The Company can only reclassify financial assets if the objective of its business model for managing those financial assets changes. Accordingly, the Company is required to reclassify financial assets:

- (i) from amortized cost to FVPL, if the objective of the business model changes so that the amortized cost criteria are no longer met; and,
- (ii) from FVPL to amortized cost, if the objective of the business model changes so that the amortized cost criteria start to be met and the characteristic of the instrument's contractual cash flows meet the amortized cost criteria.

A change in the objective of the Company's business model will be effected only at the beginning of the next reporting period following the change in the business model.

Impairment of Financial Assets

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established probability of default rates for third party trade receivables based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The Company applies the historical credit loss method in case undue cost or effort is involved in calculating the ECL by considering the forward-looking factors. For inter-group trade

receivables, the Company has established probability of default rates based on internal credit rating of the customers. Internal credit ratings are based on methodologies adopted by independent credit rating agencies. Therefore, the internal ratings already consider forward looking information.

The Company considers a financial asset to be in default when contractual payments are 180 days past due. However, the Company considers internal or external information when there are indicators that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Derecognition of Financial Instruments

Financial Assets

A financial asset (or, where applicable a part of a financial asset or part of a group of financial assets) is derecognized where:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party.
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred the control of the asset.

Where the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

Cash and Cash Equivalents

Cash and cash equivalents are defined as cash on hand, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. Cash and cash equivalents are initially and subsequently measured at fair value.

Real Estate for Sale

Real estate for sale is carried at the lower of cost and net realizable value. Cost includes the value of land plus expenditures necessary to complete the housing units (materials and labor cost). Net realizable value is the estimated selling price in the ordinary course of business less cost to complete and sell the units. As at March 31, 2024 and December 31, 2023, real estate inventories are carried at cost.

Prepayments and Other Current Assets

Prepayments and other current assets consist of input taxes, prepaid expenses and deposits. They are carried at cost less the amortized portion.

Property and Equipment

Property and equipment are initially recognized at cost. The initial cost of property and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Property and equipment are subsequently stated at cost less accumulated depreciation and any impairment in value. The cost of an asset comprises its purchase price and directly attributable costs of bringing the asset to working condition for its intended use. Expenditures for additions, improvements and renewals are capitalized; expenditures for repairs and maintenance are charged to expense as incurred. When assets are sold, retired or otherwise disposed of, their cost and related accumulated depreciation and impairment losses are removed from the accounts and any resulting gain or loss is reflected in income for the period.

Depreciation or amortization of an item of property and equipment begins when it becomes available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is computed using the straight-line method over the stipulated useful lives of the assets as follows:

	Estimated useful life
Condominium units and improvements	15-25 years
Mining and other equipment	3-5 years
Office furniture, fixtures and equipment	3-5 years
Transportation equipment	3-5 years

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The residual values and estimated useful lives of property and equipment are reviewed, and adjusted if appropriate, at each reporting period.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of comprehensive income in the year the item is derecognized.

Investment Properties

Investment properties are properties that are held to earn rentals or for capital appreciation or both and that is not occupied by the Parent Company. Investment properties are initially measured at cost and subsequently carried at cost, less impairment losses, if any.

The Company's investment properties include parcels of land that are held for currently undetermined future use or for capital appreciation and a condominium unit leased out to earn rentals.

Investment properties are derecognized when either they have been disposed of, or when the investment property is permanently withdrawn from service and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the statement of comprehensive income in the year of retirement or disposal.

Transfers are made to and from investment property when, and only when there is change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. The transfer is recorded using the carrying amount of the investment property at the date of change in use.

Impairment of Non-Financial Assets

The carrying values of investments in subsidiaries and joint ventures, property and equipment and investment properties are reviewed for impairment when events or changes in circumstances indicate that their carrying values may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount. The recoverable amount of property and equipment, investment properties and mine exploration and evaluation cost is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the statements of comprehensive income.

If there is any indication at end of the reporting period that an impairment loss recognized for an asset in prior years may no longer exist or may have decreased, the Parent Company estimates the recoverable amount of that asset and the carrying amount of the asset is adjusted to the recoverable amount resulting in the reversal of the impairment loss.

Equity

Share capital is determined at the par value of shares that have been issued.

Additional paid-in capital includes any premiums received on the initial issuance of capital stock. Any transaction costs associated with the issuance of shares are deducted from additional paid-in capital, net of any related income tax benefits.

Fair value gain/loss on available for sale financial assets pertains to mark-to-market valuation of available-for-sale financial assets.

Deficit includes all current and prior period results of operations as disclosed in the statements of comprehensive income.

Earnings Per Share

Basic earnings per share is computed by dividing profit for the period by the weighted average number of shares issued and outstanding during the year.

Diluted EPS is computed by dividing the profit for the period by the weighted average number of shares issued and outstanding during the year plus the weighted average number of shares that would be issued on the conversion of dilutive potential shares.

Related Party Transactions

Parties are considered related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The related party transactions are recognized based on transfer of resources or obligations between related parties, regardless whether a price is charged.

Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Parent company and its subsidiaries and the revenue can be reliably measured. The following specific recognition criteria must be met before revenue is recognized:

- Real estate – Revenue from sales of lots, completed house and lot and condominium units is accounted under the full accrual method. The percentage of completion method is used to recognize revenue where the Parent Company have material obligation under the sales contract to complete the project after the property is sold. Under this method, revenue is recognized as the related obligations are fulfilled, measured principally on the basis of the estimated completion of a physical proportion of the contract work.

Any excess of progress of work over the right to an amount of consideration that is unconditional, is recognized as installment contract receivables.

Any excess of collections over recognized receivables are included in the "Customers' advances and deposits" account.

Revenue from lease contract with option to purchase is accounted for as leasing income until the criteria under full accrual method of recording sale is met.

Penalties are recognized as income when cash is received and forfeitures from cancelled sales and reservation fees are recognized as income when the cancellation of sales and reservation fees of buyers has been determined and established.

- Investment income
Interest income is recognized as the interest accrues (taking into account the effective yield on the asset).

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

Fair value gain (loss) represents all gain and losses for changes in fair values of financial assets at FVPL.

Realized gain (loss) in sale of shares of stock is recognized upon sale.

- Gains
Gains represent other items that meet the definition of income and may, or may not, arise in the course of ordinary activities of the Company. Gains represent increases in economic benefits and have the same nature as revenue. These are recognized as income when cash is realized.

Costs Recognition

- Cost of real estate sales
Cost of real estate sales is recognized consistent with the revenue recognition method applied. Costs of subdivision lots and housing unit and condominium units sold before the completion of the development is determined on the basis of the acquisition cost of the land and its full development costs, which include estimated costs for future development works, as determined by the Group's in-house technical team.

The cost of inventory recognized in profit or loss on disposal is determined with reference to specific costs of the property, allocated to saleable are based on relative size and takes into account the percentage of completion used for revenue recognition purposes.

- Administrative expense
Cost and expenses are recognized in the consolidated statement of comprehensive income when decrease in future economic benefit related to a decrease in an asset or decrease in a liability has arisen that can be measured reliably.

Costs and expenses are recognized in the consolidated statements of comprehensive income:

- (i) On the basis of a direct association between the costs incurred and the earning of specific items of income;
- (ii) On the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association can be broadly or indirectly determined; or

(iii) Immediately when expenditures produce no future economic benefits or when, and to the extent that, future economic benefits do not qualify or cease to qualify, for recognition in the consolidated statement of financial position as an asset.

- **Commission expense**

The Company recognizes commission expense when services are rendered by agents. Commission expense is recognized upon receipt of certain level of payment from the buyer comprising a substantial portion of the contract price and the capacity to pay and credit worthiness of buyers have been reasonably established for sales of real estate.

Employee Benefits

Retirement Benefit Obligation

Pension benefits are provided to employees based on the amounts required by law, under R.A. 7641.

The Company has not yet established a formal retirement plan; however, it accrues the estimated cost of retirement benefits required by the provisions of RA No. 7641 (Retirement Law). Under RA 7641, the Company is required to provide minimum retirement benefits to qualified employees. The retirement cost accrued includes normal cost and estimated past service cost.

Short-term Employee Benefits

Salaries and wages are recognized in the consolidated statements of comprehensive income when the employees' services have been rendered to the Group.

Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in PFRS 16. This policy is applied to contracts entered into, on or after January 1, 2019.

As a Lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset of the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case, the right-of-use asset will be depreciated over the useful life of the underlying asset which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payment that depends on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual guarantee; and
- The exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company used a number of practical expedients when applying PFRS 16 to leases previously classified as operating leases under PAS 17. In particular, the Group:

- Did not recognize right-of-use assets and liabilities for leases for which the lease term ends within 12 months from the date of initial application;
- Excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- Used hindsight when determining the lease term.

Short-term Leases and Leases of Low-value Assets

The Company has elected not to recognize right-of-use assets and lease liabilities for the leases of low-value assets and short-term leases. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a Lessor

Leases where a significant portion of the risks and rewards of ownership over the asset are retained by the lessor, are classified as operating leases. Rental income on operating leases is recognized in profit or loss on a straight-line basis of accounting over the period of the lease.

Income Taxes

Current income tax assets or liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting period, that are uncollected or unpaid at the end of reporting period. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognized as a component of tax expense in the statements of comprehensive income.

Deferred tax is provided, using the balance sheet liability method on temporary differences at the end of reporting period between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Under the balance sheet liability method, with certain exceptions, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and the carry forward of unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deferred tax asset is to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of reporting period.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Most changes in deferred tax assets or liabilities are recognized as a component of tax expense in the statement of comprehensive income. Only changes in deferred tax assets or liabilities that relate to a change in value of assets or liabilities that is charged directly to equity are charged or credited directly to equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax relate to the same taxable entity and the same taxation authority.

Functional Currency and Foreign Currency Transactions

- *Functional and Presentation Currency*
Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The financial statements are presented in Philippine pesos, which is the Parent Company and subsidiaries’ functional currency.
- *Transaction and Balances*
The accounting records of the Parent company and subsidiaries are maintained in Philippine pesos. Foreign currency transactions during the year are translated into the functional currency at exchange rates which approximate those prevailing on transaction dates.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive income.

Provisions

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 commitment that has resulted from past events, for example, legal disputes or onerous contracts.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the end of reporting period, including the risks and uncertainties associated with the present obligation. Any reimbursement expected to be received in the course of settlement of the present obligation is recognized, if virtually certain as a separate asset, not exceeding the amount of the related provision. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. In addition, long-term provisions are discounted to their present values, where time value of money is material.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the financial statements.

Probable inflows of economic benefits that do not yet meet the recognition criteria of an asset are considered contingent assets, hence, are not recognized in the financial statements.

Contingencies

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

Events after the End of the Reporting Period

The Company identifies subsequent events as events that occurred after the balance sheet date but before the date when the financial statements were authorized for issue. Any subsequent events that provide additional information about the Company's financial position at the balance sheet date are reflected in the financial statements.

Events that are not adjusting events are disclosed in the notes to the financial statements when material.

4. Significant Accounting Judgments and Estimates

The preparation of the consolidated financial statements in conformity with PFRS requires management to make judgments and estimates that affect the amounts reported in the consolidated financial statements. The judgments and estimates used in the consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the consolidated financial statements. Actual results could differ from such estimates. Future events may occur which will cause the judgments and estimates used in arriving at the estimates to change. The effects of any change in judgments and estimates are reflected in the consolidated financial statements as they become reasonably determinable.

5. Fair Value Measurement

The fair value for assets and liabilities traded in active market at the reporting date is based on their quoted market price. For all other assets and liabilities not listed in an active market, the fair value is determined by using appropriate techniques or comparison to similar instruments for which market observable prices exists.

Where the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instruments or based on a valuation technique, the Company recognizes the difference between the transaction price and fair value in the statements of income unless it qualifies for recognition as some other type of asset.

6. Risk Management Objectives and Policies

Risk management framework

The Parent company and its Subsidiary's audit committee are responsible for the over-all effectiveness of risk management system. Furthermore, it is also the committee's purpose to lead the general evaluation and to provide assistance in the continuous improvement of the Company's risk management, control and governance processes.

- (i) Financial reports comply with established internal policies and procedures, pertinent accounting and auditing standards, and other regulatory requirements;
- (ii) Risks are properly identified, evaluated and managed, specifically in the areas of managing credit, market, liquidity, operational, legal and other risks;
- (iii) The BOD is properly assisted in the development of policies that would enhance the risk management.

Market Risk

Market risk is the risk of change in fair value of financial instruments from fluctuation in foreign exchange rates (currency risk), market interest rates (interest rate risk) and market prices (price risk), whether such change in price is caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market.

i. Foreign Currency Risk

The risk that Company will face with respect to this is the unstable changes in foreign exchange particularly in US dollar. To minimize this risk, the Company maintains a considerable amount of cash and cash equivalents so as not to be affected by the fluctuation of Philippine peso vis-à-vis US dollar.

ii. Interest Rate Risk

As at March 31, 2024 and December 31, 2023, financial instruments subject to variable interest rate risk represents short-term placement with banks.

iii. Price risk

The Parent company and its Subsidiary's price risk exposure at year end relate to financial assets whose rates will fluctuate as a result of changes in market prices, principally, financial assets at fair value through profit or loss and available-for-sale.

Management monitors movements of equity price on a regular basis by assessing the expected changes in the different portfolios due to parallel movements of a 5% increase or decrease in market values.

The equity securities are classified as fair value through profit or loss and available-for-sale. Any increase and a decrease in the market values of stocks would result to an impact on the statements of comprehensive income and equity.

Credit Risk

Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the face of the statements of financial position (or in the detailed analysis provided in the notes to the financial statements). Credit risk, therefore, is only disclosed in circumstances where the maximum potential loss differs significantly from the financial asset's carrying amount.

The Company actively monitors its receivables to avoid significant concentrations of credit risk. They set a maximum limit on the amount that each employee can borrow. In addition, receivables from employees are subject to salary deductions.

High grade cash and cash equivalents are short-term placements and working cash fund placed, invested, or deposited in banks belonging to the top banks in the Philippines in terms of resources and profitability.

High grade accounts, other than cash and cash equivalents, are accounts considered to be of high value. The counterparties have a very remote likelihood of default and have consistently exhibited good paying habits.

Standard grade accounts are active accounts with propensity of deteriorating to mid-range age buckets. These accounts are typically not impaired as the counterparties generally respond to credit actions and update their payments accordingly.

Liquidity Risk

Liquidity or funding risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from either the inability to sell financial assets quickly at their fair values; or counterparty failing on repayment of a contractual obligation; or inability to generate cash inflows as anticipated.

Liquidity risk is a risk due to uncertain liquidity. An institution may suffer liquidity problem when its credit rating falls. The Company is also exposed to liquidity risk if markets on which it depends on are subject to loss of liquidity.

The ability of the Company to finance increases in assets and meet obligations as they become due is extremely important to the Company's operations. The Company's policy is to maintain liquidity at all times. This policy aims to honor all cash requirements on an ongoing basis and to avoid raising funds above market rates or through forced sale of assets.

7. Financial Soundness Indicators

The financial soundness indicators of the Company for the comparative periods ended March 31, 2024 and 2023 are as follows:

Ratios	Formula	March 31, 2024	March 31, 2023
Current Ratio	Current Assets/ Current Liabilities	32.698:1 <u>435,965,013</u> 13,332,809	29.637:1 <u>426,214,120</u> 14,381,368
Debt to Equity Ratio	Total Liabilities/ Stockholders' Equity	0.043:1 <u>25,604,201</u> 593,854,331	0.043:1 <u>26,164,098</u> 607,485,934
Asset to Equity Ratio	Total Assets/ Stockholders' Equity	1.043:1 <u>619,458,534</u> 593,854,331	1.043:1 <u>633,650,034</u> 607,485,934
Interest Coverage Ratio	EBIT*/Interest Expense	Not Applicable	Not Applicable
Return on Assets	Net Income/ Total Assets	PhP0.005 <u>3,377,597</u> 619,458,534	Not Applicable
Return on Equity	Net Income/ Total Equity	PhP0.006 <u>3,377,597</u> 593,854,331	Not Applicable
Book Value Per Share	Stockholders' Equity/ Total No. Shares	PhP0.565 <u>593,854,331</u> 1,050,461,673	PhP0.578 <u>607,485,934</u> 1,050,461,673
Earnings/(Loss) Per Share	Net Income/ (Loss) Weighted Average Shares	PhP0.00321 <u>3,337,597</u> 1,050,461,673	(PhP0.00028) <u>(297,931)</u> 1,050,461,673

*Earnings before interest and taxes (EBIT)

Annex “G”

Management’s Discussion and Analysis of Financial Condition and Results of Operations As of March 31, 2024

Gross revenues for the period ended March 31, 2024 amounted to PhP10.26Million as compared to PhP7.70Million for the same period in 2023. The Company’s revenues for the period ended March 31, 2024 and 2023 were derived mainly from realized gross profit from the sale of Sta. Rosa Homes housing units and interest income on time deposits/placements with banks. Total expenses amounted to PhP6.88Million and PhP8.00Million for the period ended March 31, 2024 and 2023, respectively, resulting to a net income of PhP3.38Million for the period ended March 31, 2024 and net loss of PhP0.30Million for the period ended March 31, 2023.

The Company’s total assets increased by 0.67% from PhP615.32Million as of December 31, 2023 to PhP619.46Million as of March 31, 2024 while total liabilities increased by 3.06% from PhP24.84Million to PhP25.60Million. Stockholders’ Equity increased to PhP593.85Million as of March 31, 2024 from PhP590.47Million as of December 31, 2023.

The key performance ratios of the Company for the period ended March 31, 2024 and for the year ended December 31, 2023 are as follows:

Financial Ratios:

Ratios	Formula	March 31 2024	December 31 2023
Current Ratio		32.698:1	34.845:1
	Current Assets/ Current Liabilities	<u>435,965,013</u> 13,332,809	<u>438,120,658</u> 12,573,119
Debt to Equity Ratio		0.043:1	0.042:1
	Total Liabilities/ Stockholders' Equity	<u>25,604,201</u> 593,854,331	<u>24,844,511</u> 590,476,734
Debt to Total Assets Ratio		0.041:1	0.040:1
	Total Liabilities/ Total Assets	<u>25,604,201</u> 619,458,534	<u>24,844,511</u> 615,321,245
Book Value Per Share		PhP0.565	PhP0.562
	Stockholders' Equity/ Total No. Shares	<u>593,854,331</u> 1,050,461,673	<u>590,476,734</u> 1,050,461,673
Earnings/(Loss) Per Share		PhP.00321	(PhP.01871)
	Net Income/ (Loss) Weighted Average Shares	<u>3,377,597</u> 1,050,461,673	<u>(19,657,131)</u> 1,050,461,673

Known Trends, Events or Uncertainties Affecting Liquidity

The Company does not expect any trends, demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Company’s liquidity increasing or decreasing in a material way.

The Company is not aware of any trends, demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Company’s liquidity increasing or decreasing in a material way.

The Company does not anticipate any cash flow or liquidity problems.

The Company is not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring payments.

The Company is evaluating possible business ventures in which it is allowed to engage under its articles of incorporation, to invest its sizeable cash and cash equivalent to provide additional sources of revenue and maximize investor return.

Events That Will Trigger Direct or Contingent Financial Obligation

The Company does not expect any event that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

Material Off-Balance Sheet Transactions, Arrangements, Obligations

The Company has no 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.

Capital Expenditures

There are no material commitments for capital expenditures for the next twelve months. However, the Company is evaluating possible business ventures, which may require capital expenditures.

Known Trends, Events or Uncertainties Affecting Sales

The Company does not expect any trends, events or uncertainties that may have material favorable or unfavorable impact on sales or revenues.

Significant Elements of Income or Loss

There were no significant elements of income or loss that did not arise from the Company’s continuing operations.

Causes for Material Changes in the Financial Statements

Financial Position Accounts

Decrease in Cash and Cash Equivalents - 1.44%

March 31, 2024	December 31, 2023	Increase/(Decrease)
286,426,860	290,619,543	(4,192,683)

The net decrease in Cash and Cash Equivalents is mainly due to the increase in property and equipment and disbursements for operating expenses which was partially offset by

the proceeds from the sale of Sta. Rosa Homes housing units and interest income on deposits/placements with banks.

Cash accounts with banks generally earn interest at rates based on prevailing bank deposit rates. Short-term placements can be pre-terminated at any time and have average interest rates ranging from 0.10% to 6.25% and 0.10% to 6.38% per annum as of March 31, 2024 and December 31, 2023, respectively.

Increase in Financial Assets at Fair Value Through Profit or Loss - 5.58%

March 31, 2024	December 31, 2023	Increase/(Decrease)
48,434,991	45,874,820	2,560,171

The increase in Financial Assets at Fair Value Through Profit or Loss is mainly due to the recognition of fair value gain on certain shares of stocks. The Company's Financial Assets at Fair Value Through Profit or Loss consist of shares of stocks of publicly listed companies which are classified as held for trading.

Increase in Prepayments and Other Current Assets – 23.53%

March 31, 2024	December 31, 2023	Increase/(Decrease)
5,701,808	4,615,776	1,086,032

The increase in Prepayments and Other Current Assets is mainly due to the increase in prepaid taxes.

Prepayments and Other Current Assets is composed of input value added tax, prepaid taxes, deposits and others. Input tax represents the 12% value added tax (VAT) on purchases of goods and services. Prepaid taxes consist of creditable withholding taxes at source.

Increase in Property and Equipment – Net – 147.18%

March 31, 2024	December 31, 2023	Increase/(Decrease)
10,609,007	4,291,949	6,317,058

The increase in Property and Equipment is mainly due to the acquisition of a Company vehicle.

Increase in Accounts Payable and Accrued Expenses – 6.04%

March 31, 2024	December 31, 2023	Increase/(Decrease)
13,332,809	12,573,119	759,690

The increase in Accounts Payable and Accrued Expenses is mainly due to the increase in customers' advances and deposits on the sale of Sta.Rosa Homes' housing units wherein the buyers' deposits were recognized as accounts payable and the decrease in Accrued Taxes and Other Liabilities.

Customers' advances pertain to funding from buyers of real estate for future application against transfer and registration fees and other taxes to be incurred upon transfer of properties to the buyer.

Customers' deposits represent collections from the buyers which have not reached the minimum required percentage of collections. These deposits will be recognized as revenue when the required percentage of collection is met.

Accrued taxes and other liabilities include deferred output tax and withholding taxes payable.

Seasonal Aspects

There are no known seasonal aspects that will have material effect on the Company's financial condition or results of operations.

STATUS AND PLAN OF OPERATION

The Company's main business activities are mining exploration and property development. The Company is licensed to operate, prospect, mine, and deal with all kinds of ores, metals and minerals. The Company is also engaged in the business of real estate development.

The mining exploration segment was previously engaged in the exploration activities of mine site while the property development segment is presently engaged in the marketing and sale of real estate and evaluation of future development of other real estate properties.

The Company's businesses are organized and managed separately according to the nature of products provided, with each segment representing a strategic business unit that offers different products and serves different markets. The Company's business is segregated into mining exploration and property development.

MINING EXPLORATION SEGMENT

Omico-Macawiwili Mining Project

The Company previously held a mining agreement with Macawiwili to operate and mine on several claim blocks located within the Baguio Gold District, in the municipality of Itogon, Benguet. The agreement which was signed on September 30, 1968 and extended on January 10, 1996 is effective until January 10, 2021. On August 29, 2012, the Company executed a Termination of Mining Agreement with Macawiwili wherein the Company is relinquishing all its rights and obligations under the mining agreement including the MPSA. With this Agreement, the Company has given the reins in managing the project to Macawiwili but remains an active minority investor in the venture.

Philex Mining Corporation ("Philex") has made an Offer for an option to acquire controlling interest of the issued and outstanding capital stock in Macawiwili from the Macawiwili shareholders subject to the provisions of the Philex' Offer as embodied in a Philex' letter addressed to the Macawiwili shareholders.

Omico has 33,709,009 shares in Macawiwili or 2.2863% of Macawiwili's total issued and outstanding shares of 1,474,412,521 with a par value of PhP0.01 per share. Omico, as a minority shareholder, shall cooperate with Macawiwili and will abide by the decision of the majority of the Macawiwili shareholders regarding Philex' Offer.

Management decided to terminate the mining agreement with Macawiwili because Management would like to focus on other mining prospects/projects.

The Company is still interested in investing in mining and is scouting for other mining projects to explore, manage, operate or invest either solely or in partnership with other entities.

PROPERTY DEVELOPMENT SEGMENT

Ongoing Project – Sta. Rosa Homes, Sta. Rosa, Nueva Ecija

In December 2005, the Company launched the Sta. Rosa Homes project located in Bgy. Lourdes, Sta. Rosa, Nueva Ecija which is a 14.8-hectare residential project. When completed, the housing project will comprise 1,201 housing units with a balanced mix of single detached, single attached, duplex and rowhouse. The project will have complete community facilities which include underground drainage system, water and electrical distribution system, concrete road network, a clubhouse, parks and playgrounds. The Company is presently engaged in the marketing and selling of the housing units and the financing options available to buyers are Pag-Ibig and In-House financing.

The estimated total development cost of the Sta. Rosa Homes project is PhP395.60Million. As of March 31, 2024, the carrying value of the Sta. Rosa Homes project representing site acquisition cost, housing unit construction, initial land development costs, land use conversion expenses, permits and licenses, net of housing units sold, amounted to PhP7.62Million. With the proceeds from the stock rights offering, the Company allocated PhP110.32Million for site preparation, road construction, drainage and power distribution system, house construction, project overhead, taxes and licenses. The balance for the completion of the development of the Sta. Rosa Homes project is expected to be sourced from internally-generated funds on the sale of the housing units and from credit facility with banks. The total sale from the Sta. Rosa Homes project when completed is estimated at PhP635Million.

As of March 31, 2024, the Company sold or received reservation payments for 1,178 units, 703 units through Pag-Ibig housing scheme and 475 units through in-house financing. The total sales contract amount of the 1,178 units is PhP624.01Million. As of March 31, 2024, total collections on the sale of housing units amounted to PhP584.31Million including HDMF loan takeout proceeds amounting to PhP340.03Million.

The Home Development Mutual Fund (commonly known as Pag-Ibig Fund) approved a budget allocation/funding commitment line of PhP19.775Million for the year 2023 for the Company as an accredited developer in the Expanded Housing Loan Program of the Pag-IBIG Fund. On April 24, 2006, the Company was granted by the Board of Investments (BOI) a certificate of registration as a “New Developer of Mass Housing Project” for the Company’s Sta. Rosa Homes project. As registrant, the Company is entitled to Income Tax Holiday (ITH) for a period of four (4) years from June 2006. The ITH expired in May 2010.

Joint Venture Project – Tagaytay City Property

On December 21, 2006, the Company entered into a Joint Venture Agreement with Robinsons Land Corporation (“RLC”), as the Developer, whereby the Company contributed three (3) parcels of land located in Tagaytay City with approximate land area of 9,372 square meters. RLC will develop a high density two-phase residential subdivision, consisting of five (5) 5-storey residential condominium buildings. Under the agreement, the Company and the Developer shall share in the development of Phase 1, consisting of 2 Medium Rise Buildings with a land area of 2,606 square meters, by dividing the saleable floor area of the Phase 1 between them, hence, the Company will be entitled to a saleable floor area of 485.04 square meters equivalent to 9 units. The development of Phase 2, consisting of 3 Medium Rise Buildings with a land area of 4,028 square meters, shall also be undertaken by the Developer.

On May 14, 2009, the Company signed the Addendum to the Joint Venture Agreement with RLC for the development of Phase 2. The Company will be entitled to a saleable floor area of 801.19 square meters which is equivalent to 16 units.

The residential project, which is located at the corner of Mahogany Avenue and Mayor’s Drive, is named The Wellington Courtyard (“TWC”). As per RLC’s development plan, the project has a country-inspired courtyard community with amenities like a main swimming pool, a reflecting pool and wading pool, and a multipurpose open court sprawled at the center for sports and special events.

Each of the five (5) buildings has a western style design. RLC has already accomplished 100% of the construction of Building A and B of Phase 1, Building C, D and E of Phase 2 and site development and amenities.

The carrying values of the property contributed, which pertains to parcels of land net of the cost of condominium units sold, amounted to PhP2.84Million as of March 31, 2024. The Company expects to generate PhP85.43Million from the sale of the Company's share of condominium units in Phase 1 (9 units) and Phase 2 (16 units). The development of Phase 3 or the commercial strip, which will be located in front of the residential project, shall be undertaken by the Company. RLC will have no share in Phase 3.

As of March 31, 2024, twenty four (24) condominium units out of the total allocation of twenty five (25) units have already been sold under RLC's regular financing or lease-to-own program with a total selling price of PhP82.40Million of which PhP78.70Million were collected and remitted by RLC to the Company. Management has initiated some marketing effort, in coordination with RLC, to promote and augment the sale of the Company's assigned condominium units.

On March 9, 2018, the Company entered into a Termination Agreement of the Joint Venture Agreement wherein RLC shall continue to manage the six (6) remaining condominium units enrolled under the Lease-to-Own Program of RLC. On March 16, 2018, the Company entered into a Memorandum Agreement with RLC for compensation for the excess developed area in the JV project wherein RLC will assign to the Company Parking Slot No. 14 in Building C of the TWC and waive payment of prior years' real property taxes amounting to PhP96,128.26.

Joint Venture Project – Urdaneta Property, Pangasinan

On August 30, 2022, Omico Corporation has executed a Rescission of the Memorandum of Agreement (MOA) on Property Development executed by Omico with Sta. Lucia Realty and Development Inc. ("SLRDI") on April 19, 2005 for the development of the Corporation's real properties with an aggregate area of more or less 23.25 hectares located in Pinmaludpod, Urdaneta, Pangasinan into a residential and/or commercial subdivision.

The MOA on Property Development executed on April 19, 2005 by Omico (as Landowner) with SLRDI (as Developer) provided for the development by SLRDI of the real properties of Omico with an aggregate area of more or less 23.25 hectares located in Pinmaludpod, Urdaneta, Pangasinan into a residential and/or commercial subdivision. As provided in the MOA for the development by SLRDI of the real properties of Omico, SLRDI shall be entitled to 55% of the developed saleable lots while the remaining 45% shall be retained by and remain with Omico. The other provisions in the MOA, include, among others, that expenses for the transfer of titles to SLRDI, as Developer, shall be for its account, including capital gains tax, documentary stamps, and VAT, if any. The saleable area pertaining to the parties shall be distributed by alternating two (2) or three (3) lots until the agreed distribution ratio of 55%/45% shall be achieved. In the aforementioned distribution, the percentages shall apply to the areas in square meters of the said developed saleable lots and not to the mere numbers of such lots. The "developed saleable lots" is understood to mean all lots remaining after deducting thirty percent (30%), more or less, from the total land area to be devoted to roads and open spaces as required by law. SLRDI, as the Developer, shall endeavor to maximize the saleable area to close to seventy percent (70%) of the project area.

Upon mutual agreement, Omico and SLRDI decided to rescind the originally executed MOA and hereby agreed to revoke, rescind, and declare of no force and effect the above-mentioned MOA with respect to the afore-mentioned properties of Omico. The rescission of the MOA shall take effect and to be enforced when duly executed. The decision made by both parties is to focus on their skills and resources on their respective real estate projects. With regards to Omico, it will be an opportune time to enhance Omico's capability to develop its real properties on its own, increase its revenues and maximize investor return.

The projected development of Omico's real properties is expected to be sourced from its cash reserves and internally-generated funds from the sale of housing units in Omico's Sta. Rosa Homes Project which is located in Sta. Rosa, Nueva Ecija.

The carrying amount of property contributed, which pertains to the parcel of land, amounted to PhP60.61Million as of March 31, 2024.

On April 16, 2013, the Company filed the application for DAR Land Use Conversion ("DAR LUC") for 4.68hectares which was approved by DAR on August 22, 2013 as per DARRO Conversion Order No. 08-2013-238. On May 17, 2017, the Company filed the application for DAR LUC from agricultural to residential use for 17.17hectares which was approved by DAR on April 04, 2019, as per DARCO Order No. CON-1904-1372 Series of 2019. With this development, Omico, has decided to merge the development of the 4.68 and 17.17hectares Urdaneta property into one project, however, the Covid-19 pandemic occurred thus disrupting Omico's development plans.

After over three years, the country is no longer under the state of public health emergency due to COVID-19, following a proclamation issued by President Ferdinand Marcos Jr. in July 2023. With this recent development and in view of the issuance of the DAR LUC from agricultural to residential for the Company's Urdaneta City properties with an aggregate area of 21.8545 hectares, Management has decided to pursue the Company's planned development of this property located in Brgy. Pinmaludpod, Urdaneta City,

The Company is in the process of preparing the Masterplan for the Company's Urdaneta, Pangasinan property project and has made improvement on the drainage fronting the highway and will build its fence. The Company will hire security personnel to guard the property. The Company may choose to hire subcontractors for the project's site development and house construction instead of in-house project development.

There is an on-going preparation of the subdivision plans for the commercial and residential area for the project. The requirements for the application of the Development Permit for submission to the Sangguniang Bayan of Urdaneta City are being processed. There is also an on-going market research of the project in comparison with the other subdivision projects located in Urdaneta City. The Company will file an application for a Fencing Permit with the Urdaneta City Office of the Building Official.

Proposed Project – Baguio Homes, Bgy. Banangan, Sablan, Benguet

The Company is considering the development of one (1) of the two (2) investment properties located in Bgy, Banangan, Municipality of Sablan, Province of Benguet. The project will be called Baguio Homes and has an area of 6.6217 hectares located on the slopes of mountainside terrain with the majestic view of the Cordilleras. The average sloping terrain is about 18% making the area ideal for a housing project. The project is designed to cater to the low-cost housing needs of Metro Baguio. When completed, it will comprise a neighborhood of one hundred sixty (160) units of socialized houses and two hundred fifty three (253) units of single attached houses. The land had already been converted in the local level from agricultural to residential use.

The project will have complete community facilities which include concrete road network, underground and open canal drainage system, water and electrical distribution system, a clubhouse, parks and playgrounds. As of March 31, 2024, the Company had already infused in the Baguio Homes project a total amount of PhP16.37Million for land acquisition, maintenance, permits and licenses.

Other Investment Properties

Pasong Tamo, Makati Property

The Company is the registered owner of two (2) parcels of land located at the corner of Pasong Tamo Extension and EDSA, Makati City, evidenced by TCT Nos. 206902 and 203760 of the Registry of

Deeds for Makati City. These properties were sold by the Guevent Investments and Development Corporation (GIDC) and Honeycomb Builders Inc. (HBI) to the Company. These two properties were separated by a property owned by GIDC and HBI situated between them, indicating an intent by the parties to have these parcels of land developed together with the properties of GIDC and HBI. The parties thus entered into a Joint Venture Agreement (“JVA”) in 1995 for the purpose. However, events that were not foreseen and beyond the control of the Company, including the 1997 Asian Financial Crisis, prevented the implementation of the JVA. This resulted in disputes between the parties to the JVA. GIDC threatened a civil suit demanding damages in the hundreds of millions. However, the company resisted the demand and threat and instead started negotiations for amicable settlement with GIDC. Thereafter, GIDC and HBI rescinded the JVA in 2008 and said rescission led to the filing of criminal cases against officers of the Company. However, negotiations for settlement continued between the parties. After several negotiations variously conducted spanning over a decade, the parties have come to an agreement that they must end their long-drawn dispute amicably and withdraw all cases that have been filed or initiated by GIDC and HBI against the officers of the Company. As a necessary consequence of the desire of the parties to settle their differences, the Company has agreed to sell back the subject properties upon terms mutually acceptable to both parties.

On June 10, 2017, the Company entered into a Memorandum of Agreement (MOA) and a Deed of Absolute Sale each for each of the two parcels of land, with GIDC and HBI for the sell back of the Company’s two (2) parcels of land located at the corner of Pasong Tamo Extension and EDSA, Makati City, with TCT Nos. 203760 and 206902 of the Registry of Deeds of Makati City in favor GIDC and HBI for PhP177.0Million wherein the first tranche of PhP88.50Million was received in June 2017 and second tranche of PhP88.50Million in July 2017. The Company recognized a gain of PhP37.20Million from the sale transaction. The sell back is the culmination of years of negotiations to settle the disputes over the Joint Venture Agreement to develop the properties, among the parties, and free the investment of Omico Corporation for other projects.

Omico Pine Villas - Haddad Property, Sablan, Benguet

This property, which is situated in Bgy. Banangan, Municipality of Sablan, Province of Benguet with an area of 66,846 square meters, has a spectacular view of the Cordilleras, and as far away as Lingayen Gulf, the beaches of La Union and the South China Sea. The Haddad Property is being planned as an upscale vacation and residential community in Metro Baguio and will be named the Omico Pine Villas. The Company had commissioned Belt Collins Hawaii, a design firm based in Honolulu, in the design of the master plan of the Omico Pine Villas. The property had been granted by the DENR – Cordillera Administrative Region the ECC from agricultural to residential/commercial purposes. The carrying value of the Haddad Property in the books of the Company as of March 31, 2024 is PhP37.03Million.

Cabanatuan Property

This property, which is situated in Barangay Mayapyap Sur, Cabanatuan City, Nueva Ecija and located along the Maharlika National Highway, has an area of 42,333 square meters. The property has been re-classified as residential area by the City Government of Cabanatuan. Development plans are being formulated for the property and it is beamed at the middle-income residential market. The carrying value of the Cabanatuan Property in the books of the Company as of March 31, 2024 is PhP19.20Million.

Sablan, Benguet – Belmonte Property

This property, which is situated in Dackes, Bgy. Banangan, Municipality of Sablan, Province of Benguet and located along Naguillian Road, Baguio City has an area of 23,624 square meters. The carrying value of the Belmonte Property in the books of the Company as of March 31, 2024 is PhP3.10Million.

Tagaytay City Property

The Tagaytay Property which is situated in Barangay Kaybagal South, Tagaytay City has an area of 2,738 square meters. This property is located in front of The Wellington Courtyard residential condominium project, a joint venture project of the Company with RLC. The Company plans to build in this area a low-rise building with 5 floors, with commercial area at the ground floor and hotel and Airbnb rooms at the second to fifth floors. The carrying value of the Tagaytay Property in the books of the Company as of March 31, 2024 is PhP12.12Million.

Condominium Unit at Solare – Capri Oasis, Pasig City

This office condominium unit with an area of 30.10 square meters is located at Solare Building – Capri Oasis, Dr. Sixto Antonio Ave., Maybunga, Pasig City, which is the subject of a lease agreement with Thermolab Technologies Corporation for the lease period April 1, 2022 up to March 31, 2024. The carrying value of this condominium unit as of March 31, 2024 is PhP1.46Million.