GOLDEN MV HOLDINGS

May 16, 2024

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

Attention: Ms. Alexandra D. Tom Wong
Officer in Charge, Disclosure Department

Subject: Golden MV Holdings, Inc.: **2023 Annual Report 17-A – 12/31/2023**

Gentlemen:

Please see attached Annual Report of Golden MV Holdings, Inc. for the year ended December 31, 2023.

Thank you.

Kate D. Cator
Compliance Officer

COVER SHEET

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S.E.C. Registration Number

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(Company's Full Name)

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

Estrellita S. Tan
Contact Person

(02) 873-2922
Company Telephone Number

1 2 **3 1**
Month *Day*
Calendar Year

17-A
FORM TYPE

0 7 **1 5**
Month *Day*
Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

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

1. For the fiscal year ended **December 31, 2023**

2. SEC Identification Number **108270**

3. BIR Tax Identification No. **000-768-991-000**

4. Exact name of issuer as specified in its charter **Golden MV Holdings, Inc.** **(formerly Golden Bria Holdings, Inc.)**

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

6. (SEC Use Only)
Industry Classification Code:

7. **San Ezekiel, C5 Extension, Las Piñas City, Philippines** **1746**
Address of principal office Postal Code

8. **(+632) 8873-2922 / (+632) 8873-2543**
Issuer's telephone number, including area code

9. **Golden Bria Holdings, Inc.**
Former name, former address, and former fiscal year, if changed since last report.

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

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

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

Yes [**x**] No [ ] **Name of Stock Exchange: Philippine Stock Exchange**
Class of Securities Listed: Common Stocks

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes [**x**] No [ ]

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

Yes [**x**] No [ ]

13. Aggregate market value of voting stocks held by non-affiliates:

₱61.6 billion as of December 31, 2023

APPLICABLE ONLY TO ISSUERS INVOLVED IN INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

Yes [ ]   No [ ] **NOT APPLICABLE**

DOCUMENTS INCORPORATED BY REFERENCE

15. Briefly describe documents incorporated by reference and identify the part of SEC Form 17-A into which the document is incorporated:

Consolidated Financial Statements as of and for the year ended **December 31, 2023** (incorporated as reference for Item 7 and 12 of SEC Form 17-A)

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PART I – BUSINESS

Item 1. Business

Overview

Golden MV Holdings, Inc. (the "Company"), formerly Golden Bria Holdings, Inc., incorporated in November 1982, is one of Philippines' leading developers of memorial parks in the country in terms of number of projects, overall sales, and land developed. Aside from the development and sale of memorial parks, the Company likewise develops, constructs and operates columbarium and memorial chapel facilities. With the acquisition of Bria Homes, Inc. ("Bria"), the Company is also engaged in the construction and development of residential projects in various places all over the Philippines.

In relation to its deathcare business, which continues to operate under the brand **Golden Haven**, the Company have established projects all over the country, making it one of the largest deathcare developer in the country. The Company also has columbaries projects within a selection of its memorial parks, with the largest being the 20,000-vault columbarium beneath Golden Haven's Sanctuario de San Ezekiel Moreno, located along C5 Road, Pulanglupa, Las Piñas. The company has also expanded its business into Memorial Chapel Services in Las Pinas and the acquisition of a new memorial chapel in Angeles, Pampanga. These developments expanded the company's deathcare product offerings to funeral and cremation services, bringing it closer to becoming the country's first fully integrated deathcare service provider.

For its park developments, the Company offers memorial lots at varying sizes and price points. The four basic lot packages are lawn lot; garden niche; family patio; and family estate. Purchasers of a family estate lot can elect to construct a mausoleum, with the design and construction of which must conform to the Company's parameters as part of the terms of the purchase.

As for its residential development business, operating under **Bria Homes**, a corporation duly organized and existing under the laws of the Republic of the Philippines. The primary purpose of Bria is to acquire, own, use, improve, develop, subdivide, sell, mortgage, engage, lease, develop, and hold for investment or otherwise improve, manage, or dispose of real estate of all kinds including buildings, houses, apartments, and other structures of whatever kind. Bria is principally engaged in the mass housing business with housing projects located in over 30 of the most progressive cities and municipalities around the country.

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

The company listed with the Philippine Stock Exchange (PSE) on 29 June 2016, at an initial price of ₱10.52 per share. As of 31 December 2023, the Company's shares are valued at ₱844.50 per share.

Recent Developments and Acquisitions

In accordance with the Company's plan to further expand and diversify both its project and product profile, Golden Bria was able to significantly expand its holdings for both deathcare projects and for residential developments over the past year.

The Company, through its deathcare business Golden Haven, was able to expand to more than 30 developments all over the Philippines including both expansion and new project properties, making it one of the country's largest memorial park developers.

For its residential development business under Bria Homes, Inc., the Company was able to widen its product portfolio to appeal to both house and lot buyers and condo homelookers. Progress in Bria's developments were seen through fast-tracked construction and mass house and lot turnovers. As of 2023, Bria has more than 50 projects in the top municipalities across the country, with several projects currently in preselling and several more ready for occupancy.

Its vertical developments remain one of the fastest selling affordable condominiums after its launch on the 4th Quarter of 2022. Reintroduced as Asterra, it will now be a separate brand that will focus on vertical developments on the suburbs of Metro Manila and in fast growing provinces.

Products and Services

Death care Business

The death care services market comprises products and services acquired or availed of during the period of mourning and grief following the death of a loved one. This line of products and services generally includes funeral services and funerary arrangements (care for the deceased and cosmetic embalming in preparation for viewing), burial or cremation services, and the sale of caskets, urns and memorabilia. There has been a significant focus on memorial alcoves, giving way to a new product line targeting the market in the Metro where vault rentals are rampant. With this product, we are giving our clients an option to purchase their own vaults. Also focusing on the upscale market, with the Company aiding its sales through an initiative called “Golden Shrines”, wherein Family Estate purchasers are given complimentary designs made by Golden Haven’s memorial architects.

The Company’s key products and services consist of the sale of memorial lots and columbarium vaults made available to the public through the Company’s developments. With the opening of its Memorial Chapel, the Company was able to expand the services and products it offers to more categories of the death care industry.

Most of the foregoing developments are wholly owned by the Company with the exception of a number of park developments which have been undertaken through a joint venture with a third-party landowner.

Residential Development Business

Bria Homes, Inc. is the fastest growing mass housing developer in the Philippines in terms of scale and expanse. It caters to ordinary Filipinos who dream of having high quality and affordable homes. The Company is already expanding its portfolio in a transition from simply being “Murang Pabahay” to becoming the Filipino’s “Home of Choice”. A moniker it wishes to achieve by adding new horizontal and vertical residential concepts in higher market segments, thereby completing the spectrum and ensuring that there is an apt Bria home for the everyday Filipino’s defining moments of success.

The Company established its national footprint by continuously growing and making quality projects.

Distribution Methods of Products

Death care Business

The Company relies extensively on third party agents to sell its products and services in the country. As the terms of engagement by the Company of these agents are non-exclusive, these agents, in general, may likewise offer products and services of the Company’s competitors. The Company cannot give any assurance that these agents will give adequate focus to the Company’s products and services and not favor or give priority to any other products these agents may otherwise offer. If a large number of these agents were to reduce focus on the Company’s products and services, or otherwise terminate their arrangements with the Company, there can be no assurance that the Company would be able to replace these agents in a timely or effective manner.

The Company also has limited control over these third-party agents and cannot monitor all aspects of their work. With this limited control, the Company cannot give assurance that none of its third-party agents will make misleading representations and promises on the Company’s products and services, leading to customer disputes and damage to the Company’s reputation.

Residential Development Business

The Company's marketing network includes a network of agents and brokers, who are in key areas across the Philippines.

With offices across the country and a network of partners, we are able to reach consumers in major markets in the country and abroad. With the help of digital marketing, Bria is able to track consumer preferences, so that we can tailor our marketing efforts as needed.

As such, it believes that it is able to provide its clients with a unique experience by offering them a variety of opportunities to connect with other people who are interested in buying or selling homes.

The Company offers a wide range of products, including multiple bungalow house models and two-story house and lot units that would give potential customers a variety of options that best fits their needs.

Land Development and Acquisition

Death care Business

Part of the Company's key strategies is to continue to work on developing existing, undeveloped and contiguous land areas of its memorial parks, which would allow it to increase its inventories to meet emerging market demand for its products. Development activities will include site preparation, landscaping, and other related civil works on the relevant areas intended to make the same suitable for further development into memorial park spaces.

The Company also considers the feasibility of obtaining required governmental licenses, permits, authorizations, and adding necessary improvements and infrastructure, including sewage, roads and electricity against a purchase price that will maximize margins within the limits of available financing.

Residential Development Business

The Company sources land for its projects through direct purchase. The evaluation process on land acquisitions focuses on 4 major factors: (a) legality of the documents covering the piece of property; (b) valuation of the property; (c) technical characteristics of the property; and (d) other factors impacting on the suitability and feasibility of future projects. As and when needed, the Company also engages third parties, such as surveyors and engineers, to verify that the land it seeks to acquire is covered by the technical description of the title.

Before the Company acquires land to develop land, the Company also conducts its own valuation of the property based on, among other factors, other similar properties in the market and an assessment of the potential income derivable from any development suitable for the property.

Before directly acquiring land, the Company conducts engineering and environmental assessments to determine if the land is suitable for construction. The land must be topographically amenable to housing development.

The Company has developed specific procedures to identify land that is suitable for its needs and performs market research to determine demand for housing in the markets it wishes to enter. These factors include:

- the general economic condition of the broad environment of the property;
- suitable land must be located near areas with sufficient demand or that the anticipated demand can justify any development;
- site's accessibility from nearby roads and major thoroughfares;

- the availability of utility infrastructure, such as electric transmission facilities, telephone lines and water systems; and

- the overall competitive landscape and the neighboring environment and amenities.

The Company also considers the feasibility of obtaining required governmental licenses, permits, authorizations, and adding necessary improvements and infrastructure, including sewage, roads and electricity against a purchase price that will maximize margins within the limits of available financing.

Joint ventures

The Company has grown its land bank primarily through direct purchases. However, the Company, particularly for its memorial park business, has also entered into joint venture agreements with landowners or other park developers. These joint venture arrangements are seen to offer certain advantages to the Company, particularly because the Company is not required to pay for the land in advance. The Company's interest in these joint ventures varies depending on the value of the land against the estimated development cost.

Historically, the Company has not experienced any material difficulties in finding joint venture partners to supply land and currently does not expect to experience any such difficulties in the future. The Company believes that this is due to its strong track record, and the track record of its affiliates, which boasts numerous successfully completed projects all over the country, which gives its joint venture partners confidence that their specific project will be handled successfully. Further, there is a prevalence of landowners in the Philippines who wish to develop their land in a multitude of ways, but who may not have the resources, both financial and expertise, to do so.

The Company's joint venture arrangements typically require the joint venture partner to contribute the land to the project, with the Company bearing all costs related to land development, or the continuance thereof, and the construction of park facilities. The Company and its joint venture partner then agree on which of the resulting subdivided saleable lots will be allocated to the Company and which lots will be allocated to the joint venture partner, in accordance with their respective joint venture interests.

Site development and construction

Development and Operation of Death Care Facilities

In developing a death care facility, the Company conducts a site evaluation to assess the suitability of a property for development into any one type of death care facility, such as a memorial park, a columbarium, a crematorium or whether such property is best suited for ancillary services such as memorial chapels. Aside from property costs, land access, water and power supply and other infrastructure determine a site’s suitability for each type of death care facility. The Company simultaneously conducts a market assessment, considering potential market size, the income levels and the presence of established competition in the area.

After a favorable feasibility study, the Company begins the project development process starting with the process of securing regulatory approvals and clearances from various government departments, including the DENR, the LLDA and, if necessary, the DAR, as well as the local government units having jurisdiction over the project area. For more information on the regulations applicable to the Company and its business, see the section “Regulatory and Environmental Matters”.

Concurrent with its regulatory compliance efforts, the Company undertakes the process of master planning, design and engineering. Golden Haven has its own architects, engineers, and design experts to plan its developments, with a technical team composed of over 80 employees. On occasion, the Company may engage third party architects, designers and planners. Design and architectural and engineering development timetables vary by project, depending on its scale and design.

Once a project has received a development permit from the relevant local government unit, the Company then applies for a permit to sell from the HLURB to allow the pre-selling of memorial lots and columbarium niches.

Land development, landscaping, infrastructure, and construction work for the Company's projects are all contracted out to various independent contractors. Over its history, the Company has utilized a total of more than 50 independent contractors and is not dependent on any single firm or contractor.

As of the date of this filing, the Company believes that it has secured all material licenses, permits, consents and registrations from the relevant regulatory authorities which it is required to obtain under applicable law to enable it to engage in the development, operation and maintenance of memorial parks and columbaria.

Residential Development Business

For its residential development activities, the Company begins its project development process after extensive site evaluation by the Company and certain third-party contractors, acquisition of the land (either directly or through a joint venture agreement) and a final decision by the Company to develop such land.

Before the site development process can begin, the Company must obtain regulatory approvals and clearances from various government departments. These include the DENR and the DAR, as well as from the local government unit with jurisdiction over the area where the project will be located. For more information, see "Regulatory and Environmental Matters" for a discussion of government regulations with which the Company must comply in the course of developing its projects.

The Company routinely secures the required governmental approvals for its projects during the planning, construction and marketing stages of project development. The Company is not aware of any pending legislation or governmental regulation that is expected to materially affect its business. The Company believes that it has at all times obtained the required government approvals relevant for each project depending on its respective stage of development.

The site development process involves the planning of the potential project, including determination as to the suitable market segment, master planning, design of houses and landscape design. Development timetables vary from project to project, as each project differs in scale and design. Typically, site development after land acquisition takes at least one year, during which time the Company prepares both the master plan for the entire project (which can take several months and may be revised over the course of the project) and detailed plans for each project phase (which can take up to two months), obtains the necessary government approvals and permits and conducts pre-marketing activities. Once the project has received a development permit from the relevant local government unit and a permit to sell from the HLURB, pre-sales of subdivision lots can begin (often on an initial phase of the project), as well as some initial development work on the project site. Future expansion of the project will depend on the level of sales. As one phase is sold, a new phase of the project will be open for sales and this process is repeated until project completion.

The Company, as often as possible, utilizes its in-house design capabilities and market research data to plan developments. Aside from determining the feasibility of a project, the objective of this study is to determine the property type for development (i.e., whether a project will be developed as a lot-only project, a house and lot project or a combination of both). The Company believes that its extensive experience and expertise in residential real estate development allows it to reduce costs, maintain competitive prices and increase sales. From time to time, the Company hires third parties to design and plan projects. The work performed by these third parties must comply with specifications provided by the Company and, in all cases, is subject to the Company's review. In particular, the Company hires third parties, including international firms, to design projects which are complex and require specific technical expertise and to design specific high-end projects.

For its housing units, the Company internally develops the construction designs. The Company's architects and engineers are trained to design structures to maximize efficiency and minimize production costs. The Company's current designs allow customers to upgrade finishing details on a customized basis after the housing units are delivered and future vertical expansion through the addition of a second story. The Company will continue to invest in the development of design and planning construction to further reduce costs and continue to meet customer needs.

The Company finances the development of projects through a combination of pre-sales and internally generated funds, particularly for the construction of common areas and facilities during the early stages of a project. The Company also maintains some flexibility in timing the progress of its development projects to match the progress of pre-sales. Thus, the progress of development is greatly influenced by the level of pre-sales.

Maintenance Fund

Death care Business

Since the sale of the Company's memorial lots and columbarium vaults requires it to perform certain future and perpetual obligations, such as the payment of real estate and any other taxes that may be imposed on the memorial park or the columbarium facility, as well as the continuing operation or maintenance thereof, the Company has established perpetual care funds or maintenance funds designed to address these future and continuing obligations.

In general, the cost of these undertakings (or anticipated cost thereof) is incorporated into the purchase price for the memorial lot or the columbarium vault in the form of a one-time maintenance fee, and a portion of the proceeds collected from purchasers is then allocated into the relevant maintenance fund. Where the sale of the product is by way of installments, this maintenance fee is likewise collected ratably from each installment and set aside for such purpose.

The Company's maintenance funds typically take the form of funds escrowed with, and managed by, a third-party manager under an escrow and management agreement entered into by the Company for this purpose, and the income from such maintenance funds are then used to finance the operating and maintenance costs of the applicable death care facility. Under this fund management arrangement:

- The Company has no right to amend the fund management arrangements established that may in any way reduce or impair the principal of the maintenance fund, or divert income thereof to any purpose other than the care and maintenance of the relevant memorial park or columbarium, including expenses for the maintenance and preservation of the scenery, background and landscape of its areas, cleaning, pruning and maintenance of the grounds, boundaries, walks, roadways and structures. Any release of income from the maintenance fund must be supported by receipts, billing statements, statements of account and similar documents evidencing the use of such funds for the maintenance and administrative costs of the relevant memorial park or columbarium.

- The Company has no right or authority to decrease the principal amount of the maintenance fund except for major rehabilitation of the relevant memorial park or columbarium as a result of natural calamities, fire, earthquake, typhoons, floods, civil war and the like.

- The escrow agent and fund manager may, in its sole discretion, invest the maintenance funds into the following forms of investments: (i) treasury notes or bills, BSP Certificates of Indebtedness or other government securities, bonds or other evidence of indebtedness, the servicing and repayment of which are fully guaranteed by the Government, (ii) deposits with the fund manager and other banks, and (iii) loans or investments upon the direction of the Company or of a court of competent jurisdiction or other competent authority in writing indicating the nature of the transaction, the borrower's or other party's name, the amount involved and the collateral, if any.

- In the event that the income of the maintenance fund for a period is not adequate, the balance of any repair and maintenance expenses is then financed directly by the Company.

As of December 31, 2023, the balance of the Company's maintenance funds in the aggregate amounted to ₱1,026.6 million.

Contracts with Suppliers

Death care Business

In general, the Company enters into fixed-priced standard form contracts, awarded after a bidding process, with its contractors, with the cost of materials included as part of the contract price. Payments are generally on a percentage of completion or milestone basis. In each development, contractors are managed and evaluated by a project manager, directly employed by the Company.

Project duration from launch to completion for a memorial park project or a columbarium project typically takes anywhere from one to five years, depending on the scale and size of the memorial park project or the columbarium project.

After completion of a project, the Company then engages independent contractors to operate and maintain its memorial parks and columbarium facilities. These contractors customarily provide the security, janitorial, gardening and repair and maintenance requirements of each development. The Company engages several firms, based on a competitive selection process and for fixed terms or durations, and is not dependent on any single provider for each of these various services.

However, because of the technical and highly specialized nature of memorial services and cremations, the Company restricts the management and operation of its memorial service facilities and its crematorium to in-house personnel, rather than rely on contracted or third-party personnel. Each memorial service facility or crematorium will have its own manager, accounting and administrative, and customer support staff as well as the technical experts providing the services offered.

The Company has likewise standardized its maintenance protocols, including periodic re-planting, repainting and other maintenance activities, to which each contractor is expected to conform.

Residential Development Business

For its housing development activities, site development and construction work is contracted out to various qualified and accredited independent contractors. For larger projects, such as site development work, contracts are awarded based on competitive bidding. For smaller-scale projects, such as the construction of certain structures within a project or of specific housing units, the Company will directly contract specific contractors based on its previous experience with such contractor for a specific type of project. In all cases, the Company's accreditation procedure takes into consideration each contractor's experience, financial capability, resources and track record of adhering to quality, cost and time of completion commitments. The Company maintains relationships with over 40 accredited independent contractors and deals with each of them on an arm's-length basis. The Company is not and does not expect to be dependent upon one or a limited number of suppliers or contractors.

The Company does not enter into long-term arrangements with contractors. The awarded contracts typically cover the provision of contractor's services in relation to a particular project or particular housing units. To ensure compliance with Company requirements and to maintain the quality of the developments, the Company has a team of project engineers who perform the following functions:

- Directly managing site development and construction activities;
- Coordinating the activities of the Company's contractors and suppliers;
- Overseeing quality and cost controls; and
- Ensuring compliance with zoning and building codes and other regulatory requirements.

Typically, the Company enters into fixed-price contracts with its contractors, with the cost of materials included as part of the price.

Housing unit construction will typically take two to four months to complete depending on the size. Most construction materials are provided by the contractors themselves in accordance with the terms of their contracts. In certain cases, the Company guarantees payment to the Company-specified suppliers for purchases by contractors of construction materials. In these cases, the Company makes direct payments to such suppliers, with the amounts paid by the Company for construction materials deducted from payments to the contractors.

Progress payments are made to contractors during the term of the contract based on the accomplishment of pre-determined project performance milestones. The Company usually retains 5% to 10.0% of each progress payment in the form of cash for up to three months from the date the contracted work is completed and accepted by the Company. The amounts retained are used to meet contingency costs, such as addressing claims from purchasers thereby limiting the financial burden on the Company. The Company has a broad base of suppliers.

Research and Development

Death care Business

While the Company engages in research and development activities focusing on the types of materials and designs used for memorial park and memorial chapel developments all over the world, as well as market studies on potential locations and new products, and gathering market data on the local customer base, the expenses incurred by the Company in connection with these activities are not material.

The Company's research and development activities also include organizing regular trips for its operations personnel, architects and engineers to various cities to enable them to become more attuned to high quality developments and latest trends from overseas.

Residential Development Business

While the Company engages in research and development activities focusing on the types of construction materials used for its housing units, construction methodology, value-engineering for its projects and quality assurance, as well as market studies and gathering data on target retail customer base, the expenses incurred by the Company in connection with these activities are not material.

The Company's research and development activities include organizing regular trips for its operations personnel, architects and engineers to various cities to enable them to become more attuned to high quality developments and latest trends from overseas.

Insurance

Death care Business

The Company has insurance coverage for its real and personal properties, columbaries and its main office, covering fire, lighting, earthquake, typhoon and flood. The Company also maintains motor vehicle insurance, and death and total or partial disability for its employees with benefits depending on the employee's position in the Company. However, there is no assurance that the amount of cover will be adequate in the event of a covered event or that the insurers will pay in claims promptly and in full.

The Company does not carry any business interruption insurance.

Residential Development Business

The Company has insurance coverage that is required in the Philippines for real and personal property. Subject to the customary deductibles and exclusions, the Company's insurance policies include coverage for, among other things, buildings and improvements, machinery and equipment, furniture, fixtures and fittings against damage from fire and natural perils, machinery breakdown, third-party liability to the public and construction works. The Company does not carry business interruption insurance.

Sales and Marketing

Death care Business

Target Market

The Company believes that purchasers of its memorial lots, niches and eventually, its memorial services, are typically heads of households, between 30 to 60 years of age, with a median family income of between ₱75,000 to ₱100,000, and have generally attained financial stability.

In general, clients purchase the Company's memorial lots and niches in advance or before the need for such products arises.

The Company believes that proximity to the home of a prospective client dictates such client's decision to purchase a death care product or avail of death care services. Accordingly, the Company has built, and it will continue to build, death care facilities, products and services in various strategic locations across the country. The Company also believes that rising incomes and economic development in the provinces will drive demand for its products throughout the Philippines.

Sales and Agency Network

The Company has over 4,000 independent accredited agents organized into more than 150 sales networks located nationwide to generate sales of memorial lots and columbarium vaults.

The Company's agents are compensated solely on a commission basis. Agents are generally not exclusive and can offer real estate packages and other product and service offerings, including products and services that may compete with those of the Company.

The Company, through its internal marketing and sales organization, manages and monitors the performance of its sales teams and individual agents. Aside from the evaluation, training and management of the Company's independent agents, its sales and marketing organization is responsible for market evaluations, pricing and credit packages, and the preparation of marketing materials such as fliers and brochures.

Residential Development Business

Target Market

With the Company's continual growth together with its core values, the Company is truly the perfect choice for ordinary Filipinos - from OFWs to local office workers, from factory employees to entrepreneurs, from balikbayan to retirees. Until every Filipino attains the Bria Home they deserve, it will continue to welcome Filipinos to their new homes. Since its establishment, it primes itself on the development of affordable house and lot packages and easy-on-the-pocket condominium units that caters to ordinary Filipino families who aspire to acquire their own homes. It had become the perfect choice for average Filipino workers who wanted to invest in a home that is both high quality and affordable.

To date, the Company has about 30 developments across some of the country's most progressive towns and cities.

Sales and Agency Network

The Company believes it has one of the most extensive marketing networks of all Philippines housing development companies.

Local Marketing Network

The Company's local marketing and distribution network of independent contractors and agents for its housing development activities consists of various teams with a combined total of approximately 14,000 accredited agents.

The Company believes that it offers its marketing teams competitive compensation terms. The Company's commission structure and incentive schemes vary relative to the network's affiliation and sales structure.

The Company's exclusively contracted marketing teams are compensated through a monthly allowance and are provided administrative support by the Company, including office space and expense allowances. Broker companies are compensated with relatively higher commissions with funding allocations for business development programs.

International Marketing Network

The Company believes that the OF (Overseas Filipinos) population constitutes a significant portion of the demand for its housing and land development projects. The demand comes from both the direct purchase by the OF or purchase by relatives of the OF financed by OF remittances. As such, the Company seeks to adequately service and reach the OF and international markets. For that purpose, the Company has established an extensive international marketing network.

Through this network, the Company is well-represented in key cities abroad with the highest concentration of OFW communities. The Company's presence is significant in countries and regions such as North America, Europe, Middle East and Asia including Japan. These international brokers are established in their respective areas and serve as the Company's marketing and promotion agents in their territories, to promote the Company and its products. In addition, some of these agents have bought houses from the Company in the past. The Company believes that its long-standing relationships with these agents over the years distinguish it from its competitors.

The Company, together with these international brokers and agents, regularly sponsors road shows and participates in international fairs and exhibits, Filipino social and professional gatherings, and other OF-related events.

In light of recent protocols, awareness efforts are now primarily conducted through digital saturation, advertising in social media platforms, and creating seamless customer experience through the company's professionally curated website. In lieu of face-to-face transactions, purely online sales conversion is now possible through dedicated e-commerce applications. Intensive campaigns are being run simultaneously to appeal to all of our target market segments everyday, and all the time.

Pricing and Installment Plans

Death care Business

The price of a memorial lot or niche is location specific and is dependent on several factors, including the cost of land, development and construction costs and the estimated operating costs of a memorial park or columbarium, pricing of competitors within proximity of the development, income levels of the target market, among other considerations.

Selling of prospective memorial parks and niches begin as soon as the Company has completed securing all the necessary government approvals and has completed the preparation of marketing materials. At launch, the Company has pre-determined the number of memorial lots or niches to be offered at the launch price. Succeeding releases of memorial lots and niches are at increasing prices, depending on market demand and the acquisition of any necessary government approval.

Aside from cash purchases, the Company also offers installment plans for its memorial lots and niches allowing for monthly payments over a term of between one to five years. Mandatory down payment is typically in between 15% to 20% of the purchase price. Monthly amortizations are inclusive of an effective interest rate of 10% to 12% per annum depending on the term of the installment plan.

Installment sales are documented through a purchase agreement between the purchaser and the Company. Under these agreements, in the event of a default, the purchaser forfeits all rights to the subject memorial park lot or columbarium vault. Any refund, after evaluation and deemed valid, shall be governed by the applicable laws at the time of the purchase; otherwise, the Company retains all payments made by the purchaser as liquidated damages.

The Company believes that through the combination of its customer selection process, pricing and installment plans, it has adequately managed the risk of defaults.

Upon full payment of a memorial lot or the niche, the Company issues to its purchasers a certificate evidencing the buyer's perpetual right to use the memorial lot or the niche, as applicable.

For its memorial chapels and crematorium, Packages for chapel viewing room, inclusive of body preparation and caskets, range from Php148,000 to P550,000 There is also a separate rate applied from cremation packages, with rates ranging from PHP 66,000 to PHP 600,000. Booking for these services require a down payment upon reservation, with balance paid upon use. The Company also offers bundled promotional rates that include both chapel viewing room, and cremation services at discounted rates.

Residential Development Business

The Company's customers can generally purchase the Company's products through:

- Government-assisted financing.
- In-house (Company-provided) financing;
- bank financing; and
- cash purchases;

Under these four major modes of payments, the Company designs flexible and creative financing packages for its customers to make their acquisitions possible.

Customers of the Company obtain financing from the Government. Government-subsidized loans under the government financial institution programs continue to be the largest source of purchaser financing for the socialized market.

The Company also offers in-house financing to buyers. There are cases wherein in-house financing schemes serve as stepping stone to facilitate transactions. In these instances, the buyers use the in-house financing facility but convert to bank financing within a certain period.

There are also instances where customers of the company obtain Mortgage loans from private banks. These are offered to buyers who are perceived to be acceptable credit risks and certain housing price points. To streamline the loan processing application, the Company has arrangements with several banks regarding the processing of applications with respect to the financing of unit purchases.

Cash-basis acquisitions are usually given special discounts. Negotiated discounts are also allowed for accelerated payment schedules and other bulk payments. This is to encourage capable buyers to pay upfront for their property acquisition.

In-house financing

The Company has established processes and procedures designed to screen homebuyers applying for in-house financing to ensure that they are financially capable of paying their monthly amortizations. The Company conducts strict and thorough credit checks which include but are not limited to:

- employment/career/business background checks;
- credit card verification using national credit databases; and
- conducting physical verification of claims regarding residences and properties owned by the buyer.

The Company typically finances 90% of the total purchase price of the property being sold. The loans are then repaid through equal monthly installments over periods ranging from 5 to 15 years. The interest rates charged by the Company for in-house financing typically range from 12% per annum to 16% per annum, depending on the term of the loan, with the financing agreement providing for an escalation of the interest rate in the event of a general rise in interest rates charged by the banks and other financial institutions.

Where a buyer has obtained in-house financing for a purchase, the Company will retain the title to the property until full payment of the loan. During this period, if the buyer defaults on the payment of the monthly installments due, the Company has the right to cancel the sale and retain payments already made by the buyer. The Company faces certain risks relating to the cancellation of sales involving its residential projects and if the Company were to experience a material number of sales cancellations, the Company's historical revenues would be overstated.

Mortgage loans

Mortgage loans from commercial banks are available to individuals who meet the credit risk criteria set by the relevant bank and those individuals who are able to comply with such bank's documentary requirements and credit investigation. To assist prospective buyers to obtain mortgage financing from commercial banks, the Company has arrangements with several commercial banks. Further, the Company ensures that all its units are properly and completely documented to adequately comply with the bank's requirements.

In addition to taking security over the property, a bank may also seek repayment guarantees from the Home Guaranty Corporation ("HGC"). The HGC is a Government-owned and controlled corporation that operates a credit guaranty program in support of the Government's efforts to promote home ownership. It provides risk guarantees and fiscal incentives for loans and credit facilities for residential purposes provided by banks and financial institutions. In the event a buyer defaults in connection with an HGC-registered loan or credit facility, the HGC guarantees the payment to the extent of the outstanding balance, interest and yield. The interest and yield on loans and credits guaranteed by the HGC is exempt from taxation.

Customer service and warranties

The Company believes it is important to ensure that quality service is afforded to homebuyers throughout and after the relevant sales period, including during house lay-out, construction, move-in and introduction to the homeowners' association. The Company's Customer Care Department (the "CCD") has qualified staff dedicated to addressing these concerns.

Apart from the standard contractual warranties on the purchased unit, for each project the Company engages the services of a professional property management group which oversees the affairs of the homeowners' association. This helps homebuyers to achieve a smooth introduction to their new neighborhood and further enhances good customer relations. The property management group's functions include financial management, security, landscape maintenance and association social activities.

Construction stage

At this stage, the production team takes over and starts the actual construction of the unit. However, the CCD still takes active part by coordinating with the homebuyers and updating them on the developments of his housing unit. At any time of the construction, the homebuyer can opt to enroll in a CCD program where he can schedule a visit and inspection of his housing unit with the assistance of a technical staff who will be on hand to explain or answer any questions or requests.

Move-in and introduction to homeowners' association

Upon completion of the house, the CCD facilitates turnover of the unit to the homebuyer. This includes delivery of certificates of warranty/guarantee on the housing unit and a comprehensive homeowner's kit. The Company has an established system to address the homebuyer's concerns especially in the first
3 months of move-in. The Company puts great emphasis on the timing of responding to any such concerns, ensuring that repairs/rectification procedures are at par with the Company's standards. While there is a standard policy on repairs, the Company, on a case-to-case basis, extends its services beyond these procedures to better achieve total customer satisfaction.

Competition

Death care Business

The Philippine death care industry is fragmented. Companies within the industry provide only segments of the death care value chain which covers a range of products and services starting from memorial services (inclusive of embalming, cleaning, and cosmetic restoration), memorial chapel spaces leased out for the wake period prior to cremation or burial, death care merchandise sales (caskets, urns, keepsakes, tombstones, and other similar products), cremation, burial services, to the sale of memorial lots and columbarium niches.

Although the Company is unique in its capacity to offer products and services in more than one segment of the death care industry, the Company competes against other service providers in various segments of the death care value chain.

For the sale of memorial lots, the Company competes against other large developers such as the Manila Memorial Parks Group, the Eternal Gardens Memorial Parks Group and the Forest Lake Memorial Parks Group.

Aside from the foregoing major developers, the Company competes against smaller memorial park developers throughout the country. These would typically be family-owned corporations with relatively smaller memorial park projects in select provinces.

There are likewise several developers of columbarium projects in the country. The Company believes that most of these developers would be single-project companies, typically in Metro Manila and surrounding provinces. Several parish churches in Metro Manila have built small columbaries within or adjacent to the church compound which are offered to the public.

With respect to memorial services, the Company will compete against several established companies in the country, such as St. Peter Chapels, La Funeraria Paz, Loyola Memorial Chapels and the Cosmopolitan Memorial Chapels.

Residential Development Business

The residential development market in the Philippines is intensely competitive. The Company has significant competitors for its socialized housing and land development business particularly within each project's localized area, wherein family build-and-sell businesses thrive and are able to offer lower packages at the expense of quality. Nevertheless, the Company's strong regulatory know-how, solid execution track record and nationwide footprint are difficult to replicate and effectively serve as a strong barrier against competition on a nationwide level. Because of the availability of joint venture arrangements with landowners and the ability to finance these projects through unit pre-sales, it is relatively easy for smaller players to enter into this business. There is, therefore, competition for land that is suitable for project development. There is also competition among various developers for residential real estate brokers.

Currently, the Company's competitors in its residential development business include companies such as Deca Homes (8990 Holdings, Inc.), Homemark Inc., Charles Building (Charles Builder Group of Companies), New Apec, Fiesta Communities, Borland, Axeia, Lynville, Pro Friends and others. Based on publicly available information and its own market knowledge, the Company believes that it is positioned to be one of the leading property developers in the Philippines that is focused on the mass market segment. The Company's management also believes that the Company is able to offer competitive commissions and incentives for brokers and that the Company is able to compete on the basis of the pricing of its various products as well as brand recognition.

Transactions with related parties

Please refer to Item 12 of this report ("Certain Relationships and Related Transactions).

Intellectual Property

The Company owns a variety of intellectual property rights for its brands, including the trade or business name "Golden Haven" and the Golden Haven trademark, and has applications for registration of additional trademarks, including the Santuario de San Ezekiel Moreno, Bria Homes and Bria Flats trademark, pending with the Intellectual Property office. These trademarks are important in the aggregate because name recognition and exclusivity of use are contributing factors to the success of the Company's developments.

Trademarks are considered as one of the most effective marketing tools of a Company, because trademarks can easily be identified and remembered. As such, they are considered as brand or service identifiers. While Philippine law does not require the registration of trademark used or to be used by companies, nor is it required for business operations, the registration of company trademarks is necessary for the company to have the exclusive right to use the same in connection with the services it provides.

Regulatory and Environmental Matters

Death care Business

The development of death care facilities such as memorial parks, columbaries and crematory facilities is highly complex, and the construction, operation and maintenance thereof are subject to extensive and continuing regulation in the Philippines. The following is a discussion of the material Philippine legislation governing the death care business, though it does not purport to be a comprehensive description of all laws that may apply to the Company, its business and its operations.

As of the date of this filing, the Company believes that it has secured all material licenses, permits, consents and registrations from the relevant regulatory authorities that it is required to obtain under applicable law to enable it to engage in the development, operation and maintenance of memorial parks and columbaries.

Zoning and Land Use

Death care industry encompasses funeral homes, memorial parks or cemeteries and crematoria. Zoning is the delineation or division of a city or municipality into functional zones where only specific land uses are allowed.

Local Government Code

Land use may be limited by zoning ordinance enacted by Local Government Units ("LGUs"). Lands may be classified under zoning ordinances as commercial, industrial, residential or agricultural. The appropriate *Sanggunian Bayan* or the *Sangguniang Panglungsod* has the power to enact integrated zoning ordinances in consonance with the approved comprehensive land use plan.

The *Sangguniang Bayan* or the *Sangguniang Panglusod* also has the power to regulate the establishment, operation, and maintenance of funeral parlors and the burial or cremation of the dead.

Agrarian Reform Law

Under Republic Act No. 6657, otherwise known as the "Comprehensive Agrarian Reform Law of 1988", the approval by the DAR is necessary for the reclassification or conversion of land to non-agricultural use.

National Building Code of the Philippines

Presidential Decree No. 1096, otherwise known as the "National Building Code of the Philippines", establishes the framework of minimum standards and requirements for all buildings and structures by guiding, regulating, and controlling their location, site, design, quality of materials, construction, use, occupancy, and maintenance, including their environment, utilities, fixtures, equipment, and mechanical electrical, and other systems and installations.

A building permit from the Building Official shall be required in all construction, alteration, repair, movement, conversion or demolition of any building or structure.

Funeral establishments, memorial parks or cemeteries and crematoria must comply with the pertinent provisions of the National Building Code of the Philippines.

Housing and Land Use Regulatory Board

Executive Order No. 648 series of 1981 ("E.O. No. 648"), as amended by Executive Order No. 90, declared the HLURB as the planning, regulatory and quasi-judicial instrumentality of the government for land use development. HLURB has the power to promulgate zoning and other land use control standards and guidelines which shall govern land use plans and zoning ordinances of LGUs. Pursuant to this, HLURB enacted rules and regulations for memorial parks or cemeteries and funeral establishments.

Funeral Establishments

HLURB, pursuant to E.O. No. 648, issued the "Implementing Rules and Regulations to Govern the Processing of Applications for Locational Clearance of Funeral Establishments" ("IRR for Funeral Establishments") on 10 March 1999. These regulations set out the guidelines for the application of locational clearance, design standards and necessary permits for the operation of funeral establishments.

Under the IRR for Funeral Establishments, funeral establishments are classified into three categories: (a) Category I - funeral establishments with chapels and embalming facilities and offering funeral services; (b) Category II - funeral establishments with chapels and offering funeral services without embalming facilities; and (c) Category III - funeral establishments offering only funeral services from the house of the deceased to the burial place. Depending on the category, a funeral establishment may only be established within a specific zone.

A locational clearance is required for all proposed funeral establishments. In addition, all funeral establishments must comply with the Code on Sanitation of the Philippines on sanitary permits and sanitary requirements for funeral chapels, embalming and dressing room and morgue.

The DOH and the respective LGU shall have the authority to monitor funeral establishments. HLURB, pursuant to E.O. No. 648, promulgated the "Rules and Regulations for Memorial Parks/Cemeteries". These regulations set out the guidelines for the development and operations of proposed and existing memorial parks or cemeteries and define location restrictions, design parameters and road specifications.

All memorial parks or cemeteries must be located in areas zoned for cemetery purposes, in accordance with the comprehensive land use plan or zoning ordinance, or in the absence thereof, in areas deemed appropriate by the HLURB. They shall not be allowed in environmentally critical areas, as defined in Presidential Proclamation No. 2146 series of 1981, or on grounds where water table is not higher than four and 4.50 meters below ground surface as certified by the National Water Resources Board ("NWRB").

The LGU concerned must approve the Preliminary Memorial Park or Cemetery Plan and Final Memorial Park or Cemetery Plan. Approval of the Preliminary Memorial Park or Cemetery Plan shall be valid only for a period of one hundred eight days from date of approval and may be revalidated once after expiration of said period.

The approval of the Final Memorial Park or Cemetery Plan is shown by the issuance of a development permit by the LGU concerned. The development permit shall be valid for a period of two years from date of issue; however, if physical development is not commenced within said period, the grantee of the permit may apply for its revalidation within the next succeeding year. If the development permit expires, no development shall be allowed unless a new application for approval is filed.

All existing memorial parks or cemeteries or proposed memorial parks or cemeteries which are being developed for perpetual lease or sale of plots and has accomplished at least 20% of the total development, must be registered with the HLURB is necessary. The survey returns of the mother title including the technical description of each lot (i.e., section and block with number of lots per block in each section of the lot), which shall form part of the certificate of lease or deed of sale, shall be registered with the HLURB. No owner or dealer shall lease or sell any plot without a license issued by the HLURB.

Crematoria

The Rules and Regulations for Memorial Parks/Cemeteries also set out the minimum requirements for the construction of crematoria. All crematoria must comply with design parameters such as types of rooms, design of the smokestack and crematorium oven temperature.

Code on Sanitation of the Philippines

Presidential Decree No. 856 ("P.D. No. 856"), otherwise known as the "Code on Sanitation of the Philippines", is the consolidation of health laws and regulation on sanitation to ensure that protection and promotion of health. Chapter XXI of P.D. No. 856 covers the disposal of dead persons. The sanitary requirements for funeral establishments, memorial parks or cemeteries and crematoria are laid out in the Code on Sanitation. The Regional Health Director, or his duly authorized representative, shall have the authority to monitor and implement the sanitary rules and regulations.

The DOH, through Administrative Order No. 2010-0033 ("DAO No. 2010-0033") issued on 6 December 2010, has promulgated revised implementing rules and regulations to regulate the practice of embalming. Embalmers are required to obtain a license from the DOH, which is renewable every three years, before they are allowed to practice. DAO No. 2010-033 has also expanded the coverage of communicable diseases, which require documentary requirements for the deceased to be transported from the place of death to burial or cremation.

Funeral Establishments

Funeral establishments are required to obtain sanitary permit issued by the local health office, which shall be valid for one year ending on the last day of December and shall be renewed every first month of the year.

Memorial parks or cemeteries

Memorial parks or cemeteries are required to obtain operational clearance issued by the regional health director and sanitary permit issued by the local health office.

Crematoria

All crematoria shall submit a feasibility study reviewed by the regional health office and approved by the Secretary of Health. A sanitary permit issued by the local health office shall also be required of all crematoria. The sanitary permit shall be valid for one year ending on the last day of December and shall be renewed every first month of the year.

Environmental Laws

Philippine Environmental Impact Statement System

The Philippine Environmental Impact Statement System was established by virtue of Presidential Decree No. 1586. Development projects that are classified by law as environmentally critical or projects within statutorily defined environmentally critical areas are required to obtain an Environmental Compliance Certificate ("ECC") prior to project construction and operation. Through its regional offices or through the Environmental Management Bureau ("EMB"), the DENR determines whether a project is environmentally critical or located in an environmentally critical area.

As a prerequisite for the issuance of an ECC, an environmentally critical project is required to submit an Environmental Impact Statement ("EIS") to the EMB while a project in an environmentally critical area is generally required to submit an Initial Environmental Examination ("IEE") to the proper DENR regional office, without prejudice to the power of the DENR to require a more detailed EIS. The EIS refers to both the document and the environmental impact assessment of a project, including a discussion of direct and indirect consequences to human welfare and ecology as well as environmental integrity. The IEE refers to the document and the study describing the environmental impact, including mitigation and enhancement measures, for projects in environmentally critical areas.

While the terms and conditions of an EIS or an IEE may vary from project to project, at a minimum, they contain all relevant information regarding the environmental effects of a project. The entire process of organization, administration and assessment of the effects of any project on the quality of the physical, biological and socio-economic environment as well as the design of appropriate preventive, mitigating and enhancement measures is known as the EIS system. The EIS system successfully culminates in the issuance of an ECC.

The ECC is a government certification that (i) the proposed project or undertaking will not cause a significant negative environmental impact, (ii) the proponent has complied with all the requirements of the EIS system, and (c) the proponent is committed to implement its approved environmental management plan in the EIS or, if an IEE was required, that it will comply with the mitigation measures suggested therein. The ECC contains specific measures and conditions that the project proponent must undertake before and during the operation of a project, and in some cases, during the abandonment phase of the project to mitigate identified environmental impact.

Project proponents that prepare an EIS are required to establish an Environmental Guarantee Fund ("EGF") when the ECC is issued to projects determined by the DENR to pose significant public risks to life, health, property and the environment. The EGF is intended to answer for damages caused by such projects as well as any rehabilitation and restoration measures. Project proponents that prepare an EIS are mandated to include a commitment to establish an Environmental Monitoring Fund ("EMF") when an ECC is eventually issued. The EMF shall be used to support activities of a multi-partite monitoring team that will be organized to monitor compliance with the ECC and applicable laws, rules, and regulations.

All development projects, installations and activities that discharge liquid waste into and pose a threat to the environment of the Laguna de Bay Region are also required to obtain a discharge permit from the Laguna Lake Development Authority.

Memorandum Circular No. 005-14 issued by the EMB on 7 July 2014 provides EMB with the guidelines in determining whether a proposal has potential impact to the environment. Criteria used in the categorization includes, among others, the likelihood, duration, frequency and magnitude of the potential impact as well as the spatial and temporal extent of the projected impact. To facilitate the expedient screening, a ready matrix for determining the category in which proposed projects fall is provided. Memorial parks or cemeteries with an area of more than five hectares while funeral establishments and crematoria with an area of more than one hectare are required to secure an ECC.

Philippine Clean Air Act of 1999

Republic Act No. 8749, otherwise known as the "Philippine Clean Air Act of 1999", focuses primarily on pollution prevention and provides for a comprehensive management program for air pollution. The law bans burning of municipal, biomedical and hazardous waste. However, crematoria are expressly exempt from this prohibition.

Consistent with the policies of said law, all planned sources of air pollution that have the potential to emit 100 tons per year or more of any regulated air pollutant, or when required under the ECC, must secure an Authority to Construct from the EMB prior to commencement of construction or modification activities. Once new source construction or modification is completed, the source owner shall request the EMB to convert to Authority to Construct to Permit to Operate. The Authority to Construct is a one-time permit. Permit to Operate is valid for the period specified but not beyond one year from the date of issuance, unless sooner suspended or revoked. It may be renewed at least thirty days before its expiration date.

Philippine Clean Water Act of 2004

Republic Act No. 9275, otherwise known as the “Philippine Clean Water Act of 2004”, focuses primarily on water quality management in all water bodies and the abatement and control of pollution from land based sources. All owners or operators of facilities that discharge regulated effluents pursuant to this Act are required to secure a permit to discharge. The discharge permit shall be the legal authorization granted by the DENR to discharge wastewater.

Ecological Solid Waste Management Act

Republic Act No. 9003, otherwise known as the “Ecological Solid Waste Management Act of 2000”, provides the legal framework for the systematic, comprehensive, and ecological solid waste management program which shall ensure protection of the public health and the environment. Solid waste management is required to be observed by funeral establishments, memorial parks or cemeteries and crematoria, in accordance with the Code on Sanitation of the Philippines.

Regulatory and Environmental Matters

Residential Development Business

The Company secures various government approvals such as license to sell, development permits, environmental compliance certificates, etc. as part of the normal course of its business.

The Company has no principal products with pending government approval as of December 31, 2023.

The Company typically spends about 1% of the total costs of development for environmental laws compliance. By doing such compliance, the company is able to help in the preservation of the environment as part of its social corporate responsibility.

Property Taxation

Real property taxes are payable annually based on the property’s assessed value. The assessed value of property and improvements vary depending on the location, use and the nature of the property. Land is ordinarily assessed at 20% to 50% of its fair market value; buildings may be assessed at up to 80% of their fair market value; and machinery may be assessed at 40% to 80% of its fair market value. Real property taxes may not exceed 2% of the assessed value in municipalities and cities within Metro Manila or in other chartered cities and 1% in all other areas. An additional special education fund tax of 1% of the assessed value of the property is also levied annually.

Employees

The following table provides a breakdown of the Company’s regular employees as of December 31, 2023:

Department	Headcount
Operations	197
Technical	119
Administration	249
Total*	**565**

*consolidated number for death care and residential development business

The Company has no collective bargaining agreements with its employees and none of its employees belong to a labor union. The Company believes its relationships with its employees are generally good.

Risks related to the Company's Business

Risk relating to competition

Death care Business

The Philippine death care services industry is fragmented and is made up of several non-integrated service providers providing pre-need burial packages, memorial service packages and memorial lots or niches. At present, the Company believes that it is the only company in the Philippines that is positioned to provide the full range of integrated death care services, covering the provision of memorial, crematory and chapel services to the sale of death care merchandise, memorial lots and columbarium niches.

Despite this competitive positioning, the Company competes against several major companies in each aspect of death care. Some of its competitors have had a longer operating history and higher name recognition and there is no assurance that the Company will be a customer's first choice when death care services are required. Some of the current competitors and new entrants may also offer integrated services death care services, reducing the competitive positioning that the Company aims to achieve.

Aside from these major companies, the Company also competes against smaller, typically family-owned companies that operate memorial parks and provide other death care services in towns and provinces that the Company operates or intends to operate in. These smaller companies can offer death care services at substantially lower prices than the Company's offerings. Given the competition from various industry participants, the Company will continuously have to market, promote, and price its products and services but there is no assurance that such efforts will be successful.

Residential Development Business

The Company faces significant competition in the Philippine residential property development market. In particular, the Company competes with other developers in locating and acquiring (either directly or through joint venture arrangements) parcels of land of suitable size in prime locations and at attractive prices. The Company's continued growth also depends in large part on its ability either to acquire quality land at attractive prices or to enter into joint venture agreements with land-owning partners under terms that yield reasonable returns. Based on the Company's current development plans, the Company believes that it has sufficient land reserves for property developments for the next several years. If the Philippine economy continues to grow and if demand for residential properties remains relatively strong, the Company expects that competition among developers for land reserves that are suitable for property development (whether through acquisitions or joint venture agreements) will intensify and that land acquisition costs, and its cost of sales, will increase as a result.

The Philippine residential property development market is highly competitive. The Company's existing and potential competitors include major domestic developers and, to a lesser extent, foreign developers, including several leading developers from Asia and other parts of the world. Some of these competitors may have better track records, greater financial, human and other resources, larger sales networks and greater name recognition than the Company. Competition from other developers may adversely affect the Company's ability to develop and sell its products, and continued development by other market participants could result in saturation of the residential real estate market.

To mitigate this risk, the Company conducts regular market studies and business intelligence updates in order to understand industry and market dynamics.

Risks relating to land acquisition and land bank management

Beyond the sales of its existing and prospective inventory, the Company's future growth and development are heavily dependent on its ability to acquire or enter into agreements to develop additional tracts of land suitable for memorial parks, chapels, columbaria, memorial service facilities projects and mass residential housing developments at commercially viable prices. Future land acquisition efforts may be adversely affected by competition for targeted properties from other death care service providers and mass residential housing developers, as well developers of other forms of real estate projects. There is no assurance that the Company can be successful in acquiring properties for its expansion or that the Company can acquire land at costs that will allow the Company to achieve the same level of profitability previously enjoyed.

Aside from competition, the ability to acquire lands for expansion can be adversely affected by existing and prospective Government policies and rules regarding land use, zoning and conversion. The Company may encounter instances where zoning conversion applications from agricultural land to cemetery land, for example, may not be granted or may entail time periods or costs that are significantly longer or greater than expected. In such situations, the financial position and growth prospects of the Company may adversely be affected.

In addition, other factors make the task of acquisition difficult, including (a) ideal location; (b) suitable size; (c) economically acceptable price; and (d) legal and informal settler issues.

The Company may have difficulty in attracting landowners to enter into joint venture agreements with it. Key issues revolve around profit and development cost sharing which affect expected investment returns. Other issues could be differences in intangible objectives, land ownership squabbles and other non-economic hindrances.

In the event the Company is unable to acquire suitable land, or to enter into agreements with joint venture partners to develop suitable land at acceptable prices, with reasonable returns, or at all, its growth prospects could be limited and its business and results of operations could be adversely affected.

a) The Company also faces risks relating to the management of its land bank, which could adversely affect its margins.

   The land banking function is critical to the success and future operations of the Company. The Company must continuously acquire land for replacement and expansion of land inventory within its current markets. The risks inherent in purchasing and developing land increase as consumer demand for residential real estate decreases. The market value of land, subdivision lots and housing inventories can fluctuate significantly as a result of changing market conditions. The Company cannot assure investors that the measures it employs to manage land inventory risks will be successful. In the event of significant changes in economic, political, security or market conditions, the Company may have to sell subdivision lots and housing units at significantly lower margins or at a loss. Changes in economic or market conditions may also require the Company to defer the commencement of housing and land development projects. This would require the Company to continue to carry the cost of acquired but undeveloped land on its balance sheet, as well as reduce the amount of property available for sale. Any of the foregoing events would have a material adverse effect on the Company’s business, financial condition and results of operations.

   The Company mitigates this risk by having an in-house group composed of senior managers whose primary responsibility is to search (for suitable properties), negotiate (including joint-venture options), acquire and manage its strategic land bank. The land bank management group is comprised of technical, finance and legal experts, and is aided by the Company’s network of brokers. The Company also maintains goodwill amongst the owners of major tracts of land in the Philippines. Through the foregoing, the Company continually identifies attractive locations for future projects, prospective partners and negotiates joint venture arrangements to ensure a long-term pipeline of developmental projects.

b) Titles over land owned by the Company may also be contested by third parties.

   The Philippines has adopted a system of land registration which is intended to conclusively confirm land ownership, and which is binding on all persons (including the Government); however, it is not uncommon for third parties to claim ownership of land which has already been registered and over which a title has been issued. There have also been cases where third parties have produced false or forged title certificates over land. From time to time the Company has had to defend itself against third parties who claim to be the rightful owners of land which has been either titled in the name of the persons selling the land to the Company or which has already been titled in the name of the Company.

Historically, these claims have not had a material adverse effect on the Company and its business, but in the event that a greater number of similar third-party claims are brought against the Company in the future, or any such claims are made against land that is material to the Company's housing and land development, memorial projects, the Company's management may be required to devote significant time and incur significant costs in defending against such claims. Should any of these claims prosper, the Company may have to either incur additional costs to settle such third-party claims or surrender title to land that may be material in the context of the Company's housing and land development projects. Any of the foregoing circumstances could adversely affect the Company's business, financial condition and results of operations, as well as on its business reputation.

To mitigate this risk, the Company uses legal and technical research to establish the integrity of the legal title to any piece of land before concluding any transaction, be it an acquisition or joint venture.

Risks relating to specific target markets on residential development segment

The Company's sales to OFWs and expatriate Filipinos comprise a significant portion of the Company's revenues. While the Company sees this segment as continuously growing and providing it with buyers in the years to come, it is also prone to downturns, which can affect the Company's performance. These downturns may lead to (a) reduced deployment of new OFWs; (b) reduced remittances from abroad; (c) a lower purchasing power of expatriate Filipinos than currently enjoyed; or (d) any combination or all of the above and could adversely affect demand for the Company's residential development projects from OFWs and expatriate Filipinos. Such reduction in demand could have a material adverse effect on the Company's business, financial condition and results of operations.

To mitigate the possible impact of a sudden downturn in the OFW market, it is the Company's business strategy to diversify its product offerings to serve as wide a market as possible. Any adverse developments in any one property sector may be offset or mitigated by more positive developments in other sectors. The Company also closely monitors the factors that may affect the OFW market so that the Company can take the necessary corrective measures.

Risk relating to property development and construction management

a) The Company is in a business that carries significant risks distinct from those involved in the ownership and operation of established properties. This includes the risk that the Company may invest significant time and money in a project that may not attract sufficient levels of demand in terms of anticipated sales and which may not be commercially viable. Slippages may occur in obtaining required Government approvals and permits, resulting in more costs than anticipated, or inability to complete the project on schedule and within budget.

   Likewise, the time and the costs involved in completing the development and construction of projects can be adversely affected by many factors, including: (a) shortages of materials, equipment, skilled labor; (b) adverse weather conditions; (c) peso depreciation; (d) natural disasters; (e) labor disputes with contractors and subcontractors; (f) accidents; (g) changes in laws or in Government priorities; and (h) other unforeseen problems or circumstances. Where land to be used for a project is occupied by tenants and/or informal settlers, the Company may have to take steps, and incur additional costs, to remove such occupants and, if required by law, to provide relocation facilities for them. Any of these factors could result in project delays and cost overruns, which could negatively affect the Company's margins. This may also result in sales and resulting profits from a particular development not being recognized in the year wherein which it was originally expected to be recognized, which could adversely affect the Company's results of operations for that year. Further, the failure by the Company to complete construction of a project to its planned specifications or schedule may result in contractual liabilities to purchasers and lower returns.

   Further, increasing demand for the Company's death care services requires a continuous ability to foresee, recognize and adapt to shifting consumer preferences and changes in the traditions, practices and cultural beliefs of the market. For example, a shift from the tradition of using memorial lots to vaults will adversely affect the demand for memorial park projects. A shift in the tradition of storing urns in columbarium facilities to home storage or spreading of ashes will affect the performance of columbarium projects. Emerging trends, such as resonation, cremation, green burials, among others, may reduce the demand for certain services that the Company currently offers. While the Company monitors prevailing market preferences, traditions and practices as part of its marketing and product development efforts, there can be no assurance that the Company will successfully identify, or adapt to, any such disruptive trends in time. Additionally, the emergence of such disruptive trends may require additional investments and costs to allow the Company to adapt to these changes, and any such costs may adversely affect the Company's results of operations and profit margins.

The Company cannot provide any assurance that such events will not occur in a manner that would materially and adversely affect its results of operations or financial condition.

To mitigate this risk, the Company continuously seeks to improve its internal control procedures and internal accounting and to enhance project management and planning. Further, the Company substantially finances its development projects through pre-sales and internally generated funds, which allows it to maintain some flexibility in timing the progress of its projects to match market conditions.

b) The Company relies to a significant extent on independent contractors for the development and construction of the Company's products. Their availability and quality of workmanship may not meet the Company's quality standards, or cause project delays and cost overruns. The Company's reputation will be adversely affected if projects are not completed on time or if projects do not meet customers' requirements.

The Company relies on independent contractors to provide various services, including land clearing and infrastructure development, various construction projects and building and property fitting-out works. There can be no assurance that the Company will be able to find or engage an independent contractor for any particular project or find a contractor who is willing to undertake a particular project within the Company's budget, which could result in costs increases or project delays. Further, although the Company's personnel actively supervise the work of such independent contractors, there can be no assurance that the services rendered by any of its independent contractors will always be satisfactory or match the Company's quality standard requirements. Contractors may also experience financial or other difficulties, and shortages or increases in the price of construction materials may occur, any of which could delay the completion or increase the cost of certain housing and land development projects, and the Company may incur additional costs as a result thereof. Any of these factors could have a material adverse effect on the Company's business, financial condition and results of operations.

If any of the Company's projects experience construction or infrastructure failures, design flaws, significant project delays, quality control issues or otherwise, this could have a negative effect on the Company's reputation and make it more difficult to attract new customers to its new and existing housing and land development projects. Any negative effect on the Company's reputation or its brand could also affect the Company's ability to pre-sell its housing and land development projects. This would impair the Company's ability to reduce its capital investment requirements. The Company cannot provide any assurance that such events will not occur in a manner that would adversely affect its results of operations or financial condition.

As with most major property development companies, the Company manages these development and construction risks by ensuring that contractual arrangements with builders, engineers, suppliers and other contractors clearly specify costs, responsibilities and the appropriate benefits or penalties that may accrue to all parties in the event of favorable or adverse developments. The Company also maintains an experienced in-house team of engineers and technicians who are tasked to oversee and manage each project. As and when needed, the Company may also avail of the services of independent project managers and quantity surveyors to supplement its in-house project management capabilities

Risks relating to external marketing groups

The Company relies extensively on third party agents to sell its products and services in the country. As the terms of engagement by the Company of these agents are non-exclusive, these agents, in general, may likewise offer products and services of the Company's competitors. The Company cannot give any assurance that these agents will give adequate focus to the Company's products and services and not favor or give priority to any other products these agents may otherwise offer. If a large number of these agents were to reduce focus on the Company's products and services, or otherwise terminate their arrangements with the Company, there can be no assurance that the Company would be able to replace these agents in a timely or effective manner.

The Company also has limited control over these third-party agents and cannot monitor all aspects of their work. With this limited control, the Company cannot give assurance that none of its third-party agents will make misleading representations and promises on the Company's products and services, leading to customer disputes and damage to the Company's reputation.

The Company mitigates this risk by establishing its own in-house sales force, which are tasked to market and sell only Company products. The Company also provides its brokers and sales agents with competitive commission schemes and other incentives. Beyond this, the Company gives its sales force skills-build-up programs as a way of planning and managing their career growth with the Company. A parallel effort is the continuous recruitment of competent brokers and sales agents.

Risks relating to project and end-buyer financing

a) Fluctuations in interest rates, changes in Government borrowing patterns and Government regulations could have a material adverse effect on the Company's and its customers' ability to obtain financing.
   Interest rates, and factors that affect interest rates, such as the Government's fiscal policy, could have a material adverse effect on the Company and on the demand for its products. For example:
   - In connection with the Company's property development business, higher interest rates make it more expensive for the Company to borrow funds to finance ongoing projects or to obtain financing for new projects.
   - Because a substantial portion of the Company's customers procure financing (either from banks or using the Company's in-house financing program) to fund their property purchases, higher interest rates make financing, and therefore purchases of real estate, more expensive, which could adversely affect demand for the Company's residential projects.

   In order to mitigate these risks, the Company substantially finances its development projects through pre-sales and internally generated funds. In this way, the Company maintains some flexibility in timing the progress of its development projects to match market conditions. The Company attempts to keep its costs down and selling price stable by lowering material costs through purchasing in bulk.

b) The Company is exposed to risks associated with its in-house financing activities, including the risk of customer default, and it may not be able to sustain its in-house financing program.
   The Company offers in-house financing to customers, which may expose the Company to risks of customers missing on their payments and/or defaulting on their obligations that may lead to sales cancellations. The Company cannot adequately assure the resale of any property whose prior sale has been cancelled.

   The Company has used funds obtained from receivables rediscounting facilities with commercial banks to balance its liquidity position. An inability to sell receivables would remove a source of potential external financing, increasing its reliance on internally generated funds or non-receivable external financing.

   To mitigate these risks, the Company attempts to decrease the occurrence of financial defaults and sales cancellations due to the inability to pay by enforcing strict credit investigation policies and procedures. For ongoing in-house loans, the Company monitors each and every account to assist buyers and to provide immediate remedial measures in problem cases. The Company also spreads the financing risk by encouraging buyers to avail of commercial bank retail financing facilities.

c) The Company's business and financial performance could be adversely affected by a material number of sales cancellations.

As a developer and seller of residential real estate, the Company is subject to Republic Act No. 6552 (the "Maceda Law"), which applies to all transactions or contracts involving the sale or financing of real estate through installment payments, including residential condominium units. Under the Maceda Law, buyers who have paid at least two years of installments are granted a grace period of one month for every year of paid installments to cure any payment default. If the contract is cancelled, the buyer is entitled to receive a refund of at least 50% of the total payments made by the buyer, with an additional 5% per annum in cases where at least five years of installments have been paid (but with the total not to exceed 90% of the total payments). Buyers who have paid less than two years of installments and who default on installment payments are given a 60-day grace period to pay all unpaid installments before the sale can be cancelled, but without right of refund.

Historically, the Company has not experienced a material number of cancellations to which the Maceda Law has applied; however, this is no assurance that such an event will not happen. An economic downturn, high interest rate episodes, and others could trigger such sales cancellations. Should this happen, the Company may not have enough funds on hand to pay the necessary cash refunds to buyers, or the Company may have to incur indebtedness in order to pay such cash refunds. As mentioned earlier, the Company cannot assure the resale of a cancelled property, particularly during periods of economic slowdowns or downturns. Any of these events would adversely affect the Company's business, financial condition and results of operations.

In the event the Company experiences a material number of sales cancellations, the Company's historical revenues would have been overstated because such historical revenues would not have accurately reflected subsequent customer defaults or sales cancellations. Investors are also cautioned not to rely on the Company's historical income statements as indicators of the Company's future revenues or profits.

There can be no assurance that the Company will not suffer from substantial sales cancellations and that such cancellations will not have a material adverse effect on its financial condition and results of operations.

To mitigate this risk, the Company has a structured and standardized credit approval process, which includes conducting background and credit checks on prospective buyers using national credit databases and, where feasible, conducting physical verification of claims regarding residences and properties owned. From time to time, the Company utilizes its receivables rediscounting lines with banks and other financial institutions and sells installment contract receivables. The Company ensures that all buyers are made aware of their responsibilities and obligations, and the resulting penalties for non-compliance. Each and every account is monitored to assist buyers and to provide immediate remedial measures in problem cases.

The Company faces risks associated with certain recent memorial park acquisitions.

As of the date of this filing, the Company has entered into agreements for the acquisition of properties with the objective of developing these properties into memorial parks with products conforming to the Company's product and pricing policies. While the Company believes that it has exercised prior due diligence in evaluating such acquisitions, there can be no assurance that the Company will not in the future be involved in or subject to claims, allegations or suits with respect to the previous business and operations of these memorial parks which arose prior to the acquisitions. Should such claims, allegations or suits arise, claimants may (rightfully or wrongly) seek redress or compensation for their claims against the Company's present management or assets, and the Company may still be at risk under principles of successor-in-interest liability. Despite the fact that the Company has, as part of such acquisitions, provided for indemnities against certain liabilities or claims or established other contractual protections, any adverse claim or liability could expose the Company to negative publicity, which could have a material adverse effect on its business and prospects, financial condition, and results of operations.

Risk relating to management of growth

a) The Company intends to continue to pursue an aggressive growth strategy for its new memorial park developments; the construction and sales of more columbarium facilities, the provision of additional facilities for memorial services, sale of death care merchandise, and mass residential property and land development business. The Company foresees that this strategy will mean that management resources will be reallocated from the Company's current operations. The growth strategy will also entail creating and managing relationships with a larger group of third parties such as customers, suppliers, contractors, service providers, lenders, etc. This expansion of the Company's operations will require significant capital expenditure to finance new development projects, causing the Company to take on additional debt. It thus becomes necessary to manage the internal control and compliance functions so that compliance with legal and contractual obligations is maintained and, at the same time, operational and compliance risks are minimized.

   The Company faces several risks in the execution of these initiatives; these include overestimated demand and sales expectations, actual supply and cost of land for its development, construction cost overruns, the timely grant of regulatory approvals and permits, and the performance of the Company's personnel and third-party contractors.

   Even with these safeguards, there is no assurance that the Company will not experience any difficulties in the course of implementing its growth strategy. These difficulties can come in the form of capital constraints, construction delays, operational difficulties at new operational locations or difficulties in operating existing businesses and training personnel to manage and operate the expanded business. An inability or failure to successfully adapt to growth, including strains on management and logistics, could result in losses or development costs that are not recovered as quickly as anticipated, if at all. If the Company is not able to manage these execution risks, its expansion initiatives may fall short of expectations and these problems could adversely affect the Company's reputation, the business, and results of operations or financial condition.

   To mitigate this risk, the Company substantially finances its development projects through pre-sales and internally generated funds. In this way, the Company maintains some flexibility in timing the progress of its development projects to match market conditions.

b) The Company is still in the process of fully upgrading and integrating its operational and financial reporting systems and may experience difficulty in providing the Company's management and investors with financial information, particularly for interim periods.

   To mitigate this risk, the Company conducts regular meetings and requires briefing from key departments.

The Company faces risks relating to its prospective memorial parks and columbaria, chapels and memorial service facilities, including risks relating to project cost and completion.

A significant part of the Company's business is the development and sale of its memorial parks, and the development and sale of its columbarium projects. The Company also anticipates a steady stream of recurring revenues and income from services provided by its recently opened crematoriums, chapels and memorial service facilities. All these developments involve significant risks, such as the risk that the Company may invest significant time and money in a project that may not attract sufficient levels of demand in terms of anticipated sales or which may not be commercially viable. In addition, the time and the costs involved in completing the development and construction of these projects can be adversely affected by many factors, including shortages of materials, equipment and labor, adverse weather conditions, peso depreciation, natural disasters, labor disputes with contractors and subcontractors, accidents, changes in laws or in Government priorities and other unforeseen problems or circumstances. Any of these factors could result in project delays and cost overruns, which could negatively affect the Company's margins. Especially in the case of revenues recognized from sales of its memorial lots and columbarium projects, project delays may also result in sales and resulting profits from a particular development not being recognized in the year in which it was originally expected to be recognized, which could adversely affect the Company's results of operations for that year. Further, the failure by the Company to complete construction of a project to its planned specifications or schedule may result in contractual liabilities to purchasers and lower returns. The Company cannot provide any assurance that such events will not occur in a manner that would materially and adversely affect its results of operations or financial condition.

Abrupt movements in inflation and yields on investment assets may adversely affect the Company's ability to meet its costs of maintaining its memorial parks and columbaria.

The Company relies on financial budgeting models to set up funds aimed to meet maintenance obligations of its memorial parks and columbaria and these models rely on assumptions with respect to sales volumes and collections, maintenance costs over time, and returns on the funds' investment assets. Significantly adverse deviations from these assumptions, such as slower than expected sales volumes, higher costs of materials and labour, the occurrence of natural disasters, fire and other similar events, and the yields on the investment funds assets, can make actual returns generated by investment funds insufficient to meet the Company's maintenance obligations. Such situations will reduce the Company's profits and cash flow in the future.

Compliance with environmental, health, safety and other government regulations and costs associated therewith may adversely affect the Company's results of operations or profit margins.

The Company's operations require compliance with government environmental, health, safety and other regulations and the procurement of various approvals, permits and licences from certain government agencies. For example, before any of the Company's properties may be fully developed into memorial parks or columbarium facilities, such development must have complied with pertinent regulations relating to, among others, land conversion, zoning and environmental clearances from the Housing and Land Use Regulatory Board ("HLURB"), the Laguna Lake Development Authority ("LLDA"), Department of Natural Resources ("DENR"), Department of Agrarian Reform ("DAR") and Department of Health ("DOH"), and other local government agencies. Other death care services, on the other hand, require periodic approvals, registrations and reportorial compliance with the DOH. The Company has incurred and will continue to incur costs and expenses to comply with such laws and regulations. Violations of these laws or regulations could result in regulatory actions with substantial penalties and there can be no assurance that the Company will not become involved in future litigation or other proceedings or be held responsible in any such future litigation or proceedings relating to environmental, health and safety matters, the costs of which could be material. In addition, any significant change in such laws or regulations or their interpretation, or the introduction of higher standards or more stringent laws or regulations could result in increased compliance costs or capital expenditures and can have adverse effects on the Company's profitability and growth prospects.

Risks relating to natural catastrophes

Natural or other catastrophes, including severe weather conditions, may materially disrupt the Company's operations, affect its ability to complete projects and result in losses not covered by its insurance.

The Philippines has experienced a number of major natural catastrophes over the years, including typhoons, droughts, volcanic eruptions and earthquakes. There can be no assurance that the occurrence of such natural catastrophes will not materially disrupt the Company's operations. These factors, which are not within the Company's control, could potentially have significant effects on the Company's housing and land development projects, many of which are large, complex estates with infrastructure, such as buildings, roads and perimeter walls, which are susceptible to damage. Damage to these structures resulting from such natural catastrophes could also give rise to claims against the Company from third parties or from customers, for example for physical injuries or loss of property. Also, the value and attractiveness of memorial parks or columbarium facilities and housing units, for example, may be damaged by the occurrence of extremely destructive natural disasters and will adversely affect the Company's business and financial performance. As a result, the occurrence of natural or other catastrophes or severe weather conditions may adversely affect the Company's business, financial condition and results of operations. Should an uninsured loss or a loss in excess of insured limits occur, the Company could lose all or a portion of the capital invested in a property, as well as the anticipated future turnover from such property, while remaining liable for any project construction costs or other financial obligations related to the property. Any material uninsured loss could adversely affect the Company's business, financial condition and results of operations.

Risks relating to over-reliance on some key Company personnel

The Company's directors and members of its senior management have been an integral part of its success, and the experience, knowledge, business relationships and expertise that would be lost should any such persons depart could be difficult to replace and may result in a decrease in the Company's operating efficiency and financial performance. While the Company has provided its Directors and key Senior Management with generous compensation, a highly skilled and reputable executive is always subject to piracy by competitors. Additionally, key personnel could also be lost due to catastrophic diseases (i.e., cerebral stroke, cancer, heart attacks), incapacitated by an accidents and death.

To lessen the potential negative impact of these events, the Company has institutionalized critical operational systems and procedures as a way of minimizing the over-dependence on individuals. The Company also has established organizational development policies and procedures to ensure the continuous development of its officers and staff. Performances are regularly monitored and appraised, and appropriate and timely action is taken to reward or correct the performances of its officers and staff. The Company maintains a continuous training program and an informal apprenticeship agenda to provide a constant pool of executive-calibre personnel ready for promotion.

The Company's ability to plan, design and execute current and future projects depends on its ability to attract, train, motivate and retain highly skilled personnel, particularly architects and engineers. However, this valuable human resource is also in demand by the Company's competitors. It is important to point out that other development companies face the same risks.

Any inability on the part of Company to hire and, more importantly, retain qualified personnel could impair its ability to undertake project design, planning and execution activities in-house. If these situations occur, the Company will be left with no recourse but engage third-party consultants thereby incurring additional costs.

To mitigate this risk, the Company provides its technical personnel with competitive compensation.

The investment assets of the Company's maintenance funds may not be sufficient to cover future death care services costs, specifically, the costs of operation and maintenance of the Company's memorial parks and columbaria, or such investment assets may suffer significant losses or experience sharp declines in their returns, which would have a material adverse effect on the Company's results of operations and its ability to discharge its obligations under sold funeral services packages and to properly maintain its memorial parks or columbaria.

Part of the Company's business involves discharging ongoing or future obligations, such as maintaining its memorial parks and columbarium facilities. To discharge these obligations, the Company has engaged professional fund managers to maintain and manage its maintenance funds that can only be utilized for such specific purposes. As of December 31, 2023, the aggregate balance of the Company's maintenance funds was ₱1,026.6 million.

These investments are subject to inherent investment risks, and there is no assurance that the investments will not suffer losses in the future, or that the return on the investments will be sufficient to cover future cemetery and columbarium facilities maintenance costs.

As these funds are maintained to discharge the Company's obligations of maintaining its memorial parks and columbaries, significant losses on these funds may result in insufficient funds for these purposes. Maintenance funds may fail to yield adequate returns to support the maintenance of the applicable cemetery using income of the fund. In such event, the Company may be required to cover any such shortfall using its cash resources, which may have a material adverse effect on the Company's liquidity.

Certain of the lands used by the Company for its memorial park lots remain titled in the names of the previous owners thereof.

The Company's key properties include its lands (raw and partially developed) designated or undergoing development into death care facilities such as memorial parks and columbaria, as well as those lands where existing death care facilities have been built or located.

Certain of such lands, including those used or otherwise underlying its existing memorial parks, remain registered in the names of the previous owners thereof despite the completion of the sale to and purchase by the Company of title to and ownership thereof, as evidenced by duly executed and fully consummated deeds of sale executed with such previous owners. As of this filing, the Company has initiated or is otherwise in the process of completing all administrative procedures necessary for the cancellation of the prior certificates of title covering such lands and the issuance of new certificates of title over the same properties in the name of the Company.

Under Philippine law, the certificates of title issued by the Register of Deeds issued over registered lands comprises the best evidence of ownership over such land, and third persons who may otherwise deal or transact with such lands are entitled to rely on such certificates of title. Since the relevant lands have not been registered in the name of the Company, it is therefore possible that third persons who hold claims against the previous owners of such lands may seek to enforce their claims against such previous owners against such lands to the extent the latter remain registered in the names of such persons.

The Company believes that the registration of its acquisition of the relevant lands will be completed in due course, and that the risk that the relevant Registers of Deeds will deny such formal registration or that third persons would be able to make claims against such lands is low, considering that the purchase thereof has been adequately documented, all taxes, charges or fees for which the Company is liable applicable to or arising from such purchase have been paid or otherwise accounted for, and the Company presently holds the original owners' duplicates of title covering such lands. Nevertheless, if such registration is denied or interested third persons successfully enforce their claims against such lands, the Company's current and prospective operations, its business and financial performance may be adversely affected.

The Company's major shareholder could affect matters concerning the Company.

Fine Properties, the ultimate parent company, continues to hold a substantial majority of the Company's outstanding voting stock, including the Common Shares. As a result, the Company's principal shareholder will be able to significantly affect the outcome of any shareholder voting, including the election of directors or most other corporate actions which require a vote by a corporation's shareholders, thereby affecting matters concerning the Company. The interest of the Company's major shareholder may not necessarily be aligned with those of minority shareholders of the Company, and Fine Properties is not under any legal obligation to exercise its rights as a shareholder in the Company in the Company's best interests or the best interests of the Company's other shareholders. If the interests of Fine Properties conflict with the interests of the Company, the Company could be disadvantaged by the actions that Fine Properties chooses to pursue.

Risks relating to the Company's reputation

Infringement of the Company's intellectual property rights over the various names, brands and logos, which are used for its operations would have a material adverse effect on the Company's business. There can be no assurance that the actions the Company has taken will be adequate to prevent third parties from using these names, brands and logos or from naming their products using the same.

In addition, there can be no assurance that third parties will not assert rights in, or ownership of the Company's name, trademarks and other intellectual property rights. Because the Company believes that the reputation and track record it has established under its brands is key to its future growth, the Company's business, financial condition and results of operations may be materially and adversely affected by the use of these names and of any associated trademarks by third parties or if the Company was restricted from using such marks.

The Company, through its corporate communications team maintains a clear, accurate brand and company image and perception in the market to mitigate this risk. The legal team also monitors all intellectual ownership issues of the Company.

Other risks that the Company may be exposed are the following:

- Risks relating to the general Philippine economic condition
- Risks relating to operating in a highly-regulated environment
- Risks relating to political uncertainties
- Risks relating to international credit valuators
- Risks relating to Philippine foreign ownership limitations
- Risks relating to changes in construction material, labor, power and other costs.

To mitigate the aforementioned risks, the Company shall continue to adopt appropriate risk management tools as well as conservative financial and operational controls and policies to properly manage the various business risks it faces.

Working Capital

The Company finances its working capital requirements mostly through a combination of internally-generated cash, pre-selling, joint ventures, borrowings and proceeds from investment properties.

Item 2. Properties

Death care Business

The Company's key properties consist of its lands (raw and partially developed) designated or undergoing development into death care facilities, its death care facilities such as its memorial parks and columbaria (existing and under construction) and its inventory of the memorial lots and/or columbarium vaults available for sale to the public. Except as otherwise discussed in this filing, the Company holds legal and/or beneficial title to each of its existing death care facilities, including the land on which such death facilities have been built or are intended to be built.

As of December 31, 2023, Company's total land size for deathcare developments all over the country with regional distribution summarized in the table below:

Location	Area (in hectares)
Luzon	105.65
Visayas	37.23
Mindanao	80.84
Total	**223.72**

As of December 31, 2023, the Company has a total of eight columbarium facilities with a total of 33,172 vaults offered all over the country.

Notwithstanding the sale of any of its memorial lots or columbarium vaults, title thereto is retained by the Company and a purchaser only receives certificates evidencing his or her perpetual right to use the memorial lot or columbarium vault. This perpetual right, however, may be transferred to any person designated by the original purchaser subject to compliance with the Company's procedures and regulations regarding such transfers.

Certain of the lands forming part of the Golden Haven Las Piñas Park and Golden Haven Cebu Park are subject to encumbrances, including rights of way and public easements granted to third parties including the Government. The Company believes that none of such encumbrances, rights of way or public easements materially affects its title to or ownership of the relevant lands, or the value thereof.

In addition, certain lands held by the Company remain registered in the names of the previous owners thereof. However, as of the date of this filing, ownership over such lands has been acquired by the Company via duly executed and fully-consummated deeds of sale executed with such prior owners, and each such purchase has been either annotated, in the process of being annotated on the relevant certificates of title covering such lands or proceedings for the cancellation of the prior certificate of title and the issuance of a new certificate of title in the name of the Company have been initiated.

Residential Development Business

Details of the Company's total land size as of December 31, 2023 are set out in the table below:

Location	Area (in hectares)
Luzon	438.19
Visayas	61.66
Mindanao	179.86
Total	**679.91**

Item 3. Legal Proceedings

The Company is not subject to any civil or criminal lawsuit or other legal actions. The Subsidiaries are subject to various civil and criminal lawsuits and legal actions arising in the ordinary course of business. Typical cases include adverse claims against a Subsidiary's title over parcels of land and claims brought by buyers seeking the return of deposits or cancellations of sales. In the opinion of the Company's management, none of the lawsuits or legal actions to which the Subsidiaries are currently subject will materially affect the daily operations of their business nor will they have a material adverse effect on the Company's consolidated financial position and results of operations.

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

There was no matter submitted to a vote of security holders during the fourth quarter of 2023.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Issuer's Common Equity and Related Stockholders Matters

Market Information

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

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

The market capitalization of HVN as of December 31, 2024 based on the closing price of ₱844.50/share on December 29, 2024, the last trading date for the fourth quarter of 2023, was approximately ₱686.0 billion.

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

Common

There are approximately 14 holders of common equity security of the Company as of December 31, 2023 (based on the number of accounts registered with the Stock Transfer Agent). The following are the holders of the common securities of the Company:

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

[1] *8,744,255 lodged lodged under PCD Nominee Corp (Filipino).*
[2] *lodged under PCD Nominee Corp. (Filipino)*

Dividend Policy

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

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

As of December 31, 2023, the Company has not defined a minimum percentage of net earnings to be distributed to its common shareholders. Dividends may be declared only from the Company's unrestricted retained earnings, except when, among others: (i) justified by definite corporate expansion, or (ii) when the Company is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its consent, and such consent has not been secured, or (iii) when it can be clearly shown that the retention of earnings is necessary under special circumstances obtaining in the Company, its assets and operations, such as when there is a need for special reserves for probable contingencies.

Record Date

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

Dividends

On 29 December 2015, the Board declared cash dividends in the amount of ₱800 million. On March 8, 2016, the Board, with the approval of the Company's shareholders representing two-thirds of its outstanding capital stock in a special meeting duly called for the purpose and held on the same date, declared stock dividends in the amount of ₱400 million.

Other than the foregoing, the Company has not declared dividends in any form since the time of its incorporation.

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

On December 27, 2017, the Board of Directors authorized the issuance of 150,000,000 common shares to Cambridge Group, Inc., out of the unissued authorized capital stock of the Company, at the subscription price of ₱20.0935 per share or an aggregate subscription price of ₱3,014,027,483. The issuance is undertaken pursuant to the stockholders' approval for the issuance by way of private placement of up to 150,000,000 shares of the Company on October 16, 2017.

Stock Options

None.

Item 6. Management's Discussion and Analysis or Plan of Operation

REVIEW OF YEAR-END 2023 VS YEAR-END 2022

RESULTS OF OPERATIONS

Revenues

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

- Real estate sales decreased by **5%** from **₱4,696 million** for the year ended December 31, 2022 to **₱4,459 million** for the year ended December 31, 2023, due to the decrease in sales of residential units.

- Interest income on contract receivables increased from **₱169 million** for the year ended December 31, 2022 to **₱191 million** for the year ended December 31, 2023. This **13%** increase was due mostly to a increase on in-house financed sales over the year compared to previous year.

- Interment income increased from **₱69 million** for the year ended December 31, 2022 to **₱75 million** for the year ended December 31, 2023, increasing by **10%**, due to a higher number of interment services rendered for the year.

- Income from chapel services increased from **₱30 million** for the year ended December 31, 2022 to **₱34 million** for the year ended December 31, 2023. The **13%** increase was due to the higher number of memorial services rendered for the year.

Costs and Expenses

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

- Cost of sales and services decreased from **₱2,173 million** for the year ended December 31, 2022 to **₱1,936 million** for the year ended December 31, 2023. The **11%** decrease was due mainly to a decrease in residential units sold.

- Other operating expenses decreased from **₱1,165 million** for the year ended December 31, 2022 to **₱1,111 million** for the year ended December 31, 2023. The decrease was due primarily to decrease in commissions, salaries and employee benefits and loss on cancellations.

Tax Expense

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

Net Income

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

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

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

FINANCIAL CONDITION

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

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

- Cash on-hand and in-banks increased by **7%**, from **₱919 million** as of December 31, 2022 to **₱981 million** as of December 31, 2023, mainly due to cash generated from operations.

- Total contracts receivable and contract assets, including non-current, increased by **9%** from **₱15,858 million** as of December 31, 2022 to **₱17,310 million** as of December 31, 2023 due mainly to sales on account recorded over the year.

- Due from related parties increased by **895%** from **₱22 million** as of December 31, 2022 to **₱217 million** as of December 31, 2023 due to advances recorded for the year.

- Other Receivable decreased by **46%** from **₱3,400 million** as of December 31, 2022 to **₱1,836 million** as of December 31, 2023 mainly due to advance payments for strategic land acquisition.

- Real estate inventories decreased by **2**% from **₱6,615 million** of December 31, 2022 to **₱6,500 million** as of December 31, 2023 due to sales for the year.

- Other current assets, decreased by **10%,** from **₱844 million** as of December 31, 2022 to **₱758 million** as of December 31, 2023, due mostly to amortization of prepaid expense during the year.

- Property Plant and Equipment – net decreased by **8**%, from **₱219 million** as of December 31, 2022 to **₱203 million** as of December 31, 2023, due mainly to sale of property and equipment and depreciation for the year.

- Right of use assets-net decreased by **38%,** from **₱38 million** as of December 31, 2022 to **₱24 million** as of December 31, 2023, due primarily to pre-termination of certain leases as mutually agreed with its lessors.

- Other non-current assets decreased by **13%**, from **₱48 million** as of December 31, 2022 to **₱42 million** as of December 31, 2023, due mainly to the decrease in other assets for the year.

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

- Total Interest-bearing loans, including non-current, decreased by **18%**, from **₱6,385 million** as of December 31, 2022 to **₱5,250 million** as of December 31, 2023, due mostly to payment of interest-bearing loans.

- Trade and other payables increased by 11**%** from **₱2,033 million** as of December 31, 2022 to **₱2,255 million** as of December 31, 2023 due to provisions for future land development.

- Rawland payable increased by **1%** from **₱691 million** as of December 31, 2022 to **₱699 million** as of December 31, 2023 due to raw land acquisition during the year.

- Lease Liability, including non-current decreased by **38%** from **₱41 million** as of December 31, 2022 to **₱25 million** as of December 31, 2023, due primarily to pre-termination of certain leases as mutually agreed with its lessors.

- Customers' deposits decreased by **26%** from **₱2,522 million** as of December 31, 2022 to **₱1,866 million** as of December 31, 2023, due to real estate sales recognition for the year.

- Due to related parties decreased by **1%** from **₱961 million** as of December 31, 2022 to **₱952 million** as of December 31, 2023 due mainly to collection of advances made by the Company for the year.

- Income tax payable increased by **79%** from **₱9 million** as of December 31, 2022 to **₱15 million** as of December 31, 2023 due to a higher taxable base for the year

- Deferred tax liabilities-net increased by **12%** from **₱1,050 million** as of December 31, 2022 to **₱1,181 million** as of December 31, 2023 due to the increase in temporary difference for the period.

- Reserve for perpetual care increased by **13%** from **₱912 million** as of December 31, 2022 to **₱1,027 million** as of December 31, 2023 due to sale of memorial lots for the year.

- Retirement benefit obligation increased by **3%** from **₱93million** as of December 31, 2022 to **₱96 million** as December 31, 2023 due to an increase in the present value of the obligation as recorded for the year.

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

- A **16%** increase in retained earnings, from **₱9,077 million** in December 31, 2022, to **₱10,494 million** as of December 31, 2023, mainly due to the net income recorded for the year.

- A **1767%** increase in revaluation reserves from **₱0.5 million** as of December 31, 2022 to **₱9 million** as of December 31, 2023 mainly due to the remeasurement of post-employment defined benefit plan.

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

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

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

- Cash on-hand and in-banks increased by **₱62 million** or **7%**, from **₱919 million** as of December 31, 2022 to **₱981 million** as of December 31, 2023, mainly due to cash generated from operations.

- Total contracts receivable and contract assets, including non-current increased by **₱1,452 million** or **8%**, from **₱15,858 million** as of December 31, 2022 to **₱17,310 million** as of December 31, 2023, mainly due to sales on account recorded during the year.

- Due from related parties increased by **₱194 million** or **895%** from **₱22 million** as of December 31, 2022 to **₱217 million** as of December 31, 2023 mainly due to advances recorded for the year.

- Other Receivable decreased by **₱1,563 million** or **46%** from **₱3,400 million** as of December 31, 2022 to **₱1,836 million** as of December 31, 2023 mainly due to advance payments for future strategic land acquisition.

- Other current assets decreased by **₱86 million** or **10%,** from **₱844 million** as of December 31, 2022 to **₱758 million** as of December 31, 2023, due mostly to amortization of prepaid expense during the year.

- Property Plant and Equipment – net decreased by **₱16 million** or **8%**, from **₱219 million** as of December 31, 2022 to **₱203 million** as of December 31, 2023, due mainly to sale of property and equipment and depreciation for the year.

- Right of use assets-net decreased by **₱14 million** or **38%,** from **₱38 million** as of December 31, 2022 to **₱24 million** as of December 31, 2023, due primarily to pre-termination of certain leases as mutually agreed with its lessors.

- Other non-current assets decreased by **₱6 million** or **13%**, from **₱48 million** as of December 31, 2022 to **₱42 million** as of December 31, 2023, due mainly to the decrease in other assets for the year.

- Total Interest-bearing loans, including non-current, decreased by **₱1,135 million** or **18%**, from **₱6,385 million** as of December 31, 2022 to **₱5,250 million** as of December 31, 2023, due mostly to interest-bearing loans payment made by the Company for the year.

- Trade and other payables increased by **₱222 million** or **11%** from **₱2,033 million** as of December 31, 2022 to **₱2,255 million** as of December 31, 2023 due to provisions for future development.

- Customers' deposits decreased by **₱656 million** or **26%** from **₱2,522 million** as of December 31, 2022 to **₱1,866 million** as of December 31, 2023, due to real estate sales recognition for the year.

- Lease liabilities including non-current portion decreased by **₱16 million** or **38%** from **₱41 million** as of December 31, 2022 to **₱25 million** as of December 31, 2023, due primarily to pre-termination of certain leases as mutually agreed with its lessors.

- Income tax payable increased by **₱6 million** or **79%** from **₱9 million** as of December 31, 2022 to **₱15 million** as of December 31, 2023 due to a higher taxable base for the year.

- Deferred tax liability increased by **₱131 million** or **12%** from **₱1,050 million** as of December 31, 2022 to **₱1,181 million** as of December 31, 2023 due to the increase in temporary difference for the period.

- Reserve for perpetual care increased by **₱115 million** or **13%** from **₱912 million** as of December 31, 2022 to **₱1,027 million** as of December 31, 2023 due to sales recorded for the year.

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

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

- Real estate sales decreased by **₱237 million**, or by **5%**, from **₱4,696 million** for the year ended December 31, 2022 to **₱4,459 million** for the year ended December 31, 2023. The decrease was due mainly to the decrease in sales of residential units.

- Interest income on contract receivables increased by **₱22 million**, or by **13%**, from **₱169 million** for the year ended December 31, 2022 to **₱191 million** for the year ended December 31, 2023. The increase was due mainly to the increase on in-house financed transactions for the year.

- Interment income increased by **₱7 million** or **10%,** from **₱69 million** for the year ended December 31, 2022 to **₱75 million** for the year ended December 31, 2023, due to a increase in the number of interment services rendered for the year.

- Income from chapel services increased by **₱4 million**, or by **13%**, from **₱30 million** for the year ended December 31, 2022 to **₱34 million** for the year ended December 31, 2023 due to the increase in memorial services rendered for the year.

- Cost of sales and services decreased by **₱237 million** or **11%,** from **₱2,173 million** for the year ended December 31, 2022 to **₱1,936 million** in the year ended December 31, 2023, due primarily to decrease in residential units sold.

- Other operating expenses decreased by **₱54 million** or **5%,** from **₱1,165 million** for the year ended December 31, 2022 to **₱1,111 million** in the year ended December 31, 2023, due primarily to decrease in commissions, salaries and employee benefits and loss on cancellations.

- Other charges – net decreased by **₱69 million** or **37%** from a of **₱185 million** for the year ended December 31, 2022 to **₱116 million** for the year ended December 31, 2023. This was due primarily to the increase in other income for the year.

- The Company's tax expense increased by **₱33 million** or **23%**, from **₱146 million** for year ended December 31, 2022 to **₱179 million** for the year ended December 31, 2023. The increase was mainly attributable to higher taxable base for the year.

- Net Profit increased by **₱123 million** or **10%,** from **₱1,293 million** for year ended December 31, 2022 to **₱1,416 million** for the year ended December 31, 2023.

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

REVIEW OF YEAR-END 2022 VS YEAR-END 2021

RESULTS OF OPERATIONS

Revenues

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

- Real estate sales decreased by **4%** from **₱4,877 million** for the year ended December 31, 2021 to **₱4,696 million** in the year ended December 31, 2022, due mainly to the adaption of a higher collection threshold for real estate revenue recognition on memorial lot sales.

- Interment income decreased from **₱75 million** for the year ended December 31, 2021 to **₱69 million** for the year ended December 31, 2022, decreasing by **9%**, due to a lower number of interment services rendered for the year.

- Interest income on contract receivables decreased from **₱183 million** for the year ended December 31, 2021 to **₱169 million** for the year ended December 31, 2022. This **8%** change was due mostly to a decrease on in-house financed sales over the year compared to previous year.

- Income from chapel services decreased from **₱34 million** for the year ended December 31, 2021 to **₱30 million** for the year ended December 31, 2022. The **13%** decrease was due to the lower number of memorial services rendered for the year.

Costs and Expenses

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

- Cost of sales and services decreased from **₱2,195 million** for the year ended December 31, 2021 to **₱2,173 million** in the year ended December 31, 2022. The **1%** decrease was due mainly to a decrease in memorial lots sold.

- Other operating expenses decreased by **12%**, from **₱1,331 million** for the year ended December 31, 2021 to **₱1,165 million** in the year ended December 31, 2022. The decrease was due primarily to decrease in commissions, promotions, loss on cancellations and rentals.

Tax Expense

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

Net Income

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

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

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

FINANCIAL CONDITION

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

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

- Cash on-hand and in-banks decreased by **52%**, from **₱1,924 million** as of December 31, 2021 to **₱919 million** as of December 31, 2022, mainly due to payments of loans and cash used for operations.

- Total contracts receivable and contract assets, including non-current, increased by **17%** from **₱13,552 million** as of December 31, 2021 to **₱15,858 million** as of December 31, 2022 due mainly to sales on account recorded over the year compared to previous year.

- Due from related parties increased by **64%** from **₱13 million** as of December 31, 2021 to **₱22 million** as of December 31, 2022 due to advances recorded for the year.

- Other Receivable increased by **44%** from **₱2,355 million** as of December 31, 2021 to **₱3,400 million** as of December 31, 2022 mainly due to advance payments for future strategic land acquisition.

- Real estate inventories decreased by **9**% from **₱7,291 million** of December 31, 2021 to **₱6,615 million** as of December 31, 2022 due to sales for the year.

- Other current assets, decreased by **34%,** from **₱ 1,279 million** as of December 31, 2021 to **₱844 million** as of December 31, 2022, due mostly to use of purchased construction materials related to construction of residential houses.

- Right of use assets-net increased by **12%,** from **₱34 million** as of December 31, 2021 to **₱38 million** as of December 31, 2022, due primarily to additional office rentals made by the Company.

- Property Plant and Equipment – net decreased by **16**%, from **₱263 million** as of December 31, 2021 to **₱219 million** as of December 31, 2022, due mainly to sale of property and equipment and depreciation for the year.

- Other non-current assets increased by **24%**, from **₱38 million** as of December 31, 2021 to **₱48 million** as of December 31, 2022, due mainly to the increase in security deposit for the year.

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

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

- Trade and other payables decreased by **5%** from **₱2,147 million** as of December 31, 2021 to **₱2,033 million** as of December 31, 2022 due to payments of commission payables to sales agents.

- Rawland payable decreased by **18%** from **₱838 million** as of December 31, 2021 to **₱691 million** as of December 31, 2022 due to settlements made on the land purchased on account.

- Lease Liability, including non-current increased by **16%** from **₱35 million** as of December 31, 2021 to **₱41 million** as of December 31, 2022, due to additional office rentals made by the Company for the year.

- Customers' deposits decreased by **7%** from **₱2,716 million** as of December 31, 2021 to **₱2,522 million** as of December 31, 2022, due to real estate sales recognition for the year.

- Due to related parties increased by **1%** from **₱952 million** as of December 31, 2021 to **₱961 million** as of December 31, 2022 due mainly to advances made by the Company for the year.

- Income tax payable decreased by **37%** from **₱14 million** as of December 31, 2021 to **₱9 million** as of December 31, 2022 due primarily to settlement for the year.

- Deferred tax liabilities-net increased by **12%** from **₱940 million** as of December 31, 2021 to **₱1,050 million** as of December 31, 2022 due to the increase in temporary difference for the period.

- Reserve for perpetual care increased by **5%** from **₱872 million** as of December 31, 2021 to **₱912 million** as of December 31, 2022 due to sale of memorial lots for the year.

- Retirement benefit obligation decreased by **10%** from **₱103 million** as of December 31, 2021 to **₱93 million** as December 31, 2022 due to a decrease in the present value of the obligation as recorded for the year.

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

- A **17%** increase in retained earnings, from **₱7,784 million** in December 31, 2021, to **₱9,077 million** as of December 31, 2022, mainly due to the net income recorded for the year.

- A **103%** decrease in revaluation reserves from negative **₱15 million** as of December 31, 2021 to **₱0.5 million** as of December 31, 2022 mainly due to the remeasurement of post-employment defined benefit plan.

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

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

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

- Cash on-hand and in-banks decreased by **₱1,005 million** or **52%**, from **₱1,924 million** as of December 31, 2021 to **₱920 million** as of December 31, 2022, mainly due cash used on operations and loan payments made by the Company for the year.

- Total contracts receivable and contract assets, including non-current increased by **₱2,306 million** or **17%**, from **₱13,552 million** as of December 31, 2021 to **₱15,858 million** as of December 31, 2022, mainly due to higher sales on account recorded for the year compared to previous year.

- Due from related parties increased by **₱9 million** or **64%** from **₱13 million** as of December 31, 2021 to **₱22 million** as of December 31, 2022 due to advances recorded for the year.

- Other Receivable increased by **₱1,045 million** or **44%** from **₱2,355 million** as of December 31, 2021 to **₱3,400 million** as of December 31, 2022 mainly due to advance payments for future strategic land acquisition.

- Real estate inventories decreased by **₱677 million** or **9**% from **₱7,291 million** of December 31, 2021 to **₱6,615 million** as of December 31, 2022 due to sales for the year.

- Other current assets decreased by **₱435 million** or **34%,** from **₱1,279 million** as of December 31, 2021 to **₱844 million** as of December 31, 2022, due mostly to purchase of construction materials related to construction of residential houses.

- Property Plant and Equipment – net decreased by **₱43 million** or **16%**, from **₱263 million** as of December 31, 2021 to **₱219 million** as of December 31, 2022, due mainly to sale of property and equipment and depreciation for the year.

- Right of use assets-net increased by **₱4 million** or **12%,** from **₱34 million** as of December 31, 2021 to **₱38 million** as of December 31, 2022, due to additional office rentals for the year.

- Other non-current assets increased by **₱9 million** or **24%**, from **₱38 million** as of December 31, 2021 to **₱48 million** as of December 31, 2022, due mainly to the increase in security deposit for the year.

- Total Interest-bearing loans, including non-current, decreased by **₱441 million** or **6%**, from **₱6,825 million** as of December 31, 2021 to **₱6,385 million** as of December 31, 2022, due mostly to interest-bearing loans payment made by the Company for the year.

- Trade and other payables decreased by **₱114** or **5%** from **₱2,147 million** as of December 31, 2021 to **₱2,033 million** as of December 31, 2022 due to payments of commission payables to sales agents.

- Raw land payable decreased by **₱147 million** or **18%** from **₱838 million** as of December 31, 2021 to **₱691 million** as of December 31, 2022 due to settlements made of land purchased on account.

- Customers' deposits decreased by **₱194 million** or **7%** from **₱2,716 million** as of December 31, 2021 to **₱2,522 million** as of December 31, 2022, due to real estate sales recognition for the year.

- Lease liabilities including non-current portion increased by **₱6 million** or **16%** from **₱35 million** as of December 31, 2021 to **₱41 million** as of December 31, 2022, due to additional office rentals for the year.

- Income tax payable decreased by **₱5 million** or **37%** from **₱14 million** as of December 31, 2021 to **₱9 million** as of December 31, 2022 due primarily to the settlement for the year.

- Deferred tax Liability increased by **₱111 million** or **12%** from **₱940 million** as of December 31, 2021 to **₱1,050 million** as of December 31, 2022 due to the increase in temporary difference for the period.

- Reserve for perpetual care increased by **₱40 million** or **5%** from **₱872 million** as of December 31, 2021 to **₱912 million** as of December 31, 2022 due to sales recorded for the year.

- Retirement benefit obligation decreased by **₱10 million** or **10%** from **₱103 million** as of December 31, 2021 to **₱93 million** as December 31, 2022 decrease in the present value of the obligation as recorded for the year.

- Total stockholder's equity increased by **₱1,308 million** or **11%,** from **₱11,384 million** as of December 31, 2021 to **₱12,692 million** as of December 31, 2022. This change was primarily due to the **17%** increase in retained earnings from **₱7,784 million** as of December 31, 2021 to **₱9,077 million** as of December 31, 2022, and a **103%** decrease in revaluation reserves from negative **₱15 million** as of December 31, 2021 to **₱0.5 million** as of December 31, 2022.

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

- Interest income on contract receivables decreased by **₱14 million**, from **₱183 million** for the year ended December 31, 2021 to **₱169 million** for the year ended December 31, 2022. The **8%** decrease was due mainly to the decrease on in-house financed transactions for the year.

- Income from chapel services decreased by **₱4 million**, or by **13%**, from **₱34 million** for the year ended December 31, 2021 to **₱30 million** for the year ended December 31, 2022 due to the decrease in memorial services rendered for the year.

- Interment income decreased by **₱7 million** or **9%,** from **₱75 million** for the year ended December 31, 2021 to **₱69 million** for the year ended December 31, 2022, due to a decrease in the number of interment services rendered for the year.

- Other operating expenses decreased by **₱166 million** or **12%,** from **₱1,331 million** for the year ended December 31, 2021 to **₱1,165 million** in the year ended December 31, 2022, due primarily to decrease in commissions, promotions, loss on cancellations and rentals for the year.

- Other charges – net decreased by **₱10 million** or **5%** from a of **₱196 million** for the year-end 2021 to **₱185 million** for the year-end 2022. This was due primarily to the increase in other income for the year.

- The Company's tax expense decreased by **₱236 million**, from tax income of **₱90 million** for year-end 2021 to tax expense of **₱146 million** for year-end 2022. The **262%** increase was mainly attributable to higher taxable base for the year.

- Net Profit decreased by **₱245 million,** from **₱1,538 million** for year ended December 31, 2021 to **₱1,293 million** for the year ended December 31, 2022. The **16%** decrease was primarily due to lower sales and revenues from operations of the company during the year.

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

Factors which may have material impact in Company's operations

Economic factors

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

Competition

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

Capital Expenditures

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

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

**Consolidated amount of the parent and the subsidiary*

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

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

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

Item 7. Financial Statements

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

Item 8. Information on Independent Accountant and Other Related Matters

Independent Public Accountants

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

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

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

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

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

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

<u>Changes in and Disagreement with Accountants on Accounting and Financial Disclosure</u>

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

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

PART III – CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

Board of Directors and Executive Officers

The overall management and supervision of the Company is undertaken by its Board. The Company's executive officers and management team cooperate with the Board by preparing appropriate information and documents concerning the Company's business operations, financial condition and results of operations for its review. Currently, the Board consists of seven members, of which two are independent directors. The following are the names, ages and citizenship of the incumbent directors/independent directors of the Registrant:

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

The following are the names, ages and citizenship of the Registrant's executive officers in addition to its executive and independent directors listed above as of December 31, 2023.

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

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

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

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

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

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

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

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

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

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

MA. NALEN SJ. ROSERO, *Assistant Corporate Secretary,* Atty. Rosero graduated salutatorian from the San Beda College of Law in 1997. She is currently the Corporate Secretary and a Director of the following companies: Household Development Corporation, Brittany Corporation, Crown Asia Properties, Vista Residences, Inc., Communities Philippines, Inc., Camella Homes, Inc., Mandalay Resources, Inc., Prima Casa Land & Houses, Inc., Vista Leisure Club, Inc., and Brittany Estates Corporation. She is also currently serving as the Chief Compliance Officer and Assistant Corporate Secretary of VistaREIT, Inc. She is also a Director of Manuela Corporation and Masterpiece Properties, Inc., and the Corporate Secretary of Vistamalls, Inc. (formerly Starmalls, Inc.). From 1997 to 2000, she was an Associate in the Litigation Group of Angara Abello Concepcion Relaga& Cruz (ACCRA) Law Offices. Atty. Rosero was appointed as Assistant Corporate Secretary last July 15, 2022.

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

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

Family relationships

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

Involvement in Certain Legal Proceedings of Directors and Executive Officers

To the best knowledge of the Company, none of its present directors, executive officers or its nominees for independent directors has been subject to the following:

- Any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;

- Any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;

- Any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities;

- Being found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation and the judgment has not been reversed, suspended, or vacated.

Item 10. Executive Compensation

Executive Compensation

The compensation for its executive officers for the years 2022, 2023 (actual), and 2024 (projected) are shown below:

Name and Principal Position		Year	Salary	Bonus	Others
Manuel B. Villar Jr.	Chairman				
Cynthia J. Javarez	President of Golden MV Holdings, Inc.				
Eduardo T. Aguilar	Operations Head of Bria Homes, Inc.				
Estrellita S. Tan	Chief Financial Officer / Chief Information Officer / Treasurer / Investor Relations /				
Kate D. Cator	Compliance Officer				
Aggregate executive compensation for above named officers		Actual 2022	₱26.7M	₱10.1M	None
		Actual 2023	₱23.3M	₱11.3M	None
		Projected 2024	₱24.4M	₱11.9M	None
Aggregate executive compensation of all other officers and directors, unnamed		Actual 2022	₱21.1M	₱9.7M	None
		Actual 2023	₱19.8M	₱9.6M	None
		Projected 2024	₱21.4M	₱10.1M	None

Standard arrangements

Each director of the Company receives a per diem of ₱30,000 determined by the Board of Directors for attendance in a Board meeting and for attendance in a committee meeting (except for independent directors). On September 2023, the per diem for attendance in a Board meeting and the allowance for attendance in a committee meeting was increased to ₱30,000 from ₱15,000.

Other arrangements

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

Employment contract between the company and executive officers

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

Warrants and options held by the executive officers and directors

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

Significant employee

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

Item 11. Security Ownership of Certain Beneficial Owners and Management

Security Ownership of Record and Beneficial Owners

Security ownership of certain record and beneficial owners of more than 5.0% of the Registrant's voting securities as of December 31, 2023:

Title of Class of Securities	Name/Address of Record Owners and Relationship with Us	Name of Beneficial Owner /Relationship with Record Owner	Citizenship	No. of Shares Held	% of Ownership [1]
Common	PCD Nominee Corporation 37/F Tower 1, The Enterprise Ctr. 6766 Ayala Ave. cor. Paseo de Roxas, Makati City Shareholder	Fine Properties, Inc./ Record Owner is not the beneficial owner[2]	Filipino	412,057,800	63.97%
Common	Cambridge Group, Inc. Lower Ground Floor, Building B, Evia Lifestyle Center, Vista City, Daang Hari, Las Piñas City	Fine Properties, Inc./ Record Owner is not the beneficial owner[2]	Filipino	158,744,255	24.65%
Common	PCD Nominee Corporation 37/F Tower 1, The Enterprise Ctr 6766 Ayala Ave. cor. Paseo de Roxas, Makati City	Record Owner is not the beneficial owner[3]	Filipino	70,113,410	10.89%

[1] Based on the Company's total issued and outstanding capital stocks as of December 31, 2023 of 644,117,649 common shares.

[2] Mr. Manuel B. Villar, Jr. and his spouse are the controlling shareholders of Fine Properties, Inc. The right to vote the shares held by Fine Properties, Inc. has in the past been, and is expected to be exercised by Mr. Manuel B. Villar, Jr.

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

Security ownership of directors and executive officers as of December 31, 2023:

Title of class	Name of beneficial owner	Amount and nature of beneficial ownership		Citizenship	Percent of Class[1]
Common	Manuel B. Villar, Jr. *(Chairman)* C. Masibay St., BF Resort Village, Talon, Las Piñas City	1,000	Indirect[2]	Filipino	0.00%
Common	Manuel B. Villar, Jr. *(Chairman)* C. Masibay St., BF Resort Village, Talon, Las Piñas City	570,802,055[3]	Indirect	Filipino	88.62%
Common	Cynthia J. Javarez *(President)* Blk 3A Lot 2 Vetta Di Citta Italia, Imus, Cavite	1,000	Indirect[2]	Filipino	0.00%
Common	Manuel Paolo A. Villar *(Director)* C. Masibay St., BF Resort Village, Talon, Las Piñas City	1,000	Indirect[2]	Filipino	0.00%
Common	Mark A. Villar *(Director)* 20 Dobiaco St. Portofino South Subd. Almanza Dos, Las Piñas City	1,000	Indirect[2]	Filipino	0.00%
Common	Camille A. Villar *(Director)* C. Masibay St., BF Resort Village, Talon, Las Piñas City	333,700	Indirect[2]	Filipino	0.05%
Common	Ana Marie V. Pagsibigan *(Independent Director)* 21 Matungao Bulacan, Bulacan	1	Indirect[2]	Filipino	0.00%
Common	Garth F. Castañeda *(Independent Director)* Unit 802, The Amaryllis Condominium 12th Street cor. E. Rodriguez Ave. Quezon City	1	Indirect[2]	Filipino	0.00%
N/A	Gemma M. Santos *(Corporate Secretary)* Penthouse, Liberty Center, 104 H.V. dela Costa Street, Salcedo Village, Makati City	None	N/A	N/A	N/A
N/A	Ma. Nalen SJ Rosero *(Asst. Corporate Secretary)* *Blk 5 Lot 1A New Victorianne Row, La Posada Subd., Sucat, Muntinlupa*	None	N/A	N/A	N/A

Title of class	Name of beneficial owner	Amount and nature of beneficial ownership		Citizenship	Percent of Class[1]
N/A	Estrellita S. Tan *(Chief Finance Officer, Chief Information Officer, Treasurer, Investor Relations)* #4 Jerusalem St. Camella Pilar, Las Pinas City	None	N/A	N/A	N/A
N/A	Kate D. Cator (*Compliance Officer*) Blk 5 Lot 38 Amsterdam St. Golden City Phase 1, Imus, Cavite	None	N/A	N/A	N/A
Total		**573,972,357**			**89.11%**

[1] *Based on the Company's total outstanding and issued capital stocks of 644,117,649 common shares as of December 31, 2023.*

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

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

Voting Trust Holders of 5.0% or More

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

Changes in Control

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

Item 12. Certain Relationships and Related Transactions

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

For further information on the Company's related party transactions, including detailed breakdowns of amounts receivable from and amounts payable related to parties, see Note 20 of the Company's financial statements as of December 31, 2023 included in this report.

PART IV – CORPORATE GOVERNANCE

Item 13. ***To be disclosed separately.***

Golden MV Holdings, Inc.

Annex A: Reporting Template

Contextual Information

Company Details	
Name of Organization	Golden MV Holdings, Inc.
Location of Headquarters	**Golden Haven**: San Ezekiel, C-5 Extension, Las Piñas City
	Bria Homes: LG/F, Starmall EDSA-Shaw, EDSA cor. Shaw Blvd., Mandaluyong City
Location of Operations	Philippines
Report Boundary: Legal entities (e.g., subsidiaries) included in this report*	This 2023 Annex reports on the projects and operations of Golden MV Holdings: ● Golden Haven ● Bria Homes
Business Model, including Primary Activities, Brands, Products, and Services	**Golden Haven**: Development of memorial parks, chapels, and columbarium facilities
	Bria Homes: Real estate development (affordable houses and condominium units)
Reporting Period	January 1, 2023 to December 31, 2023
Highest Ranking Person responsible for this report	Estrellita S. Tan, Investor Relations Officer

Materiality Process

The GRI and SASB Standards serve as the company's guidelines for conducting its materiality process, which includes the following steps:

Pre-identification of topics – Issues and topics from several sources, including industry peers, sector-specific papers from GRI and SASB standards, and other publications, were compiled. The list was streamlined with a few extra items to ensure that the economic, environmental, social, and governance (EESG) components of the organization are addressed because in 2023 there may be topics that fall under common topics.

1. Identification of Material Topics – The company went over the list to determine which themes were still relevant to operations and stakeholders. By checking "Yes" or "No" on a form, the Company can specify which topics are material.

2. Materiality Assessment – Material topics are processed into an online survey, where the Company assesses the criticality of impact of each item on a five-point scale. (1 as low to no impact; 5 as highest impact).

Golden MV expanded the distribution of the online survey to additional departments in 2023 to gather more information about the Company's challenges. All respondents are enthusiastic about sustainability, with the majority saying that it is critical to Golden MV's overall company success. Golden MV maintains an ethical obligation to its suppliers, employees, customers, communities, and other stakeholders as it expands and prospers in the industry.

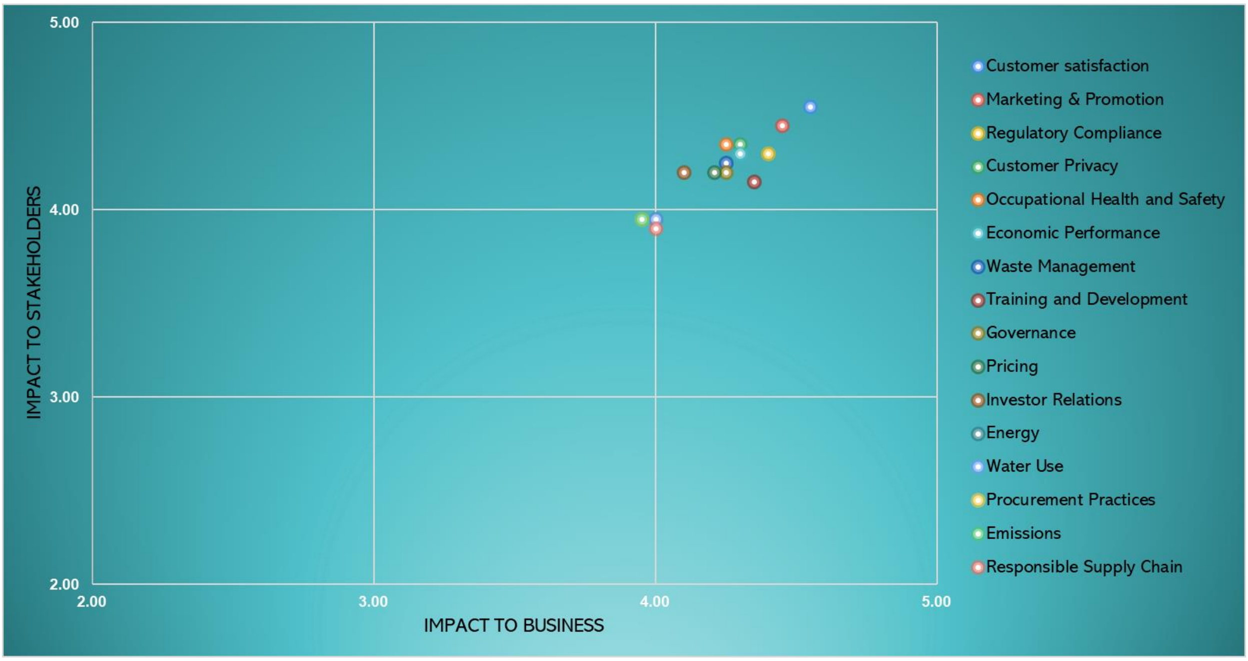
GOLDEN HAVEN

According to Golden Haven, the Company's sustainability depends on maintaining Customer Satisfaction. Marketing and Promotion, Regulatory Compliance, Customer Privacy, Occupational Health and Safety, and Economic Performance are listed as the top material topics for 2023, respectively.

Table 1. Topics According to Degree of Impact to the Business and Stakeholders

2023 Topics
Customer Satisfaction
Marketing and Promotion
Regulatory Compliance
Customer Privacy
Occupational Health and Safety
Economic Performance
Waste Management
Training and Development
Governance
Pricing
Investor Relations
Energy
Water Use
Procurement Practices
Emission
Responsible Supply Chain

Figure 1. Golden Haven 2023 Materiality Matrix



Golden Haven, with its aim of ensuring perpetual care with reverence, dignity, and honor to the departed, provides professional death care development and services through preserving exquisite memorial grounds and delivering services suited for those who passed away.

BRIA HOMES

Bria Homes, a significant player in the real estate sector, adheres to its ideals in order to achieve its objectives:

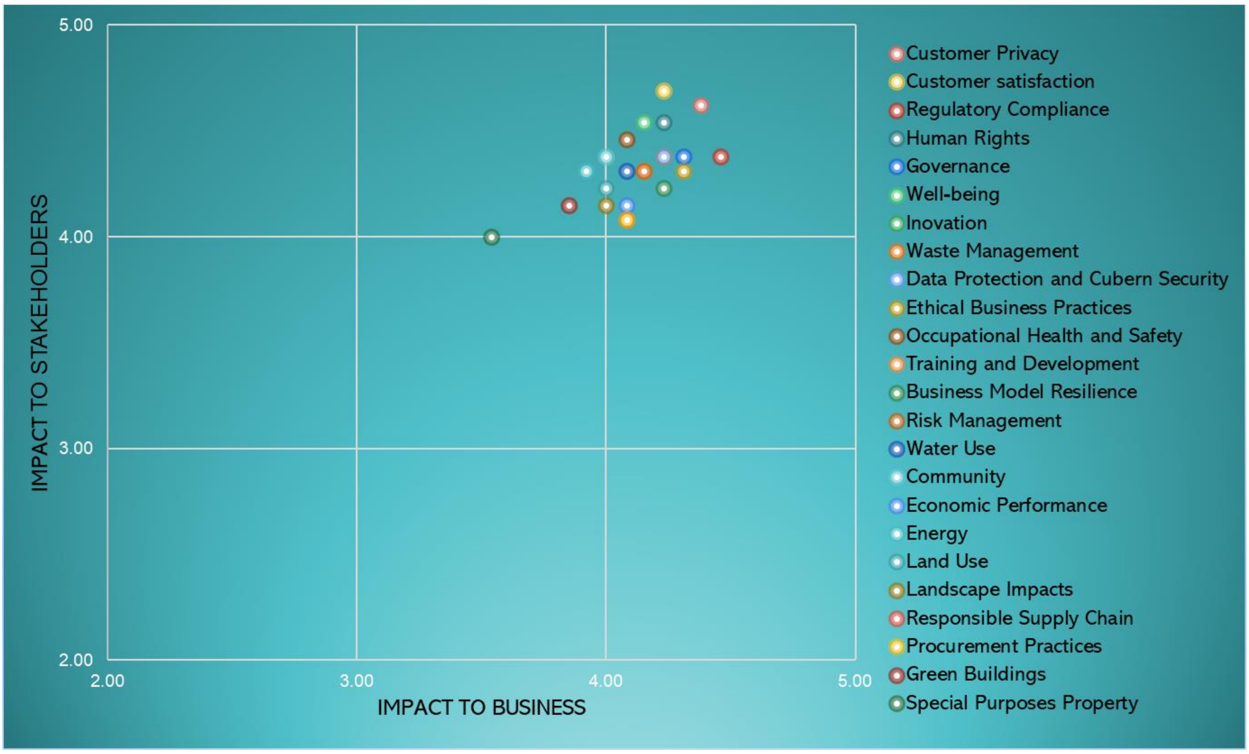
- *Mura* – Through accessible funding choices, Filipinos can choose to invest in high-quality homes at a fair and affordable price.
- *Mabilis* – Bria Homes use modern technologies to reduce construction time.
- *Maganda* – Facilities are built into communities so that Filipino families can enjoy living in secure, healthy homes.
- *Mahusay ang Serbisyo* – Employees are directed to actively address clients' concerns.
- *Malapit sa Lahat* – Bria Homes creates neighborhoods with easy access to all city amenities, including places of worship, hospitals, schools, retail outlets, major roadways, and interstates.

These principles affected what Bria Homes believed the most important material topics for them in 2023 - Customer Privacy, Customer Satisfaction, Regulatory Compliance, Human Rights, and Governance and Well-being

Table 2. Topics According to Degree of Impact to the Business and Stakeholders

2023 Topics
Customer Privacy
Customer Satisfaction
Regulatory Compliance
Human Rights
Governance
Well-being
Innovation
Waste Management
Data Protection and Cyber Security
Ethical Business Practices
Occupational Health and Safety
Training and Development
Business Model Resilience
Risk Management
Water Use
Community
Economic Performance
Energy
Land Use
Landscape Impacts
Responsible Supply Chain
Procurement Practices
Green Buildings
Special Purposes Property

Figure 2. Bria Homes 2023 Materiality Matrix



Bria Homes maintains a thriving business so that it may keep rewarding its stakeholders. The Company also makes investments in training its employees. When staff members are adequately taught, they can perform their jobs more efficiently, which raises customer satisfaction. More importantly, investing in employees is advantageous to the business.

ECONOMIC & GOVERNANCE DISCLOSURES

Economic Performance

Direct Economic Value Generated and Distributed (in millions PhP)

Disclosure	2023	2022	2021
Direct economic value generated	**5,012.32**	**5,137.61**	**5,274.96**
Revenue	4,459.34	4,695.96	4,876.79
Other revenues	354.96	268.45	211.35
Interest income	198.02	173.20	186.82
Direct economic value distributed	**3,596.06**	**3,844.82**	**3,736.88**
Operating costs	1,936.36	2,173.30	2,194.73
Employee wages and benefits	329.59	360.62	357.05
Payments to suppliers, other operating costs	1,139.08	1,150.77	1,265.30
Taxes given to government	191.03	160.13	(80.20)
i. Income tax	179.37	146.02	(90.35)
ii. Other taxes	11.67	14.10	10.15
Direct economic value retained	**1,416.26**	**1,292.80**	**1,538.08**

Impact	Stakeholders Affected
Golden MV demonstrated positive performance, with net profits rising from PhP 1,293 million in the year ended December 31, 2022, to PhP 1,416 million in the year ended December 31, 2023, marking a 10% increase. In 2023, Golden MV continued its commitment by increasing its financial contributions to the government, with taxes rising by 19%. These tax payments play a crucial role in funding public services and supporting governmental initiatives that benefit society as a whole. Along with the goods and services it offers all throughout the country, Golden MV also contributes to the financial security of its stakeholders by producing a consistent revenue increase and providing thousands of job opportunities. Additionally, a sizeable amount of the Group's earnings is returned to society in the following ways:	Investors, Business Partners, Employees, Government, Job seekers

1. Beyond what the law mandates, employees receive competitive pay and extra perks like performance incentives and HMOs. Salary and promotion decisions are based on yearly performance reviews. 2. Generous pricing for both services and materials are provided to suppliers. 3. Taxes are punctually paid to the government.	

Management Approach to Impacts
Golden MV reports its financial performance in accordance with the guidelines of completeness, materiality, and transparency. As a result, the Group creates its financial statements utilizing the measurement standards for each category of asset, liability, income, and cost set out by the Philippine Financial Reporting Standards. (PFRS). Before publication, Punongbayan & Araullo (P&A), the Group's auditor since 2015, evaluates and audits these annual financial reports. Every quarter, the Group also communicates its financial and operating results through press releases and analyst conferences. The Group also keeps a monthly financial report and analysis of sales and other operational activities, quarterly consolidated financial statements, and an Annual Audited Financial Statements. All reports are available to all stakeholders, including suppliers, on the Company's website. Employees are kept up to date on the Group's performance via monthly management committee meetings.

Risks	**Stakeholders Affected**
Cash flow, interest rate risk, credit risk, liquidity risk, and foreign currency risk are among the financial hazards identified by Golden MV. The Group can be significantly impacted by changes in the real estate market.	Golden Haven, Bria Homes, Investors, Business partners, Employees, Suppliers, Government and Job seekers

Management Approach to Risks
The Villar Group has a Board Risk Oversight Committee (BROC) and an identified Enterprise Risk Management Framework to reduce risks, especially those impacting the Group's financial position. The Enterprise Risk Management (ERM) helped Golden MV identify actions that will keep the firm operating while putting stakeholder safety first. Changes to the policies intended to control these risks are reviewed and approved by the Board of Directors on a regular basis. To avoid and mitigate the impact of such dangers, measures have been put in place. These actions consist of the following: ● Enter fixed-rate debts ● Transact with recognized and creditworthy third parties only ● Monitor cash flow, debt maturity profile, and overall liquidity position. The Group maintains a consistent level of financial resources enough to cover its operational costs. Consequently, cash inflows are sufficient to cover operational costs and working capital needs. In addition to doing monthly review of the financial statements, Golden MV also makes forecasts and creates budgets. Loans and significant acquisitions, such as the acquisition of

raw land, require the Executive Committee's permission. The management reports include information on all cash flows, including those from operations, investments, and finance. The Group utilizes its digital platform to continue serving its customers and continuously improves on online advertising and online payment schemes as primary means of generating sales and collecting payments.

Opportunities	**Stakeholders Affected**
Possibility to expand the Group's real estate holdings and factor sustainability into its financial choices. Golden MV has made investments in a variety of digital forms because of the businesses' and stakeholders' quick desire for digitalization. This has made it possible for the company to continue operating without endangering the health and safety of its personnel, clients, suppliers, and other important stakeholders.	Investors, Business Partners, Employees
Management Approach to Opportunities	
When the need arises, management will continue to take steps to continuously enhance the operations. Based on the advancements, management anticipates that the Group will continue to report favorable operating results and will have sufficient liquidity to satisfy existing commitments as they become due. Both Bria Homes and Golden Haven are still active in their project releases and other operational goals while monitoring the market's shifting demands and preferences. The Technical Services Department is still processing licenses for recently purchased undeveloped areas. The Group makes sure that all risks and opportunities are properly considered with an eye on each Company's economic, environmental, and social aspects when making decisions. It also makes sure that the long-term effects of financial decisions are carefully considered.	

***Climate-related risks and opportunities*[1]**

Governance Disclose the organization's governance around climate related risks and opportunities	
a) Describe the board's oversight of climate- related risks and opportunities	Golden MV has created an independent BROC, whose duty is to oversee the Group's risk management to maintain its efficiency. The ERM is made up of strategies that address all potential risks, including those connected to the climate that might have an impact on the Group's operations. The Board routinely evaluates risk controls through the BROC to make sure that they are relevant and efficient.

[1] Adopted from the Recommendations of the Task Force on Climate-Related Financial Disclosures. The TCFD Recommendations apply to non-financial companies and financial-sector organizations, including banks, insurance companies, asset managers and asset owners.

b) Describe management's role in assessing and managing climate- related risks and opportunities	The management not only identifies and appropriately measures and monitors all significant business risks and opportunities, but also often reports to the Board on the progress of the Group's risk management actions. Therefore, the Board's suggestions for additional performance enhancements are always based on the most recent facts.
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material	
a) Describe the climate- related risks and opportunities the organization has identified over the short, medium, and long term	Golden MV is exposed to natural disasters such as typhoons, flooding, earthquakes, storm surges, and fire as the top climate-related threats.
b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	Typhoons, storm surges, and fire may cause damage to the Group's various assets and facilities, halt operations, or have an impact on staff schedules. As a result, these scenarios would result in higher capital costs, operating costs, and opportunity costs, which would influence the Group's financial situation. Additionally, the Group might experience an uninsured loss or a loss that exceeds the insured limits, which would result in the loss of all or a portion of the capital invested in a property. Another is losing the potential revenue from a property while continuing to be responsible for all its building expenditures and other debts.
c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios including a 2ºC or lower scenario	Golden MV thoroughly investigates a property and its surroundings using sophisticated due diligence methods including environmental investigations. Future risk management plans for the Group will incorporate additional safeguards for climate-related risks such as the implications of global warming.
Risk Management Disclose how the organization identifies, assesses, and manages climate-related risks	
a) Describe the organization's processes for identifying and assessing climate-related risks	Golden MV uses a procedure outlined in the ERM framework to recognize and evaluate risks, particularly those connected to the climate. The BROC evaluates the framework on an annual basis.
b) Describe the organization's processes for managing climate-related risks	Golden MV enlists the assistance of the relevant department(s) to manage the risks via the development of effective strategies and management plans. This contributes to the responsible management of risks across all levels and divisions of both Companies.
c) Describe how processes for	Climate hazards are identified in the same way that

identifying, assessing, and managing climate- related risks are integrated into the organization's overall risk management	other critical business risks are. The Enterprise Risk Management policy at Golden Haven and Bria Homes enumerates these risks and outlines how their possible repercussions on the company's operations are examined, as well as how the created mitigation measures are meant to avoid any negative results.

Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	
a) Opportunities in line with its strategy and risk management process	Natural disasters directly affect the Company's operations. These are measured as follows: ● Number of days those projects have been delayed ● Frequency of property downtime and disruptions in the operations ● Repair and/or replacement costs from damaged or destroyed equipment, buildings, and other assets ● Maintenance expenses from wear and tear on buildings
b) Describe the targets used by the organization to manage climate- related risks and opportunities and performance against targets	● Regular monitoring and preventive maintenance of all assets ● Frequent communication and training with employees on protocols related to natural disasters.

Procurement Practices

Proportion of spending on local suppliers

Disclosure	Golden Haven			Bria Homes		
	2023	2022	2021	2023	2022	2021
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers[2]	100%	100%	100%	100%	100%	100%

Impacts
Golden Haven and Bria Homes allocate their full procurement budget on products and services from highly accessible local suppliers. Both projects source locally to derive full benefit of savings in terms of logistics cost and delivery time across their supply chains.

[2] Local suppliers refer to Philippine-based suppliers or service providers whose products and/or services meet the minimum local content as prescribed by the Procuring Entity.

Management Approach to Impacts
Golden Haven and Bria Homes impose a set of strict standards that suppliers are under contract to follow to ensure that they can supply the required products and services as needed. Golden Haven chooses its suppliers based on high procurement standards, considering factors including cost, quality, lead time and delivery, potential for lasting partnerships, customer value, availability of products and services, and financial, human resources, and equipment capability. Golden Haven expects all current and future local suppliers to fully satisfy its criteria. These specifications not only ensure that the Company's expectations will be satisfied, but also encourage its suppliers to use ethical business methods. In addition to site and plant visits, the following paperwork is needed from prospective suppliers for the Company to evaluate their eligibility and qualifications: ● DTI/BIR/Financial Statements ● Proposal letter ● Company profile ● Quotation ● Business registration/ Permits Three candidates are chosen to be requested to submit bids for a certain project. Once a supplier has been selected and authorized, Golden Haven makes sure they continue to uphold the Company's high standards for the term of the contract. Bria Homes makes sure that its suppliers uphold its strict standards for ethical business conduct and maintains a positive working relationship with them. The capacity of Bria Homes' suppliers to satisfy its demands determines the quality of its goods and services. As a result, the Company follows the following criteria when selecting its suppliers: ● Price ● Reliability ● Financial Stability ● Location ● Quality ● Strong Relationship/ Partnership Approach Strong Service and Clear Communication

Risks
Contingent on the required product category, local vendors may lack the technical expertise or other resources needed to meet the Company's requirements. As a result, the local suppliers' production capacities may be assessed as less efficient, and their products and services restricted from offering competitive prices. External events may also exacerbate these risks, affecting the pricing, lead time/delivery, and availability of both organizations' products and services.
Management Approach to Risks
The Company has set a strict control on the movement of supplies. Golden Haven's business protocol mandates constant supervision throughout the process while alternative materials/equipment are identified and ready to be outsourced as part of its procurement contingency plan.

Opportunities
The Company ensures that all its suppliers are financially secure and responsible. Suppliers must go through a rigorous accreditation procedure that involves background checks, submission of comprehensive and up-to-date financial papers as well as the appropriate government permissions and certificates, business and plant visits, and other applicable queries. Employees are also sent to conventions, trade shows, and symposia to stay up to date on the newest technology trends and advances. Golden Haven and Bria Homes' current supplier selection and procurement procedures have room for improvement and there is a high potential towards optimizing their suppliers' footprints as operations expand across the country.
Management Approach to Opportunities
Golden Haven maintains its preference for vendors that can fulfill the Company's requirements within the predetermined time frame. The Company follows a harmonious and meticulously upheld oversight in its procurement operations as per standard operating procedures (SOP). The proper controls, such as material canvassing, supplier negotiations, purchase approval, and delivery inspection, are in place to make sure that neither party has any conflicts of interest. Additionally, this guarantees effective connection with direct suppliers and consistent supply monitoring. Bria Homes. assures that all interactions with suppliers are above-board and in accordance with the Company's mission and vision, rules, and regulations. The Company expects its workers to avoid conflicts of interest and to always behave in the best interests of the Company. The Procurement team examines its supplier base on a regular basis to maintain a healthy and diversified pool. Employees are also sent to conventions, trade shows, and symposia to stay up to date on the newest technology trends and advances. Processes are also reviewed on a regular basis to analyze, improve, adapt, and develop new processes, systems, and technologies. Furthermore, the Company invests in its human resources by giving training to help them develop their abilities as procurement specialists.

Anti-corruption

Training on Anti-corruption Policies and Procedures

Disclosure	Golden Haven			Bria Homes		
	2023	2022	2021	2023	2022	2021
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	100%	100%	100%	100%	100%	100%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	100%	100%	100%	100%	100%	100%

Percentage of directors and management that have received anti-corruption training	100%	100%	100%	100%	100%	100%
Percentage of employees that have received anti-corruption training	100%	100%	100%	100%	100%	100%

Incidents of Corruption

Disclosure	Golden Haven			Bria Homes		
	2023	2022	2021	2023	2022	2021
Number of incidents in which directors were removed or disciplined for corruption	0	0	0	0	0	0
Number of incidents in which employees were dismissed or disciplined for corruption	0	0	0	0	0	0
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	0	0	0	0	0

Impacts

The Group ensures that integrity and honesty are consistently preserved and implemented in the workplace and in every transaction by informing and training its stakeholders on anti-corruption policies and procedures. Zero corruption occurrences were reported in 2023 due to Golden Haven and Bria Homes' strict adherence to anti-corruption procedures. The Company also maintains a zero-tolerance policy in cases of extortion, fraud, insider trading, money laundering, kickbacks, and facilitation payments.

Employees are informed of anti-corruption policies and procedures at job orientations, and the topic is covered at the Company's annual corporate values workshop. For the benefit of all stakeholders, these policies are also available on the company's website. Every grievance issue is addressed according to procedure. By adopting non-reprisal as a policy, the company ensures that its employees can express their concerns without fear of retaliation.

The Board and Management also take part in the annual corporate governance seminar, which broadens their understanding of the many ethical practices and advances Golden Haven and Bria Homes' efforts to foster an ethical culture.

The procedures and standards are explained to business partners during the accreditation and credibility review.

Management Approach to Impacts

Corruption not only deprives organizations of profits, but also harms their reputation in the eyes of its stakeholders, particularly employees and consumers. Corruption, whether in the form of extortion, embezzlement, or bribery, is detrimental to any institution because it undermines the public's faith. Acknowledging the significance of measures to combat corruption, Golden MV has an anti-corruption policy established in its Code of Business Conduct and Ethics, which is promoted and made available during training sessions.

During its yearly team building, Golden Haven seeks all workers to participate in a staff orientation and corporate values training. This provides a forum for discussion and raises awareness about the significance of the values the Company promotes and how every position might benefit from them.

The Board establishes the tone and takes a position against unethical behavior by approving anti-corruption company measures, such as the Whistleblowing and Anti-Bribery Policy. The Company's Manual on Corporate Governance served as guiding principles on the development of these policies. For the benefit of all stakeholders, these policies are also available on the Company website. All employees, directors, and members of the management are given the company's anti-corruption policies, which are carefully enforced.

Golden Haven believes that instances of corruption should never be permitted since these may result in future significant problems as well as lack of confidence between the Company and its employees. Golden Haven commits to conduct a thorough investigation if any employee is accused of engaging in corrupt practices.

If he or she is later found guilty, the Company will choose appropriate sanctions based on the requirements of due process.

Employees have always received extensive training on the importance of transparency from the moment they start working for the company. Legal advisors and the Group's Human Resources division collaborate to enforce the Company's anti-corruption policies and procedures. Employees who are reportedly implicated in suspected corruption instances are subject to a fair investigation. The Human Resources department, for example, strongly enforces the requirement that all gifts, regardless of their nature, be disclosed for openness.

The Company consistently strives for honesty in our business practices and quality in our work. The business follows the highest ethical standards and complies with all applicable laws and regulations.

The Company is dedicated to constantly enhance its governance practices in accordance with its Code of Business Conduct and Ethics and other company policies, i.e. Insider Trading Policy, Conflict of Interest Policy, Related Transactions Policy, and Whistleblowing Policy.

Risks

Every transaction has a chance of being corrupted, both inside and outside the organization. Due to the risk of compromising the Company's operations and creating conflicts of interest, Golden Haven continually emphasizes to its staff the need to refrain from any corruption-related actions.

The supplier selection procedure has been identified as having a higher risk of corruption than most previous Bria Homes transactions.

Furthermore, recurrences and mistrust inside the Company may result from insufficient and inefficient sanctions meted out to violators. The Group's reputation is also at risk.

Management Approach to Risks
The management makes sure that all transactions are tracked and conducted through the proper channels to remove operations of the Group that are corrupt. In contrast, Golden Haven has disclosure policies that mandate that the Human Resources Department be informed of any gifts received from outside parties. In order to look for any abnormalities, the Company routinely audits its procedures and inventories. Golden Haven's personnel are not allowed to accept gifts or bribes from customers, vendors, contractors, or any other outside party. All stakeholders are well-informed on anti-corruption policies. Bria Homes makes sure that the right safeguards are in place to guarantee the caliber of the materials purchased and the company's ideals. There are prompt audit controls available to prevent corruption among stakeholders and potential employees. In addition to keeping lines of communication open with their partners and staff, managers ensure that all business dealings are honest and legal. The Company also conducts routine audits through site inspections and audits of transactions.

Opportunities
The following possibilities exist for the Group to maintain integrity in its business practices: ● The Company's anti-corruption rules could be enforced more strictly and could be integrated into how its personnel behave at work. ● The Company, whether internal or external, can consistently provide its staff with anti-corruption-related training ● The Company could continually improve its current business procedures and communication techniques when corruption problems occur.
Management Approach to Opportunities
Golden Haven and Bria Homes minimize any unnecessary access to cash and other equivalents in addition to maintaining open lines of communication to prevent incidents of embezzlement among their staff, directors and management, and business partners. One of the factors used to evaluate workers' annual performance is compliance with the company values. Golden Haven takes care of covering the Anti-Corruption Policies and the clauses on right and moral business dealings both inside and outside the Company. Corrective measures based on due process shall be applied to any wrongdoing or failure to use sound judgment. The Management is subject to the same rules. Additionally, any business partners, contractors, or suppliers found to have engaged in any sort of bribery will have their accreditation revoked and their access to the Company's services suspended. Bria Homes intends to provide classroom training on anti-corruption for staff members who are in direct touch with suppliers and contractors as well as those working in the back office so that they may better grasp the possible repercussions and hazards that corruption brings to the Company. Additionally, the Company will keep reminding workers of its rules, particularly its anti-corruption standards, through its quarterly orientation sessions and ongoing email messages.

ENVIRONMENTAL DISCLOSURES

Resource Management

Energy consumption within the organization

Energy Type	2023	2022	2021
Golden Haven			
Renewable sources[3] (in GJ)	923	720[4]	691
Gasoline (in L)	15,715	15,001	15,513
Diesel (in L)	68,352	68,265	61,498
Electricity (in kWh)	479,259	362,949	457,344
Bria Homes			
Renewable sources (in kWh)	8,035	7,256	5,097[5]
Gasoline (in L)	285,906	62,870	199,876
Diesel (in L)	368,331	216,698	252,822
Electricity (in kWh)	895, 520	754,817	736,910

Reduction[6] of energy consumption

Energy Type	2022 vs. 2023	2021 vs 2022
Golden Haven		
Gasoline (in L)	(714)	512
Diesel (in L)	(87)	(6,767)
Electricity (in kWh)	(116,310)	94,395
Bria Homes		
Gasoline (in L)	(223,036)	137,006
Diesel (in L)	(151,633)	36,124
Electricity (in kWh)	(140,703)	(17,907)

[3] This is generated by the installed solar street lights in parks.

[4] Restated due to Golden Haven renewable sources, 2022 data was presented in kWh and converted to GJ.

[5] Bria Homes has installed solar streetlights in Bria Magalang, Bria Norzagaray, and Bria Trece.

[6] Energy reduction is the difference between the previous and current energy consumption. Negative values mean an increase as compared with the previous consumption.

Impacts and Risks
The usage of renewable energy sources has expanded dramatically in 2023 thanks to continuous investments in solar energy. One of the first real estate and funeral services businesses to use solar power is the property in Las Pinas, which has a 150 kWp system. Buskowitz Energy put 365 Wp Canadian Polycrystalline solar panels on the building because of the roof area and sun exposure. The setup was finished in March of 2021. It is programmed to generate 202,800 kWh annually on average. The property generates enough energy annually to power 355,801 miles of driving and 18,286,554 smartphone charges. In addition, the installation is comparable to establishing 187 acres of trees and preventing the creation of CO2 emissions from 157,994 pounds of coal burnt. In 2023, a total of 8,959 GJ of renewable energy sources had significantly increased by 12%. However, Golden Haven continues to invest in solar energy which increased by 28%, making up for the increase of usage. In addition, Golden Haven has shifted to solar energy for the streetlights in their parks and other areas of its operations. Bria Homes' energy use is mostly due to the gasoline and diesel consumption of business-owned cars used to transfer papers and corporate assets between locations. Bria Homes is emphasizing its investment in solar street lighting in most of its projects keeping with the Group's energy-efficiency focus. The embedded LED, solar panel, lithium-ion batteries, power management system, and night and motion sensors of the contemporary solar streetlight enable it to function. Both organizations are aware of the growing concerns over environmental issues, especially the source of electricity. Employee collaboration in implementing more energy-efficient daily activities may be hampered by a lack of employee understanding of the value of energy conservation. In addition, ignorance of the actual performance of its usage of renewable energy may lead to complacency and a failure to recognize the need for improvements and modifications.
Management Approach to Impacts and Risks
In the Group's main commercial operations, vehicles, burial equipment, and other electrically driven equipment and appliances play a significant role. As a result, Golden Haven and Bria Homes actively promote energy conservation among their staff members. A policy that helps raise awareness of the importance of conservation is added to this. The following are a few of the different energy-saving techniques used: ● Switching off nonessential lights, appliances, equipment, etc. ● Regular odometer monitoring ● Trip ticketing system in which schedules are carefully planned to maximize the routes of vehicles and tasks accordingly. Department heads and the Accounting Department will assess the importance of the trip/destination to see if the travel may be merged with other agendas/tasks along the trip. ● Assigning an officer of the month who is responsible for monitoring workstations and equipment and reporting employees who have not complied by notifying the concerned department or personnel the next day ● Monitoring of all equipment to ensure normal working condition ● Immediate repairing of damaged tanks to avoid leakage ● Installing solar-powered streetlights in parks and residential developments ● Shifting to LED bulbs and solar lights in offices

The issuance and approval of fuel use are under the authority of Bria Homes' accounting team. The issuance of gas purchase orders for automobiles is determined by the itinerary kilometer reading. Consumption of equipment is calculated using a budgeted cost that is suggested by the site engineers and accepted by the Company's controller. The Company monitors consumption based on output produced on a regular basis to maintain energy efficiency in its operations. To ensure a consistent monitoring of energy consumption, Golden Haven is opting to shift to using company-owned on-site offices instead of leasing properties for its operations.

Opportunities
Golden Haven and Bria Homes are increasingly switching to renewable energy sources and energy-efficient alternatives. Parks now have solar lighting to cut down on the consumption of power.
Management Approach to Opportunities
Golden Haven started using energy-efficient light bulbs and solar power devices, such solar-powered lamp posts, as replacement for its energy-intensive equivalents as part of its commitment to reducing its carbon footprint. The Company is also researching further technologies, such as the Grid-tied Solar Power System, to reduce its energy use in office buildings, chapel operations, light posts, memorial parks, and other areas. Its goal is to use 30% less fuel energy than the national average. Streetlights throughout Bria Homes' neighborhood were replaced with solar-powered lights from regular fluorescent bulbs. It will provide a monitoring system to track the percentage of renewable energy used. It has set a reduction goal of 10% to 20%.

Water

Disclosure	2023	2022	2021
Golden Haven			
Water withdrawal (m^3)	68,663	62,084	80,979
Water consumption (m^3)	68,663	61,124	79,937
Water recycled and reused (m^3)	7,065	6,388	11,977
Total volume of water discharges (m^3)	25,195	22,780	45,980
Bria Homes[7]			
Water withdrawal (m^3)	352,752	289,848	301,896
Water consumption (m^3)	199,802	176,895	202,094

[7] The data covers the volume of water withdrawn and consumed by Bria San Pablo, Bria Trece, Bria Sta. Maria, Bria Magalang, Bria Binangonan, and Bria Norzagaray.

Disclosure	2023	2022	2021
Water recycled and reused (m^3)	0	0	0
Total volume of water discharges (m^3)	98,670	85,362	99,802[8]
Percent of wastewater recycled	0	0	0

Impacts
Water is mostly used by Golden Haven and Bria Homes for operational and residential activities including gardening, landscaping, kitchen usage, cleaning, and hygiene as well as for building or project maintenance. Due to the efforts and dedication of Golden Haven to water conservation and recycling measures, with an aim of recycling at least 20% of the water utilized, water withdrawal and consumption have dramatically decreased. Also, Golden Haven is repiping the waterline to repair the leak of some areas, especially Las Piñas.
Management Approach to Impacts
Gardens, trees, and other vegetation abound throughout Golden Haven's parks and workplaces. Water is therefore crucial for preserving the Park's grass areas and landscaping. As a result, the Company carefully adheres to a water conservation strategy at all organizational levels. The use of water is recommended to be mindfully limited by employees. Signs are placed in the bathrooms and pantry areas to constantly remind them to save water. Bria Homes values the availability of water as it increases the move-in confidence of buyers. In the offices, Bria Homes enforces a water consumption reduction policy that directs all employees to keep their water use to a minimum and brings awareness on the significance of water conservation as well. Both companies comply with the regulations set under the DENR Administrative Order (DAO) no. 39 series of 2003 and its implementing rules and regulations and other regulations under the Clean Water Act. Said regulations are also communicated among all employees and are the sole bases for monitoring effluents.

Risks
Water is an integral component of the Company's operations, therefore making it difficult to control the Company's water consumption and design water conservation measures. Moreover, the occasional water crisis in the country also affects the Company's operations from time to time. For water monitoring, lack of proper regulations and control measures may lead to water pollution and intoxication which can possibly infiltrate the soil and subsurface, eventually imposing several health dangers to the surrounding communities of the Company's operations.

[8] The figure is computed based on the derived formula from GRI 303: Water and Effluents 2018 which is the difference of the volume of water withdrawn and water discharge equates to the volume of water consumed. Moreover, this covers the water discharges from Bria Magalang, Bria Binangonan, and Bria Norzagaray. There is no monitoring system available yet for Bria San Pablo, Bria Trece, and Bria Sta. Maria.

Management Approach to Risks
Golden MV is actively contributing by using numerous water-saving techniques in its daily operations. Both Bria Homes and Golden Haven acknowledge the value of tracking water usage, so they keep track of their water saving efforts through the bills they get. Golden Haven is dedicated to practicing responsible water use and recycling, with a target of recycling at least 20% of the water consumed. Rainwater is being collected during the rainy season, which is then utilized for a variety of non-potable needs including cleaning, irrigation, and other uses. This lessens the need for freshwater and guarantees that water resources are used sustainably. The business has also supported water conservation. The Company encourages sustainable water use, lower water expenses, and preserve the cemetery grounds' long-term health and attractiveness by establishing these goals and targets for water management. Employees are instructed to use caution when handling materials, especially hazardous wastes that, if handled improperly, may result in contamination. It is also strictly forbidden to dispose of such in an incorrect manner. The DENR standards are continuously followed for monitoring water discharge conditions. Sanitary system design and execution, as well as the usage of Sewage Treatment Plants (STPs) and septic tanks with the appropriate waterproofing, are also in place.

Opportunities
To reduce the demand for large volumes of groundwater and water sourced from outside sources, Golden Haven sees an opportunity to collect rainwater during the rainy season. Additionally, being taken into consideration for adoption in current and upcoming developments are the following water-efficient practices: ● Rainwater collection and distribution system ● Scheduled watering to reduce the rapid evaporation of water ● Use of water-saving containers for plants to require infrequent watering ● Recycling water used for domestic purposes In addition, Golden Haven intends to raise the standards set by DENR for the Company's wastewater quality. As a result, the Company is exploring the feasibility of using processed wastewater from sewage treatment facilities to water plants. This strategy attempts to lessen the quantity of sewage dumped into close-by rivers and encourage sustainable water management techniques in the parks. By doing STP preventative maintenance on a regular basis, effluents are continuously checked and improved. The Company intends to update the sewage treatment facility this year to utilize the cleaned wastewater to irrigate plants. Through this program, it will encourage the sustainable use of water resources and lessen the quantity of wastewater emitted. On the other hand, Bria Homes will keep an eye on daily water usage, especially in areas where consumption is less efficient than supply and adjust as necessary. Additionally, waterlines will be routinely examined and fixed immediately to prevent leaks. Bria Homes

consistently collaborates with seasoned and established water suppliers, such as PrimeWater and Manila Water to handle water systems more effectively and efficiently for buildings and projects that are ready for turnover.
Management Approach to Opportunities
Golden Haven follows the: (1) Implementing Rules and Regulations of DENR Administrative Order (DAO) No. 16, Series of 2002 Entitled "The DENR-EMB National Environmental User's Fee of 2002"; (2) DAO No. 2003-39[9] for monitoring the quality of effluents from the Sewage Treatment Plants (STP); and (3) requirement for Pollution Control Officers (PCO) to participate in DENR's seminar on water quality monitoring. The Company follows established waste management procedures, which includes having authorized DENR carriers move hazardous material. This lessens the negative effects of operations on the environment and guarantees that hazardous waste is handled and disposed of in a safe and responsible manner. Golden Haven plans and executes a sanitary system, effective waterproofing of the septic tanks, and handling of hazardous wastes through the DENR-accredited transporter to prevent soil and subsurface contamination from leaks. In addition to its policy on reducing water use, Bria Homes frequently counsels its staff to avoid using water in unnecessary ways to reduce the amount of pure water that is wasted. Other regulations that Bria Homes enforces include: ● Early morning watering of plants helps prevent excessive water loss due to evaporation. ● Using drums to store water on building sites allows for accurate monitoring and control of usage.

Materials used by the organization

Disclosure		2023	2022	2021
Golden Haven				
Renewable materials used	Grass (in kg)	4,418 (sq.m)	182,250	182,250
	Plywood (in board feet)	462	1,448	3,507
	Coco Lumber (in board feet)	1,282	1,183	1,445
	Phenolic Boards (in board feet)	849	1,266	936
Non-renewable materials used	Concrete (in cubic meter)	- [10]	2,595	2,595
	Paint (in L)	5,917	6,404	3,462
	Cement (in bags)	9,653	12,296	12,341
	Sand (in m^3)	2,098	841	841

[9] The water discharge standard involves the monthly testing of STP effluent and monitoring of its results with the following DENR parameters: pH, BOD, COD, TSS, Color, Oil & Grease, and T. Coliform.

[10] Concrete was segregated to cement, sand and gravel for 2023

Disclosure		2023	2022	2021
	Gravel (in m^3)	1923	10,480	26,196
	Marble (in kg)	72,900	72,900	72,900
	Rebars (in kg)	42,203	102,010	94,704
	Granite (in m^3)	1,893[11]	-	-
	Nails (in kg)	208[11]	-	-
	2" GI Pipe (in pcs)	132[11]	-	-
	Welding Rods (in kg)	924	579	358
Percentage of reclaimed products and their packaging materials	Concrete Vault	0%	0%	5%
	Marble Maker	10%	30%	10%
Bria Homes				
Renewable materials used	Lumber/Woods[12] (in linear meter)	3[13]	3,676	2,994
Non-renewable materials used	Cement (in bags)	104,012[14]	41,477	151,386
	Metals (in pieces)	354,636[14]	15,814	1,070,129
	Aggregate (in m^3)	6,678	3,905	13,515
Percentage of reclaimed products and their packaging materials		N/A	N/A	N/A

Impacts
Based on specifications, plans, and bills of quantities, direct measurement is used to track material usage. The amounts used in estimations are based on the actual costs of completed projects. Bria Homes assures that no material will go to waste by working with third-party purchasers and the local government bodies in the areas where it conducts business. This is in addition to using renewable resources in its building activities. Direct counting is used to keep track of material usage.
Management Approach to Impacts
By using the correct methods from acquisition to disposal, Golden Haven makes sure that effective management of purchased materials is implemented throughout their life cycle.

11 New materials added for Golden Haven for 2023

12 This material can be also referred to as Rough Lumber or Coco Lumber.

13 Lumber/wood decreased since there was still stock from 2022.

14 The increased use of cement and metals can be attributed to more houses being built for 2023 compared to 2022.

Most of the Company's supply of grass comes from an internal nursery, although it also buys grass from vendors. The cost of buying plants from private sellers was decreased by ordering seedlings from the DENR offices.

The Company favors the use of reusable materials over those that must be thrown away and picks superior, innovative materials that are more durable. This aids in lowering the need for replacements and repairs, which saves money and promotes a more sustainable method of resource management.

Bria Homes sells all scrap materials from every project site to third-party consumers to optimize the use of its purchased resources and to maintain material efficiency.

The Company's endeavors to increase the material efficiency of its construction involve ongoing research before implementation into the plans (e.g., bar cutting list, etc.). To keep track of the pricing and verify the materials used on the homes, this also entails evaluating the Bill of Materials on a quarterly basis.

Risks
When opposed to utilizing traditional resources, employing renewable materials might come with concerns such as greater costs, less availability, and perhaps inferior quality or performance. Additionally, assuring supply dependability and consistency may cause difficulties. However, with proper planning, sourcing, and quality control procedures, these risks can be reduced. Utilizing non-renewable materials carries the danger of contributing to environmental deterioration and the loss of natural resources. Since they cannot naturally replace themselves, non-renewable materials also tend to be less sustainable over time. Non-renewable materials can also frequently be more expensive to obtain and dispose of, and they may have detrimental social and environmental effects over the course of their lifetimes.
Management Approach to Risks
To reduce direct disposal to landfills, Golden Haven assesses reusability of materials and promptly disposes unrecyclable units. Designated employees are given the appropriate safety gear and are trained in the proper disposal process. As added reassurance, the Company buys high-quality components from licensed hardware vendors. Bria Homes has protocols in place to ensure its suppliers meets expectations. Every quarter, the Company checks the bill of materials (BOM) to keep track of each component's pricing and confirms the supplies utilized. By using the necessary methods from acquisition to disposal, the Company ensures effective supervision of purchased materials is applied throughout their life cycle. Bria Homes assures that no material goes to waste by selling all scrap materials from every project site to outside customers in addition to using renewable resources in its building activities. Before starting a new phase of a project, Bria Homes makes sure that enough stock has been ordered to minimize inventory gaps of vital goods and delays in its completion or timetable setbacks. In the unlikely event that the selected supplies are not accessible, the Company carefully finds and records alternatives that can be employed. Most of the resources purchased for use in building homes are non-renewable.

Lumber scraps were either transported to other warehouses or sold to affiliate businesses within the Villar Group like Camella.

Opportunities
By purchasing and employing materials that are strong and can be utilized for longer periods, Golden Haven sees an opportunity to lower procurement costs and lower the Company's waste. Opting to use reusable materials over disposable ones is one of the Company's endeavors to increase material efficiency using superior-quality and innovative components for greater longevity and fewer replacements and repairs. On the other hand, Bria Homes intends to switch to renewable resources for most of the materials used in the building's construction.
Management Approach to Opportunities
Golden Haven consistently stresses the value of being resource-efficient, therefore it has been standard procedure at all its sites to recycle or repurpose items like vaults, markers, and other burial supplies whenever feasible. By using this technique, the Company produces less trash. Furthermore, Golden Haven is researching the possibilities of emphasizing the use of renewable and/or sustainable materials/products as well as how to reinvent its processes so that high-quality and reasonably priced goods are combined. With an emphasis on reducing trash sent to landfills, the Company strives to optimize the reusability of materials and assure proper disposal of any unusable goods. The Company adopts a proactive approach to waste management to mitigate landfills, which may have a negative impact on the environment. When it comes to Bria Homes, the company will keep track of the renewable resources it utilizes to build its homes. This information will serve as the foundation for future advancements in material efficiency. While keeping in mind the caliber of the Company's initiatives, renewable options are also being taken into consideration to substitute non-renewable materials.

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

Since the beginning of their activities, neither Bria Homes nor Golden Haven have had any facilities or active projects that are in or close to high biodiversity regions. As a result, neither company has found any substantial impacts or dangers related to the subject.

When creating memorial parks and residential homes, the Group follows a certain set of guidelines. Golden Haven is still working to develop adjacent, existing, and undeveloped property. Based on property pricing, ease of access, availability of water and power, and other infrastructure, the company evaluates the appropriateness of the site. In addition, it does a market evaluation while considering variables including prospective market size, household income, and the presence of localized competition.

For residential developments, Bria Homes evaluates the appropriateness of the site through market research, engineering, and environmental studies. It specifically examines the following:

- Topography that is suitable for the construction of houses
- General state of the property's economy in the surrounding surroundings
- Proximity to locations where there is a sufficient and projected demand
- Accessibility from surrounding roads and busy streets
- Availability of infrastructure for utilities such as water, telecommunications, and power
- The overall competitive environment as well as the surroundings and facilities.

Golden Haven and Bria Homes aspire to arrange numerous environmental initiatives and take part in environmental advocacy as part of their dedication to integrating environmental awareness into choices, regular operations, and activities. In case either Company or both Companies in the future have any detrimental effects on biodiversity, a management strategy is also being discussed.

Environmental Impact Management

Air Emissions

GHG (in tonnes CO_2e)

Disclosure	2023	2022	2021
Golden Haven			
Direct (Scope 1) GHG Emissions	206	216	201
Energy indirect (Scope 2) GHG Emissions	341	258	229
Emission of ozone-depleting substances (ODS)	N/A	N/A	N/A
Bria Homes			
Direct (Scope 1) GHG Emissions	1,635	568	677
Energy indirect (Scope 2) GHG Emissions	638	538	525
Emission of ozone-depleting substances (ODS)	N/A	N/A	N/A

Air Pollutants

There is no mechanism in place to track the air pollutants that Golden Haven and Bria Homes' operations produce.

Impacts, Risk, and Opportunities
The air quality of projects and the neighborhoods around them, according to Golden Haven and Bria Homes, is impacted by pollutants. The businesses kept up their energy conservation strategy, which included several activities meant to improve operational energy efficiency. One of them is the need for careful monitoring of air conditioning unit (ACU) consumption. To reduce the need for replacement refrigerants, the majority of which have no potential to deplete the ozone layer, the ACUs must be kept in good working order. The adoption of solar streetlights, which require less energy from utility companies, is an additional mitigating measure on reducing energy consumption and carbon emissions Refer

to the section on energy use inside the organization for further information on the Group's other energy-conscious measures.
Management Approach to Impacts, Risk, and Opportunities
Golden MV is always making investments in solar energy for its parks and housing projects. By carefully enforcing the following, Golden Haven and Bria Homes are actively contributing to the effort to reduce the quantity of air pollutants released. ● Thorough evaluation of refrigerant specifications before purchasing ● Phasing out any disinfectant spray that emits air pollutants ● Monitoring of dust emission and careful dust dispersion control within project sites ● Regular vehicle check-ups and maintenance The number of trees chopped down for the development of the undeveloped site where its amenities will be built is significantly decreased at Golden Haven. To highlight the beauty of their surroundings, trees and lush softscape are planted along every roadway. Additionally, the Company has chosen solar street lighting to cut Scope 2 emissions. Meanwhile, Bria Homes makes sure that green areas, accessible to its residents for leisure and relaxation, are always incorporated into the construction of its homes.

Solid and Hazardous Wastes
Solid Waste

Disclosure	2023	2022	2021
Golden Haven			
Reusable (in kg)	855	171,151	420
Recyclable (in kg)	6,906	-	-
Composted (in kg)	111,175	75,673	10,955
Residuals/Landfilled (in kg)	105,158	181,879	119,284
Onsite storage[15] (in kg)	404	1,182	795
Bria Homes[16]			
Recycled and Composted (in tonnes)	5	5	5[17]
Landfilled (in tonnes)	592	505	550

[15] This includes damaged tools.

[16] The data covers wastes generated by Bria Trece, Bria Calamba, Bria San Pablo, and Bria Sta. Maria. Domestic wastes usually include kitchen waste or dry wastes.

[17] Bria Sta. Maria has a materials recovery facility (MRF) which facilitates the recycling and composting of domestic wastes generated by the community.

Hazardous Waste

Disclosure	2023	2022	2021
Golden Haven			
Total weight of hazardous waste generated	1,109	792	519
Bulbs (in kgs)	791	329	238
Batteries (in kgs)	318	464	281
Total weight of hazardous waste transported	0	0	0
Bria Homes			
Total weight of hazardous waste generated	Data not monitored	Data not monitored	Data not available
Total weight of hazardous waste transported			

Impacts and Management Approach
Since Golden Haven's projects are green developments, there will be a large generation of garden waste but it can be composted and used as fertilizer. For Bria Homes, it has accumulated 592 tonnes of domestic wastes during the same year. By revising the solid waste management plan often and adhering to tight implementation guidelines, Golden MV complies with the Environmental Management Bureau's request to follow adequate waste segregation. Additionally, Bria Homes and Golden Haven make sure that the proper precautions are taken when using and removing hazardous material. The R.A. is followed by these procedures. Act No. 9003 (Ecological Solid Waste Management Act of 2000) and the Philippine Code on Sanitation. **Golden Haven** Every week, the company gathers and keeps track of statistics on haul-out trips and bags of rubbish. The hazardous materials are weighed and carefully packaged before being monitored by the transporter authorized by the DENR. For biodegradables, the Company does composting, such as typical and vermicomposting. Digitalization also gives Golden Haven the advantage of not using paper for every operational needs. For non-biodegradables, the Company promotes segregation, which minimizes residual waste generation and recover more waste that can be recycled. **Bria Homes** All project sites adhere to the "Reduce, Reuse, Recycle" approach and properly segregate their trash. The Homeowners' Association and Property Management (HOA) oversees recycling. To retain effectiveness and optimize the usability and usefulness of all materials, Bria Homes continuously urges its staff to utilize and manage them with care.

Risks and Opportunities
Golden MV disagrees that there is a big danger associated with this matter, but the Group is gradually moving toward paperless methods by digitizing practically all its transactions. It also considers the opportunity to (1) reuse products and materials that are still in good condition to save on cost and decrease the amount for generated wastes; (2) raise awareness on the importance of proper waste disposal throughout the organization's supply chain; and (3) intensity safety measures in using products with hazardous content.
Management Approach to Risks and Opportunities
Used and in good condition, memorial caskets are donated by Golden Haven to its surrounding barangays. Additionally, stock capacity is continually inspected. Employees take precise measurements and only use the maximum permitted dosage of formaldehyde for the mortuary to reduce the production of hazardous waste. For the sole purpose of disposing of hazardous wastes like formaldehyde, the Company maintains a septic tank. A certified siphoning service is regularly scheduled to dispose of the accumulated hazardous waste, and this is adequately monitored and handled. Bria Homes makes sure that any used goods and materials that are still in good shape are not thrown away. For example, regardless of size or shape, containers are utilized to store other building supplies or trash cans. The Company also makes money from this approach by selling other recyclable products like discarded tires. For Bria Homes, Property managers assist with on-site garbage management. Purchasers and homeowners in subdivisions separate their garbage into hazardous and non-hazardous categories. To enable recycling and composting, Materials Recovery Facilities (MRFs) are being built at various locations; one MRF was built at Bria Sta. Maria.

Effluents

Disclosures for this topic are merged with the Water section.

Environmental Compliance

Non-compliance with Environmental Laws and Regulations

Disclosure	2023	2022	2021
Golden Haven			
Total amount of monetary fines for non-compliance with environmental laws and/or regulations (in PhP)	0	0	0
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	0	0
No. of cases resolved through dispute resolution mechanism	0	0	0
Bria Homes			
Total amount of monetary fines for non-compliance with environmental laws and/or regulations (in PhP)	0	0	0

Disclosure	2023	2022	2021
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	0	0
No. of cases resolved through dispute resolution mechanism	0	0	0

Impacts, Risks, Opportunities and Management Approach
For the sake of creating memorial parks and housing projects, Golden MV's operations must adhere to several environmental rules. Golden Haven and Bria Homes have not broken any environmental laws or regulations since they began doing business. To ensure that such breaches are avoided, Golden MV keeps an instant grasp of the purpose of the infraction and complies with the established regulations. Otherwise, the Group might face harsh fines for regulatory actions. Regulation changes may also lead to higher compliance costs or capital expenditures, which can influence profitability and expansion. Golden Haven and Bria Homes ensure to actively observe environmental laws and regulations through its diligent efforts on acquiring Environmental Compliance Certificate (ECC) and other necessary environmental permits and licenses from the Housing and Land Use Regulatory Board (HLURB), the Laguna Lake Development Authority (LLDA), Department of Agrarian Reform (DAR), and Department of Environment and Natural Resources (DENR).

SOCIAL DISCLOSURES

Employee Management

Employee Hiring and Benefits

Employee Data

Disclosure	2023	2022	2021
Golden Haven			
Total number of employees	196	181	209
a. Number of female employees	144	135	148
b. Number of male employees	52	46	61
Attrition rate[18]	10%	-11%	-2%
Ratio of lowest paid employee against minimum wage	1:1	1:1	1:1
Bria Homes			
Total number of employees	326	547	462
a. Number of female employees	226	373	330
a. Number of male employees	100	174	132
Attrition rate[18]	-11%	-19%	11%
Ratio of lowest paid employee against minimum wage	1:1	1:1	1:1

Employee Benefits

List of Benefits[19]	Y/N	% of female employees who availed			% of male employees who availed		
		2023	2022	2021	2023	2022	2021
Golden Haven							
SSS	Y	100%	100%	75%	100%	100%	50%
PhilHealth	Y	100%	100%	49%	100%	100%	36%
Pag-IBIG	Y	100%	100%	49%	100%	100%	36%

18 Attrition rate = (no, of new hires – no. of turnover) / (average of total no, of employees of previous year and total no. of employees of current year)

19 In 2020, Housing assistance, Retirement fund, Company stock options, and Telecommuting were reported to be not provided to employees.

List of Benefits[19]	Y/N	% of female employees who availed			% of male employees who availed		
		2023	2022	2021	2023	2022	2021
Parental leaves	Y	4%	57%	14%	2%	0%	21%
Vacation leaves	Y	100%	100%	100%	100%	100%	100%
Sick leaves	Y	100%	100%	100%	100%	100%	100%
Medical Benefits (aside from PhilHealth)	Y	100%	100%	100%	100%	100%	100%
Housing assistance (aside from Pag-IBIG)	N	0%	0%	0%	0%	0%	0%
Retirement fund (aside from SSS)	Y	0%	0%	100%	0%	0%	100%
Further education support	N	0%	0%	0%	0%	0%	0%
Company stock options	N	0%	0%	0%	0%	0%	0%
Telecommuting	N	0%	0%	100%	0%	0%	100%
Annual Physical Exam[20]	Y	100%	100%	100%	100%	100%	100%
Bria Homes							
SSS	Y	13%	18%	32%	4%	4%	25%
PhilHealth	Y	4%	2%	10%	0%	4%	8%
Pag-IBIG	Y	9%	5%	30%	2%	2%	20%
Parental leaves	Y	4%	5%	3%	0%	1%	1%
Vacation leaves	Y	62%	100%	100%	24%	100%	100%
Sick leaves	Y	46%	86%	100%	18%	72%	100%
Medical Benefits (aside from PhilHealth)	Y	55%	92%	100%	23%	95%	100%
Housing assistance (aside from Pag-IBIG)[21]	Y	13%	17%	0%	8%	22%	0%
Retirement fund (aside from SSS)[21]	Y	0%	0%	0%	0%	0%	0%
Further education support	N	0%	0%	0%	0%	0%	0%

[20] Annual Physical Exam were already provided but were not previously disclosed.

[21] Provided only upon approval

List of Benefits[19]	Y/N	% of female employees who availed			% of male employees who availed		
		2023	2022	2021	2023	2022	2021
Company stock options	Y	0%	0%	2%	0%	0%	0%
Telecommuting[22]	Y	5%	8%	100%	2%	9%	0%
Annual Physical Exam[20]	Y	100%	100%	100%	100%	100%	100%

Diversity and Equal Opportunity

Disclosure	2023	2022	2021
Golden Haven			
% of females in the workforce	73	75	71
% of males in the workforce	27	25	29
Number of employees from indigenous communities and/or vulnerable sector*	0	0	0
Bria Homes			
% of females in the workforce	69	68[23]	71
% of males in the workforce	31	32[23]	29
Number of employees from indigenous communities and/or vulnerable sector*	0	0	0

Impacts
Golden Haven The Company is a proud equal opportunity employer. Golden Haven employees are treated the same regardless of race, ethnicity, age, gender, religion, status, sexual orientation, culture, or any other characteristics as protected by the law. The organization accommodates persons with impairments, specifies job-related criteria for hiring new employees, and employs inclusive language in job advertisements. Golden Haven ensures that its workers are given a competitive pay and benefits package, opportunity for career advancement and a positive work culture. The Company considers its employees as its best assets and the foundation of its excellent reputation in the death care business. Employees are motivated by these advantages to perform more productively and efficiently, which allow the Company to recruit and retain top talents. More workers are drawn to the company to remain and advance there. **Bria Homes** In 2023, Bria Homes saw that there was a greater involvement of women, who made up 69%

[22] Provided to specific departments only such as Audit

[23] Restated Bria Homes data from 2022 % of male and female in the workforce due to incorrect input

of all new hires.

To ensure business operations are not nil to minimally interrupted by turnovers, Bria Homes has created a workplace succession plan that is implemented during a vacancy caused by retirement, resignation, or termination of employment. The Company ensures that qualified individuals are identified and trained to assume leadership positions or develop different skill sets as required.

Management Approach to Impacts

Golden Haven

Golden Haven believes that a diverse workforce fosters strong cooperation, a culture of respect, and excellent outcomes. The company values inclusion and diversity in the workplace, and closing the gender pay gap is constantly considered. The company does not discriminate based on race, person's gender, age, sexual orientation, or any other characteristic; instead, it recognizes each employee's abilities, credentials, and contributions.

Golden Haven provides a broad span of benefits beyond those government mandated as it offers a competitive compensation, yearly increase based on the employee’s performance, bonuses, training, and budgeted activities and parties that motivate the workers to remain and grow their careers with the Company.

Bria Homes

Like its sister-company, Bria Homes also adheres to a non-discrimination policy and provides all candidates with equal employment opportunities. The Company bases its employment offers on the skills and experiences of applicants as aligned with the needs of the position.

Bria Homes pays its employees a competitive wage and provides a comprehensive package of benefits including medical coverage beyond PhilHealth’s usual financial assistance, insurance and even additional vacation time beyond the legal mandate on service incentive leaves and monthly day offs. Other significant perks, including wage increases and promotions also await employees that perform above expectations based on their annual performance evaluations.

As part of the shadowing process, the Company holds a "newbie orientation" and a one-week conversation between a new employee and the departing employee or the team leader.

The training of new hires is also a joint effort amongst many departments. For instance, the company's IT division gives newly hired accounting department staff members a one-week training on how to utilize the necessary application software.

Risks

The pandemic created big changes among all businesses and organizations on how to retain and engage its workforce. Common challenges are mental health and well-being of the employees, public transportation, employee communication, managing remote work or seeking alternative work arrangement, to work hybrid or remotely from home.

Management Approach to Risks
The Group's strategies and policies for recruiting new talents include maintaining a strong employer brand, investing in digital technologies to make the hiring process more effective, and continuing the overall push for digital transformation. One further reaction to the epidemic is to concentrate on staff welfare. Both businesses provide incentives, medical insurance, allowances, 12 days of vacation leave and 12 days of sick leave for each employee. To ensure the health and safety of personnel as they perform their responsibilities, protective equipment and vehicles are also provided. The businesses make sure that personnel are adaptable and that knowledge about a particular department is accessible in case of turnovers or retirement. High on the challenges that the Company encountered in recruiting and retaining personnel in 2023 were applicants' preference to retain work-from-home setup or hybrid working arrangement. There is also an increase in competition for high-skilled talents, especially in the IT industry. The Company also observed an increased turnover rate that is traced to stiffer competition from employers overseas that offer virtual opportunities or work abroad.

Opportunities
Opportunities to offer rewards for its workers' outstanding performance and improve the company's succession or turnover process. Opportunity to use a more inclusive recruiting procedure and attract more fresh applications.
Management Approach to Opportunities
Golden Haven and Bria Homes During the hiring process, the Companies welcome applicants regardless of gender, age, and civil status. Qualified candidates receive fair and equitable possibilities. Golden Haven offers capacity building opportunities to its peak achievers. In the next few years, Bria Homes also intends to provide more training, particularly for Continuing Professional Development of its staff. Other extra benefits offered are medical insurance for a dependent, mobile plan for communication, corporate car distribution (depending on level/rank), and the like. Both organizations have processes in place to monitor employee satisfaction at work status to avert potential resignations. As part of the business continuity plan, a trained successor is promptly appointed upon the resignation or departure of a colleague.

Employee Training and Development

Disclosure	2023	2022	2021
Golden Haven			
Total training hours			
a. Female employees	127	480.5	39
b. Male employees	122	257.5	30
Average training hours per employee			
a. Female employees	7.94	1.11[24]	0.26
b. Male employees	11.05	2.04[24]	0.49
Bria Homes			
Total training hours			
a. Female employees	856	2,506	80
b. Male employees	496	1,276	124
Average training hours per employee			
a. Female employees	5.4	6.72	0.24
b. Male employees	5.6	7.33	0.94

Impacts and Management Approach to Impacts
Golden Haven By offering a variety of training programs that will significantly increase the employee's ability to carry out their individual work tasks, Golden Haven guarantees that its employees maintain and develop their skills and credentials. Since they assist staff in achieving predetermined objectives, this training also benefits the company. Upskilling and reskilling are the key to increasing operational efficiency and achieving set performance and productivity targets. Below is a list of a few of Golden Haven's employee training programs. Staff level: ● Image Enhancement ● Business Communication ● Work Attitude ● Values Enhancement Supervisory level: ● Leadership Enhancement Program

[24] Restated Golden Haven 2022 data of average training hours of male and female due to incorrect input

- Problem-Solving and Decision-Making
- Supervisory Development Program

Managerial level:
- Management Development Program
- Creative Problem-Solving and Decision-Making
- Coaching and Counseling

Bria Homes
Each employee's particular areas for growth are identified by Bria Homes using the yearly assessment process, and training sessions are scheduled according to level as needed. Additionally, the Company completes the training necessary for each job function.

Risks

Some of the inherent risks that Golden Haven must plan for and manage include low staff morale, a rise in the attrition rate, low productivity in the Company's operations, and low employee growth in terms of their personal development.

The Company frequently holds seminars and training courses, even if in-person meetings are limited. Continued restrictions made it slightly difficult to conduct the meetings and workshops, digital medium was used as an alternative.

Bria Homes has recognized two potential dangers in the education and training of its personnel:
1. Ranks will be evident in groupings
2. Employee resignations

Management Approach to Risks

Golden Haven
As mentioned above, the Company offers its workers comprehensive training and development programs including webinars. Among these are Customer Service Training, Accounting System Training, Accounting Ops Training, Facing BIR Concerns, Financial Statement Preparation Workshop, As easy As SEC: How to File Annual Reports Online, SEC Updates and Reminders for 2022 Annual Financial Reports, SEC Updates on Annual Financial Reporting of Corporations, Am I BIR Audit-Ready? A Free Webinar on the Tax Assessment Process, PCCI Area Webinar Series on Tax Filing Tips and Reminders, Accounting Reports Training, CNC Cashier Training, Basic First-Aid Occupational Training, Excel 101, NOAH Systems Training, Corporate Governance Training and PSE Corporate Governance Forum. These are mostly intended for staff members who work in marketing, finance, and human resources.

Bria Homes
Bria Homes designed its training sessions with the purpose of gathering personnel with comparable work responsibilities regardless of rank and on a non-contract basis.

Data Privacy Briefing is provided to Bria Homes and Golden Haven company officers as well as members of the board of directors (BOD). Other cascades include New Employee Onboarding / Orientation Training, SEO (Search Engine Optimization) Training, CRM Training, All Properties Website Training, Basic Training for Pollution Control Officer (PCO), Training Course for Managing Head, Customer Service Training.

Opportunities
Opportunity to reward workers for their great work and to acknowledge their professional development, both of which contributed to the workforce's overall quality. The Company rewards its workers' accomplishments with promotions and pay raises. Launching a learning management system that will efficiently support the company's training and development objectives is the company's aim in terms of employee training and development.
Management Approach to Opportunities
Golden Haven and Bria Homes Golden Haven periodically assesses each employee's performance through its performance assessment system, which is reinforced by training evaluations, to track productivity and efficiency and identify areas that may be improved. This is done both annually and prior to regularization. All employees, regardless of rank, are assessed during the reporting year. All target guests at Golden Haven are expected to develop in terms of skills and performance. Employee performance is assessed using a technique called a performance appraisal. Every achievement made by an employee is recognized by Bria Homes, and it serves as a benchmark for future training and improvement checks. Both Companies provide rewards and recognition for employees, primarily through salary increases, incentives, bonuses, recognition from the top management, additional responsibilities, and career development opportunities.

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	2023	2022	2021
Golden Haven			
Safe Man-Hours	1,168,128	1,168,128	1,297,296
No. of work-related injuries	0	0	0
No. of work-related fatalities	0	0	0
No. of work-related ill-health	3[25]	38[26]	67[27]
No. of safety drills	1	1	0
Bria Homes			
Safe Man-Hours	3,847,840	3,847,840	1,977,624

[25] These are recorded cases of employees who were exposed to COVID-19 in 2023 both outside and inside the office

[26] These are recorded cases of employees who were exposed to COVID-19 in 2022 both outside and inside the office.

[27] These are recorded cases of employees who were COVID-19 patients in 2021. Some records are repeated for the same employees as there were cases when an employee has acquired the virus more than once. Although the source of transmission is mostly unknown, employees determine their results from tests that are facilitated by the company. Hence, these are tagged as transmissions from the office.

Disclosure	2023	2022	2021
No. of work-related injuries	13	11	8
No. of work-related fatalities	0	0	0
No. of work-related ill-health	0	0	0
No. of safety drills	1	1	1

Impacts

Golden Haven
The Company makes sure that every employee is in excellent health and is trained in the fundamental emergency procedures. The business has a written health and safety policy as well as legal obligations that follow Occupational Health and Safety Standards. The goal of the policy's coverage is to safeguard each employee from the risks of illness, injury, or death by providing safe and healthy working conditions. This policy's coverage is available to all workplaces.

The information is distributed to the staff via email announcements, health bulletins, text messages, and posters of the policies governing the organization and administration of workplace health and safety.

Bria Homes
By developing a health and safety strategy in the workplace, Bria Homes demonstrates care for the well-being of its employees.

Management Approach to Impacts

Golden Haven
Annual physical exams are offered to employees and routine immunizations for chapel personnel are also being administered. Every institution has first aid supplies on hand in case of emergencies requiring simple medical care.

According to the Occupational Health and Safety Standards, Golden Haven has a health and safety policy that applies to all workplaces and aims to safeguard workers against illnesses, accidents, and fatalities by providing them with secure and healthy working environments. The terms of this policy are distributed to the employees via email notifications, SMS messages, and routine posting. It serves as the foundation for the Company's preventative actions.

The health and safety committee is formalized by the safety policy. It is its duty to make sure that all workers and employees are working in a safe and healthy atmosphere. Members of the Committee gather every quarter to provide the Management with their support for suggestions.

Bria Homes
Beneficial activities provided to employees are listed below:

- Calisthenics
- Monthly Health Bulletins
- Annual Physical Examinations (APEs) – all core employees are provided with health care plans.

Risks
Golden Haven The Occupational Safety and Health (OSH) Committee oversees making sure all health and safety regulations are followed. The committee should convene on a regular basis; however, this did not occur. There is no full decision-making authority granted since any choice must be made in collaboration with/approval of management. Any work-related dangers or occurrences are subject to an accident reporting and investigation procedure. Ensuring the health and safety of the workforce throughout the epidemic and its aftereffects was a problem. It is required for the Company to be proactive about minimizing the risk of employees' exposure through physical adjustments in the workplace to decrease contact, shifting work schedules to restrict the number of employees physically present in the office, promoting social distancing, and strictly implementing disinfecting hygiene. **Bria Homes** Employees must be safeguarded from the health and safety concerns that operations often provide. These dangers comprise: a. Accidents and illness cases b. Non-compliance with local laws and regulations results in a penalty of Php40,000 (DO 198, Section 29 and DO 13, Section 5) c. Low employee productivity due to work-related accidents or illnesses d. Lack of knowledge on the proper safety practices in the workplace
Management Approach to Risks
Golden Haven The company continues to follow the necessary health and safety protocols, even though COVID-19 is over both within and outside the Company. The strict face mask requirement, thorough cleaning, and monthly disinfection were all still in place for the entire year 2023. To identify hazards and evaluate risks, the company uses job hazard analysis (JHA). whose results go through a check-and-balance process to guarantee quality and correctness. The analysis enables early risk detection and guards against occupational diseases and injuries. In the event of possible danger causes, employees are urged to make observation reports verbally, by email, or via online messaging. The Company performs drills every year in case of emergencies like fires or earthquakes. Workers and employees are instructed to leave the area calmly and relocate to designated safe zones. The procedures for General Training for disaster preparation include the categories that follow: Employees and workers' duties, Identification of probable hazards or disaster and its preventive measures, Deliberation of the following methods: disaster communication, emergency preparedness and response, emergency evacuation and accountability procedure, including the use of emergency equipment. Through risk and hazard assessments, the company determines workplace safety dangers and risks. The Company has reacted in this regard. Any identified concern is addressed right away. **Bria Homes** Bria Homes uses JHA to conduct regular workplace inspections to detect potential hazards

and risks. It then develops a plan of action, which is implemented by rigorous follow-ups and continual deliberation in toolbox meetings with all workers and subcontractors involved. Employees are informed of the Company's health and safety rules, procedures, and updates through the following activities:

a. Regular emails on health and safety bulletins and information
b. Environment and Human Health, Safety, and Security (EHSS) group chat
c. Monthly toolbox meetings and site inspections
d. Annual EHSS orientation/refresher
e. Organization of health and safety trainings:
    - Construction Occupational Safety and Health (COSH)
    - First Aid (FA) training
    - Pollution Control Officer (PCO) training
f. Disaster preparedness trainings that involve the (1) employees' responsibilities, (2) identification of possible threats or disasters and preventive actions, and (3) discussion of disaster communication, emergency preparedness and response, emergency evacuation, and accountability procedure, and the use of emergency equipment

Opportunities

Golden Haven and Bria Homes
Through personnel training and information circulation, the Company ensures that any health and safety cases are handled effectively. It has processes in place during an accident or disaster to guarantee the safety of its personnel and prevent casualties.

Health Bulletin and APE are two of the initiatives offered by the company to ensure the health and wellness of its employees. The Company provides OSHTraining and First Aid Training for employee health and safety.

Management Approach to Opportunities

Golden Haven
Golden Haven will continue to proactively adhere to the regulations of the Department of Health (DOH). As a death care provider, the Company is always seeking permissions, registrations, and reports to DOH to ensure a healthy and safe workplace for employees and other stakeholders.

As a non-occupational medical and healthcare service, the Company offers health-related leave of absence for regular employees.

Bria Homes
The following is the Company's Accident Reporting and Investigation Procedure:
a. Verbally advise the Project Safety Officer, Project in Charge, and/or Project Manager after the occurrence of an accident.
b. All injuries should be recorded in a register.
c. First aid treatment shall be administered by a trained First Aider for minor injuries.
d. In the case of serious injuries, the patient or victim must be sent to the nearest hospital for prompt medical assistance. In the event of an accident or harmful occurrence in the work zones, a total work stoppage may be enforced. A written incident report must be provided within 24 hours following the accident.

Employees and workers receive general disaster preparedness training in which their roles, understanding of potential hazards and disasters, and protective actions are demonstrated. They are also knowledgeable in disaster communication, emergency readiness and response, emergency evacuation, and accountability processes, which include the usage of emergency equipment.

a. The protocols for disasters are as follows:
b. Remain calm and activate the disaster response team in the workplace.
c. Follow the disaster preparedness and response plan
d. Follow posted emergency evacuation procedures according to each disaster:
    - Typhoon
    - Flood
    - Fire
    - Tsunami
    - Volcanic eruption
    - Earthquake

Labor Laws and Human Rights

Disclosure	Golden Haven			Bria Homes		
	2023	2022	2021	2023	2022	2021
No. of legal actions or employee grievances involving forced or child labor	0	0	0	0	0	0

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

Topic	Y/N					
	Golden Haven			Bria Homes		
	2023	2022	2021	2023	2022	2021
Forced labor	N	N	N	N	N	N
Child labor	N	N	N	N	N	N
Human Rights	N	N	N	N	N	N

Labor-Management Relations

Disclosure	Golden Haven			Bria Homes		
	2023	2022	2021	2023	2022	2021
% of employees covered with Collective Bargaining Agreements	0	0	0	0	0	0
Number of consultations conducted with employees concerning employee-related policies	0	0	0	0	0	0

Impacts
The Company does not tolerate, participate in, nor encourage any form of human trafficking, forced labor, or child labor. Furthermore, the Company acknowledges and respects everyone’s rights and dignity, and it pledges to respect human rights in the conduct of its business and to comply with applicable local laws as well as international human rights standards and norms. Golden MV protects its employees' well-being and ensures that all their needs are met, as evidenced by the zero cases of legal actions and employee grievances filed in 2023. Furthermore, throughout the reporting period, no incidences of discrimination, harassment, abuse, or breaches of human rights and socioeconomic laws were documented.
Management Approach to Impacts
Golden Haven and Bria Homes carefully choose its staff members through a series of examinations and interviews meant to analyze not just their abilities and qualifications, but also their character. Both companies have an unwritten policy that employees' rights must be protected and vigorously enforced. This includes the ban of forced and child labor, as well as workplace harassment, bullying, and discrimination. Consequently, in 2023, there were no noncompliance with socioeconomic rules and regulations. The Human resource (HR) department is continuously active in ensuring that employee-related policies and laws are followed. All newly hired staff are briefed on the Company's Values and Policies. Employees' commitment to company ideals is checked through performance reviews. For all grievance complaints addressed, procedural due process is applied. Golden Haven employees can communicate their concerns through the following ways: a. An annual values session where employee concerns and grievances are gathered and forwarded to the management for direct action. b. A suggestion box system where employees can write their concerns and suggestions anonymously. c. An open-door policy that mandates the Management to be open to all issues and grievances that their employees may have; and d. Annual evaluations also serve as a way for employees to freely express their concerns. During the open session, the Company uses a 360-degree feedback system, in which information from all job levels is considered when making work-related choices. The HR department maintains open contact with all workers while keeping all information and concerns secret. Golden Haven and Bria Homes has an open-door strategy channel handled by key staff allocated by the Human Resources department to record and respond to such sensitive matters and offer guidance and support throughout the grievance process. In the event of operational changes impacting specific functions/departments, the Company gives the function one or two weeks' notice to allow for preparation for the changes to be implemented.

Risks
Golden Haven and Bria Homes Failure to comply with labor laws may lead the Company to a labor law lawsuit or case of violation to the respective regulatory agency. During the reporting period, no substantial hazards have been found. Previously, the pandemic has created new rules in the workplace up to this year. To meet the new workplace standards, the Company reassessed and altered prevailing policies and procedures. Confidentiality is always a danger in any labor-related issue. The workers' fear of having their name disclosed may be preventing them from sharing their difficulties and/or ideas. Another issue is the inability to follow the proper procedure in resolving these issues.
Management Approach to Risks
Golden Haven and Bria Homes Golden MV ensures that there is an open communication channel - either HR or members of Management - through which workers may openly communicate their concerns. It is then sent to the Management Committee for action or inquiry, while the employee who made the disclosure's name is kept private. If necessary, legal consulting is included in the process, offering suitable guidance to settle the situation. Golden MV ensures that all steps taken to solve violations are handled in accordance with the law. Dealing with these concerns entails legal counsel. The Company values its workers' participation in the achievement of its aims and objectives. It arranges events that highlight the organization's milestones and achievements while also acknowledging the contributions of each employee to these triumphs. Golden Haven guarantees that its employees are motivated, involved, heard, and inspired, so that their involvement in reaching the goal of the Company is inherent to them. Encouraging an open communication culture, employees can openly communicate work-related problems to HR, their direct supervisors, or any Officer level in the company with whom he feels more comfortable sharing his concern.

Opportunities
Golden Haven and Bria Homes Opportunity for the Group to arrange training/s on human rights rules and regulations, as well as employee compliance with those policies in their various work duties. Opportunity to recognize its workers' contributions to the achievement of the Company's goals, as well as the value of integrating those goals into their personal and professional growth. A policy protects employees against reprisal. Opportunity to enhance not only the part of the employee's manager but also the entire business. Opportunity to educate its employees on their rights and the Company's duties as an employer.

Management Approach to Opportunities
Golden Haven and Bria Homes Golden MV considers incorporating human rights training in its schedule of upcoming staff training in the future. The yearly performance appraisal assesses employees' adherence to the Company's corporate principles. Every quarter, the Company assesses the risk of human capital. The Group assesses employee issues on a regular basis, evaluates areas for improvement, and implements development strategies. In addition, the company gives leadership training to its team leaders and managers to guarantee that they have the necessary abilities and character to manage their employees. Employees are continuously reminded of their rights and perks as employees of the company.

Supply Chain Management

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If yes, cite reference in the Company policy
Environmental performance	Golden Haven and Bria Homes have no formal supplier accreditation policy. Nevertheless, both companies consider the following topics through regular practice included in the Company Accreditation process.	
Forced labor		
Child labor		
Human Rights		
Bribery and corruption		

Impacts
Golden Haven and Bria Homes The Company would like to build lasting connections with its vendors. To that end, it is critical that the Company's partners share the same vision of providing homes for all Filipinos. The Company selects suppliers based on their capacity to provide items that satisfy the quality requirements, to give fair and reasonable rates, to assure prompt delivery, and to provide good service and support. The Company prioritizes both local and international suppliers equally; however, with a preference to those who can meet the Company's expectations and delivery timelines. As such, the Company regularly evaluates supplier performance to ensure mutual success and satisfaction. Likewise, the Company applies corrective actions, including not allowing or banning suppliers in business transactions that can disrupt the Company's supply chain and operations. Apart from the assessment objective, Bria Homes may demonstrate the significance of monitoring one's environmental and social consequences of its suppliers through the Company accreditation procedure. There were no non-compliant vendors reported in 2023. As a protocol, key personnel on-site report non-compliant situations to the Company. When a formal report is submitted, management takes quick action to remedy the situation.

In the spirit of teamwork, the organization keeps the lines of communication open to enable suppliers to voice their concerns. Suppliers can contact the Procurement Team via email, corporate mobile numbers, or the Vendor Portal or Vendor Hub, which was introduced on August 13, 2021. Vista Land and Bria Housing Group pioneered this development. By converting the supply chain process to a digital platform, this has enhanced the submission, tracking, and updating of all vendor transactions.

There are no unionized workers in Golden Haven. To increase workers' engagement in work-related decision-making, the Company is proactively communicating with employees about developments and how to respond to their views and suggestions.

Employees can openly disclose to HR, their direct supervisors, or any Officer level in the firm, fostering an open communication culture. The organization also has regular values meetings, one per department or division, when corporate values are reinforced while also providing an opportunity for workers to express their concerns.

Management Approach to Impacts

Golden Haven

Golden Haven carefully evaluates possible supplier's warehouse/store location. Choosing close suppliers not only reduces its carbon footprint, but also allows it to investigate whether there are any problems in their region that might have a big impact on the surrounding natural environment.

Golden Haven carefully selects its suppliers by finding and analyzing their industry background. Suppliers must have a good reputation, as this might affect the Company's reputation. The Company also examines the vendors' adherence to rules and regulations.

The Company employs a well-balanced and carefully enforced control over product procurement which became part of the regular operating practice to ensure that the goods acquired regularly are of high quality. The Company maintains appropriate contact with direct suppliers so that neither party is inconvenienced.

Bria Homes

The accreditation process helps the Company guarantee the supplier’s ability to meet its specifications and quality standards. Bria Homes maintains the assessment of a supplier’s production capacity, compliance with standards and regulations, and legitimacy of operations, to name a few, to abide by its principle that cost is not just a question of numbers, but a question of value.

The Company builds up a shortlist of possible suppliers through a combination of sources like Recommendations, Directories, Trade Associations, and Exhibitions. Some of the Company's key factors for choosing suppliers are Price (value for money), Reliability, Stability (Financial Security), and Location. In addition, what the Company is looking for in a supplier are Quality, Strong Relationship or a Partnership approach, and Strong Service and Clear Communication.

After having a manageable shortlist, the Company gets formal quotations and product samples then compares the potential suppliers in terms of what matters most like product quality and prices. The right suppliers provide the most suitable goods or services at the most suitable prices and in the right time frames for the Company's specific needs. To assess their environmental impact, the Company organizes plant visits and interviews. For social impact, there is no practice implemented yet.

Risks
Golden Haven The following are the risks that the Company considers: a. Extreme weather events - Strong typhoons may affect the supply chain due to cancellation of deliveries and/or unavailability of some products and services b. Catastrophes - Unexpected disasters may cause delays in the supply process. This may lead to delays to provide the products and services that the clients need c. Supplier Consistency - Suppliers should be able to keep up with the Company's needs and demands. They should be competitive and must maintain consistency when it comes to providing orders to avoid delays in the daily operations process. The Company does not see any risks yet for now since all the local suppliers can meet the requirements completely. **Bria Homes** The Company constructs buildings using goods such as steel, cement, and other raw materials which are vulnerable to price variations. The Company are also subject to labor shortages, particularly when the government ramps up infrastructure projects.
Management Approach to Risks
Golden Haven Golden Haven ensures that the products and services offered are of the highest quality. As a result, Management thoroughly reviews the procurement and screening of suppliers consistently. Interviews, reviews of Company profiles or bids, and visits to suppliers' shops or warehouses are used to determine their credibility. It has always been the Company's habit to have a supply stock of 1 to 2 months' worth of supplies on hand in case of unexpected incidents that may cause delays in its regular operations. Also, the Company does not discriminate in its supplier selection and respects all suppliers equally if they can meet the expectations and standards of the Company. The Company requires the following documents from the supplier for review of the management: a. Proposal Letter b. Company Profile c. Quotation d. Business Registration / Permits Every supplier must consistently enhance their goods and services during the contract duration so that the company knows whether to consider the supplier for another term of contract. Suppliers must constantly be competitive in terms of supplying high-quality products and services both before and after the sale. **Bria Homes** Trust is a byproduct of the commitment to quality and excellence. The Company ensures to deliver the right results to the right people over the long haul to make them believe and trust the product and service offerings. Bria Homes' purchasing group, which is assigned to search, select, and accredit suppliers, is responsible for the negotiation of lock-in prices for an agreed period and the management of materials inventory. In response to the risk of labor shortage, the Company coordinates

with the local communities in employing laborers from the surrounding areas where its project sites are located.

To address the risks, the Company has an in-house procurement department whose major function is to look for and choose suppliers, form long-term cooperation agreements, and control the inventory level of such products. The Company employs local laborers in the areas where it operates, therefore increasing the connection with the local community.

Opportunities
Golden Haven There is an opportunity to promote the usage of its products and services in a safe manner. As a result, suppliers must always enhance their goods and services during the contract time, as the choice to keep them is based on the considerations. Suppliers must constantly be competitive in terms of supplying high-quality products and services both before and after the sale. The Company is always open and straightforward with its suppliers, especially if there are any complaints or difficulties with the services or goods given. **Bria Homes** A good working relationship with suppliers is of the utmost importance to the Company. At the same time, the Company has high standards for quality, delivery reliability, process flows, and costs. Suppliers must, first, offer innovative solutions to products and production, strong logistic capabilities, high-quality products and services, and competitive pricing practices. The Company requires suppliers to meet the standards according to the business practices.
Management Approach to Opportunities
Golden Haven Every material and job have its own standard operating procedure that every person assigned to manage must follow. Golden Haven also ensures that the products and services are manufactured with high-quality materials, which is why the management thoroughly reviews the procurement of materials and screening of suppliers. The Company ensures that all suppliers and their services are in accordance with the Company's criteria. This entails continuous verification if the requests were acknowledged to avoid any future issues that may arise and harm the Company's standing in the industry. Because non-compliant suppliers can cause problems in the supply chain process, the Company cannot collaborate with them. **Bria Homes** Bria Homes ensures that a healthy working relationship with suppliers is maintained through regular communication and fair compensation for the products and services provided.

Relationship with Community
Significant Impacts on Local Communities

GOLDEN HAVEN	
Operations with significant impacts on local communities	Mandatory waste segregation and donation of plastic wastes from facilities in Las Piñas City to the Villar SIPAG Foundation
Location	Las Piñas City
Vulnerable groups[28] (if applicable)	N/A
Does the particular operation have impacts on indigenous people?	No
Collective or individual rights that have been identified that or particular concern for the community	Right to a healthy environment
Mitigating measures or enhancement measures	Construction of materials recovery facilities (MRF) outside the memorial park to improve the segregation and collection of plastic wastes

BRIA HOMES	
Operations with significant impacts on local communities	Bria *Kakampi* Program
Location	Nationwide
Vulnerable groups[28] (if applicable)	Young adults (18 years old and above)
Does the particular operation have impacts on indigenous people?	No
Collective or individual rights that have been identified that or particular concern for the community	Access to decent livelihood regardless of education attainment
Mitigating measures or enhancement measures	Provision of free digital selling platform

Impacts
Golden Haven The Company believes that its initiative to actively segregate waste, especially biodegradables and plastics, prevented a considerable volume of wastes from occupying space in landfills.

[28] Vulnerable sectors include, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).

Bria Homes
A full-time marketing team leader ensures that the financial growth of his/her respective area is both inclusive and sustainable. This is done through the implementation of programs that are focused on the improvement of the communities' environmental and societal conditions.

Management Approach to Impacts

Golden Haven
Golden Haven partnered with Villar *SIPAG*, the social responsibility arm of the Villar Group of Companies, to reuse and recycle its plastic wastes. Its biodegradables, on the other hand, are turned into compost, which are then used to maintain its memorial parks.

The Company, in support of various advocacies, encourages its employees to participate in volunteer programs by providing them with paid time off for volunteering.

Golden Haven provides equal opportunity and environmental projects. As such, the Company dedicates a percentage of its sales proceeds to the following environmental and social programs:

a. ***GHGrows****:* Golden Haven is committed to increasing the number of trees that surround the region to improve the quality of the natural environment. Employees take part in tree planting activities.
b. ***Bloodletting:*** A common recreational activity at Golden Haven's parks is bloodletting. The program's goal is to allow the general population to give blood and contribute to the local community's blood supply. The initiative is run in collaboration with local blood banks and government organizations to guarantee that the blood collected is safe, appropriately kept, and transferred to people in need.
c. ***Free anti-rabies vaccination***: Golden Haven's free anti-rabies vaccination program is a community service activity that promotes public health and safety by avoiding the spread of the fatal rabies virus. The campaign entails giving free anti-rabies injections to dogs living near Golden Haven Memorial Parks. The firm is organizing this event in partnership with local health officials and veterinarians. The free anti-rabies vaccination program's goal is to create awareness about the necessity of pet immunizations and to encourage responsible pet ownership.

Bria Homes
The Company allots a portion of its sales revenue for the following environmental and social programs:

a. ***PlanTahanan Virtual Tree Planting***: tree planting activities and excursions into neighboring natural wonders. This program aims to encourage planting in Company's open spaces. It delivers positive health, social, economic, and environmental outcomes for the Bria Homes Community.
b. ***Millennials Financial Guide Webinars***: The goal is to educate, demonstrate, instruct or deliver information that is of interest to Millennial market and potential clients.; INDIRECT: It helps increase the amount of content available to interested parties online.
c. ***OFW Investment Guide Webinars***: These webinar sessions are accessible to the global audience. With these webinars, Bria Homes is no longer limited to only marketing to the clients within their geographical reach, but also across borders and oceans.

Bria Homes also engages with the local communities per area at least once a month, establishing a holistic and consistent relationship with them.

Risks
Golden Haven and Bria Homes There are no significant risks identified.
Management Approach to Risks
Golden Haven and Bria Homes There are no significant risks identified.

Opportunities
Golden Haven Opportunity to interact more with the Company's neighboring communities. **Bria Homes** Opportunity to help the Company's neighboring communities improve their quality of life.
Management Approach to Opportunities
Golden Haven Golden Haven is planning to organize and implement several corporate social responsibility (CSR) programs for its neighboring communities with an aim to offer a better quality of life through the provision of equal opportunities for earning and environment-focused development projects. **Bria Homes** Bria Homes provides the local communities with equal opportunities for earning and programs for the environment.

Customer Management

Customer Satisfaction

Disclosure	2023	2022	2021
Golden Haven			
Customer Satisfaction	4.32/5[29]	4.66/5[30] 4.59/5[31] 4.82/5[32]	4.5/5[30] 4.51/5[30] 4.89/5[31]
Conducted by a third party?	No	No	Yes[33]

[29] Rating based on average rating
[30] Rating based on chapel feedback forms
[31] Rating based on Google Reviews/Google My Business
[32] Rating based on Facebook Page review
[33] The rating is based on the ratings from Google My Business.

Disclosure	2023	2022	2021
Bria Homes			
Customer Satisfaction	Not measured	Not measured	Not measured
Conducted by a third party?			

Impacts

Golden Haven
Golden Haven values the feedback its customers provide and considers it as an integral part of its ongoing improvement efforts. Understanding the perspective of our customers is essential to refine our products, services, and overall customer experience.

To facilitate this, Golden Haven has implemented a "customer satisfaction survey," which is easily accessible via a QR code prominently displayed within our nationwide offices. Additionally, Golden Haven dedicated customer service representatives are readily available to address any questions or concerns raised by our valued customers. Moreover, the Company designed its website to include a user-friendly contact form, providing customers with another convenient avenue to share their insights and feedback. Furthermore, Golden Haven actively engages with our clients across all social media platforms, diligently monitoring and responding to customer feedback and inquiries.

Bria Homes
Bria Homes has no active system in place to record and monitor the satisfaction score in 2023. Concerns raised by customers are addressed through the Company's official Facebook account.

Management Approach to Impacts

Golden Haven
The Company ensures that it is accessible in the easiest and most convenient ways for feedback on its products and services. Below are Golden Haven's means of gathering feedback from its customers:

- Customer Satisfaction survey form
- Social media reviews
- Customer service email
- Website Survey Forms
- Customer Service Inquiry Forms

These are accessible to the Company's customers by making sure that they are available on multiple channels. Survey forms, for instance, are given during memorial services. Accordingly, Golden Haven ensures that it is always updated on the changes in its customers' needs and preferences so that the Group may serve them better.

Golden Haven recognized the urgent need to adapt and evolve its operations to ensure the continuity of its services while prioritizing the health and safety of customers and staff. One of the ways Golden Haven embraced digitalization during the pandemic was through the rapid implementation of virtual solutions to facilitate remote interactions and transactions. Leveraging technology such as video conferencing, online appointment scheduling, and virtual tours, Golden Haven empowered customers to engage safely and conveniently from the comfort of their homes. Whether it was consulting with its memorial experts to plan pre-need arrangements, exploring its memorial properties virtually, or attending virtual memorial services, Golden Haven's digital platforms provided a lifeline for families seeking support and guidance during challenging times.

Bria Homes
Bria Homes extended its lines for customer concerns. Customers may reach Bria Homes through the following channels:

- Via mobile from Monday to Saturday from 9 AM to 6 PM
- Via email at adminsupport@briahomes.com.ph

Risks

Golden Haven
Golden Haven strives for quality in its project developments and values client services satisfaction. While we are pleased to report that we have had no complaints about our products or services in the previous year, we are always eager to hear the feedback of our clients. The Company aims to provide wholistic death care service to our clients through its well-kept memorial parks and provide quality chapel services.

Bria Homes
There are no significant risks identified.

Management Approach to Risks

Golden Haven
As the pandemic unfolded, Golden Haven embarked on a gradual yet consistent shift towards digitalizing its operations. Nevertheless, disparities in access to technology and digital resources posed challenges in effectively engaging with customers virtually or offering online support services. Despite these obstacles, Golden Haven demonstrated ingenuity by implementing initiatives to educate customers about the new digital processes, thereby supporting and engaging them effectively.

Bria Homes
There are no significant risks identified.

Opportunities

Golden Haven
Opportunity to improve on the Company's current customer engagement methods.

Bria Homes
Opportunity to engage more with the Company's customers, concurrently catering to a greater number of needs and concerns in a shorter amount of time.

Management Approach to Opportunities

Golden Haven
By seamlessly integrating traditional and digital methods, Golden Haven has transformed its approach to customer engagement, resulting in deeper connections and heightened satisfaction levels. Through traditional channels, including in-person consultations and events, Golden Haven provides a personalized and human touch that fosters trust and rapport with its customers. These face-to-face interactions allow the Company to understand

their needs, preferences, and concerns on a deeper level, enabling it to tailor its offerings and services accordingly. Simultaneously, Golden Haven's digital channels, such as its website, mobile apps, and social media platforms, complement its traditional efforts by offering customers convenient access to information, resources, and support whenever and wherever they need it. Whether it's browsing product offerings, scheduling appointments, or seeking assistance via live chat, Golden Haven's digital presence ensures seamless communication and engagement throughout the customer journey. Golden Haven's website includes e-services, such as online payment channels and platforms, online scheduling for interments, inurnments, and chapel services, online administrative services for customer requests, online reservations, and even online accreditations. These allow its customers to access products and services from the comfort and safety of their own home. **Bria Homes** Bria Homes has set up a Customer Care department that is dedicated solely to addressing its customers' needs with the help of a system designed to monitor their concerns and discussions.

__Health and Safety__

Disclosure	2023	2022	2021
Golden Haven			
No. of substantiated complaints[34] on product or service health and safety	0	0	0
No. of complaints addressed	0	0	0
Bria Homes			
No. of substantiated complaints on product or service health and safety	0	0	0
No. of complaints addressed	0	0	0

Impacts and Management Approach
Golden Haven In 2023, there were no complaints regarding the health and safety of Golden Haven customers who used their products and services. The Company created a standard procedure for dealing with any health and safety problems that may arise. **Bria Homes** As there have been no complaints about the health and safety aspects of Bria Homes' products and services, there are no significant impacts identified.

[34] Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.

Risks
Golden Haven and Bria Homes The Company continuously adheres to regulatory rules and requirements in controlling any dangers related with chemicals utilized in our goods. Furthermore, the Company have created internal protocols and procedures to monitor chemical safety and disposal, as well as frequent risk assessments. The Company assures correct chemical management and their possible consequences on health and safety via continual improvement and assessment.
Management Approach to Risks
Golden Haven and Bria Homes The Company guarantees that continuous innovation processes are followed, such as installing the most recent technology. Preventive measures are also in place to protect its consumers' safety. Regular sanitation and disinfection initiatives are conducted across all offices and sites. Employees are also required to undergo daily health screenings through a mobile app or online platform. Those displaying potential symptoms will be advised to work from home and may be required to undergo telemedicine consultations or testing.

Opportunities
Golden Haven and Bria Homes As much as the Company wants to prevent any complications, especially regarding the health and safety of its employees and customers, there are instances when problems are unforeseen and inevitable. One significant challenge was ensuring the safety of customers during in-person interactions at its facilities while adhering to social distancing and hygiene protocols mandated by health authorities. Golden Haven intensified its sanitation and disinfection efforts across all facilities, including offices. Regular cleaning schedules were established, and high-touch surfaces were sanitized frequently to minimize the risk of virus transmission. Physical spaces were reconfigured to facilitate social distancing and minimize crowding. Floor markings, signage, and physical barriers were installed to guide customers and employees on maintaining safe distances while accessing its services
Management Approach to Opportunities
Golden Haven and Bria Homes Golden Haven has an established standard practice that the Company should promptly relay any health and safety issue to the department or function most suited to resolve it. This is done mainly through the collaboration of the Company’s management, technical team, and whichever department is concerned. Bria Homes remains abreast of health and safety protocols and implements them to secure Filipinos who live in its communities.

Marketing and Labelling

Disclosure	2023	2022	2021
Golden Haven			
No. of substantiated complaints on marketing and labelling	0	0	0
No. of complaints addressed	0	0	0
Bria Homes			
No. of substantiated complaints on marketing and labelling	0	0	0
No. of complaints addressed	0	0	0

Impacts and Risks
Marketing practices have been affected even after the pandemic is over. Despite this, Golden Haven made sure that every concern and need of its customers were addressed and catered to promptly. Bria Homes takes pride in having no complaints from its customers regarding its marketing approaches. This reflects the success of the Company's marketing strategies and the reputability of its products and services.
Management Approach to Impacts and Risks
Golden Haven and Bria Homes took advantage of their web-based platforms to sell their services and reach a larger audience. When it comes to the local market, Golden Haven uses a traditional and modern approach. Golden Haven actively participates in a range of programs and initiatives, including social media campaigns, digital advertising, brand ambassador programs, strategic partnerships, price promotions, enticing financing options, and expanding its sales network. These endeavors are focused on amplifying its presence, enriching customer interactions, and extending more avenues for customers to access products and services. Moreover, Golden Haven consistently evaluates and enhances its offerings to maintain its commitment to delivering exceptional services and memorial parks for its clientele. Golden Haven continues to operate on a digital scale, such as 3D site tours, online reservations, and a 24/7 client helpdesk. In addition to this, the Company started using proprietary software called *WakeConnect*, wherein family members from all over the world can attend a virtual and live meaningful wake viewing ceremony. Bria Homes, on the other hand, prioritizes catering to both the local and international markets executed through the effective implementation of the following marketing activities: ● Sales booths and product exhibits ● Grand Open House activities ● Distribution of marketing materials

- Telemarketing
- Sponsorship of conventions and other events
- Corporate presentations
- Digital marketing
- Alternative marketing channels

Bria Homes has mixed traditional marketing strategies with digital platforms to conduct on-site marketing initiatives, print ad campaigns, online campaigns, and the distribution of printed marketing materials in compliance with the LGU Health Protocols.

In response, the Company strengthened its digital activities, which included reopening the actual site visits to the public as well as implementing virtual property tours. Additionally, it enhanced its social media channels and maximized online payment options. In 2023, majority of the sales produced by the time restrictions imposed came from online sales.

Opportunities
Golden Haven Opportunity to modernize the Company's marketing strategies by adding the utilization of online platforms to its approach. **Bria Homes** Opportunity to try different methods and further enhance the Company's present marketing strategies.
Management Approach to Opportunities
Golden Haven recognizes that the modern world is continuously changing and offering new and innovative ways to do business. To keep pace with the times, the Company implemented key marketing activities that include lead generation in the form of presentations, saturation drives, and social media marketing as well as sales generation activities through park-based events, seasonal events, and corporate partnerships. Bria Homes holds monthly meetings with its sales and marketing teams for the improvement, if necessary, of its existing marketing strategies and materials.

Customer privacy

Disclosure	2023	2022	2021
Golden Haven			
No. of substantiated complaints on customer privacy	0	0	0
No. of complaints addressed	0	0	0
No. of customers, users, and account holders whose information is used for secondary purposes	0	0	0

Disclosure	2023	2022	2021
Bria Homes			
No. of substantiated complaints on customer privacy	0	0	0
No. of complaints addressed	0	0	0
No. of customers, users, and account holders whose information is used for secondary purposes	0	0	0

Data Security

Disclosure	Golden Haven			Bria Homes		
	2023	2022	2021	2023	2022	2021
No. of data breaches, including leaks, thefts, and losses of data	0	0	0	0	0	0

Impacts
Golden Haven In 2023, there were no documented concerns about customer privacy. Furthermore, Golden Haven experienced no issues with data security. **Bria Homes** In compliance with the Data Privacy Act, Bria Homes is fully committed to securing its customers' data, evident in the zero incidents of customer privacy breach in 2023. The Company assures all its stakeholders that their confidential data is secured. Bria Homes' zero encounter with data security in 2023 also testifies to the integrity of the Company and how its dedication to protecting its stakeholders' information is being effectively implemented.

Management Approach to Impacts
Golden Haven Golden Haven places paramount importance on safeguarding the privacy and security of its customers' personal information and choices. Golden Haven adheres to rigorous policies and procedures concerning behavioral advertising to ensure that customer data remains safe and protected. The Company openly communicates its data collection practices, detailing how information is utilized for behavioral advertising purposes. This includes a clear explanation of the types of data collected, how it's utilized, and any third parties with whom it may be shared. Moreover, the Company obtains explicit consent from customers before collecting and utilizing their personal information for behavioral advertising.

To fortify the security of our customers' data, Golden Haven implemented robust measures. The Company systems utilize end-to-end encryption to thwart unauthorized access and tampering. Furthermore, Golden Haven diligently maintains and updates its website security certificates using state-of-the-art software to ensure optimal protection. Regular system updates and continuous monitoring further enhance the effectiveness of our security protocols in safeguarding sensitive data.

Sharpening the skills of the employees is the first approach through attending cybersecurity webinars held by different vendors as well as being aware of the news on the latest type of attacks and their character. Golden Haven, through the IT Administrators Group, keeps itself updated on social media and shares ideas about the latest type of risks and experiences.

Employees receive continuous and regular email broadcasts to create awareness and to be informed about cyber-attacks and how to protect themselves. They report any malicious email received that will be immediately blocked to prevent it from spreading to the IT Department. For workstations and Company assets, the antivirus programs, and operating systems (OS) are updated to address the vulnerabilities. Moreover, Golden Haven does network hardening and group policies with protection that are against brute force and dictionary attacks.

Bria Homes

Bria Homes has established controls to protect customer data that are continuously strengthened in response to its strong commitment to its customers' right to data privacy. Bria Homes actively employs physical and technical security measures and other procedures for the protection of the Company's confidential information against any illegal destruction, alteration, and disclosure. The Company also upholds confidentiality in all its proceedings, especially those involving any sensitive information.

Security controls were still implemented. Data Privacy Act clauses and captcha as verification are inserted in online platforms. Transactions and exchanges of data and information are only limited between the buyer and authorized representatives only.

Risks
Behavioral advertising is one of the commonly used advertising techniques by various businesses today. However, this presents a serious risk to customers as it collects information on a user's browsing behavior to be able to provide targeted ads. Moreover, platforms such as online reservations which are operated by third-party sellers and delivery couriers carry customers' personal data. Hence, customer information or profile data remains to be inherently at risk of any data security issues such as breaches, leaks, and losses of data. Due to non-contact transactions, new issues arose. This was resolved using modern technology that allows both the Company and its clients to conduct transactions from any location with internet access, such as mobile applications for Android and iOS, online payment portals, and personnel empowerment through attendance at events that introduce cybersecurity and data privacy, which aids the IT department in the careful selection of applicable cybersecurity technologies for our company.
Management Approach to Risks
The Company's policies are meticulously formulated to uphold the principles of confidentiality, integrity, and accessibility, thereby effectively mitigating the risks associated

with unauthorized access or utilization.

Moreover, Golden Haven recognizes the paramount importance of data security in safeguarding both operational integrity and the personal information of our customers. To achieve this objective, a comprehensive framework of data security policies has been instituted, governing the entire lifecycle of data within the organization, encompassing collection, utilization, storage, and transmission.

User awareness was done through email broadcasts on all Golden Haven employees that gave them information about the recent type of cyber-attacks, how they infiltrate organizations and the safety measures on how to recognize for example the emails if from legit sender or not especially when asking for personal information like password reset and update of personal information. The Company has given sample photos of spamming and phishing on emails and video clips to help them identify.

Prevention at the early stage is necessary which encourages employees to contact the IT department right away through emails to report if they encountered malicious emails or attacks for the IT department to block domains and email senders.

To test employees' awareness, the IT department conducted the Attack simulation for a span of 1 week using Social Engineering - credential harvest. An email pretending to be an Office365 account expired where employees will be asked to enter their credentials. Any employee that will enter their credentials will be reported as compromised and no one from the employees clicked on the link and NONE of the accounts was compromised.

This is proof that the IT department's efforts in making employees aware Cyber-attacks is a success.

Should the Company decide to consider using behavioral advertising, it assures that any study that may be conducted in the future for such advertisements of its products and services will be completely anonymized for the sake of its customers' privacy.

On the other hand, Bria Homes uses an intrusion detection system that monitors possible security breaches and alerts the organization of any attempt to interfere with or disturb the system. The Company also reviews and evaluates all software applications for their compatibility with the security features before being installed on company computers and devices.

The Research Department consistently monitors and analyzes web traffic data and ensures that cookies are not used in this service. No other third party can gain access to the generated information and only non-personal data are analyzed by the said department.

In handling personal data and information, Bria Homes has a policy that all client data can only be shared with financing institutions for their loan applications and with the clients' authorized representatives.

Opportunities
Digitization of payments, processes, and other engagements requires stronger security controls. For this reason, Golden Haven and Bria Homes will continuously strengthen their data security, protection, and privacy systems in place through research and exploration.

Management Approach to Opportunities
Golden Haven and Bria Homes ensure that their security systems and infrastructures are always up to date with the latest versions available. This is done through regular updates and monitoring of the system's efficiency in securing sensitive data. Assessments and testing before launch will be continually practiced by the IT department to ensure security.

UN SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to UN SDGs

Key products and services and their contribution to sustainable development.

Key Products & Services and Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution and Management Approach
GOLDEN HAVEN	
Memorial Parks 11 SUSTAINABLE CITIES AND COMMUNITIES	**Land Conversion** Golden Haven strives to retain the natural topography of an area during the development of its memorial parks. For this reason, the Company reduces the number of trees cut down and highlights the beauty of their locations through the display of luscious softscape using plants that are native to the areas wherever possible.
Chapel 11 SUSTAINABLE CITIES AND COMMUNITIES	No significant potential impacts identified
Columbarium 11 SUSTAINABLE CITIES AND COMMUNITIES	No significant potential impacts identified
Donation of plastic wastes to Villar SIPAG for recycling and reuse 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 17 PARTNERSHIPS FOR THE GOALS	Employees and customers of the Company may not be too keen on discontinuing the use of plastic products, thinking that their waste will be donated and reused. The Company greatly discourages the utilization of single-use plastics and offers alternatives such as reusable containers.

Golden Haven CSR Program	
Tree planting for all employees inside memorial parks	13 CLIMATE ACTION 15 LIFE ON LAND
Kaibigang Golden Haven Program	4 QUALITY EDUCATION
Punla ng Pangarap	15 LIFE ON LAND
Relief Donation Drive for Taal Eruption Victims	2 ZERO HUNGER 3 GOOD HEALTH AND WELL-BEING

Key Products & Services and Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution and Management Approach
BRIA HOMES	
Affordable housing 11 SUSTAINABLE CITIES AND COMMUNITIES	No significant potential impacts identified
Bria Kakampi Program 1 NO POVERTY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES	Bria Kakampi Program aims to provide livelihood opportunities to economically disadvantaged people as sellers or referrers of Bria Homes, regardless of the risk of them having no higher educational attainment. Bria Homes provides comprehensive training and skills development sessions upon employee onboarding.

Bria Homes CSR Program	
Plantahan	13 CLIMATE ACTION 15 LIFE ON LAND
Brigada Eskwela	4 QUALITY EDUCATION 11 SUSTAINABLE CITIES AND COMMUNITIES
Nutrition Month	3 GOOD HEALTH AND WELL-BEING
Livelihood Expos	8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES
Libreng Sakay	11 SUSTAINABLE CITIES AND COMMUNITIES
Kasalang Bayan	16 PEACE, JUSTICE AND STRONG INSTITUTIONS

PART VI – EXHIBITS AND SCHEDULES

Item 14. Exhibits and Reports on SEC Form 17 – C

Exhibits

See accompanying Index to Financial Statements and Supplementary Schedules.

The following exhibit is incorporated by reference in this report:

Consolidated Financial Statements of the Company as of and for the year ended December 31, 2023.

The other exhibits, as indicated in the Index to Financial Statements and Supplementary Schedules are either not applicable to the Company or require no answer.

Reports on SEC Form 17-C

The following current reports have been reported by Golden MV Holdings, Inc. during the year 2023 through official disclosure letters dated:

May 02, 2023

Approval on the release of the Audited Financial Statements as of and for the year ended December 31, 2022.

May 12, 2023

Approval on the release of the revised Audited Financial Statements as of and for the year ended December 31, 2022.

May 19, 2023

Approval of the release of the Unaudited Q1 2023 Financial Statements
Calling of the 2023 Annual Stockholders' Meeting

August 14, 2023
Approval of the release of the Unaudited Q2 2023 Financial Statements

November 14, 2023
Election of Directors and Officers
Approval of the release of the Unaudited Q3 2023 Financial Statements

Reports on SEC Form 17-C, as amended (during the last 6 months)

None.

SIGNATURES

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

MANDALUYONG CITY on MAY 1 5 2024.

By:

CYNTHIA J. JAVAREZ
President

GEMMA M. SANTOS
Corporate Secretary

ESTRELLITA S. TAN
Chief Financial Officer

KENT JOULES M. MANLANGIT
Chief Accountant

SUBSCRIBED AND SWORN to before me this MAY 1 5 2024 at MANDALUYONG CITY, affiants exhibiting to me their respective passports, to wit:

Name	Passport No.	Date & Place of Issue
Cynthia J. Javarez	P3138029B	10 Sep 2019 / DFA Manila
Gemma M. Santos	P0067627C	14 May 2022 / DFA Malolos
Estrellita S. Tan	P7957022B	22 Oct 2021 / DFA Manila
Kent Joules M. Manlangit	P0811167C	06 Jul 2022 / DFA Cagayan De Oro

ATTY. ARBIN OMAR P. CARIÑO
NOTARY PUBLIC
UNTIL DECEMBER 31, 2024
ROLL No. 57146
IBP Lifetime Member No. 018537
PTR No. [illegible] / [illegible] Jan. 2024 / Mandaluyong City
MCLE Compliance No. VII-[illegible] issued dated 03 June 2022
Notarial Commission Appointment No. 0388-23
Vista Corporate Center, Upper Ground Floor,
Worldwide Corporate Center, Shaw Blvd., Mandaluyong City

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Series of 2024.

GOLDEN MV HOLDINGS

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

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

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

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

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

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

Manuel B. Villar, Jr.
Chairman of the Board

Cynthia J. Javarez
President

Estrellita S. Tan
Chief Financial Officer

Signed this 15th day of May, 2024

ir@goldenhaven.com.ph San Ezekiel, C5 Extension, Villar SIPAG Complex, Las Piñas City (02) 8873-2922 | (02) 8873-2923

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

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

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

ATTY. ARBIN OMAR P. CARIÑO
NOTARY PUBLIC
UNTIL DECEMBER 31, 2024
ROLL No. 57146
IBP Lifetime Member No. 018537
PTR No. 5415602 / 05 Jan. 2024 / Mandaluyong City
MCLE Compliance No. VII-0020373 issued dated 03 June 2022
Notarial Commission Appointment No. 0388-23
Vista Corporate Center, Upper Ground Floor,
Worldwide Corporate Center, Shaw Blvd., Mandaluyong City

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

P&A Grant Thornton

FOR SEC FILING

Consiladated Financial Statements and
Independent Auditors' Report

Golden MV Holdings, Inc. and Subsidiaries

December 31, 2023, 2022 and 2021

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

T +63 2 8988 2288

Report of Independent Auditors

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

Opinion

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

In our opinion, the accompanying consolidated financial statements are prepared in all material respects, in accordance with Philippine Financial Reporting Standards (PFRS), as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission (SEC) and described in Note 2 to the consolidated financial statements.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 2 to the consolidated financial statements, which indicates that the consolidated financial statements have been prepared in accordance with PFRS, as modified by the financial reporting reliefs issued and approved by the SEC. The qualitative impact of the financial reporting reliefs on the consolidated financial statements are disclosed in Note 2 to the consolidated financial statements. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

(a) Revenue Recognition on Real Estate Sales and Determination of Related Costs

Description of the Matter

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

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

How the Matter was Addressed in the Audit

i) Residential Houses and Lots, and Condominium Units

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

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

- updated our understanding of the Group's revenue and cost recognition policy, processes and controls over the recognition and measurement of revenues and cost from real estate sale of residential houses and lots, condominium units, and cost per project;

- tested the design and operating effectiveness of the Group's processes and controls over revenue recognition and measurement, including appropriateness and proper application of the Group's revenue recognition policy, and cost recognition and allocation of cost per project;

- evaluated the appropriateness of the Group's revenue recognition policy in accordance with the requirements of PFRS 15;

- examined, on a sample basis, real estate sales contracts and other relevant supporting documents to ascertain accuracy and occurrence of revenue recognized during the current reporting period;

- recalculated the percentage of collection of sales contract, on a sample basis, based on the total accumulated principal payments as of the reporting date over contract price to determine if the Group established the buyers' commitment to complete their obligations over the sales contract. We have also tested the reasonableness of management's judgment in determining the probability of collection of the consideration in a contract which involves a historical analysis of customer payment pattern and behavior and the Group's sales cancellation experience;

- reviewed the reasonableness of the stage of completion on selected real estate projects by analyzing the cost incurred to date as a proportion of the total estimated budgetary costs to confirm that real estate sales recognized properly reflects the percentage of completion of inventories. We have also performed physical inspection of selected projects under development to assess if the completion based on costs is not inconsistent with the physical completion of the project. In testing the reasonableness of budgetary estimates, we ascertained the qualification of the Group's project engineers who prepared the estimated budgetary costs and reviewed the actual performance of the completed projects with reference to their budgeted costs;

- recomputed the revenues recognized for the year based on the percentage of completion and traced the revenues and costs recognized to the accounting records to ascertain that the amounts recorded agree with the supporting schedules; and,

- performed substantive analytical review procedures over revenues and costs such as, but not limited to, yearly and monthly analyses of real estate sale of house and lots, and condominium units per project based on our expectations and cost incurred per project, which include corroborating evidence from other audit procedures, and verifying that the underlying data used in the analyses are complete.

ii) Memorial Lots

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

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

- updated our understanding of the Group's revenue and cost recognition policy, processes and controls over the recognition and measurement of revenues and cost from sale of memorial lots, and cost per project;

- tested the design and operating effectiveness of the Group's processes and controls over revenue recognition, including appropriateness and proper application of the Group's revenue recognition policy, and cost recognition and allocation of cost per project;

- evaluated the appropriateness of the Group's revenue recognition policy in accordance with the requirements of PFRS 15;

- examined, on a sample basis, purchase agreements and other relevant supporting documents to ascertain accuracy and occurrence of revenue recognized during the current reporting period;

- recalculated the percentage of collection of sales contract, on a sample basis, based on the total accumulated principal payments as of the reporting date over contract price to determine if the Group established the buyers' commitment to complete their obligations over the sales contract. We have also tested the reasonableness of management's judgment in determining the percentage of collection threshold and in assessing the probability of collection of the consideration in a contract which involves a historical analysis of customer payment pattern and behavior and the Group's sales cancellation experience; and,

- performed substantive analytical review procedures over revenues such as, but not limited to, yearly and monthly analyses of sales of memorial lots and cost per project based on our expectations, which include corroborating evidence from other audit procedures, and verifying that the underlying data used in the analyses are complete.

(b) Existence and Valuation of Real Estate Inventories

Description of the Matter

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

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

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

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

How the Matter was Addressed in the Audit

Our audit procedures included, among others:

Existence

- performed ocular inspection of selected real estate projects near the reporting date to confirm the existence and current condition of such projects at the end of the reporting period; and,

- examined the supporting documents such as land titles, suppliers' and contractors' agreements, invoices, official or collection receipts and accomplishment reports, to support the cost of real estate inventories capitalized, including the cost of acquired land, during the reporting period.

Valuation

- reviewed the reasonableness and appropriateness of the Group's calculation of the valuation of its real estate inventories at lower of cost and net realizable value; and,

- compared the estimated selling prices, and cost to complete and sell, on a sample basis, against the contract prices of recently completed sales, and historical data related to restoration costs, commissions and other related expenses.

Other Information

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

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

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

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

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

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

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

Auditors' Responsibility for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

PUNONGBAYAN & ARAULLO

By: James Joseph Benjamin J. Araullo
Partner

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

May 15, 2024

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

	Notes		2023		2022
A S S E T S					
CURRENT ASSETS					
Cash and cash equivalents	5	**P**	**981,168,858**	P	919,371,361
Contract receivables	6		**11,895,494,651**		10,735,541,206
Contract assets	16		**2,326,220,611**		2,032,013,837
Due from related parties	20		**216,617,610**		21,769,131
Other receivables	6		**1,836,416,285**		3,399,612,842
Real estate inventories	7		**6,500,025,136**		6,614,750,418
Other current assets	8		**758,211,900**		843,975,501
Total Current Assets			**24,514,155,051**		24,567,034,296
NON-CURRENT ASSETS					
Contract receivables	6		**2,784,060,546**		2,896,967,556
Contract assets	16		**303,812,289**		193,240,554
Property and equipment – net	9		**202,634,541**		219,484,580
Right-of-use assets – net	10		**23,605,970**		37,784,672
Investment properties	11		**75,761,379**		75,761,379
Other non-current assets	8		**41,713,362**		47,790,063
Total Non-current Assets			**3,431,588,087**		3,471,028,804
TOTAL ASSETS		**P**	**27,945,743,138**	P	28,038,063,100
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Interest-bearing loans	12	**P**	**792,139,985**	P	3,219,312,189
Trade and other payables	13		**2,255,209,314**		2,032,743,035
Contract liabilities	16		**426,085,240**		596,605,739
Rawland payable	13		**698,540,244**		691,350,984
Customers' deposits	14		**1,866,497,425**		2,522,036,634
Due to related parties	20		**951,725,398**		960,744,332
Lease liabilities	10		**10,039,033**		12,733,924
Income tax payable			**15,479,410**		8,641,961
Total Current Liabilities			**7,015,716,049**		10,044,168,798
NON-CURRENT LIABILITIES					
Interest-bearing loans	12		**4,457,854,986**		3,165,528,574
Contract liabilities	16		**36,507,822**		52,792,069
Lease liabilities	10		**15,049,626**		27,923,533
Deferred tax liabilities – net	19		**1,181,471,062**		1,050,478,484
Reserve for maintenance care	15		**1,026,617,722**		912,313,691
Retirement benefit obligation – net	21		**95,692,854**		92,792,435
Total Non-current Liabilities			**6,813,194,072**		5,301,828,786
Total Liabilities	28		**13,828,910,121**		15,345,997,584
EQUITY					
Capital stock	22		**644,117,649**		644,117,649
Additional paid-in capital			**2,970,208,753**		2,970,208,753
Revaluation reserves	22		**8,988,981**		481,430
Retained earnings			**10,493,517,634**		9,077,257,684
Total Equity	28		**14,116,833,017**		12,692,065,516
TOTAL LIABILITIES AND EQUITY		**P**	**27,945,743,138**	P	28,038,063,100

See Notes to Consolidated Financial Statements.

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

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

See Notes to Consolidated Financial Statements.

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

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

See Notes to Consolidated Financial Statements.

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

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

See Notes to Consolidated Financial Statements.

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

1. CORPORATE INFORMATION

1.1 Organization and Operations

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

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

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

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

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

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

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

1.2 Approval of Consolidated Financial Statements

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

2. MATERIAL ACCOUNTING POLICY INFORMATION

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

2.1 Basis of Preparation of Consolidated Financial Statements

(a) Statement of Compliance with Philippine Financial Reporting Standards

The consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRS), as modified by the application of the financial reporting reliefs issued and approved by the SEC in response to the COVID-19 pandemic. The financial reporting reliefs availed of by the Group are disclosed in detail in the succeeding pages. PFRS are adopted by the Financial and Sustainability Reporting Standards Council (FSRSC) from the pronouncements issued by the International Accounting Standards Board and approved by the Philippine Board of Accountancy.

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

(b) SEC Financial Reporting Reliefs Availed by the Group

The Group has availed of certain financial reporting reliefs granted by the SEC relating to several implementation issues of PFRS 15, *Revenue from Contracts with Customers*, affecting the real estate industry under following Memorandum Circular (MC):

- MC No. 14-2018, *Philippine Interpretation Committee Question and Answer (PIC Q&A) No. 2018-12 Implementation Issues Affecting Real Estate Industry*
- MC No. 3-2019, *PIC Q&A Nos. 2018-12-H and 2018-14*

SEC MC No. 08-2021, A*mendment to SEC MC No. 14-2018, MC No. 03-2019, MC No.04-2020, and MC No. 34-2020 to Clarify Transitory Provision,* provides real estate companies the accounting policy option of applying either the full retrospective approach or the modified retrospective approach when they apply the provisions of the PIC and IFRIC pronouncement.

Discussed below and in the succeeding page are the financial reporting reliefs availed of by the Group, including the descriptions of the implementation issues and their estimated qualitative impacts to the consolidated financial statements. The Group opted to avail the reliefs until the end of the deferment period as provided under the relevant MC.

PIC Q&A No. 2018-12-D, *Concept of the Significant Financing Component in the Contract to Sell* and PIC Q&A No. 2020-04, *Addendum to PIC Q&A 2018-12-D: Significant Financing Component Arising from Mismatch between the Percentage of Completion and Schedule of Payments* (deferred until December 31, 2023). PFRS 15 requires that in determining the transaction price, an entity shall adjust the promised amount of consideration for the effects of the time value of money if the timing of payments agreed to by the parties to the contract (either explicitly or implicitly) provides the customer or the entity with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component.

There is no significant financing component if the difference between the promised consideration and the cash selling price of the good or service arises for reasons other than the provision of finance to either the customer or the entity, and the difference between those amounts is proportional to the reason for the difference. Further, the Group does not need to adjust the promised amount of consideration for the effects of a significant financing component if the entity expects, at contract inception that the timing difference of the receipt of full payment of the contract price and that of the completion of the project, are expected within one year and significant financing component is not expected to be significant.

Had the Group elected not to defer this provision of the standard, it would have an impact in the consolidated financial statements as there would have been a significant financing component when there is a difference between the percentage of completion (POC) of the real estate project and the right to the consideration based on the payment schedule stated in the contract. The Group would have recognized an interest income when the POC of the real estate project is greater than the right to the consideration and interest expense when lesser. Both interest income and expense will be calculated using the effective interest rate method.

This will impact the retained earnings, real estate sales, and profit or loss in the year of adoption and in comparative periods presented. Furthermore, these would have impacted the cash flows from operations and cash flows from financing activities for all years presented in case of a full retrospective approach. Should the Group elect to apply the modified retrospective approach as allowed by MC No. 2021-08, this will impact the opening retained earnings in the year of adoption.

(c) Presentation of Consolidated Financial Statements

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

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

(d) Functional and Presentation Currency

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

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

2.2 *Adoption of Amended PFRS*

(a) Effective in 2023 that are Relevant to the Group

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

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

Discussed below and in the succeeding page are the relevant information about these pronouncements.

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

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

(ii) PAS 8 (Amendments), *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*. The amendments introduced a new definition of accounting estimate which is a monetary amount in the financial statements that are subject to measurement uncertainty. It also clarifies that a change in accounting estimate that results from new information or new developments is not a correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. The application of these amendments had no significant impact on the Group's consolidated financial statements.

(iii) PAS 12 (Amendments), *Income Taxes – Deferred Tax Related to Assets and Liabilities from a Single Transaction*. The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgment (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense). Management assessed that the application of such amendments had no significant impact on the Group's consolidated financial tatements.

(b) Effective in 2023 that is not Relevant to the Group

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

(c) Effective Subsequent to 2023 but not Adopted Early

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

(i) PAS 1 (Amendments), *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current* (effective from January 1, 2024)

(ii) PAS 1 (Amendments), *Presentation of Financial Statements – Non-current Liabilities with Covenants* (effective from January 1, 2024)

(iii) PAS 7 (Amendments), *Cash Flow Statements* and PFRS 7 (Amendments), *Financial Instruments: Disclosures – Supplier Finance Arrangements* (effective from January 1, 2024)

(iv) PFRS 16 (Amendments), *Leases – Lease Liability in a Sale and Leaseback* (effective from January 1, 2024)

(v) PAS 21 (Amendments), *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability* (effective from January 1, 2025)

2.3 Basis of Consolidation

The Group's consolidated financial statements comprise the accounts of the Parent Company and its subsidiaries as disclosed in Note 1.1, after the elimination of material intercompany transactions.

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

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

(a) Business acquisitions of entities not under common control of a principal stockholder are accounted for using the acquisition method of accounting.

(b) Business combinations arising from transfers of interests in entities that are under the common control of the principal stockholder are accounted for under the pooling-of interests method. Transfers of assets between commonly-controlled entities are accounted for under historical cost accounting; hence, the assets and liabilities are reflected in the consolidated financial statements at carrying values and no adjustments are made to reflect fair values or recognize any new assets or liabilities, at the date of the combination that otherwise would have been done under the acquisition method.

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

2.4 Financial Instruments

(a) Financial Assets

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

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

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

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

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

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

(b) Financial Liabilities

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

2.5 Inventories

(a) Real Estate Inventories

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

(b) Construction Materials

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

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

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

2.6 Property and Equipment

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

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

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

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

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

2.7 Investment Properties

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

2.8 Revenue and Expense Recognition

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

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

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

(a) *Real estate sales on pre-completed residential houses and lots* – Revenue from real estate sales is recognized over time proportionate to the progress of the development. The Group measures its progress based on actual costs incurred relative to the total expected costs to be incurred in completing the development.

(b) *Real estate sales on completed residential houses and lots* – Revenue from real estate sales is recognized at point in time when the control over the real estate property is transferred to the buyer.

(c) *Real estate sales on memorial lots* – Revenue from the Group's sale of memorial lots, which are substantially completed and ready for use, is recognized as the control transfers at the point in time with the customer.

(d) *Rendering of services* – income from interment and chapel services is recognized at a point in time when control over the services transfers to the customer.

Incremental costs of obtaining a contract to sell real estate property to customers are recognized as an asset and are subsequently amortized over the duration of the contract on the same basis as revenue from such contract is recognized.

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

Any consideration received by the Group in excess of the amount for which the Group is entitled is presented as Contract Liabilities, if any, in the consolidated statement of financial position. A contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

In addition, real estate sales are recognized only when certain collection threshold was met over which the Group determines that collection of total contract price is reasonably assured. The Group uses historical payment pattern of customers in establishing a percentage of collection threshold. If the transaction does not yet qualify as contract revenue under PFRS 15, the deposit method is applied until all conditions for recording the sale are met.

Pending the recognition of revenue on real estate sales, consideration received from customers are recognized as Customers' Deposits in the consolidated statement of financial position. Customers' deposit is recognized at the amounts received from customers and will be subsequently applied against the contract receivables when the related real estate sales is recognized.

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

2.9 Leases – Group as Lessee

Subseqent to initial recognition, the Group amortizes the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

2.10 Impairment of Non-financial Assets

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

2.11 Employee Benefits

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

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

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

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

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

3.1 Critical Management Judgments in Applying Accounting Policies

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

(a) *Determining Existence of a Contract with Customer*

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

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

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

(b) *Determination of Transaction Price and Amounts Allocated to Performance Obligations*

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

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

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

(i) Real Estate Sales

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

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

The Group's performance obligation are satisfied as follows:

- *Residential condominium units and houses and lots* – Management determines that revenues from sale of pre-completed residential condominium units and houses and lots are satisfied over time, while completed real estate properties is satisfied at a point in time, since it does not have an alternative use of the specific property sold as it is precluded by its contract from redirecting the use of the property for a different purpose. Further, the Group has rights over payment for development completed to date as the Group can choose to complete the development and enforce its rights to full payment under its contracts even if the customer defaults on amortization payments.

- *Memorial lots* – Management determines that its revenue from sale of memorial lots, which are substantially completed and ready for use, shall be recognized at a point in time when the control of goods have passed to the customer, i.e., upon issuance of purchase agreement (PA) to the customer.

(ii) Interment and Cremation Services

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

(d) Determination of Collection Threshold for Revenue Recognition

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

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

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

The Group uses a provision matrix to calculate ECL for contract and other receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is based on the Group's historical observed default rates. The Group's management intends to regularly calibrate (i.e., on an annual basis) the matrix to consider the historical credit loss experience with forward-looking information (i.e., forecast economic conditions). Details about the ECL on the Group's contract and other receivables are disclosed in Note 25.2.

In relation to advances to related parties, PFRS 9, *Financial Instruments*, notes that the maximum period over which ECL should be measured is the longest contractual period where an entity is exposed to credit risk. In the case of these receivables from related parties, which are repayable on demand, the contractual period is the very short period needed to transfer the cash once demanded. Management determines possible impairment based on the sufficiency of the related parties' highly liquid assets in order to repay the Group's receivables if demanded at the reporting date taking into consideration the historical defaults of the related parties. If the Group cannot immediately collect its receivables, management considers the expected manner of recovery to measure ECL. If the recovery strategies indicate that the outstanding balance of receivables can be collected, the ECL is limited to the effect of discounting the amount due over the period until cash is realized.

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

(f) Determination of Lease Term of Contracts with Renewal and Termination Options

In determining the lease term, management considers all relevant factors and circumstances that create an economic incentive to exercise a renewal option or not exercise a termination option. Renewal options and/or periods after termination options are only included in the lease term if the lease is reasonably certain to be extended or not terminated.

For office leases, the factors that are normally the most relevant are (a) if there are significant penalties should the Group pre-terminate the contract, and (b) if any leasehold improvements are expected to have a significant remaining value, the Group is reasonably certain to extend and not to terminate the lease contract. Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The Group included the renewal period as part of the lease term for office leases due to the significance of these assets to its operations. These leases have a non-cancellable lease period (i.e., 4 to 10 years) and there will be a significant negative effect on production if a replacement is not readily available. However, the renewal options for leases of transportation equipment were not included as part of the lease term because the Group has historically exercises its option to buy these transportation equipment at the end of the lease term.

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

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

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

(h) *Recognition of Provisions and Contingencies*

Provisions are recognized when present obligations will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events.

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

3.2 Key Sources of Estimation Uncertainty

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

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

In determining the amount of revenue to be recognized for performance obligations satisfied over time, the Group measures progress on the basis of actual costs incurred relative to the total expected costs to complete such performance obligation. Specifically, the Group estimates the total development costs with reference to the project development plan and any agreement with customers. Management regularly monitors its estimates and apply changes as necessary.

A significant change in estimated costs would result in a significant change in the amount of revenue recognized in the year of change.

(b) *Estimation of Allowance for ECL*

The measurement of the allowance for ECL on financial assets at amortized cost is an area that requires the use of significant assumptions about the future economic conditions and credit behavior (e.g., likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation used in measuring ECL is further detailed in Note 25.2.

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

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

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

The Group estimates the useful lives of property and equipment and right-of-use assets based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment and right-of-use assets are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

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

(e) *Fair Value Measurement of Investment Properties*

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

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

(f) *Determination of Realizable Amount of Deferred Tax Assets*

The Group reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Management assessed that the deferred tax assets recognized as at December 31, 2023 and 2022 will be fully utilized in the coming years (see Note 19.2).

(g) *Determination of Appropriate Discount Rate in Measuring Lease Liabilities*

The Group measures its lease liabilities at present value of the lease payments that are not paid at the commencement date of the lease contract. The lease payments were discounted using a reasonable rate deemed by management equal to the Group's incremental borrowing rate. In determining a reasonable discount rate, management considers the term of the leases, the underlying asset and the economic environment. Actual results, however, may vary due to changes in estimates brought about by changes in such factors.

(h) *Impairment of Non-financial Assets*

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

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

(i) *Valuation of Post-employment DBO*

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

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

4. SEGMENT REPORTING

4.1 Business Segments

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

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

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

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

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

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

(a) *Residential* – This segment pertains to the housing market segment of the Group. It caters on the development and sale of residential house and lots, subdivision lots, and condominium units.

(b) *Deathcare* – The segment pertains to sale of memorial lots, interment income, and income from chapel services.

4.2 Analysis of Segment Information

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

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

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

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

4.3 Reconciliation

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

	2023	2022	2021
Segment profit before tax and depreciation and amortization	P **1,417,341,497**	P 1,348,057,084	P 1,439,157,533
Depreciation and amortization	**(74,559,239)**	(79,168,758)	(97,039,190)
Unallocated loss before tax	**(103,510)**	(4,619,906)	-
	1,342,678,748	1,264,268,420	1,342,118,343
Other Income:			
Finance income	**7,054,494**	4,531,466	3,944,717
Others	**245,894,767**	170,018,901	101,671,549
	252,949,261	174,550,367	105,616,266
Profit before tax	**P 1,595,628,009**	P 1,438,818,787	P 1,447,734,609

	2023	2022
Assets:		
Total segment assets	**P 27,590,807,361**	P 27,878,007,072
Due from related parties	**216,617,610**	21,769,131
Investment properties	**75,761,379**	75,761,379
Other unallocated assets	**62,556,798**	62,525,518
Total assets as reported in consolidated statements of financial position	**P 27,945,743,148**	P 28,038,063,100
Liabilities:		
Total segment liabilities	**P 11,680,167,051**	P 13,326,076,807
Due to related parties	**951,725,398**	960,744,332
Income tax payable	**15,479,410**	8,641,961
Deferred tax liabilities	**1,181,471,062**	1,050,478,484
Other unallocated liabilities	**67,200**	56,000
Total liabilities as reported in consolidated statements of financial position	**P 13,828,910,121**	P 15,345,997,584

4.4 Disaggregation of Revenue from Contract with Customers and Other Counterparties

When the Group prepares its investor presentations and when the Group's Executive Committee evaluates the financial performance of the operating segments, it disaggregates revenue similar to its segment reporting as presented in Notes 4.1 and 4.2.

The Group determines that the categories used in the investor presentations and financial reports used by the Group's Executive Committee can be used to meet the objective of the disaggregation disclosure requirement of PFRS 15, which is to disaggregate revenue from contracts with customers and other counterparties and disclosed herein as additional information) into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. A summary of additional disaggregation from the segment revenues and other unallocated income are shown in the Note 16.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of December 31 follows:

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

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

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

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

6. CONTRACT AND OTHER RECEIVABLES

6.1 Contract Receivables

This account is composed of the following:

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

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

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

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

6.2 Other Receivables

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

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

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

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

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

7. REAL ESTATE INVENTORIES

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

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

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

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

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

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

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

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

8. OTHER ASSETS

This account consists of the following as of December 31:

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

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

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

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

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

9. PROPERTY AND EQUIPMENT

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

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

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

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

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

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

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

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

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

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

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

10. LEASES

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

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublease the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to purchase the underlying lease asset outright at the end of the lease, or to extend the lease for a further term. The Group is prohibited from selling or pledging the underlying leased assets as security. For leases over office spaces, the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Group must insure the leased assets and incur maintenance fees on such items in accordance with the lease contracts.

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

10.1 Right-of-use Assets

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

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

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

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

10.2 Lease Liabilities

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

	2023	2022
Current	**P 10,039,033**	P 12,733,924
Non-current	**15,049,626**	27,923,533
	P 25,088,659	P 40,657,457

The use of extension and termination options gives the Group added flexibility in the event it has identified more suitable premises in terms of cost and/or location or determined that it is advantageous to remain in a location beyond the original lease term. The future cash outflows to which the Group is potentially exposed to are not reflected in the measurement of lease liabilities represent the amount of monthly rent remaining for the lease term and security deposit to be forfeited. An option is only exercised when consistent with the Group's regional markets strategy and the economic benefits of exercising the option exceeds the expected overall cost.

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

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

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

10.3 Lease Payments Not Recognized as Liabilities

The Group has elected not to recognize a lease liability for short-term leases or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis.

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

10.4 Additional Profit or Loss and Cash Flow Information

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

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

10.5 Security Deposits

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

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

11. INVESTMENT PROPERTIES

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

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

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

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

12. INTEREST-BEARING LOANS

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

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

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

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

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

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

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

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

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

13. TRADE AND OTHER PAYABLES AND RAWLAND PAYABLE

13.1 Rawland Payable

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

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

13.2 Trade and Other Payables

This account consists of:

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

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

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

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

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

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

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

14. CUSTOMERS' DEPOSITS

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

15. RESERVE FOR MAINTENANCE CARE

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

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

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

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

16. REVENUES

16.1 Disaggregation of Revenues

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

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

	Segments		
	Residential	Deathcare	Total
Type of product or services			
2023			
Low-cost housing	P3,685,771,343	P -	P3,685,771,343
Memorial lots	-	553,678,350	553,678,350
Residential condominium	219,889,941	-	219,889,941
Interest income on contract receivables	126,318,423	64,650,653	190,969,076
Interment	-	75,410,499	75,410,499
Chapel services	-	33,654,641	33,654,641
	P4,031,979,707	**P 727,394,143**	**P4,759,373,850**
2022			
Low-cost housing	P4,111,366,286	P -	P4,111,366,286
Memorial lots	-	494,611,186	494,611,186
Residential condominium	89,978,653	-	89,978,653
Interest income on contract receivables	103,226,934	65,443,985	168,670,919
Interment	-	68,575,137	68,575,137
Chapel services	-	29,860,561	29,860,561
	P4,304,571,873	P 658,490,869	P4,963,062,742
2021			
Low-cost housing	P4,101,983,853	P -	P4,101,983,853
Memorial lots	-	716,196,933	716,196,933
Residential condominium	58,604,810	-	58,604,810
Interest income on contract receivables	121,832,222	61,044,840	182,877,062
Interment	-	75,446,574	75,446,574
Chapel services	-	34,235,904	34,235,904
	P4,282,420,885	P 886,924,251	P5,169,345,136

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

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

16.2 Contract Assets and Contract Liabilities

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

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

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

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

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

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

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

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

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

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

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

16.3 Direct Contract Costs

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

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

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

16.4 Transaction Price Allocated to Unsatisfied Performance Obligation

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

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

17. COSTS AND EXPENSES

17.1 Costs of Sales and Services

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

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

Cost of real estate sales is comprised of:

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

17.2 Operating Expenses by Nature

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

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

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

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

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

18. OTHER INCOME

This account consists of:

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

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

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

19. TAXES

19.1 Registration with the Board of Investments (BOI)

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

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

19.2 Current and Deferred Taxes

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

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

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

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

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

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

	2023	2022
Unrealized gross profit	**P1,215,702,983**	P1,096,759,512
Retirement benefit obligation	**(23,923,216)**	(27,471,236)
MCIT	**(9,448,113)**	(5,935,365)
Leases	**(853,749)**	(1,947,796)
Unamortized past service cost	**(6,843)**	(29,611)
NOLCO	**-**	(10,897,020)
	P 1,181,471,062	P1,050,478,484

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

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

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

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

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

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

20. RELATED PARTY TRANSACTIONS

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

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

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

The significant transactions of the Group in the normal course of business with its related parties are described as follows:

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

20.1 Due from Related Parties

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

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

The movements in due from related parties are shown below.

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

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

20.2 Due to Related Parties

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

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

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

20.3 Key Management Personnel Compensation

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

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

20.4 Retirement Fund

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

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

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

20.5 Advances for Land Acquisition

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

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

21. EMPLOYEE BENEFITS

21.1 Salaries and Employee Benefits

Details of salaries and employee benefits are presented below.

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

21.2 Post-employment Defined Benefit Plan

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

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

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

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

Actuarial valuations are made annually to update the post-employment benefit costs and the amount of contributions. All amounts presented below and in the succeeding pages are based on the actuarial valuation report obtained from an independent actuary in 2023 and 2022.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	2023	2022	2021
Discount rates	**6.16%**	7.32%	5.16%
Expected rate of salary increases	**7.75%**	7.75%	7.75%

Assumptions regarding future mortality experience are based on published statistics and mortality tables. The average remaining working lives of an individual retiring at the age of 60 is eight years for both male and female. These assumptions were developed by management with the assistance of an independent actuary. Discount factors are determined close to the end of each reporting period by reference to the interest rates of a zero coupon government bond with terms to maturity approximating to the terms of the post-employment obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

(c) Risks Associated with the Retirement Plan

The plan exposes the Group to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

(i) Investment and Interest Risks

The present value of the DBO is calculated using a discount rate determined by reference to market yields of government bonds. Generally, a decrease in the interest rate of a reference government bond will increase the plan obligation. However, this will be partially offset by an increase in the return on the plan's investments in savings deposit accounts and if the return on plan asset falls below this rate, it will create a deficit in the plan. Currently, the plan has only investments in cash in banks.

(ii) Longevity and Salary Risks

The present value of the DBO is calculated by reference to the best estimate of the mortality of the plan participants both during their employment, and to their future salaries. Consequently, increases in the life expectancy and salary of the plan participants will result in an increase in the plan obligation.

(d) Other Information

The information on the sensitivity analysis for certain significant actuarial assumptions, the Group's timing and uncertainty of future cash flows related to the retirement plan are presented below and in the succeeding page.

(i) Sensitivity Analysis

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

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

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

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

(ii) Asset-liability Matching Strategies

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

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

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

(iii) Funding Arrangements and Expected Contributions

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

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

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

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

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

22. EQUITY

22.1 Capital Stock

Capital stock in 2023 and 2022 consists of:

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

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

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

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

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

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

22.2 Revaluation Reserves

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

23. EARNINGS PER SHARE

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

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

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

24. COMMITMENTS AND CONTINGENCIES

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

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

25. RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

25.1 Interest Rate Risk

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

25.2 Credit Risk

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

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

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

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

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

The expected loss rates are based on the payment profiles of sales over a period of 36 months before December 31, 2023 and 2022, and the corresponding historical credit losses experienced within such period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The management determined that there is no required ECL to be recognized on the Group's contract receivables since the fair value of real estate sold when reacquired is sufficient to cover the unpaid outstanding balance of the related receivable arising from sale. Therefore, there is no expected loss given default as the recoverable amount from subsequent resale of the real estate is sufficient. Accordingly, no allowance was recorded by the Group as of December 31, 2023 and 2022.

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

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

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

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

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

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

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

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

25.3 Liquidity Risk

The Group manages its liquidity needs by carefully monitoring cash outflows due in a day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 6-month and one-year period are identified monthly.

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

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

26. CATEGORIES AND OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

26.1 Carrying Values and Fair Values by Category

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

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

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

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

26.2 Offsetting of Financial Assets and Financial Liabilities

Except as more fully described in Note 20, the Group has not set-off financial instruments in 2023 and 2022 and does not have relevant offsetting arrangements. Currently, all other financial assets and financial liabilities are settled on a gross basis; however, each party to the financial instrument (particularly related parties) will have the option to settle all such amounts on a net basis in the event of default of the other party through approval by both parties' BOD and stockholders. As such, the Group's outstanding receivables from and payables to the same related parties as presented in Note 20 can be potentially offset to the extent of their corresponding outstanding balances.

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

27. FAIR VALUE MEASUREMENT AND DISCLOSURES

27.1 Fair Value Hierarchy

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,

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

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

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

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

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

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

27.3 Fair Value Measurement for Non-financial Assets

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

The fair value of the Group's investment properties, pertaining to parcels of land, amounting to P1,096.3 million and P994.5 million as of December 31, 2023 and 2022, respectively, are determined on the basis of the appraisals performed by an independent appraiser, respectively, with appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations. To some extent, the valuation process was conducted by the appraiser in discussion with the Group's management with respect to the determination of the inputs such as the size and condition of the land, and the comparable prices in the corresponding property location.

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

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

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

28. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return to shareholders by pricing products and services commensurate with the level of risk.

The Group sets the amount of capital in proportion to its overall financing structure, i.e., equity and liabilities. The Group manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

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

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

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

29. SUPPLEMENTAL INFORMATION ON CASH FLOWS

29.1 Reconcilation of Liabilities Arising from Financing Activities

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

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

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

29.2 Supplemental Information on Non-cash Activities

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

- In 2023, 2022 and 2021, the Group recognized right-of-use assets amounting to P29.4 million, P21.8 million and P28.0 million, respectively, and lease liabilities amounting to P28.8 million, P19.8 million and P27.3 million, respectively (see Note 10).

- In 2023 and 2021, the Group pre-terminated certain leases as mutually-agreed with its lessors. Accordingly, the Group derecognized the corresponding carrying amount of right-of-use assets amounting to P24.9 million and P0.7 million as of pre-termination date in 2023 and 2021, respectively, and remaining balance of lease liabilities amounting to P31.1 million and P0.8 million as of pre-termination date in 2023 and 2021, respectively (see Note 10). There was no similar transaction in 2022.

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

- In 2022, the Group made advance payments to FPI for future strategic land acquisition. However, these advances were reclassified to Due from Related Parties based on management's assessment that the purchase of land is no longer probable due to change in intention in 2023 (see Note 20.5).

- In 2021, the Group transferred certain parcels of land previously classified as Investment Properties to Real Estate Inventories with carrying amount of P24.8 million. There was no similar transaction in 2023 and 2022.

Report of Independent Auditors to Accompany Supplementary Information Required by the Securities and Exchange Commission Filed Separately from the Basic Consolidated Financial Statements

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San Ezekiel, C5 Extension
Las Piñas City

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of Golden MV Holdings, Inc. and subsidiaries (the Group) for the year ended December 31, 2023, on which we have rendered our report dated May 15, 2024. Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The applicable supplementary information (see List of Supplementary Information) is presented for purposes of additional analysis in compliance with the requirements of the Revised Securities Regulation Code Rule 68 and is not a required part of the basic consolidated financial statements prepared in accordance with Philippine Financial Reporting Standards, as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission. Such supplementary information is the responsibility of the Group's management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

PUNONGBAYAN & ARAULLO

By: James Joseph Benjamin J. Araullo
Partner

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

May 15, 2024

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

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

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

Golden MV Holdings, Inc. and Subsidiaries

(A Subsidiary of Fine Properties, Inc.)

Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders

(Other than Related Parties)

December 31, 2023

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

Golden MV Holdings, Inc. and Subsidiaries
(A Subsidiary of Fine Properties, Inc.)
Schedule C - Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements
December 31, 2023

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

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

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

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

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

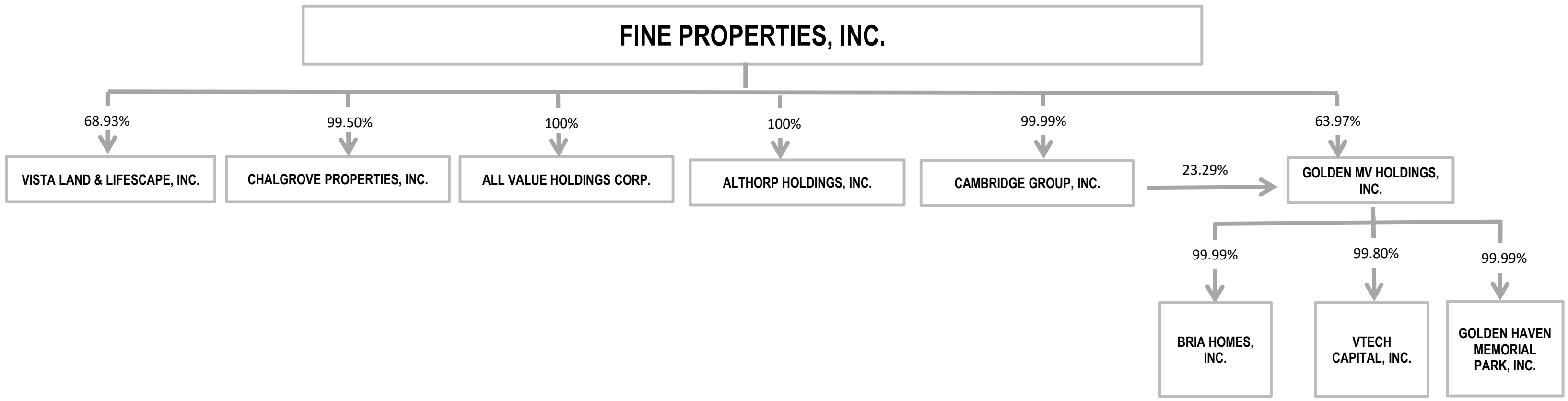
GOLDEN MV HOLDINGS, INC.
(A Subsidiary of Fine Properties, Inc.)
SAN EZEKIEL, C5 EXTENSION, LAS PIÑAS CITY
Reconciliation of Retained Earnings Available for Dividend Declaration
December 31, 2023

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

GOLDEN MV HOLDINGS, INC. AND SUBSIDIARIES

SHOWING THE RELATIONSHIPS BETWEEN AND AMONG COMPANIES IN THE GROUP
DECEMBER 31, 2023

ULTIMATE PARENT COMPANY AND SUBSIDIARIES



Report of Independent Auditors on Components of Financial Soundness Indicators

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

T +63 2 8988 2288

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

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of Golden MV Holdings, Inc. and subsidiaries (the Group) for the years ended December 31, 2023 and 2022, on which we have rendered our report dated May 15, 2024. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purposes of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission (SEC), and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS, as modified by the application of the financial reporting reliefs issued and approved by the SEC. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2023 and 2022 and for each of the two years in the period ended December 31, 2023 and no material exceptions were noted.

PUNONGBAYAN & ARAULLO

By: James Joseph Benjamin J. Araullo
Partner

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

May 15, 2024

GOLDEN MV HOLDINGS, INC.

(A Subsidiary of Fine Properties, Inc.)

Supplemental Schedule of Financial Soundness Indicators

December 31, 2023 and 2022

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

COVER SHEET

1	0	8	2	7	0					

S.E.C. Registration Number

G O L D E N M V H O L D I N G S , I N C .

(Company's Full Name)

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

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

Estrellita S. Tan
Contact Person

(02) 8873-2922
Company Telephone Number

1 2 / **3 1**
Month *Day*
Calendar Year

AFS
FORM TYPE

0 7 / **1 5**
Month *Day*
Annual Meeting

N/A
Secondary License Type,
If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

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Transaction Code: **AFS-0-9KJEELBH04XXV3R1QYT331Z20BGKB9BCH**
Submission Date/Time: **Apr 30, 2024 12:17 AM**
Company TIN: **000-768-991**

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- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

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GOLDEN MV HOLDINGS

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

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

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

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

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

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

Manuel B. Villar, Jr.
Chairman of the Board

Cynthia J. Javarez
President

Estrellita S. Tan
Chief Financial Officer

Signed this 29th day of April, 2024

GOLDEN MV HOLDINGS

SUBSCRIBED AND SWORN to before me this APR 29 2024 at MANDALUYONG CITY, affiants exhibiting to me their respective passports, to wit:

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

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

ATTY. AR[illegible]N OMAR P. CARIÑO
N[illegible]ARY PUBLIC
UNTIL [illegible]EMBER 31, 2024
[illegible] No. [illegible]
[illegible] No. 018537
PTR [illegible] 2024 / Mandaluyong City
MCLE [illegible] 03 June 2022
[illegible] Appointment No. 0388-23
[illegible] Center, Upper Ground Floor,
Worldwide Corporate Center, Shaw Blvd., Mandaluyong City

Doc. No. 249
Page No. 51
Book No. XXII
Series of 2024.

ir@goldenhaven.com.ph San Ezekiel, C5 Extension, Villar SIPAG Complex, Las Piñas City (02) 8873-2922 | (02) 8873-2923

P&A
Grant Thornton

FOR SEC FILING

Financial Statements and
Independent Auditors' Report

Golden MV Holdings, Inc.

December 31, 2023, 2022 and 2021

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

T +63 2 8988 2288

Report of Independent Auditors

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

Report on the Audit of the Financial Statements

Opinion

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2023 in accordance with Philippine Financial Reporting Standards (PFRS), as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission (SEC) and described in Note 2 to the financial statements.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 2 to the financial statements, which indicates that the financial statements have been prepared in accordance with PFRS, as modified by the financial reporting reliefs issued and approved by the SEC. The qualitative impact of the financial reporting reliefs on the financial statements are disclosed in Note 2 to the financial statements. Our opinion is not modified in respect of this matter.

Other Information

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

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

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended December 31, 2023 required by the Bureau of Internal Revenue as disclosed in Note 29 to the financial statements is presented for purposes of additional analysis and is not a required part of the basic financial statements prepared in accordance with PFRS. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The engagement partner in the audits resulting in this independent auditor's report is James Joseph Benjamin J. Araullo.

PUNONGBAYAN & ARAULLO

By: James Joseph Benjamin J. Araullo
Partner

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

April 29, 2024

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

	Notes	2023	2022
A S S E T S			
CURRENT ASSETS			
Cash	4	P 663,022,320	P 420,432,380
Contracts receivable	5	1,124,490,963	1,264,414,873
Due from related parties	19	116,598,014	76,524,028
Other receivables	5	150,089,200	148,842,823
Memorial lot inventories – net	6	1,624,430,498	1,543,779,976
Other current assets	11	25,470,424	23,931,423
Total Current Assets		3,704,101,419	3,477,925,503
NON-CURRENT ASSETS			
Contracts receivable	5	1,061,016,387	1,108,649,125
Investments in subsidiaries	7	3,303,525,480	3,303,525,480
Property and equipment – net	8	155,127,890	165,738,274
Right-of-use assets – net	9	3,405,476	6,460,060
Investment property	10	5,540,932	5,540,932
Total Non-current Assets		4,528,616,165	4,589,913,871
TOTAL ASSETS		P 8,232,717,584	P 8,067,839,374
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Interest-bearing loans	12	P 442,328	P 600,819
Trade and other payables	13	394,988,209	467,207,497
Rawlands payable	13	162,146,716	178,339,175
Lease liabilities	9	2,813,234	4,683,602
Subscription payable	7	217,500,000	217,500,000
Customers' deposits		194,301,895	197,550,150
Income tax payable		14,115,680	8,641,961
Total Current Liabilities		986,308,062	1,074,523,204
NON-CURRENT LIABILITIES			
Interest-bearing loans	12	557,193	137,096
Lease liabilities	9	294,428	1,652,758
Deferred tax liabilities – net	18	474,900,143	468,385,781
Reserve for maintenance care	14	994,464,999	893,720,592
Defined benefit obligation – net	20	22,234,995	14,911,574
Total Non-current Liabilities		1,492,451,758	1,378,807,801
Total Liabilities		2,478,759,820	2,453,331,005
EQUITY			
Capital stock	21	644,117,649	644,117,649
Additional paid-in capital	21	3,492,955,822	3,492,955,822
Revaluation reserves	21	(2,882,084)	890,211
Retained earnings		1,619,766,377	1,476,544,687
Net Equity		5,753,957,764	5,614,508,369
TOTAL LIABILITIES AND EQUITY		P 8,232,717,584	P 8,067,839,374

See Notes to Financial Statements.

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

	Notes	2023	2022	2021
REVENUES				
Real estate sales	15	**P 517,232,902**	P 445,887,302	P 716,196,933
Interest income on contract receivables	5	**63,574,107**	65,404,347	61,044,840
Interment income	15	**75,410,499**	68,575,137	75,446,574
Income from chapel services	15	**33,654,641**	29,860,561	34,235,904
		689,872,149	609,727,347	886,924,251
COSTS AND EXPENSES	16			
Cost of memorial lots sold		**(86,416,155)**	(64,691,258)	(117,113,299)
Cost of interment		**(27,092,300)**	(22,749,091)	(24,803,872)
Cost of chapel services		**(13,738,716)**	(13,161,163)	(14,125,454)
Costs of sales and services		**127,247,171**	100,601,512	156,042,625
Other operating expenses		**394,972,684**	425,035,633	545,704,600
		522,219,855	525,637,145	701,747,225
OPERATING PROFIT		**167,652,294**	84,090,202	185,177,026
OTHER INCOME (CHARGES)				
Finance costs	9, 12, 20	**(2,099,883)**	(1,637,943)	(3,515,118)
Finance income	4	**1,131,264**	327,647	369,617
Other income	17	**24,516,148**	37,618,419	19,717,007
		23,547,529	36,308,123	16,571,506
PROFIT BEFORE TAX		**191,199,823**	120,398,325	201,748,532
TAX INCOME (EXPENSE)	18	**(47,978,133)**	(30,220,119)	43,914,028
NET PROFIT		**143,221,690**	90,178,206	245,662,560
OTHER COMPREHENSIVE INCOME (LOSS)				
Item that will not be reclassified subsequently to profit or loss				
Remeasurements of defined benefit obligation	20	**(5,029,727)**	5,138,317	(697,354)
Tax income (expense)	18	**1,257,432**	(1,284,579)	11,638
		(3,772,295)	3,853,738	(685,716)
TOTAL COMPREHENSIVE INCOME		**P 139,449,395**	P 94,031,944	P 244,976,844
Basic and Diluted Earnings Per Share	22	**P 0.22**	P 0.14	P 0.38

See Notes to Financial Statements.

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

	Capital Stock (see Note 21)	Additional Paid-in Capital (see Note 21)	Revaluation Reserves (see Note 21)	Retained Earnings	Net Equity
Balance at January 1, 2023	P 644,117,649	P 3,492,955,822	P 890,211	P 1,476,544,687	P 5,614,508,369
Total comprehensive income for the year	-	-	(3,772,295)	143,221,690	139,449,395
Balance at December 31, 2023	**P 644,117,649**	**P 3,492,955,822**	**(P 2,882,084)**	**P 1,619,766,377**	**P 5,753,957,764**
Balance at January 1, 2022	P 644,117,649	P 3,492,955,822	(P 2,963,527)	P 1,386,366,481	P 5,520,476,425
Total comprehensive income (loss) for the year	-	-	3,853,738	90,178,206	94,031,944
Balance at December 31, 2022	P 644,117,649	P 3,492,955,822	P 890,211	P 1,476,544,687	P 5,614,508,369
Balance at January 1, 2021	P 644,117,649	P 3,492,955,822	(P 2,277,811)	P 1,140,703,921	P 5,275,499,581
Total comprehensive income for the year	-	-	(685,716)	245,662,560	244,976,844
Balance at December 31, 2021	P 644,117,649	P 3,492,955,822	(P 2,963,527)	P 1,386,366,481	P 5,520,476,425

See Notes to Financial Statements.

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

	Notes	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax		**P 191,199,823**	P 120,398,325	P 201,748,532
Adjustments for:				
Interest income	4, 5	**(64,705,371)**	(65,731,994)	(61,414,457)
Depreciation and amortization	8, 9	**45,224,908**	46,544,545	53,201,049
Interest expense	9, 12, 20	**1,524,383**	1,294,576	3,186,692
Gain on derecognition of liabilities	17	**-**	(17,646,595)	-
Gain on lease cancellation		**-**	-	(59,074)
Operating profit before working capital changes		**173,243,743**	84,858,857	196,662,742
Decrease in contracts receivable		**187,556,648**	473,535,570	283,369,058
Decrease (increase) in other receivables		**(1,246,377)**	(8,522,688)	1,167,512
Increase in memorial lot inventories		**(80,650,522)**	(115,244,608)	(87,070,235)
Increase in other current assets		**(1,721,819)**	(191,771)	(1,621,242)
Decrease in trade and other payables		**(7,132,016)**	(150,192,168)	(71,942,121)
Decrease in rawlands payable		**(16,192,459)**	(44,397,308)	(86,772,652)
Increase (decrease) in customers' deposits		**(3,248,255)**	37,991,273	29,987,844
Increase in defined benefit obligation		**1,409,482**	13,155,185	1,284,334
Increase in other liabilities		**102,900,858**	25,298,812	49,071,284
Cash generated from operations		**354,919,283**	316,291,154	314,136,524
Interest received		**64,705,371**	65,731,994	61,414,457
Cash paid for income taxes		**(34,549,802)**	(38,673,260)	(40,954,940)
Net Cash From Operating Activities		**385,074,852**	343,349,888	334,596,041
CASH FLOWS FROM INVESTING ACTIVITIES				
Advances granted to related parties	19	**(44,246,669)**	(25,011,165)	(41,431,550)
Acquisitions of property and equipment	8	**(30,354,247)**	(13,328,883)	(22,135,364)
Collections of advances to related parties	19	**4,172,683**	-	1,035,144
Acquisition of shares of stock	7	**-**	(62,000,000)	-
Net Cash Used in Investing Activities		**(70,428,233)**	(100,340,048)	(62,531,770)
CASH FLOWS FROM FINANCING ACTIVITIES				
Advances paid to related parties	19	**(88,107,896)**	(98,931,921)	(214,828,204)
Advances obtained from related parties	19	**23,020,624**	8,663,934	-
Repayment of lease liabilities	9	**(6,237,135)**	(6,180,670)	(7,085,629)
Repayment of interest-bearing loans	12	**(673,494)**	(4,489,274)	(32,041,517)
Interest paid	12	**(58,778)**	(147,061)	(1,978,595)
Net Cash Used in Financing Activities		**(72,056,679)**	(101,084,992)	(255,933,945)
NET INCREASE IN CASH		**242,589,940**	141,924,848	16,130,326
CASH AT BEGINNING OF YEAR		**420,432,380**	278,507,532	262,377,206
CASH AT END OF YEAR		**P 663,022,320**	P 420,432,380	P 278,507,532

Supplemental Information on Non-cash Investing and Financing Activities:

1) In 2023, 2022 and 2021, the Company recognized right-of-use assets amounting to P2.4 million, P3.7 million and P1.9 million, respectively, and lease liabilities amounting to P2.4 million, P2.0 million and P1.7 million, respectively (see Notes 9 and 28).

2) In 2022, the Company recognized additional subscription payable amounting to P187.5 million for the unpaid portion of the subscribed shares. There was no similar transaction in 2023 and 2021.

3) In 2021, the Company derecognized right-of-use assets and related lease liabilities amounting to P0.7 million and P0.8 million, respectively, due to pre-termination of lease (see Notes 9 and 28). There was no similar transaction in 2023 and 2022.

4) The Company acquired certain service equipment through a long-term bank loan with capitalizable amount of P0.9 million in 2023 (see Note 12). There was no similar transaction in 2022 and 2021.

See Notes to Financial Statements.

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

1. CORPORATE INFORMATION

1.1 Organization and Operations

Golden MV Holdings, Inc. (HVN or the Company), formerly Golden Bria Holdings, Inc., was incorporated in the Philippines on November 16, 1982. The Company's primary purpose is to invest, purchase or otherwise to acquire and own, hold, use, sell, assign, transfer, lease mortgage, exchange, develop, manage or otherwise dispose of real every kind and description, including shares of stock, bonds, debentures, notes, evidences of indebtedness, and other securities or obligations of any corporations. As of December 31, 2023, the Company is 63.97% effectively-owned subsidiary of Fine Properties, Inc. (FPI), which is a holding company.

In 2017, HVN acquired 99.99% ownership interest in Bria Homes, Inc. (BHI). Accordingly, BHI became a subsidiary of HVN. BHI is presently engaged in developing and selling real estate properties, particularly, residential houses, and lots.

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

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

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

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

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

1.2 Approval of Financial Statements

The financial statements of the Company as of and for the year ended December 31, 2023 (including the comparative financial statements as of December 31, 2022 and for the years ended December 31, 2022 and 2021) were authorized for issue by the Company's BOD on April 29, 2024.

2. MATERIAL ACCOUNTING POLICY INFORMATION

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

2.1 Basis of Preparation of Financial Statements

(a) Statement of Compliance with Philippine Financial Reporting Standards

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS), as modified by the application of the financial reporting reliefs issued and approved by the SEC in response to the COVID-19 pandemic. The financial reporting reliefs availed of by the Company are disclosed in detail below and in the succeeding page. PFRS are adopted by the Financial and Sustainability Reporting Standards Council (FSRSC) from the pronouncements issued by the International Accounting Standards Board and approved by the Philippine Board of Accountancy.

The financial statements have been prepared using the measurement bases specified by PFRS, as modified by the application of the financial reporting reliefs issued and approved by the SEC in response to the COVID-19 pandemic, for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies that follow.

(b) SEC Financial Reporting Reliefs Availed by the Company

The Company has availed of certain financial reporting reliefs granted by the SEC relating to several implementation issues of PFRS 15, *Revenue from Contracts with Customers*, affecting the real estate industry under the following Memorandum Circulars (MC):

- MC No. 14-2018, *Philippine Interpretation Committee Question and Answer (PIC Q&A) No. 2018-12 Implementation Issues Affecting Real Estate Industry*
- MC No. 3-2019, *PIC Q&A Nos. 2018-12-H and 2018-14*

SEC MC No. 08-2021, A*mendment to SEC MC No. 14-2018, MC No. 03-2019, MC No. 04-2020, and MC No. 34-2020 to Clarify Transitory Provision,* provides real estate companies the accounting policy option of applying either the full retrospective approach or the modified retrospective approach when they apply the provisions of the PIC and IFRS Interpretations Committee (IFRIC) pronouncement.

Discussed below is the only financial reporting relief availed of by the Company, including the descriptions of the implementation issues and their estimated qualitative impacts to the financial statements. The Company opted to avail the relief until the end of the deferment period as provided under the relevant MC.

PIC Q&A No. 2018-12-D, *Concept of the Significant Financing Component in the Contract to Sell* and PIC Q&A No. 2020-04, *Addendum to PIC Q&A 2018-12-D: Significant Financing Component Arising from Mismatch between the Percentage of Completion and Schedule of Payments* (deferred until December 2023). PFRS 15 requires that in determining the transaction price, an entity shall adjust the promised amount of consideration for the effects of the time value of money if the timing of payments agreed to by the parties to the contract (either explicitly or implicitly) provides the customer or the entity with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component.

There is no significant financing component if the difference between the promised consideration and the cash selling price of the good or service arises for reasons other than the provision of finance to either the customer or the entity, and the difference between those amounts is proportional to the reason for the difference. Further, the Company does not need to adjust the promised amount of consideration for the effects of a significant financing component if the entity expects, at contract inception that the timing difference of the receipt of full payment of the contract price and that of the completion of the project, are expected within one year and significant financing component is not expected to be significant.

Had the Company elected not to defer this provision of the standard, the Company would have recognized interest income based on the interest rate that reflects the credit characteristics of its customers which maybe higher or lower than the nominal interest rate. This will impact the retained earnings and profit or loss in 2023 and prior years.

(c) Presentation of Financial Statements

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

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

(d) Functional and Presentation Currency

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

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

2.2 Adoption of Amended PFRS

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

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

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

Discussed below and in the succeeding page are the relevant information about these pronouncements.

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

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

(ii) PAS 8 (Amendments), *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates.* The amendments introduced a new definition of accounting estimate which is a monetary amount in the financial statements that are subject to measurement uncertainty. It also clarifies that a change in accounting estimate that results from new information or new developments is not a correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. The application of these amendments had no significant impact on the Company's financial statements.

(iii) PAS 12 (Amendments), *Income Taxes – Deferred Tax Related to Assets and Liabilities from a Single Transaction*. The amendments narrow the scope of the initial recognition exception under PAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgment (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense). Management assessed that the application of such amendments had no significant impact on the Company's financial statements.

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

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

(c) Effective Subsequent to 2023 but not Adopted Early

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

(i) PAS 1 (Amendments), *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current* (effective from January 1, 2024)

(ii) PAS 1 (Amendments), *Presentation of Financial Statements – Non-current Liabilities with Covenants* (effective from January 1, 2024)

(iii) PAS 7 (Amendments), *Cash Flow Statements* and PFRS 7 (Amendments), *Financial Instruments: Disclosures – Supplier Finance Arrangements* (effective from January 1, 2024)

(iv) PFRS 16 (Amendments), *Leases – Lease Liability in a Sale and Leaseback* (effective from January 1, 2024)

(v) PAS 21 (Amendments), *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability* (effective from January 1, 2025)

2.3 Separate Financial Statements and Investments in Subsidiaries

These financial statements are prepared as the Company's separate financial statements. The Company also prepares consolidated financial statements as required under PFRS.

The Company's investments in subsidiaries are accounted for in these separate financial statements at cost, less any impairment.

2.4 Financial Instruments

(a) Financial Assets

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

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

The Company's financial assets at amortized cost are presented in the statement of financial position as Cash, Contracts Receivable, Other Receivables (except Advances to contractors and employees), Due from Related Parties and Security deposits presented under Other Current Assets.

The Company applies the simplified approach in measuring expected credit loss (ECL), which uses a lifetime expected loss allowance for contracts receivable. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. The Company uses its historical experience, external indicators and forward-looking information to calculate the ECL using a provision matrix.

The Company applies a general approach specifically, in relation to due from related parties, other receivables and security deposits. The maximum period over which ECL should be measured is the longest contractual period where an entity is exposed to credit risk.

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

(b) Financial Liabilities

Financial liabilities include Interest-bearing Loans, Trade and Other Payables [except output value-added tax (VAT) and other tax-related payables], Rawlands Payable, Reserve for Maintenance Care and Subscription Payable.

2.5 Memorial Lot Inventories

Memorial lot inventories consist of the acquisition cost of the land (including individual acquisition costs), actual development and construction costs, and other necessary costs incurred in bringing the memorial lots ready for sale. In determining the cost of memorial lot available for sale, the Company identifies the specific cost incurred for each park location and subsequently allocates such cost based on the number of developed lots in different phases comprising the whole park area.

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

Reacquired memorial lot arising from sales cancellation is recognized at cost. The difference between the carrying amount of the receivable or contract asset to be derecognized and the cost of the repossessed property is recognized in the statement of comprehensive income.

2.6 Property and Equipment

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

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

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

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

2.7 Investment Property

Investment property, which pertains to a parcel of land, is carried at cost, less any impairment in value.

2.8 Revenue and Expense Recognition

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

The significant judgments used in determining the existence of a contract with a customer, evaluation of timing of satisfaction of performance obligations and determination of collection threshold for revenue recognition are disclosed in Note 3.1(a), (b) and (c), respectively. In addition, the following specific revenue recognition criteria must also be met before revenue is recognized:

(a) *Real estate sales* – revenue from the Company's sale of memorial lots, which are substantially completed and ready for use, is recognized as the control transfers at the point in time with the customer.

In addition, real estate sales are recognized only when certain collection threshold was met over which the Company determines that collection of total contract price is reasonably assured. The Company uses historical payment pattern of customers in establishing a percentage of collection threshold.

For tax reporting purposes, a modified basis of computing the taxable income for the year based on collections from sales is used by the Company.

(b) *Rendering of services* – revenue from interment, cremation and chapel services is recognized at a point in time when control over the services transfers to the customer.

Incremental costs of obtaining a contract to sell real estate property to customers are recognized as an asset and are subsequently amortized over the duration of the contract on the same basis as revenue from such contract is recognized.

If the transaction does not yet qualify as contract revenue under PFRS 15, the deposit method is applied until all conditions for recording the sale are met. Pending the recognition of revenue on real estate sale, consideration received from buyers are presented under the Customers' Deposits account in the Liabilities section of the statement of financial position. Customers' deposits are recognized at the amounts received from customers and will be subsequently applied against the contract receivables when the related real estate sales are recognized.

Cumulative revenue and cost recognized on cancelled accounts are reversed in the year of cancellation, and any gain or loss on cancellation is charged to profit or loss [see Note 3.1(a)].

2.9 Leases – Company as Lessee

The Company amortizes the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use assets or the end of the lease term.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

2.10 Impairment of Non-financial Assets

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

2.11 Employee Benefits

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

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

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

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

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

3.1 Critical Management Judgments in Applying Accounting Policies

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

(a) Determining Existence of a Contract with Customer

In a sale of real estate properties, the Company's primary document for a contract with a customer is a signed contract to sell which is executed when the real estate property sold is completed and ready for use by customer. In rare cases wherein contract to sell are not executed by both parties, management has determined that the combination of other signed documentations with the customers such as reservation agreement, official receipts, computation sheets and invoices, would contain all the elements to qualify as contract with the customer (i.e., approval of the contract by the parties, which has commercial substance, identification of each party's rights regarding the goods or services and the related payment terms). Moreover, as part of the evaluation, the Company assesses the probability that the Company 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 Company considers the significance of the customer's down payment in relation to the total contract price.

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

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

(i) Real Estate Sales

The Company exercises critical judgment in determining whether each performance obligation to develop properties promised in its contracts with customers is satisfied over time or at a point in time.

In making this judgment, the Company considers the following:

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

Management determines that its revenue from sale of memorial lots, which are substantially completed and ready for use, shall be recognized at a point in time when the control of goods have passed to the customer, i.e., upon issuance of purchase agreement to the customer.

(ii) Income from Chapel Services and Interment

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

(c) Determination of Collection Threshold for Revenue Recognition

The Company uses judgment in evaluating the probability of collection of transaction price on real estate sales as a criterion for revenue recognition. The Company uses historical payment pattern of customers and number of sales cancellation in establishing a percentage of collection threshold over which the Company determines that collection of the transaction price is reasonably assured. Reaching this level of collection is an indication of buyer's continuing commitment and the probability that economic benefits will flow to the Company. The Company considers that the initial and continuing investments by the buyer when reaching the set collection threshold would demonstrate the buyer's commitment to pay the total contract price.

In 2022, the Company reassessed the historical behavior of its customers and determined a new percentage of collection threshold in recognizing revenue, which resulted in a decrease of P185.05 million in revenues and corresponding cost of memorial lots sold of P27.01 million.

(d) Determination of ECL on Contracts and Other Receivables and Due from Related Parties

The Company uses a provision matrix to calculate ECL for contracts and other receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating).

The provision matrix is based on the Company's historical observed default rates. The Company's management intends to regularly calibrate (i.e., on an annual basis) the matrix to consider the historical credit loss experience with forward-looking information (i.e., forecast economic conditions). Details about the ECL on the Company's trade and other receivables are disclosed in Note 24.2.

In relation to advances to related parties, PFRS 9 notes that the maximum period over which ECL should be measured is the longest contractual period where an entity is exposed to credit risk. In the case of these receivables from related parties, which are repayable on demand, the contractual period is the very short period needed to transfer the cash once demanded.

Management determines possible impairment based on the sufficiency of the related parties' highly liquid assets in order to repay the Company's receivables if demanded at the reporting date taking into consideration the historical defaults of the related parties. If the Company cannot immediately collect its receivables, management considers the expected manner of recovery to measure ECL. If the recovery strategies indicate that the outstanding balance of receivables can be collected, the ECL is limited to the effect of discounting the amount due over the period until cash is realized.

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

(e) Determination of Lease Term of Contracts with Renewal and Termination Options

In determining the lease term, management considers all relevant factors and circumstances that create an economic incentive to exercise a renewal option or not exercise a termination option. Renewal options and/or periods after termination options are only included in the lease term if the lease is reasonably certain to be extended or not terminated.

For office leases, the factors that are normally the most relevant are (a) if there are significant penalties should the Company pre-terminate the contract, and (b) if any leasehold improvements are expected to have a significant remaining value, the Company is reasonably certain to extend and not to terminate the lease contract. Otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

(f) Distinction Among Investment Properties, Owner-managed Properties and Memorial Lot Inventories

The Company classifies its acquired properties as property and equipment if used in operations, as investment properties if the Company intends to hold the properties for capital appreciation, rental or undetermined use, and as memorial lot inventories if the Company intends to develop the properties for sale.

(g) Recognition of Provisions and Contingencies

Provisions are recognized when present obligations will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events.

Judgment is exercised by management to distinguish between provisions and contingencies. Disclosures on relevant provisions and contingencies are presented in Note 23.

3.2 Key Sources of Estimation Uncertainty

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

(a) Determination of Appropriate Discount Rate in Measuring Lease Liabilities

The Company measures its lease liabilities at present value of the lease payments that are not paid at the commencement date of the lease contract.

The lease payments were discounted using a reasonable rate deemed by management equal to the Company's incremental borrowing rate. In determining a reasonable discount rate, management considers the term of the leases, the underlying asset and the economic environment. Actual results, however, may vary due to changes in estimates brought about by changes in such factors.

(b) Estimation of Allowance for ECL

The measurement of the allowance for ECL on financial assets at amortized cost is an area that requires the use of significant assumptions about the future economic conditions and credit behavior (e.g., likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation used in measuring ECL is further detailed in Note 24.2.

(c) Determination of Net Realizable Value of Memorial Lot Inventories

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

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

The Company estimates the useful lives of property and equipment and right-of-use assets based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment and right-of-use assets are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

The carrying amounts of property and equipment and right-of-use assets are analyzed in Notes 8 and 9.1, respectively. Based on management's assessment as of December 31, 2023 and 2022, there is no change in the estimated useful lives of those assets during those years. Actual results, however, may vary due to changes in estimates brought about by changes in factors mentioned.

(e) Fair Value Measurement of Investment Property

The Company's investment property composed of land are carried at cost at the end of the reporting period. In addition, the accounting standards require the disclosure of the fair value of the investment property. In determining the fair value of these assets, the Company engages the services of professional and independent appraiser applying the relevant valuation methodologies as discussed in Note 26.2.

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

(f) Determination of Realizable Amount of Deferred Tax Assets

The Company reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Management assessed that the deferred tax assets recognized as of December 31, 2023 and 2022 will be fully utilized in the coming years (see Note 18).

(g) Impairment of Non-financial Assets

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

In 2023 and 2022, no impairment losses were recognized on property and equipment, right-of-use assets, investment property and other non-financial assets (see Notes 8, 9.1, 10 and 11).

(h) Valuation of Post-employment Defined Benefit Obligation

The determination of the Company's obligation and cost of post-employment defined benefit plan is dependent on the selection of certain assumptions used by actuaries in calculating such amounts.

A significant change in any of these actuarial assumptions may generally affect the recognized expense, other comprehensive income or losses and the carrying amount of the post-employment defined benefit obligation in the next reporting period.

The amounts of post-employment benefit obligation and expense and an analysis of the movements in the estimated present value of post-employment benefit, as well as the significant assumptions used in estimating such obligation are presented in Note 20.2.

4. CASH

Cash include the following components as of December 31:

	2023	2022
Cash on hand	**P 5,942,230**	P 5,529,896
Cash in banks	**657,080,090**	414,902,484
	P 663,022,320	P 420,432,380

Cash in banks generally earn interest based on daily bank deposit rates. The total interest income earned amounted to P1.1 million, P0.3 million and P0.4 million in 2023, 2022 and 2021, respectively, and is presented as Finance Income under Other Income (Charges) in the statements of comprehensive income.

5. CONTRACTS AND OTHER RECEIVABLES

5.1 Contracts Receivable

This account is composed of the following:

	2023	2022
Current	**P 1,124,490,963**	P 1,264,414,873
Non-current	**1,061,016,387**	1,108,649,125
	P 2,185,507,350	P 2,373,063,998

Contracts receivable with a maximum term of six years have annual interest rates of 5.00% to 12.00% in years 2023, 2022 and 2021. Interest income related to this account of P63.6 million, P65.4 million and P61.0 million in 2023, 2022 and 2021, respectively, are reported under Revenues section in the statements of comprehensive income.

All of the Company's contracts receivable, which are subject to credit risk exposure (see Note 24.2), have been reviewed for impairment. Based on the provisional matrix as determined by the management, it was assessed that the Company's contracts receivable were found to be collectible; hence, allowance for impairment is no longer required.

The Company's contracts receivable are effectively collateralized by the memorial lots sold to the buyers considering that the title over the right in the memorial lots will only be transferred upon full payment.

5.2 Other Receivables

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

	2023	2022
Advances to contractors and others	**P 84,793,415**	P 84,793,415
Receivable from other services	**65,295,785**	64,049,408
	P 150,089,200	P 148,842,823

Other receivables comprise mostly advances to suppliers for construction and development projects and short-term, and non-interest bearing advances to employees which are collected either through salary deduction or cash.

All of the Company's other receivables, which are subject to credit risk exposure (see Note 24.2), have been reviewed for impairment. Based on the provisional matrix as determined by the management, it was assessed that the Company's other receivables were found to be collectible; hence, allowance for impairment is no longer required.

6. MEMORIAL LOT INVENTORIES – Net

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

6.1 Memorial Lots

Cost of memorial lots consists of:

	Note	2023	2022
Cost of land		**P 804,805,421**	P 764,848,047
Construction and development cost		**819,625,077**	778,931,929
	6.2	**P1,624,430,498**	P1,543,779,976

6.2 Cost of Memorial Lots Sold

The details of cost of memorial lots sold are shown below.

	Notes	2023	2022	2021
Memorial lot inventories at beginning of year - net		**P 1,543,779,976**	P 1,428,535,368	P1,341,465,133
Additions and lot improvements		**167,066,677**	179,935,866	204,183,534
Memorial lot inventories at end of year - net	6.1	**(1,624,430,498)**	(1,543,779,976)	(1,428,535,368)
	16.1	**P 86,416,155**	P 64,691,258	P 117,113,299

7. INVESTMENTS IN SUBSIDIARIES

The investments in subsidiaries as of December 31, 2023 and 2022 consist of the following:

	% Interest Held	
BHI	99.99%	P 3,014,027,483
GHMPI	99.99%	39,997,997
VTECH	99.80%	249,500,000
		P 3,303,525,480

7.1 Investment in Bria Homes, Inc.

In 2017, the Company acquired substantially all issued and outstanding capital stock of BHI, which is legally and/or beneficially owned by Cambridge Group, Inc. (CGI). The Company acquired 9,999,430 common shares for P301.42 per share or an aggregate purchase price of P3,014.0 million or 99.99% of the outstanding and issued shares of BHI.

7.2 Investment in Golden Haven Memorial Parks, Inc.

In 2020, the Company subscribed to 39,997,997 common shares of GHMPI for P1.00 par value per share amounting to a total purchase price of P40.0 million. GHMPI was incorporated on August 24, 2020 and administers the operations of branch expansions of the Company. Also, the unpaid portion of the subscribed shares amounting to P30.0 million was presented as part of Subscription Payable in the statements of financial position.

7.3 Investment in Vtech Capital, Inc.

In 2022, the Company subscribed to 2,495,000 common shares of VTECH for P100.00 par value per share amounting to a total purchase price of P249.5 million. VTECH was incorporated on March 1, 2022 to engage in the business of a holding company. Also, the unpaid portion of the subscribed shares amounting to P187.5 million was presented as part of Subscription Payable in the statements of financial position.

Management determined that the carrying amount of investments in subsidiaries as of December 31, 2023 and 2022 is fully recoverable; thus, no impairment loss was recognized during those years in the statements of comprehensive income.

No dividends were declared by the subsidiaries in 2023, 2022 and 2021.

8. PROPERTY AND EQUIPMENT – Net

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

	Leasehold Improvements	Service Vehicle	Service Equipment	Park Maintenance Tools and Equipment	Chapel and Office Furniture Fixtures and Equipment	System Development Cost	Building	Total
December 31, 2023								
Cost	P 23,698,528	P 70,083,875	P 26,253,089	P 34,756,005	P 100,137,522	P 46,961,747	P 213,853,955	P 515,744,721
Accumulated depreciation and amortization	(22,531,934)	(65,718,599)	(18,520,414)	(32,072,011)	(92,113,838)	(30,550,468)	(99,109,567)	(360,616,831)
Net carrying amount	**P 1,166,594**	**P 4,365,276**	**P 7,732,675**	**P 2,683,994**	**P 8,023,684**	**P 16,411,279**	**P 114,744,388**	**P 155,127,890**
December 31, 2022								
Cost	P 24,702,957	P 74,118,049	P 22,994,234	P 42,199,450	P 98,658,509	P 27,751,465	P 212,204,052	P 502,628,716
Accumulated depreciation and amortization	(21,568,156)	(67,491,057)	(17,980,661)	(37,585,205)	(90,088,400)	(18,895,146)	(83,281,817)	(336,890,442)
Net carrying amount	P 3,134,801	P 6,626,992	P 5,013,573	P 4,614,245	P 8,570,109	P 8,856,319	P 128,922,235	P 165,738,274
January 1, 2022								
Cost	P 24,640,454	P 73,250,668	P 20,104,218	P 41,348,375	P 97,093,658	P 24,348,579	P 208,838,038	P 489,623,990
Accumulated depreciation and amortization	(18,902,546)	(61,523,100)	(18,680,680)	(34,352,977)	(78,129,225)	(13,761,230)	(67,399,523)	(292,749,281)
Net carrying amount	P 5,737,908	P 11,727,568	P 1,423,538	P 6,995,398	P 18,964,433	P 10,587,349	P 141,438,515	P 196,874,709

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

	Leasehold Improvements	Service Vehicle	Service Equipment	Park Maintenance Tools and Equipment	Chapel and Office Furniture Fixtures and Equipment	System Development Cost	Building	Total
Balance at January 1, 2023, net of accumulated depreciation and amortization	P 3,134,801	P 6,626,992	P 5,013,573	P 4,614,245	P 8,570,109	P 8,856,319	P 128,922,235	P 165,738,274
Additions	-	760,199	4,418,569	164,118	5,086,276	19,210,282	1,649,903	31,289,347
Depreciation and amortization charges for the year	(1,968,207)	(3,021,915)	(1,699,467)	(2,094,369)	(5,632,701)	(11,655,322)	(15,827,750)	(41,899,731)
Balance at December 31, 2023, net of accumulated depreciation and amortization	**P 1,166,594**	**P 4,365,276**	**P 7,732,675**	**P 2,683,994**	**P 8,023,684**	**P 16,411,279**	**P 114,744,388**	**P 155,127,890**
Balance at January 1, 2022, net of accumulated depreciation and amortization	P 5,737,908	P 11,727,568	P 1,423,538	P 6,995,398	P 18,964,433	P 10,587,349	P 141,438,515	P 196,874,709
Additions	62,532	746,344	3,058,983	991,710	1,700,417	3,402,884	3,366,013	13,328,883
Reclassification	-	-	2,260,491	-	(2,260,491)	-	-	-
Depreciation and amortization charges for the year	(2,665,639)	(5,846,920)	(1,729,439)	(3,372,863)	(9,834,250)	(5,133,914)	(15,882,293)	(44,465,318)
Balance at December 31, 2022, net of accumulated depreciation and amortization	P 3,134,801	P 6,626,992	P 5,013,573	P 4,614,245	P 8,570,109	P 8,856,319	P 128,922,235	P 165,738,274
Balance at January 1, 2021, net of accumulated depreciation and amortization	P 8,134,457	P 17,367,970	P 2,906,386	P 7,044,970	P 26,528,569	P 9,619,348	P 154,239,070	P 225,840,770
Additions	1,145,600	2,288,555	2,743,602	3,684,699	4,855,496	4,650,889	2,766,523	22,135,364
Depreciation and amortization charges for the year	(3,542,149)	(7,928,957)	(4,226,450)	(3,734,271)	(12,419,632)	(3,682,888)	(15,567,078)	(51,101,425)
Balance at December 31, 2021, net of accumulated depreciation and amortization	P 5,737,908	P 11,727,568	P 1,423,538	P 6,995,398	P 18,964,433	P 10,587,349	P 141,438,515	P 196,874,709

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

The Company retired certain fully depreciated assets with acquisition costs of P18.2 million and P0.3 million in 2023 and 2022, respectively, which were no longer used in the Company's operation. The total cost of fully depreciated assets still being used in the Company's operations amounts to P201.3 million and P195.6 million in 2023 and 2022, respectively.

The amount of depreciation and amortization is presented as part of Cost of chapel services under Cost of Sales and Services and in Other Operating Expenses in the statements of comprehensive income (see Note 16). Depreciation expense of park maintenance tools and portion of service equipment were charged under park operations, which are subsequently closed to maintenance care fund (see Note 14).

The amount of depreciation and amortization is allocated as follows:

	2023	2022	2021
Other operating expenses	**P 32,886,035**	P 33,948,140	P 39,629,475
Cost of chapel services	**6,707,781**	6,195,537	6,796,674
Receivable from fund	**2,156,451**	3,960,868	4,533,955
Cost of interment	**149,464**	360,773	141,321
	P 41,899,731	P 44,465,318	P 51,101,425

9. LEASES

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

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublease the asset to another party, the right-of-use asset can only be used by the Company. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to purchase the underlying lease asset outright at the end of the lease, or to extend the lease for a further term. The Company is prohibited from selling or pledging the underlying leased assets as security. For leases over office spaces, the Company must keep those properties in a good state of repair and return the properties to their original condition at the end of the lease. Further, the Company must ensure the leased assets and incur maintenance fees on such items in accordance with the lease contracts.

The Company has 13 office spaces in 2023 and 10 office spaces in 2022 with an average remaining lease term of one to two years.

9.1 Right-of-use Assets

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

	Note	**2023**	2022	2021
Balance as of January 1		**P 6,460,060**	P 8,815,474	P 14,329,498
Additions		**2,427,044**	3,684,681	1,860,092
Amortization	16.2	**(5,481,628)**	(6,040,095)	(6,633,579)
Pre-termination		**-**	-	(740,537)
Balance as of December 31		**P 3,405,476**	P 6,460,060	P 8,815,474

In 2021, the Company pre-terminated a certain lease as mutually agreed with its lessor. Accordingly, the Company derecognized the remaining carrying amount of right-of-use asset and outstanding balance of lease liability amounting to P0.7 million and P0.8. million, respectively, as of pre-termination. The gain on lease cancellation amounting to P0.1 million is presented as part of Others under Other Income account in the 2021 statement of comprehensive income (see Note 17).

The total amortization on the right-of-use assets is presented as part of Depreciation and amortization under Other Operating Expenses in the statements of comprehensive income (see Note 16.2).

9.2 Lease Liabilities

Lease liabilities presented in the statements of financial position as of December 31 are as follows:

	2023	2022
Current	**P 2,813,234**	P 4,683,602
Non-current	**294,428**	1,652,758
	P 3,107,662	P 6,336,360

The use of extension and termination options gives the Company added flexibility in the event it has identified more suitable premises in terms of cost and/or location or determined that it is advantageous to remain in a location beyond the original lease term. An option is only exercised when consistent with the Company's regional markets strategy and the economic benefit of exercising the option exceeds the expected overall cost.

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

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

	2023	2022
Within 1 year	**P 2,974,933**	P 5,133,021
1 to 2 years	**301,722**	1,713,365
	P 3,276,655	P 6,846,386

9.3 Lease Payments Not Recognized as Liabilities

The Company has elected not to recognize a lease liability for short-term leases or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis.

The expenses relating to short-term leases in 2023, 2022 and 2021 amounted to P1.0 million, P0.9 million and P1.7 million, respectively and are presented as Rentals as part of Other Operating Expenses in the statements of comprehensive income (see Note 16.2). There are no existing lease commitments for short-term leases.

9.4 Additional Profit or Loss and Cash Flow Information

The total cash outflow in respect of long-term leases amounted to P6.2 million in 2023 and 2022, and P7.1 million in 2021. The total cash outflow in respect of short-term leases amounted to P1.0 million, P0.9 million and P1.7 million in 2023, 2022 and 2021, respectively. Interest expense in relation to lease liabilities amounted to P0.6 million, P0.8 million and P1.0 million in 2023, 2022 and 2021, respectively. This is presented as part of Finance Costs under Other Income (Charges) in the statements of comprehensive income.

9.5 Security Deposits

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

Related rental deposits for these leases amounted to P6.6 million and P6.5 million as of December 31, 2023 and 2022, respectively, and are presented as Security deposits under Other Current Assets in the statements of financial position (see Note 11).

10. INVESTMENT PROPERTY

The Company's investment property consist of parcel of land with carrying amount of P5.5 million as of December 31, 2023 and 2022.

None of the Company's investment property have generated rental income. There was also no significant directly attributable cost, purchase commitments or any restrictions as to use related to these investment property during the reporting periods (see Note 26.2).

11. OTHER CURRENT ASSETS

This account consists of the following as of December 31:

	Note	**2023**	2022
Prepaid expenses		**P 13,848,340**	P 12,364,757
Security deposits	9.5	**6,557,972**	6,455,974
Memorial chapel inventories		**3,709,428**	3,702,971
Deferred input VAT		**76,843**	129,883
Other assets		**1,277,841**	1,277,838
		P 25,470,424	P 23,931,423

12. INTEREST-BEARING LOAN

In 2023, the Company obtained a loan amounting to P0.9 million to finance the acquisition of certain service equipment (see Note 8). Accordingly, this loan is secured by the related service equipment with carrying amount of P0.6 million as of December 31, 2023. The loan is payable within two to three years, with annual effective interest rates of 7.9% to 8.6%. There was no similar transaction in 2022 and 2021.

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

	2023	2022
Current	**P 442,328**	P 600,819
Non-current	**557,193**	137,096
	P 999,521	P 737,915

These are presented as Interest-bearing Loans account in the Current and Non-current Liabilities sections in the statements of financial position.

The reconciliation of the Company's interest-bearing loans is as follows:

	Note	**2023**	2022
Balance as of January 1		**P 737,915**	P 5,227,189
Cash flows from financing activities:			
Additional borrowings		**935,100**	-
Repayments of borrowings	28	**(673,494)**	(4,489,274)
Balance as of December 31		**P 999,521**	P 737,915

Interest expense pertaining to these loans amounting to P0.1 million in 2023 and 2022, and P2.0 million in 2021, are shown as part of Finance Costs under Other Income (Charges) account in the statements of comprehensive income. There was no outstanding interest payable as of December 31, 2023 and 2022 related to these loans.

13. TRADE AND OTHER PAYABLES AND RAWLANDS PAYABLE

13.1 Trade and Other Payables

This account consists of:

	Note	2023	2022
Deferred output tax		**P 180,474,553**	P 200,136,049
Due to related parties	19.2	**112,453,394**	177,540,666
Accounts payable		**57,388,034**	56,533,148
Retention payable		**31,760,418**	25,021,168
VAT payable		**11,140,028**	6,336,798
Withholding taxes payable		**1,171,327**	1,053,661
Other payables		**600,455**	586,007
		P 394,988,209	P 467,207,497

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

13.2 Rawlands Payable

In prior years, the Company purchased various parcels of raw land for expansion. The outstanding balance arising from these transactions amounted to P162.1 million and P178.3 million as of December 31, 2023 and 2022, respectively.

14. RESERVE FOR MAINTENANCE CARE

Under the terms of the contract between the Company and the purchasers of memorial lots, a portion of the amount paid by the purchasers is set aside as Maintenance Care Fund (Fund). The balance of the reserve for maintenance care fund for memorial lots as of December 31, 2023 and 2022 amounting to P994.5 million and P893.7 million, respectively, represents the amount of maintenance care from all outstanding sales contracts, net of amount already remitted for fully collected memorial lots into the Fund amounting to P138.2 million and P126.3 million as of December 31, 2023 and 2022, respectively.

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

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

	2023	2022
Assets:		
Cash	P -	P 36,692
Investment in unit investment funds	15,261,874	6,913,260
Investment in other securities and debt instruments	2,774,727	2,731,450
Loans and receivables	-	23,392
Investment in mutual funds	120,154,893	116,673,882
	138,191,494	126,378,676
Liability –		
Accrued fees and other expenses	-	(29,678)
	P 138,191,494	P 126,348,998

15. REVENUES

15.1 Disaggregation of Real Estate Sales

The Company's real estate sales are generated from the following major product lines and geographical regions:

	2023	2022	2021
Luzon	P 326,195,299	P 276,389,977	P 354,061,080
Visayas	90,256,956	95,586,365	154,669,974
Mindanao	100,780,647	73,910,960	207,465,879
	P 517,232,902	P 445,887,302	P 716,196,933

15.2 Disaggregation of Other Revenues

The Company's other revenues, which includes interment income and income from chapel services, are generated from the following geographical regions:

	Interment Income	Income from Chapel Services	Total
2023			
Luzon	P 40,055,452	P 33,654,641	P 73,710,093
Visayas	12,217,220	-	12,217,220
Mindanao	23,137,827	-	23,137,827
	P 75,410,499	P 33,654,641	P 109,065,140

	Interment Income		Income from Chapel Services		Total
2022					
Luzon	P	34,051,502	P	29,860,561	P 63,912,063
Visayas		11,285,739		-	11,285,739
Mindanao		23,237,896		-	23,237,896
	P	68,575,137	P	29,860,561	P 98,435,698
2021					
Luzon	P	34,712,444	P	34,235,904	P 68,948,348
Visayas		10,942,519		-	10,942,519
Mindanao		29,791,611		-	29,791,611
	P	75,446,574	P	34,235,904	P 109,682,478

16. COSTS AND EXPENSES

16.1 Costs of Sales and Services

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

	Notes	**2023**	2022	2021
Cost of memorial lots sold	6.2	**P 86,416,155**	P 64,691,258	P 117,113,299
Cost of interment	8	**27,092,300**	22,749,091	24,803,872
Cost of chapel services	8	**13,738,716**	13,161,163	14,125,454
		P 127,247,171	P 100,601,512	P 156,042,625

Cost of memorial lots sold is comprised of:

	2023	2022	2021
Construction and development cost	**P 43,602,264**	P 32,640,718	P 59,090,861
Cost of land	**42,813,891**	32,050,540	58,022,438
	P 86,416,155	P 64,691,258	P 117,113,299

16.2 Other Operating Expenses

The details of other operating expenses are shown below.

	Notes	2023	2022	2021
Salaries and employee benefits	20.1	**P 110,146,216**	P 121,338,584	P 108,443,196
Loss on sales cancellation		**51,015,153**	82,955,248	175,574,208
Commission		**44,785,379**	38,985,274	64,656,542
Depreciation and amortization	8, 9.1	**38,367,663**	39,988,235	46,263,054
Outside services		**20,433,651**	18,679,597	19,314,773
Prompt payment discount		**20,416,681**	23,343,051	24,928,230
Promotion		**14,614,293**	11,269,836	14,436,773
Transportation and travel		**10,503,570**	7,497,588	7,727,356
Utilities		**9,376,115**	10,488,098	9,976,941
Advertising		**8,172,190**	5,100,473	6,055,637
Collection fees		**6,976,691**	6,797,251	6,838,814
Management fees		**6,000,000**	6,080,000	6,000,000
Professional fees		**5,882,851**	5,911,781	8,084,190
Insurance		**5,651,430**	7,070,549	7,970,797
Meetings and conferences		**5,404,882**	2,728,612	3,042,851
Taxes and licenses		**4,658,026**	4,240,879	4,653,020
Repairs and maintenance		**4,609,527**	5,223,672	7,888,350
Representation		**3,258,173**	4,121,829	4,428,623
Office supplies		**3,252,383**	3,230,134	3,590,993
Trainings and seminars		**2,943,181**	1,274,142	733,620
Rentals	9.3	**1,041,190**	863,356	1,701,019
Miscellaneous		**17,463,439**	17,847,444	13,395,613
		P 394,972,684	P 425,035,633	P 545,704,600

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

17. OTHER INCOME

This account consists of:

	Note	2023	2022	2021
Transfer fees		**P 13,933,517**	P 5,530,047	P 2,327,131
Interest on past due accounts		**4,567,048**	5,158,307	8,079,169
Service tent rentals		**2,085,875**	3,487,620	484,373
Gain on derecognition of liabilities		**-**	17,646,595	-
Others	9.1	**3,929,708**	5,795,850	8,826,334
		P 24,516,148	P 37,618,419	P 19,717,007

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

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

18. TAXES

The components of tax expense (income) reported in profit or loss and in other comprehensive income (loss) for the years ended December 31 is presented below.

	2023	2022	2021
Reported in profit or loss:			
Current tax expense:			
Regular corporate income tax (RCIT) at 25%	**P 39,980,086**	P 33,569,609	P 38,743,409
Final tax at 20% and 15%	**226,253**	65,529	73,923
Adjustment due to change in income tax rate	**-**	-	(3,682,468)
	40,206,339	33,635,138	35,134,864
Deferred tax expense (income) arising from:			
Origination and reversal of temporary differences	**7,771,794**	(3,415,019)	12,709,933
Effect of the change in income tax rate	**-**	-	(91,758,825)
	7,771,794	(3,415,019)	(79,048,892)
	P 47,978,133	P 30,220,119	(P 43,914,028)
Reported in other comprehensive income (loss):			
Deferred tax expense (income) arising from:			
Origination and reversal of temporary differences	**(P 1,257,432)**	P 1,284,579	(P 174,399)
Effect of the change in income tax rate	**-**	-	162,701
	(P 1,257,432)	P 1,284,579	(P 11,698)

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

	2023	2022	2021
Tax on pretax profit at 25%	**P 47,799,956**	P 30,099,581	P 50,437,133
Adjustment for income subjected to lower tax rate	**(56,563)**	(16,381)	(18,481)
Tax effect of non-deductible expenses	**234,740**	136,919	1,108,613
Effect of the change in income tax rate	**-**	-	(95,441,293)
Tax expense (income)	**P 47,978,133**	P 30,220,119	(P 43,914,028)

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

	2023	2022
Unrealized gross profit	**P 480,874,361**	P 472,595,440
Retirement benefit obligation	**(5,558,749)**	(3,727,896)
Leases	**(408,626)**	(452,152)
Unamortized past service costs	**(6,843)**	(29,611)
Deferred tax liabilities – net	**P 474,900,143**	P 468,385,781

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

	Profit or Loss			**Other Comprehensive Income**		
	2023	2022	2021	**2023**	2022	2021
Unrealized gross profit	**(P 8,278,921)**	P 204,173	P 78,746,794	**P -**	P -	P -
Retirement benefit obligation	**573,421**	3,373,841	309,045	**1,257,432**	(1,284,579)	11,638
Leases	**(43,526)**	(140,227)	54,434	**-**	-	-
Unamortized past service cost	**(22,768)**	(22,768)	(61,381)	**-**	-	-
Deferred tax income (expense)	**(P 7,771,794)**	P 3,415,019	P 79,048,892	**P 1,257,432**	(P 1,284,579)	P 11,638

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

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

19. RELATED PARTY TRANSACTIONS

The significant transactions of the Company in the normal course of business with its related parties are described below and in the succeeding pages.

Related Party Category	Note	Amount of Transactions 2023	2022	2021	Outstanding Receivable/ (Payable) 2023	2022
Parent Company –						
Advances collected	19.1	**P -**	P -	(P 1,035,144)	**P 1,251,422**	P 1,251,422
Subsidiaries:						
Advances granted (net of collections)	19.1	**31,068,334**	24,474,737	37,694,679	**93,969,540**	62,901,206
Advances obtained (paid)	19.2	**(56,068,314)**	(90,267,987)	(214,285,714)	**(102,142,622)**	(158,210,936)
Related Parties Under Common Ownership						
Advances granted (net of collections)	19.1	**9,005,652**	536,428	3,736,871	**21,377,052**	12,371,400
Advances obtained (paid)	19.2	**(9,018,958)**	8,663,934	(542,490)	**(10,310,772)**	(19,329,730)
Key Management Personnel –						
Compensation	19.3	**25,481,483**	29,088,189	24,887,713	**-**	-

None of the Company's outstanding balances with related parties were assessed to be impaired; hence, no impairment losses were recognized in the years presented (see Note 24.2).

19.1 Due from Related Parties

The Company grants unsecured, noninterest-bearing advances to its Parent Company, subsidiaries and related parties under common ownership, which are payable in cash upon demand.

The outstanding advances arising from these transactions amounting to P116.6 million and P76.5 million as of December 31, 2023 and 2022, respectively, is presented as Due from Related Parties account in the statements of financial position.

The movements in due from parent company are shown below.

	2023	2022	2021
Balance at beginning of year	**P 1,251,422**	P 1,251,422	P 2,286,566
Collections	**-**	-	(1,035,144)
Balance at end of year	**P 1,251,422**	P 1,251,422	P 1,251,422

The movements in due from subsidiaries are shown below.

	2023	2022	2021
Balance at beginning of year	**P 62,901,206**	P 38,426,469	P 731,790
Additions	**33,088,490**	24,474,737	37,694,679
Collections	**(2,020,156)**	-	-
Balance at end of year	**P 93,969,540**	P 62,901,206	P 38,426,469

The movements in due from related parties under common ownership are shown below.

	2023	2022	2021
Balance at beginning of year	**P 12,371,400**	P 11,834,972	P 8,098,101
Additions	**11,158,179**	536,428	3,736,871
Collections	**(2,152,527)**	-	-
Balance at end of year	**P 21,377,052**	P 12,371,400	P 11,834,972

19.2 Due to Related Parties

The Company obtained short-term, unsecured, noninterest-bearing advances from related parties for working capital requirements payable in cash upon demand. The outstanding balance is presented as Due to related parties under Trade and Other Payables account as of December 31, 2023 and 2022 (see Note 13.1). The movements in the Due to Related Parties account are shown below.

	2023	2022	2021
Balance at beginning of year	**P 177,540,666**	P 267,808,653	P 482,636,857
Payments	**(88,107,896)**	(98,931,921)	(214,828,204)
Additions	**23,020,624**	8,663,934	-
Balance at end of year	**P 112,453,394**	P 177,540,666	P 267,808,653

19.3 Key Management Personnel Compensation

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

	2023	2022	2021
Short-term benefits	**P 16,663,587**	P 19,022,188	P 21,154,556
Post-employment benefits	**2,762,630**	3,153,659	294,755
Other benefits	**6,055,266**	6,912,342	3,438,402
	P 25,481,483	P 29,088,189	P 24,887,713

19.4 Retirement Plan

The Company's retirement fund for its defined benefit post-employment plan is administered and managed by a trustee bank. The retirement fund neither provides any guarantee or surety for any obligation of the Company nor its investments covered by any restrictions or liens.

The details of the contributions of the Company and benefits paid out by the plan are presented in Note 20.2.

20. EMPLOYEE BENEFITS

20.1 Salaries and Employee Benefits

Details of salaries and employee benefits which are presented under Other Operating Expenses in the statements of comprehensive income is presented below.

	Notes	**2023**	2022	2021
Short-term employee benefits		**P 108,736,734**	P 108,183,399	P 107,158,862
Post-employment defined benefit	20.2	**1,409,482**	13,155,185	1,284,334
	16.2	**P 110,146,216**	P 121,338,584	P 108,443,196

20.2 Post-employment Defined Benefit Plan

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

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

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

(b) Explanation of Amounts Presented in the Financial Statements

Actuarial valuations are made annually to update the post-employment benefit costs and the amount of contributions. All amounts presented below and in the succeeding pages are based on the actuarial valuation report obtained from an independent actuary in 2023 and 2022.

The amounts of retirement obligation recognized in the statements of financial position are determined as follows:

	2023	2022
Present value of the obligation	**P 30,626,733**	P 23,397,478
Fair value of plan assets	**(8,391,738)**	(8,485,904)
	P 22,234,995	P 14,911,574

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

	2023	2022
Balance at beginning of year	**P 23,397,478**	P 15,703,937
Current service cost	**1,409,482**	13,155,185
Interest expense	**1,703,336**	815,034
Actuarial losses (gains) arising from:		
Experience adjustments	**5,772,634**	(1,006,739)
Changes in demographic assumptions	**(3,769,152)**	-
Changes in financial assumptions	**2,112,955**	(5,269,939)
Balance at end of year	**P 30,626,733**	P 23,397,478

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

	2023	2022
Balance at beginning of year	**P 8,485,904**	P 9,149,411
Interest income	**819,124**	474,854
Negative return on plan assets	**(913,290)**	(1,138,361)
Balance at end of year	**P 8,391,738**	P 8,485,904

The Company's plan assets are composed of mutual funds and special deposit accounts. The plan assets do not comprise any of the Company's own financial instruments or any of its assets occupied and/or used in its operations.

The plan assets earned a negative net return amounting to P0.1 million and P0.7 million in 2023 and 2022, respectively.

The components of amounts recognized in profit or loss and in other comprehensive income or loss in respect of the post-employment defined benefit plan are as follows:

	2023	2022	2021
Reported in profit or loss:			
Current service cost	**P 1,409,482**	P 13,155,185	P 1,284,334
Interest expense – net	**884,212**	340,180	179,680
	P 2,293,694	P 13,495,365	P 1,464,014
Reported in other comprehensive income or losses:			
Actuarial gains (losses) arising from:			
Experience adjustments	**(P 5,772,634)**	P 1,006,739	(P 3,810,178)
Changes in financial assumptions	**(2,112,955)**	5,269,939	3,171,034
Changes in demographic assumptions	**3,769,152**	-	-
Losses on return on plan assets	**(913,290)**	(1,138,361)	(58,210)
	(P 5,029,727)	P 5,138,317	(P 697,534)

Current service cost is presented as part of Salaries and employee benefits under the Other Operating Expenses account in the statements of comprehensive income (see Note 16.2).

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

Amounts recognized in other comprehensive income or loss were included within items that will not be reclassified subsequently to profit or loss (see Note 21.2).

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

	2023	2022	2021
Discount rates	**6.10%**	7.28%	5.19%
Expected rate of salary increases	**5.0%**	5.0%	5.0%

Assumptions regarding future mortality experience are based on published statistics and mortality tables. The average remaining working lives of an individual retiring at the age of 60 is eight years for both male and female. These assumptions were developed by management with the assistance of an independent actuary. Discount factors are determined close to the end of each reporting period by reference to the interest rates of a zero-coupon government bond with terms to maturity approximating to the terms of the post-employment obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

(c) Risk Associated with Retirement Plan

The plan exposes the Company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

(i) Investment and Interest Risks

The present value of the defined benefit obligation is calculated using a discount rate determined by reference to market yields of government bonds. Generally, a decrease in the interest rate of a reference government bond will increase the plan obligation. However, this will be partially offset by an increase in the return on the plan's investments in savings deposit accounts and if the return on plan asset falls below this rate, it will create a deficit in the plan. Currently, the plan has only investments in mutual funds.

(ii) Longevity and Salary Risks

The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of the plan participants both during their employment, and to their future salaries. Consequently, increases in the life expectancy and salary of the plan participants will result in an increase in the plan obligation.

(d) Other Information

The information on the sensitivity analysis for certain significant actuarial assumptions, the Company's timing and uncertainty of future cash flows related to the retirement plan are described in the succeeding pages.

(i) Sensitivity Analysis

The following table summarizes the effect of changes in the significant actuarial assumptions used in the determination of the defined benefit obligation as of December 31, 2023 and 2022:

	Impact on Retirement Benefit Obligation		
	Change in Assumption	**Increase in Assumption**	**Decrease in Assumption**
2023:			
Discount rate	**+7.10%/-6.10%**	**(P 28,813,919)**	**P 32,731,003**
Salary growth rate	**+6.0%/-4.0%**	**32,889,299**	**(28,636,879)**

	Impact on Retirement Benefit Obligation		
	Change in Assumption	Increase in Assumption	Decrease in Assumption
2022:			
Discount rate	+8.28%/-6.28%	(P 21,468,832)	P 25,672,908
Salary growth rate	+6.0%/-4.0%	25,820,686	(21,310,485)

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

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

(ii) Asset-liability Matching Strategies

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

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

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

(iii) Funding Arrangements and Expected Contributions

The plan is currently underfunded by P27.1 million as at year-end. While there is no minimum funding requirement in the Philippines, the size of the underfunding may pose a cash flow risk in about a year's time when the total expected benefit payments would have exhausted the assets currently in the fund.

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

The maturity profile of undiscounted expected benefit payment from the plan as of December 31, 2023 and 2022.

	2023	2022
One to less than five years	P 19,631,763	P 13,697,041
More than five years to 10 years	10,020,338	9,784,760
More than 10 years to 15 years	11,593,612	7,948,716
More than 15 years to 20 years	14,595,589	21,635,400
More than 20 years	39,004,391	93,535,821
	P 94,845,693	P 146,601,738

The weighted average duration of the defined benefit obligation at the end of the reporting period is 9.74 years.

21. EQUITY

21.1 Capital Stock

Capital stock in 2023 and 2022 consists of:

	Shares	Amount
Common shares		
Authorized		
Balance at beginning and end of year	996,000,000	P 996,000,000
Issued and outstanding		
Balance at beginning and end of year	644,117,649	P 644,117,649
Preferred shares		
Authorized		
Balance at beginning and end of year	400,000,000	P 4,000,000

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

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

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

In 2017, the Company executed a Deed of Absolute Sale of Shares for 150,000,000 HVN common shares for its acquisition of substantially all issued and outstanding capital stock of BHI legally and/or beneficially owned by CGI at the purchase price of P20.1 per share or an aggregate purchase price of P3,014.0 million payable in cash.

21.2 Revaluation Reserves

As of December 31, 2023 and 2022, the Company has accumulated actuarial losses and gains, net of tax, due to remeasurement of post-employment defined benefit plan amounting to P2.9 million and P0.9 million, respectively (see Note 20.2).

22. EARNINGS PER SHARE

The basic and diluted EPS were computed as follows:

	2023	2022	2021
Net profit	**P 143,221,690**	P 90,178,206	P 245,662,560
Divided by the weighted number of outstanding common shares	**644,117,649**	644,117,649	644,117,649
Basic and diluted EPS	**P 0.22**	P 0.14	P 0.38

The Company has no dilutive potential common shares as of December 31, 2023, 2022 and 2021; hence, diluted EPS is the same as the basic EPS.

23. COMMITMENTS AND CONTINGENCIES

As of December 31, 2023 and 2022, there are commitments and contingent liabilities that arise in the normal course of the Company's operations which are not reflected in the financial statements. Management is of the opinion that losses, if any, from these events and conditions will not have material effects on the Company's financial statements.

24. RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

24.1 Interest Rate Risk

Currently, the Company has no material financial assets and financial liabilities with floating interest rates.

24.2 Credit Risk

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

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

	Notes	**2023**	2022
Cash	4	**P 663,022,320**	P 420,432,380
Contracts receivable	5.1	**2,185,507,350**	2,373,063,998
Due from related parties	19.1	**116,598,014**	76,524,028
Security deposits	11	**6,557,972**	6,455,974
Other receivables	5.2	**65,295,785**	64,049,408
		P3,036,981,441	P 2,940,525,788

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

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

The expected loss rates are calculated based on the payment profiles of sales over a period of 36 months before December 31, 2023 and 2022, and the corresponding historical credit losses experienced within such period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The management determined that there is no required ECL to be recognized on the Company's contract receivables since the fair value of memorial lots sold when reacquired is sufficient to cover the unpaid outstanding balance of the related receivable arising from sale. Therefore, there is no expected loss given default as the recoverable amount from subsequent resale of the real estate is sufficient. Accordingly, no additional allowance was recorded by the Company in 2023 and 2022.

ECL for due from related parties are measured and recognized using the liquidity approach. Management determines possible impairment based on the counterparties' ability to repay the receivables upon demand at the reporting date taking into consideration the historical defaults from the counterparties. The ECL over due from related parties are considered negligible since the counterparties are in good financial condition.

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

24.3 Liquidity Risk

The Company manages its liquidity needs by carefully monitoring cash outflows due in a day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a six-month and one-year period are identified monthly.

The Company maintains cash to meet its liquidity requirements for up to 60-day periods. Excess cash are invested in time deposits or short-term placements.

As of December 31, 2023 and 2022, the contractual maturities of the Company's financial liabilities (except lease liabilities – see Note 9.2) are presented as follows:

	Notes	Current Within 6 Months	Current 6 to 12 Months	Non-current 1 to 5 Years	Non-current Later than 5 Years
2023					
Interest-bearing loans	12	P 321,816	P 181,200	P 596,018	P -
Trade and other payables	13.1	27,257,515	174,944,786	-	-
Rawlands payable	13.2	162,146,716	-	-	-
Reserve for maintenance care	14	-	-	988,204,576	6,260,423
Subscription payable	7	217,500,000	-	-	-
		P407,226,047	**P175,125,986**	**P 988,800,594**	**P 6,260,423**
2022					
Interest-bearing loans	12	P 372,134	P 269,526	P 140,616	P -
Trade and other payables	13.1	35,005,826	224,675,163	-	-
Rawlands payable	13.2	178,339,175	-	-	-
Reserve for maintenance care	14	-	-	888,094,382	5,626,210
Subscription payable	7	217,500,000	-	-	-
		P 431,217,135	P224,944,689	P888,234,998	P 5,626,210

25. CATEGORIES AND OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

25.1 Carrying Values and Fair Values by Category

The carrying values and fair values of the categories of financial assets and financial liabilities presented in the statements of financial position are shown below.

	Notes	2023 Carrying Values	2023 Fair Values	2022 Carrying Values	2022 Fair Values
Financial Assets					
At amortized cost:					
Cash	4	**P 663,022,320**	**P 663,022,320**	P 420,432,380	P 420,432,380
Contracts receivable	5.1	**2,185,507,350**	**2,153,467,562**	2,373,063,998	2,220,585,332
Due from related parties	19.1	**116,598,014**	**116,598,014**	76,524,028	76,524,028
Security deposits	11	**6,557,972**	**6,557,972**	6,455,974	6,455,974
Other receivables	5.2	**65,295,785**	**65,295,785**	64,049,408	64,049,408
		P 3,036,981,441	**P 3,004,941,653**	P 2,940,525,788	P 2,788,047,122
Financial Liabilities					
At amortized cost:					
Interest-bearing loans	12	**P 999,521**	**P 1,025,269**	P 737,915	P 700,484
Trade and other payables	13.1	**202,202,301**	**202,202,301**	259,680,989	259,680,989
Rawlands payable	13.2	**162,146,716**	**162,146,716**	178,339,175	178,339,175
Lease liabilities	9.2	**3,107,662**	**3,107,662**	6,336,360	6,336,360
Reserve for maintenance care	14	**994,464,999**	**994,464,999**	893,720,592	893,720,592
Subscription payable	7	**217,500,000**	**217,500,000**	217,500,000	217,500,000
		P 1,580,421,199	**P 1,580,446,947**	P 1,556,315,031	P 1,556,227,600

See Note 2.4 for a description of the accounting policies for each category of financial instrument. A description of the Company's risk management objectives and policies for financial instruments is provided in Note 24.

25.2 Offsetting of Financial Assets and Financial Liabilities

Except as described in Note 19, the Company has not set-off financial instruments in 2023 and 2022 and does not have relevant offsetting arrangements. Currently, all other financial assets and financial liabilities are settled on a gross basis; however, each party to the financial instrument (particularly related parties) will have the option to settle all such amounts on a net basis in the event of default of the other party through approval by both parties' BOD and stockholders. As such, the Company's outstanding receivables from and payables to the same related parties as presented in Note 19 can be potentially offset to the extent of their corresponding outstanding balances.

The Company has cash in certain local banks to which it has outstanding loans (see Note 12). In case of the Company's default on loan amortization, cash in bank amounting to P657.1 million and P401.8 million can be applied against its outstanding loans amounting to P1.0 million and P0.7 million, respectively, as of December 31, 2023 and 2022.

26. FAIR VALUE MEASUREMENT AND DISCLOSURE

26.1 Fair Value Hierarchy

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,

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

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

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

Except for Cash which is categorized at Level 1 of the fair value hierarchy, all other financial instruments are categorized at Level 3.

Management considers that due to short duration of the Company's financial assets, such as cash, due from related parties and security deposits, and financial liabilities, such as trade and other payables, rawlands payable, reserve for maintenance care and subscription payable measured at amortized costs, their fair values as of December 31, 2023 and 2022 approximates their carrying amounts.

26.2 Fair Value Measurement for Non-financial Assets

The Company's investment property amounting to P5.5 million are categorized under Level 3 hierarchy of non-financial assets measured at cost as of December 31, 2023 and 2022.

The fair value of the Company's investment property amounting to P400.5 million and P375.4 million as of December 31, 2023 and 2022, respectively, are determined on the basis of the appraisals performed by an independent appraiser with appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations. To some extent, the valuation process was conducted by the appraiser in discussion with the Company's management with respect to the determination of the inputs such as the size and condition of the land, and the comparable prices in the corresponding property location.

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

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

27. CAPITAL MANAGEMENTS OBJECTIVES, POLICIES AND PROCEDURES

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern and to provide an adequate return to shareholders by pricing products and services commensurate with the level of risk.

The Company sets the amount of capital in proportion to its overall financing structure, i.e., equity and liabilities. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

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

	2023	2022
Total liabilities	**P 2,478,759,820**	P 2,453,331,005
Total equity	**5,753,957,764**	5,614,508,369
Debt-to-equity ratio	**0.43:1.00**	0.44:1.00

28. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Presented below is the supplemental information on the Company's liabilities arising from financing activities (see Notes 9.2, 12 and 19.2):

	Interest-bearing Loans	**Due to Related Parties**	**Lease Liabilities**	**Total**
Balance as at January 1, 2023	P 737,915	P 177,540,666	P 6,336,360	P 184,614,941
Cash flows from financing activities:				
Repayments	(673,494)	(88,107,896)	(6,237,135)	(95,018,525)
Additions	935,100	23,020,624	-	23,955,724
Interest paid	(58,778)	-	-	(58,778)
Non-cash financing activities:				
Additions to lease liabilities	-	-	2,427,044	2,427,044
Interest expense on lease liabilities	-	-	581,393	581,393
Interest accrued	58,778	-	-	58,778
Balance as at December 31, 2023	**P 999,521**	**P 112,453,394**	**P 3,107,662**	**P 116,560,577**
Balance as at January 1, 2022	P 5,227,189	P 267,808,653	P 9,704,039	P 282,739,881
Cash flows from financing activities:				
Repayments	(4,489,274)	(98,931,921)	(6,180,670)	(109,601,865)
Additions	-	8,663,934	-	8,663,934
Interest paid	(147,061)	-	-	(147,061)
Non-cash financing activities:				
Additions to lease liabilities	-	-	2,005,656	2,005,656
Interest expense on lease liabilities	-	-	807,335	807,335
Interest accrued	147,061	-	-	147,061
Balance as at December 31, 2022	P 737,915	P 177,540,666	P 6,336,360	P 184,614,941
Balance as at January 1, 2021	P 37,268,706	P 482,636,857	P 14,829,640	P 534,735,203
Cash flows from financing activities:				
Repayments	(32,041,517)	(214,828,204)	(7,085,629)	(253,955,350)
Interest paid	(1,978,595)	-	-	(1,978,595)
Non-cash financing activity:				
Interest accrued	1,978,595	-	-	1,978,595
Additions to lease liabilities	-	-	1,731,222	1,731,222
Interest expense on lease liabilities	-	-	1,028,417	1,028,417
Derecognition of lease liabilities	-	-	(799,611)	(799,611)
Balance as at December 31, 2021	P 5,227,189	P 267,808,653	P 9,704,039	P 282,739,881

29. SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE

Presented below and in the succeeding page is the supplementary information which is required by the BIR under Revenue Regulation No. 15-2010 to be disclosed as part of the notes to financial statements. This supplementary information is not a required disclosure under PFRS.

(a) Output VAT

In 2023, the Company declared output VAT of P83,765,749, from sale of goods amounting to P698,047,907.

The tax base for the mentioned account is based on the Company's gross receipts for the year. Hence, may not be the same as the amounts accrued in the 2023 statement of comprehensive income.

The outstanding output VAT payable amounting to P11,140,028 as of December 31, 2023 is presented as part of Trade and Other Payables account in the 2023 statement of financial position.

(b) Input VAT

The movements in input VAT in 2023 are summarized below.

Balance at beginning of year	P -
Tax credit	46,522,986
Services lodged under cost of goods sold	26,289,284
Capital goods subject to amortization	(66,407)
Applied against output VAT	(72,745,863)
Balance at end of year	**P -**

(c) Taxes on Importation

The Company has not paid or accrued any customs duties and tariff fees in 2023 as it had no importations for the year.

(d) Excise Tax

The Company did not have any transactions in 2023, which are subject to excise tax.

(e) Documentary Stamp Tax

In 2023, the Company did not engage in transactions which would require them to pay documentary stamp taxes.

(f) Taxes and Licenses

The details of the account for 2023 is broken down as follows:

Business taxes	P	4,339,369
Real property taxes		315,329
Miscellaneous		3,328
	P	**4,658,026**

(g) Withholding Taxes

The details of total withholding taxes for the year ended December 31, 2023 are shown below.

Expanded	P	8,772,709
Compensation		4,496,337
	P	**13,269,046**

The Company has no income payments subject to final withholding taxes.

(h) Tax Assessments and Tax Cases

As of December 31, 2023, the Company does not have any final deficiency tax assessments with the BIR or tax cases outstanding or pending in courts or bodies outside of the BIR in any open taxable years.