

COVER SHEET

[illegible]

SEC Registration Number

[illegible]

(Company's Full Name)

[illegible]

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

ATTY. JOSHUA L. CASTRO
(Contact Person)

(Contact Person)

819-0251
(Company Telephone Number)

(Company Telephone Number)

Month *Day*
(Fiscal Year)

Preliminary Information Statement

Preliminary Information Statement

(Form Type)

0 4 1 7

Month *Day*
(Annual Meeting)

Not Applicable

Not Applicable

(Secondary License Type, If Applicable)

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Dept. Requiring this Doc.

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Amended Articles Number/Section

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Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

[illegible]

File Number

LCU

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Document ID

Cashier

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2024 information statement

A.SORIANO
CORPORATION



Notice of Annual Meeting of Stockholders

NOTICE IS HEREBY GIVEN that the regular Annual Stockholders Meeting (ASM) of A. Soriano Corporation (ANSCOR or the Company) will be held on Wednesday, 17 April 2024 at 10:00 A.M. virtually at <https://www.anscor.com.ph/2024-annualstockholders-meeting-live-stream/>. There will be no physical venue for the ASM.

Stockholders who would like to participate in the virtual ASM may register by sending an email of their intention to participate to registration@anscor.com.ph not later than three (3) working days before the ASM or not later than 12 April 2024. The Procedure for Registration, Participation and Voting in the 2024 ASM of the Company is attached as Annex "A". A livestream of the virtual ASM will also be posted in the Company's website.

The agenda for the meeting and its explanation is as follows:

1. Approval of the minutes of previous meeting. The minutes of ASM last 19 April 2023 is posted in the Company's website. Please refer to pages __ to __ of the Information Statement ("IS") for further information on the approval of minutes of previous meeting.
2. Presentation of the Chairman and Chief Executive Officer's Message to Stockholders. The Chairman's Message to Stockholders is a summary of the Company's financial performance for the year ended December 31, 2023.
3. Election of members of the Board of Directors. The members of the Board of Directors are elected annually during the ASM and shall serve until the next ASM or until their successors are elected or appointed in case of vacancy due to death, resignation or removal. Please refer to pages 8 to 10 of the IS for the nominees for election as Directors of the Company.
4. Approval for Mr. Oscar J. Hilado to continue to act as Independent Director of the Company. The Company is allowed to retain an Independent Director who has served for more than nine years to continue based on meritorious justification/s and provided Stockholders' approval is secured. Please refer to pages 7 and 8 of the IS.
5. Appointment of external auditors. The appointment of SGV & Co. will be presented for approval of the Stockholders.
6. Ratification of all acts, contracts, investments and resolutions of the Board of Directors and Management since the last annual meeting. As a matter of policy, Management seeks the ratification of all acts, contracts, investments and resolutions of the Board of Directors and Management since the last annual meeting. Please refer to pages 28 to 33 of the IS for a summary of resolutions passed by the Board of Directors.
7. Such other business as may properly come before the meeting. Any other matter which may properly be brought may be taken up by the stockholders during this portion of the meeting.

Only stockholders of record in the books of the Company at the close of business on 13 March 2024 will be entitled to vote at the meeting.

Stockholders are requested to complete, date, sign, and return the enclosed proxy form to reach the Company as promptly as possible not less than ten (10) working days prior to the Annual Meeting or not later than 27 March 2024. The duly signed proxy form may be emailed to our Stockholder Relations Officer, Ms. Rose Reyes at rose.reyes@anscor.com.ph.

Proxy validation will be held at A. Soriano Corporation, 7th Floor, Pacific Star Bldg., Makati Avenue corner Gil Puyat Avenue, Makati City on 8 April 2024 from 11:00 A.M. to 12:00 noon.

Makati City, Philippines, 22 March 2024.

THE BOARD OF DIRECTORS

By:


LORNA PATAJO-KAPUNAN
Corporate Secretary

You may scan the QR Code below which contains the Notice of Meeting, Proxy Form, Definitive Information Statement and Annual Report.



How to Use QR Code:

- Step 1: Open the QR Scanning App or Camera from your device's Home Screen, Control Center or Lock Screen;
- Step 2: Scan the QR Code using the App and you will see a notification with a link;
- Step 3: Click on the notification to open the link associated with the QR Code

As a token, of appreciation, we will be providing meal voucher for our stockholders who will register and participate in our virtual Annual Stockholders Meeting. The meal voucher will be emailed to the stockholders' registered email.

**Procedure for Registration, Participation and Voting in the 2024
Annual Stockholders Meeting
of A. SORIANO CORPORATION**

A. Soriano Corporation (the Company) will be conducting its Annual Stockholders Meeting (ASM) on 17 April 2024 at 10:00 AM virtually at <https://www.anscor.com.ph/2024-annual-stockholders-meeting-live-stream/>. There will be no physical venue for the ASM.

Each share of stock outstanding as of 13 March 2024 are entitled to participate and vote in the 2024 ASM.

I. Registration and Participation/Attendance Procedure:

1. Stockholders who intend to participate in the virtual ASM may register by sending an email to registration@anscor.com.ph not later than three (3) working days before the ASM or not later than 12 April 2024, of their intention to participate together with the following:
 - a. For individual stockholders:
 - i. Scanned copy of any valid government-issued ID;
 - ii. Scanned copy of stock certificate in the name of the individual stockholder;
and
 - iii. Active contact number, either landline or mobile.
 - b. For stockholders with joint accounts:
 - i. Scanned copy of authorization letter signed by other stockholders indicating the person among them authorized to participate and/or vote in the 2024 ASM;
 - ii. Documents required under items 1.a (i) and (iii) for the authorized stockholder; and
 - iii. Scanned copy of stock certificate in the name of the joint stockholders.
 - c. For stockholders under PCD Participant/Brokers Account or "Scripless Shares":
 - i. Coordinate with the broker and request for the full account name and reference number or account number;
 - ii. Documents required under items 1.a (i) and (iii).

- d. For corporate stockholders:
 - i. Secretary's Certificate attesting to the authority of the representative to participate and/or vote in the 2024 ASM;
 - ii. Documents required under items 1.a (i) and (iii) for the authorized representative; and
 - iii. Scanned copy of stock certificate in the name of the corporate stockholder.
2. Upon successful registration and validation of the documents submitted through email above, the stockholder will receive an email confirmation and a unique link which can be used to log in and view the 2024 ASM.
3. Only those stockholders who have registered following the procedure above and stockholders who have provided their duly signed Proxy Form shall be included for purposes of determining the existence of a quorum.
4. For purposes of voting during the 2024 ASM please see section on Voting Procedure below.
5. For the Question and Answer portion during the 2024 ASM, stockholders may send their questions related to the agenda by email to registration@anscor.com.ph. Due to limitations on technology and time, not all questions may be responded to during the 2024 ASM but the Company will endeavor to respond to all the questions through email.
6. The proceedings during the 2024 ASM will be recorded as required by the Securities and Exchange Commission.

II. Voting Procedure:

Stockholders may vote during the 2024 ASM either (1) by Proxy or (2) by voting in absentia through our Online Stockholder Voting System.

1. Voting by Proxy:
 - a. Download and fill up the Proxy Form at <https://www.anscor.com.ph/disclosures/proxy>. The Chairman and CEO, or in his absence, the Vice-Chairman, the President and COO or the Corporate Secretary is authorized to cast the votes pursuant to the instructions in the Proxy Form.
 - b. Send a scanned copy of the duly signed Proxy Form by email to our Stockholder Relations Officer, Ms. Rose Reyes at rose.reyes@anscor.com.ph or at registration@anscor.com.ph not later than ten (10) working days prior to the ASM or not later than 27 March 2024.

- c. The hard copy of the signed Proxy Form should be delivered to: The Corporate Secretary, 7th Floor, Pacific Star Building, Gil Puyat Avenue corner Makati Avenue, Makati City.
2. Voting in absentia through the Online Stockholder Voting System:
- a. Follow the Registration and Participation/Attendance Procedure set forth above.
 - b. Signify your intention to vote in absentia through the Online Stockholder Voting System by email to registration@anscor.com.ph not later than three (3) working days before the 2024 ASM or not later than 12 April 2024.
 - c. Upon validation, the Company will send an email to the stockholder containing the link for the Online Stockholder Voting System and the instructions for casting votes in the Online Stockholder Voting System. Registered stockholders shall have until the adjournment of the ASM on 17 April 2024 to cast their votes.
 - d. All agenda items indicated in the Notice of Meeting will be included in the Online Stockholder Voting System and the registered stockholder may vote as follows:
 - i. For items other than election of the Directors, the stockholder may vote: "For", "Against", or "Abstain". The vote shall be considered as cast for all the stockholder's shares; and
 - ii. For the election of Directors, the stockholder may vote for all the nominees, not vote for any of the nominees, or vote for some of the nominees only, in such number of shares as the stockholder may see fit, provided that the total number of votes cast shall not exceed the number of shares owned, multiplied by the number of Directors to be elected.
 - e. Once voting is completed in the Online Stockholder Voting System, the stockholder shall proceed to click on the "Submit" button which shall complete the process. Once submitted, the stockholder may no longer change the votes cast. The votes cast in absentia will have equal effect as votes cast by proxy.

For any questions or clarification, you may contact us through Ms. Rose Reyes at rose.reyes@anscor.com.ph or through telephone number 8819-0251 or our stock transfer agent, Stock Transfer Service, Inc., through Michael C. Capoy at mccapoy@stocktransfer.com.ph or Riel C. Revelar at rcrevelar@stocktransfer.com.ph, or their telephone number 5307-5037.



A. SORIANO CORPORATION

P R O X Y

THIS PROXY IS BEING SOLICITED IN BEHALF OF ANDRES SORIANO III

Date

KNOW ALL MEN BY THESE PRESENTS:

I, the undersigned stockholder of A. Soriano Corporation, do hereby appoint, name and constitute ANDRES SORIANO III, or in his absence, the Vice Chairman of the Board, the President and Chief Operating Officer or the Corporate Secretary, in the order as enumerated, as my true and lawful proxy for me and in my name and stead, to attend the Annual Meeting of the Stockholders of the Corporation on 17 April 2024 and at any adjournment(s) thereof, to vote all my shares of stock in the Corporation in all matters set forth in the agenda as I have expressly indicated by marking the same with an "X" or a "✓".

If no specific instruction is given, the shares will be voted FOR the election of the nominees for directorship whose names appear in this proxy form and FOR the approval of all matters listed in the proxy statement the stockholders' approval of which is sought in the meeting. Moreover, this proxy shall confer discretionary authority to vote with respect to the election of any person to any office for which a bona fide nominee is named in the proxy statement and such nominee is unable to serve or for good cause will not serve; and to all matters incident to the conduct of the meeting.

I T E M	A C T I O N		
	FOR	AGAINST	ABSTAIN
1. To approve the minutes of the 19 April 2023 Annual Meeting of Stockholders			
2. To approve the 2023 Annual Report of the Corporation			
3. To elect the following nominees as directors of the Corporation			
a. Andres Soriano III			
b. Eduardo J. Soriano			
c. Ernest K. Cuyegkeng			
d. Johnson Robert G. Go, Jr.			
e. Oscar J. Hilado			
f. William H. Ottiger			
g. Camila Maria Soriano			
4. To approve the continuation of Mr. Oscar J. Hilado to act as Independent Director of the Corporation			
5. To re-appoint SGV & Co. as external auditors of the Corporation			
6. To ratify all acts, contracts and resolutions of Management and the Board of Directors since the last annual meeting of the Corporation			
7. Other Matters			

Please refer to the Notice of Meeting for the agenda items of the stockholders' meeting on 17 April 2024.
Please see reverse side for voting, revocability, validation, submission deadline and authentication of proxies.

Printed Name of Stockholder

Signature of Stockholder
or Authorized Signatory*

[*N.B.: Corporations, Partnerships and Associations must attach certified resolutions or extracts thereof designating the authorized signatory/ies for the purpose of this Proxy.]

PLEASE DATE, SIGN, and RETURN PROXY

Voting, Revocability of Proxies, Validation/Submission Deadline, Authentication

When proxies are properly dated, executed, and returned on or before 27 March 2024, the shares they represent will be voted at the Annual Meeting in accordance with the instructions of the stockholder. If no specific instructions are given, the shares will be voted FOR the election of the nominees for directorship whose names appear in the proxy form and FOR the approval of all matters the stockholders' approval of which is sought in the meeting. A stockholder giving a proxy has the power to revoke it at any time prior to its exercise by voting in person at the Annual Meeting, by giving written notice to the Corporate Secretary prior to the Annual Meeting or by giving a subsequent proxy which must be received by the office of the Corporate Secretary not later than 27 March 2024.

Each share of stock outstanding as of record date will be entitled to one (1) vote on all matters. The candidates for election as directors at the Annual Meeting who receive the highest number of affirmative votes will be elected. The appointment of the independent auditors for the Company for the current year as well as other items presented to the Stockholders during the Annual Meeting will require the affirmative votes of a majority of the votes cast on the matter. Pursuant to Section 6, Article III of the By-Laws of the Corporation, written proxy shall be filed with the Corporate Secretary not less than ten (10) working days prior to the date of such meeting or not later than 27 March 2024.

Pursuant to the provisions of the By-Laws, the Board of Directors has set the date of validation of proxies to 8 April 2024. For this purpose, the Corporate Secretary shall act as the inspector at the election of directors and other voting by stockholders.

Under SEC Memo Circular No. 5 Series of 1996, all proxies executed abroad must be duly authenticated by the Philippine Embassy or Consular Office.

Person Making the Solicitation

The solicitation of proxies in the form accompanying this Statement is made in behalf of Management through Atty. Lorna Patajo-Kapunan and the proxy given will be voted in accordance with the authority contained therein. The solicitation of proxies in the accompanying form will be primarily by mail. However, personal solicitation may be made by officers, directors and regular employees of the Company whose number is not expected to exceed fifteen (15), and who will receive no additional compensation therefor. The Company will bear the cost, amounting to Seven Hundred Thousand Pesos (P700,000.00), of preparing and mailing the annual report, information statement and other materials furnished to the stockholders in connection with proxy solicitation.

None of the Directors has informed the Company that he intends to oppose any action intended to be taken by the Company.

Interest of Certain Persons in Matters to be Acted Upon

No Director or Executive Officer, nominated for re-election as Director or his associate has, at any time, any substantial interest, direct or indirect, by security holdings or otherwise, on any of the matters to be acted upon in the meeting, other than the approval of the Annual Report, election to office and ratification of acts of Management.

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

1. Check the appropriate box:
/ X / Preliminary Information Statement : / / Definitive Information Statement
2. Name of the registrant as specified in its charter : A. SORIANO CORPORATION
3. Province, or country or other jurisdiction of incorporation organization : Makati City, Philippines
4. SEC Identification Number : PW - 02
5. BIR Tax Identification Code : 000-103-216-000
6. Address of principal office : 7th Floor Pacific Star Building
Makati Avenue corner Gil Puyat Avenue
Makati City
7. Registrant's telephone number, including area code : (632) 8819-0251 to 60
8. Date, Time and Place of the meeting : 17 April 2024, Wednesday at 10:00 A.M.
7th Floor, Pacific Star Building
Makati Avenue cor. Gil Puyat Avenue
Makati City

The meeting will be conducted virtually
at <https://www.anscor.com.ph/2024-annual-stockholders-meeting-live-stream/>
9. Approximate date on which the Information Statement (IS) is first to be sent or given to security holders : The IS will be posted in the Company's website/PSE Edge on or before 22 March 2024
10. In case of Proxy Solicitations
Name of Person Filing the Statement/Solicitor : Atty. Lorna Patajo-Kapunan,
Corporate Secretary

Address : 7th Floor, Pacific Star Bldg.,
Makati Avenue corner
Gil Puyat Avenue, 1209
Makati City, Philippines

Telephone Nos. : (632) 8819-0251 to 60
11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount to debt is applicable only to corporate registrants):

Title of Each Class : Common Shares

Number of shares of Common Stock
Outstanding or Amount of Debt Outstanding : 2,500,000,000 as of February 29, 2024
12. Are any or all of registrant's securities listed in a Stock Exchange? : Yes

If so, disclose name of the Exchange : Philippine Stock Exchange

Information Statement

A. GENERAL INFORMATION

Item 1: Date, Time and Place of Meeting of Security Holders

- (a) Date : Wednesday, 17 April 2024
 Time : 10:00 A.M.
 Place : Virtual Meeting at <https://www.anscor.com.ph/2024-annual-stockholders-meeting-live-stream/>
 Principal Office : 7th Floor, Pacific Star Building
 Makati Avenue corner Gil Puyat Avenue
 1209 Makati City, Philippines

- (b) This information statement and the enclosed proxy form are posted in the Company's website and/or PSE Edge.

Item 2: Dissenter's Right of Appraisal

There are no corporate matters or actions that will trigger the exercise by the stockholders of their Right of Appraisal under Section 80 of the Revised Corporation Code. However, if at any time after the information statement has been sent out, an action which may give rise to the Right of Appraisal is proposed at the meeting, any stockholder who wishes to exercise such right and who voted against the proposed action must make a written demand within thirty (30) days after the meeting. The appraisal right may be exercised by any stockholder who shall have voted against the proposed corporate action, by making a written demand on the corporation within thirty (30) days after the date on which the vote was taken for payment of the fair value of his shares. Provided, that failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented or effected, the corporation shall pay to such stockholder, upon surrender of the certificate(s) of stock representing his shares, the fair value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

If within a period of sixty (60) days from the date the corporate action was approved by the stockholders, the withdrawing stockholder and the corporation cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the corporation and the third by the two thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by the corporation within thirty (30) days after such award is made. Provided,

that no payment shall be made to any dissenting stockholder unless the corporation has unrestricted retained earnings in its books to cover such payment; and provided, further, that upon payment by the corporation of the agreed or awarded price, the stockholder shall forthwith transfer his shares to the corporation.

Item 3: Interest of Certain Persons in Opposition to Matters to be Acted Upon

- (a) No Director or Executive Officer, nominated for re-election as Director, or his Associate has, at any time, any substantial interest, direct or indirect, by security holdings or otherwise, on any of the matters to be acted upon in the meeting, other than the approval of the Annual Report, election to office and ratification of acts of Management.
- (b) None of the Directors has informed the Company of any intention to oppose an action intended to be taken by the Company.

B. CONTROL AND COMPENSATION INFORMATION

Item 4: Voting Securities and Principal Holders Thereof

- (a) There are 2,500,000,000 shares of common stock and 500,000,000 shares of preferred stock outstanding and issued as of 13 March 2024. All the issued shares are entitled to vote on a one (1) share - one (1) vote basis. The Company has two (2) class of shares, common and preferred.
- (b) Only stockholders of record on the books of the Company at the close of business on 13 March 2024 will be entitled to vote at the Annual Meeting. Presence by proxy or through registration for the virtual ASM of a majority of the shares outstanding on the record date is required for a quorum.
- (c) Pursuant to the Revised Corporation Code and as provided under Section 8, Article III of the By-Laws, every stockholder is entitled to vote such number of shares for as many persons as there are directors or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit. Provided, that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the corporation multiplied by the whole number of directors to be elected. The proxy being solicited includes the authority to cumulate votes.
- (d) Security Ownership of Certain Record and Beneficial Owners and Management

i. Security Ownership of Certain Record and Beneficial Owners

As of 29 February 2024, the following are the security ownership* of certain record and beneficial owners of the Company:

Title of Class	Name/Address of Record Owner & Relationship w/ Issuer	Name of Beneficial Ownership & Relationship with Record Owner	Citizenship	Number of Shares	Percentage Held
Common	Anscor Consolidated Corporation 7th Flr. Pacific Star Bldg., Makati Avenue Makati City (Subsidiary)	Anscor Consolidated Corporation (Subsidiary)	Filipino	1,272,329,761	42.411%
Common	PCD Nominee Corp. (Non-Filipino) 37th Flr. The Enterprise Center, Inc. Ayala Avenue corner Paseo de Roxas, Makati City (Depository Account)	PCD Nominee Corp. (Non-Filipino) (Depository Account)	Non-Filipino	499,939,7131	6.665%
Common	A-Z Asia Limited Philippines, Inc. Barrio Mabacan Calauan, Laguna (Stockholder)	A-Z Asia Limited Philippines, Inc. (Stockholder)	Filipino	161,546,329	5.385%
Common	PCD Nominee Corp. (Filipino) 37th Flr. The Enterprise Center, Inc. Ayala Avenue corner Paseo de Roxas, Makati City (Depository Account)	PCD Nominee Corp. (Filipino) (Depository Account)	Filipino	114,207,702	3.807%
Common & Preferred	A. Soriano Corp. Retirement Plan (Filipino) 7th Flr. Pacific Star Bldg., Makati City	A. Soriano Corp. Retirement Plan (Filipino)	Filipino	63,694,835** Common 500,000,000 Preferred	2.123% 16.667%

* Security Ownership percentages includes both common and preferred shares.

**Includes 7,694,835 shares lodged with PCD Nominee Corp. (Filipino).

Anscor Consolidated Corporation is wholly owned by A. Soriano Corporation, the registrant Company, represented by Mr. Ernest K. Cuyegkeng as Treasurer.

PCD Nominee Corporation, a wholly owned subsidiary of Philippine Central Depository, Inc. ("PCD"), is the registered owner of the shares in the books of the Company's transfer agent in the Philippines. The beneficial owners of such shares are PCD's participants, who hold the shares on their behalf or in behalf of their clients of which ATRAM Trust Corporation is the sole owner of more than 5%, specifically 17.558%, which it holds on behalf of Deerhaven, LLC, a company registered in Delaware, USA. Shares owned by Deerhaven, LLC are indirectly owned by Andres Soriano III. PCD is a private company organized by the major institutions actively participating in the Philippine capital markets to implement an automated book-entry system of handling securities transactions in the Philippines.

A-Z Asia Limited Philippines, Inc. is a holding company incorporated in the Philippines on 25 April 2003. Shares owned by A-Z Asia Limited Philippines, Inc. are indirectly owned by Eduardo J. Soriano.

A. Soriano Corporation Retirement Plan (the Plan) is a retirement benefit program established by the Company for the benefit of its employees. The Plan is administered by Trustees who are at the same time employees of the Company.

Other than the above, there are no stockholders owning more than 5% of the Company's outstanding shares of stock.

The Company is not aware of any material pending legal proceedings to which the Company or any of its subsidiaries is a party.

ii. Securities Ownership of Directors and Management

As of 29 February 2024, the following are the security ownership of the Directors and Officers of the Company:

Title of Class	Name of Beneficial Owner	Amount and Nature Of Security Ownership	Citizenship	Percentage
Common	Andres Soriano III	489,428,270 Direct/Indirect	American	16.314%
Common	Eduardo J. Soriano	177,285,111 Direct/Indirect	Filipino	5.910%
Common	Oscar J. Hilado	4,520,000 Direct	Filipino	0.151%
Common	William H. Ottiger	20,000 Direct	Filipino	0.001%
Common	Ernest K. Cuyegkeng	20,000 Direct	Filipino	0.001%
Common	Johnson Robert G. Go, Jr.	20,100 Direct	Filipino	0.001%
Common	Alfonso S. Yuchengco III	20,000 Direct	Filipino	0.001%
Total		671,313,481		22.377%

Lorna Patajo-Kapunan, Lorenzo D. Lasco, Narcisa M. Villaflor, Joshua L. Castro, Salome M. Buhion and Ma. Victoria L. Cruz do not own shares of the Company.

iii. Voting Trust Agreement

The Company does not have any voting trust agreement with any stockholder.

- (e) No change in control of the Company occurred since the beginning of the last calendar year. Management is not aware of any arrangement which may result in a change in control of the Company.

Except as indicated in the above section on Security Ownership of Certain Record and Beneficial Owners, there are no other persons holding 5% or more of the common stock of the Company.

As of 29 February 2024 the foreign ownership level of total outstanding shares is 16.66%

The Company does not own any other equity securities beneficially owned by its directors and other nominees.

Item 5: Information required of Directors and Executive Officers

- (a) **Directors and Executive Officers**
Pursuant to the Corporation's By-Laws, in addition to the right of the Board of Directors to make nominations for the election of Directors including independent Directors, nominations for Directors including independent Directors may be made by any shareholder entitled to vote for the election of Directors.

Nominations shall be received by the Chairman of the Board of Directors (which nominations may be sent through the Corporate Secretary), on the 1st of March of every year or at such earlier or later date as the Board of Directors may fix.

For this year, the Board of Directors set the deadline for nomination of Directors on 1 March 2024.

Each nomination under the preceding paragraph shall set forth the name, age, business address and, if known, residence address of each nominee, the principal occupation or employment of each such nominee, the number of shares of stock of the Corporation which are beneficially owned by each such nominee, and the interests and positions held by each nominee in other corporations. In addition, the shareholder making such nomination shall promptly provide any other information reasonably requested by the Corporation.

The Board, by a majority vote unless a greater majority is required under the By-Laws, may, in its discretion, determine and declare that a nomination was not made in accordance with the foregoing procedures, and/or that a nominee is disqualified for election as Director and if the Board should so determine, the defective nomination and the nomination of the disqualified person shall be disregarded.

On 1 March 2024, Mr. Eduardo J. Soriano, the Vice Chairman, nominated all the nominees for Directors including independent Directors contained in the information statement. Mr. Soriano is not related to any of the independent Directors nominated. No other nomination was submitted as of 1 March 2024. Unless marked otherwise, the proxies received will be voted FOR the election of the nominees named below who have signified their acceptance of their respective nominations. The Board of Directors has no reason to believe that any of such nominees will be unwilling

or unable to serve if elected as a Director. Each Director shall serve until the next annual meeting of stockholders or until his successor is elected or appointed in case of vacancy due to death, resignation or removal. Management recommends a vote FOR the election of each of the nominees listed below. All the nominees except Ms. Camila Maria Soriano are incumbent Directors of the Company.

The nominations for independent Directors complies with SRC Rule 38, which requires that a corporation with a class of equity securities listed for trading on the Philippine Stock Exchange or with assets in excess of Fifty Million Pesos (P50,000,000.00) and having two hundred (200) or more holders, at least two hundred (200) of which are holding at least one hundred (100) shares of a class of its equity securities shall have at least two (2) independent Directors or such independent Directors shall constitute at least twenty percent (20%) of the members of such Board.

The two nominated independent Directors of the Company are Mr. Oscar J. Hilado and Mr. Johnson Robert G. Go, Jr.

Mr. Hilado has been an independent Director of the Company for the last five years and has served as independent Director for more than nine years reckoned from the year 2012. The Company is allowed to retain an independent Director who has served for more than nine years to continue as long as meritorious justifications are provided and shareholders' approval is secured.

The Company believes that there are meritorious justifications to retain Mr. Hilado as an independent Director. He has been an essential member of the Board of Directors, serving at the same time as the Chairman of the Audit and Compensation Committees of the Company. He is highly qualified and well respected in the business community and sits as independent director in the Boards of other companies. He has performed his role as independent Director with dedication and commitment. His insights, wisdom, and knowledge of the Company gained from his experience over the years will help the Company navigate new challenges in the years ahead.

The retention of Mr. Hilado as independent Director will also preserve a well-balanced Board composition in terms of tenure. Mr. Go, the other nominee for independent Director was first elected as Director in 2019 while Mr. Ottiger, another nominee for Director was first elected in April 2022, and Ms. Soriano is a first-time nominee, thus, ensuring that the Board has fresh perspective from relatively new members. Because of the invaluable contribution of Mr. Hilado, the Company is unable to find a suitable replacement for him. Please refer to pages 9 to 10 for his business experience.

The two nominated independent Directors are neither officers nor employees of the Company or of any of its subsidiaries. They do not have any relationship with the Company which would interfere with the exercise of independent judgment in carrying out their responsibilities. Further, the nominated independent Directors possess all the qualifications and none of the disqualifications to serve as independent Directors of the Company. The independent Directors are nominated and elected in the same manner as regular directors in accordance with the nomination and election procedures provided in the By-Laws. The Company amended its By-Laws on 10 June 2009 to incorporate the requirements of SRC Rule 38 with respect to the nomination and election of independent Directors.

A brief description of the nominated Directors' business experiences for the last five years follows:

ANDRES SORIANO III, age 72, American, Director of the Company since 19 May 1982; Chairman and Chief Executive of the Company (1983 to present); Chairman and President of Anscor Consolidated Corporation (1987 to present); Chairman of The Andres Soriano Foundation, Inc. (1985 to present), Phelps Dodge International Philippines, Inc. (1983 to present), Phelps Dodge Philippines Energy Products Corporation (1997 to present), Seven Seas Resorts and Leisure, Inc. (1998 to present) and Pamalican Resort, Inc. (May 2011 to present); Director of International Container Terminal Services, Inc. (ICTSI) (July 1992 to present). Mr. Soriano was formerly the President and Chief Operating Officer of San Miguel Corporation and was subsequently the Chairman and Chief Executive Officer of San Miguel Corporation. He was Chairman of Coca-Cola (Philippines), Coca-Cola Amatil (Australia) and Nestle (Philippines). He was a Director of SPI Technologies and eTelecare Global Solutions, Inc. until 2006. He was also a Member of the G.E. Asian Advisory and the Wharton East Asia Executive Board. He holds a Bachelor of Science Degree in Economics, Major in Finance and International Business, Wharton School of Finance and Commerce, University of Pennsylvania, (1972).

EDUARDO J. SORIANO, age 69, Filipino, Director of the Company since 21 May 1980; Vice Chairman of the Company (1990 to present) and Treasurer (1990 to September 2018); Chairman of Anscor Holdings, Inc. (2012 to present); Member of the Board of Trustees and President of The Andres Soriano Foundation, Inc. (1985 to present); Director of Phelps Dodge Philippines Energy Products Corporation (1997 to present), Phelps Dodge International Phils., Inc. (1997 to present); Graduate of Bachelor of Science Degree in Economics, Major in History, University of Pennsylvania, (1977).

ERNEST K. CUYEGKENG, age 77, Filipino, Director of the Company since 22 April 2009; President and Chief Operating Officer of the Company (2022 to present), President and Director of Phelps Dodge Philippines Energy Products Corporation (1999 to present), and Anscor Holdings, Inc. (2012 to present); Director (2008 to present) and President (since 2021) of Seven Seas Resorts and Leisure, Inc.; KSA Realty Corporation (2001 to present), Prople, Inc. (2007 to present), Testech, Inc. (2003 to present), T-O Insurance (2008 to present), Sumifru, Singapore (2003 to present), and Philippine British Assurance Co. Inc. (Nov. 2011 to present); Chairman and Director of ArthaLand Corporation (2007 to present); Member of the Board of Trustees of The Andres Soriano Foundation, Inc. (1990 to present); Member of the Management Association of the Philippines, Makati Business Club and Financial Executive Institute of the Philippines (FINEX); Graduate of De La Salle University, B.A. Economics and B.S. Business Administration, (1968), Masters Degree in Business Administration, Columbia Graduate School of Business, New York, (1970).

JOHNSON ROBERT G. GO, JR., age 59, Filipino, Director of the Company since 19 November 2019 and an independent director since 2022; Director of JG Summit Holdings, Inc., Universal Robina Corporation (May 5, 2005 to present) and Robinsons Land Corporation; President of the Dameka Trading, Inc., member of the Senior Advisory Board of Robinsons Bank Corporation and a Trustee of the Gokongwei Brothers Foundation, Inc. He received his Bachelor of Arts degree in Interdisciplinary Studies (Liberal Arts) from the Ateneo de Manila University.

OSCAR J. HILADO, age 86, Filipino, an Independent Director of the Company since 13 April 1998; Chairman of Philippine Investment Management (PHINMA), Inc. (August 2005 to present); Chairman-Emeritus & Chairman of the Executive Committee of Pinma Corporation (April 2022 to present); Vice Chairman of the Board of Pinma Property Holdings Corporation (April 2021 to present); Vice Chairman of Union Galvasteel Corporation (March 2017 to present); Director of Phil. Cement Corporation (September 2017 to present); Union Insulated Panel Corp. (June 2022 to present); Pinma Hospitality, Inc. (July 2011 to present), Pinma Education Holdings, Inc. (March 2016 to present), Araullo University, Inc. (April 2004 to present), Cagayan de Oro College, Inc. (June 2005 to present), University of Iloilo, Inc. (August 2009 to present), University of Pangasinan, Inc. (August 2009 to present), Southwestern University (June 2016 to present), Manila Cordage Corporation (1986 to present); Independent Director of Philex Mining Corporation (December 2009 to present), Metro Pacific Investments Corporation (May 2021 to present), Rockwell Land Corporation (May 2015 to present), Smart Communications, Inc. (May 2013 to present), Digital Telecommunications Philippines, Inc. (DIGITEL) (May 2013 to present), Roxas Holdings, Inc. (March 2016 to present), Seven Seas

Resorts & Leisure, Inc. (1996 to present) and Pamalican Resort, Inc. (May 2011 to present), Beacon Property Ventures, Inc. (December 1994 to present), United Pulp and Paper Company, Inc. (December 1969 to present), Graduate of De La Salle College (Bacolod), Bachelor of Science in Commerce (1958), Masters Degree in Business Administration, Harvard Graduate School of Business, (1962).

WILLIAM H. OTTIGER, age 56, Swiss, Director of the Company since 20 April 2022; Executive Vice President and Corporate Development Officer of the Company (2013 to present); Director of iPeople, Inc. (2023 to present); Director of Anscor International, Inc. (2021 to present); Director of Seven Seas Resorts and Leisure, Inc. (2019 to present); Director of ATRAM Trust Corporation (2019 to present); Director of ATR Asset Management, Inc. (2019 to present); Director of Phelps Dodge International Philippines, Inc. (April 2016 to present); Director of AG&P International Holdings Pte. Ltd. (2014 to 2022); Formerly CEO of Cirrus Medical Staffing, Inc. (USA), an Anscor portfolio investment sold in 2017; UBS Investment Bank, London (UK) and San Miguel Brewing Hong Kong Ltd. Graduate of Washington & Lee University, B.A. European History, (1990); London Business School, MBA, (2001).

CAMILA MARIA SORIANO, age 34, American, Founder, Chief Financial Officer of Wholesome Spirits Inc. (DBA Volley), Charles, SC (June 2019 to present); Chief Financial Officer of American Juice Company LLC, Charles, SC, (May 2017 to present); Registered Client Associate of Wells Fargo Advisors, New York, NY, (2013 to May 2017); Intern, Funds Research of Bank of Singapore (Subsidiary of OCBC) Singapore, (Summer 2012); Intern, Retail Event Marketing of Ralph Lauren, New York, NY, (Summer 2011), Intern, European Observatory on Children's Television (OETI), Barcelona, Spain, (Fall 2010) and Assistant to Vice President, Business Development of The Coca-Cola Company, New York, NY, (Summer 2010). Graduate of Fundamentals of Corporate Finance, New York City University (Fall 2012); Political Science and Hispanic Studies, B.A., Trinity College (2012). Studied in University Pompeu Fabra, Barcelona, Spain (Fall 2010), New York University, Intercultural Communications (Summer 2009) and Kent School (2008 with Honors).

The following are the members of the Executive Committee, Audit Committee, Compensation Committee and Nomination Committee for the period April 19, 2023 to April 17, 2024:

Executive Committee:

Mr. Andres Soriano III	Chairman
Mr. Eduardo J. Soriano	Vice Chairman
Mr. Oscar J. Hilado	Member
Mr. Ernest K. Cuyegkeng	Member
Mr. William H. Ottiger	Member

Audit Committee:

Mr. Oscar J. Hilado	Chairman
Mr. Eduardo J. Soriano	Member
Mr. William H. Ottiger	Member
Mr. Johnson Robert G. Go, Jr.	Member
Mr. Alfonso S. Yuchengco III	Member

Compensation Committee:

Mr. Oscar J. Hilado	Chairman
Mr. Andres Soriano III	Member
Mr. Alfonso S. Yuchengco III	Member

Nomination Committee:

Mr. Eduardo J. Soriano	Chairman
Mr. Oscar J. Hilado	Member
Mr. Alfonso S. Yuchengco III	Member

On April 17, 2024, the Board of Directors will elect the members of the different Board Committees during the Organizational Meeting of the Board of Directors to serve for the ensuing year.

The following are not nominees but incumbent officers of the Company:

LORNA PATAJO-KAPUNAN, age 71, Filipino, Corporate Secretary of A. Soriano Corporation (1998 to present); Senior Partner of Kapunan & Castillo Law Offices; Corporate Secretary, Roxas Holdings, Inc. (1995 to 2014), Central Azucarera de Don Pedro (February 1995), Central Azucarera de la Carlota (March 1996), Beverage Industry Association of the Philippines (February 1991 to present), Seven Seas Resorts & Leisure, Inc. (November 1990 to present), Pamalican Island Holdings, Inc. (1995 to present), iAcademy (2002 to 2011), Uni-President Phils., Inc. (2002 to present), Huntly Corporation (February 1992 to present), Palomino Resources, Inc. and Malate Pensionne, Inc. (2001 to 2014), Cuisine Exchange, Inc. and Culinary Innovators, Inc. (2001 to 2014), Jose M. Velero Corporation (2001 to 2014), Creative Concoctions, Inc. (2001 to 2014), Hotel Concepts, Inc. (September 2001 to present), Creative Hotel Concepts, Inc. (September 2001 to 2014), Culinary Events, Inc. (2001 to 2014), AH Distribution Corporation, Hotel & Resorts Trench, Inc. (2002 to 2014), It's About Taste (I'ATE), Inc. (2002 to 2014), Kitchen Alley, Inc. (2001 to 2014), Les Maitres Gourmands, Inc. (July 2001 to 2014); Traditional Financial Services Philippines, Inc. (2008 to present); Avaya Philippines, Inc. (2006 to present), Elixir Gaming Technologies Philippines, Inc. (2007 to 2008), Elixir Group Philippines, Inc. (2006 to 2008); Director of AMAX Holdings Limited (2008 to 2014); Corporate Secretary, Blessed Mary Mother of the Poor Foundation, Inc. (2014), Montemar Beach Club, Inc. (2013 to present), Philcomsat Communications Satellite Corporation (Philcomsat) (2013 to present), UNLAD Foundation (2015-present). Graduate of University of the Philippines College of Law, (1978);

Seminar Courses: Japan Institute of Invention and Innovation (JIII) Tokyo (1997); National Institute on Humanitarian Law, San Remo, Italy (September 2005); Summer Course International Humanitarian Law, Magdalene College, Cambridge University, London UK (July 2010). Bar Examiner, Mercantile Law (1988). The Outstanding Women In The Nations Service (TOWNS) Awardee - Corporate Law (1995); Filipinas Women Network (FWN) Influential Women Award (2016-present); Columnist, Business Mirror "Legally Speaking"; Program Host/Commentator "Laban Para Sa Karapatan" DWIZ, 882 AM; "Trio Tagapampayo" Face to Face, Channel 5; Top 100 Lawyers in the Philippines (2019 to 2021); 2021 Corporate Int'l Global Awardee; Past Councilor, Asian Patent Attorneys Association (APAA); Past President/Director Intellectual Property Association of the Philippines (IPAP); Chairperson Management Association of the Philippines (MAP) Arts and Culture Committee; Past Area Director, Area 5 Zonta International; Legal Adviser Rotary International District 3800; Governor/Counselor Philippine National Red Cross (PRC); Past President/Trustee - Women's Business Council (WBC); Vice Chairman Cultural Center of the Philippines (CCP); Board of Adviser - World Wildlife Fund (WWF).

LORENZO D. LASCO, age 61, Filipino, Vice President (joined the group in 1997); Director and General Manager of Anscor Holdings, Inc. (2000 to present); Director of AFC Agribusiness Corp.; Project Manager at Seven Seas Resorts and Leisure, Inc. (Amanpulo); used to be connected with Ayala Land, Inc. (ALI); Graduate of the Asian Institute of Management, Masters in Business Administration (1989).

NARCISA M. VILLAFLORES, age 61, Filipino, Vice President and Comptroller of the Company since 19 April 2000, Treasurer since January 2023; Treasurer of Seven Seas Resorts and Leisure, Inc., Pamalican Resort, Inc. and Anscor Holdings, Inc., The Andres Soriano Foundation, Inc., Pamalican Island Holdings, Inc., and Sutton Place Holdings, Inc.; Director of Anscor Consolidated Corporation and A. Soriano Air Corporation; Trustee of The Andres Soriano Foundation, Inc. Joined SGV (January 1985 to November 1989) and joined Anscor in December 1989; Graduate of University of the Philippines, Bachelor of Science in Business Administration and Accountancy (1984). Attended AIM Management Program (November 1996).

JOSHUA L. CASTRO, age 49, Filipino, Vice President (April 2017 to present) and Assistant Corporate Secretary of the Company; Assistant Corporate Secretary of Seven Seas Resorts and Leisure, Inc. and Island Aviation, Inc. (2006 to present); Corporate Secretary of Phelps Dodge Philippines Energy Products Corporation and The Andres Soriano Foundation, Inc. (2006 to present); and Anscor Holdings, Inc. (2012 to present), Tax Lawyer, SyCip Gorres Velayo & Co. (1999 to 2005); Graduate of San Beda College of Law (1999), and University of the Philippines Diliman, Bachelor of Arts, Political Science (1995).

SALOME M. BUHION, age 51, Filipino, Assistant Vice President-Accounting (April 2017 to present) and Accounting Manager (January 1998 to April 2017) of the Company; Assistant Manager, Business System Division (Support Management Group), Equitable PCI Bank, (1997); Auditor, SyCip Gorres Velayo & Co. (1994 to 1997); Certified Public Accountant.

MA. VICTORIA L. CRUZ, age 59, Filipino, Assistant Vice President of the Company (April 2017 to present); Executive Secretary to the Chairman (September 1998 to March 2017). Ms. Cruz was formerly the Executive Assistant to the Head of Mission of the Embassy of Peru. She also worked with Shangri-La's Mactan Island Resort, John Clements Consultants, Inc. and the Mandarin Oriental Hotel, Manila. She received a Bachelor of Science degree major in Business Management from De La Salle University in 1984.

- (b) **Resignation of Directors**
Since the date of the last annual meeting, no incumbent Director has resigned or declined to stand for re-election to the Board of Directors due to disagreement with Management.
- (c) **Ownership Structure and Parent Company**
The registrant has no parent company.
- (d) **Family Relationship**
Mr. Eduardo J. Soriano is the brother and Ms. Camila Maria Soriano is the daughter of Mr. Andres Soriano III. There are no other family relations up to the Fourth Civil Degrees either by consanguinity or affinity among the Directors, Executive Officers or persons nominated that is known to the Company.
- (e) **Executive Officers and Significant Employees**
There are no significant employees.
- (f) **Legal Proceedings**
For the last five years and as of 28 February 2023, Management is not aware of any pending material legal proceeding i.e., bankruptcy petitions, convictions by final judgment, being subject to any order, judgment or decree or violation of a Securities or Commodities Law involving its nominees for directorship, executive officers and incumbent officers and directors.
- (g) **Certain Relationship and Related Transactions**
The related party transactions of the Company as contained in the Company's Draft Consolidated Financial Statement are as follows:

Related Party Transactions

Related party relationship exists when the party has the ability to control, directly or indirectly, through one or more intermediaries, or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting entity and its key management personnel, directors or stockholders. In considering each possible related party relationship, attention is directed to the substance of the relationships, and not merely to the legal form.

All related party transactions exceeding P5.0 million in a single transaction or in aggregate transactions within the last twelve (12) months shall be disclosed to and evaluated by the Related Party Transaction Committee for approval by at least majority of the BOD.

All material related party transactions, representing 10% or more of the consolidated total assets of the Group, shall be approved by at least two-thirds (2/3) vote of the BOD, with at least majority of the independent directors voting to approve the material related party transactions. These transactions shall be disclosed with the SEC.

In the normal course of business and in addition to those disclosed in Notes 13 and 30, the Group grants/ receives cash advances to/from its associates and affiliates. Related Party transactions are generally settled through cash.

Compensation of the Group's key management personnel (in millions):

	2023	2022	2021
Short-term employee benefits (Notes 21 and 22)	P 205.9	P 106.8	
Retirement benefits (Notes 21, 22 and 24)	4.4	4.4	
Total	P 210.3	P 111.2	

There are no termination benefits, share-based payments or other long-term employee benefits granted to key management personnel.

On November 4, 2019, the Company granted a five-year loan amounting to P363.5 million to A. Soriano Corporation Retirement Plan (the Retirement Plan) at 5% interest per annum. The loan is secured by the Company's shares of stock held by the Retirement Plan with a fair value of P652.9 million and P506.2 million as at December 31, 2023 and 2022, respectively.

The balance of the loan, which is presented as "Notes receivable" in the consolidated statements of financial position, amounted to P198.8 million and P245.9 million as at December 31, 2023 and 2022, respectively.

On August 10, 2023, the Company entered into an agreement with AIMP for P218 million convertible note ("Note"), with interest rate of 8% per annum. The principal is payable on the third year anniversary of the Note issuance, while the interest is payable monthly. The Notes are convertible on or after the occurrence of an event of default. The balance of the Note as at December 31, 2023 amounted to P218 million (nil in 2022).

Item 6: Compensation of Directors and Executive Officers

- (a) As approved in 2004, Directors are paid a per diem of ₱20,000.00 per meeting attended and are given directors bonus representing no more than 1% of previous year's net income. Similarly, annual bonus, of no more than 3% of the preceding year's net income as well as salary increase of Executive Officers are approved by the Compensation Committee and the Board of Directors.

Name	Principal Position	Compensation		
		2022 Actual	2023 Actual	2024 (Estimate)
Andres Soriano III	Chairman & Chief Executive Officer			
Ernest K. Cuyegkeng	President & Chief Operating Officer			
William H. Ottiger	Executive Vice President, & Corporate Development Officer			
Lorenzo D. Lasco	Vice President			
Narcisa M. Villaflor	Vice President & Comptroller/Treasurer			
Joshua L. Castro	Vice President & Assistant Corporate Secretary			
Salome M. Buhion	Assistant Vice President-Accounting			
Ma. Victoria L. Cruz	Assistant Vice President			
Executive Directors*				
Salaries		₱ 40,006,000	₱ 43,958,043	₱ 34,563,569
Bonus		45,200,000	72,100,000	45,500,000
Other Executive Officers**				
Salaries		20,853,681	17,928,826	19,493,753
Bonus		33,600,000	19,500,000	17,000,000
Benefits		1,916,916	2,606,325	2,993,986
Subtotal Executive Directors and Officers		141,576,597	156,093,194	119,551,308
Non-Executive Directors***				
Consultancy Fee		3,660,714	2,901,786	12,767,857
Bonus		33,857,143	18,064,286	33,857,143
Directors Fees		(14,012,857)	520,000	600,000
Subtotal Non-Executive Directors		23,505,000	21,486,071	47,305,000
Total		₱ 165,081,597	₱ 177,579,265	₱ 166,856,308

* Executive Directors include members of the Board of Directors who are at the same time Executive Officers.

** Other Executive Officers include Executive Officers who are not members of the Board of Directors.

*** Non-Executive Directors include members of the Board of Directors who are not at the same time Executive Officers of the Company.

- (b) **Employment Contracts and Termination of Employment and Change-in Control Arrangements** All the Executive Officers are not subject of any employment contract. Neither are there any compensatory plans or arrangements with respect to the named Executive Officers that will result from their resignation, retirement or any other termination or from change in control in the Company or change in the named Executive Officers' responsibilities following a change in control.
- (c) **Warrants and Options Outstanding**
There are no warrants or options granted to the Directors, Chief Executive Officer, and other named Executive Officers.

Item 7: Independent Public Accountants

- (a) SyCip Gorres Velayo & Co. (SGV) has been the Company's independent auditors since its establishment in 1946. They will again be nominated for reappointment and presented for approval by the stockholders during the stockholders' meeting as external auditors for the ensuing calendar year. Unless marked to the contrary, proxies received will be voted FOR the appointment of SGV as the independent auditors for the ensuing year. The Management recommends a vote FOR the appointment of SGV as independent auditors of the Company for the ensuing year.
- (b) In compliance with SRC Rule 68 paragraph 3(b) (IX) (Rotation of External Auditors), the SGV audit partner, as of December 2023, is Ms. Dhonabee B. Señeres, who is on her fifth year of audit engagement. Ms. Señeres will again be the SGV audit partner for the ensuing year.
- (c) A representative of SGV is expected to be present at the Annual Meeting to respond to appropriate questions from the stockholders and to make a statement if so desired.
- (d) The Company has no disagreement with its independent auditors on Accounting and Financial Disclosures and changes in Accounting and Financial Disclosures are included in the attached Notes to Financial Statements, if applicable.
- (e) **Audit and Audit Related Fees**
The Company paid to its external auditors the following fees for the past two years:

Year	Audit Fees
2023	P 1,320,000
2022	P 1,320,000

The audit fees were evaluated and approved by the Audit Committee based on the scope of work of external auditors and the complexity of accounting and audit issues identified. There are no other fees paid to the external auditors for other assurance and related services.

- (f) **Consultancy and Other Fees**
There are no consultancy and other fees paid by the Company to SGV for the year 2023.

Item 8: Compensation Plan

There is no matter or action to be taken up in the meeting with respect to any compensation plan pursuant to which cash or noncash compensation may be paid or distributed.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9: Authorization or issuance of securities other than exchange

There is no matter or action to be taken up with respect to authorization or issuance of securities.

Item 10: Modification or Exchange of Securities

There is no matter or action to be taken up for the modification or exchange of any class of the Company securities.

Item 11: Financial and Other Information

The audited financial statements (included in the Annual Report) as of December 31, 2023, Management's Discussion and analysis, market price of shares and dividends and other data related to the Companies' financial information are attached hereto as "Annex B".

1. Financial statements meeting the requirements of SRC Rule 68, as amended; (please see draft Financial Statement attached hereto).
2. "Annex B", management discussion and analysis and plan of operation (please see pages 35 to 54 of the Preliminary Information Statement); and
3. "Annex B", changes in and disagreements with accountants on accounting and financial disclosure. (please see page 54 of the Preliminary Information Statement).

Item 12: Mergers, Consolidation, Acquisitions, and Similar Matters

There is no matter or action to be taken up with respect to any transactions involving mergers, consolidation, acquisitions or similar matters.

Item 13: Acquisition or Disposition of Property

There is no matter or action to be taken up with respect to acquisition or disposition of any property.

Item 14: Restatement of Accounts

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the new and amended Philippine Financial Reporting Standards (PFRSs) which became effective beginning 1 January 2023. There is no restatement of accounts to disclose.

D. OTHER MATTERS**Item 15: Action with Respect to Reports**

The following reports/minutes shall be submitted for approval/ratification:

- (a) Approval of Minutes of Annual Meeting of Stockholders on 19 April 2023

The Minutes of Annual Meeting of Stockholders of the Company held on 19 April 2023 ("Minutes") will be presented for approval of the stockholders. Such action on the part of the stockholders will not constitute approval or disapproval of the matters referred to in said Minutes since Stockholders' approval and action on those items had already been obtained in that meeting and subsequently carried out.

The Minutes and related records are available for inspection at the office of the Company during business hours. In addition, copies of the Minutes shall be posted at the meeting site.

Summary of the Minutes of 19 April 2023:

In the Annual Stockholders' Meeting the following were taken up:

1. Approval of the minutes of previous meeting.
2. Presentation of the Chairman and Chief Executive Officer's Message to Stockholders.
3. Election of members of the Board of Directors.

4. Approval of the continuation of Mr. Oscar J. Hilado to act as Independent Director and to serve as such if elected as one of the Directors of the Corporation.
5. Approval of amendment of Sections 2 and 3 of Article III on Meetings in order to formalize in the By-Laws the option to hold Stockholders' meetings virtually or via remote communications and to include e-mail and other additional methods of sending notices of meetings to stockholders.
6. Approval of the amendment of Sections 6 and 7 of Article IV on Board of Directors in order to formalize in the By-Laws the option to hold Board meetings virtually or via remote communications and to include e-mail and messaging services as methods of sending notices of meetings to directors.
7. Re-appointment of SGV & Co. as external auditors of the Corporation.
8. Ratification of all acts, contracts, investments and resolutions of the Board of Directors and Management since the last annual meeting.

In the organizational meeting that followed after the Stockholders' Meeting, the Executive Officers were re-elected and the members of the Audit Committee, Executive Committee, Compensation Committee, and Nomination Committee were re-appointed.

(b) Approval of 2023 Audited Financial Statements

The Audited Financial Statements of the Company for the period ended 31 December 2023 will be submitted for approval of the stockholders at the Annual Meeting.

SGV had examined the Financial Statements in accordance with generally accepted auditing standards and have expressed their opinion on the fairness of the presentation in their report to the Board of Directors and Stockholders of the Company. The information and representation in the Financial Statements are the responsibility of Company's Management.

(c) Approval of the Amendment of Sections 2 and 3 of Article II on Meetings in the Company's By-Laws to read as follows:
Section 2. xxx xxx xxx

The Board of Directors may authorize stockholders who cannot physically attend at stockholders' meetings to participate in such meetings through remote communications or other alternative modes of communication. The right to vote of stockholders may also be exercised through remote communication or in absentia when so authorized by the Board of Directors. The resolution of the Board of Directors authorizing the stockholders' participation in stockholders' meetings through remote communication and/or the right to vote through remote communication or in absentia shall only be applicable for a particular meeting.

Section 3. Notices of ordinary stockholders' meeting shall be sent to stockholders of record at least fifteen (15) business days prior to the scheduled annual stockholders' meeting. Notices for special meetings shall be mailed and deposited in any post office in Metro Manila addressed to each stockholder at his/her address registered in the Stock and Transfer Books of the Corporation at least fifteen (15) business days prior to the date of the meeting. The notices of stockholders' meetings may likewise be sent to the stockholders through email or by posting in the Corporation's website and by publication in a newspaper of general circulation when so permitted by rules and regulations or circulars issued by the Securities and Exchange Commission. The notice shall state the business to be discussed at the meeting and any other matters not stated therein shall not be touched upon. The notice to the stockholders shall also include the requirements and procedure to be followed when stockholders are allowed to participate by remote communication or in absentia, and the manner of casting of votes and the period during which votes by remote communication or in absentia will be accepted.

- (d) Approval of the Amendment of Sections 6 and 7 of Article IV on Board of Directors in the Company's By-Laws, to read as follows:

Section 6. xxx xxx xxx
Directors who cannot physically attend or vote at Board meetings may participate through remote communication such as videoconferencing, teleconferencing, or other alternative modes of communication that allow them reasonable opportunities to participate. Directors cannot attend or vote by proxy at Board meetings.

Section 7. Notice of the regular or special meetings of the Board shall be communicated by the Secretary to each director, by email, messaging services, verbally or in writing at his residence or usual place of business at least twenty-four (24) hours before the meeting."

- (e) Ratification of All Acts, Contracts, Investments and Resolutions of the Board of Directors and Management since 19 April 2023 Meeting.

As a matter of corporate policy, Management seeks the approval and ratification by the stockholders of all acts, contracts, investments and resolutions of the Board of Directors and Management since 19 April 2023. These are reflected in the Minutes of the meetings of the Board of Directors, in the regular reports and disclosures to the Securities and Exchange Commission and the Philippine Stock Exchange, and in the 2022 Annual Report of the Company. For reference, attached herewith (Annex A) is a list of all the resolutions approved by the Board of Directors since April 19, 2023 which are the subject of ratification by the stockholders.

Requirements under Section 49 of the Revised Corporation Code of the Philippines

- (a) Pursuant to the Procedure for the Registration, Participation and Voting in the 2023 Annual Stockholders Meeting (ASM) of the Company, the stockholders have the option of voting either (1) by Proxy or (2) by voting in absentia through the Company's Online Stockholder Voting System. All the stockholders who attended the virtual ASM either by Proxy or by registration via email elected to vote by Proxy. Hence, the Corporate Secretary voted the shares covered by the Proxies from stockholders in accordance with the instructions given by the stockholders in the Proxy Forms. The Company's stock transfer agent, Stock Transfer Service, Inc. validated the Proxy Forms and the votes cast during the ASM.
- (b) In accordance with the Procedure for the Registration, Participation and Voting in the 2023 ASM, the stockholders were given the opportunity to send their questions for the Question and Answer portion of the ASM by email to registration@anscor.com.ph. The following is the record of the Question read by the Corporate Secretary and responded to by the Chairman during the ASM:

"Corporate Secretary: Mr. Chairman, we received two questions from stockholders, the first one is - Has the Company recovered its investment when it sold its holdings in AG&P?

And the second question is similar - Has the Company recovered its investment in Y-mAbs Therapeutics, Inc.?

Chairman: Thank you Ms. Secretary. For the first question, yes, we have fully recovered the peso cost of our investment of ₱1.96 billion in 2013 when we sold our AG&P shares last year for peso proceeds of about ₱1.97 billion.

For the second question, yes, Anscor has fully recovered also its total cost of investment in Y-mABs amounting to US\$9.91 million. We acquired our Y-mAbs shares from 2017 to 2021 and sold some of our shares from 2020 to 2023 with total proceeds of about US\$9.94 million. Anscor still has remaining shares in Y-mAbs currently valued at about US\$3.7 million.

- (c) The following are matters discussed and resolutions reached during the 2023 ASM:
1. Approval of the minutes of the 20 April 2022 Annual Meeting of Stockholders;
 2. Approval of the 2022 Annual Report of the Corporation;
 3. Election of the Members of the Board of Directors;
 4. Approval for the continuation of Mr. Oscar J. Hilado to act as Independent Director;
 5. Approval of the amendment of Sections 2 and 3 of Article III on Meetings in order to formalize in the By-Laws the option to hold Stockholders' meetings virtually or via remote communications and to include e-mail and other additional methods of sending notices of meetings to stockholders.
 6. Approval of the amendment of Sections 6 and 7 of Article IV on Board of Directors in order to formalize in the By-Laws the option to hold Board meetings virtually or via remote communications and to include e-mail and messaging services as methods of sending notices of meetings to directors.
 7. Appointment of the External Auditor; and
 8. Ratification of all acts, contracts and resolutions of Management and the Board of Directors since the 2022 ASM.

- (d) The following are the voting results for each agenda item during the 2023 ASM:

Agenda Item	For	Against	Abstain
Approval of the minutes of the 20 April 2022 Annual Meeting of Stockholders	2,867,818,975	0	0
Approval of the 2022 Annual Report of the Corporation Election of the Members of the Board of Directors:	2,864,069,975	0	
a. Andres Soriano III	2,890,318,441	0	0
b. Eduardo J. Soriano	2,864,069,064	0	0
c. Ernest K. Cuyegkeng	2,864,069,064	0	
d. Johnson Robert Go, Jr.	2,864,069,064	0	0
e. Oscar J. Hilado	2,864,069,064	0	0
f. Alfonso S. Yuchengco III	2,864,069,064	0	
Approval for the continuation of Mr. Oscar J. Hilado to act as Independent Director	2,864,069,064	0	0
Approval of the amendment of Sections 2 and 3 of Article III on Meetings in Company's By-Laws	2,867,818,975	0	0
Approval of the amendments of Sections 6 and 7 of Article IV Board of Directors in the Company's By-laws	2,867,818,975	0	0
Appointment of SGV & Co. as External Auditor	2,867,817,975	0	1,000
Ratification of all acts, contracts and resolutions of Management and the Board of Directors since the 2022 ASM	0	0	1,000

- (e) The following are the directors and officers and stockholders who attended the 2023 ASM;

Directors and Officers:

1. Andres Soriano III
2. Eduardo J. Soriano
3. Ernest K. Cuyegkeng
4. Johnson Robert Go, Jr.
5. Oscar J. Hilado
6. Jose C. Ibazeta
7. Alfonso S. Yuchengco III
8. Atty. Lorna Patajo-Kapunan
9. William H. Ottiger
10. Lorenzo D. Lasco
11. Narcisa M. Villaflor
12. Atty. Joshua L. Castro
13. Salome M. Buhion
14. Ma. Victoria L. Cruz

Stockholders:

1. Anscor Consolidated Corporation
2. A.Soriano Corporation Retirement Plan (Common & Preferred)
3. A. Soriano Corporation Domestic Retirement Trust Fund
4. A. Soriano Corp. Fractional Shares
5. Citibank N.A. FAO 7568421675 (ASIII)
6. Citibank N.A. FAO 7571821942 (Anscor Retirement Plan)
7. Citibank N.A. FAO 757831700 (Deerhaven)
8. Citibank N.A. FAO 757830661846 (ACC)
9. Citiomnifor
10. Balangingi Shipping Corporation
11. DAO Investment & Management Corp.
12. A-Z Asia Ltd. Philippines, Inc.
13. C & E Property Holdings, Inc.
14. Edmen Property Holdings, Inc.
15. MCMS Property Holdings, Inc.
16. EJS Holdings, Inc.
17. Universal Robina Corp.
18. JG Summit Holdings, Inc.
19. Express Holdings, Inc.
20. John Lance Gokongwei
21. Santiago Tanchan Jr.
22. Constantine Tanchan
23. Santiago Tanchan III
24. Philippine Remnants Co., Inc.
25. Communications Electrical Equipment and Supply Co., Inc.
26. Phil. International Life Insurance Co., Inc.
27. M E Holding Corporation

28. Mercury Group of Companies
29. PCD Nominee Corporation
30. Peter Paul Phil. Corp.
31. United Realty Corporation
32. Jose C. Lee
33. Jocelyn C. Lee
34. Lennie C. Lee
35. Edwin Chua Lee
36. Irene Chua Lee
37. Jose C. Ibazeta Acct. #2
38. Sylvia A. Ibazeta
39. Enrique M. Cruz
40. Imelda T. Tagudar
41. Lauro Go
42. Roderick Alain Alvarez
43. Julius Victor J. Sanvictores
44. Jose Mari Yupangco
45. Erlinda D. Santos
46. Iderlina Crisostomo
47. Emelinda P. Orozco
48. Jose D. Cayobit
49. Rosauro V. Raymundo
50. Vicente Abolencia, Jr.
51. Victoria C. Dizon
52. Jane V. Jingco
53. Nora Figueroa

- (f) Material information on the current stockholders voting rights were provided during the 2023 ASM. Specifically, the Corporate Secretary informed the stockholders during the meeting that 2,867,818,975 shares of stock or 95.59% of the issued and outstanding capital stock of the Company were represented at the ASM by proxy or were present through remote communication in accordance with the procedure for the ASM. On the voting rights, the Proxy Form and the Information Statement of the Company provides that each share of stock outstanding as of the record date shall be entitled to one vote on all matters.
- g) There is no transaction to which the Company was a party in which any of the Directors have material interest.

Item 16: Matters Not Required to be Submitted

There is no action or matter to be taken up with respect to any matter which is not required to be submitted to a vote of the security holders.

Item 17: Other Proposed Actions

As indicated in the Notice of Annual Meeting of the Stockholders, the fourth item on the agenda is for approval of the shareholders for Mr. Oscar J. Hilado to continue to act as an independent Director of the Company. The Company is allowed to retain an independent Director who has served for more than nine years based on meritorious justification/s and provided shareholders' approval is secured.

The Company believes that there are meritorious justifications to retain Mr. Hilado as an independent Director. He has been an essential member of the Board of Directors, serving at the same time as the Chairman of the Audit and Compensation Committees of the Company. He is highly qualified and well respected in the business community and sits as independent director in the Boards of other companies. He has performed his role as independent Director with dedication and commitment. His insights, wisdom, and knowledge of the Company gained from his experience over the years will help the Company navigate new challenges in the years ahead. The retention of Mr. Hilado as independent Director will also preserve a well-balanced Board composition in terms of tenure. Mr. Go, the other nominee for independent Directors was first elected as Director in 2019 while Mr. Ottiger, another nominee for Director was first elected in April 2022, and Ms. Soriano is a first-time nominee, thus, ensuring that the Board has fresh perspective from relatively new members. Because of the invaluable contribution of Mr. Hilado, the Company is unable to find a suitable replacement for him. Please refer to pages 9 to 10 for his business experience.

Item 18: Voting Procedures

- (a) All questions and elections shall be decided by majority vote of the stockholders present and in proxy and entitled to vote thereat.
- (b) Stockholders may vote during the 2024 ASM either (1) by Proxy or (2) by voting in absentia through our Online Stockholder Voting System.

1. Voting by Proxy:

- a. Download and fill up the Proxy Form at <https://www.anscor.com.ph/disclosures/proxy>. The Chairman and Chief Executive Officer, or in his absence, the Vice-Chairman, the President and Chief Operating Officer or the Corporate Secretary is authorized to cast the votes pursuant to the instructions in the Proxy Form.
- b. Send a scanned copy of the duly signed Proxy Form by email to our Stockholder Relations Officer, Ms. Rose Reyes at rose.reyes@anscor.com.ph or at registration@anscor.com.ph.

- c. The scanned copy of the duly signed Proxy Form should be emailed as mentioned above not less than ten (10) working days prior to the ASM or not later than 27 March 2024.
 - d. The hard copy of the signed Proxy Form should be delivered to: The Corporate Secretary, 7th Floor, Pacific Star Building, Gil Puyat Avenue corner Makati Avenue, Makati City.
2. Voting in absentia through the Online Stockholder Voting System:
- a. Follow the Registration and Participation/ Attendance Procedure set forth above.
 - b. Signify your intention to vote in absentia through the Online Stockholder Voting System by sending an email at registration@anscor.com.ph not later than three (3) working days before the 17 April 2024 ASM or not later than 12 April 2024.
 - c. Upon validation, the Company will send an email to the stockholder containing the link for the Online Stockholder Voting System and the instructions for casting votes in the Online Stockholder Voting System. Registered stockholders shall have until the adjournment of the ASM on 17 April 2024 to cast their votes.
 - d. All agenda items indicated in the Notice of Meeting will be included in the Online Stockholder Voting System and the registered stockholder may vote as follows:
 - i. For items other than election of the Directors, the stockholder may vote: "For", "Against", or "Abstain". The vote shall be considered as cast for all the stockholder's shares.
 - ii. For the election of Directors, the stockholder may vote for all the nominees, not vote for any of the nominees, or vote for some of the nominees only, in such number of shares as the stockholder may see fit, provided that the total number of votes cast shall not exceed the number of shares owned, multiplied by the number of Directors to be elected.

- e. Once voting is completed in the Online Stockholder Voting System, the stockholder shall proceed to click on the "Submit" button which shall complete the process. Once submitted, the stockholder may no longer change the votes cast. The votes cast in absentia will have equal effect as votes cast by proxy.

Other Matters

As of the date hereof, there are no other matters which the Board of Directors intends to present or has reason to believe others will present at the meeting. If other matters come before the meeting, the proxy holders will vote in accordance with his best judgment with respect to such matters that are not known to the solicitors at a reasonable time before the solicitation is made.

The Company shall provide to the stockholders, without charge, on written request the Annual Report of the Company on SEC Form 17-A, and list of stockholders as of record date. All such requests for a copy of the Annual Report, and list of stockholders shall be directed to the Corporate Secretary, 7th Floor, Pacific Star Building, Makati Avenue corner Gil Puyat Avenue, Makati City, Philippines.

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Makati on 22 March 2024.



LORNA PATAJO-KAPUNAN
Corporate Secretary

ANNEX A

Resolutions Approved During the Meetings of the Board of Directors of A. Soriano Corporation for the Period March 1, 2023 to November 15, 2023

1. Board Meeting held on March 1, 2023

- 1.1 RESOLVED, as it is hereby resolved, that the audited Financial Statements of A. Soriano Corporation for the year ended December 31, 2022 is approved.
- 1.2 RESOLVED, That a second paragraph to Section 2 of Article III be added to read as follows:

Section 2. xxx xxx xxx

The Board of Directors may authorize stockholders who cannot physically attend at stockholders' meetings to participate in such meetings through remote communications or other alternative modes of communication. The right to vote of stockholders may also be exercised through remote communication or in absentia when so authorized by the Board of Directors. The resolution of the Board of Directors authorizing the stockholders' participation in stockholders' meetings through remote communication and/or the right to vote through remote communication or in absentia shall only be applicable for a particular meeting.

RESOLVED, FURTHER, That Section 3 of Article III be amended to read as follows:

Section 3. Notices of ordinary stockholders' meeting shall be sent to stockholders of record at least fifteen (15) business days prior to the scheduled annual stockholders' meeting. Notices for special meetings shall be mailed and deposited in any post office in Metro Manila addressed to each stockholder at his/her address registered in the Stock and Transfer Books of the Corporation at least fifteen (15) business days prior to the date of the meeting. The notices of stockholders' meetings may likewise be sent to the stockholders through email or by posting in the Corporation's website and by publication in a newspaper of general circulation when so permitted by rules and regulations or circulars issued by the Securities and Exchange Commission. The notice shall state the business to be discussed at the meeting and any other matters not stated therein shall not be touched upon. The notice to the stockholders shall also include the requirements and procedure to be followed when stockholders are allowed to participate by remote communication or in absentia, and the manner of casting of votes and the period during which votes by remote communication or in absentia will be accepted.

RESOLVED, FURTHER, That a second paragraph be added to Section 6 of Article IV to read as follows:

Section 6. xxx xxx xxx

Directors who cannot physically attend or vote at Board meetings may participate through remote communication such as videoconferencing, teleconferencing, or other alternative modes of communication that allow them reasonable opportunities to participate. Directors cannot attend or vote by proxy at Board meetings.

RESOLVED, FINALLY, That Section 7 of Article IV be amended to read as follows:

Section 7. Notice of the regular or special meetings of the Board shall be communicated by the Secretary to each director, by email, messaging services, verbally or in writing at his residence or usual place of business at least twenty-four (24) hours before the meeting.

- 1.3 The Board proceeded to approve the record date, proxy validation date and the date of the Annual Stockholders' Meeting as follows:

Record Date - March 17, 2023

Proxy Validation Date - April 12, 2023

Date of Stockholders' Meeting - April 19, 2023

- 1.4 RESOLVED, as it is hereby resolved, that there is hereby declared out of the surplus profits of the Corporation, a regular cash dividend of Fifty Centavos (P0.50) per share on the common stock of the Corporation, payable on April 10, 2023, to all stockholders of record as of the close of business on March 16, 2023, and Mr. Ernest K. Cuyekeng, the Corporation's President and Chief Operating Officer, is hereby directed and authorized to cause the payment of the said cash dividend on the specified date.
- 1.5 RESOLVED, that the Corporation be, as it is hereby authorized to enter into transactions with PLDT Alpha Enterprise for the transfer of ownership of Google Workspace Business Starter under Account No. BS-MKT2142009552 registered in the name of the Cirrus Global Services, Inc. to the Corporation;

"RESOLVED, FURTHER, that Ms. Narcisa M. Villafior, Vice President-Comptroller, is hereby authorized to sign, execute and/or deliver any and all documents, contracts, instruments for and in behalf of the Corporation, as may be appropriate and required by the foregoing transaction.

2. **Board Meeting held on April 19, 2023**

- 2.1 RESOLVED, That the Board of Directors of A. Soriano Corporation by unanimous concurrence, submits herewith the Statement and Annual Report of the Chairman of the Board of Directors and President of the Corporation as its own Report to the Stockholders for the year ended December 31, 2022.
- 2.2 RESOLVED, as it is hereby resolved, that the Integrated Annual Corporate Governance Report (I-ACGR) of the Corporation for the year 2022 pursuant to SEC Memorandum Circular No. 15, Series of 2017 is hereby approved.
- 2.3 RESOLVED, as it is hereby resolved, that A. Soriano Corporation (the "Corporation") is authorized to enter into an Asset Reporting Agreement with HP Wealth Management (S) Pte. Ltd. (HPWM) under such terms and conditions as may be for the best interest of the Corporation;

RESOLVED, FURTHER, that William H. Ottiger, Executive Vice President and Corporate Development Officer, is hereby authorized to sign the Asset Reporting Agreement and/or such other documents that may be required to give full force and effect to this resolution.

- 2.4 WHEREAS, Anscor Holdings, Inc. (AHI) and Seven Seas Resorts and Leisure, Inc. (SSRLI), are both subsidiaries of the Corporation that have employees who render services for and have roles and responsibilities not only to AHI and SSRLI but also to the Corporation, and the latter's subsidiaries (the Group);

WHEREAS, the Corporation desires to absorb all the employees of AHI and one employee of SSRLI in consideration of their functions and roles and responsibilities to the Group and in order to align the benefits package of the employees with the benefits package enjoyed by the employees of the Corporation, and AHI and SSRLI are amenable thereto;

In view of the foregoing, the Board of Directors of the Corporation hereby passes the following resolutions:

RESOLVED, that the Corporation hereby approves the transfer of all the employees of AHI and one employee of SSRLI to the Corporation;

RESOLVED, FURTHER, that in view of the transfer of all the employees of AHI to the Corporation, the inclusion of the said transferred employees as Members of the A. Soriano Corporation Retirement Plan managed by ATRAM Trust Corporation is hereby approved; and

RESOLVED, FINALLY, that the Corporation's Vice-Presidents, Lorenzo D. Lasco and Narcisa M. Villaflor, are hereby authorized to sign any and all documents that may be required and/or necessary in order to give full force and effect to this resolution.

- 2.5 RESOLVED, that the Corporation enter into an Investment Management Agreement ("the Agreement") with ATRAM Trust Corporation ("ATRAM Trust") for the purpose of administering, managing and investing the funds of the Corporation (the "Fund");

RESOLVED, FURTHER, that any two (2) of the following officers of the Corporation be, signing jointly, be hereby authorized to execute the Agreement, as well as any and all documents as may be necessary to open and operate the Corporation's account, such as but not limited to account opening documents, written instructions for investments / withdrawal of funds, certification, amendments or modifications to Agreements, directives, orders, communications, as well as any subsequent closure of the account with ATRAM Trust;

Name	Position
Eduardo J. Soriano	Vice Chairman
Ernest K. Cuyegkeng	President & COO
William H. Ottiger	EVP & Corporate Development Officer
Joshua L. Castro	VP & Assistant Corporate Secretary

RESOLVED, FURTHER, that the above-named signatories be authorized to execute such documents, agreements and papers electronically and deliver the same through electronic mail or other means of electronic communication;

RESOLVED, that all transactions, warranties, representations, covenants, dealing and agreements by the Corporation through the above-named individuals with ATRAM Trust prior to the approval of these Resolutions are all hereby approved, confirmed and ratified to be the valid and binding acts, representation, warranties, and covenants of the Corporation as they may lawfully do or cause to be done by virtue of authorities given to them;

RESOLVED, FINALLY, that the foregoing Resolutions shall remain valid and subsisting unless otherwise revoked or amended in writing by the Corporation and duly served to the ATRAM Trust.

- 2.6 RESOLVED, as it is hereby resolved, that the Corporation approved the upliftment of the Corporation's 7 million ICTSI shares which are lodged with ATRAM Trust Corporation ("ATRAM").

RESOLVED, FURTHER, that any one (1) of the following Authorized Signatories of the Corporation below is designated as the authorized person to transact with ATRAM, hereby authorizing him to sign, execute and deliver, for and on behalf of the Corporation, any and all documents as may be required to give full force and effect to this resolution:

NAME	POSITION
Eduardo J. Soriano	Vice Chairman
Ernest K. Cuyegkeng	President & COO
William H. Ottiger	EVP & Corporate Development Officer
Joshua L. Castro	VP & Assistant Corporate Secretary

- 2.7 RESOLVED, That the Board of Directors hereby authorizes Mr. Ernest K. Cuyegkeng, President and Chief Operating Officer, to sign the proxy form for iPeople, Inc. (IPO), and/or to designate, name and appoint proxy to represent and vote the share/s of the Corporation during IPO's Annual Stockholders' Meeting on July 28, 2023, including any adjournments or postponements thereof;

RESOLVED, FURTHER, That the proxy is authorized to vote on all matters which may properly be taken in the meeting and other matters indicated in the agenda for said meeting.

3. Board Meeting held on July 27, 2023

- 3.1 RESOLVED, as it is hereby resolved, that the Corporation is hereby authorized to enter into a Convertible Note Instrument with ATRAM Investment Management Partners Corporation under such terms and conditions that may be for the best interest of the Corporation.

RESOLVED, FURTHER, as it is hereby resolved, that Ernest K. Cuyegkeng, the Corporation's President and Chief Operating Officer is hereby authorized to sign the aforesaid Convertible Note Instrument and any and all such documents that will give force and effect to the foregoing resolution.

- 3.2 RESOLVED, as it is hereby resolved, that the Board of Directors of the Corporation hereby approves and ratifies the additional investment of Anscor International, Inc. in Third Prime Series Investments, LLC - Kafene B amounting to US\$808,000.00.

4. Board Meeting held on November 15, 2023

- 4.1 RESOLVED, as it is hereby resolved, that there is hereby declared out of the surplus profits of the Corporation, a regular cash dividend of Fifty Centavos (P0.50) per share on the common stock of the Corporation, payable on December 12, 2023, to all stockholders of record as of the close of business on December 1, 2023, and Mr. Ernest K. Cuyegkeng, the Corporation's President and Chief Operating Officer, is hereby directed and authorized to cause the payment of the said cash dividend on the specified date.

4.2 RESOLVED, that the following be authorized to administer the Retirement Fund of the Corporation, to serve as such until their successors have been duly elected and qualified:

Name	Designation
Eduardo J. Soriano	Vice Chairman
Ernest K. Cuyegkeng	President & COO
Narcisa M. Villaflor	Vice Pres. & Comptroller/ Treasurer
Ma. Victoria L. Cruz	Asst. Vice President
Salome M. Buhion	Asst. Vice President-Acctg.

RESOLVED, FURTHER, that any two (2) of the foregoing persons be authorized and empowered, for and in behalf of the Retirement Fund, and in order to give effect to and enforce the authorities herein granted, to sign, execute and/or deliver any and all documents, including but not limited to the Trust Agreement, letters of instruction/withdrawals/termination/investment guidelines and instructions, waiver and quitclaims or other instructions in relation to the establishment and administration of the Retirement Fund;

RESOLVED, FURTHER, that ATRAM Trust, its directors, officers, employees, agents or authorized representatives are each entitled and authorized to rely on instructions from the Retirement Fund's authorized signatories as valid, binding and effective upon the Retirement Fund, and that ATRAM Trust, its directors, officers, employees, agents or authorized representative shall not be liable for any act done or suffered by them in reliance of the above instructions; it being understood that any and all risks and costs arising from the above instructions shall be for the Retirement Fund's sole and exclusive account;

RESOLVED, FURTHER, that all things/acts done and documents executed and entered into by the aforementioned signatories pursuant to and in accordance with the foregoing authorities are hereby confirmed, affirmed and ratified;

RESOLVED, FINALLY, that this resolution shall remain valid, subsisting and enforceable unless subsequently modified, revoked, rescinded or superseded by a resolution of the Board of Directors of the Corporation and a copy of such resolution is actually received by ATRAM Trust.

ANNEX B

MANAGEMENT REPORT

I. Brief Description of General Nature and Scope of the Business and Management's Discussion and Analysis of Operation

Description of General Nature and Scope of Business

A. Soriano Corporation ("Anscor") was incorporated on February 13, 1930.

Anscor is a Philippine holding company with diverse investments. Anscor's major investments are in Phelps Dodge Philippines Energy Products Corporation ("PDP Energy") which manufactures wire and cable products and Seven Seas Resorts and Leisure, Inc., owner of Amanpulo Resort. It has other investments in companies engaged in a wide range of activities in the Philippines including aviation, business process outsourcing and real estate. As a holding company, the principal sources of income for Anscor are: the share in net earnings of the companies in which it has investments, management fees, interest income, dividends and gains from the sale of investments, mainly the trading gain on marketable securities and bonds.

Growing the businesses is vital to Anscor's long-term success. The Company keeps a tight watch on the existing portfolio of businesses and new opportunities as they emerge.

As of 31st December 2023, the Company's consolidated total assets stood at ₱27.7 billion. For the year ended 31st December 2023, consolidated revenues of the Company amounted to ₱13.8 billion.

A. Soriano Corporation has the following direct/indirect subsidiaries/ associates as of December 31, 2023:

Company	Ownership	Business	Jurisdiction
A. Soriano Air Corporation	100%	Rental	Philippines
Pamalican Island Holdings, Inc.	62%	Holding Company	Philippines
Island Aviation, Inc.	62%	Air Transport	Philippines
Anscor Consolidated Corporation	100%	Holding Company	Philippines
Anscor International, Inc.	100%	Holding Company	British Virgin Island
International Quality Healthcare Investment Ltd.	100%	Holding Company	British Virgin Island
IQ Healthcare Professional Connection, LLC	93%	Inactive	USA
Prople Limited, Inc.	32%	Business Processing & Outsourcing	Hong Kong
Prople, Inc.	32%	Business Processing & Outsourcing	Philippines

Company	Ownership	Business	Jurisdiction
Anscor Holdings, Inc.	100%	Real Estate Holding	Philippines
Akapulko Holdings, Inc.	100%	Real Estate Holding	Philippines
Lakeroad Corporation	100%	Real Estate Holding	Philippines
Mainroad Corporation	100%	Real Estate Holding	Philippines
Makatwiran Holdings, Inc.	100%	Real Estate Holding	Philippines
Makisig Holdings, Inc.	100%	Real Estate Holding	Philippines
Malikhain Holdings, Inc.	100%	Real Estate Holding	Philippines
Mountainridge Corporation	100%	Real Estate Holding	Philippines
Rollingview Corporation	100%	Real Estate Holding	Philippines
Timbercrest Corporation	100%	Real Estate Holding	Philippines
Sutton Place Holdings, Inc.	100%	Holding Company	Philippines
Summerside Corporation	100%	Holding Company	Philippines
Phelps Dodge International Philippines, Inc.	97%	Holding Company	Philippines
Minuet Realty Corporation	97%	Landholding	Philippines
Phelps Dodge Philippines Energy Products Corporation	97%	Wire Manufacturing	Philippines
PD Energy International Corporation	97%	Wire Manufacturing	Philippines
Summerside Corporation	100%	Holding Company	Philippines
AFC Agribusiness Corporation	81%	Agricultural Land Holding	Philippines
Seven Seas Resorts and Leisure, Inc.	62%	Villa Project Development	Philippines
Pamalican Resort, Inc.	62%	Resort Operations	Philippines
Pamalican Utilities, Inc.	62%	Utility Company	Philippines
Vicinetum Holdings, Inc.	32%	Holding Company	Philippines
Fremont Holdings, Inc.	26%	Real Estate Holding	Philippines
ATRAM Investment Management Partner Corp.	20%	Asset Management	Philippines
KSA Realty Corporation	14%	Realty	Philippines

Below are the Key Performance Indicators of the Group:

Over the last years, consolidated revenues and net income from operations are as follows (in thousand pesos except earnings per share):

	Years Ended December 31		
	2023	2022	2021
REVENUES			
Sale of goods - net	₱ 10,147,489	₱ 10,727,755	₱ 8,751,667
Services	1,709,329	1,292,107	1,013,454
Dividend income	368,356	295,307	399,429
Interest income	91,870	67,462	53,534
	₱ 12,317,044	₱ 12,382,631	₱ 10,218,084

	Years Ended December 31		
	2023	2022	2021
INVESTMENT GAINS (LOSSES)			
Gain (loss) on increase (decrease) in market values of FVPL investments - net	1,476,198	(994,108)	1,124,061
Gain on sale of long-term investment	—	2,208,757	—
Gain (loss) on sale of FVOCI investments - net	(3,497)	764	532
	1,472,701	1,215,413	1,124,593
EQUITY IN NET EARNINGS	8,743	26,640	11,410
TOTAL	13,798,488	13,624,684	11,354,087
INCOME BEFORE INCOME TAX	3,017,196	3,098,197	2,917,745
PROVISION FOR INCOME TAX	368,000	242,155	380,152
NET INCOME	2,649,196	2,856,042	2,537,593
OTHER COMPREHENSIVE INCOME (LOSS)	21,835	(71,847)	176,601
TOTAL COMPREHENSIVE INCOME	P 2,671,031	P 2,784,195	P 2,714,194
Net Income Attributable to:			
Equity holders of the Parent	P 2,552,018	P 2,800,558	P 2,504,080
Noncontrolling interests	97,178	55,484	33,513
	P 2,649,196	P 2,856,042	P 2,537,593
Total Comprehensive Income Attributable to:			
Equity holders of the Parent	P 2,573,853	P 2,728,711	P 2,680,681
Noncontrolling interests	97,178	55,484	33,513
	P 2,671,031	P 2,784,195	P 2,714,194
Earnings Per Share			
Basic/diluted, for net income attributable to equity holders of the Parent	P 2.08	P 2.28	P 2.04
Basic/diluted, for total comprehensive income attributable to equity holders of the Parent	P 2.10	P 2.22	P 2.18

Financial Performance in 2023

Anscor registered a net income of ₱2.6 billion, lower than the profit last year of ₱2.8 billion, which included a one-time gain of ₱2.2 billion from the sale of the investment in AG&P. Stripping out the gain from the AG&P sale last year, the 2023 net income would have been ₱2.0 billion higher.

Phelps Dodge Philippines Energy Products Corporation contributed ₱1.04 billion to Anscor's profit, comprising equity earnings of ₱941.4 million and management fees of ₱99.4 million. Share in resort earnings increased to ₱126.3 million, from ₱89.4 million in 2022, and KSA Realty Corporation delivered ₱89.1 million of cash dividends.

Our financial holdings generated a ₱1.8 billion gain versus a ₱0.8 billion loss in 2022, which was a challenging year for financial assets, as global central banks, including the Bangko Sentral ng Pilipinas, embarked on a synchronized campaign of higher interest rates. Portfolio gains were driven by the strong performance of our domestic equity portfolio, despite the Philippine Stock Exchange index registering a 1.8% drop for the year. Furthermore, dividend income of ₱368.4 million, represented a 25% increase over last year's revenue. Foreign traded equities and other public securities added a ₱344.7 million gain.

Anscor paid a total cash dividend of ₱1.0 per share: ₱0.50 per share on April 10, 2023, and another ₱0.50 per share on December 12, 2023. The book value per share of the Company increased 5.9%, from ₱17.9 to ₱18.9.

The Soriano Group Operations

PHELPS DODGE INTERNATIONAL PHILIPPINES, INC. (PDP)

In 2023, PDP experienced a 5% decline in sales volume, driven by a 10% reduction in sales to distributors and dealers. The sales to dealers in the Greater Manila Area (GMA) and Luzon were particularly affected, with a decline of 9% and 27%, respectively, due to weak demand at the retail level. This downturn was influenced by several factors, including an average inflation rate of 6%, which led to higher interest rates that subsequently increased the cost of financing at all levels.

These economic conditions dampened consumer interest in purchasing high-value items, such as housing and real estate, and delayed maintenance activities. Further complicating the sales landscape were project delays in Luzon and Mindanao. Sales to the communication sector fell short of projections, with several projects postponed to 2024.

Additionally, PDP did not secure a significant portion of its customer's low-voltage wire requirements. This negative impact was offset by higher-than-expected sales to GMA and Visayas project customers and to various power generation projects. Export sales exceeded expectations, as its sales tripled compared to the previous year, contributing to the overall sales revenues.

Despite the drop in sales volume, PDP's net income was stable at ₱963.5 million, due to higher margins from the continued sales of its innovative products such as Aluminum Building wire, Metal Clad cables, and Fire-Rated cables. An increase in export sales also contributed to the 2023 income.

PDP is committed to match last year's sales volume, despite a forecast decline in construction activities. It will continue its strategy of capturing new customers and broadening its market reach in the retail sector. The company is actively exploring new opportunities and products to spur growth, and fulfill customer demands.

In its commitment to sustainability and green objectives, PDP will install solar roof panels in its plant in Tarlac. A strong adherence to safety for its employees and its customers, the health of its employees, the judicious use of its resources, and the active support of projects of the Andres Soriano Foundation are its top priorities.

SEVEN SEAS RESORTS AND LEISURE, INC. (OWNER OF AMANPULO RESORT)

In 2023, total revenues of Seven Seas Resorts and Leisure, Inc. increased 27% from the previous year to ₱1.4 billion, and occupancy increased to 49.6%. Consolidated net income was ₱202.7 million, higher than last year's profit of ₱143.5 million.

For the last three decades, Amanpulo has established itself as an undisputed destination for those seeking a peaceful, tropical paradise and unique experiences, inspired by natural beauty.

After three years supported by the domestic market, Amanpulo saw the return of foreign guests to the Resort, who represented 75% of visitors. This was enhanced by international sales missions and roadshows to develop the Middle East and Asian markets. Familiarization and media trips hosted in 2023 covered international markets including Singapore, Bali, Brazil, France, and Australia.

Additions to the Resort's recreational offerings included wall climbing, non-motorized water sports equipment, and advanced watercrafts for gliding across the water. The Manamoc sandbar reopened after a hiatus caused by the pandemic. The new Skywatcher Dobsonian telescope gave guests a more immersive look into the night sky for an even more impressive stargazing experience. Coming soon will be a game room at the mini clubhouse. Throughout the year, island clean-up was a strong focus.

The second half of 2023 was also noteworthy with the arrival of two new Twin Otter aircraft of Island Aviation, to transport guests to Pamalican Island in safety and comfort.

Once again, Amanpulo received international awards such as the "World's Leading Dive Resort 2023," "Asia's Leading Private Island Resort 2023," "Philippines' Leading Luxury Hotel Villa 2023," and the "Philippines' Leading Resort 2023."

Travel + Leisure Southeast Asia Luxury Awards Asia Pacific named Amanpulo as the winner in the 2023 "Beach Island Upcountry Resorts," while Haute Grandeur Global Award recognized the Aman Spa as the "Best Island Spa in Asia."

ATRAM INVESTMENT MANAGEMENT PARTNERS CORPORATION (ATRAM)

Despite the turbulent backdrop of dampened investor sentiment, 2023 was game changing for ATRAM as it forged with the financial support of Anscor and its shareholders, a strategic partnership with Pru Life UK (Philippines) to harness synergies in product development and distribution. ATRAM Trust Corporation ("ATC") was appointed as a fund manager of Pru Life UK's insurance portfolio in August 2023. Moreover, ATC took over the trust operations and entire fiduciary portfolio of Pru Life UK Asset Management and Trust Corp in September 2023.

Other key highlights of the year for ATRAM were: the onboarding of ATRAM unit investment trust funds on the Maya platform, the establishment of a broker dealer firm, Seedbox Securities, Inc., wholly owned by ATRAM's affiliate, Seedbox Technologies, Inc.; and the launch of the first corporate debt vehicle in the market.

ATRAM Group's client base grew from 1.3 million to 1.5 million and assets under management were ₱304.3 billion as of end-December 2023, 99% higher than the previous year.

ATRAM Group's 2023 revenues hit ₱1.0 billion, growing 4.4% from ₱984.9 million in 2022.

KSA REALTY CORPORATION (owner of the Enterprise Center)

The office leasing operations of The Enterprise Center (TEC) continued to face difficulties. TEC's occupancy and rental revenue weakened due to downsizing of leased premises adapting to work-from-home arrangements, and requests for rental concessions to reduce costs to cope with business challenges.

TEC's average effective rent for office leases increased from ₱1,430 per sq.m. in 2022 to ₱1,450 per sq.m. in 2023. Rental income decreased by 5% and average occupancy during the year fell to 64%, slightly lower than last year's 66%. Net income reached ₱624.0 million.

Despite the lower rental revenue and net profit, KSA declared ₱624.0 million in dividends in 2023, of which ₱89.1 million was Anscor's share.

EARLY STAGE AND PRIVATE EQUITY VENTURES

A portion of the Company's assets are dedicated to private equity funds and direct investments. These non-liquid assets are intended to supplement investment returns through a "liquidity premium" and, in some cases, provide exposure to sectors not readily accessible through the public markets.

Anscor was an early stage investor in **Y-mAbs Therapeutics, Inc.**, a Nasdaq-listed, clinical-stage biopharmaceutical company focused on developing and commercializing novel, antibody-based therapeutic products to treat cancer. Y-mAbs received its first US Food and Drug Administration (USFDA) approval for "Danyelza" in November 2020; its second candidate was declined approval in 2021.

In response, Y-mAbs refocused its resources on developing the Self-Assembly Disassembly (SADA) technology platform, which may bring longer-term value. In 2023, Danyelza achieved sales of US\$80 million and the stock price increased by 40%, from US\$4.88 to US\$6.82 per share. With this recovery, Anscor modestly reduced its ownership stake.

The Company has committed a total of US\$38.0 million to the following private equity managers:

- ‡ **Navegar and Sierra Madre**, that both provide growth capital to Philippine companies across consumer-driven sectors such as casual dining, logistics, e-commerce, business process outsourcing, information technology, education, and retail;
- ‡ **Asia Partners**, a Singapore-based private equity manager, focused on high growth, and technology-enabled companies across Southeast Asia; and,
- ‡ **Third Prime Alpha Fund**, a US-based private equity focused on early stage, finance, and property technology.

Anscor also invested in:

- ‡ **SCI**, a Singapore-based e-commerce company, alongside Asia Partners;
- ‡ **Kafene**, an early-stage, US-based financial technology company, alongside Third Prime; and,
- ‡ **Blue Voyant**, an early-stage, US-based cybersecurity firm.

Other Information

Except as discussed above, disclosures of the following information are not applicable for the registrant and its subsidiaries:

Business Development

- Bankruptcy, receivership or similar proceedings
- Material reclassification, merger, consolidation or purchase or sale of a significant amount of asset

Business of the Issuer

- Distribution methods of the products or services
- Status of any publicly-announced new product and services
- Competition
- Transaction with and/or related parties (except those disclosed in the notes to financial statements)
- Patents, trademarks, copyrights, licenses, franchises, royalty, etc.
- Need for any government approval of principal products and services
- Effect of existing or probable governmental regulations on the business
- The amount spent on development activities and its percentage to revenues during each of the last three years.

Anscor and its subsidiaries are not aware of any major risks involved in their businesses.

Components of financial soundness and indicators of the Group are shown in Annex E of this report.

The following are the key performance indicators for the Parent Company (In thousand pesos except earnings per share and market price per share):

Periods ended December 31		
	2023	2022
Revenues (excluding investment gains or losses)	₱ 2,314,022	₱ 2,056,903
Investment Gains (Losses)	1,340,140	(704,043)
Net Income	3,314,329	2,276,878
Total Comprehensive Income	3,355,283	2,248,814
Earnings Per Share		
Net Income	1.33	0.91
Total Comprehensive Income	1.34	0.90
Market Price Per Share (PSE)	11.66	9.04

The Key Financial Indicators of the Major Subsidiaries are the following:

PDP Energy and PDIPI

In Million Pesos

	12/31/2023	12/31/2022	12/31/2021
1. Net sales	₱ 10,147	₱ 10,728	₱ 8,752
2. Gross profit	1,606	1,606	1,603
3. Net income	963	956	910

Seven Seas Group

In Million Pesos

	12/31/2023	12/31/2022	12/31/2021
1. Occupancy rate	49.6%	47.1%	40.0%
2. Hotel revenue	1,385.4	1,088.8	836.1
3. Gross operating profit (GOP)	507.0	448.2	327.8
4. GOP ratio	36.6%	41.2%	39.2%
5. Resort net income	183.0	127.5	64.1
3. Villa development/ lease net income	15.9	16.0	13.1
4. Pamalican Utilities net income	3.8	—	—
5. Consolidated net income	202.8	143.5	77.2

Occupancy rate is based on actual room nights sold over room nights on a 12-month period. Hotel revenues include rooms, food and beverage and other ancillary services. GOP is total revenues less direct costs and GOP ratio is GOP over total hotel revenues.

Outlook

Geopolitical tensions, trade restrictions, and extreme weather may continue to impact prices of basic commodities. The Philippine economy, however, is forecast to have the strongest and fastest growth among Southeast Asian Nations, with public spending and infrastructure as drivers.

Anscor's foundation is underpinned by a portfolio of core operating and financial assets, a conservative balance sheet and solid business fundamentals, which have helped it withstand challenges through the years. Prudent management and a balanced portfolio mix has provided for a stable net asset value and steady return to shareholders.

In this environment, key to PDP will be its innovative products, intensive search for new customers, expansion into retail markets, uncompromising health and safety standards, and a commitment to social responsibility.

With consumers' newfound preference of "experiences over things," travel demand remains robust, affording multi-awarded Amanpulo the opportunity to continue to define and exemplify nature tourism with its exceptional beauty and consistently authentic sustainability practices. Significantly, both PDP and Amanpulo will turn to solar power for more of their energy needs in 2024.

ATRAM's strategic partnerships and a growing Filipino middle class will spur growth in its customer and asset base. And while the Enterprise Center may have to contend with occupancy challenges in the short term, there is an increased return to onsite work and an enduring demand for centrally located urban properties. Early stage and private equity investments will continue to make your Company visible in trailblazing markets.

Employees

The Company and the Group as of December 31, 2023, has 30 and 727 employees, respectively. Breakdowns are as follows:

	Parent	Subsidiaries	Group
Management	15	187	202
Rank and file	15	510	525
TOTAL	30	697	727

- The Company and the Group were not subjected to any employees' strike in the past three years nor were there any threatening strike for the ensuing year.
- Employees of the Group are not subject to Collective Bargaining Agreement (CBA).
- The Group provides various employee benefits including health care and retirement benefits and has enjoyed good labor relations in the past.

Properties

Anscor owns and maintains its office at 7th Floor, Pacific Star Building in Makati City with approximately 2,000 square meters. Also, the company owns office unit A and D, 8th Floor, at 8 Rockwell, Hidalgo Drive, Rockwell Center, Makati City.

Information regarding properties of major subsidiaries and affiliates are:

- PDP Energy plants are situated on an 18.4 hectare property owned by Phelps Dodge's wholly owned subsidiary, Minuet Realty Corporation in the Luisita Industrial Park in San Miguel, Tarlac.
- Seven Seas owns a 40-room resort in Pamalican Island, called Amanpulo. This covers about 75 hectares of land, with 40 room casitas of about 65 sq. meter each and back of house facilities to service its power and water and staff house requirements. Additional 62 villa rooms are available for rent under the management agreement executed by PRI and the villa owners as of December 31, 2023.
- AHL has interests in land covering an area of approximately 111.39 hectares in Berong, Palawan, 24.1 hectares in San Vicente, Palawan and parcels of land with a total area of 36.9 hectares in Cebu. Also, AHL owns 1.27 hectare properties in Puerto Princesa.
- AFC Agribusiness has 97.4 hectares of land in Guimaras.

Other Information:

- The registrant is not involved in lease contracts requiring it to pay substantial amount of rental fees.
- There were no commitments for major capital expenditures or acquisitions of properties in the next twelve months.

Financial Condition

There was no other significant change in the Company's Consolidated Balance Sheet as of December 31, 2023 versus December 31, 2022.

The discussions below were based on the consolidated balance sheet of the Company and its subsidiaries as of December 31, 2023 and 2022.

Cash and Cash Equivalents

The increase in cash and cash equivalents can be attributed to net cash generated from operating activities, partially offset by cash used in investing and financing activities.

(Please see attached consolidated cash flow statements for detailed analysis of cash movements.)

Fair Value Through Profit and Loss (FVPL) Investments

The increase in the account can be attributed to higher market value of local traded shares and foreign denominated investment in bonds, stocks and funds of ₱1.5 billion, partially offset by net disposal of ₱322.4 million.

Receivables

The decrease in receivables was mainly due to collection of trade receivables by the wire manufacturing and the resort subsidiaries.

Inventories

The increase was due to higher level of finished goods, work in process and raw materials inventories of the wire manufacturing subsidiary and higher spare parts and supplies of the aviation subsidiary.

Prepayments

Decrease in this account pertains mainly to reclassification to inventories of the inventories in transit of the wire manufacturing subsidiary wherein the new terms and conditions in the contract with the supplier doesn't meet the criteria for it to be classified and presented as inventories in 2022.

Other Current Assets

Movement in the account is mainly due to increase in the creditable withholding taxes of parent company and the resort.

Fair Value Through Other Comprehensive Income Investments (FVOCI) - noncurrent

Net increase in this account amounted to ₱16.2 million due to net addition in investments of ₱10.8 million and increase in market value of the FVOCI investments of ₱5.1 million.

Notes Receivable

The increase was attributable to the ₱218.0 million advances by the Parent company to ATRAM Investment Management Partners Corporation (AIMP). The advances is a 3-year term convertible note with an annual interest of 8%.

Investments and Advances

The decrease was mainly due to the ₱27.5 million cash dividend received from AIMP offset by the share in the equity earnings of the associates amounting to ₱8.7 million.

Property, Plant and Equipment - net

The increase can be traced to net acquisition of property and equipment of ₱1.4 billion offset by depreciation amounting to ₱312.8 million, mainly attributable to purchase of two (2) new Twin Otter aircraft by the aviation subsidiary.

Investment Properties - net

Decrease was mainly due to depreciation amounting to ₱14.7 million mainly of 8 Rockwell office condominium unit.

Retirement Plan Assets

Increase in the retirement plan asset arises mainly from fair value adjustments of the underlying assets of the retirement plan of the Group.

Deferred Tax Assets

Increase in the account mainly recognized deferred tax asset of past service cost.

Right-of-Use-Assets

With the adoption of PFRS 16, Leases, the manufacturing, and aviation subsidiaries as a lessee recognized asset representing the right to use the asset/property during the lease term.

Deposit to suppliers

Change in the account balance can be attributed to the increase in deposits to suppliers related to inventories of the manufacturing subsidiary.

Other noncurrent assets

Change in the account balance can be attributed to the increase in fund of the resort subsidiary for the villa operation which was used for maintenance and capex requirements.

Accounts Payable and Accrued Expenses

The increase was mainly attributable to the recorded liabilities to the suppliers of the resort and wire manufacturing subsidiaries.

Dividends Payable

Dividends payable represents mainly dividend checks that were returned by the post office and which remained outstanding as of December 31, 2023 due to problematic addresses of some of the Company's stockholders. Last cash dividend payment of ₱0.50 per share to shareholders was on December 12, 2023.

Income Tax Payable

Movement in the account was attributable to income tax paid by the resort, aviation and wire manufacturing subsidiaries, partially offset by provision for income tax during the year by the Group.

Lease Liability (current and noncurrent)

With the adoption of PFRS 16, Leases, the manufacturing and aviation subsidiary as a lessee recognized a liability for future lease payments.

Long-term Debt

The long-term debt pertained to IAI's 10-year term loan amounting to ₱1.0 billion. The loan proceed was used to purchase two (2) new aircraft of the aviation subsidiary.

Deferred Income Tax Liabilities

Movement in the account was mainly due to the deferred tax effect of unrealized increase in market value of FVPL investments.

Retirement Benefits Payable

Decrease resulted mainly from payment of contribution to the plan.

Other noncurrent liabilities

Movement in the account can be traced to the use of fund for maintenance and capex requirements of the back of house facilities.

Additional paid-in Capital

Recognition of the 3% non-controlling interest in PDPI amounting to ₱135 million charged against Additional Paid-in Capital.

Cumulative Translation Adjustment (CTA)

This account includes translation adjustments of Anscor International, Inc., and IQHPC. The net decrease in CTA balance is ₱11.8 million, due slight to depreciation of US dollar vis-à-vis Philippine peso.

Unrealized valuation gain (loss) on FVOCI investments (equity portion)

Movement in the account is attributable to the removal realized loss from the decline in market values of FVOCI investments, mainly bonds, from January 1 to December 31, 2023.

Remeasurement on Retirement Benefits

Movement in the account was mainly due to the increase in fair value of the underlying assets under the retirement plan.

Noncontrolling Interest (equity portion)

Increase was mainly due to the recognition of the 3% non-controlling interest in PDPI and share of minority shareholders in the net income of the resort and aviation subsidiaries for the year 2023.

Others

There were no commitments for major capital expenditures in 2023.

Results of Operation

Management is not aware of any known trends, events or uncertainties except for political and market uncertainties that may have material impact on the Company's recurring revenues and profits.

The discussions below were based on the consolidated results of the Company and its subsidiaries for the year ended December 31, 2023 as compared to consolidated results for the year ended December 31, 2022:

Revenues

This year's consolidated gross revenues of ₱13.8 billion slightly increased from last year's revenue of ₱13.6 billion. Revenue in 2022 included nonrecurring gain on sale of investment in AGP of ₱2.2 billion. Gain on increase in market value of FVPL investments and higher dividend and interest income were registered in 2023. Lower sales of PDP was offset by a significant increase in revenues of the resort subsidiary.

Cost of Goods Sold

Decrease in cost of goods sold was due to the lower sales volume of the wire manufacturing subsidiary.

Cost of Services Rendered

Increase in cost of services rendered was due to higher occupancy rate of the resort subsidiary.

Operating Expenses

The Group reported an increase in consolidated operating expenses for nine months of 2023 due to higher overhead of the parent company (from bonus paid based on higher net income in 2022) and rise in operating expenses of the resort.

Interest Expense

The amount was higher in 2023 due to interest expense on the long-term loan of the aviation subsidiary.

Foreign Exchange Gain (loss)

Due to the depreciation of dollar vis-à-vis peso, the parent company reported foreign exchange loss on its foreign currency denominated investments in financial assets.

Provision for Income Tax - Net

The tax provision of the Group was higher than last year mainly due to deferred income tax of the parent company related to unrealized gain on increase in market value of its FVPL investments. The previous year's credit balance of provision for income tax can be attributed to the Parent Company's unrealized loss from decline in market value of FVPL investments.

Year Ended December 31, 2022 Compared with Year Ended December 31, 2021 (as reported in 2022 SEC 17-A)**Revenues**

This year's consolidated gross revenues of ₱13.6 billion was higher from last year's revenue of ₱11.4 billion due to gain on sale of investment in AGP of ₱2.2 billion and higher revenues of the resorts and the wire manufacturing operations.

Cost of Goods Sold

Increase in cost of goods sold was mainly attributable to higher copper cost of the wire manufacturing subsidiary and increased volume of products sold.

Cost of Services Rendered

Increase in cost of services rendered was due to higher occupancy rate of the resort subsidiary.

Operating Expenses

The Group reported an increase in consolidated operating expenses for 2022 due to higher overhead of the parent company (from bonus paid based on higher net income in 2021) and rise in operating expenses of the resort and wire manufacturing subsidiaries due to higher volume of business.

Interest Expense

Interest expense in 2022 was lower than 2021 due to payment of loan by PDP.

Foreign Exchange Gain (loss)

Due to the depreciation of peso vis-à-vis dollar, the parent company reported foreign exchange gain on its foreign currency denominated investments in financial assets.

Provision for Income Tax - Net

The current tax provision of the resort, aviation and wire manufacturing subsidiaries was offset by the benefit from deferred income tax, mainly of the parent company, attributable to unrealized loss from decline in market value of FVPL investments.

Year Ended December 31, 2021 Compared with Year Ended December 31, 2020
(as reported in 2021 SEC 17-A)

Revenues

This year's consolidated gross revenues of ₱11.4 billion was higher from last year's revenue of ₱6.9 billion due to improved market value of FVPL investments and higher revenues of the resort and the wire manufacturing operations despite the community quarantine due to COVID-19 pandemic.

Cost of Goods Sold

Increase in cost of goods sold was mainly attributable to higher copper cost of the wire manufacturing subsidiary and increased volume of products sold.

Cost of Services Rendered

Increase in cost of services rendered was due to higher occupancy rate of the resort subsidiary.

Operating Expenses

The Group reported an increase in operating expenses for 2021 due to higher volume of business of the manufacturing and resort subsidiaries, offset by lower operating cost of the parent company.

Interest Expense

Interest expense in 2021 was lower than 2020 due to payment of loan by PDP.

Foreign Exchange Gain (loss)

Due to the depreciation of peso vis-à-vis dollar, the parent company reported foreign exchange gain on its foreign currency denominated investments in financial assets.

Provision for Income Tax - Net

Movement in the account was mainly due to the higher provision for deferred income tax of the parent company for the increase in market value of its FVPL investments and rise in unrealized foreign exchange gain.

Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Adoption of these new standards did not have an impact on the consolidated financial statements of the Group.

- Amendments to PAS 1 and PFRS Practice Statement (PS) 2, Disclosure of Accounting Policies

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

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

The amendments to the Practice Statement provide non-mandatory guidance.

The Group also referred to the guidance provided under Q&A No. 2022-02: Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) in applying the amendments to PAS 1 and PS 2. The adoption resulted to removal of accounting policy information that are not considered material and thus had no material impact on the consolidated financial statements.

- Amendments to PAS 8, Definition of Accounting Estimates

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

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

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

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

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

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

The amendments also clarify that PAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes. Such tax legislation, and the income taxes arising from it, are referred to as 'Pillar Two legislation' and 'Pillar Two income taxes', respectively.

The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception, apply immediately and retrospectively upon adoption of the amendments in June 2023.

Meanwhile, the disclosure of the current tax expense related to Pillar Two income taxes and the disclosures in relation to periods before the legislation is effective are required for annual reporting periods beginning on or after 1 January 2023.

Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. The Group does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial statements. The Group intends to adopt the applicable pronouncements when they become effective.

Effective beginning on or after January 1, 2024

- Amendments to PAS 1, Classification of Liabilities as Current or Non-current

The amendments clarify that:

- o only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
- o classification is unaffected by the likelihood that an entity will exercise its deferral right.
- o only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are required to be applied retrospectively.

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

The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.

The amendments are required to be applied retrospectively. Earlier adoption is permitted and that fact must be disclosed.

- Amendments to PAS 7 and PFRS 7, Disclosures: Supplier Finance Arrangements

The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments are effective for annual reporting periods beginning on or after January 1, 2024. Earlier adoption is permitted and that fact must be disclosed.

Effective beginning on or after January 1, 2025

- PFRS 17, Insurance Contracts – not expected to apply to the Group.
- Amendments to PAS 21, Lack of exchangeability

The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. This is not currently expected to apply to the Group.

Other Financial information

- There are no material events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.
- There are no off-balance sheet transactions, arrangements, obligations including contingent obligations, and other relationships of the Company with unconsolidated entities or other persons created during the year.
- There were no commitments for major capital expenditures in 2023 and onwards.
- The management has no knowledge of known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenue or income from continuing operations.

- There are no seasonality or cyclical trends in the business that would have material effect on the Company's result of operations and financial condition.
- There is no other change in composition of the registrant, no restructuring, except the business combination mentioned above.
- There is no other material event subsequent to the reporting period that has not been reflected in the financial statements.

Financial Statements

1. The financial statements were presented using the classified balance sheet format in accordance with the Philippines Financial Reporting Standards (PFRS).
2. The financial statements were prepared in accordance with the disclosures required by SRC Rules 68 and 68.1, current PFRS/IAS.
3. The consolidated financial statements included disclosures with regards to new accounting standards that the Company and its subsidiaries adopted.

Audited Financial Statements

The draft Financial Statements as of 31 December 2023 and the Statement of Management Responsibility are attached to the Preliminary Information Statement.

II. Changes in and Disagreement with Accountants on Accounting and Financial Disclosure

The Company has no disagreement with its independent auditors on Accounting and Financial Disclosures and changes in Accounting and Financial Disclosures that are included in the attached Notes to the Financial Statements, if applicable.

III. External Audit Fees

SyCip Gorres Velayo & Co. (SGV) has been the Company's independent auditors since its establishment in 1946. They will again be nominated for reappointment and presented for approval by the stockholders during the stockholders' meeting as external auditors for the ensuing calendar year. Unless marked to the contrary, proxies received will be voted FOR the appointment of SGV as the independent auditors for the ensuing year. The Management recommends a vote FOR the appointment of SGV as independent auditors of the Company for the ensuing year.

In compliance with SRC Rule 68 paragraph 3(b) (IX) (Rotation of External Auditors), the SGV audit partner, as of December 2022, is Ms. Dhonabee B. Señeres, who is on her fourth year of audit engagement. Ms. Señeres will again be the SGV audit partner for the ensuing year.

A representative of SGV is expected to be present at the Annual Meeting to respond to appropriate questions from the stockholders and to make a statement if so desired.

Audit and Audit Related Fees

The Company paid to its external auditors the following fees for the past two years:

Year	Audit Fees
2023	₱ 1,320,000.00
2022	₱ 1,320,000.00

The audit fees were evaluated and approved by the Audit Committee based on the scope of work of external auditors and the complexity of accounting and audit issues identified. There are no other fees paid to the external auditors for other assurance and related services.

Consultancy and Other Fees

There are no consultancy and other fees paid by the Company to SGV for the year 2023.

IV. Market Price of Shares and Dividends

The Principal Market where the registrant's Common equity is traded:

Philippine Stock Exchange
Latest Market Price – 29 February 2024

Previous close	High	Low	Close
12.10	12.20	12.08	12.20

The following are the high and low sale prices of the shares of the Company for each quarter within the last two fiscal years:

	2023		2022	
Quarter	High	Low	High	Low
First	11.00	8.84	10.44	7.70
Second	11.92	10.10	9.43	8.54
Third	11.18	10.76	9.10	8.00
Fourth	11.70	10.84	9.15	8.21

Source: PSE Report

The total number of stockholders/accounts as of 29 February 2024 is 11,015 holding 2,500,000,000 shares of common stock and 1 stockholder holding 500,000,000 preferred shares

Dividends

The cash dividends declared by the Board of Directors in 2022 was:

Classification	Peso Rate Per Share	Declaration Date	Record Date	Payable Date
Regular	0.50	23-Feb-2022	11-Mar-2022	05-Apr-2022
Special	0.50	11-Nov-2022	28-Nov-2022	15-Dec-2022

In 2023, the Board of Directors declared the following cash dividends:

Classification	Peso Rate Per Share	Declaration Date	Record Date	Payable Date
Regular	0.50	01-Mar-2023	16-Mar-2023	10-Apr-2023
Special	0.50	15-Nov-2023	01-Dec-2023	12-Dec-2023

On February 28, 2024, the Board of Directors declared the following cash dividend:

Classification	Peso Rate Per Share	Declaration Date	Record Date	Payable Date
Regular	0.50	28-Feb-2024	14-Mar-2024	25-Mar-2024

There is no restriction on payment of dividends other than the availability of retained earnings following the SEC rule on calculation of available retained earnings for dividend declaration. As of 31 December 2023, the Company has sufficient retained earnings available for dividend declaration.

The top 20 stockholders as of 29 February 2024 is broken down as follows:

Stockholder Name	Type	Number of Shares	% of Ownership
1. Anscor Consolidated Corporation	Common	1,272,329,761	42.411
2. A. Soriano Corporation Retirement Plan	Common Preferred	63,694,835* 500,000,000	2.123 16.667
3. PCD Nominee Corp. (Non-Filipino)	Common	499,939,713	16.656
4. A-Z Asia Limited Philippines, Inc.	Common	161,546,329	5.385
5. PCD Nominee Corp. (Filipino)	Common	114,207,702	3.807
6. Universal Robina Corporation	Common	64,605,739	2.154
7. Philippines International Life Insurance Co., Inc.	Common	57,921,593	1.931
8. C & E Property Holdings, Inc.	Common	28,011,922	0.934
9. Edmen Property Holdings, Inc.	Common	27,511,925	0.917
10. MCMS Property Holdings, Inc.	Common	26,513,928	0.884
11. JG Digital Equity Ventures, Inc.	Common	23,210,457	0.774
12. EJS Holdings, Inc.	Common	15,518,782	0.517
13. DAO Investment & Management Corp.	Common	8,628,406	0.288
14. Philippine Remnants Co., Inc.	Common	7,556,183	0.252
15. Balangangi Shipping Corporation	Common	2,767,187	0.092
16. Leonardo Siguion Reyna	Common	2,625,000	0.088
17. Lennie C. Lee	Common	2,000,000	0.067
18. Jocelyn C. Lee	Common	2,000,000	0.067
19. Jose C. Lee	Common	1,798,000	0.060
20. Emerick Jefferson Sy Go or Girlie Ng Go	Common	1,459,741	0.049
Total		2,883,847,203	96.132

* Included 7,694,835 shares lodged with PCD Nominee Corp. (Filipino).

Recent Sale of Unregistered Securities

There are no recent sales of unregistered or exempt securities including recent issuance of securities constituting an exempt transaction.

V. Compliance with Leading Practice on Corporate Governance

As part of the Company's continuing efforts to comply with leading practice on corporate governance, on 10 March 2010, the Company submitted to the SEC and PSE its revised Manual on Corporate Governance in conformity with SEC Memorandum Circular No. 6, Series of 2009. The Manual on Corporate Governance was further revised on 18 February 2011 to comply with additional requirements of the SEC. On 02 July 2014, the Company submitted to the SEC and PSE its Amended Manual on Corporate Governance in conformity with SEC Memorandum Circular No. 9, Series of 2014.

With the promulgation of the Code of Corporate Governance for Publicly Listed Companies under SEC Memorandum Circular No. 19 dated November 22, 2016, the Company submitted to the SEC and PSE its Manual on Corporate Governance in compliance with said Circular. This Manual superseded all previous Manuals on Corporate Governance of the Company including its revisions.

All the revisions to the Manual on Corporate Governance are discussed and deliberated upon by the Board of Directors prior to its approval and subsequent submission to the SEC.

The Board of Directors and Management evaluate on an annual basis, the Company's compliance with the Manual on Corporate Governance. The different Board Committees also evaluate the level of compliance with the Manual on Corporate Governance.

The Company continues to improve its systems and processes to enhance adherence and fully comply with leading practices on good corporate governance. These improvements are contained in the Company's Integrated Annual Corporate Governance Report and updates thereto to be submitted to the SEC yearly. Further, Directors of the Company are required, before assuming office and annually thereafter, to attend a seminar on Corporate Governance conducted by a duly recognized private or government institution.

Likewise, following SEC's thrust to promote a better corporate governance environment, the Company complied with SEC Memorandum Circular No. 11, Series of 2014, which provides for template for publicly-listed companies' websites. The Company's website contains all the items indicated in said Circular.

As of 29 February 2024, there were no deviations from the Company's Manual on Corporate Governance.



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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Board of Directors and Stockholders
A. Soriano Corporation
7th Floor, Pacific Star Building
Makati Avenue corner Gil Puyat Avenue Extension
Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of A. Soriano Corporation and its subsidiaries (the Group) as at December 31, 2023 and 2022, and for each of the three years in the period ended December 31, 2023, included in this Form 17-A and have issued our report thereon dated February 28, 2024. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Dhonabee B. Señeres
Partner
CPA Certificate No. 97133
Tax Identification No. 201-959-816
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
BIR Accreditation No. 08-001998-098-2023, September 12, 2023, valid until September 11, 2026
PTR No. 10082016, January 6, 2024, Makati City

February 28, 2024

A. SORIANO CORPORATION AND SUBSIDIARIES

INDEX TO THE SUPPLEMENTARY SCHEDULES**DECEMBER 31, 2023**

- Annex C: Reconciliation of Retained Earnings Available for Dividend Declaration
- Annex D: Map Showing the Relationships Between and Among the Company and its Ultimate Parent Company, Middle Parent, Subsidiaries or Co-subsidiaries, Associates, Wherever Located or Registered
- Annex E: Supplementary Schedules Required by Annex 68-J
- Schedule A. Financial Assets
 - Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)
 - Schedule C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements
 - Schedule D. Long-term Debt
 - Schedule E. Indebtedness to Related Parties
 - Schedule F. Guarantees of Securities of Other Issuers
 - Schedule G. Capital Stock

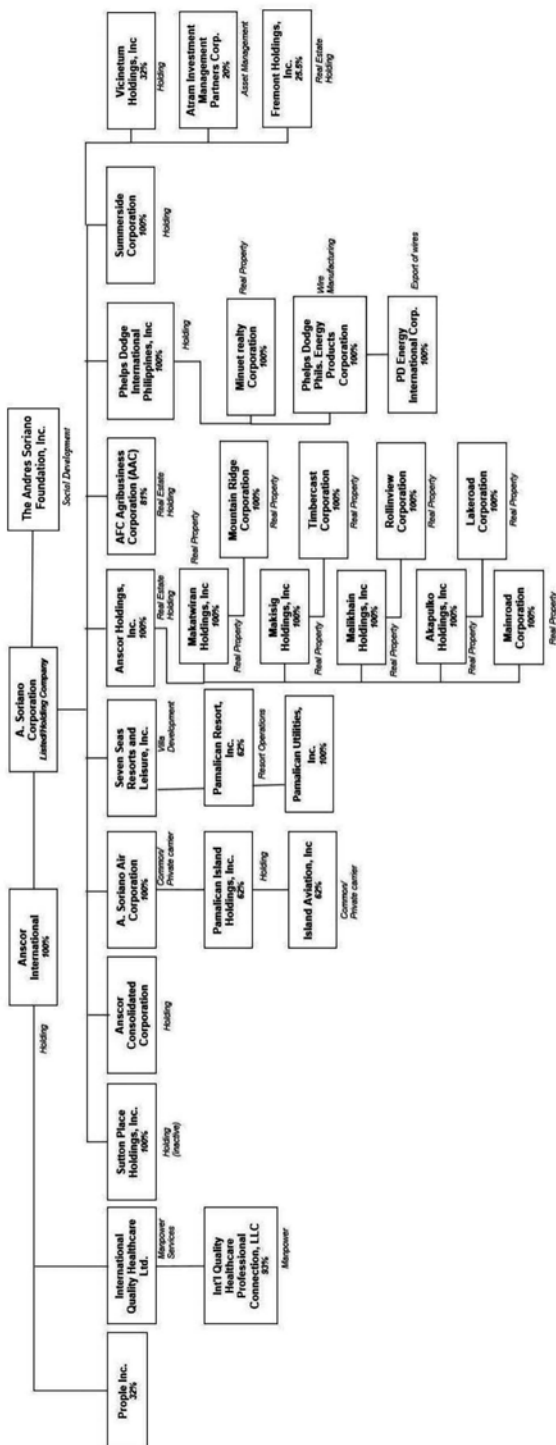
ANNEX C

A. SORIANO CORPORATION

**SUPPLEMENTARY SCHEDULE OF RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION
DECEMBER 31, 2023**

Unappropriated retained earnings, December 31, 2022		₱6,799,974,696
Less dividend declaration during the reporting period	(2,500,000,000)	
Exchange gains (except attributable to cash and cash equivalents) and deferred tax assets	(2,808,601,118)	(5,308,601,118)
Unappropriated retained earnings, as adjusted		1,491,373,578
Add net income for the current year		3,314,329,144
Less: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Unrealized fair value adjustments (mark-to-market) of financial instruments at fair value through profit or loss (FVTPL)	(952,283,517)	
Add: Unrealized income recognized in the profit or loss in prior reporting period but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to cash and cash equivalents	42,592,099	
Add: Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of deferred tax assets	(1,341,168)	(911,032,586)
Total retained earnings available for dividend declaration, December 31, 2023		₱3,894,670,136

ANNEX D



A. SORIANO CORPORATION AND SUBSIDIARIES

**ANNEX E: SUPPLEMENTARY SCHEDULES REQUIRED BY ANNEX 68-J
DECEMBER 31, 2023**

- Schedule A. Financial Assets
- Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)
- Schedule C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements
- Schedule D. Long-term Debt
- Schedule E. Indebtedness to Related Parties
- Schedule F. Guarantees of Securities of Other Issuers
- Schedule G. Capital Stock

A. SORIANO CORPORATION AND SUBSIDIARIES
SCHEDULE A - FINANCIAL ASSETS (Note 1)
FOR THE YEAR ENDED DECEMBER 31, 2023
(Amounts in PHP)

Name of issuing Entity and association of each issue	Number of shares or Principal Amount of Bonds and Notes	Amount shown in the Balance Sheet	Value Based on Market Quotations at end of reporting period	Income received & Accrued (Note 2)
	Face Amount	Amount in PHP	Amount in PHP	Amount in PHP
FVPL INVESTMENTS				
QUOTED EQUITY SHARES				
Aboitiz Power Corporation	797,000	30,126,600	30,126,600	2,387,706
AC Energy	1,114,270	4,880,502	4,880,502	(3,521,664)
Ayala Corporation	613,090	417,514,290	417,514,290	(2,456,723)
Ayala Land Inc.	1,148,500	39,565,825	39,565,825	4,620,171
Bank of Phil. Islands	326,030	33,841,914	33,841,914	3,909,515
BDO Unibank Inc.	290,000	37,845,000	37,845,000	6,858,227
Bloomberry Resorts Corporation	3,298,400	32,456,256	32,456,256	4,905,310
GT Capital Holdings, Inc.	52,850	31,181,500	31,181,500	3,226,081
I C T S I	21,389,602	5,278,953,774	5,278,953,774	1,227,529,394
iPeople Inc."A"	93,301,439	685,765,533	685,765,533	56,980,197
Jollibee Foods Corp.	153,240	38,524,536	38,524,536	4,291,701
P L D T	27,070	34,622,530	34,622,530	2,101,400
SM Prime Holdings	815,000	26,813,500	26,813,500	1,984,540
Wilcon Depot Inc.	850,000	17,765,000	17,765,000	(5,392,584)
GRAB	793,172	148,003,444	148,003,444	10,276,884
AI - VMABS	447,868	169,125,437	169,125,437	64,673,977
		7,026,985,641	7,026,985,641	1,382,374,132
UNQUOTED EQUITY SHARES				
K S A Realty Inc	-	927,435,278	927,435,278	(94,273,795)
Navergar PE Fund 1	-	74,447,765	74,447,765	24,148,975
Navergar PE Fund 2	-	454,775,007	454,775,007	72,965,343
Sierra Madre	-	540,004,231	540,004,231	36,047,182
AP I Tycho Co-Invested Ltd	-	114,048,257	114,048,257	-
Asia Partners I	-	343,751,716	343,751,716	(21,702,455)
Asia Partners II	-	94,634,391	94,634,391	(12,803,501)
Third Prime Alpha III-A	-	61,059,600	61,059,600	697,662
Third Prime (Kafene B)	-	83,841,967	83,841,967	5,056
Third Prime (Kafene B-1)	-	44,710,611	44,710,611	(28,349)
Blue Voyant LLC	-	182,720,925	182,720,925	-
		2,921,429,748	2,921,429,748	(70,124,820)
FUNDS AND EQUITIES				
ATRAM_WisdomTree International Hedge-USD	15,751	36,620,859	36,620,859	4,585,021
ATRAM-Allianz Oriental Income AT-USD	3,598	44,520,804	44,520,804	2,897,418
ATRAM-iShares Core S&P 500 UCITS ETF-USD	1,784	49,587,600	49,587,600	4,188,028
ATRAM-iShares USD Corp Bond UCITS ETF-USD	13,604	78,677,326	78,677,326	3,005,986
ATRAM-iShares USD Treasury Bond 1-3yr-USD	263,740	78,813,923	78,813,923	2,525,283
ATRAM-JPMorgan Funds-USD Money Market-USD	268	1,668,675	1,668,675	2,157,076
ATRAM-Philippine Equity Smart Index Fund-PHP	986,249	95,161,076	95,161,076	(2,186,691)
ATRAM-RPGB 5 % 03/07/28-PHP	₱121,000,000	120,164,449	120,164,449	7,041,088
ATRAM-RPGB 6 7/8 % 01/07/29-PHP	₱118,980,000	122,807,825	122,807,825	6,685,138
BS-Brookfield Super-Core Infra iCap Access Fund-	1,500,000	87,057,144	87,057,144	7,036,854
BS-Oaktree Alpha Credit Fund-USD	2,000,000	97,621,958	97,621,958	10,981,105
BS-Straits 10-KKR (BOS PE Healthcare GR 2017)-	3,027,486	208,351,385	208,351,385	8,268,354
MS-UBS USD Autocallable Stk-USD	-	266,500	266,500	-
UBS-A&Q Select SPC-USD	341	29,432,318	29,432,318	1,470,469
UBS-AB American Income Fund-USD	98,612	93,204,286	93,204,286	8,853,302
UBS-Adobe Drd-USD	405	13,378,666	13,378,666	8,821,762
UBS-Advanced Micro Devices Inc-USD	1,600	13,059,347	13,059,347	7,973,700
UBS-Alphabet Inc-Class A-USD	3,460	26,761,838	26,761,838	8,571,984
UBS-Amazon.Com Inc-USD	3,735	31,422,248	31,422,248	12,702,723
UBS-Apollo Debt Solutions BDC iCapital-USD	513	27,717,240	27,717,240	636,636
UBS-Apple Inc.-USD	1,625	17,323,127	17,323,127	7,558,134
UBS-Blackstone Private Credit Fund-USD	532	37,913,002	37,913,002	3,195,896

A. SORIANO CORPORATION AND SUBSIDIARIES
SCHEDULE A - FINANCIAL ASSETS (Note 1)
FOR THE YEAR ENDED DECEMBER 31, 2023
(Amounts in PHP)

Name of issuing Entity and association of each issue	Number of shares or Principal Amount of Bonds and Notes	Amount shown in the Balance Sheet	Value Based on Market Quotations at end of reporting period	Income received & Accrued (Note 2)
	Face Amount	Amount in PHP	Amount in PHP	Amount in PHP
UBS-BREIT iCap Offshore Access Fund-USD	408	36,594,466	36,594,466	393,642
UBS-Brevar Howard Alpha Strategies Fund-USD	4,500	24,606,539	24,606,539	(559,126)
UBS-Broadcom, Inc.-USD	250	15,451,691	15,451,691	3,841,808
UBS-Bull Capital Return Note-USD	200,000	10,763,097	10,763,097	(310,903)
UBS-CAP Int'l Fund Sicav-Grp Multi-Sec Inc-USD	143,370.55	88,116,544	88,116,544	5,149,676
UBS-Capital Credit Opportunities Fund Ltd-USD	400,000	22,393,404	22,393,404	23,924
UBS-Capital Int'l Fund-SICAV-Capital Group New-	57,908	72,656,702	72,656,702	6,016,137
UBS-Capital Return Note Citigroup-USD	200,000	10,958,830	10,958,830	(115,170)
UBS-Crowdstrike Holdings Inc-USD	1,075	15,197,349	15,197,349	8,689,192
UBS-Goldman Sachs Fund-India Equity-USD	12,332	23,406,263	23,406,263	3,022,815
UBS-Invesco Global Real Assets-USD	1,883	9,258,884	9,258,884	(1,153,072)
UBS-iShares JPMorgan USD EM Corp Bond-USD	169,137	54,289,576	54,289,576	2,285,119
UBS-iShares Ptc-USD Corp Bond-USD	231,949	74,490,778	74,490,778	6,054,535
UBS-KKR Private Markets EquityFund-USD	20,000	29,102,472	29,102,472	1,417,472
UBS-Linden International Ltd A-USD	600	33,473,487	33,473,487	(80,733)
UBS-Man Funs PLC-GLG Japan-USD	2,191	13,896,427	13,896,427	747,302
UBS-Meta Platforms Ord Shares Class A-USD	1,280	25,086,419	25,086,419	21,767,547
UBS-Microsoft Corporation-USD	1,575	32,793,602	32,793,602	10,448,456
UBS-Morgan Stanley Inv Funds-Global Brands-USD	17,621	53,125,639	53,125,639	5,060,059
UBS-Ninety One Global Funds Strat. Funds-USD	26,694	66,082,741	66,082,741	7,723,744
UBS-NVIDIA Corporation-USD	635	17,411,910	17,411,910	12,232,253
UBS-Oracle Corporation-USD	500	2,918,830	2,918,830	308,270
UBS-Owl Rock Technology Income Corp-USD	581	37,278,662	37,278,662	4,056,665
UBS-Palu Alto Networks, Inc-USD	1,100	17,960,256	17,960,256	11,657,062
UBS-Partners Group Global Value SICAV-USD	3,973	37,218,642	37,218,642	3,361,079
UBS-PIMCO Funds Global Inv Ser PLC-INC FD-USD	82,681	78,559,558	78,559,558	5,978,821
UBS-PineBridge Global Funds-Asia Pacific-USD	104,331	70,214,507	70,214,507	3,770,507
UBS-Salesforce Ord Shrs-USD	1,225	17,848,326	17,848,326	11,570,046
UBS-Servenow Inc-USD	400	15,647,341	15,647,341	8,518,677
UBS-Uber Technologies Inc-USD	2,400	8,181,914	8,181,914	6,340,071
UBS-VISA Inc-Class A-USD	1,845	26,596,744	26,596,744	4,900,171
SSRLI-JP Morgan	14,782	91,933,447	91,933,447	572,947
Ishares 1-3 Year	3,150	14,309,048	14,309,048	(13,731)
AHI-PLDT Series Y 10% Cumm. Pref.	4,200	46,452	46,452	-
AHI-PLDT Series BB 10% Cumm. Pref.	1,200	13,248	13,248	-
		2,459,415,391	2,459,415,391	76,330,193
BONDS				
UBS-Jollibee Worldwide (JFC) 4.75% 2020-	\$ 300,000	15,725,634	15,725,634	1,491,498
UBS-MTN Bank of America Corp. 2.087%	\$ 200,000	9,798,497	9,798,497	402,909
UBS-MTN Morgan Stanley 2022.18.2028 Global S1-	\$ 250,000	14,515,660	14,515,660	668,260
SSRLI - RPGB 2 3/8 03/09/24	P108,000,000	107,413,756	107,413,756	4,369,193
		147,453,547	147,453,547	2,562,667
PROPRIETARY SHARES				
Alabang Country Club "A"	2	24,000,000	24,000,000	3,000,000
Alta Vista De Cebu (Vistamar)	1	450,000	450,000	50,000
Camp John Hay	2	600,000	600,000	200,000
Canlubang Golf & Country Club	2	7,000,000	7,000,000	1,000,000
Celebrity Sports Plaza	1	300,000	300,000	50,000
Club Filipino	1	350,000	350,000	50,000
Cresta Del Mar	1	68,000	68,000	-
Makati Sports Club "A"	1	1,100,000	1,100,000	(250,000)
Anscorcon - Manila Golf	1	120,000,000	120,000,000	15,000,000
Anscor - Manila Golf & Country Club	3	360,000,000	360,000,000	45,000,000
Manila Polo Club	1	45,000,000	45,000,000	18,127,500
Manila Southwoods "A"	1	4,000,000	4,000,000	1,000,000
Maybank ATR KIMENG Partners, Inc.	-	15,000	15,000	-

A. SORIANO CORPORATION AND SUBSIDIARIES
SCHEDULE A - FINANCIAL ASSETS (Note 1)
FOR THE YEAR ENDED DECEMBER 31, 2023
(Amounts in PHP)

Name of issuing Entity and association of each issue	Number of shares or Principal Amount of Bonds and Notes	Amount shown in the Balance Sheet	Value Based on Market Quotations at end of reporting period	Income received & Accrued (Note 2)
	Face Amount	Amount in PHP	Amount in PHP	Amount in PHP
Metropolitan Club	1	250,000	250,000	-
Orchard Golf & Country Club "C"	1	3,000,000	3,000,000	1,500,000
Orchards Golf Club "A"	1	2,300,000	2,300,000	1,200,000
Palms Country Club "Class A"	1	2,000,000	2,000,000	500,000
Philippine Village Resort	1,000	5,000	5,000	-
PLDT	11,330	119,073	119,073	-
Puerto Azul	1	120,000	120,000	-
Sta Elena Properties'A'	3	45,000,000	45,000,000	19,500,000
Tagaytay Midlands Golf Club, Inc.	1	1,500,000	1,500,000	-
Anscor - Valle Verde Country Club	1	750,000	750,000	300,000
PDP - Valle Verde Country Club	3	2,250,000	2,250,000	(250,000)
Valley Golf Club	1	5,000,000	5,000,000	4,200,000
		625,177,073	625,177,073	110,177,500
OTHERS				
ACMDC	840,173	2,965,811	2,965,811	(92,419)
Central Azucarera de La Carlota	271	780	780	-
Manila Peninsula Hotels, Inc.	265,000	2,444,945	2,444,945	-
Meralco	636	253,764	253,764	63,727
PLDT Co - Pref	1,200	12,600	12,600	-
Realty Investment Inc	120,000	32,500	32,500	-
		5,710,400	5,710,400	(28,692)
TOTAL - FVPL INVESTMENTS		13,186,171,800	13,186,171,800	1,501,319,672
FVOCI INVESTMENTS				
BONDS				
UBS-Enel Finance 5% Notes 2022-15-06-2032-USD	\$ 250,000	13,501,836	13,501,836	563,596
UBS-General Motors 2.35% 2022-06-02-2027-USD	\$ 300,000	15,319,993	15,319,993	666,316
UBS-HSBC Holdings 2.206% 2021-17-08-2029-USD	\$ 300,000	14,512,846	14,512,846	549,905
UBS-SK Hynix Inc 6.375% Notes 17.01.2028-USD	\$ 250,000	14,302,071	14,302,071	107,902
		57,636,746	57,636,746	1,887,719
TOTAL - FVOCI INVESTMENTS		57,636,746	57,636,746	1,887,719
GRAND TOTAL - FINANCIAL ASSETS		13,243,808,546	13,243,808,546	1,503,207,391

Note 1 This account consists of investments that are designated as FVPL, FVOCI and held-for-trading investments.

Note 2 This column includes interest income, dividends and unrealized gain/loss in market value of FVPL investments charged to income in 2023

A. SORIANO CORPORATION
SCHEDULE B - AMOUNTS RECEIVABLE FROM OFFICERS, EMPLOYEES AND
RELATED INTEREST
FOR THE YEAR ENDED DECEMBER 31, 2023

Name and Designation of Debtor	Beginning Balance	Additions	Collections	Current	Not Current	Ending Balance
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NOT APPLICABLE

Aggregate indebtedness of the individual directors, officers, employees, and principal stockholders (other than related parties) are below P1,000,000.

A. SORIANO CORPORATION AND SUBSIDIARIES
SCHEDULE C - AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE
ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Name and Designation of Debtor	Beginning of Period	Additions	Amounts Collected	Amount Written Off	Current	Non Current	Balance at End of Period
A. SORIANO CORPORATION RECEIVABLES FROM ITS SUBSIDIARIES							
Anscor Holdings, Inc.	26,495,068	-	26,171,403	-	323,665	-	323,665
Summerside Corporation	785,125	-	-	-	-	785,125	785,125
Seven Seas Resorts & Leisure Inc.	228,257	-	220,663	-	7,594	-	7,594
Pamalcan Resorts, Inc.	410,740	8,147,321	8,522,321	-	35,740	-	35,740
Pamalcan Island Holdings, Inc. (PHI)	(599,593)	4,900	-	-	-	(594,693)	(594,693)
A. Soriano Air Corporation	36	-	-	-	-	36	36
Island Aviation Inc.	4,541,854	-	4,503,429	-	-	38,425	38,425
Anscor Consolidated Corporation	(134,477)	1,271,200,000	1,271,209,645	-	(144,122)	-	(144,122)
Phelps Dodge Philippines Energy Products Corporation	54,291,230	111,374,572	133,047,241	-	32,618,561	-	32,618,561
Phelps Dodge International Philippines, Inc.	-	339,500,000	339,500,000	-	-	-	-
AFC Agribusiness Corporation	20,870,398	4,678,398	-	-	4,678,398	20,870,398	25,548,796
Sutton Place Holdings	(8,738,479)	11,415	-	-	-	(8,727,064)	(8,727,064)
IQ Healthcare Investments Limited	7,156,720	12,428,356	-	-	12,428,356	7,156,720	19,585,076
Anscor International, Inc.	985,576,851	241,304,902	-	-	241,304,902	985,576,851	1,226,881,753
	1,090,883,730	1,988,649,864	1,783,174,702	-	291,253,094	1,005,105,798	1,296,358,892
RECEIVABLES BETWEEN PARENT/SUBSIDIARIES							
A. SORIANO AIR CORP. (Conso)							
Pamalcan Resort Inc. (ASAC direct receivables)	995,771	152,620	-	-	1,148,391	-	1,148,391
Pamalcan Resort Inc. (IAI direct receivables)	49,245,372	-	4,882,648	-	44,362,724	-	44,362,724
A. Soriano Corporation (PHI direct receivables)	599,593	-	4,900	-	-	594,693	594,693
	50,840,736	152,620	4,887,548	-	45,511,115	594,693	46,105,808
ANSCOR CONSOLIDATED CORPORATION							
A. Soriano Corporation	134,477	1,271,209,645	1,271,200,000	-	144,122	-	144,122
	134,477	1,271,209,645	1,271,200,000	-	144,122	-	144,122
SEVEN SEAS RESORTS & LEISURE INC. (Conso)							
Island Aviation Inc. (direct receivable of PRI)	1,360,428	70,824	-	-	70,824	1,360,428	1,431,252
Pamalcan Island Holdings, Inc. (direct receivable of Seven Seas)	65,000	-	-	-	-	65,000	65,000
Island Aviation Inc. (direct receivable of Seven Seas)	246,479,752	-	246,479,752	-	-	-	-
	247,905,180	70,824	246,479,752	-	70,824	1,425,428	1,496,252
SUTTON PLACE HOLDINGS, INC.. (Conso)							
A. Soriano Corporation (direct receivable of Sutton)	8,738,479	-	11,415	-	-	8,727,064	8,727,064
	8,738,479	-	11,415	-	-	8,727,064	8,727,064

A. SORIANO CORPORATION AND SUBSIDIARIES
SCHEDULE C - AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE
ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Name and Designation of Debtor	Beginning of Period	Additions	Amounts Collected	Amount Written Off	Current	Non Current	Balance at End of Period
ANSCOR INTERNATIONAL (Conso)							
IQ Healthcare Investments Limited)	41,788,373	10,951,552	-	-	10,951,552	41,788,373	52,739,925
	41,788,373	10,951,552	-	-	10,951,552	41,788,373	52,739,925
Anscor Holdings, Inc.							
Seven Seas Resorts & Leisure Inc.	107,126	-	105,075	-	-	2,051	2,051
	107,126	-	105,075	-	-	2,051	2,051
Summerside Corporation							
Anscor Holdings, Inc.	2,029,490	-	9,714	-	-	-	2,019,776
	2,029,490	-	9,714	-	-	-	2,019,776
	351,409,384	11,174,996	251,493,504	-	56,533,491	52,537,609	111,090,876
PAYABLES BETWEEN PARENT/SUBSIDIARIES							
A. SORIANO AIR CORP. (Conso)							
A. Soriano Corporation	4,541,890	-	4,503,429	-	-	38,461	38,461
Pamalican Resort Inc. (direct payable of ASAC)	1,709,608	-	324,777	-	-	1,384,831	1,384,831
Seven Seas Resorts & Leisure Inc. (direct payable of PHI)	65,000	-	-	-	-	65,000	65,000
Pamalican Utilities, Inc. (direct payable of ASAC)	-	35,014	-	-	35,014	-	35,014
Seven Seas Resorts & Leisure Inc. (direct payable of IA)	246,479,752	(246,479,752)	-	-	-	-	-
Pamalican Resort Inc. (direct payable of IA)	679,563	79,534	-	-	79,534	679,563	759,097
	253,475,813	(246,365,204)	4,828,206	-	114,548	2,167,855	2,282,403
SEVEN SEAS RESORTS & LEISURE INC. (Conso)							
A.Soriano Corporation (direct payable of PRI)	410,740	8,147,321	8,522,321	-	35,740	-	35,740
A.Soriano Corporation (direct payable of SSRLI)	228,257	-	220,663	-	-	7,594	7,594
Anscor Holdings, Inc. (direct payable of SSRLI)	107,126	-	105,075	-	2,051	-	2,051
Island Aviation, Inc. (direct payable of PRI)	49,266,305	-	4,571,607	-	44,694,698	-	44,694,698
	50,012,428	8,147,321	13,419,666	-	44,732,489	7,594	44,740,083
PHELPS DODGE INTERNATIONAL PRODUCTS PHILIPPINES, INC. (PDPI) - Conso							
A. Soriano Corporation (direct payable of PDP Energy)	54,291,230	111,374,572	133,047,241	-	32,618,561	-	32,618,561
A. Soriano Corporation (direct payable of PDPI)	-	339,500,000	339,500,000	-	-	-	-
	54,291,230	450,874,572	472,547,241	-	32,618,561	-	32,618,561
ANSCOR HOLDINGS INC. (Conso)							
Summerside Corporation	2,029,490	-	9,714	-	2,019,776	-	2,019,776
A. Soriano Corporation	26,495,068	-	26,171,403	-	-	323,665	323,665
	28,524,558	-	26,181,117	-	2,019,776	323,665	2,343,441

A. SORIANO CORPORATION AND SUBSIDIARIES
SCHEDULE C - AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE
ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Name and Designation of Debtor	Beginning of Period	Additions	Amounts Collected	Amount Written Off	Current	Non Current	Balance at End of Period
SUMMERSIDE CORPORATION (Conso) A. Soriano Corporation	785,125	-	-	-	-	785,125	785,125
	785,125	-	-	-	-	785,125	785,125
AFC AGRIBUSINESS CORPORATION A. Soriano Corporation	20,870,398	4,678,398	-	-	4,678,398	20,870,398	25,548,796
	20,870,398	4,678,398	-	-	4,678,398	20,870,398	25,548,796
ANSOR INTERNATIONAL A. Soriano Corporation	985,576,851	241,304,902	-	-	241,304,902	985,576,851	1,226,881,753
	985,576,851	241,304,902	-	-	241,304,902	985,576,851	1,226,881,753
IQ HEALTHCARE INVESTMENT LIMITED A. Soriano Corporation Anscor International	7,768,027	12,433,458	-	-	12,433,458	7,768,027	20,201,485
	41,788,373	10,951,552	-	-	10,951,552	41,788,373	52,739,925
	49,556,400	23,385,010	-	-	23,385,010	49,556,400	72,941,410
	1,443,092,803	482,024,999	516,976,230	-	348,853,684	1,059,287,888	1,408,141,572

A. SORIANO CORPORATION AND SUBSIDIARIES
SCHEDULE D - LONG-TERM DEBT
AS OF DECEMBER 31, 2023
(Amounts in PHP)

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 - net of current portion" in related balance sheet
<i>Island Aviation, Inc.</i> Banco de Oro	1,000,000,000	-	1,000,000,000
Total	1,000,000,000	-	1,000,000,000

- a. On January 9, 2023, a Facility Agreement (IAI-BDO Loan) was executed between IAI and BDO, for a term loan in the aggregate principal amount of up to P1 billion. On the same date, the Continuing Suretyship (CS) in favor of BDO was jointly and severally irrevocably executed by SSRLI and PRI duly identified as the sureties to secure the due and full payment and performance of the Secured Obligations as defined in the CS. Further, on the same date, IAI availed a 10-year loan from BDO amounting to P450.0 million with an interest rate of 6.5657%. The amount loaned was used to pay for the advances received from SSRLI amounting to P406.0 million.
- b. On February 14, 2023, SSRLI, PRI, PUI (the three companies as Trustors) and AB Capital and Investment Corporation (as Trustee) executed the Amended and Restated Mortgage Trust Indenture (MTI). PRI and PUI are now parties to the MTI which was originally entered by SSRLI and the Trustee on November 29, 2005. The Trustors in the MTI are now parties to the Mortgage Obligations for the IAI Loan with BDO Unibank Inc. (BDO). The Mortgaged properties include certain assets with an appraised value of at least 167% of the outstanding loan of IAI with BDO.
- c. On November 20, 2023, BDO and the Company agreed to adjust the interest rate to the higher of (a) the sum of the 3-month Benchmark Rate on interest setting date and on each repricing date plus 0.90% per annum, and (b) Target Reverse Repurchase Rate plus + 0.25% per annum; divided by the interest premium factor effective January 9, 2024.
- The loan shall be subject to the maintenance of financial ratios which include a maximum of 2.5 times debt-to-equity ratio and minimum debt service coverage ratio of 1.2 times starting May 31, 2024 and annually each May 31 thereafter.
- d. Total interest expense from these loan recognized in the consolidated profit or loss amounted to P58.9 million in 2023 (nil in 2022 and 2021)

A. SORIANO CORPORATION AND SUBSIDIARIES
SCHEDULE E - INDEBTEDNESS TO RELATED PARTIES
(LONG-TERM LOANS FROM RELATED COMPANIES)
DECEMBER 31, 2023 AND 2022
(Amounts in PHP)

PARTICULARS	Balance at Beginning of Period	Balance at End of Period
Due From:		
Multi-media Telephony, Inc. (MTI) (Notes 1)	564,769,510	564,769,510
Others	2,599,946	1,828,850
	567,369,456	566,598,360
Less Allowance for Doubtful Accounts	564,761,343	564,761,343
RECEIVABLE - NET	2,608,113	1,837,017

Note 1 In June and September 2005, the Company entered into a loan agreement with MTI for the latter to issue convertible debts to the Company. The debts, totaling US\$3.0 million are payable in 270 days and bear interest at 20% per annum. Prior to the payment date, the Company has the option to convert the said debt into Vicinetum Holdings, Inc.'s (VHI) (MTI's parent company) shares of stock.

In 2006, the Company provided additional advances to MTI amounting to US\$6.5 million. The advances are payable in two years and bear interest at 20% per annum. The Company has the option to convert these advances to shares of stock of MTI.

In 2007, additional P25.0 million advances were extended to MTI to be converted to 278,822 shares of VHI.

As of December 31, 2009, these advances were converted into deposits for future stock subscription of VHI shares.

A. SORIANO CORPORATION AND SUBSIDIARIES
SCHEDULE F - GUARANTEES OF SECURITIES OF OTHER ISSUERS
DECEMBER 31, 2023
(Amounts in PHP)

Name of Issuing Entity of Securities Guaranteed by the Company for which this Statement is Filed	Title of Issue of Each Class of Securities Guaranteed	Total Amount Guaranteed and Outstanding	Amount Owned by the Company for which this Statement is Filed	Nature of Guarantee
N/A	NA	NA	NA	NA

A. SORIANO CORPORATION AND SUBSIDIARIES
SCHEDULE G - CAPITAL STOCK
AS OF DECEMBER 31, 2023

Title of Issue	Number of Shares Authorized	Number of Shares Issued & Outstanding	Number of shares Reserved for Options,Warrants Conversions & Other Rights	Number of shares Held by		
				Subsidiaries	Related Parties	Directors, Officers & employees Others
Common Stock	3,459,310,958	2,500,000,000	NA			
Preferred Stock	500,000,000	500,000,000	NA	-	500,000,000	-
Treasury shares		<u>3,000,000,000</u>				
No. of shares issued and outstanding (legal)		<u>3,000,000,000</u>		1,272,429,761	63,694,835	671,313,481
No. of shares held by a subsidiary (Anscor Consolidated Corporation)		<u>(1,272,429,761)</u>	*			492,561,923
Outstanding shares - (common and preferred) net of shares held by a subsidiary		<u>1,727,570,239</u>				

* As at December 31, 2023 and 2022, Anscorcon holds 1,272,429,761 shares of the Company.



SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Phone: (632) 8891 0307
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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULE OF COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Board of Directors and Stockholders
A. Soriano Corporation
7th Floor, Pacific Star Building
Makati Avenue corner Gil Puyat Avenue Extension
Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of A. Soriano Corporation and its subsidiaries (the Group) as at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023, and have issued our report thereon dated February 28, 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 of Components of 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 (PFRSs) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRSs. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as of December 31, 2023, and 2022 and for each of the three years in the period ended December 31, 2023, and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Dhonabee B. Señeres
Partner
CPA Certificate No. 97133
Tax Identification No. 201-959-816
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
BIR Accreditation No. 08-001998-098-2023, September 12, 2023, valid until September 11, 2026
PTR No. 10082016, January 6, 2024, Makati City

February 28, 2024

A. SORIANO CORPORATION AND SUBSIDIARIES
COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS
DECEMBER 31, 2023 AND 2022

		2023		2022	
i.	Current Ratio	<div>Total Current Assets</div> <div>Total Current Liabilities</div>	<div>20,810,775,738</div> <div>2,051,440,225</div>	10.1:1	<div>19,339,745,780</div> <div>1,945,908,174</div> <div>9.9:1</div>
ii.	Acid Test Ratio	<div>Total Current Assets less Inventories, Prepayments, and Other Current Assets</div> <div>Total Current Liabilities</div>	<div>18,380,855,510</div> <div>2,051,440,225</div>	9.0:1	<div>17,235,630,116</div> <div>1,945,908,174</div> <div>8.9:1</div>
iii.	Solvency Ratio	<div>Net Income Attributable to Equity Holders of the Parent + Depreciation and amortization</div> <div>Total Liabilities</div>	<div>2,914,871,050</div> <div>3,704,634,675</div>	78.68%	<div>3,124,945,454</div> <div>2,524,505,010</div> <div>123.78%</div>
iv.	Debt-to-Equity Ratio	<div>Total Liabilities</div> <div>Equity Attributable to Equity Holders of the Parent</div>	<div>3,704,634,675</div> <div>23,172,977,333</div>	0.2:1	<div>2,524,505,010</div> <div>21,961,719,040</div> <div>0.1:1</div>
v.	Asset-to-Equity Ratio	<div>Total Assets</div> <div>Equity Attributable to Equity Holders of the Parent</div>	<div>27,692,602,665</div> <div>23,172,977,333</div>	1.20	<div>25,138,235,219</div> <div>21,961,719,040</div> <div>1.14</div>
vi.	Interest Rate Coverage Ratio	<div>EBIT (earnings before interest and taxes)</div> <div>Interest expense</div>	<div>3,079,675,617</div> <div>62,479,887</div>	49.29	<div>3,102,884,832</div> <div>4,687,677</div> <div>661.92</div>
vii.	Return on Equity	<div>Net Income Attributable to Equity Holders of the Parent</div> <div>Equity Attributable to Equity Holders of the Parent</div>	<div>2,552,017,983</div> <div>23,172,977,333</div>	11.01%	<div>2,800,557,660</div> <div>21,961,719,040</div> <div>12.75%</div>

A. SORIANO CORPORATION AND SUBSIDIARIES
COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS
DECEMBER 31, 2023 AND 2022

		2023		2022	
viii.	Return on Assets	Net Income Attributable to Equity Holders of the Parent	2,552,017,983		2,800,557,660
		Total Assets	27,692,602,665	9.22%	25,138,235,219
ix.	Profitability Ratio	Net Income Attributable to Equity Holders of the Parent	2,552,017,983		2,800,557,660
		Total Revenues	13,798,487,806	18.49%	13,624,683,643
x.	Book value per share	Equity Attributable to Equity Holders of the Parent	23,172,977,333		21,961,719,040
		Outstanding Number of Shares	1,227,570,239	18.88	1,227,570,239

A. SORIANO CORPORATION

7th Floor, Pacific Star Building

Makati Avenue corner Gil Puyat Avenue Ext.

1209 Makati City, Philippines



A. SORIANO CORPORATION

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of A. Soriano Corporation is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the years ended December 31, 2023, and 2022, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of 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 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.

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

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

SyCip Gorres Velayo & Co., the independent auditors appointed by the stockholders, has audited the consolidated financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.


ANDRES SORIANO
Chairman &
Chief Executive Officer


ERNEST K. CUYEGKENG
President &
Chief Operations Officer


NARCISA M. VILLAFLOR
Vice President
- Comptroller/Treasurer


Signed this 28th day of February 2024

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY) S.S.

SUBSCRIBED AND SWORN to before me this 28th day of February 2024, affiants exhibited to me the following:

Andres Soriano III	506368805	Jan. 14, 2015 to Jan 13, 2025 / U.S.
Ernest K. Cuyegkeng	P7236847A	May 19, 2018 to May 18, 2028 / DFA NCR South
Narcisa M. Villaflor	P85925110	Sept. 4, 2018 to Sept. 3, 2028 / DFA NCR West

Doc. No. 508
Page No. 103
Book No. 11
Series of 2024


HILARY FAYE A. MERCADO
Appointment No. M-038
Notary Public for Makati City
Until December 31, 2024
Liberty Center-Picazo Law
104 H.V. Dela Costa Street, Makati City
Roll of Attorney's No. 80733
PTR No. 10081167/Makati City/01-09-2024
IBR No. 301902/Rizal RSM/01-04-2024
Admitted to the bar in 2022

**A. Soriano Corporation
and Subsidiaries**

Consolidated Financial Statements
December 31, 2023 and 2022
and for the Years Ended
December 31, 2023, 2022 and 2021

and

Independent Auditor's Report

DRAFT

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
A. Soriano Corporation
7th Floor, Pacific Star Building,
Makati Avenue corner Gil Puyat Avenue Extension,
Makati City

Opinion

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

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

Basis for Opinion

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

Key Audit Matter

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

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Valuation of Unquoted Equity Instruments

As at December 31, 2023, the Group has unquoted equity investments classified as financial assets through profit or loss, with carrying value of ₱2,921 million and accounts for 11% of the consolidated total assets. We considered the valuation of these unquoted equity investments as a key audit matter because of the materiality of the amount involved and it is inherently subjective as it involves the use of valuation inputs that are not market observable. Management also applied judgment in selecting the valuation technique and the assumptions to be used.

The Group's disclosures about its equity investments are included in Notes 9 and 29 to the consolidated financial statements.

Audit Response

We involved our internal specialists in evaluating the valuation techniques and inputs and the other assumptions used. These assumptions include discount rates, revenue growth rates and comparable companies. In testing the discount rates, we performed independent testing of the determination of discount rates using market-based parameters. For investments valued using the income approach, we compared the revenue growth rates to the historical performance of the investment and the industry/market outlook. For investments valued under the market approach, we assessed the comparable companies used in the valuation and confirmed factors such as additional funding of the investee that would warrant the change in market value of the investments. For private equity fund investments valued using the cost approach (adjusted net asset value method), we evaluated the competence, capabilities and objectivity of the investment managers by considering their qualifications, experience and reporting responsibilities. We also inspected the financial information of the investees and evaluated whether the financial information used reflect the fair values of the investee's assets and liabilities. In addition, we reviewed the Group's disclosures about those assumptions to which the outcome of the valuation is most sensitive; specifically, those that have the most significant effect on the determination of the fair value of the unquoted equity investments.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2023, but does not include the consolidated financial statements and our auditor's 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 auditor's 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 PFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is
Dhonabee B. Señeres.

SYCIP GORRES VELAYO & CO.

Dhonabee B. Señeres

Partner

CPA Certificate No. 97133

Tax Identification No. 201-959-816

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

BIR Accreditation No. 08-001998-098-2023, September 12, 2023, valid until September 11, 2026

PTR No. 10082016, January 6, 2024, Makati City

February 28, 2024

A. SORIANO CORPORATION AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	December 31	
	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents (Note 8)	₱3,027,406,563	₱2,948,401,655
Fair value through profit or loss (FVPL) investments (Note 9)	13,186,171,800	12,046,804,002
Receivables (Note 10)	2,167,277,147	2,240,424,459
Inventories (Note 11)	1,757,321,449	1,695,039,141
Prepayments	404,675,288	190,812,484
Other current assets	267,923,491	218,264,039
Total Current Assets	20,810,775,738	19,339,745,780
Noncurrent Assets		
Fair value through other comprehensive income (FVOCI) investments (Note 12)	57,636,746	41,453,401
Notes receivable (Note 27)	416,774,404	245,854,878
Investments and advances (Note 13)	337,543,710	357,031,299
Goodwill (Note 7)	1,302,276,264	1,302,276,264
Property and equipment (Notes 14 and 19)	3,784,758,702	2,705,108,750
Investment properties (Note 15)	463,590,308	472,052,732
Retirement plan asset - net (Note 24)	179,367,643	122,351,083
Deferred income tax assets - net (Note 25)	118,241,184	114,115,228
Right-of-use assets (Note 30)	52,522,610	17,419,789
Deposits to suppliers (Note 30)	40,631,154	296,417,399
Other noncurrent assets (Note 16)	128,484,202	124,408,616
Total Noncurrent Assets	6,881,826,927	5,798,489,439
TOTAL ASSETS	₱27,692,602,665	₱25,138,235,219

LIABILITIES AND EQUITY**Current Liabilities**

Accounts payable and accrued expenses (Note 18)	₱1,385,273,515	₱1,343,101,690
Current portion of lease liabilities (Note 30)	18,763,285	10,133,770
Dividends payable (Note 20)	570,375,761	501,959,779
Income tax payable	77,027,664	90,712,935
Total Current Liabilities	2,051,440,225	1,945,908,174

(Forward)

	December 31	
	2023	2022
Noncurrent Liabilities		
Lease liabilities - net of current portion (Note 30)	₱35,296,241	₱9,082,542
Long-term debt (Note 19)	1,000,000,000	—
Deferred income tax liabilities - net (Note 25)	493,566,194	417,846,430
Retirement benefits payable - net (Note 24)	22,609,622	39,931,355
Other noncurrent liabilities (Note 16)	101,722,393	111,736,509
Total Noncurrent Liabilities	1,653,194,450	578,596,836
Total Liabilities	3,704,634,675	2,524,505,010
Equity Attributable to Equity Holders of the Parent (Note 20)		
Capital stock	2,505,000,000	2,505,000,000
Additional paid-in capital (Note 27)	1,724,358,371	1,859,383,287
Cumulative translation adjustment	167,266,370	179,017,188
Net unrealized valuation gains (loss) on FVOCI investments (Note 12)	605,619	(3,183,933)
Remeasurement gain on retirement benefits (Note 24)	84,220,038	54,423,304
Retained earnings (Note 20):		
Appropriated	7,150,000,000	7,150,000,000
Unappropriated	14,196,742,307	12,872,294,566
Cost of shares held by a subsidiary (1,272,429,761 shares in 2023 and 2022) (Note 20)	(2,655,215,372)	(2,655,215,372)
	23,172,977,333	21,961,719,040
Noncontrolling Interests (Notes 3 and 27)	814,990,657	652,011,169
Total Equity	23,987,967,990	22,613,730,209
TOTAL LIABILITIES AND EQUITY	₱27,692,602,665	₱25,138,235,219

See accompanying Notes to Consolidated Financial Statements.

A. SORIANO CORPORATION AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	Years Ended December 31		
	2023	2022	2021
REVENUES			
Sale of goods - net (Note 5)	₱10,147,489,118	₱10,727,755,227	₱8,751,666,475
Services (Notes 5 and 30)	1,709,328,620	1,292,106,914	1,013,453,849
Dividend income (Note 9)	368,356,295	295,306,868	399,429,444
Interest income (Note 23)	91,870,114	67,461,869	53,534,090
	12,317,044,147	12,382,630,878	10,218,083,858
INVESTMENT GAINS (LOSSES)			
Gain (loss) on increase (decrease) in market values of FVPL investments - net (Notes 9 and 29)	1,476,197,600	(994,108,320)	1,124,061,312
Gain on sale of FVOCI investments - net (Note 12)	(3,496,596)	764,165	532,067
Gain on sale of noncurrent asset held for sale (Note 13)	—	2,208,757,397	—
	1,472,701,004	1,215,413,242	1,124,593,379
EQUITY IN NET EARNINGS ON INVESTMENTS IN ASSOCIATES (Note 13)	8,742,755	26,639,523	11,409,604
TOTAL	13,798,487,906	13,624,683,643	11,354,086,841
Cost of goods sold (Note 21)	(8,470,102,746)	(9,048,418,434)	(7,071,619,957)
Cost of services rendered (Note 21)	(535,493,389)	(404,526,169)	(347,923,582)
Operating expenses (Note 21)	(1,737,010,603)	(1,373,857,309)	(1,091,980,471)
Interest expense (Note 23)	(62,479,987)	(4,687,677)	(10,259,686)
Foreign exchange gain (loss) - net	(26,915,621)	282,751,590	139,150,079
Other income (charges) - net (Note 23)	50,710,170	22,251,511	(53,708,290)
INCOME BEFORE INCOME TAX	3,017,195,730	3,098,197,155	2,917,744,934
PROVISION FOR INCOME TAX (Note 25)	368,000,045	242,155,199	380,152,014
NET INCOME	2,649,195,685	2,856,041,956	2,537,592,920
OTHER COMPREHENSIVE LOSS			
Other comprehensive gain (loss) to be reclassified to profit or loss in subsequent periods:			
Unrealized valuation losses on FVOCI investments (Note 12)	1,556,140	(3,845,678)	(2,705,833)
Income tax effect	(389,035)	961,420	856,583
	1,167,105	(2,884,258)	(1,849,250)

(Forward)

Years Ended December 31			
	2023	2022	2021
Realized gains on FVOCI investments recognized in the consolidated profit or loss (Note 12)	P3,496,596	(P764,165)	(P532,067)
Income tax effect	(874,149)	191,041	133,017
	2,622,447	(573,124)	(399,050)
	3,789,552	(3,457,382)	(2,248,300)
Cumulative translation adjustment	(11,750,818)	(47,156,996)	126,913,660
	(7,961,266)	(50,614,378)	124,665,360
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:			
Remeasurement gain (loss) on retirement benefits (Note 24)	39,728,979	(27,918,980)	65,259,567
Income tax effect	(9,932,245)	6,686,112	(13,323,808)
	29,796,734	(21,232,868)	51,935,759
OTHER COMPREHENSIVE INCOME (LOSS)	21,835,468	(71,847,246)	176,601,119
TOTAL COMPREHENSIVE INCOME	P2,671,031,153	P2,784,194,710	P2,714,194,039
Net Income Attributable to:			
Equity holders of the Parent	P2,552,017,982	P2,800,557,660	P2,504,080,376
Noncontrolling interests	97,177,703	55,484,296	33,512,544
	P2,649,195,685	P2,856,041,956	P2,537,592,920
Total Comprehensive Income (Loss)			
Attributable to:			
Equity holders of the Parent	P2,573,853,450	P2,728,710,414	P2,680,681,495
Noncontrolling interests	97,177,703	55,484,296	33,512,544
	P2,671,031,153	P2,784,194,710	P2,714,194,039
Earnings Per Share			
Basic/diluted, for net income attributable to equity holders of the Parent (Note 26)	P2.08	P2.28	P2.04
Basic/diluted, for total comprehensive income attributable to equity holders of the Parent (Note 26)	P2.10	P2.22	P2.18

See accompanying Notes to Consolidated Financial Statements.

A. SORIANO CORPORATION AND SUBSIDIARIES

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

Equity Attributable to Equity Holders of the Parent (Note 20)											
	Capital Stock	Additional Paid-in Capital	Cumulative Translation Adjustment	Unrealized Valuation Gains (Losses) on FVOCI Investments (Note 12)	Remeasurement on Retirement Benefits (Note 24)	Retained Earnings		Cost of Shares Held by a Subsidiary	Total	Noncontrolling Interests	Total
						Appropriated	Unappropriated				
BALANCES AT DECEMBER 31, 2020	P2,500,000,000	P1,859,383,287	P99,260,524	P2,521,749	P23,720,413	P7,150,000,000	P9,715,904,450	(P2,655,215,372)	P18,695,575,051	P564,815,483	P19,260,390,534
Net income	—	—	—	—	—	—	2,504,080,376	—	2,504,080,376	33,512,544	2,537,592,920
Other comprehensive loss	—	—	126,913,660	(2,248,300)	51,935,759	—	—	—	176,601,119	—	176,601,119
Total comprehensive income (loss) for the year	—	—	126,913,660	(2,248,300)	51,935,759	—	2,504,080,376	—	2,680,681,495	33,512,544	2,714,194,039
Issuance of preferred shares	5,000,000	—	—	—	—	—	—	—	5,000,000	—	5,000,000
Cash dividends - net of dividends on common shares held by a subsidiary amounting to P954.3 million (Note 20)	—	—	—	—	—	—	(920,677,681)	—	(920,677,681)	—	(920,677,681)
Movement in noncontrolling interests	—	—	—	—	—	—	—	—	—	(1,800,428)	(1,800,428)
BALANCES AT DECEMBER 31, 2021	2,505,000,000	1,859,383,287	226,174,184	273,449	75,656,172	7,150,000,000	11,299,307,145	(2,655,215,372)	20,460,578,865	596,527,599	21,057,106,464
Net income	—	—	—	—	—	—	2,800,557,660	—	2,800,557,660	55,484,296	2,856,041,956
Other comprehensive income (loss)	—	—	(47,156,996)	(3,457,382)	(21,232,868)	—	—	—	(71,847,246)	—	(71,847,246)
Total comprehensive income (loss) for the year	—	—	(47,156,996)	(3,457,382)	(21,232,868)	—	2,800,557,660	—	2,728,710,414	55,484,296	2,784,194,710
Cash dividends - net of dividends on common shares held by a subsidiary amounting to P1,272.4 million (Note 20)	—	—	—	—	—	—	(1,227,570,239)	—	(1,227,570,239)	—	(1,227,570,239)
Movement in noncontrolling interests	—	—	—	—	—	—	—	—	—	(726)	(726)
BALANCES AT DECEMBER 31, 2022	2,505,000,000	1,859,383,287	179,017,188	(3,183,933)	54,423,304	7,150,000,000	12,872,294,566	(2,655,215,372)	21,961,719,040	652,011,169	22,613,730,209
Net income	—	—	—	—	—	—	2,552,017,983	—	2,552,017,983	97,177,703	2,649,195,686
Other comprehensive loss	—	—	(11,750,818)	3,789,552	29,796,734	—	—	—	21,835,468	—	21,835,468
Total comprehensive income (loss) for the year	—	—	(11,750,818)	3,789,552	29,796,734	—	2,552,017,983	—	2,573,853,451	97,177,703	2,671,031,154
Cash dividends - net of dividends on common shares held by a subsidiary amounting to P1,272.4 million (Note 20)	—	—	—	—	—	—	(1,227,570,242)	—	—	—	(1,227,570,242)
Movement in noncontrolling interests	—	(135,024,916)	—	—	—	—	—	—	(135,024,916)	65,801,785	(69,223,131)
BALANCES AT DECEMBER 31, 2023	P2,505,000,000	P1,724,358,371	P167,266,370	P605,619	P84,220,038	P7,150,000,000	P14,196,742,307	(P2,655,215,372)	P23,172,977,333	P814,990,657	P23,987,967,990

See accompanying Notes to Consolidated Financial Statements.

A. SORIANO CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	P3,017,195,730	P3,098,197,155	P2,917,744,934
Adjustments for:			
Loss (gain) on sale/disposal of:			
Noncurrent asset held for sale (Note 13)	—	(2,208,757,397)	—
FVOCI investments (Note 12)	3,496,596	(764,165)	(532,067)
Property and equipment	(1,228,659)	69,643	(129,464)
Loss (gain) on decrease (increase) in market values of FVPL investments - net (Note 9)	(1,476,197,600)	994,108,320	(1,124,061,312)
Depreciation and amortization (Note 21)	389,160,025	324,387,794	302,595,454
Dividend income (Note 9)	(368,356,295)	(295,306,868)	(399,429,444)
Unrealized foreign exchange losses (gains) - net	8,951,985	(122,004,309)	(98,948,706)
Interest income (Note 23)	(91,870,014)	(67,461,869)	(53,534,090)
Equity in net losses (earnings) and impairment loss on investments in associates (Note 13)	(8,742,755)	(26,639,523)	(11,409,604)
Retirement benefit costs (Note 24)	14,511,904	14,690,747	23,169,533
Interest expense (Note 23)	62,479,987	4,687,677	10,259,686
Impairment losses, net of recoveries (Note 23)	541,039	825,054	54,543,952
Operating income before working capital changes	1,549,941,843	1,716,032,259	1,620,268,872
Decrease (increase) in:			
FVPL investments	322,422,123	(1,212,179,031)	(431,799,766)
Receivables	70,001,404	(473,640,997)	(99,723,528)
Inventories	(62,282,308)	(69,913,940)	(572,539,264)
Prepayments and other current assets	(245,620,834)	(160,925,805)	(10,492,160)
Increase (decrease) in accounts payable and accrued expenses	(35,800,399)	400,843,702	(40,807,883)
Cash generated from operations	1,598,661,829	200,216,188	464,906,271
Income taxes paid	(339,909,404)	(388,546,682)	(382,738,499)
Dividends received	395,815,543	317,558,427	404,680,797
Interest received	88,226,863	91,022,401	56,714,726
Interest paid	(1,844,680)	(2,308,186)	(8,368,724)
Retirement benefit contribution (Note 24)	(47,841,494)	(26,034,885)	(22,187,256)
Net cash flows from operating activities	1,693,108,557	191,907,263	513,007,315

(Forward)

	Years Ended December 31		
	2023	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of:			
Noncurrent asset held-for-sale (Note 13)	P–	P1,974,595,600	P–
FVOCI investments (Note 12)	59,408,143	31,323,320	147,576,210
Property and equipment (Note 14)	4,378,512	2,862,322	129,464
Additions to:			
FVOCI investments (Note 12)	(73,738,729)	(26,887,859)	(78,986,314)
Property and equipment (Notes 14 and 33)	(1,420,057,131)	(656,264,596)	(144,240,885)
Investment properties (Note 15)	(6,217,326)	(6,607,518)	(3,914,394)
Notes receivable	(218,000,000)	–	–
Collection from (advances to) affiliates (Notes 13 and 27)	771,097	(958,492)	57,197,246
Decrease in noncurrent liabilities	(10,014,115)	–	–
Decrease on investments at equity (Note 13)	–	234,161,796	–
Increase in other noncurrent assets	221,212,105	(167,166,152)	(71,364,670)
Net cash flows from (used in) investing activities	(1,442,257,445)	1,385,058,421	(93,603,343)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from:			
Long-term debt	1,000,000,000	–	–
Payments of (Note 31):			
Dividends (Note 20)	(1,103,154,257)	(1,189,139,632)	(725,217,672)
Interest on long term debt	(42,917,505)	–	–
Lease liabilities (Note 30)	(16,331,931)	(17,416,249)	(9,421,290)
Long-term debt (Note 19)	–	(75,714,286)	(151,428,571)
Notes payable (Note 17)	–	(23,166,200)	–
Advances from affiliates (Note 13)	66,326,000	25,719,337	99,760,513
Minority interest	(69,176,769)	–	–
Net cash flows used in financing activities	(165,254,462)	(1,279,717,030)	(786,307,020)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	85,596,650	297,248,654	(366,903,048)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(6,591,742)	(78,077,395)	4,174,099
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,948,401,655	2,729,230,396	3,091,959,345
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 8)	P3,027,406,563	P2,948,401,655	P2,729,230,396

See accompanying Notes to Consolidated Financial Statements.

A. SORIANO CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information and Authorization for Issuance of the Consolidated Financial Statements

Corporate Information

A. Soriano Corporation (Anscor or the Company) was registered with the Philippine Securities and Exchange Commission (SEC) on February 13, 1930 to, among others, act as agent or representative of corporations, partnerships or individuals whether residing here or abroad; to buy, retain, possess shares of stock, franchises, patents of any person or entity and to issue shares of stock, bonds or other obligations for the payment of articles or properties acquired by the Company; and to buy or acquire all or part of the property, assets, business and clientele of any person, corporation or partnership, managing the properties or businesses so purchased or acquired and exercising all the powers necessary and convenient for the management and development of the said properties or businesses.

The Company is a corporation incorporated and domiciled in the Philippines whose shares are publicly traded.

The registered office address of the Company is at 7th Floor, Pacific Star Building, Makati Avenue corner Gil Puyat Avenue Extension, Makati City, Philippines.

Authorization for Issuance of the Consolidated Financial Statements

The consolidated financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) as at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023 were authorized for issue by the Board of Directors (BOD) on February 28, 2024.

2. Basis of Preparation and Changes in Accounting Policies and Disclosures

Basis of Preparation

The consolidated financial statements have been prepared on a historical cost basis, except for debt and equity securities that have been measured at fair value. The consolidated financial statements are presented in Philippine pesos (Peso), which is the Company’s functional and presentation currency. Amounts are presented to the nearest Peso unless otherwise stated.

Statement of Compliance

The consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs).

Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Adoption of these new standards did not have an impact on the consolidated financial statements of the Group.

- Amendments to PAS 1 and PFRS Practice Statement (PS) 2, *Disclosure of Accounting Policies*

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

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

The amendments to the Practice Statement provide non-mandatory guidance.

The Group also referred to the guidance provided under Q&A No. 2022-02: *Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)* in applying the amendments to PAS 1 and PS 2. The adoption resulted to removal of accounting policy information that are not considered material and thus had no material impact on the consolidated financial statements.

- Amendments to PAS 8, *Definition of Accounting Estimates*

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

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

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

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

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

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

The amendments also clarify that PAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes. Such tax legislation, and the income taxes arising from it, are referred to as ‘Pillar Two legislation’ and ‘Pillar Two income taxes’, respectively.

The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception, apply immediately and retrospectively upon adoption of the amendments in June 2023.

Meanwhile, the disclosure of the current tax expense related to Pillar Two income taxes and the disclosures in relation to periods before the legislation is effective are required for annual reporting periods beginning on or after 1 January 2023.

Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. The Group does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial statements. The Group intends to adopt the applicable pronouncements when they become effective.

Effective beginning on or after January 1, 2024

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*

The amendments clarify that:

- only covenants with which an entity must comply on or before reporting date will affect a liability’s classification as current or non-current.
- classification is unaffected by the likelihood that an entity will exercise its deferral right.
- only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are required to be applied retrospectively.

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

The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.

The amendments are required to be applied retrospectively. Earlier adoption is permitted and that fact must be disclosed.

- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity’s liabilities, cash flows and exposure to liquidity risk.

The amendments are effective for annual reporting periods beginning on or after January 1, 2024. Earlier adoption is permitted and that fact must be disclosed.

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts* – not expected to apply to the Group.
- Amendments to PAS 21, *Lack of exchangeability*

The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. This is not currently expected to apply to the Group.

3. Basis of Consolidation and Summary of Material Accounting and Financial Reporting Policies

Basis of Consolidation

The consolidated financial statements of the Group comprise the financial statements of the Company and the following subsidiaries as at December 31:

	Nature of Business	Percentage of Ownership		
		2023	2022	2021
A. Soriano Air Corporation (ASAC, Note 30)	Services/Rental	100	100	100
Pamalican Island Holdings, Inc. (PIHI)	Investment Holding	62	62	62
Island Aviation, Inc. (IAI, Note 30)	Air Transport	62	62	62
Anscor Consolidated Corporation (Anscorcon)	Investment Holding	100	100	100
Anscor Holdings, Inc. (AHI, Note 30)	Real Estate Holding	100	100	100
Akapulko Holdings, Inc.	Real Estate Holding	100	100	100
Lakeroad Corporation	Real Estate Holding	100	100	100
Mainroad Corporation	Real Estate Holding	100	100	100
Makatwiran Holdings, Inc.	Real Estate Holding	100	100	100
Makisig Holdings, Inc.	Real Estate Holding	100	100	100
Malikhain Holdings, Inc.	Real Estate Holding	100	100	100
Mountainridge Corporation	Real Estate Holding	100	100	100
Rollingview Corporation	Real Estate Holding	100	100	100
Timbercrest Corporation	Real Estate Holding	100	100	100
Anscor International, Inc. (AI, Note 13)	Investment Holding	100	100	100
IQ Healthcare Investments Limited (IQHIL)	Holding	100	100	100
IQ Healthcare Professional Connection, LLC (IQHPC) (inactive)	Manpower Services	93	93	93
Phelps Dodge International Philippines, Inc. (PDIPI, Notes 7 and 30)*	Investment Holding	97	100	100
Minuet Realty Corporation (Minuet, Note 7)	Landholding	97	100	100
Phelps Dodge Philippines Energy Products Corporation (PDP Energy, Notes 7 and 30)	Wire Manufacturing	97	100	100
PD Energy International Corporation (PDEIC, Note 7)	Wire Manufacturing	97	100	100
Summerside Corp. (Summerside)*	Investment Holding	100	100	100
Sutton Place Holdings, Inc. (Sutton)	Investment Holding	100	100	100
AFC Agribusiness Corporation (AAC, Note 15)	Real Estate Holding	81	81	81
Seven Seas Resorts and Leisure, Inc. (SSRLI, Notes 7 and 30)	Villa Project Development	62	62	62
Pamalican Resort, Inc. (PRI, Notes 7 and 30)	Resort Operations	62	62	62
Pamalican Utilities, Inc. (PUI)**	Utility Company	62	—	—

*On March 31, 2023, PDPI issued new shares representing 3% of its total equity interest (see Note 27).

As at December 31, 2023, the Group has 97% beneficial ownership over PDPI

**In August 2022, PUI was established through subscription of SSRLI to its shares.

Except for AI and its subsidiaries, all the companies above are based in the Philippines. The principal business location of AI and IQHIL is in the British Virgin Islands (BVI), while IQHPC is based in the United States of America (USA).

Material Partly-Owned Subsidiaries (SSRLI, PRI and PUI)

Set out below are the summarized financial information of entities that have noncontrolling interest (NCI) that is material to the Group. The amounts disclosed are based on those included in the consolidated financial statements before intercompany eliminations.

Significant details of the statements of financial position and statements of comprehensive income of SSRLI and PRI are presented below as at and for the years ended December 31 (in millions):

	2023	2022
Statements of Financial Position:		
Current assets	P1,144.6	P1,114.3
Noncurrent assets	914.8	849.9
Current liabilities	694.8	544.4
Noncurrent liabilities	104.5	111.7
Equity	1,260.1	1,308.1
Equity attributable to NCI	475.1	493.1
	2023	2022
Statements of Comprehensive Income:		
Revenue	P1,453.8	P1,094.0
Income before tax	222.1	179.7
Net income	202.7	143.5
Other comprehensive income	0.6	1.2
Total comprehensive income	203.3	144.7
Total comprehensive income allocated to NCI during the year	76.6	54.6
	2023	2022
Statements of Cash Flows:		
Cash flows from operations	P412.3	P167.1
Cash flows used in investing activities	(152.9)	(63.4)
Cash flows used in financing activities	(260.0)	(161.4)

Subsidiaries are all entities over which the Group has control.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins from the date of acquisition, being the date on which control is transferred to the Group and continue to be consolidated until the date that such control ceases. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Noncontrolling interests represent a portion of profit or loss and net assets of subsidiaries not held by the Group, directly or indirectly, and are presented separately in the consolidated statement of comprehensive income and within the equity section in the consolidated statements of financial position and consolidated statement of changes in equity, separately from Company's equity.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent and to the noncontrolling interests, even if this results in the noncontrolling interests having a deficit balance. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any noncontrolling interests
- Derecognizes the cumulative translation differences recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

Investments in Associates

The Group holds interest in entities over which it has significant influence and are accounted for as investments in associates using the equity method. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

After application of the equity method, the Group determines whether objective evidence that the investment in associate is impaired and recognizes an impairment loss if the recoverable amount exceeds the carrying value. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment. Thus, reversals of impairments may effectively include reversal of goodwill impairments. Any loss or reversal is recognized under "Equity in net earnings on investments in associates" in the consolidated statement of comprehensive income.

The reporting dates of the associates of the Group are identical and the associates' accounting policies conform to those used by the Group for like transactions and events in similar circumstances. Accordingly, no adjustments are made when measuring and recognizing the Group's share of the profit or loss of the investees after the date of acquisition.

Upon loss of significant influence over the associate, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in the consolidated profit or loss.

The following are the Group's associates as at December 31:

	Nature of Business	Percentage of Ownership		
		2023	2022	2021
Vicinetum Holdings, Inc. (VHI)	Investment Holding	32	32	32
Prople Limited (Note 13)	Business Process Outsourcing	32	32	32
Fremont Holdings, Inc. (FHI, Note 13)	Real Estate Holding	26	26	26
ATRAM Investment Management Partners Corp. (AIMP, Note 13)	Asset Management	20	20	20
AGP International Holdings Pte Ltd. (AGP-SG, Note 13)*	Investment Holding	—	—	21
BehaviorMatrix, LLC (BM, Note 13)*	Behavior Analytics Services	—	—	21

*In February 2022 and December 2022, the Group sold the AGP and BM investment, respectively.

The principal business location of AIMP, VHI and FHI is in the Philippines. AGP-BVI, AGP-SG, BM and Prople Limited are based in BVI, Singapore, USA and Hong Kong, respectively.

Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any noncontrolling interests in the acquiree. For each business combination, the Group elects whether to measure the noncontrolling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organized workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and financial liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as of the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Goodwill acquired in a business combination is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for noncontrolling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in the consolidated profit or loss.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit or a group of cash-generating units and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Foreign Currency Translation

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded in Peso based on the exchange rate recorded at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing exchange rate at the end of reporting period. All differences are taken to the consolidated profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as of the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the closing exchange rates at the date when the fair value was determined. Foreign exchange gains and losses relating to FVPL equity instruments are recognized in the consolidated profit or loss.

Financial statements of consolidated foreign subsidiaries which are considered foreign entities are translated into the presentation currency of the Group (Peso) at the closing exchange rate at the end of reporting period and their statements of profit or loss are translated using the monthly weighted average exchange rates for the year. The exchange differences arising from the translation are taken directly to a separate component of equity (under Cumulative translation adjustment). On disposal of a foreign entity, the deferred cumulative amount recognized in equity relating to that particular foreign operation is recognized in the consolidated profit or loss.

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

Fair Value Measurement

The Group measures financial assets, such as fair value through profit or loss (FVPL) investments and fair value through other comprehensive income (FVOCI) investments, at fair value at each balance sheet date. Also, fair values of investment properties are disclosed.

Fair value is the estimated price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. For certain unquoted investments, the Group also makes use of the report of the fund managers in developing assumptions and estimating the fair value.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's management determines the policies and procedures for both recurring fair value measurement, such as unquoted FVPL financial assets, and for non-recurring fair value measurement.

External valuers (e.g., appraisers and fund managers) are involved for valuation of significant assets, such as investment properties and certain unquoted securities. Involvement of external valuers is decided upon annually by management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be remeasured or reassessed as per the Group's accounting policies. For this analysis, management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Financial Instruments

Initial recognition and measurement of financial instruments

At initial recognition, financial assets are classified as, and measured at amortized cost, FVOCI, and FVPL. Financial liabilities are classified at initial recognition as financial liabilities at FVPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Classification of financial instruments

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under PFRS 15, *Revenue from Contracts with Customers*.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at FVPL, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at FVOCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVPL

As at December 31, 2023 and 2022, the Group has the following categories of financial assets and financial liabilities:

(a) Financial assets at FVPL

This category includes financial assets held for trading, financial assets designated upon initial recognition at FVPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term.

Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not SPPI are classified and measured at FVPL, irrespective of the business model.

Notwithstanding the criteria for debt instruments to be classified at amortized cost or at FVOCI, as described above, debt instruments may be designated at FVPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets classified in this category may be designated by management on initial recognition when the following criteria are met:

- The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognizing gains or losses on them on a different basis; or
- The assets are part of a group of financial assets or both which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; or
- The financial instrument contains an embedded derivative, unless the embedded derivative does not significantly modify the cash flows or it is clear, with little or no analysis, that it would not be separately recorded.

Derivatives recorded at FVPL

The Group has certain derivatives that are embedded in host financial contracts, such as structured notes and debt investments and conversion. These embedded derivatives include calls and puts in debt investments and interest rate and conversion options, among others.

A derivative embedded in a hybrid contract, with a financial liability or nonfinancial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at FVPL. Embedded derivatives are measured at fair value with changes in fair value recognized in the consolidated profit or loss. Reassessment occurs only if there is either a change in the terms of the contract that significantly modifies the cash flows that would be otherwise be required or a reclassification of a financial asset out of the FVPL category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at FVPL.

Financial assets at FVPL are recorded in the consolidated statements of financial position at fair value. Changes in fair value are recorded in "Gain (loss) on increase (decrease) in market values

of FVPL investments-net”. Interest earned or incurred is recorded in interest income or expense, respectively, while dividend income is recorded as such according to the terms of the contract, or when the right of payment has been established.

As at December 31, 2023 and 2022, the Group has designated as FVPL all equity investments, money market papers, investments in bonds that have callable and other features and managed/hedged (see Note 9). No financial liability at FVPL is outstanding as at December 31, 2023 and 2022.

(b) Financial assets at amortized cost (debt instruments)

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

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

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

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. The amortization is included as interest income in the consolidated profit or loss. Any losses arising from impairment of such financial assets are recognized as “Provision for impairment losses on receivables” account under “Other income (charges) - net” in the consolidated profit or loss.

Included under financial assets at amortized cost are cash in banks, cash equivalents, trade receivables, interest receivable, advances to employees, receivables from villa owners, dividend receivable, notes receivable and other receivables.

(c) Financial assets at FVOCI (debt instruments)

The Group measures debt instruments at FVOCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and,
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the consolidated profit or loss and computed in the same manner as financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI.

When the debt instrument is disposed of, the cumulative gain or loss previously recognized under OCI is transferred to profit or loss as “Gain (loss) on sale of FVOCI investments”. Where the Group holds more than one investment in the same security, cost of the disposed investment is determined on a weighted average cost basis. Interest earned on holding FVOCI investments are reported as interest income using the effective interest rate.

As at December 31, 2023 and 2022, the Group's FVOCI investments include investments in bonds (see Note 12).

(d) Financial liabilities - loans and borrowings

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

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

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

As at December 31, 2023 and 2022, included in this category are the Group's notes payable, accounts payable and accrued expenses, lease liabilities, long-term debt and dividends payable.

Impairment of Financial Assets

The Group recognizes an allowance for expected credit loss (ECL) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at FVOCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group's debt instruments at FVOCI comprise solely of top investment grade bonds that are graded by top credit rating agencies and, therefore, 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. The Group uses the ratings from the top credit rating agencies to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

The Group considers a financial asset in default when contractual payments are 120 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Derecognition of Financial Assets and Financial Liabilities

Financial assets

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

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

Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification will result into the removal of the original liability and the recognition of a new liability and the difference in the respective carrying amounts is recognized in the consolidated profit or loss.

“Day 1” Difference

Where the transaction price in a non-active market is different from the fair value from other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a “Day 1” difference) in the consolidated profit or loss unless it qualifies for recognition as some other type of asset. In cases where use is made of data which is not observable, the difference between the transaction price and model value is recognized in the consolidated profit or loss only when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the “Day 1” difference.

Inventories

Inventories are valued at the lower of cost and net realizable value (NRV).

Cost of aircraft spare parts and supplies is determined at purchase price using the first-in, first-out method, while NRV is the estimated current replacement cost of such spare parts and supplies.

Cost of food and beverage inventories and operating supplies is determined using the moving average method. NRV of food and beverage inventories is the estimated selling price in the ordinary course of business, less the estimated cost of preparation and the estimated cost necessary to make the sale.

For cable and wire manufacturing, finished goods and work in process is determined at standard cost adjusted to actual cost, which includes direct materials, direct labor and applicable allocation of fixed and variable costs, determined using weighted average method. Raw materials, other materials, reels inventory and spare parts and supplies are determined using weighted average method. NRV is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

Value Added Tax (VAT)

Input VAT is the 12% indirect tax paid by the Group in the course of the Group's trade or business on local purchase of goods or services, including lease or use of property, from a VAT-registered person. In case of capital goods, input VAT is spread evenly over the useful life or 60 months, whichever is shorter. Effective January 1, 2022, all input tax on purchases of capital goods was allowed to be applied against output VAT upon purchase/payment and was no longer deferred.

Output VAT pertains to the 12% tax due on the lease or exchange of taxable goods or properties or services by the Group.

Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable.

For its VAT-registered activities, when VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the consolidated statements of financial position. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the consolidated statements of financial position up to the extent of the recoverable amount.

For its non-VAT registered activities, the amount of VAT passed on from its purchases of goods or service is recognized as part of the cost of goods/asset acquired or as part of the expense item, as applicable.

Property and Equipment

Depreciable properties, including buildings and improvements, leasehold improvements, machinery and other equipment, flight and ground equipment, furniture, fixtures and office equipment, and transportation equipment are stated at cost, less accumulated depreciation and amortization, and any impairment in value. Land is stated at cost less any impairment in value.

The initial cost of property and equipment comprises its purchase price, including import duties, taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Property and equipment are written off either when disposed of or when these are permanently withdrawn from use and there is no more future economic benefit expected from its use or disposal.

Depreciation is computed on a straight-line method over the following estimated useful lives of the properties, except for aircraft engine which is computed based on flying hours.

Category	Number of Years
Buildings and improvements	10 - 30
Land improvements	30
Leasehold improvements	5 - 20*
Flight, ground, machinery and other equipment	2 - 25
Furniture, fixtures and office equipment	2 - 5
Transportation equipment	3 - 5

**or lease term, whichever is shorter*

The useful lives, depreciation and amortization method, and residual values are reviewed periodically to ensure that the periods and method of depreciation and amortization are consistent with the expected pattern of economic benefits from the use of property and equipment.

Depreciation commences when an asset is in its operational location or working condition capable of being operated in the manner intended by management. Depreciation ceases at the earlier of the date that the item is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*, and the date the asset is derecognized.

Construction in progress (CIP) is stated at cost net of accumulated impairment losses, if any. This includes cost of construction and other direct costs. CIP is not depreciated until such time the relevant assets are completed and put into operational use.

Property Development in Progress

Property development in progress includes villa development costs and related expenditures.

Property development in progress is carried at the lower of cost incurred and net realizable value. Net realizable value is the selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

Investment Properties

Investment properties comprise completed property and property under construction or re-development (land, buildings and condominiums) that are held to earn rentals or capital appreciation or both and that are not occupied by the Group. Investment properties are initially measured at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, the Group's investment properties are stated at cost, less accumulated depreciation and any accumulated impairment losses. Land is subsequently carried at cost less any impairment in value.

Expenditures incurred after the investment properties have been put into operation, such as repairs and maintenance costs, are normally charged to income in the period in which the costs are incurred.

Investment properties are written off when either these are disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of the investment property are recognized in the consolidated profit or loss in the year of retirement or disposal.

Impairment of Nonfinancial Assets

At each reporting date, the Group assesses whether there is any indication that its nonfinancial assets (e.g., property and equipment, investment properties and investments in associates) may be impaired. When an indicator of impairment exists or when an annual impairment testing for an asset is required, the Group estimates the recoverable amount of the related asset. Recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value-in-use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is assessed as part of the cash-generating unit to which it belongs. Where the carrying amount of an asset (or cash-generating unit) exceeds its recoverable amount, the asset (or cash-generating unit) is considered impaired and is written down to its recoverable amount. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or cash-generating unit).

An impairment loss is charged to operations in the year in which it arises. An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated profit or loss. After such a reversal, the depreciation or amortization expense is adjusted in future years to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining life.

Goodwill

Goodwill is reviewed for impairment, annually or more frequently, if events or changes in circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of the cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than the carrying amount of the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated, an impairment loss is recognized immediately in the consolidated profit or loss.

Impairment losses relating to goodwill cannot be reversed for subsequent increases in its recoverable amount in future periods. The Group performs its annual impairment test of goodwill as at the end of each financial reporting period.

Additional Paid-in Capital

Additional paid-in capital pertains to the amount paid in excess of the par value of the shares issued.

Retained Earnings

Retained earnings represent the cumulative balance of net income or loss, net of any dividend declared and the effects of any retrospective restatement recognized in accordance with PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*.

Unappropriated retained earnings represent that portion which is free and can be declared as dividends to stockholders, after adjustments for any unrealized items which are considered not available for dividend declaration.

Appropriated retained earnings represent that portion which has been restricted and therefore, is not available for any dividend declaration.

Cost of Shares Held by a Subsidiary

The Company's shares which are acquired and held by a subsidiary (treasury shares) are deducted from equity and stated at acquisition cost. No gain or loss is recognized in the consolidated profit or loss on the purchase, sale, issue or cancellation of the Company's shares. Any difference between the carrying amount and the consideration, if reissued, is recognized in additional paid-in capital.

Revenue from Contracts with Customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group assesses its revenue arrangement against specific criteria in order to determine if it is acting as principal or agent. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

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

Sale of goods

Revenue from the sale of goods is recognized at a point in time when the control over the goods are transferred to the buyer which is generally upon delivery of the goods.

Sale of services

Revenue from rooms is recognized over time based on the actual occupancy of the guests. Other ancillary services are recognized when the related services are rendered and/or facilities/amenities are used.

Revenue from air transport services is recognized at a point in time when the related services have been substantially performed.

Other income

Other income is recognized over time when the control of the services is transferred to the customer, generally on delivery of the services.

Contract liabilities

A contract liability is the 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. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs the obligations under the contract.

Other Revenue/Income

Interest

Interest income from bank deposits and investments in bonds are recognized as interest accrues based on the effective interest rate method.

Dividends

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

Rental

Rental income is accounted for on a straight-line basis over the lease term.

Other Comprehensive Income

Other comprehensive income comprises of items of income and expense that are not recognized in the consolidated profit or loss for the year in accordance with PFRSs. Other comprehensive income of the Group pertains to gains and losses on remeasuring FVOCI investments, exchange differences on translating foreign operations and remeasurements comprising actuarial gains and losses on retirement plan assets and liabilities.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Category	Number of Years
Building	5 years
Leasehold improvement	2 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, the Group calculates depreciation using the estimated useful life of the asset.

Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments), less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments

(e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of office equipment and warehouse (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Pension Benefits

The Group has non-contributory defined benefit retirement plans.

The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in the consolidated profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by an independent qualified actuary.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in the consolidated profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to the consolidated profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of

the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Provisions and Contingencies

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated profit or loss, net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

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

Contingent assets are not recognized but are disclosed in the notes to consolidated financial statements when an inflow of economic benefits is probable.

Income Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amounts are those that have been enacted or substantively enacted as of the end of the reporting period.

Deferred income tax

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

Deferred income tax liabilities are recognized for all taxable temporary differences. Deferred income tax assets are recognized for deductible temporary differences, carryforward benefits of unused tax credits from the excess of minimum corporate income tax (MCIT) over the regular corporate income tax, and unused net operating loss carryover (NOLCO), to the extent that it is probable that sufficient future taxable profit will be available against which the deductible temporary differences and carryforward benefits of unused tax credits from excess MCIT and unused NOLCO can be utilized. Deferred income tax, however, is not recognized on temporary differences that arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income.

Deferred income tax liabilities are not provided on taxable temporary differences associated with investments in domestic subsidiaries. With respect to investments in foreign subsidiaries, deferred income tax liabilities are recognized, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at each end of the reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available

to allow all or part of the deferred income tax assets to be utilized. Unrecognized deferred income tax assets are reassessed at each end of the reporting period and are recognized to the extent that it has become probable that sufficient future taxable profit will allow the deferred income tax assets to be recovered.

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

Current income tax and deferred income tax relating to items recognized directly in equity are also recognized in equity and not in the consolidated profit or loss.

Earnings Per Share

Basic earnings per share (EPS) is computed by dividing consolidated net income and the total comprehensive income attributable to the equity holders of the Parent for the year by the weighted average number of common shares outstanding during the year, after giving retroactive effect to stock dividends declared and stock rights exercised during the year, if any. The Company does not have potentially dilutive common shares as at December 31, 2023, 2022 and 2021.

Segment Reporting

The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Financial information on business segments is presented in Note 6.

4. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the consolidated financial statements in accordance with PFRSs requires the Group to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses, and other comprehensive income (loss). Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the consolidated financial statements as they become reasonably determinable.

Judgments, estimates and assumptions 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.

Judgments

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

Determination of functional currency

The Company's functional currency was determined to be the Philippine Peso. It is the currency of the primary economic environment in which the Company operates.

Classification of financial instruments

The Group classifies a financial instrument, or its component parts, on initial recognition either as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definition of a financial asset, a financial liability or an equity instrument.

The substance of a financial instrument, rather than its legal form, governs its classification in the consolidated statements of financial position (see Note 29).

Classification and measurement of financial assets depend on the result of the SPPI and business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve particular business objectives. In classifying the investments not held for trading as at December 31, 2023 and 2022, the Group made an irrevocable election at initial recognition to designate the instruments as FVPL investments.

Estimates and Assumptions

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

Provision for expected credit losses of receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due.

The provision matrix is initially based on the Group's historically observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecasted economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year, which can lead to an increased number of defaults, the historical default rates are adjusted. At every reporting date, the historically observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historically observed default rates, forecasted economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecasted economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

For the advances to related parties, the Group uses judgment, based on the best available facts and circumstances, including but not limited to, assessment of the related parties' operating activities (active or dormant), business viability and overall capacity to pay, in providing reserve allowance against recorded receivable amounts. These reserves are re-evaluated and adjusted as additional information is received.

Allowance for expected credit losses as at December 31, 2023 and 2022 amounted to ₱779.5 million and ₱778.2 million, respectively. Receivables and advances, net of valuation allowance, amounted to ₱2,585.9 million and ₱2,488.9 million as at December 31, 2023 and 2022, respectively (see Notes 10, 13 and 27).

Valuation of unquoted equity investments

Valuation of unquoted equity investments is normally based on one of the following:

- recent arm's-length market transactions;
- current fair value of another instrument that is substantially the same;
- the expected cash flows discounted at current rates applicable for terms with similar terms and risk characteristics; or
- other valuation models.

The determination of the cash flows and discount factors for unquoted equity investments requires significant estimation. In valuing the Group's unquoted equity instruments at fair value, management

applied judgment in selecting the valuation technique and comparable companies and used assumptions in estimating future cash flows from its equity instruments considering the information available to the Group (see Note 29).

Unquoted equity investments amounted to ₱2,921.4 million and ₱2,885.8 million as at December 31, 2023 and 2022, respectively (see Notes 9 and 29).

Impairment of FVOCI debt investments

For FVOCI debt investments, the Group assesses the counterparty's ability to comply with the contractual obligations to pay out principal and interest. Further, the Group assesses whether the credit risk on that financial instrument has increased significantly since initial recognition. No impairment loss was recognized in 2023, 2022 and 2021. The carrying value of FVOCI debt investments amounted to ₱57.6 million and ₱41.5 million as at December 31, 2023 and 2022, respectively (see Note 12).

Estimation of allowance for inventory obsolescence and impairment losses

The Group estimates the allowance for inventory obsolescence and impairment losses related to inventories based on specifically identified inventory items. The amounts and timing of recorded expenses for any period would differ if the Group made different judgments or utilized different estimates. An increase in allowance for inventory and impairment losses would increase the recorded expenses and decrease current assets.

Allowance for inventory losses and obsolescence amounted to ₱101.6 million and ₱102.1 million as at December 31, 2023 and 2022, respectively. The carrying amount of the inventories amounted to ₱1,757.3 million and ₱1,695.0 million as at December 31, 2023 and 2022, respectively (see Note 11).

Estimation of useful lives of the Group's property and equipment and investment properties

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

In addition, the estimation of the useful lives of these assets is based on collective assessment of internal technical evaluation and experience with similar assets. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances.

As at December 31, 2023 and 2022, the carrying value of depreciable property and equipment and investment properties amounted to ₱3,864.4 million and ₱2,799.4 million, respectively (see Notes 14 and 15).

Recoverability of investment in associates

The carrying value of investments carried under the equity method are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The Group's impairment test on investments carried at equity is based on value-in-use calculations that use a discounted cash flow model. The expected cash flows are estimated from the operations of the associates for the next five years, as well as the terminal value at the end of fifth year. The recoverable amount is most sensitive to the discount rates used for the discounted cash flow model, as well as the expected future cash inflows, revenue growth rates and long-term growth rates used for extrapolation purposes.

The carrying amounts of the investments in associates amounted to ₱335.7 million and ₱354.4 million as at December 31, 2023 and 2022, respectively (see Note 13).

Impairment of non-financial assets

(a) Property and equipment and investment properties

The Group assesses impairment on assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Group considers important which could trigger an impairment review include the following:

- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- significant negative industry or economic trends.

As at December 31, 2023 and 2022, the carrying value of property and equipment and investment properties amounted to ₱4,248.3 million and ₱3,177.2 million, respectively (see Notes 14 and 15).

No impairment loss indicator has been identified and therefore no impairment loss was recognized on property and equipment for each of the three years in the period ended December 31, 2023 (see Note 14). For investment properties, management recognized impairment loss amounting to ₱24.8 million in 2021 (nil in 2023 and 2022; see Notes 15 and 23).

(b) Goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units to which the goodwill is allocated. In assessing the recoverability of the Group's goodwill, management exercised significant judgments and used assumptions such as revenue growth rates, discount rates and long-term growth rates in estimating the value-in-use of these cash-generating units. Calculations indicated that there is no impairment on the Group's goodwill for each of the years ended.

As at December 31, 2023 and 2022, the carrying value of goodwill amounted to ₱1,302.3 million (see Note 7).

Recognition of deferred income tax assets

The Group reviews the carrying amounts of the deferred income tax assets at each end of the reporting period and reduces deferred income tax assets to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred income tax assets to be utilized. Significant management judgment is required to determine the amount of deferred income tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies. However, there is no assurance that the Group will utilize all or part of the deferred income tax assets. As at December 31, 2023 and 2022, the Group recognized gross deferred income tax assets amounting to ₱126.7 million and ₱122.0 million, respectively. The Group has also temporary differences for which the deferred income tax assets are not recognized. Further details of the recognized and unrecognized deferred income tax assets are provided in Note 25.

Determination of retirement benefits

The cost of defined benefit pension plans, as well as the present value of the pension obligation is determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit

obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Net retirement plan asset as at December 31, 2023 and 2022 amounted to ₱179.4 million and ₱122.4 million, respectively. Net retirement benefits payable as at December 31, 2023 and 2022 amounted to ₱22.6 million and ₱39.9 million, respectively. Further details are provided in Note 24.

In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific country and is modified accordingly with estimates of mortality improvements. Future salary increases and pension increases are based on expected future inflation rates for the specific country. Further details about the assumptions used are provided in Note 24.

Provisions and contingencies

Judgment is exercised by management to distinguish between provisions and contingencies. Policies on recognition of provision and disclosure of contingencies are discussed in Notes 3 and 32, respectively.

5. Revenue from Contracts with Customers

Set out below is the disaggregation of the Group's revenue from contracts with customers:

For the Year Ended December 31, 2023				
	Cable and Wire Manufacturing	Resort Operations and Villa Development	Other Operations*	Total
Type of revenues:				
Sale of goods	₱10,147,489,118	₱–	₱–	₱10,147,489,118
Services	–	1,450,243,745	259,084,875	1,709,328,620
Total revenue from contracts with customers	₱10,147,489,118	₱1,450,243,745	₱259,084,875	₱11,856,817,738
Timing of revenue recognition:				
At a point in time	₱10,147,489,118	₱839,259,988	₱259,084,875	₱11,245,833,981
Over time	–	610,983,757	–	610,983,757
Total revenue from contracts with customers	₱10,147,489,118	₱1,450,243,745	₱259,084,875	₱11,856,817,738

*Other Operations include ASAC and AHI.

For the Year Ended December 31, 2022				
	Cable and Wire Manufacturing	Resort Operations and Villa Development	Other Operations*	Total
Type of revenues:				
Sale of goods	₱10,727,755,227	₱–	₱–	₱10,727,755,227
Services	–	1,088,755,491	203,351,423	1,292,106,914
Total revenue from contracts with customers	₱10,727,755,227	₱1,088,755,491	₱203,351,423	₱12,019,862,141
Timing of revenue recognition:				
At a point in time	₱10,727,755,227	₱611,669,341	₱203,351,423	₱11,542,775,991
Over time	–	477,086,150	–	477,086,150
Total revenue from contracts with customers	₱10,727,755,227	₱1,088,755,491	₱203,351,423	₱12,019,862,141

*Other Operations include ASAC and AHI.

For the Year Ended December 31, 2021				
	Cable and Wire Manufacturing	Resort Operations and Villa Development	Other Operations*	Total
Type of revenues:				
Sale of goods	₱8,751,666,475	₱—	₱—	₱8,751,666,475
Services	—	836,086,850	177,366,999	1,013,453,849
Total revenue from contracts with customers	₱8,751,666,475	₱836,086,850	₱177,366,999	₱9,765,120,324
Timing of revenue recognition:				
At a point in time	₱8,751,666,475	₱345,111,557	₱177,366,999	₱9,274,145,031
Over time	—	490,975,293	—	490,975,293
Total revenue from contracts with customers	₱8,751,666,475	₱836,086,850	₱177,366,999	₱9,765,120,324

*Other Operations include ASAC and AHL.

Contract liabilities

Contract liabilities amounted to ₱77.1 million and ₱101.1 million as at December 31, 2023 and 2022, respectively. These pertain to customer advances received for customer orders (see Note 18). In 2023, 2022 and 2021, the Group recognized revenue from sales of goods and services from the contract liabilities amounting to ₱291.7 million, ₱76.1 million and ₱54.3 million, respectively.

Information about the Group's performance obligations are summarized below:

Sale of goods

The Group enters into contracts to sell with one identified performance obligation, which is satisfied upon delivery of the goods. Receivables are generally collected within 30 to 60 days from the delivery of goods and receipt of invoice.

Villa development project

The performance obligation is satisfied at a point in time and payment is generally received in advance during the construction of the villa.

Resort operations

This pertains to the services provided to the guests which is satisfied over time. Some payments are received in advance from the guests.

6. Segment Information

The Company and its subsidiaries' operating businesses are organized and managed separately according to the nature of the products or services offered, as discussed below.

- Holding company segment pertains to the operations of the Company.
- Resort Operations segment pertains to the Company's subsidiary providing hotel and resort accommodation, relaxation and entertainment, among others, while Villa Development includes the sale of villa lots, construction of structures and set-up of furniture, fixture and equipment. In 2023, 2022 and 2021, the Group has no sale of villa lots and construction of structures.
- Cable and Wire Manufacturing segment pertains to the Company's subsidiaries engaged in manufacturing, importing, exporting, buying, selling or otherwise dealing in, at wholesale, goods such as building wires, power cables, aluminum wires and cables, copper rods, automotive wires

and other energy-related goods of electrical nature, including all equipment, materials, supplies used or employed in or related to the manufacture of its finished products.

- Other operations include air transportation, hangarage, real estate holding and management.

Amounts for the investments in associates comprise the Group's cost, equity in net losses and impairment loss.

Majority of the companies within the Group were incorporated and operating within the Philippines. The amounts disclosed were determined consistent with the measurement basis under PFRSs.

The following tables present the financial information of the business segments as at and for the years ended December 31, 2023, 2022 and 2021 (in thousands):

	Before Eliminations				Total	Eliminations	Consolidated
	Holding Company (Parent)	Resort Operations and Villa Development	Cable and Wire Manufacturing	Other Operations ¹			
As at and for the year ended December 31, 2023							
Revenues, excluding interest income ²	P2,252,557	P1,450,244	P10,147,489	P1,615,988	P15,466,278	(P3,241,104)	P12,225,174
Interest income	61,465	3,572	26,295	537	91,869	1	91,870
Investment gains (losses)	1,340,140	—	9,200	3,488,958	4,838,298	(3,365,597)	1,472,701
Interest expense	(1,918)	(7)	(1,105)	—	(3,030)	(59,450)	(62,480)
Income tax expense (benefit from income tax)	68,350	19,397	287,126	1,123	375,996	(7,996)	368,000
Equity in net earnings	—	—	—	8,743	8,743	—	8,743
Net income	3,314,329	197,431	963,476	4,625,001	9,100,237	(6,451,041)	2,649,196
Total assets	19,991,201	2,059,449	6,480,712	16,005,321	44,536,683	(16,844,080)	27,692,603
Investments and advances	7,306,028	1,496	—	280,535	7,588,059	(7,250,515)	337,544
Property and equipment	15,489	766,641	1,007,823	1,046,702	2,836,655	948,104	3,784,759
Total liabilities	1,025,762	799,326	435,176	3,166,309	5,426,573	(1,721,938)	3,704,635
Depreciation and amortization	18,172	111,388	112,238	66,297	308,095	54,758	362,853
Cash flows from (used in):							
Operating activities	1,286,573	412,279	763,858	44,186	2,506,896	(813,787)	1,693,109
Investing activities	(351,542)	(152,887)	(343,800)	(938,156)	(1,786,385)	344,128	(1,442,257)
Financing activities	(1,036,819)	(260,014)	(324,567)	1,003,302	(618,098)	452,844	(165,254)

¹ Other Operations include ASAC, AAC, Anscorcon, AI, AHI, IAI and the Group's equity in net earnings (losses) of associates and impairment loss.

² Majority of the revenues of the Group were derived in the Philippines.

	Before Eliminations				Total	Eliminations	Consolidated
	Holding Company (Parent)	Resort Operations and Villa Development	Cable and Wire Manufacturing	Other Operations ¹			
As at and for the year ended December 31, 2022							
Revenues, excluding interest income ²	P2,001,817	P1,088,755	P10,727,755	P1,523,882	P15,342,209	(P3,027,040)	P12,315,169
Interest income	55,085	5,277	6,929	171	67,462	—	67,462
Investment gains (losses)	(704,043)	—	12,900	1,512,594	821,451	393,962	1,215,413
Interest expense	(10)	(68)	(1,186)	—	(1,264)	(3,424)	(4,688)
Income tax expense (benefit from income tax)	(88,695)	36,231	295,120	7,494	250,150	(7,995)	242,155
Equity in net earnings	—	—	—	26,640	26,640	—	26,640
Net income	2,276,878	143,464	956,472	2,732,632	6,109,446	(3,253,404)	2,856,042
Total assets	18,911,599	2,014,456	6,006,014	14,731,925	41,663,994	(16,525,759)	25,138,235
Investments and advances	7,044,805	248,630	—	282,486	7,575,921	(7,218,890)	357,031
Property and equipment	10,810	692,085	829,783	197,676	1,730,354	974,755	2,705,109
Total liabilities	801,443	706,365	602,851	2,180,317	4,290,976	(1,766,471)	2,524,505
Depreciation and amortization	18,172	111,388	112,238	66,297	308,095	16,293	324,388
Cash flows from (used in):							
Operating activities	665,146	167,097	564,622	(203,686)	1,193,179	(1,001,272)	191,907
Investing activities	1,234,073	(63,403)	(251,639)	165,774	1,084,805	300,253	1,385,058
Financing activities	(1,319,919)	(161,411)	(336,939)	12,091	(1,806,178)	526,461	(1,279,717)

¹ Other Operations include ASAC, AAC, Anscorcon, AI, AHI, IAI and the Group's equity in net earnings (losses) of associates and impairment loss.

² Majority of the revenues of the Group were derived in the Philippines.

	Before Eliminations					Eliminations	Consolidated
	Holding Company (Parent)	Resort Operations and Villa Development	Cable and Wire Manufacturing	Other Operations ¹	Total		
As at and for the year ended December 31, 2021							
Revenues, excluding interest income ²	₱1,417,559	₱836,087	₱8,751,666	₱1,168,237	₱12,173,549	(₱2,009,000)	₱10,164,549
Interest income	48,849	1,942	2,657	86	53,534	—	53,534
Investment gains (losses)	1,984,265	—	2,100	856,009	2,842,374	(1,717,781)	1,124,593
Interest expense	(9)	(233)	(9,027)	(1,169)	(10,438)	178	(10,260)
Income tax expense (benefit from income tax)	51,886	21,533	304,230	10,498	388,147	(7,995)	380,152
Equity in net losses and impairment loss	—	—	—	11,410	11,410	—	11,410
Net income	3,359,704	77,733	909,950	1,789,262	6,136,649	(3,599,056)	2,537,593
Total assets	19,252,541	1,910,305	5,355,905	14,653,052	41,171,803	(17,546,829)	23,624,974
Investments and advances	7,556,096	97,747	—	2,153,034	9,806,877	(9,477,444)	329,433
Property and equipment	7,261	703,161	680,194	152,365	1,542,981	1,001,406	2,544,387
Total liabilities	891,199	596,838	659,955	3,186,100	5,334,092	(2,766,224)	2,567,868
Depreciation and amortization	18,326	111,534	112,870	53,507	296,237	6,358	302,595
Cash flows from (used in):							
Operating activities	857,570	262,620	109,205	(234,382)	995,013	(482,006)	513,007
Investing activities	(180,406)	(181,838)	63	930,261	568,080	(661,683)	(93,603)
Financing activities	(648,667)	15,894	(410,850)	(665,434)	(1,709,077)	922,770	(786,307)

¹ Other Operations include ASAC, AAC, Anscorcon, AI, AHI, LAI and the Group's equity in earnings (losses) of associates and impairment loss.

² Majority of the revenues of the Group were derived in the Philippines.

7. Business Combinations

- a. Goodwill represents the excess of acquisition cost of the following subsidiaries over Anscor's share in the fair value of their net assets. As at December 31, 2023 and 2022, the carrying amount of goodwill allocated to each cash-generating unit (subsidiaries) is as follows:

PDP	₱1,202,945,277
SSRLI (Note 30)	99,330,987
	₱1,302,276,264

- b. Impairment Testing of Goodwill

- i. PDP Group

The recoverable amount of the investment in PDP Group has been determined based on the value-in-use calculation using cash flow projections from financial budgets approved by senior management covering a four or five-year period.

The key assumptions used to determine the recoverable amount as at December 31, 2023 and 2022 are discussed below:

Discount rate

Discount rate is consistent with the risk-free industry interest rate. The pre-tax discount rates applied to cash flow projections in 2023 and 2022 are 12.7% and 12.9% respectively.

Terminal value

Terminal value is computed based on Gordon Growth model, which is the quotient of the normalized value of free cash flows assuming a long-term growth rate of 5.1% and 4.7% in 2023 and 2022, respectively, and the difference between the discount rate and growth rate.

Growth rate

PDP Group assumed a growth rate of 5.0% in 2023 and 2022, respectively. Management used the average industry growth rate for the forecast.

Sensitivity to changes in assumptions

Management believes that no reasonably possible change in any of the key assumptions would cause the carrying value of the cash-generating unit to materially exceed its recoverable amount.

ii. SSRLI

The recoverable amount of the investment in SSRLI has been determined based on the value-in-use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The key assumptions used to determine the recoverable amount as at December 31, 2023 and 2022 are discussed below:

Discount rate

Discount rate is consistent with the risk-free industry interest rate. The pre-tax discount rate applied to cash flow projections in 2023 and 2022 are 16.8% and 12.9%, respectively.

Terminal value

Terminal value is computed based on Gordon Growth model, which is the quotient of the normalized value of free cash flows assuming a long-term growth rate of 4.6% and 5.4% in 2023 and 2022, and the difference between the discount rate and growth rate.

Growth rate

Growth rate assumptions for the five-year cash flow projections in 2023 and 2022 are supported by the different initiatives of SSRLI. SSRLI used 5.00% and 1.57% to 10.78% growth rate in revenue for its cash flow projection in 2023 and 2022, respectively.

Sensitivity to changes in assumptions

Management believes that no reasonably possible change in any of the key assumptions would cause the carrying value of the cash-generating unit to materially exceed its recoverable amount.

8. Cash and Cash Equivalents

	2023	2022
Cash on hand and in banks	P1,139,149,381	P1,334,687,516
Cash equivalents	1,888,257,182	1,613,714,139
	P3,027,406,563	P2,948,401,655

Cash in banks earn interest at the respective bank deposit rates. Cash equivalents are made for varying periods of up to three months depending on the immediate cash requirements of the Group. These investments earn interest at prevailing rates (see Note 23).

Restricted cash funds are recorded as other noncurrent assets unless the restriction is expected to be released at least 12 months after the reporting period.

9. FVPL Investments

	2023	2022
Quoted equity shares	₱7,026,985,641	₱6,334,416,035
Unquoted equity shares	2,921,429,748	2,732,294,685
Funds and equities	2,459,415,391	2,293,278,344
Proprietary shares	625,177,073	518,127,073
Bonds	147,453,547	162,948,774
Others	5,710,400	5,739,091
	₱13,186,171,800	₱12,046,804,002

This account consists of investments that are designated as FVPL and held-for-trading investments. Quoted equity shares consist of marketable equity securities that are listed and traded in the Philippine Stock Exchange (PSE), Nasdaq Stock Market (NASDAQ) and New York Stock Exchange (NYSE). The fair market values of these listed shares are based on their quoted market prices as at December 31, 2023 and 2022, which are assessed to be the exit prices.

Held-for-trading investments include foreign currency-denominated mutual/hedge funds, and equity investments that are managed together on a fair value basis. These investments are classified under funds and equities.

Designated FVPL investments consist of foreign currency-denominated fixed income securities with embedded derivatives (e.g., call and put options) that significantly modify the security's cash flow. These investments are classified under bonds.

FVPL investments in bonds represent foreign currency-denominated bond securities with variable and fixed interest rates. The FVPL coupon interest rate per annum ranges from 2.2% to 6.8% and 2.3% to 8.3% in 2023 and 2022, respectively.

As at December 31, 2023 and 2022, the Group has equity investments amounting to ₱13,038.7 million and ₱11,883.9 million, respectively.

The fair market values of the unquoted equity shares are based on valuation techniques applied as at December 31, 2023 and 2022 using income, market and cost approach (adjusted net asset value method).

The Group's FVPL unquoted equity shares and significant investment in funds and equities include the following:

a. KSA Realty Corporation (KSA)

As at December 31, 2023 and 2022, the Company's investment in KSA amounted to ₱927.4 million and ₱1,021.7 million, respectively (see Note 29).

The Company earned cash dividends from KSA amounting to ₱89.1 million, ₱100.7 million and ₱185.6 million in 2023, 2022 and 2021, respectively.

b. Madaket, Inc. (Madaket)

Madaket developed Electronic Data Interchange Enrollment, a service platform that automates healthcare provider data management processes in the United States.

As at December 31, 2023 and 2022, the Group's total investment in Madaket, inclusive of foreign exchange adjustment, amounted to nil.

c. Element Data, Inc. (Element Data)

Element Data, a Seattle, Washington-based Artificial Intelligence Company which uses Decision Intelligence platform incorporates a deep learning knowledge-graph with an active sense-and-response architecture, powering a decision intelligence engine that understands complex interdependencies between data and people.

On December 31, 2022, the said investment was sold with a consideration of US\$1 (P55).

d. Navegar I LP (Navegar I)

The Group, through AI, recognized a gain (loss) on fair market value adjustment in its investment in Navegar I amounting to P24.1 million, P21.5 million and P2.0 million in 2023, 2022 and 2021, respectively.

Total investment in Navegar I, inclusive of foreign exchange adjustment, amounted to P74.4 million and P50.0 million as at December 31, 2023 and 2022, respectively.

As at December 31, 2023 and 2022, the Group's remaining capital commitment to be called for Navegar I amounted to US\$0.03 million and US\$0.04 million, respectively.

e. Navegar II LP (Navegar II)

In 2019, the Group committed to invest US\$10.0 million in Navegar II. AI invested US\$1.76 (P97.44 million), US\$1.70 (P92.70 million), and US\$1.49 million (P76.08 million) in 2023, 2022 and 2021, respectively.

In 2023, 2022 and 2021, the Group recognized gains on fair market value adjustment in its investment in Navegar II amounting to P73.0 million, P9.2 million and P31.8 million, respectively.

Total investment in Navegar II, inclusive of foreign exchange adjustment, amounted to P454.8 million and P286.4 million as at December 31, 2023 and 2022, respectively.

As at December 31, 2023 and 2022, the Group's remaining capital commitment to be called for Navegar II amounted to US\$3.8 million (P212.7 million) and US\$5.6 million (P312.2 million), respectively.

f. Sierra Madre Philippines I LP (Sierra Madre)

Sierra Madre focuses on providing growth capital to small and mid-sized Philippine companies. The Group committed to invest US\$9.0 million in Sierra Madre.

In 2023, 2022 and 2021, the Group, through AI made additional investments to Sierra Madre amounting to US\$0.2 million (P9.4 million), US\$3.2 million (P175.9 million), and US\$1.2 million (P63.5 million), respectively. In 2022, the Group received distribution notice amounting to S\$0.9 million (P50.2 million).

The Group recognized gain (loss) on fair market value adjustment amounting to P36.0 million, (P39.2 million) and P120.6 million, in 2023, 2022 and 2021, respectively.

As at December 31, 2023 and 2022, total investment in Sierra Madre, inclusive of foreign exchange adjustment, amounted to ₱540.0 million and ₱498.0 million, respectively.

As at December 31, 2023 and 2022, the Group's remaining capital commitment to be called for Sierra Madre amounted to US\$0.5 million (₱25.8 million) and US\$0.6 million (₱33.4 million), respectively.

g. Asia Partners I LP, Asia Partners II LP and AP-I Tycho Co-invest Ltd (collectively Asia Partners)

In 2021, the Group, through AI committed to invest US\$6.0 million in Asia Partners I LP, a Singapore-based private equity fund focused on high growth technology and technology enabled companies across Southeast Asia. In addition, AI committed to invest US\$1.0 million in AP-I Tycho Co-invest Ltd and US\$10.0 million in Asia Partners II, LP.

In 2023, 2022 and 2021, the Group made investment to Asia Partners amounting to US\$0.1 million (₱3.9 million), US\$4.0 million (₱219.1 million) and US\$5.2 million (₱263.9 million), respectively.

In 2023, 2022 and 2021, the Group recognized gain (loss) on fair market value adjustment in its investment in Asia Partners amounting to (₱34.5 million), ₱72.4 million and ₱5.9 million, respectively.

As at December 31, 2023, 2022 and 2021, total investment in Asia Partners, inclusive of foreign exchange adjustment, amounted to ₱552.4 million, ₱591.7 million and ₱269.9 million, respectively.

As at December 31, 2023, 2022 and 2021, the Group's remaining capital commitment to be called for Asia Partners amounted to US\$9.0 million (₱498.6 million), US\$9.0 million (₱502.5 million) and US\$9.0 million (₱458.9 million), respectively.

h. Blue Voyant

In 2023 and 2022, the Group, through AI invested US\$0.3 million (₱16.6 million) and US\$3.0 million (₱154.3 million), respectively in Blue Voyant, a cybersecurity company that enables cybersecurity defense and protection through technology and tailored services.

No recognized gains or losses on fair value adjustment in 2023 and 2022.

As of December 31, 2023 and 2022, total investment in Blue Voyant, inclusive of foreign exchange gain, amounted to ₱182.7 million and ₱167.3 million, respectively.

i. Third Prime Alpha III-A, Third Prime (Kafene B) and Third Prime (Kafene B-1) (collectively Third Prime Series)

In 2023 and 2022, the Group, through AI invested US\$0.5 million (₱27.7 million) and US\$0.6 million (₱31.8 million) in Third Prime Alpha III-A, respectively, a venture firm focused primarily on the FinTech, PropTech and Crypto sectors. In 2022, AI also invested US\$1.5 million (₱79.3 million) in Third Prime (Kafene B). In 2023, AI invested US\$0.8 (₱44.7 million) in Third Prime (Kafene B-1).

In 2023 and 2022, the Group recognized fair market value gain (loss) adjustment in its investment in Third Prime series amounting to ₱0.7 million and (₱0.6 million), respectively.

As at December 31, 2023 and 2022, total investment in Third Prime series, inclusive of foreign exchange adjustment, amounted to ₱189.6 million and ₱117.3 million, respectively.

As at December 31, 2023 and 2022, the Group's remaining capital commitment to be called for Third Prime Alpha III-A amounted to US\$0.9 million (₱49.8 million) and US\$1.5 million (₱83.6 million), respectively.

Net gains (losses) on increase (decrease) in market value of FVPL investments as at December 31 are as follows (in millions):

	Unrealized Valuation Gains (Losses) in Market Value		Gains (Losses) on Increase (Decrease) in Market Value of FVPL Investments
	2023	2022	in 2023
Quoted equity shares	₱3,492.3	₱2,443.0	₱1,049.3
Unquoted equity shares	804.1	804.4	(0.3)
Proprietary shares	586.3	476.2	110.1
Funds and equities	177.7	(145.6)	323.3
Bonds	(88.2)	(63.5)	(24.7)
Others	(1.1)	(1.1)	—
Total	4,971.1	3,349.6	1,457.3
Add realized gain on sale of FVPL investments			18.5
Net gain on increase in market value of FVPL investments			₱1,476.2

	Unrealized Valuation Gains (Losses) in Market Value		Gains (Losses) on Increase (Decrease) in Market Value of FVPL Investments
	2022	2021	in 2022
Quoted equity shares	₱2,443.0	₱3,353.2	(₱910.2)
Unquoted equity shares	804.4	633.7	170.7
Proprietary shares	476.2	357.9	118.3
Funds and equities	(145.6)	91.1	(236.7)
Bonds	(63.5)	(42.5)	(21.0)
Others	(1.1)	1.0	(2.1)
Total	3,513.4	4,394.4	(881)
Add realized loss on sale of FVPL investments			(113.1)
Net gain on increase in market value of FVPL investments			(₱994.1)

	Unrealized Valuation Gains (Losses) in Market Value		Gains (Losses) on Increase (Decrease) in Market Value of FVPL Investments in 2021
	2021	2020	
Quoted equity shares	P3,353.2	P2,613.9	P739.3
Unquoted equity shares	633.7	491.2	142.5
Proprietary shares	357.9	321.7	36.2
Funds and equities	91.1	44.9	46.2
Bonds	(42.5)	(17.8)	(24.7)
Others	1.0	3.7	(2.7)
Total	P4,394.4	3,457.6	936.8
Add realized gain on sale of FVPL investments			187.3
Net loss on decrease in market value of FVPL investments			P1,124.1

There were no outstanding forward transactions as at December 31, 2023, 2022 and 2021.

10. Receivables

	2023	2022
Trade	P2,262,546,217	P2,312,815,653
Receivables from villa owners	77,279,674	100,880,108
Interest receivable	12,744,830	9,101,583
Others	29,418,074	31,007,558
	2,381,988,795	2,453,804,902
Less allowance for expected credit losses	214,711,648	213,380,443
	P2,167,277,147	P2,240,424,459

Trade receivables are noninterest-bearing and are normally settled on a 30 to 60 days term.

Receivables from villa owners pertain to SSRLI's net rental share and handling fees and reimbursable expenses such as guest supplies and other amenities, operating supplies, utilities, manpower, laundry services and other materials used for repairs and maintenance of the villas.

Interest receivable pertains to accrued interest income from cash and cash equivalents, notes receivable, and FVPL and FVOCI investments in debt instruments.

Movements in the allowance for expected credit losses of trade and other receivable accounts are as follows:

	2023		
	Trade	Interest and Others	Total
At January 1	P211,790,125	P1,590,318	P213,380,443
Provision for the year (Note 23)	1,418,536	—	1,418,536
Recoveries (Note 23)	(87,331)	—	(87,331)
At December 31	P213,121,330	P1,590,318	P214,711,648

	2022		
	Trade	Interest and Others	Total
At January 1	₱216,292,344	₱1,590,318	₱217,882,662
Provision for the year (Note 23)	906,550	—	906,550
Write-off	(5,327,273)	—	(5,327,273)
Recoveries (Note 23)	(81,496)	—	(81,496)
At December 31	₱211,790,125	₱1,590,318	₱213,380,443

11. Inventories

	2023	2022
<i>At cost:</i>		
Raw materials	₱416,523,259	₱296,310,774
Aircraft parts in transit	37,728,780	43,135,148
Reel inventory	21,134,720	23,320,516
Materials in transit	17,070,682	22,353,279
Food and beverage	23,189,806	16,845,661
	515,647,247	401,965,378
<i>At net realizable value:</i>		
Finished goods - net of allowance for inventory obsolescence of ₱32.0 million in 2023 and 2022	506,245,203	746,835,910
Work in process - net of allowance for inventory obsolescence of ₱6.0 million in 2023 and 2022	287,657,959	180,931,430
Raw materials - net of allowance for inventory obsolescence of ₱13.3 million in 2023 and 2022	207,134,337	210,425,667
Spare parts and operating supplies - net of allowance for inventory obsolescence of ₱40.1 million in 2023 and ₱40.6 million in 2022	150,520,960	120,207,854
Aircraft spare parts and supplies - net of allowance for inventory obsolescence and losses of ₱9.6 million in 2023 and 2022	89,510,187	34,067,346
Construction-related materials - net of allowance for inventory obsolescence of ₱0.6 million in 2023 and 2022	605,556	605,556
	1,241,674,202	1,293,073,763
	₱1,757,321,449	₱1,695,039,141

The total cost of inventories carried at NRV amounted to ₱1.3 billion and ₱1.4 billion as at December 31, 2023 and 2022, respectively.

Net provision for inventory obsolescence recognized in 2023, 2022 and 2021, which was recorded under “Materials used and changes in inventories”, amounted to ₱0.5 million, ₱1.6 million , and ₱18.8 million respectively (see Note 21).

Aircraft parts in transit are purchased from suppliers abroad under Freight on Board Shipping Point. These items are in the custody of either the Bureau of Customs or freight forwarder as at December 31, 2023 and 2022.

Operating supplies pertain to inventory items used in providing services such as printing, cleaning and office and guest supplies.

Construction-related materials are excess materials and supplies from Villa Development Project. These are held for use in construction of villa or future repair or renovation of villas.

Inventories charged to cost of goods sold and services sold amounted to ₱8,046.5 million, ₱8,633.7 million, and ₱6,697.5 million in 2023, 2022 and 2021, respectively (see Note 21).

12. FVOCI Investments

As at December 31, 2023 and 2022, FVOCI investments amounted to ₱57.6 million and ₱41.5 million, respectively, and these consist of investments in bonds represent the following:

- a. Foreign currency-denominated bond securities are subject to variable and fixed coupon interest rate per annum ranging from 2.20% to 6.38% in 2023, 2.35% to 6.13% in 2022 and 4.13% to 6.13% in 2021. Maturity dates range from February 16, 2025 to June 15, 2032 for bonds held as at December 31, 2023, and February 16, 2025 to June 30, 2028 for bonds held as at December 31, 2022.
- b. Geothermal Project

In January 2014, a loan and investment agreement was entered by the Company with SKI Construction Company, Inc. (SKI), Red Core Investment Corp. (Red Core), Tayabas Power, Tiaong Geothermal Power, Inc. (Tiaong Power) and San Juan Geothermal Power, Inc. (San Juan Power), collectively referred to as Red Core Group to jointly survey and explore the geothermal energy potential in the areas defined by the Tayabas, Tiaong and San Juan Geothermal Renewable Energy Service Contract (GRESO). Under this agreement, the Company committed to lend up to ₱172.0 million for the exploration phase of the three sites, of which ₱140.0 million was actually invested by the Company to Red Core.

The Company may choose to convert each note into common shares of the three operating companies: Tayabas Power, Tiaong Power and San Juan Power to achieve 9.1% stake in each of these entities. If the Company opts not convert the note within the agreed time frame, these notes will accrue interest until they mature 62 months from the initial drawdown date.

Considering the status to Red Core, impairment losses were recognized on the investment (in 2017 and earlier), which brought the investment balance to nil as at December 31, 2023 and 2022.

In March 2018, the Company filed before the Regional Trial Court (RTC) of Makati City a civil case for specific performance in order to compel Red Core Group to comply with the provisions of the loan investment agreement signed by the parties. On November 23, 2020, the Court partially granted the Motion for Summary Judgment filed by the Company.

On August 15, 2022, the Court rendered a decision ordering Red Core Investments Corporation to pledge all its shares in Tayabas Geothermal Power, Inc., Tiaong Geothermal Power, Inc., and San Juan Geothermal Power Inc. and execute a deed of pledge in favor of the Company. On October 3, 2022, the Company filed a demand for payment under the loan and investment agreement to Red Core Group. As of February 28, 2024, the Company is yet to collect the amount due from Red Core Group.

In 2023, 2022 and 2021, gain (loss) on sale of FVOCI investments amounted to (P3.5 million), P0.8 million, and P0.5 million, respectively.

Below is the rollforward of the unrealized valuation gains (losses) on FVOCI investments recognized in equity:

	2023	2022
Beginning balance	(P3,183,933)	P273,449
Gain (loss) recognized directly in equity - net of tax	1,167,105	(2,884,258)
Amount removed from equity and recognized in consolidated statement of comprehensive income - net of tax	2,622,447	(573,124)
Ending balance	P605,619	(P3,183,933)

13. Investments and Advances

	2023	2022
Investments at equity - net of valuation allowance	P335,706,693	P354,423,186
Advances - net of allowance for expected credit losses of P564.8 million in 2023 and 2022	1,837,017	2,608,113
	P337,543,710	P357,031,299

Investments at equity consist of:

	2023	2022
Acquisition cost		
Common shares and Preferred shares	P722,121,654	P722,121,654
Accumulated equity in net losses and impairment loss	(386,414,961)	(367,698,468)
	P335,706,693	P354,423,186

The significant transactions involving the Group's investments in associates in 2023 and 2022 follow:

AGP-SG and AGP-BVI

AGPI is a BVI business company formed in 2010 in connection with the acquisition of equity of Atlantic, Gulf and Pacific Company of Manila, Incorporated. AGPI, through its subsidiary and associates, is focused on providing modular engineering and construction and general engineering design services, including, fabrication, assembly and manpower services, particularly in the oil, gas, petrochemical, power generation and mining industries. In 2018, the Group decided to focus on the development and construction of LNG terminals, transportation assets and platforms to deliver natural gas to end-customers and its related business (the "LNG Business") gas logistics due to the identified opportunity

to combine the Group's expertise in liquefied natural gas (LNG) industry and decades-long experience in modular construction.

The total acquisition cost of the investment in AGP-SG amounted to US\$45.0 million (₱1,958.0 million). The Group in prior years has recognized impairment losses and has taken up equity in net losses of AGPI to the extent that its carrying amount was reduced to nil (with unrecognized share in net losses, for which the Group has no commitment to contribute).

On November 19, 2021, the BOD authorized its representative to negotiate for the sale of all its AGP-SG shares with the potential buyer and, on February 17, 2022, the investment in associate held for sale carried at nil was sold for a total consideration of US\$35.8 million (₱1,974.6 million). The Group recognized ₱2,208.8 million gain in its 2022 consolidated statements of comprehensive income, including the reversal of the related cumulative translation adjustment of ₱234.2 million.

AIMP

AIMP reported net income amounting to ₱43.6 million, ₱133.5 million and ₱67.5 million in 2023, 2022 and 2021, respectively. The Group recognized equity in net earnings amounting to ₱8.7 million, ₱27.1 million and ₱13.5 million in 2023, 2022 and 2021, respectively.

In 2023, the Group received from AIMP cash dividend amounting to ₱27.5 million.

As at December 31, 2023 and 2022, the carrying value of the investment in AIMP amounted to ₱160.7 million and ₱179.4 million, respectively.

FHI

FHI reported a net income (loss) amounting to ₱0.1 million, (₱1.9 million) and (₱8.2 million) in 2023, 2022 and 2021, respectively. The Group recognized equity in net gain (losses) amounting to ₱0.02 million, (₱0.5 million) and (₱2.1 million) in 2023, 2022 and 2021, respectively.

As at December 31, 2023 and 2022, the carrying value of the investment and advances in FHI amounted to ₱175.0 million.

In 2023, FHI made a cash advance to the Company amounting to ₱66.3 million (nil in 2022). Total outstanding cash advance from FHI amounted to ₱170.7 million and ₱104.3 million as of December 31, 2023 and 2022, respectively, which is presented under "Accounts payable and accrued expenses" (see Note 18).

BM

As at December 31, 2022 and 2021, the net carrying value of AI's investment in BM amounted to nil. On December 31, 2022, the said investment in associate was sold with a consideration of \$1 (₱55).

Prople Limited

In 2020, Prople Limited redeemed the preference shares held by the Group amounting to ₱10.1 million. As at December 31, 2023 and 2022, the net carrying value of the Group's investment in Prople Limited amounted to nil.

The Group has no share in the contingent liabilities of any associate as at December 31, 2023 and 2022.

In 2023 and 2022, the Group received advances from Prople Limited amounting to ₱10.4 million and ₱32.4 million, respectively.

14. Property and Equipment

2023						
	Land, Buildings and Improvements	Flight, Ground, Machineries and Other Equipment	Furniture, Fixtures and Office Equipment	Transportation Equipment	Construction in Progress	Total
Cost						
January 1	₱2,926,041,696	₱1,686,882,391	₱634,262,288	₱275,657,949	₱185,465,221	₱5,708,309,545
Additions	69,730,402	903,298,015	77,215,809	32,658,916	337,153,989	1,420,057,131
Reclassification	146,080,649	108,767,297	18,469,243	6,103,685	(279,420,874)	—
Retirement/disposals	(25,846,434)	(777,482)	(11,167,647)	(23,861,403)	—	(61,652,966)
December 31	3,116,006,314	2,698,170,221	718,779,693	290,559,147	243,198,336	7,066,713,710
Accumulated Depreciation and Amortization						
January 1	1,137,748,745	1,103,095,346	557,898,453	204,458,251	—	3,003,200,795
Depreciation and amortization (Note 21)	92,903,649	167,560,931	47,684,527	29,108,219	—	337,257,326
Retirement/disposals	(25,327,984)	(777,482)	(11,167,646)	(21,230,001)	—	(58,503,114)
December 31	1,205,324,410	1,269,878,795	594,415,334	212,336,469	—	3,281,955,008
Net Book Value	₱1,910,681,904	₱1,428,291,426	₱124,364,359	₱78,222,678	₱243,198,336	₱3,784,758,702

2022						
	Land, Buildings and Improvements	Flight, Ground, Machineries and Other Equipment	Furniture, Fixtures and Office Equipment	Transportation Equipment	Construction in Progress	Total
Cost						
January 1	₱2,856,525,648	₱1,445,488,604	₱590,993,498	₱242,667,463	₱133,199,797	₱5,268,875,010
Additions	16,046,794	85,662,447	36,510,093	43,373,136	277,101,077	458,693,547
Reclassification	53,469,254	155,731,340	9,400,215	6,234,844	(224,835,653)	—
Retirement/disposals	—	—	(2,641,518)	(16,617,494)	—	(19,259,012)
December 31	2,926,041,696	1,686,882,391	634,262,288	275,657,949	185,465,221	5,708,309,545
Accumulated Depreciation and Amortization						
January 1	1,057,063,996	955,993,020	509,685,407	201,745,977	—	2,724,488,400
Depreciation and amortization (Note 21)	80,684,749	147,102,326	50,854,564	16,397,803	—	295,039,442
Retirement/disposals	—	—	(2,641,518)	(13,685,529)	—	(16,327,047)
December 31	1,137,748,745	1,103,095,346	557,898,453	204,458,251	—	3,003,200,795
Net Book Value	₱1,788,292,951	₱583,787,045	₱76,363,835	₱71,199,698	₱185,465,221	₱2,705,108,750

Construction in progress includes cost of the on-going construction of the land and building improvements and cost of assembling machineries and equipment.

Depreciation amounted to ₱337.2 million, ₱295.0 million and ₱278.3 million in 2023, 2022 and 2021, respectively (see Note 21).

15. Investment Properties

	2023		
	Land	Condominium	Total
Cost			
January 1	P248,532,482	P293,595,000	P542,127,482
Additions	6,217,326	–	6,217,326
December 31	254,749,808	293,595,000	548,344,808
Accumulated Depreciation and Impairment			
January 1	–	45,262,562	45,262,562
Depreciation (Note 21)	–	14,679,750	14,679,750
	–	59,942,312	59,942,312
Accumulated Impairment Loss	–	24,812,188	24,812,188
Net Book Value	P254,749,808	P208,840,500	P463,590,308

	2022		
	Land	Condominium	Total
Cost			
January 1	P241,924,965	P293,595,000	P535,519,965
Additions	6,607,517	–	6,607,517
December 31	248,532,482	293,595,000	542,127,482
Accumulated Depreciation and Amortization			
January 1	–	30,582,812	30,582,812
Depreciation and amortization (Note 21)	–	14,679,750	14,679,750
	–	45,262,562	45,262,562
Accumulated Impairment Loss			
Provision for impairment loss (Note 23)	–	24,812,188	24,812,188
Net Book Value	P248,532,482	P223,520,250	P472,052,732

The Group's investment properties include 136.8 hectares of land in Palawan, 36.9 hectares of land in Cebu, and 97.4 hectares of land in Guimaras. Condominium pertains to the two (2) commercial condominium units purchased by the Company in 2019 and are held for lease to other parties and associate. The aggregate fair value of these investment properties as at December 31, 2023 and 2022 amounted to P3.6 billion.

Fair valuation of the land properties was performed by professionally qualified, SEC-accredited and independent appraiser as at October 2022. The fair value was determined using the sales comparison approach which considers the sale of similar or substitute properties, related market data and the assets' highest and best use. The fair value of the investment properties is categorized as Level 3 which used adjusted inputs for valuation that are unobservable as of the date of valuation.

The inputs used were offer prices of similar land. Significant increases or decreases in offer price would result in higher or lower fair value of the asset.

The appraisers determined that the highest and best use of these properties are either for residential, agricultural, commercial and recreational utility. For strategic reasons, the properties are not being used in this manner. These properties are currently held by the Group for capital appreciation.

The Group has no restrictions on the realizability of the investment properties. Under Department of Agrarian Reform (DAR) rules, AAC has to complete the development on the Guimaras land by September 2018. On November 11, 2018, DAR approved the Group's request for extension to develop the property within a non-extendible period of five years from the receipt of order or until December 6, 2023. The notice of order was received by the Group on December 7, 2018. On January 18, 2024, DAR approved the Group's request for another extension to develop the property within a non-extendible period of five years from the receipt of order or until February 13, 2024. The notice of order was received by the Group on February 14, 2024.

Fair valuation of the condominium units was also performed by a professionally qualified, SEC-accredited, and independent appraiser. Based on the report of the appraiser rendered for 2022, the fair value of the condominium units is ₱270.1 million.

The fair value of the condominium units was arrived at through the use of the "sales comparison approach." They used properties that are situated within the subject building or in other comparable condominium buildings nearby for comparison. The fair value of the condominium units is categorized as Level 3. The highest and best use of these properties is for leasing.

The Group recognized rental income of ₱13.6 million, ₱13.0 million, and ₱12.6 million from these investment properties in 2023, 2022 and 2021, respectively (see Note 30).

The aggregate direct expenses pertaining to real property taxes, condominium dues and depreciation expense amounted to ₱15.5 million, ₱16.1 million, and ₱15.5 million in 2023, 2022 and 2021, respectively.

16. Other Noncurrent Assets and Other Noncurrent Liabilities

The Group's other noncurrent assets comprise the following as of December 31:

	2023	2022
Fund for villa operations and capital expenditures (Note 30)	₱93,816,895	₱92,004,923
Property held for future development (Note 30)	18,703,423	26,950,301
Computer software - net of accumulated depreciation of ₱14.6 million and ₱14.3 million as of December 31, 2023 and 2022, respectively	9,617,133	3,646,890
Others	6,346,751	1,806,502
	₱128,484,202	₱124,408,616

Fund for villa operations and capital expenditures is a restricted cash fund of PRI and PUI held as a source of future maintenance requirements and for future replacement of power generating units and desalination plant. Interest income on this fund shall accrue to the villa owners. A liability related to the fund was recognized and is presented as "Other noncurrent liabilities" in the consolidated statements of financial position (see Note 30).

Other receivables pertain to claims for the sold land in Quezon, Palawan.

Other noncurrent liabilities amounted to ₱101.7 million and ₱111.7 million as at December 31, 2023 and 2022, respectively, which include the related liability for the fund asset of PRI and PUI recognized above and other liabilities arising from funds for future infrastructure and utility development of villas and funds for replacement of power generating units and desalination plant.

17. Notes Payable

As at December 31, 2021, notes payable represent unsecured, short-term, interest-bearing liabilities of IAI amounting to ₱23.2 million (nil in 2022).

Details of the Group's short-term borrowing transactions are as follows:

- a. In January and February 2020, IAI obtained loans from a bank amounting to ₱10.2 million and ₱18.0 million, respectively. The amounts loaned from the bank were used for the additional working capital of IAI. The loans have interest initially fixed at 5.0% subject to review and resetting by the bank every 30 days based on prevailing market rates at such time of review and resetting. On January 11, 2021 and February 19, 2021, the loans were rolled-over for a year amounting to ₱5.2 million and ₱18.0 million with interest fixed at a rate of 5.5% based on prevailing market rates and subject to the same terms. Subsequently, on January 6, 2022 and February 14, 2022, the loans were rolled-over for another year with the same respective principal amounts and with interest fixed at rates of 4.3% and 4.5%, respectively.

In March 2022 and April 2022, the above loans were settled and the total accrued interest amounting to ₱8.3 million was reversed.

- b. Total interest expense from these loans recognized in the consolidated profit or loss amounted to ₱0.35 million in 2022 (nil in 2023).
- c. The Group's unavailed credit line from banks amounted to ₱2,850.0 million as at December 31, 2023 and 2022, respectively.

18. Accounts Payable and Accrued Expenses

	2023	2022
Trade payables	₱669,603,355	₱397,486,369
Payable to a related party (Note 13)	194,352,528	170,219,545
Accruals for:		
Personnel expenses	145,360,975	168,865,274
Taxes and licenses	19,409,399	7,329,816
Utilities	22,411,259	13,593,460
Others	50,451,672	25,278,964
Payable to government agencies	98,703,902	92,059,039
Contract liabilities (Note 5)	77,116,715	101,124,098
Payable to villa owners	61,559,677	59,523,979
Payable to contractors	11,609,210	18,296,102
Refundable deposits	3,387,723	272,260,088
Other payables	31,307,100	17,064,958
	₱1,385,273,515	₱1,343,101,690

Trade payables are non-interest bearing and are normally settled on 30 to 90 days' terms.

Other accrued expenses include unpaid operating costs of the Group.

Refundable deposits mainly pertain to advance payments made by guests.

Contract liabilities pertain to the customers' advances for the delivery of goods and services.

Payable to contractors are amounts due to suppliers for ongoing and completed construction projects.

19. Long-term Debt

As at December 31, 2023, the Group's outstanding long-term debt from a local bank amounting to ₱1.00 billion presented under noncurrent liabilities pertain to ASAC group.

- a. On January 9, 2023, a Facility Agreement (IAI-BDO Loan) was executed between IAI and BDO, for a term loan in the aggregate principal amount of up to ₱1 billion. On the same date, the Continuing Suretyship (CS) in favor of BDO was jointly and severally irrevocably executed by SSRLI and PRI duly identified as the sureties to secure the due and full payment and performance of the Secured Obligations as defined in the CS. Further, on the same date, IAI availed a 10-year loan from BDO amounting to ₱450.0 million with an interest rate of 6.5657%. The amount loaned was used to pay for the advances received from SSRLI amounting to ₱406.0 million.
- b. On February 14, 2023, SSRLI, PRI, PUI (the three companies as Trustors) and AB Capital and Investment Corporation (as Trustee) executed the Amended and Restated Mortgage Trust Indenture (MTI). PRI and PUI are now parties to the MTI which was originally entered by SSRLI and the Trustee on November 29, 2005. The Trustors in the MTI are now parties to the Mortgage Obligations for the IAI Loan with BDO Unibank Inc. (BDO). The Mortgaged properties include certain assets with an appraised value of at least 167% of the outstanding loan of IAI with BDO.

Drawdowns made in the Facility Agreement in 2023 are as follows:

Date	Amount
January 9, 2023	₱450,000,000
March 15, 2023	63,500,000
April 13, 2023	255,000,000
May 25, 2023	231,500,000
	₱1,000,000,000

The loan is subject to an interest rate which shall be the higher of (a) the sum of the 3-month Benchmark Rate on interest setting date and on each repricing date plus 0.90% per annum, and (b) BSP Overnight Lending Facility Rate + 0.50% per annum; divided by the interest premium factor. Interest expense from this loan amounted to ₱58.61 million in 2023.

- c. On November 20, 2023, BDO and the Company agreed to adjust the interest rate to the higher of (a) the sum of the 3-month Benchmark Rate on interest setting date and on each repricing date plus 0.90% per annum, and (b) Target Reverse Repurchase Rate plus + 0.25% per annum; divided by the interest premium factor effective January 9, 2024.

The loan is payable quarterly after a 2-year grace period starting from the initial drawdown. Payment due date of loan based on nominal values are scheduled as at December 31, 2023 as follows:

Year	2023
More than 1 year but less than 2 years	₱121,212,121
More than 2 years	363,636,364
More than 5 years	515,151,515
	₱1,000,000,000

The loan shall be subject to the maintenance of financial ratios which include a maximum of 2.5 times debt-to-equity ratio and minimum debt service coverage ratio of 1.2 times starting May 31, 2024 and annually each May 31 thereafter.

- d. Total interest expense from these loan recognized in the consolidated profit or loss amounted to ₱58.9 million in 2023 (nil in 2022 and 2021)

20. Equity

Equity holders of the Parent

Authorized capital stock as at December 31 consists of the following shares:

	2023		2022	
	Number of Shares	Amount	Number of Shares	Amount
Common - ₱1.0 par value	3,459,310,958	₱3,459,310,958	3,459,310,958	₱3,459,310,958
Preferred - ₱0.01 par value	500,000,000	5,000,000	500,000,000	5,000,000
	3,959,310,958	₱3,464,310,958	3,959,310,958	₱3,464,310,958

Issued and outstanding shares as at December 31 consists of the following:

	2023		2022	
	Number of Shares	Amount	Number of Shares	Amount
Common	2,500,000,000	₱2,500,000,000	2,500,000,000	₱2,500,000,000
Preferred	500,000,000	5,000,000	500,000,000	5,000,000
	3,000,000,000	₱2,505,000,000	3,000,000,000	₱2,505,000,000

On February 19, 2020, the Company's BOD approved the amendment of its Articles of Incorporation (AOI) wherein authorized capital stock of 5,000,000 common shares (par value of ₱1.00 per share) amounting to ₱5.0 million will be reclassified to 500,000,000 preferred shares (par value of ₱0.01 per share) amounting to ₱5.0 million. In August 2020, the Company applied for the amendment of the AOI with the SEC and this was approved by SEC on June 21, 2021.

Outstanding common shares, net of shares held by a subsidiary, as at December 31, 2023 and 2022 totaled 1,272,329,761. The Company's equity holders as at December 31, 2023 and December 31, 2022 is 11,049.

The Philippine SEC authorized the offering/sale to the public of the Company's 10.0 million and 140.0 million common shares with par value of ₱1.00 each on December 29, 1948 and January 17, 1973, respectively. On August 30, 1996, the Philippine SEC authorized the licensing of 910,476,302 common shares at the subscription price of ₱2.50 per share.

In 2023, 2022 and 2021, the Company declared the following cash dividends:

	2023	2022	2021
Month of declaration	March and November	March and November	February and November
Cash dividend per share	₱0.50 and ₱0.50	₱0.50 and ₱0.50	₱0.50 and ₱0.25
Total cash dividend	₱2,500.0 million	₱2,500.0 million	₱1,875.0 million
Share of a subsidiary	₱1,272.4 million	₱1,272.4 million	₱920.7 million

As at December 31, 2023 and 2022, the Company's dividends payable amounted to ₱570.4 million and ₱502.0 million, respectively, and represents mainly dividend checks that were returned by the post office and which remained outstanding as at December 31, 2023 and 2022 due to problematic addresses of some of the Company's stockholders.

The Company's BOD approved the following appropriation of the Company's unrestricted retained earnings:

Date of Appropriation	Amount
2011	₱2,100,000,000
2013	900,000,000
2014	1,600,000,000
2015	1,700,000,000
2016	850,000,000
	₱7,150,000,000

The appropriation will be used for the Company's investment program within the next three years on business activities related to tourism, business process outsourcing and manufacturing, whether based in the Philippines or offshore.

Appropriations in 2011 and 2013 were extended in 2017. Appropriations in 2014 and 2015 were extended in 2018 and 2019, respectively.

On November 11, 2020, the BOD approved the extension of the appropriation of retained earnings totaling ₱7,150.0 million for another three years.

On November 11, 2023, the BOD approved the extension of the appropriation of retained earnings totaling ₱7,150.0 million for another three years.

The unappropriated retained earnings is restricted for the dividend declaration by the following:

- Balance of gross deferred income tax assets, fair value adjustments related to unrealized market to market gains of FVPL investments and unrealized foreign exchange gains (except those attributable to cash and cash equivalents) amounting to ₱6,016.4 million and ₱4,472.7 million as at December 31, 2023 and 2022, respectively.
- Shares in the undistributed retained earnings of subsidiaries and accumulated equity in net earnings of associates amounting to ₱6.6 billion and ₱6.1 billion as at December 31, 2023 and 2022, respectively, which are included in retained earnings, are not available for declaration as dividends until declared by the subsidiaries.

Shares held by a subsidiary

As at December 31, 2023 and 2022, Anscorcon holds 1,272,429,761 shares of the Company. Anscorcon purchased the Company's shares amounting to P285.8 million (22,557,515 shares) in 2020. In 2019, Anscorcon sold 56.0 million Company shares for P359.9 million.

21. Cost of Goods Sold, Cost of Services Rendered and Operating Expenses

Cost of goods sold consists of:

	2023	2022	2021
Materials used and changes in inventories (Note 11)	P7,993,666,485	P8,602,843,214	P6,664,260,843
Salaries, wages and employee benefits (Note 22)	179,177,764	155,455,583	127,037,370
Depreciation and amortization (Note 14)	121,275,291	100,590,598	109,216,132
Utilities	101,085,374	101,357,802	68,495,190
Repairs and maintenance	43,640,800	47,393,337	81,254,728
Security services	8,267,405	7,433,248	6,922,570
Taxes and licenses	5,343,441	2,318,459	2,210,123
Transportation and travel	3,818,057	3,806,819	3,359,266
Insurance	2,339,261	4,470,742	2,078,351
Professional fees	883,897	10,469,808	495,257
Others	10,604,971	12,278,824	6,290,127
	P8,470,102,746	P9,048,418,434	P7,071,619,957

Cost of services rendered consists of:

	2023	2022	2021
Resort operating costs	P210,669,296	P142,844,960	P125,670,705
Depreciation and amortization (Note 14)	72,879,568	52,910,287	32,500,287
Salaries, wages and employee benefits (Note 22)	66,572,127	87,778,405	68,582,611
Materials and supplies - resort operations (Note 11)	52,882,524	30,894,212	33,249,480
Fuel cost	52,096,470	24,469,324	24,299,842
Insurance	27,466,338	10,151,631	7,996,096
Commissions	9,686,288	13,057,150	8,096,975
Repairs and maintenance	9,075,116	10,869,034	14,100,851
Taxes and licenses	6,902,507	5,871,088	3,224,122
Outside services	2,651,151	1,268,152	1,268,843
Transportation and travel	257,951	23,824,212	18,607,935
Others	24,354,053	587,714	10,325,835
	P535,493,389	P404,526,169	P347,923,582

Operating expenses consist of:

	2023	2022	2021
Salaries, wages and employee benefits (Note 22)	₱462,901,033	₱347,040,443	₱262,348,562
Utilities	228,144,642	136,737,400	84,926,823
Depreciation and amortization (Notes 14, 15 and 30)	168,698,208	170,886,909	160,879,035
Advertising, marketing and management fee (Note 30)	168,253,796	129,279,596	94,978,399
Shipping and delivery expenses	122,724,609	125,034,606	96,400,481
Repairs and maintenance	110,548,597	67,321,569	41,843,014
Taxes and licenses	97,338,997	74,963,797	90,916,131
Professional and directors' fees	61,059,591	62,323,136	25,274,180
Transportation and travel	48,457,123	50,266,466	32,264,886
Insurance	37,216,181	26,822,760	26,084,688
Commissions	36,845,930	27,408,445	27,212,971
Security services	30,655,408	21,306,153	19,182,366
Communications	15,254,367	14,444,211	14,102,634
Association dues	13,926,186	8,624,847	8,400,598
Donation and contribution	12,152,600	14,742,214	12,940,389
Office supplies	11,722,874	18,472,462	18,925,461
Computer programming	10,104,655	3,838,143	3,166,553
Entertainment, amusement and recreation	8,091,840	5,030,562	6,054,664
Meetings and conferences	7,434,728	7,611,742	8,255,195
Trainings	6,454,535	5,382,846	2,428,179
Medical expenses	6,430,014	7,629,053	4,262,816
Others	72,594,689	48,689,949	51,132,446
	₱1,737,010,603	₱1,373,857,309	₱1,091,980,471

In 2023, 2022 and 2021, the Company paid bonus to its non-executive directors amounting to ₱18.1 million, ₱19.3 million and ₱14.0 million, respectively.

As approved in 2004, the directors are given bonus representing no more than 1.0% of previous year's net income of the Company.

22. Personnel Expenses

	2023	2022	2021
Salaries and wages	₱617,214,257	₱487,197,401	₱372,619,250
Social security premiums and other employee benefits	76,924,763	87,064,856	62,179,760
Pension costs (Notes 23 and 24)	14,511,904	16,012,174	23,169,533
	₱708,650,924	₱590,274,431	₱457,968,543

In 2023 and 2022, the Group declared and paid bonuses to its executive officers amounting to ₱91.6 million and ₱78.8 million, respectively (nil in 2021).

Annual bonus of no more than 3.0% of the preceding year's net income given to executive officers of the Company as approved in 2004.

23. Interest Income, Interest Expense and Other Income (Charges)

Interest income consists of:

	2023	2022	2021
Cash and cash equivalents (Note 8)	P51,436,960	P24,918,106	P6,235,233
Debt instruments (Notes 9 and 12)	20,742,464	25,807,800	32,197,278
Notes receivable (Note 27)	19,331,002	15,393,943	15,043,868
Others	359,588	1,342,020	57,711
	P91,870,014	P67,461,869	P53,534,090

Interest income on debt instruments is net of bond discount amortization amounting to P0.8 million, P0.3 million, and P0.2 million in 2023, 2022 and 2021, respectively.

Interest expense arose from the following:

	2023	2022	2021
Long-term debt (Note 19)	P58,917,505	P1,943,829	P7,135,812
Lease liabilities (Note 30)	1,717,702	2,379,491	1,890,962
Notes payable (Note 17)	—	347,493	1,054,460
Others	1,844,680	16,864	178,452
	P62,479,887	P4,687,677	P10,259,686

Other income (charges) - net consists of:

	2023	2022	2021
Rental income (Note 30)	P13,718,182	P13,228,239	P12,809,631
Retirement benefit income	—	1,321,427	—
Provision for impairment losses on receivables (Note 10)	(1,418,536)	(906,550)	(29,731,764)
Recovery of impairment losses (Note 10)	87,331	81,496	—
Impairment loss on investment properties (Note 15)	—	—	(24,812,188)
Trading Income	17,503,950	—	—
Fuel Surcharge	14,954,000	—	552,786
Reimbursement	2,811,144	3,291,769	—
Gain on disposal of PPE	1,228,660	178,571	—
Others - net	1,825,439	5,056,559	(12,526,755)
	P50,710,170	P22,251,511	(P53,708,290)

24. Pension

The Group has funded defined benefit pension plans covering substantially all of its officers and employees. The benefits to be received by the officers and employees under the pension plans shall not be less than the minimum mandated retirement benefit plan under Republic Act (RA) No. 7641.

The funds are administered by trustee banks under the control and supervision of the Board of Trustees (BOT) of the pension plans, which is composed of the executive officers of the Company.

The Group contributes to the funds as required under accepted actuarial principles to maintain the plan in sound condition and reserves the right to discontinue, suspend or change the rate and amount of its contribution to the funds at any time.

Funding Policy

The Group contributes to the plans amounts (estimated by an actuary on the basis of reasonable actuarial assumptions) which are necessary to provide the defined benefits. No member is required to make any contribution to the plans. Contributions to the plans are determined using the projected unit credit method. Under this method, the current service cost is the present value of retirement benefits payable in the future in respect of services in the current period. The past service cost (PSC) is the present value of the units of benefits payable in the future in respect of services rendered prior to valuation date.

The Group's management performs an Asset-Liability Matching Study annually. The overall investment policy and strategy of the Group's defined benefit plans is guided by the objective of achieving an investment return which, together with contributions, ensures that there will be sufficient assets to pay pension benefits as they fall due while also mitigating the various risks of the plans. The Group's current strategic investment strategy consists of 40% of equity instruments and 60% of debt instruments.

As at December 31, 2023 and 2022, the Company's defined benefit retirement fund (the Fund) has investments in shares of stock of the Company with a cost of ₱413.6 million. The fair value of the shares of stock amounted to ₱742.6 million and ₱575.8 million as at December 31, 2023 and 2022, respectively.

All of the fund's investing decisions are made by the BOT of the pension plans. The retirement benefit fund's gain arising from the changes in market prices amounted to ₱146.72 million and ₱61.04 million in 2023 and 2022, respectively.

As at December 31, 2023 and 2022, the Fund's fair value amounted to ₱1,082.3 million and ₱839.9 million, respectively.

The following tables summarize the components of net benefit expense recognized in the consolidated profit or loss and the fund status and amounts recognized in the consolidated statements of financial position.

	2023	2022	2021
Retirement benefit cost:			
Current service cost	₱19,687,831	₱19,185,398	₱24,193,146
Net interest income	(5,175,927)	(4,494,651)	(1,023,613)
Net benefit expense (Notes 22 and 23)	₱14,511,904	₱14,690,747	₱23,169,533
Actual return on plan assets	₱250,281,932	₱107,014,499	₱160,279,066

Changes in net retirement plan asset are as follows:

	2023	2022	2021
Net retirement plan assets, beginning	₱122,351,083	₱147,141,624	₱91,612,330
Current service cost	(7,036,429)	(9,314,406)	(13,409,755)
Net interest income	6,776,901	6,681,667	2,910,178
	(259,528)	(2,632,739)	(10,499,577)

(Forward)

	2023	2022	2021
Actuarial changes arising from:			
Changes in financial assumptions	(P5,304,655)	(P13,603,079)	P12,608,462
Experience adjustments	15,654,040	26,120,992	14,654,816
Changes in the effect of asset ceiling	(164,334,396)	(124,421,947)	(113,372,593)
Remeasurement of plan assets	203,537,923	81,047,994	143,381,265
Changes in demographic adjustments	—	836,842	1,033,745
	49,552,912	(30,019,198)	58,305,695
Contribution	7,723,176	8,219,373	7,723,176
Transfer to net retirement payable	—	(357,977)	—
Net retirement plan assets, end	P179,367,643	P122,351,083	P147,141,624

Changes in net retirement benefits payable are as follows:

	2023	2022	2021
Net retirement benefits payable, beginning	(P39,931,355)	(P48,147,054)	(P56,895,050)
Current service cost	(12,651,402)	(9,870,992)	(10,783,391)
Net interest expense	(1,600,974)	(2,187,016)	(1,886,565)
	(14,252,376)	(12,058,008)	(12,669,956)
Actuarial changes arising from:			
Changes in financial assumptions	(3,177,929)	12,435,292	14,172,068
Experience adjustments	1,895,375	(3,206,968)	(4,452,910)
Remeasurement of plan assets	(7,293,180)	(7,128,106)	(2,801,571)
Changes in demographic adjustments	—	—	39,289
Changes in the effect of asset ceiling	31,525	—	(3,004)
	(8,544,209)	2,100,218	6,953,872
Contribution	40,118,318	17,815,512	14,464,080
Transfer from net retirement assets	—	357,977	—
Net retirement benefits payable, end	(P22,609,622)	(P39,931,355)	(P48,147,054)

Changes in the present value of defined benefit obligation:

	2023	2022
Defined benefit obligation, beginning	P505,613,269	P482,724,903
Current service cost	19,695,575	19,185,398
Interest cost	27,970,123	22,398,989
Remeasurement in other comprehensive income:		
Actuarial gain - changes in financial assumptions	P7,730,675	(P33,621,857)
Actuarial loss (gain) - experience adjustments	5,359,922	28,515,892
Actuarial loss (gain) - changes in demographic assumptions	(15,654,040)	107,278
Benefits paid from plan assets	(59,319,468)	(13,697,334)
Defined benefit obligation, ending	P491,396,056	P505,613,269

Changes in the fair value of plan assets:

	2023	2022
Fair value of plan assets, beginning	P839,922,864	P720,570,814
Interest income	52,522,161	33,094,611
Contributions	47,841,494	26,034,885
Remeasurement gain	196,244,743	73,919,888
Withdrawal of plan assets	5,067,587	—
Benefits paid from plan assets	(59,319,468)	(13,697,334)
Fair value of plan assets, ending	P1,082,279,381	P839,922,864

Changes in the effect of asset ceiling:

	2023	2022
Beginning balance	P252,889,704	P138,851,339
Changes in the effect of asset ceiling	(164,334,396)	107,835,361
Interest on the effect of asset ceiling	345,565,352	6,203,004
Ending balance	P434,120,660	P252,889,704

The fair value of plan assets as at December 31 are as follows:

	2023	2022
Debt instruments	P353,220,657	P224,485,094
Equity instruments	653,897,385	384,920,021
Unit investment trust funds	67,329,763	18,815,551
Cash and cash equivalents	7,657,238	195,832,140
Others	174,338	15,870,058
	P1,082,279,381	P839,922,864

The financial instruments with quoted prices in active market amounted to P616.4 million and P533.2 million as at December 31, 2023 and 2022, respectively. The remaining plan assets do not have quoted market prices in active market.

The plan assets have diverse investments and do not have any concentration risk.

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation of the Company, PDP Group and PRI as of the end of the reporting period, assuming all other assumptions were held constant:

2023	Change in Rates	Effect on Present Value of Defined Benefit Obligation Increase (Decrease)
Discount rates	+100 bps	(P7,824,053)
	-100 bps	9,103,344
Future salary increases	+100 bps	10,835,390
	-100 bps	(9,704,310)

		Effect on Present Value of Defined Benefit Obligation Increase (Decrease)
2022	Change in Rates	
Discount rates	+100 bps	(P8,404,905)
	-100 bps	9,570,911
Future salary increases	+100 bps	9,684,474
	-100 bps	(8,645,252)

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation of the subsidiaries except PDP Group and PRI as of the end of the reporting period, assuming all other assumptions were held constant:

		Effect on Present Value of Defined Benefit Obligation Increase (Decrease)
2023	Change in Rates	
Discount rates	+100 bps	(P8,667,448)
	-100 bps	9,520,264
Future salary increases	+100 bps	9,547,139
	-100 bps	(8,850,312)

		Effect on Present Value of Defined Benefit Obligation Increase (Decrease)
2022	Change in Rates	
Discount rates	+100 bps	(P8,633,715)
	-100 bps	9,508,484
Future salary increases	+100 bps	10,290,778
	-100 bps	(9,569,584)

The Group expects to make contributions amounting to P22.1 million to its defined benefit pension plans in 2024.

The principal assumptions used in determining pension benefit obligations for the Group's plans are shown below:

	2023	2022
Discount rate	6.01% to 6.10%	5.21% to 7.19%
Future salary increases	3.00% to 5.00%	3.00% to 5.00%

The weighted average duration of the defined benefit obligation as at December 31, 2023 and 2022 ranges from 2.8 to 5.9 years and 3.5 to 8.1 years, respectively.

Shown below is the maturity analysis of the expected future benefit payments as at December 31, 2023:

Year	Amount
2024	P252,847,716
2025	21,359,815
2026	23,359,270
2027	81,120,750
2028	23,177,849
2029 to 2033	190,934,605

There were no changes from the previous period in the method and assumptions used in preparing the sensitivity analysis.

25. Income Taxes

The provision for income tax consists of:

	2023	2022	2021
Current	P308,322,710	P338,153,898	P327,071,822
Deferred	59,677,335	(95,998,699)	53,080,192
	P368,000,045	P242,155,199	P380,152,014

As at December 31, 2023 and 2022, tax credits or refunds included in “other current assets” amounted to P253.4 million and P201.9 million, respectively.

The components of the net deferred income tax assets (liabilities) are as follows:

	2023		2022	
	Net Deferred Income Tax Assets ⁽¹⁾	Net Deferred Income Tax (Liabilities) ⁽²⁾	Net Deferred Income Tax Assets ⁽¹⁾	Net Deferred Income Tax (Liabilities) ⁽²⁾
<i>Recognized in the consolidated profit or loss:</i>				
Deferred income tax assets on:				
Allowance for expected credit losses	P66,809,534	P–	P66,674,274	P–
Allowance for inventory obsolescence and losses	23,134,206	–	23,130,697	–
Net retirement benefits payable	13,284,792	–	16,393,630	–
Unamortized past service cost	9,162,158	–	3,728,945	926,771
MCIT	1,807,699	–	–	–
NOLCO	1,804,960	–	–	–
Unrealized foreign exchange loss	155,902	–	505,747	–
Others	10,713,715	(201,873)	9,622,011	–
	126,872,966	(201,873)	120,055,304	926,771
Deferred income tax liabilities on:				
Unrealized foreign exchange gains	(1,002,517)	(18,340,643)	(262,065)	(32,715,001)
Net retirement plan assets	–	(9,598,592)	(50,628)	(9,278,564)
Fair value adjustment on equity investments	–	(284,431,074)	–	(292,426,401)
Market adjustment on FVPL investments	(745,335)	(145,750,693)	–	(62,559,448)
	(1,747,852)	(458,121,002)	(312,693)	(396,979,414)
	125,125,114	(458,322,875)	119,742,611	(396,052,643)
<i>Recognized in other comprehensive income:</i>				
Deferred income tax assets (liabilities) on:				
Unrealized valuation gains on FVOCI investments	–	–	–	1,061,311
Cumulative actuarial gains	(6,883,930)	(35,243,319)	(5,627,383)	(22,855,098)
	(6,883,930)	(35,243,319)	(5,627,383)	(21,793,787)
	P118,241,184	(P493,566,194)	P114,115,228	(P417,846,430)

⁽¹⁾ Pertain to SSRLI, ASAC, PDP and AHL.

⁽²⁾ Pertain to Anscor and Anscorcon.

The following are the deductible temporary differences and carryforward benefits for which no deferred income tax assets were recognized as future realizability of these deferred income tax assets is not probable:

	2023	2022
Deductible temporary differences on:		
Allowances for:		
Impairment losses	₱1,040,969,632	₱1,050,380,658
Expected credit losses	567,537,073	567,537,073
Accrued pension benefits and others	65,361	880,535
Carryforward benefits of:		
NOLCO	61,820,195	45,313,509
MCIT	6,932,243	6,293,385
Others	217,612	87,084

On March 26, 2021, the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act was signed into law to attract more investments and maintain fiscal prudence and stability in the Philippines. Republic Act (RA) 11534 or the CREATE Act introduces reforms to the corporate income tax and incentives systems. It takes effect 15 days after its complete publication in the Official Gazette or in a newspaper of general circulation or April 11, 2021.

The following are the key changes to the Philippine tax law pursuant to the CREATE Act which have an impact on the Group:

- Effective July 1, 2020, regular corporate income tax (RCIT) rate is reduced from 30% to 25% for domestic corporations.
- For domestic corporations with net taxable income not exceeding ₱5.0 million and with total assets not exceeding ₱100.0 million (excluding land on which the business entity's office, plant and equipment are situated) during the taxable year, the RCIT rate is reduced to 20%.
- Minimum corporate income tax (MCIT) rate reduced from 2% to 1% of gross income effective July 1, 2020 to June 30, 2023.
- Imposition of improperly accumulated earnings tax of 10% is repealed.

The reconciliation of provision for income tax computed at the statutory income tax rate with the provision for income tax is as follows:

	2023	2022	2021
Provision for income tax at statutory tax rates	₱754,298,933	₱774,549,289	₱729,436,234
Additions to (reductions from) income taxes resulting from:			
Decrease (increase) in market values of marketable equity securities and other investments subjected to final tax	(383,565,966)	(145,941,385)	(326,645,836)
Dividend income not subject to income tax	(88,713,018)	(66,751,373)	(90,948,354)
Movement in unrecognized deferred income tax assets	301,263	191,691,568	38,363,894
Interest income already subjected to final tax	(4,019,269)	(123,402)	(131,030)
Income tax at 5% GIT	(4,012,024)	(33,624,145)	(7,253,409)

	2023	2022	2021
Equity in net losses (earnings) of associates not subject to income tax	(2,185,689)	(6,659,881)	(2,852,401)
Change in income tax rate	782,393	—	15,507,248
Nondeductible expense	35,397,814		13,134,795
Difference of itemized deduction against 40% of taxable income	20,013,980	9,290,631	5,166,014
Nontaxable income	(97,924)	(493,648,900)	—
Others	39,799,552	13,372,797	6,374,859
	P368,000,045	P242,155,199	P380,152,014

The Group has available NOLCO and MCIT which can be claimed as deduction from taxable income and as credit against income tax due, respectively, as follows:

NOLCO

Period of Recognition	Availment Period	Beginning of the year	Additions	Applied	Expired	End of the year
2020	2021-2025	P18,823,962	P—	P—	P—	P18,823,962
2021	2022-2026	10,987,867	—	—	—	10,987,867
2022	2023-2025	17,928,564	—	—	—	17,928,564
2023	2024-2026	—	15,884,762	—	—	15,884,762
		P47,740,393	P15,884,762	P—	P—	P63,625,155

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4(bbbb) of “Bayanihan to Recover As One Act” which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss. Hence, the incurred NOLCO of the Group in taxable year 2020 and 2021 can be claimed as deduction from the regular taxable income from taxable years 2021 to 2025 and taxable years 2022 to 2026, respectively, in pursuant to the Bayanihan to Recover As One Act.

MCIT

Period of Recognition	Availment Period	Beginning of the year	Additions	Applied	Expired	End of the year
2020	2021-2023	P1,713,931	P—	P—	(P1,713,931)	P—
2021	2022-2024	497,520	—	—	—	497,520
2022	2023-2025	2,556,521	—	—	—	2,556,521
2023	2024-2026	—	3,769,925	—	—	3,769,925
		P4,767,972	P3,769,925	P—	(P1,713,931)	P6,823,966

26. Earnings Per Share - Basic / Diluted

Earnings per share - basic / diluted were computed as follows:

	2023	2022	2021
Net income attributable to equity holders of the Parent	₱2,552,017,983	₱2,800,557,660	₱2,504,080,376
Total comprehensive income (loss) attributable to equity holders of the Parent	₱2,671,031,153	₱2,728,710,415	₱2,680,681,495
Weighted average number of shares	1,227,570,239	1,227,570,239	1,227,570,239
Earnings Per Share			
Basic/diluted, for net income attributable to equity holders of the Parent	₱2.08	₱2.28	₱2.04
Basic/diluted, for comprehensive income attributable to equity holders of the Parent	₱2.10	₱2.22	₱2.18

The Company does not have potentially dilutive common stock equivalents in 2023, 2022 and 2021.

27. Related Party Transactions

Related party relationship exists when the party has the ability to control, directly or indirectly, through one or more intermediaries, or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting entity and its key management personnel, directors or stockholders. In considering each possible related party relationship, attention is directed to the substance of the relationships, and not merely to the legal form.

All related party transactions exceeding ₱5.0 million in a single transaction or in aggregate transactions within the last 12 months are disclosed to and evaluated by the Related Party Transaction Committee for approval by at least majority of the BOD.

All material related party transactions, representing 10% or more of the consolidated total assets of the Group, shall be approved by at least two-thirds (2/3) vote of the BOD, with at least majority of the independent directors voting to approve the material related party transactions. These transactions shall be disclosed with the SEC.

In the normal course of business and in addition to those disclosed in Notes 13 and 30, the Group grants/ receives cash advances to/from its associates and affiliates. Related Party transactions are generally settled through cash.

Compensation of the Group's key management personnel (in millions):

	2023	2022	2021
Short-term employee benefits (Notes 21 and 22)	₱195.4	₱205.9	₱106.8
Retirement benefits (Notes 21, 22 and 24)	5.1	4.4	4.4
Total	₱200.5	₱210.3	₱111.2

On March 29, 2023, PDPI sold and issued shares to a key officer representing 3% of its outstanding shares of stock for ₱35.6 million. At date of sale, the Group recognized the NCI and the related adjustment as a

charge against the Additional Paid-in Capital in the consolidated financial statements amounting to P135.0 million.

On November 4, 2019, the Company granted a five-year loan amounting to P363.5 million to A. Soriano Corporation Retirement Plan (the Retirement Plan) at 5% interest per annum. The loan is secured by the Company's shares of stock held by the Retirement Plan with a fair value of P652.9 million and P506.2 million as at December 31, 2023 and 2022, respectively. On February 28, 2024, the loan term was extended for another nine years effective November 3, 2024.

The balance of the loan, which is presented as "Notes receivable" in the consolidated statements of financial position, amounted to P198.8 million and P245.9 million as at December 31, 2023 and 2022, respectively.

On August 10, 2023, the Company entered into an agreement with AIMP for P218.0 million convertible note ("Note"), with interest rate of 8% per annum. The principal is payable on the third year anniversary of the Note issuance, while the interest is payable monthly. The Notes are convertible on or after the occurrence of an event of default. As at December 31, 2023 there has been no event of default and The Company intends to hold the Note until maturity. Accordingly, the Note was included under "Notes receivable" and accounted for at amortized cost.

28. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise of cash and cash equivalents, receivables, investments in debt instruments, quoted and unquoted equity securities, investments in mutual and hedge funds, and short-term and long-term bank loans. The Group's other financial instruments include accounts payable, lease liabilities and dividends payable and amounts due to affiliates, which arose directly from operations.

The Company's investment objectives consist mainly of:

- a) maintaining a bond portfolio that earns adequate cash yields, and
- b) maintaining a stable equity portfolio that generates capital gains through a combination of long-term strategic investments and short-term to medium-term hold type investment.

The main risks arising from the use of these financial instruments are credit risk, liquidity risk, interest rate risk, equity price risk, price risk of mutual funds, foreign currency risk, copper rod price risk, and operating and regulatory risks. These risks are monitored by the Company's Investment Committee (the Committee).

The Committee evaluates the performance of all investments and reviews fund allocation to determine the future strategy of the fund. The Committee is formed by the Company's Chairman, Vice Chairman, Chief Finance Officer, Treasurer and Corporate Development Officer, and an independent consultant. The Committee meets at least every quarter for the review and evaluation. The BOD reviews and approves the Company's risk management policies. The Company's policies for managing each of these risks are summarized below.

Credit risk

The Group is exposed to credit risk primarily because of its investing and operating activities. Credit risk losses may occur as a result of either an individual, counterparty or issuer being unable to or unwilling to honor its contractual obligations. The Group is exposed to credit risk arising from default of the counterparties (i.e., foreign and local currency denominated debt instruments and receivables) to its

financial assets. The Group does not have a counterparty that accounts for more than 10% of the consolidated revenue.

Credit risk management

In managing credit risk on these investments, capital preservation is paramount. The Group transacts only with recognized and creditworthy counterparties. Investments in bonds are invested in highly recommended, creditworthy debt instruments that provides satisfactory interest yield.

Credit risk exposures

The table below shows the gross maximum exposure for each class of financial assets before the effects of collateral, credit enhancements and other credit risk mitigation techniques:

	2023	2022
Cash in banks	P1,138,681,881	P1,333,555,278
Cash equivalents	1,888,257,182	1,613,714,139
FVPL investments - bonds	147,453,547	162,948,774
FVOCI investments - bonds	57,636,746	41,453,401
Advances	566,637,018	567,408,113
	3,798,666,374	3,719,079,705
Receivables:		
Trade	2,262,546,217	2,312,815,653
Notes receivable	416,774,404	245,854,878
Receivable from villa owners	77,279,674	100,880,108
Interest receivable	5,417,893	8,563,901
Others	36,745,011	31,545,240
	2,798,763,199	2,699,659,780
	P6,597,429,573	P6,418,739,485

Credit quality per class of financial assets

For the Group's financial assets, credit quality is monitored and managed using internal credit ratings. Internal risk ratings are derived in accordance with the Group's rating policy.

Trade receivables

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix.

December 31, 2023	Current	Days Past Due But Not Impaired					Total
		Less than 30 days	31 to 60 days	61 to 90 days	91 to 120 days	More than 120 days	
Expected credit loss rate	0%	0% - 0.02%	0% - 0.20%	0% - 0.47%	0% - 96.35%	98.91%	
Estimated total gross carrying amount at default	P1,402,081,696	P392,216,755	P163,807,399	P24,709,838	P23,488,179	P256,242,350	P2,262,546,217
Expected credit loss	P-	P54,167	P250,751	P90,690	P17,912,308	P194,813,414	P213,121,330

December 31, 2022	Current	Days Past Due But Not Impaired					Total
		Less than 30 days	31 to 60 days	61 to 90 days	91 to 120 days	More than 120 days	
Expected credit loss rate	0%	0% - 0.01%	0% - 0.02%	0% - 0.04%	0% - 99.49%	100%	
Estimated total gross carrying amount at default	P1,358,737,772	P316,259,359	P242,520,337	183,419,945	P43,423,375	P168,454,865	P2,312,815,653
Expected credit loss	P—	P21,552	P45,977	P64,251	P43,203,480	P168,454,865	P211,790,125

Other financial assets

Credit risk from balances with banks and financial institutions is managed by the Group in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The Group invests only on quoted debt securities with very low credit risk. The Group's debt instruments at fair value through OCI comprised solely of quoted bonds that are graded in the top investment category (Very Good and Good) by the Good Credit Rating Agency and, therefore, are considered to be low credit risk investments.

The tables below present the summary of the Group's exposure to credit risk as of December 31 and show the credit quality of the assets by indicating whether the assets are subjected to the 12-month ECL or lifetime ECL.

2023	12-month ECL	Lifetime ECL Not Credit Impaired	Lifetime ECL Credit Impaired	Total
Cash in banks	P1,138,681,881	P—	P—	P1,138,681,881
Cash equivalents	1,888,257,182	—	—	1,888,257,182
FVOCI investments	57,636,746	—	—	57,636,746
Receivables:				
Notes receivable	416,774,404	—	—	416,774,404
Receivable from villa owners	77,279,674	—	—	77,279,674
Interest receivable	4,826,798	—	591,095	5,417,893
Others	35,745,788	—	999,223	36,745,011
Advances	1,837,017	—	564,800,000	566,637,017
	P3,621,039,491	P—	P566,390,318	P4,187,429,808

2022	12-month ECL	Lifetime ECL Not Credit Impaired	Lifetime ECL Credit Impaired	Total
Cash in banks	P1,333,555,278	P—	P—	P1,333,555,278
Cash equivalents	1,613,714,139	—	—	1,613,714,139
FVOCI investments	41,453,401	—	—	41,453,401
Receivables:				
Notes receivable	245,854,878	—	—	245,854,878
Receivable from villa owners	100,880,108	—	—	100,880,108
forward				
Interest receivable	P7,972,806	P—	P591,095	P8,563,901
Others	30,546,017	—	999,223	31,545,240
Advances	2,608,113	—	564,800,000	567,408,113
	P3,376,584,740	P—	P566,390,318	P3,942,975,058

Liquidity risk

Liquidity risk is defined as the risk that the Group may not be able to settle or meet its obligations as they fall due. Aside from yielding good returns, the Group ensures investments have ample liquidity to finance operations and capital requirements. Short-term bank loans are secured to fill in temporary mismatch of funds for new investments.

Where applicable, long-term debt or equity are used for financing when the business requirement calls for it to ensure adequate liquidity in the subsidiaries and affiliates' operation.

The Group's approach to managing liquidity risk is to ensure that it will always have sufficient liquidity to meet its liabilities when they are due. This is done by primarily investing in highly liquid investments.

The tables below summarize the maturity profile of the Group's financial liabilities based on undiscounted contractual payments as well as the financial assets used for liquidity management.

December 31, 2023	Within 6 Months	Over 6 to 12 Months	Over 1 Year to 5 Years	Over 5 Years	Total
Cash on hand and in banks	P1,139,149,381	P-	P-	P-	P1,139,149,381
Cash equivalents	1,888,257,182	-	-	-	1,888,257,182
FVPL investments - bonds	-	-	14,515,661	132,937,886	147,453,547
FVOCI investments - bonds	-	-	29,622,064	28,014,682	57,636,746
Receivables*	2,167,277,147	-	416,774,404	-	2,584,051,551
	P5,194,683,710	P-	P460,912,129	P160,952,568	P5,816,548,407
Accounts payable and accrued expenses**	P1,286,569,613	P-	P-	P-	P1,286,569,613
Lease liabilities	-	17,152,948	39,869,520	-	57,022,468
Long-term debt	-	-	484,848,485	515,151,515	1,000,000,000
Dividends payable	570,375,761	-	-	-	570,375,761
	P1,856,945,374	P17,152,948	P524,718,005	P515,151,515	P2,913,967,842

*Including notes receivable amounting to P416.7 million.

** Excluding non-financial liabilities amounting to P98.7 million.

December 31, 2022	Within 6 Months	Over 6 to 12 Months	Over 1 Year to 5 Years	Over 5 Years	Total
Cash on hand and in banks	P1,334,687,516	P-	P-	P-	P1,334,687,516
Cash equivalents	1,613,714,139	-	-	-	1,613,714,139
FVPL investments - bonds	-	-	29,909,658	133,039,115	162,948,773
FVOCI investments - bonds	-	-	27,817,958	13,635,443	41,453,401
Receivables*	2,240,424,459	-	245,854,878	-	2,486,279,337
	P5,188,826,114	P-	P303,582,494	P146,674,558	P5,639,083,166
Accounts payable and accrued expenses**	P1,251,042,651	P-	P-	P-	P1,251,042,651
Lease liabilities	7,053,815	7,053,814	6,569,093	-	20,676,722
Long-term debt	-	-	-	-	-
Dividends payable	501,959,779	-	-	-	501,959,779
	P1,760,056,245	P7,053,814	P6,569,093	P-	P1,773,679,152

* Including notes receivable amounting to P245.8 million.

** Excluding non-financial liabilities amounting to P92.1 million.

Accounts payable and accrued expenses, dividends payable, lease liabilities, notes payable and current portion of long-term debt are expected to be settled using cash to be generated from operations and drawing from existing lines of credits or liquidity reserves.

Market risks

Market risk is defined as the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. It is the risk coming from adverse movements in factors that affect the market value of financial instruments of the Group. The Group is exposed primarily to the financial risks of changes in interest rates, equity price risk, price risk of mutual funds, foreign currency risk, copper rod price risk and operating and regulatory risk.

Investments exposed to market risk are foreign and local currency-denominated quoted debt instruments, foreign and local-currency denominated equity instruments and mutual fund/hedge fund investments.

There has been no change to the Group's manner in managing and measuring the risk.

a. Interest rate risks

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The following table demonstrates management's best estimate of the sensitivity to reasonably possible change in interest rates, with all other variables held constant (in millions):

Floating Debt Instrument	Change in Interest Rates [in Basis Points (bps)]	Effect on Income Before Tax and Equity Increase (Decrease)
2023	+0.25	P2.1
	—	—

The sensitivity analysis shows the effect on the consolidated profit or loss of assumed changes in interest rates on the net interest income for one year, based on the floating rate of financial assets and financial liabilities held as at December 31, 2023 and 2022. There is no other impact on equity other than those affecting profit or loss.

Fair value interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Group accounts for its quoted debt instruments at fair value. Changes in benchmark interest rate will cause changes in the fair value of quoted debt instruments.

The tables below show the impact on income before income tax and equity of the estimated future bond yields using a duration-based sensitivity approach. Items affecting profit or loss are bonds classified as FVPL and items affecting equity account are bonds classified as FVOCI. The impact of change in interest rates are as follows (in millions):

	Change in Interest Rates (in bps)	Increase (Decrease) Effect on Income Before Tax	Effect on Equity
2023			
FVOCI investments	+100	P—	(P1.93)
	-100	—	(2.05)
FVPL investments	+100	(P1.30)	P—
	-100	1.38	—

	Change in Interest Rates (in bps)	Increase (Decrease) Effect on Income Before Tax	Effect on Equity
2022			
FVOCI investments	+100	P—	(P1.03)
	-100	—	(1.08)
FVPL investments	+100	(P14.25)	P—
	-100	(4.46)	—

b. Equity price risk

Equity price risk is the risk that the fair values of equity securities decrease as a result of changes in the levels of the equity indices and the values of individual stock. The equity price risk exposure arises from the Group's investment in stock listed in the PSE, NASDAQ and NYSE.

The sensitivity analysis assumes that the stock's standard deviation on its historical returns for the past one year provides the basis for the range of reasonably possible changes in prices of the stock investments. In establishing the relative range of the stock investment returns, the Group also assumes a 99% confidence level.

The table below shows the impact on income before income tax and equity of the estimated future return of the stock investments using a Beta-based sensitivity approach. The impact of the change in equity prices are as follows (in millions):

FVPL Investments	Change in PSE Price Index	Effect on Income Before Tax and Equity Increase (Decrease)
2023	+14.75%	P942.29
	-14.75%	(942.29)
2022	+20.49%	P1,050.13
	-20.49%	(1,050.13)

The annual standard deviation of the PSE price index is approximately with 18.77% and 33.14% and with 99% confidence level, the possible change in PSE price index could be +/-14.75% and +/-20.49% in 2023 and 2022, respectively.

c. Price risk of mutual funds

The Group is exposed to the risk of changes in the fund's net asset value (NAV) due to its market risk exposures.

The sensitivity analysis demonstrates management's best estimate of the impact of reasonably possible change in NAV, with all other variables held constant.

The table below shows the impact on income before income tax and equity of assumed changes in NAV. A negative amount in the table reflects a potential reduction on income before income tax or equity while a positive amount reflects a potential increase on income before income tax or equity.

The impact of the change in mutual fund prices are as follows (in millions):

Mutual Funds	Change in NAV	Effect on Income Before Tax and Equity Increase (Decrease)
2023	+10.00%	P259.19
	-10.00%	(259.19)

Mutual Funds	Change in NAV	Effect on Income Before Tax and Equity Increase (Decrease)
2022	+10.00%	₱224.17
	-10.00%	(224.17)

d. Foreign currency risks

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rate. The Group's exposure arises primarily from investments in foreign currency-denominated debt investments and equity securities.

The Company and a subsidiary's foreign exchange risk arises primarily from investments in foreign currency - denominated debt and equity securities. To minimize income volatility due to exchange rate movements, liquid investments are held in a basket of currencies, including Philippine peso and other major currencies such as U.S. dollar, Australian dollar and Japanese Yen. This also enables the Company and a subsidiary to access investment opportunities in those currencies.

On borrowings, it is the Company's group-wide policy for its subsidiaries to minimize any foreign exchange risks. Thus, all borrowings, whether short-term or long-term, in general, should be in Philippine peso. Any foreign currency borrowings may be engaged only if matched by the entities' corresponding currency revenue flows or by a foreign currency asset. As such, PRI and SSRLI can borrow in U.S. dollar as their revenues are dollar-based. It is also the policy of the Group to minimize any foreign exchange exposure in its management of payables. Any substantial exposure is covered by foreign exchange contracts, if necessary.

The analysis discloses management's best estimates of the effect of reasonably possible movement of the currency rate against the Philippine peso on income before tax. It assumes that all other variables remain constant. The impact of the change in currency rates are as follows (in millions):

2023	Change in Currency Rate	Effect on Income Before Tax and Equity Increase (Decrease)
US Dollar	+7.80%	₱412.15
	-7.80%	(412.15)

2022	Change in Currency Rate	Effect on Income Before Tax and Equity Increase (Decrease)
US Dollar	+7.44%	₱15.36
	-7.44%	(15.36)

e. Copper rod price risk

The PDP Group uses copper rods in the manufacturing of its products. Copper rods component represents a significant portion of the cost of each unit produced. Average monthly purchase of

copper rods amounted to ₱516.9 million, with an average quantity of about 1,103 metric tons in 2023 and ₱638.0 million, with an average quantity of about 1,255 metric tons in 2022.

Copper rods are priced based on the London Metal Exchange prices and are affected by the volatility in the price of metal in the world market. The following table represents the effect on income before tax and equity of the reasonably possible change in metal prices, as they affect prices of copper rods, with all other variables held constant.

The impact of the change in copper prices are as follows (in millions):

	% Change in Copper Rod Prices	Effect on Income Before Income Tax and Equity Increase (Decrease)
2023	+4.83	(₱53.4)
	-4.83	53.4
2022	+4.13	(₱45.13)
	-4.13	45.13

PDP Group's exposure to price risk on copper rod purchases is managed through back-to-back purchase of rods versus sales orders, average pricing on the firm orders like automobile wire products with long-term contracts, and obtaining orders from contractors with a fixed price or locked-in contracts with a specified period.

Capital management

The primary objective of the Group's capital management is to ensure an adequate return to its shareholders and to maximize its value to its shareholders. In pursuance of this goal, the Group establishes an optimum risk-return investment objectives through a sound diversified investment portfolio and in ensuring a fair credit rating, the Group establishes prudent financial policies through appropriate capitalization ratios in its investments and maintain reasonable liquidity.

The Group monitors capital on the basis of the carrying amount of equity as presented on the face of the consolidated statements of financial position.

No changes were made in the objectives, policies or process for the years ended December 31, 2023 and 2022.

29. Financial Instruments

Categorization of Financial Instruments

December 31, 2023	At Amortized Cost	Financial Assets at FVPL	Financial Assets at FVOCI	Total
Cash and cash equivalents	P3,027,406,563	P—	P—	P3,027,406,563
FVPL investments	—	13,186,171,800	—	13,186,171,800
FVOCI investments	—	—	57,636,746	57,636,746
Receivables*	2,584,051,551	—	—	2,584,051,550
	P5,611,458,114	P13,186,171,800	P57,636,746	18,855,266,660

*Including notes receivable amounting to P416.7 million.

December 31, 2022	At Amortized Cost	Financial Assets at FVPL	Financial Assets at FVOCI	Total
Cash and cash equivalents	P2,948,401,655	P—	P—	P2,948,401,655
FVPL investments	—	12,046,804,002	—	12,046,804,002
FVOCI investments	—	—	41,453,401	41,453,401
Receivables*	2,486,279,337	—	—	2,486,279,337
	P5,434,680,992	P12,046,804,002	P41,453,401	P17,522,938,395

*Including notes receivable amounting to P245.8 million.

Fair Values of Financial Assets and Financial Liabilities

The carrying amounts of cash and cash equivalents, receivables, notes payable, dividends payable, current portion of lease liabilities and accounts payable and accrued expenses approximate their fair values due to the short-term maturity of these financial instruments.

The carrying values of long-term debt, which have floating rates with quarterly repricing, approximate their fair values.

FVPL and FVOCI investments are carried at fair value. The following methods and assumptions were used to estimate the fair values:

- FVPL quoted equity shares, investments in bonds, funds and equities, proprietary shares and others are derived from quoted market prices in active markets.
- FVOCI investments in bonds are derived from quoted market prices in active markets.
- FVPL investment in KSA are based on the discounted cash flow (DCF) model (income approach). The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, the discount rate, and growth rate. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for this unquoted equity investment.
- FVPL investments in private equity funds are valued using the adjusted net asset method. The underlying investments under these private equity funds are carried at fair value. Other FVPL investments in unquoted equity shares are based on prices and other relevant information generated by market transactions involving identical and comparable assets, liabilities or a group of assets and liabilities, such as business. The valuation requires management to use market multiples derived from a set of comparables. Multiples might be in ranges with a different multiple for each comparable. The selection of the appropriate multiple within the range requires judgement, considering qualitative and quantitative factors specific to the measurement.

The following tables provide the Group's fair value measurement hierarchy of its assets:

		Fair Value Measurement Using		
		Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2023	Total			
FVPL investments:				
Quoted equity shares	P7,026,985,641	P7,026,985,641	P—	P—
Unquoted equity shares	2,921,429,748	—	1,752,993,887	1,168,435,861
Funds and equities	2,459,415,391	—	2,459,415,391	—
Proprietary shares	625,177,073	—	625,177,073	—
Bonds	147,453,547	147,453,547	—	—
Others	5,710,400	5,710,400	—	—
	13,186,171,800	7,180,149,588	4,837,586,351	1,168,435,861
FVOCI investments	57,636,746	57,636,746	—	—
	P13,243,808,546	P7,237,786,334	P4,837,586,351	P1,168,435,861

		Fair Value Measurement Using		
		Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2022	Total			
FVPL investments:				
Quoted equity shares	P6,334,416,035	P6,334,416,035	P—	P—
Unquoted equity shares	2,885,848,761	—	1,696,874,762	1,188,973,999
Funds and equities	2,139,724,268	—	2,139,724,268	—
Proprietary shares	518,127,073	—	518,127,073	—
Bonds	162,948,774	162,948,774	—	—
Others	5,739,091	5,739,091	—	—
	12,046,804,002	6,503,103,900	4,354,726,103	1,188,973,999
FVOCI investments	41,453,401	41,453,401	—	—
	P12,088,257,403	P6,544,557,301	P4,354,726,103	P1,188,973,999

Description of significant unobservable inputs to valuation of investment in KSA classified under Level 3 (amounts in millions):

2023:

	Valuation Technique	Significant Unobservable inputs	Range	Sensitivity of Input to Fair Value
KSA	DCF Model	Dividend payout is P95.8 million with 4% annual increase	3% to 5%	3%: fair value of P833 5%: fair value of P1,047
		Liquidity discount of 20%	10% to 30%	10%: fair value of P1,043 30%: fair value of P812
		Cost of equity of 12.78%	11.78% to 13.78%	11.78%: fair value of P1,042 13.78%: fair value of P836

2022:

	Valuation Technique	Significant Unobservable inputs	Range	Sensitivity of Input to Fair Value
KSA	DCF Model	Dividend payout is P100.7 million with 5% annual increase	0% to 5%	0%: fair value of P649 5%: fair value of P1,045
		Liquidity discount of 20%	10% to 30%	10%: fair value of P1,175 30%: fair value of P914
		Cost of equity of 13.20%	12.20% to 14.20%	12.20%: fair value of P1,185 14.20%: fair value of P936

An increase in the expected lease income of KSA would increase the dividend payout, which would lead to an increase in the fair value of the investment in KSA.

As at December 31, 2023 and 2022, the carrying value of the investment in KSA amounts to P927.4 million and P1,021.7 million, respectively. The Company recognized an unrealized loss of P94.3 million in 2023 (nil in 2022 and 2021).

For the years ended December 31, 2023, 2022 and 2021, there were no transfers other than those mentioned above.

30. Contracts and Agreements

Anscor

- a. On November 29, 2019, the Company entered into a lease agreement with ATR Asset Management, Inc., ATRAM Trust Corporation and MET Holdings, Inc. for the lease of its condominium unit commencing on the agreement date until April 30, 2021. The contract was renewed for another five (5) years effective May 1, 2021, and the Company will receive monthly rental payments of P1.2 million, which is subject to 5% escalation rate starting May 1, 2022.

The Company recognized rental income amounting to P13.7 million, P13.2 million, and P12.8 million in 2023, 2022 and 2021, respectively (see Notes 15 and 23).

IAI

- a. On August 23, 2006, IAI entered into a Maintenance Service Plan (MSP) with Honeywell for the latter to service IAI's additional aircraft engine acquired in 2007. Under the terms of the programs, IAI agrees to pay a fee computed at a rate of the engine's actual operating hours or the minimum operating hours, subject to annual escalation. The engine shall be shipped to the United States to undergo repairs and maintenance as necessary by a Honeywell authorized service center. Deposits for the MSP as at December 31, 2023 and 2022 are both at nil, and included as part of "Other noncurrent assets" account in the consolidated balance sheets.
- b. IAI entered into a lease or concessionaire agreement with Manila International Airport Authority (MIAA) which granted IAI to operate as an aircraft hangar and conduct fixed base operations within the leased premises. The agreement shall be effective for a period of one (1) year commencing on January 1, 2016. After the end of the first year, the lease is automatically renewed until IAI is permitted to stay in Ninoy Aquino International Airport (NAIA) Complex. IAI will continue to operate at NAIA Complex by virtue of the Certificate of Public Convenience and Necessity (CPCN) to operate Domestic Scheduled Air Transportation Services issued on March 31, 2017 and

valid from March 1, 2017 up to February 28, 2022. On March 28, 2022, the CPCN was renewed for a period of 5 years, effective from March 1, 2022 up to February 28, 2027.

On October 15, 2019, MIAA issued a memorandum stating that all general aviation operations be transferred to other alternate airports to ease the traffic congestion at the NAIA Complex. MIAA gave general aviation companies until May 31, 2020 to vacate and turn over the leased premises.

IAI continues to operate in the leased premises after May 31, 2020 and the lease agreement was converted to a month-to-month basis starting June 1, 2020.

On January 28, 2021, IAI received a letter from MIAA stating that should IAI desire to renew the agreement, documentary requirements must be submitted on or before February 15, 2021 and that IAI should provide its best lease offer. Rent expense in 2021 and 2020 amounted to ₱5.2 million and ₱1.5 million.

At the beginning of February 2021, Federation of Aviation Organization, of which IAI is a member, sent a letter proposal to MIAA for the best lease offer price which was agreed by all of its members.

A new lease arrangement between MIAA and ASAC was executed on April 21, 2022 effective for a period of three years starting January 1, 2022 to December 31, 2024 or earlier depending on MIAA's development plan affecting the area. The contract may be renewed or extended only upon the written agreement by the parties on such terms and conditions as they may be mutually agreed upon. The new lease arrangement between MIAA and ASAC superseded the month-to-month arrangement between MIAA and IAI.

	2023	2022
<i>Cost</i>		
Beginning/Ending balance	₱17,652,622	₱–
Additions	–	17,652,622
Ending balance	17,652,622	17,652,622
<i>Accumulated Amortization</i>		
Beginning balance	(5,884,207)	–
Amortization for the year	(5,884,208)	(5,884,207)
Ending balance	(11,768,415)	(5,884,207)
Net Book Value	₱5,884,207	₱11,768,415

Set out below is the carrying amount of lease liability and its movement:

	2023	2022
Beginning balance	₱12,221,196	₱–
Additions for the year	–	17,652,621
Accretion of interest	532,022	760,575
Lease payments	(6,192,000)	(6,192,000)
	6,561,218	12,221,196
Less current portion of lease liability	6,561,218	5,845,738
Noncurrent portion of lease liability	₱–	₱6,375,458

The future aggregate minimum lease payments under the said lease are as follows:

	2023	2022
Not later than 1 year	P6,569,093	P6,377,760
More than 1 year but not later than 5 years	–	6,569,093
	P6,569,093	P12,946,853

- c. On November 7, 2022, the Board approved the acquisition of two (2) twin Otter aircraft from Viking Air Limited (VAL). On the same date, the Board authorized IAI to avail a 10-year loan amounting to P1.0 billion from Banco De Oro (BDO) with variable or floating interest rate for the first two (2) years and an interest (for evaluation whether fixed, variable or a combination of both) for the succeeding years.
- d. On November 29, 2022, IAI entered into a purchase agreement with VAL to acquire two Twin Otter aircraft with a total purchase price P965.47 million (US\$17.07 million). As of December 31, 2022, IAI deposited to VAL advance payment based on the payment milestone for the aircraft amounting to P245 million funded by advances from SSRLI.
- e. In 2023, these advances were applied upon the finalization of the purchase of the aircrafts.

SSRLI and PRI

- a. On January 9, 2007, SSRLI and the Philippine Economic Zone Authority (PEZA) signed a Registration Agreement declaring SSRLI as an Ecozone Developer/Operator, entitling SSRLI to establish, develop and construct the villas and to operate the Ecozone. SSRLI is entitled to four-year income tax holiday and tax-free importation of machineries and equipment on PEZA-covered registered activities under the Registration Agreement.

On December 18, 2009, SSRLI's resort operations have been registered with PEZA to engage in the renovation and expansion of Amanpulo Resort at the Pamalican Island Tourism Ecozone. SSRLI's resort operations are entitled to 5% gross income tax on revenues generated from foreign clients and regular income tax on non-foreign clients under the Registration Agreement.

On July 1, 2011, PRI took over the resort operations of SSRLI. On the same date, PEZA approved PRI's application for registration as a locator at the Pamalican Island Ecozone Tourism Zone. SSRLI also transferred in the name of PRI all resort operation-related contracts entered into with related parties and third parties, including its long-term loans with a bank, except for the foreshore lease contract with the Department of Environment and Natural Resources (DENR) which is nontransferable.

On October 3, 2012, PRI entered into an operating lease agreement with SSRLI covering all rights and interests in resort-related assets, which include land, land improvements and buildings for a period of 20 years beginning July 1, 2011. Annual lease rental amounted to P53.5 million, payable within the first five days at the beginning of each quarter.

Effective January 1, 2016, the annual rental fee upon mutual agreement of both parties was reduced to P42.8 million.

- b. On February 18, 2011, the BOD of the Company approved the Company's acquisition of additional shares from the shareholders of SSRLI. The acquisition increased the ownership of the Company from 46.79% to 62.30% of the total outstanding common and preferred shares of SSRLI. Total

acquisition price for the additional shares is US\$5.9 million (P255.9 million) cash consideration plus the fair value of the 46.79% investment amounting to P302.7 million. Goodwill recognized from the acquisition amounted to P99.3 million (see Note 7).

- c. Since 1995, the Company charges a monthly fee amounting to US\$15,000 or its Peso equivalent for the Company's general, administrative, treasury, tax and legal services rendered to PRI.

Starting January 1, 2018, both parties mutually agreed to a monthly fee amounting to P650,000 (eliminated in the consolidated statements of comprehensive income), inclusive of VAT. AHI also charges PRI for a monthly fee of P100,000 (eliminated in the consolidated statements of comprehensive income), inclusive of VAT. Effective August 2021, P375,000 (inclusive of VAT) is billed by AHI to PRI and the same amount is charged by the Company by PRI.

- d. PRI executed in the past an Operating and Management Agreement (OMA) with Amanresorts Management, B.V. (AMBV, the Operator of Amanresorts), a company based in Amsterdam, the Netherlands, for a fee of 5% of PRI's gross operating profits, as defined in the OMA. The OMA provides for, among others, the reimbursements by PRI to Amanresorts of all costs and expenses incurred by the latter in connection with the management and operation of the resort and a reserve cash funding equivalent to 3% of gross revenues, which will be used to cover the cost of replacements, renewals, and additions to furniture, fixtures and equipment.

On June 24, 2013, both parties have mutually entered into a new OMA, effective on the same date, in which PRI will pay a basic fee amounting to 4% of gross revenue and an incentive fee of 10% based on the gross operating profit collectively known as "Management fee". In addition to the management fees discussed, PRI shall also reimburse AMBV for all costs and expenses incurred by AMBV directly in connection with rendering services under the new OMA.

Likewise, a Marketing Service Agreement (MSA) was entered into by PRI with Amanresorts Services Limited (ASL) with marketing fee charges of 3% of PRI's annual gross hotel revenues. On June 24, 2013, both parties mutually entered into a new marketing services agreement of the same terms and conditions, except for a lower marketing fee rate of 1% of gross revenue from 3%.

On June 24, 2011, PRI also executed a Reservation Service Agreement with Hotel Sales Services Ltd. (HSSL), a company established in British Virgin Islands, in which PRI will pay the latter a monthly fee of 6.5% on gross accommodation charges for all realized bookings processed through HSSL's central sales and reservation offices with the exception of bookings made through the Global Distribution System (GDS) in which PRI will pay US\$100 per booking. An annual maintenance fee of US\$1,000 shall also be paid to HSSL.

On October 10, 2014, PRI and HSSL executed a new agreement, effective January 1, 2015, with similar terms as the original agreement, except for a higher annual maintenance fee which increased to US\$3,000 from US\$1,000 and a lower transaction fee for GDS Network bookings for US\$100 from US\$300.

PRI also obtained from Amanresorts I.P.R.B.V. (AIPRBV), a company incorporated in Amsterdam, the Netherlands, the nonexclusive license to use the Amanresorts Marks in connection with the operation of the Resort for a monthly fee of US\$1,000.

The OMA, marketing and license contracts will expire on the thirty first (31st day) of December of the fifth full calendar year following their commencement. Further, AMBV has the option to extend the operating term for a period of five years from the date of its expiration.

On January 18, 2018 and March 9, 2018, the Aman Group notified PRI of the assignment of the OMA, MSA and RSA, among others, to Aman Group S.A.R.L., a company incorporated in Switzerland.

On November 28, 2018, Aman Group issued a Notice of Extension to PRI containing its election and intention to extend the operating term with PRI for a period of five (5) years or until December 31, 2023 from the date of expiration, which was on December 31, 2018, under the same terms and conditions as contained in the management agreement.

Total fees related to these agreements amounted to ₱117.07 million, ₱98.1 million and ₱75.1 million in 2023, 2022 and 2021, respectively.

- e. PRI entered into an agreement with IAI wherein the latter will provide regular air transport service to PRI. IAI shall charge PRI a fixed round trip rate, subject to an annual review by both parties, with a guarantee that all IAI's operating cost will be covered. The agreement has a duration of three (3) years and was executed effective July 1, 2011. The agreement was renewed for another three (3) years on February 13, 2015. The duration of the contract may be extended upon such terms and condition as may be mutually agreed by both parties.

On February 15, 2018, both parties entered into a renewal agreement which shall have a duration of not less than three (3) years unless otherwise pre-terminated. This was subsequently renewed for another three (3) years, i.e., until February 2024.

- f. PRI entered into a lease agreement with IAI for the guest lounge, purchasing office including storage space and vehicle parking lots. In addition, in 2020, PRI entered into short-term lease agreements with IAI for PRI's disinfecting and rapid testing area, isolation area, staff room and additional vehicle parking slots.

In 2022, the Company renewed its lease agreements with IAI for the Company's disinfecting and rapid testing area, isolation area, staff room and additional vehicle parking slots. These lease agreements are subjected to a lease term of one year or less.

On April 21, 2022, a new lease arrangement between Manila International Airport Authority (MIAA) and A. Soriano Air Corporation (ASAC) was executed effective for a period of three years starting January 1, 2022 to December 31, 2024. This new lease agreement between MIAA and ASAC superseded the month-to-month arrangement between MIAA and IAI. Accordingly, all the existing lease agreements between IAI and the Company was terminated. New lease agreements was executed between the Company and ASAC starting August 1, 2022. These lease agreements are subjected to a lease term of one year or less.

Total rent expense (eliminated in the consolidated profit or loss) relating to these lease agreements amounted to ₱4.07 million and ₱3.84 million in 2023 and 2022, respectively.

- g. On July 1, 2011, PRI entered into management agreements with the villa owning companies wherein it shall provide general maintenance and accounting and administrative services for the villas. PRI shall also be responsible for the marketing and promotion of the villas. In return for these services, PRI shall be entitled to 50% of the net villa rental proceeds. PRI shall also receive reimbursements of costs, with 15% handling fees (except for utilities, which are not subject to handling fees), incurred in providing services to the villa guests. PRI's share in the net villa rental proceeds including handling fees amounted to ₱228.7 million, ₱193.0 million and ₱164.0 million in 2023, 2022 and 2021,

respectively, and presented as “Services” revenue account in the consolidated statements of comprehensive income.

As part of the agreement, PRI will also receive a fund which shall be used for future maintenance requirements of the villas. As at December 31, 2023 and 2022, the restricted fund amounted to ₱86.57 million and ₱82.72 million, respectively, which is included under “Other noncurrent assets” and “Other noncurrent liabilities” in the consolidated balance sheets (see Note 16).

- h. In November 2005, the DENR awarded to SSRLI the use of the foreshore land surrounding the Pamalican Island, where Amanpulo Resort is situated. The award has a duration of 25 years which may be renewed for another full period at the option of SSRLI. Annual rent shall be paid in advance on or before the 16th day of November every year.
- i. In 2014, SSRLI entered into a Construction Service Contract (Service Contract) with the PEZA-registered villa owners in which SSRLI shall provide project management general and specific administration and supervision over the preconstruction and construction stages of the Project. The villa owners shall pay SSRLI a handling fee which represents 15% of the actual project cost during the villa construction or renovation. As there are no ongoing projects, no handling fee was recognized in 2023, 2022 and 2021.
- j. Starting 2013, SSRLI has property development in progress, which pertains to the costs related to the development of various projects. As at December 31, 2023 and 2022, total property development in progress mainly for Phase 4 villa development amounted to ₱18.7 million and ₱26.9 million, respectively.

PDIPI and Subsidiaries

- a. The Company has a management contract with Phelps Dodge Philippines Energy Products Corporation (PDPEPC). Under the management agreement between the parties, the Company, as compensation to managerial and administrative services rendered to PDPEPC, shall bill the latter for management fees equivalent to 50% of 15% of audited income before tax and management and technical assistance fees of PDE (VAT inclusive). As per renewal of the agreement, amendments in the management fee billings has takes place in which the fixed fee is no longer available. Due from PDP Energy (eliminated in the consolidated balance sheets) amounted to ₱23.5 million and ₱44.7 million as at December 31, 2023 and 2022, respectively. Management fees (eliminated in the consolidated profit or loss) amounted to ₱99.4 million, ₱100.1 million, and ₱103.6 million in 2023, 2022 and 2021, respectively.

A new management contract was executed effective January 1, 2022, that this agreement shall continue for a period of five years from the effective date.

- b. In 2012, PDP Energy entered into a contract of lease with a third party for the lease of its office building. The term is for a period of five years and renewable at the option of both parties. Set out below are the carrying amount of right-of-use asset recognized as at December 31, 2023 and 2022, and the movement during the period.

	2023	2022
<i>Cost</i>		
Beginning/Ending balance	P35,792,042	P35,792,042
Additions	49,093,056	–
Ending balance	84,885,098	35,792,042
<i>Accumulated Amortization</i>		
Beginning balance	30,140,668	22,605,501
Amortization for the year	8,106,027	7,535,167
Ending balance	38,246,695	30,140,668
Net Book Value	P46,638,403	P5,651,374

Set out below is the carrying amount of lease liability and its movements in 2023 and 2022:

	2023	2022
Beginning balance	P6,995,116	P16,600,449
Additions	49,093,056	–
Accretion of interest	1,550,067	1,618,916
Lease payments	(10,139,931)	(11,224,249)
	47,498,308	6,995,116
Less current portion of lease liability	12,202,067	4,288,032
Noncurrent portion of lease liability	P35,296,241	P2,707,084

Operating lease commitments- PDP Energy as lessee

The future aggregate minimum lease payments under the said lease are as follows:

	2023	2022
Not later than 1 year	P10,583,855	P7,729,869
More than 1 year but not later than 5 years	39,869,520	–
	P50,453,375	P7,729,869

31. Changes in Liabilities Arising from Financing Activities

December 31, 2023

	December 31, 2022	Cash Flows for Availment	Cash Flows for Repayments	Dividend Declaration	Noncash Movement	Accretion of Interest	December 31, 2023
Dividends payable	P501,959,779	–	(P1,103,154,257)	P1,227,570,239	(P56,000,000)	–	P570,375,761
Long-term debt	–	1,000,000,000	–	–	–	–	1,000,000,000
Notes payable	–	–	–	–	–	–	–
Lease liabilities	19,216,312	–	(259,607)	–	–	7,486	18,964,191
Total liabilities from financing activities	P521,176,091	1,000,000,000	(P 1,103,413,864)	1,227,570,239	(P56,000,000)	7,486	P1,589,339,952

December 31, 2022

	December 31, 2021	Cash Flows for Availment	Cash Flows for Repayments	Dividend Declaration	Noncash Movement	Accretion of Interest	December 31, 2022
Long-term debt	P519,529,172	P-	(P1,189,139,632)	P1,227,570,239	(P56,000,000)	P-	P501,959,779
Notes payable	75,714,286	-	(75,714,286)	-	-	-	-
Dividends payable	23,166,200	23,166,200	(23,166,200)	-	(23,166,200)	-	-
Lease liabilities	16,600,449	-	(17,416,249)	-	17,652,621	2,379,491	19,216,312
Total liabilities from financing activities	P635,010,107	P23,166,200	(P1,305,436,367)	P1,227,570,239	(P61,513,579)	P2,379,491	P521,176,091

December 31, 2021

	December 31, 2020	Cash Flows for Availment	Cash Flows for Repayments	Dividend Declaration	Noncash Movement	Foreign Exchange Movement	Accretion of Interest	December 31, 2020
Long-term debt	P227,142,857	P-	(P151,428,571)	P-	P-	P-	P75,714,286	P227,142,857
Notes payable	23,166,200	23,166,200	-	-	(23,166,200)	-	23,166,200	23,166,200
Dividends payable	366,069,163	-	(725,217,672)	920,677,681	(42,000,000)	-	519,529,172	366,069,163
Lease liabilities	24,130,777	-	(9,421,290)	-	-	1,890,962	16,600,449	24,130,777
Total liabilities from financing activities	P640,508,997	P23,166,200	(P886,067,533)	P920,677,681	(P65,166,200)	P1,890,962	P635,010,107	P640,508,997

32. Other Matters

- ASAC is a defendant in labor lawsuits and claims. As at December 31, 2019, management has provisions for losses amounting to P5.7 million that may be incurred from these lawsuits. In 2020, ASAC reversed the provisions in full as management assessed that the claim is no longer probable due to the prescription of the period from which the complainants may file an independent action to re-open the labor lawsuits. The 10-year prescriptive period ended on April 20, 2020.
- The Group have claims, commitments, litigations and contingent liabilities that arise in the normal course of their operations which are not reflected in the consolidated financial statements. Management is of the opinion that as at December 31, 2023 and 2022, losses, if any, from these commitments and contingencies will not have a material effect on the consolidated financial statements.
- The other information usually required by PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, are not disclosed as they may prejudice the Group's negotiation with third parties.

33. Notes to Consolidated Statements of Cash Flows

The Group's investing activities in 2022 are as follows:

- 2021 additions to property and equipment amounting to P197.57 million was paid in 2022.

The Group's noncash investing activities in 2021 are as follows:

- Additions to property and equipment amounting to P197.57 million; and
- Loans amounting to P23.2 million were rolled-over for another year.

34. Subsequent Events

Anscor

- On February 28, 2024, the BOD approved the declaration of cash dividend of ₱0.50 per common share, payable on March 25, 2024 to common stockholders of record as at March 19, 2024.

PDP

- On February 27, 2024, the BOD of PD Energy approved the declaration of ₱450.0 million cash dividend to PDIPI representing ₱6.96 per share, payable as follows:

₱350 million - payable on or before March 19, 2024

₱100 million - payable on or before July 28, 2024

On February 27, 2024, the Board of Directors of PDIPI approved the declaration of ₱450.0 million cash dividend to its stockholders of record as of February 29, 2024 representing ₱5.08 per share, payable as follows:

₱350 million - payable on or before March 22, 2024

₱100 million - payable on or before July 31, 2024

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Board of Directors and Stockholders
A. Soriano Corporation
7th Floor, Pacific Star Building
Makati Avenue corner Gil Puyat Avenue Extension
Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of A. Soriano Corporation and its subsidiaries (the Group) as at December 31, 2023 and 2022, and for each of the three years in the period ended December 31, 2023, included in this Form 17-A and have issued our report thereon dated February 28, 2024. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Dhonabee B. Señeres
Partner
CPA Certificate No. 97133
Tax Identification No. 201-959-816
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
BIR Accreditation No. 08-001998-098-2023, September 12, 2023, valid until September 11, 2026
PTR No. 10082016, January 6, 2024, Makati City

February 28, 2024

A. SORIANO CORPORATION AND SUBSIDIARIES
INDEX TO THE SUPPLEMENTARY SCHEDULES
DECEMBER 31, 2023

- Annex A: Reconciliation of Retained Earnings Available for Dividend Declaration
- Annex B: Map Showing the Relationships Between and Among the Company and its Ultimate Parent Company, Middle Parent, Subsidiaries or Co-subsidiaries, Associates, Wherever Located or Registered
- Annex C: Supplementary Schedules Required by Annex 68-J
- Schedule A. Financial Assets
 - Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)
 - Schedule C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements
 - Schedule D. Long-term Debt
 - Schedule E. Indebtedness to Related Parties
 - Schedule F. Guarantees of Securities of Other Issuers
 - Schedule G. Capital Stock

A. SORIANO CORPORATION

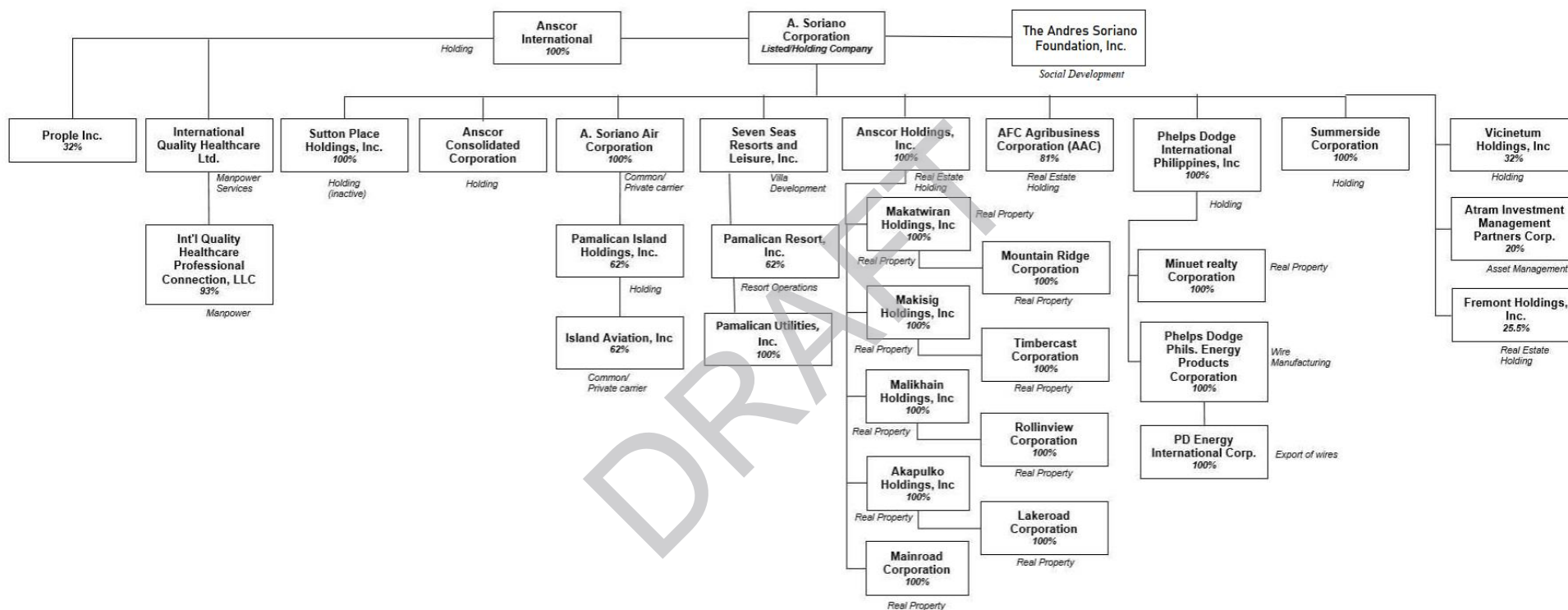
**SUPPLEMENTARY SCHEDULE OF RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION
DECEMBER 31, 2023**

Unappropriated retained earnings, December 31, 2022		₱6,799,974,696
Less dividend declaration during the reporting period	(2,500,000,000)	
Exchange gains (except attributable to cash and cash equivalents) and deferred tax assets	(2,808,601,118)	(5,308,601,118)
Unappropriated retained earnings, as adjusted		1,491,373,578
Add net income for the current year		3,314,329,144
Less: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Unrealized fair value adjustments (mark-to-market) of financial instruments at fair value through profit or loss (FVTPL)	(952,283,517)	
Add: Unrealized income recognized in the profit or loss in prior reporting period but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to cash and cash equivalents	42,592,099	
Add: Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of deferred tax assets	(1,341,168)	(911,032,586)
Total retained earnings available for dividend declaration, December 31, 2023		₱3,894,670,136

A. SORIANO CORPORATION AND SUBSIDIARIES

GROUP STRUCTURE

DECEMBER 31, 2023



A. SORIANO CORPORATION AND SUBSIDIARIES
SCHEDULE A - FINANCIAL ASSETS (Note 1)
FOR THE YEAR ENDED DECEMBER 31, 2023
(Amounts in PHP)

Name of issuing Entity and association of each issue	Number of shares or Principal Amount of Bonds and Notes	Amount shown in the Balance Sheet	Value Based on Market Quotations at end of reporting period	Income received & Accrued (Note 2)
	Face Amount	Amount in PHP	Amount in PHP	Amount in PHP
FVPL INVESTMENTS				
QUOTED EQUITY SHARES				
Aboitiz Power Corporation	797,000	30,126,600	30,126,600	2,387,706
AC Energy	1,114,270	4,880,502	4,880,502	(3,521,664)
Ayala Corporation	613,090	417,514,290	417,514,290	(2,456,723)
Ayala Land Inc.	1,148,500	39,565,825	39,565,825	4,620,171
Bank of Phil. Islands	326,030	33,841,914	33,841,914	3,909,515
BDO Unibank Inc.	290,000	37,845,000	37,845,000	6,858,227
Bloomerry Resorts Corporation	3,298,400	32,456,256	32,456,256	4,905,310
GT Capital Holdings, Inc.	52,850	31,181,500	31,181,500	3,226,081
I C T S I	21,389,602	5,278,953,774	5,278,953,774	1,227,529,394
iPeople Inc. "A"	93,301,439	685,765,533	685,765,533	56,980,197
Jollibee Foods Corp.	153,240	38,524,536	38,524,536	4,291,701
P L D T	27,070	34,622,530	34,622,530	2,101,400
SM Prime Holdings	815,000	26,813,500	26,813,500	1,984,540
Wilcon Depot Inc.	850,000	17,765,000	17,765,000	(5,392,584)
GRAB	793,172	148,003,444	148,003,444	10,276,884
AI - YMABS	447,868	169,125,437	169,125,437	64,673,977
		7,026,985,641	7,026,985,641	1,382,374,132
UNQUOTED EQUITY SHARES				
K S A Realty Inc	-	927,435,278	927,435,278	(94,273,795)
Naverger PE Fund 1	-	74,447,765	74,447,765	24,148,975
Naverger PE Fund 2	-	454,775,007	454,775,007	72,965,343
Sierra Madre	-	540,004,231	540,004,231	36,047,182
AP I Tycho Co-Invested Ltd	-	114,048,257	114,048,257	-
Asia Partners I	-	343,751,716	343,751,716	(21,702,455)
Asia Partners II	-	94,634,391	94,634,391	(12,803,501)
Third Prime Alpha III-A	-	61,059,600	61,059,600	697,662
Third Prime (Kafene B)	-	83,841,967	83,841,967	5,056
Third Prime (Kafene B-1)	-	44,710,611	44,710,611	(28,349)
Blue Voyant LLC	-	182,720,925	182,720,925	-
		2,921,429,748	2,921,429,748	(70,124,820)
FUNDS AND EQUITIES				
ATRAM_WisdomTree International Hedge-USD	15,751	36,620,859	36,620,859	4,585,021
ATRAM-Allianz Oriental Income AT-USD	3,598	44,520,804	44,520,804	2,897,418
ATRAM-iShares Core S&P 500 UCITS ETF-USD	1,784	49,587,600	49,587,600	4,188,028
ATRAM-iShares USD Corp Bond UCITS ETF-USD	13,604	78,677,326	78,677,326	3,005,986
ATRAM-iShares USD Treasury Bond 1-3yrs-USD	263,740	78,813,923	78,813,923	2,525,283
ATRAM-JPMorgan funds-USD Money Market-USD	268	1,668,675	1,668,675	2,157,076
ATRAM-Philippine Equity Smart Index Fund-PHP	986,249	95,161,076	95,161,076	(2,186,691)
ATRAM-RPGB 5 ¾ 03/07/28-PHP	₱121,000,000	120,164,449	120,164,449	7,041,088
ATRAM-RPGB 6 7/8 01/10/29-PHP	₱118,980,000	122,807,825	122,807,825	6,685,138
BS-Brookfield Super-Core Infra iCap Access Fund-	1,500,000	87,057,144	87,057,144	7,036,854
BS-Oaktree Alpha Credit Fund-USD	2,000,000	97,621,958	97,621,958	10,981,105
BS-Straits 10-KKR (BOS PE Healthcare GR 2017)-	3,027,486	208,351,385	208,351,385	8,268,354
MS-UBS USD Autocallable Stk-USD	-	266,500	266,500	-
UBS-A&Q Select SPC-USD	341	29,432,318	29,432,318	1,470,469
UBS-AB American Income Fund-USD	98,612	93,204,286	93,204,286	8,853,302
UBS-Adobe Ord-USD	405	13,378,666	13,378,666	8,821,762
UBS-Advanced Micro Devices Inc-USD	1,600	13,059,347	13,059,347	7,973,700
UBS-Alphabet Inc-Class A-USD	3,460	26,761,838	26,761,838	8,571,984
UBS-Amazon.Com Inc-USD	3,735	31,422,248	31,422,248	12,702,723
UBS-Apollo Debt Solutions BDC iCapital-USD	513	27,717,240	27,717,240	636,636
UBS-Apple Inc.-USD	1,625	17,323,127	17,323,127	7,558,134
UBS-Blackstone Private Credit Fund-USD	532	37,913,002	37,913,002	3,195,896

A. SORIANO CORPORATION AND SUBSIDIARIES
SCHEDULE A - FINANCIAL ASSETS (Note 1)
FOR THE YEAR ENDED DECEMBER 31, 2023
(Amounts in PHP)

Name of issuing Entity and association of each issue	Number of shares or Principal Amount of Bonds and Notes	Amount shown in the Balance Sheet	Value Based on Market Quotations at end of reporting period	Income received & Accrued (Note 2)
	Face Amount	Amount in PHP	Amount in PHP	Amount in PHP
UBS-BREIT iCap Offshore Access Fund-USD	408	36,594,466	36,594,466	393,642
UBS-Brevar Howard Alpha Strategies Fund-USD	4,500	24,606,539	24,606,539	(559,126)
UBS-Broadcom, Inc.-USD	250	15,451,691	15,451,691	3,841,808
UBS-Bull Capital Return Note-USD	200,000	10,763,097	10,763,097	(310,903)
UBS-CAP Int'l Fund Sicav-Grp Multi-Sec Inc-USD	143,370.55	88,116,544	88,116,544	5,149,676
UBS-Capital Credit Opportunities Fund Ltd-USD	400,000	22,393,404	22,393,404	23,924
UBS-Capital Int'l Fund-SICAV-Capital Group New-	57,908	72,656,702	72,656,702	6,016,137
UBS-Capital Return Note Citigroup-USD	200,000	10,958,830	10,958,830	(115,170)
UBS-Crowdstrike Holdings Inc-USD	1,075	15,197,349	15,197,349	8,689,192
UBS-Goldman Sachs Fund-India Equity-USD	12,332	23,406,263	23,406,263	3,022,815
UBS-Invesco Global Real Assets-USD	1,883	9,258,884	9,258,884	(1,153,072)
UBS-iShares JPMorgan USD EM Corp Bond-USD	169,137	54,289,576	54,289,576	2,285,119
UBS-iShares Plc-USD Corp Bond-USD	231,949	74,490,778	74,490,778	6,054,535
UBS-KKR Private Markets EquityFund-USD	20,000	29,102,472	29,102,472	1,417,472
UBS-Linden International Ltd A-USD	600	33,473,487	33,473,487	(80,733)
UBS-Man Funs PLC-GLG Japan-USD	2,191	13,896,427	13,896,427	747,302
UBS-Meta Platforms Ord Shares Class A-USD	1,280	25,086,419	25,086,419	21,767,547
UBS-Microsoft Corporation-USD	1,575	32,793,602	32,793,602	10,448,456
UBS-Morgan Stanley Inv Funds-Global Brands-USD	17,621	53,125,639	53,125,639	5,060,059
UBS-Ninety One Global Funds Strat. Funds-USD	26,694	66,082,741	66,082,741	7,723,744
UBS-NVIDIA Corporation-USD	635	17,411,910	17,411,910	12,232,253
UBS-Oracle Corporation-USD	500	2,918,830	2,918,830	308,270
UBS-Owl Rock Technology Income Corp-USD	581	37,278,662	37,278,662	4,056,665
UBS-Palu Alto Networks, Inc-USD	1,100	17,960,256	17,960,256	11,657,062
UBS-Partners Group Global Value SICAV-USD	3,973	37,218,642	37,218,642	3,361,079
UBS-PIMCO Funds Global Inv Ser PLC-INC FD-USD	82,681	78,559,558	78,559,558	5,978,821
UBS-PineBridge Global Funds-Asia Pacific-USD	104,331	70,214,507	70,214,507	3,770,507
UBS-Salesforce Ord Shrs-USD	1,225	17,848,326	17,848,326	11,570,046
UBS-Servicenow Inc-USD	400	15,647,341	15,647,341	8,518,677
UBS-Uber Technologies Inc-USD	2,400	8,181,914	8,181,914	6,340,071
UBS-VISA Inc-Class A-USD	1,845	26,596,744	26,596,744	4,900,171
SSRLI-JP Morgan	14,782	91,933,447	91,933,447	572,947
Ishares 1-3 Year	3,150	14,309,048	14,309,048	(13,731)
AHI-PLDT Series Y 10% Cumm. Pref.	4,200	46,452	46,452	-
AHI-PLDT Series BB 10% Cumm. Pref.	1,200	13,248	13,248	-
		2,459,415,391	2,459,415,391	76,330,193

BONDS

UBS-Jollibee Worldwide (JFC) 4.75% 2020-	\$ 300,000	15,725,634	15,725,634	1,491,498
UBS-MTN Bank of America Corp. 2.087%	\$ 200,000	9,798,497	9,798,497	402,909
UBS-MTN Morgan Stanley 2022.18.2028 Global S1-	\$ 250,000	14,515,660	14,515,660	668,260
SSRLI - RPKG 2 3/8 03/09/24	₱108,000,000	107,413,756	107,413,756	4,369,193
		147,453,547	147,453,547	2,562,667

PROPRIETARY SHARES

Alabang Country Club "A"	2	24,000,000	24,000,000	3,000,000
Alta Vista De Cebu (Vistamar)	1	450,000	450,000	50,000
Camp John Hay	2	600,000	600,000	200,000
Canlubang Golf & Country Club	2	7,000,000	7,000,000	1,000,000
Celebrity Sports Plaza	1	300,000	300,000	50,000
Club Filipino	1	350,000	350,000	50,000
Cresta Del Mar	1	68,000	68,000	-
Makati Sports Club "A"	1	1,100,000	1,100,000	(250,000)
Anscorcon - Manila Golf	1	120,000,000	120,000,000	15,000,000
Anscor - Manila Golf & Country Club	3	360,000,000	360,000,000	45,000,000
Manila Polo Club	1	45,000,000	45,000,000	18,127,500
Manila Southwoods "A"	1	4,000,000	4,000,000	1,000,000
Maybank ATR KIMENG Partners, Inc.	-	15,000	15,000	-

A. SORIANO CORPORATION AND SUBSIDIARIES
SCHEDULE A - FINANCIAL ASSETS (Note 1)
FOR THE YEAR ENDED DECEMBER 31, 2023
(Amounts in PHP)

Name of issuing Entity and association of each issue	Number of shares or Principal Amount of Bonds and Notes	Amount shown in the Balance Sheet	Value Based on Market Quotations at end of reporting period	Income received & Accrued (Note 2)
		Face Amount	Amount in PHP	Amount in PHP
Metropolitan Club	1	250,000	250,000	-
Orchard Golf & Country Club "C"	1	3,000,000	3,000,000	1,500,000
Orchards Golf Club "A"	1	2,300,000	2,300,000	1,200,000
Palms Country Club 'Class A'	1	2,000,000	2,000,000	500,000
Philippine Village Resort	1,000	5,000	5,000	-
PLDT	11,330	119,073	119,073	-
Puerto Azul	1	120,000	120,000	-
Sta Elena Properties'A'	3	45,000,000	45,000,000	19,500,000
Tagaytay Midlands Golf Club, Inc.	1	1,500,000	1,500,000	-
Anscor - Valle Verde Country Club	1	750,000	750,000	300,000
PDP - Valle Verde Country Club	3	2,250,000	2,250,000	(250,000)
Valley Golf Club	1	5,000,000	5,000,000	4,200,000
		625,177,073	625,177,073	110,177,500
OTHERS				
ACMDC	840,173	2,965,811	2,965,811	(92,419)
Central Azucarera de La Carlota	271	780	780	-
Manila Peninsula Hotels, Inc.	265,000	2,444,945	2,444,945	-
Meralco	636	253,764	253,764	63,727
PLDT Co - Pref	1,200	12,600	12,600	-
Realty Investment Inc	120,000	32,500	32,500	-
		5,710,400	5,710,400	(28,692)
TOTAL - FVPL INVESTMENTS		13,186,171,800	13,186,171,800	1,501,319,672
FVOCI INVESTMENTS				
BONDS				
UBS-Enel Finance 5% Notes 2022-15-06.2032-USD	\$ 250,000	13,501,836	13,501,836	563,596
UBS-General Motors 2.35% 2022.06.02.2027-USD	\$ 300,000	15,319,993	15,319,993	666,316
UBS-HSBC Holdings 2.206% 2021-17.08.2029-USD	\$ 300,000	14,512,846	14,512,846	549,905
UBS-SK Hynix Inc 6.375% Notes 17.01.2028-USD	\$ 250,000	14,302,071	14,302,071	107,902
		57,636,746	57,636,746	1,887,719
TOTAL - FVOCI INVESTMENTS		57,636,746	57,636,746	1,887,719
GRAND TOTAL - FINANCIAL ASSETS		13,243,808,546	13,243,808,546	1,503,207,391

Note 1 This account consists of investments that are designated as FVPL, FVOCI and held-for-trading investments.

Note 2 This column includes interest income, dividends and unrealized gain/loss in market value of FVPL investments charged to income in 2023

A. SORIANO CORPORATION
SCHEDULE B - AMOUNTS RECEIVABLE FROM OFFICERS, EMPLOYEES AND
RELATED INTEREST
FOR THE YEAR ENDED DECEMBER 31, 2023

Name and Designation of Debtor	Beginning Balance	Additions	Collections	Current	Not Current	Ending Balance
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NOT APPLICABLE

Aggregate indebtedness of the individual directors, officers, employees, and principal stockholders (other than related parties) are below P1,000,000.

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A. SORIANO CORPORATION AND SUBSIDIARIES
SCHEDULE C - AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE
ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Name and Designation of Debtor	Beginning of Period	Additions	Amounts Collected	Amount Written Off	Current	Non Current	Balance at End of Period
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A. SORIANO CORPORATION RECEIVABLES FROM ITS SUBSIDIARIES

Anscor Holdings, Inc.	26,495,068	-	26,171,403	-	323,665	-	323,665
Summerside Corporation	785,125	-	-	-	-	785,125	785,125
Seven Seas Resorts & Leisure Inc.	228,257	-	220,663	-	7,594	-	7,594
Pamalican Resorts, Inc.	410,740	8,147,321	8,522,321	-	35,740	-	35,740
Pamalican Island Holdings, Inc. (PIHI)	(599,593)	4,900	-	-	-	(594,693)	(594,693)
A. Soriano Air Coporation	36	-	-	-	-	36	36
Island Aviation Inc.	4,541,854	-	4,503,429	-	-	38,425	38,425
Anscor Consolidated Corporation	(134,477)	1,271,200,000	1,271,209,645	-	(144,122)	-	(144,122)
Phelps Dodge Philippines Energy Products Corporation	54,291,230	111,374,572	133,047,241	-	32,618,561	-	32,618,561
Phelps Dodge International Philippines, Inc.	-	339,500,000	339,500,000	-	-	-	-
AFC Agribusiness Corporation	20,870,398	4,678,398	-	-	4,678,398	20,870,398	25,548,796
Sutton Place Holdings	(8,738,479)	11,415	-	-	-	(8,727,064)	(8,727,064)
IQ Healthcare Investments Limited	7,156,720	12,428,356	-	-	12,428,356	7,156,720	19,585,076
Anscor International, Inc.	985,576,851	241,304,902	-	-	241,304,902	985,576,851	1,226,881,753
	1,090,883,730	1,988,649,864	1,783,174,702	-	291,253,094	1,005,105,798	1,296,358,892

RECEIVABLES BETWEEN PARENT/SUBSIDIARIES

A. SORIANO AIR CORP. (Conso)

Pamalican Resort Inc. (ASAC direct receivables)	995,771	152,620	-	-	1,148,391	-	1,148,391
Pamalican Resort Inc. (IAI direct receivables)	49,245,372	-	4,882,648	-	44,362,724	-	44,362,724
A. Soriano Corporation (PIHI direct receivables)	599,593	-	4,900	-	-	594,693	594,693
	50,840,736	152,620	4,887,548	-	45,511,115	594,693	46,105,808

ANSCOR CONSOLIDATED CORPORATION

A. Soriano Corporation	134,477	1,271,209,645	1,271,200,000	-	144,122	-	144,122
	134,477	1,271,209,645	1,271,200,000	-	144,122	-	144,122

SEVEN SEAS RESORTS & LEISURE INC. (Conso)

Island Aviation Inc. (direct receivable of PRI)	1,360,428	70,824	-	-	70,824	1,360,428	1,431,252
Pamalican Island Holdings, Inc. (direct receivable of Seven Seas)	65,000	-	-	-	-	65,000	65,000
Island Aviation Inc. (direct receivable of Seven Seas)	246,479,752	-	246,479,752	-	-	-	-
	247,905,180	70,824	246,479,752	-	70,824	1,425,428	1,496,252

SUTTON PLACE HOLDINGS, INC.. (Conso)

A. Soriano Corporation (direct receivable of Sutton)	8,738,479	-	11,415	-	-	8,727,064	8,727,064
	8,738,479	-	11,415	-	-	8,727,064	8,727,064

A. SORIANO CORPORATION AND SUBSIDIARIES
SCHEDULE C - AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE
ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Name and Designation of Debtor	Beginning of Period	Additions	Amounts Collected	Amount Written Off	Current	Non Current	Balance at End of Period
ANSCOR INTERNATIONAL (Conso)							
IQ Healthcare Investments Limited)	41,788,373	10,951,552	-	-	10,951,552	41,788,373	52,739,925
	41,788,373	10,951,552	-	-	10,951,552	41,788,373	52,739,925
Anscor Holdings, Inc.							
Seven Seas Resorts & Leisure Inc.	107,126	-	105,075	-	-	2,051	2,051
	107,126	-	105,075	-	-	2,051	2,051
Summerside Corporation							
Anscor Holdings, Inc.	2,029,490	-	9,714	-	-	-	2,019,776
	2,029,490	-	9,714	-	-	-	2,019,776
	351,409,384	11,174,996	251,493,504	-	56,533,491	52,537,609	111,090,876
PAYABLES BETWEEN PARENT/SUBSIDIARIES							
A. SORIANO AIR CORP. (Conso)							
A. Soriano Corporation	4,541,890	-	4,503,429	-	-	38,461	38,461
Pamalican Resort Inc. (direct payable of ASAC)	1,709,608	-	324,777	-	-	1,384,831	1,384,831
Seven Seas Resorts & Leisure Inc. (direct payable of PIHI)	65,000	-	-	-	-	65,000	65,000
Pamalican Utilities, Inc. (direct payable of ASAC)	-	35,014	-	-	35,014	-	35,014
Seven Seas Resorts & Leisure Inc. (direct payable of IAI)	246,479,752	(246,479,752)	-	-	-	-	-
Pamalican Resort Inc. (direct payable of IAI)	679,563	79,534	-	-	79,534	679,563	759,097
	253,475,813	(246,365,204)	4,828,206	-	114,548	2,167,855	2,282,403
SEVEN SEAS RESORTS & LEISURE INC. (Conso)							
A.Soriano Corporation (direct payable of PRI)	410,740	8,147,321	8,522,321	-	35,740	-	35,740
A.Soriano Corporation (direct payable of SSRLI)	228,257	-	220,663	-	-	7,594	7,594
Anscor Holdings, Inc. (direct payable of SSRLI)	107,126	-	105,075	-	2,051	-	2,051
Island Aviation, Inc. (direct payable of PRI)	49,266,305	-	4,571,607	-	44,694,698	-	44,694,698
	50,012,428	8,147,321	13,419,666	-	44,732,489	7,594	44,740,083
PHELPS DODGE INTERNATIONAL PRODUCTS PHILIPPINES, INC. (PDIPI) - Conso							
A. Soriano Corporation (direct payable of PDP Energy)	54,291,230	111,374,572	133,047,241	-	32,618,561	-	32,618,561
A. Soriano Corporation (direct payable of PDIPI)	-	339,500,000	339,500,000	-	-	-	-
	54,291,230	450,874,572	472,547,241	-	32,618,561	-	32,618,561
ANSCOR HOLDINGS INC. (Conso)							
Summerside Corporation	2,029,490	-	9,714	-	2,019,776	-	2,019,776
A. Soriano Corporation	26,495,068	-	26,171,403	-	-	323,665	323,665
	28,524,558	-	26,181,117	-	2,019,776	323,665	2,343,441

A. SORIANO CORPORATION AND SUBSIDIARIES
SCHEDULE C - AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE
ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Name and Designation of Debtor	Beginning of Period	Additions	Amounts Collected	Amount Written Off	Current	Non Current	Balance at End of Period
SUMMERSIDE CORPORATION (Conso)							
A. Soriano Corporation	785,125	-	-	-	-	785,125	785,125
	785,125	-	-	-	-	785,125	785,125
AFC AGRIBUSINESS CORPORATION							
A. Soriano Corporation	20,870,398	4,678,398	-	-	4,678,398	20,870,398	25,548,796
	20,870,398	4,678,398	-	-	4,678,398	20,870,398	25,548,796
ANSCOR INTERNATIONAL							
A. Soriano Corporation	985,576,851	241,304,902	-	-	241,304,902	985,576,851	1,226,881,753
	985,576,851	241,304,902	-	-	241,304,902	985,576,851	1,226,881,753
IQ HEALTHCARE INVESTMENT LIMITED							
A. Soriano Corporation	7,768,027	12,433,458	-	-	12,433,458	7,768,027	20,201,485
Anscor International	41,788,373	10,951,552	-	-	10,951,552	41,788,373	52,739,925
	49,556,400	23,385,010	-	-	23,385,010	49,556,400	72,941,410
	1,443,092,803	482,024,999	516,976,230	-	348,853,684	1,059,287,888	1,408,141,572

A. SORIANO CORPORATION AND SUBSIDIARIES
SCHEDULE D - LONG-TERM DEBT
AS OF DECEMBER 31, 2023
(Amounts in PHP)

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 - net of current portion" in related balance sheet
<i>Island Aviation, Inc.</i> Banco de Oro	1,000,000,000	-	1,000,000,000
Total	1,000,000,000	-	1,000,000,000

- a. On January 9, 2023, a Facility Agreement (IAI-BDO Loan) was executed between IAI and BDO, for a term loan in the aggregate principal amount of up to P1 billion. On the same date, the Continuing Suretyship (CS) in favor of BDO was jointly and severally irrevocably executed by SSRLI and PRI duly identified as the sureties to secure the due and full payment and performance of the Secured Obligations as defined in the CS. Further, on the same date, IAI availed a 10-year loan from BDO amounting to P450.0 million with an interest rate of 6.5657%. The amount loaned was used to pay for the advances received from SSRLI amounting to P406.0 million.
- b. On February 14, 2023, SSRLI, PRI, PUI (the three companies as Trustors) and AB Capital and Investment Corporation (as Trustee) executed the Amended and Restated Mortgage Trust Indenture (MTI). PRI and PUI are now parties to the MTI which was originally entered by SSRLI and the Trustee on November 29, 2005. The Trustors in the MTI are now parties to the Mortgage Obligations for the IAI Loan with BDO Unibank Inc. (BDO). The Mortgaged properties include certain assets with an appraised value of at least 167% of the outstanding loan of IAI with BDO.
- c. On November 20, 2023, BDO and the Company agreed to adjust the interest rate to the higher of (a) the sum of the 3-month Benchmark Rate on interest setting date and on each repricing date plus 0.90% per annum, and (b) Target Reverse Repurchase Rate plus + 0.25% per annum; divided by the interest premium factor effective January 9, 2024.

The loan shall be subject to the maintenance of financial ratios which include a maximum of 2.5 times debt-to-equity ratio and minimum debt service coverage ratio of 1.2 times starting May 31, 2024 and annually each May 31 thereafter.

- d. Total interest expense from these loan recognized in the consolidated profit or loss amounted to P58.9 million in 2023 (nil in 2022 and 2021)

A. SORIANO CORPORATION AND SUBSIDIARIES
SCHEDULE E - INDEBTEDNESS TO RELATED PARTIES
(LONG-TERM LOANS FROM RELATED COMPANIES)
DECEMBER 31, 2023 AND 2022
(Amounts in PHP)

PARTICULARS	Balance at Beginning of Period	Balance at End of Period
Due From:		
Multi-media Telephony, Inc. (MTI) (Notes 1)	564,769,510	564,769,510
Others	2,599,946	1,828,850
	567,369,456	566,598,360
Less Allowance for Doubtful Accounts	564,761,343	564,761,343
RECEIVABLE - NET	2,608,113	1,837,017

Note 1 In June and September 2005, the Company entered into a loan agreement with MTI for the latter to issue convertible debts to the Company. The debts, totaling US\$3.0 million are payable in 270 days and bear interest at 20% per annum. Prior to the payment date, the Company has the option to convert the said debt into Vicinetum Holdings, Inc.'s (VHI) (MTI's parent company) shares of stock.

In 2006, the Company provided additional advances to MTI amounting to US\$6.5 million. The advances are payable in two years and bear interest at 20% per annum. The Company has the option to convert these advances to shares of stock of MTI.

In 2007, additional P25.0 million advances were extended to MTI to be converted to 278,822 shares of VHI.

As of December 31, 2009, these advances were converted into deposits for future stock subscription of VHI shares.

A. SORIANO CORPORATION AND SUBSIDIARIES
SCHEDULE F - GUARANTEES OF SECURITIES OF OTHER ISSUERS
DECEMBER 31, 2023
(Amounts in PHP)

Name of Issuing Entity of Securities Guaranteed by the Company for which this Statement is Filed	Title of Issue of Each Class of Securities Guaranteed	Total Amount Guaranteed and Outstanding	Amount Owned by the Company for which this Statement is Filed	Nature of Guarantee
N A	NA	NA	NA	NA

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A. SORIANO CORPORATION AND SUBSIDIARIES
SCHEDULE G - CAPITAL STOCK
AS OF DECEMBER 31, 2023

Title of Issue	Number of Shares Authorized	Number of Shares issued & Outstanding	Number of shares Reserved for Options,Warrants Conversions & Other Rights	Number of shares Held by			
				Subsidiaries	Related Parties	Directors, Officers & employees	Others
Common Stock	3,459,310,958	2,500,000,000	NA				
Preferred Stock	500,000,000	500,000,000	NA	-	500,000,000	-	-
		3,000,000,000					
Treasury shares		-					
No. of shares issued and outstanding (legal)		3,000,000,000		1,272,429,761	63,694,835	671,313,481	492,561,923
No. of shares held by a subsidiary (Anscor Consolidated Corporation)		(1,272,429,761) *					
Outstanding shares - (common and preferred) net of shares held by a subsidiary		1,727,570,239					

* As at December 31, 2023 and 2022, Anscorcon holds 1,272,429,761 shares of the Company.

**INDEPENDENT AUDITOR'S REPORT ON
SUPPLEMENTARY SCHEDULE OF COMPONENTS
OF FINANCIAL SOUNDNESS INDICATORS**

The Board of Directors and Stockholders
A. Soriano Corporation
7th Floor, Pacific Star Building
Makati Avenue corner Gil Puyat Avenue Extension
Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of A. Soriano Corporation and its subsidiaries (the Group) as at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023, and have issued our report thereon dated February 28, 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 of Components of 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 (PFRSs) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRSs. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as of December 31, 2023, and 2022 and for each of the three years in the period ended December 31, 2023, and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Dhonabee B. Señeres
Partner
CPA Certificate No. 97133
Tax Identification No. 201-959-816
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
BIR Accreditation No. 08-001998-098-2023, September 12, 2023, valid until September 11, 2026
PTR No. 10082016, January 6, 2024, Makati City

February 28, 2024

A. SORIANO CORPORATION AND SUBSIDIARIES

COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

DECEMBER 31, 2023 AND 2022

			2023		2022	
i.	Current Ratio	Total Current Assets	20,810,775,738	10.1:1	19,339,745,780	9.9:1
		Total Current Liabilities	2,051,440,225		1,945,908,174	
ii.	Acid Test Ratio	Total Current Assets less Inventories, Prepayments, and Other Current Assets	18,380,855,510	9.0:1	17,235,630,116	8.9:1
		Total Current Liabilities	2,051,440,225		1,945,908,174	
iii.	Solvency Ratio	Net Income Attributable to Equity Holders of the Parent + Depreciation and amortization	2,914,871,050	78.68%	3,124,945,454	123.78%
		Total Liabilities	3,704,634,675		2,524,505,010	
iv.	Debt-to-Equity Ratio	Total Liabilities	3,704,634,675	0.2:1	2,524,505,010	0.1:1
		Equity Attributable to Equity Holders of the Parent	23,172,977,333		21,961,719,040	
v.	Asset-to-Equity Ratio	Total Assets	27,692,602,665	1.20	25,138,235,219	1.14
		Equity Attributable to Equity Holders of the Parent	23,172,977,333		21,961,719,040	
vi.	Interest Rate Coverage Ratio	EBIT (earnings before interest and taxes)	3,079,675,617	49.29	3,102,884,832	661.92
		Interest expense	62,479,887		4,687,677	
vii.	Return on Equity	Net Income Attributable to Equity Holders of the Parent	2,552,017,983	11.01%	2,800,557,660	12.75%
		Equity Attributable to Equity Holders of the Parent	23,172,977,333		21,961,719,040	
viii.	Return on Assets	Net Income Attributable to Equity Holders of the Parent	2,552,017,983	9.22%	2,800,557,660	11.14%
		Total Assets	27,692,602,665		25,138,235,219	

A. SORIANO CORPORATION AND SUBSIDIARIES

COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

DECEMBER 31, 2023 AND 2022

			2023		2022	
ix.	Profitability Ratio	Net Income Attributable to Equity Holders of the Parent	2,552,017,983	18.49%	2,800,557,660	20.56%
		Total Revenues	13,798,487,806		13,624,683,643	
x.	Book value per share	Equity Attributable to Equity Holders of the Parent	23,172,977,333	18.88	21,961,719,040	17.89
		Outstanding Number of Shares	1,227,570,239		1,227,570,239	