COVER SHEET

- - - - - 6 0 3 1 2
SEC Registration Number

PHILIPPINE INFRADEV HOLDINGS INC.
(Company's Full Name)

38TH FLOOR RUFINO
PACIFIC TOWER AYALA AVE
MAKATI CITY
(Business Address: No., Street City / Town / Province)

DELFIN P. ANGCAO	**8817 6791**
Contact Person	Company Telephone Number

SEC Form 20-IS
2024 ASM - DEFINITIVE INFORMATION STATEMENT

FORM TYPE

1 2	3 1		0 9	3 0
Month	Day		Month	Day
Fiscal Year			Annual Meeting	

N/A
Secondary License Type, If Applicable

M S R D	N/A
Dept Requiring this Doc	Amended Articles Number / Section

Total Amount of Borrowings

Total No. of Stockholders	Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number — LCU

Document ID — Cashier

Remarks: Please use BLACK ink for scanning purposes

PHILIPPINE INFRADEV HOLDINGS INC.

38F Rufino Pacific Tower, 6784 Ayala Avenue, Makati City
Tel No. 8283-8459 and 8283-8294 Fax No. 8751-0773

September 6, 2024

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

Dear Stockholders:

Please be notified that the annual meeting of the stockholders of **PHILIPPINE INFRADEV HOLDINGS INC.** (the "Company") will be held on September 27, 2024, Friday, at 2:00 p.m. through remote communication or *in absentia.* The Chairman of the meeting shall call and preside over the meeting in Metro Manila which is the place where the principal office of the Company is located. The meeting may be accessed thru the link provided by the Corporation to all the stockholders of record as of July 31, 2024 or their proxies who have registered to attend the meeting. The agenda of the meeting is as follows:

1. Call to Order;
2. Proof of notice of meeting and certification of quorum;
3. Approval of the minutes of the previous meeting of the stockholders;
4. Approval of the Management report and the 2023 audited financial statements;
5. Ratification of resolutions, contracts and acts of the Board of Directors and Management;
6. Amendment of Article Third of the Amended Articles of Incorporation and Article I, Section 1 of the Amended By-laws of the Corporation to change the principal office address of the Corporation;
7. Election of directors;
8. Appointment of external auditors;
9. Other Matters; and
10. Adjournment.

For purposes of the meeting, the stockholders of record as of July 31, 2024 shall be entitled to notice of, participate via remote communication, and vote *in absentia* or by proxy, at such meeting and any adjournment thereof.

You may vote *in absentia* or through proxy by submitting (i) the original signed and accomplished Proxy/Ballot form attached to this notice by mail, courier or manual delivery to the front desk of the Corporation's principal office at the 38th Floor, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City 1223; or (ii) **a scanned copy thereof by email at the Corporation's email address at** admin@infra.com.ph Deadline for submission of the Proxy/Ballot form is on or before 5:00 p.m. of September 17, 2024. Corporate stockholders should attach to the Proxy/Ballot form a notarized Secretary's Certificate attesting to the authority of their representative to execute the Proxy/Ballot form. When signing as attorney-in-fact, executor, administrator, guardian or in any representative capacity, please give full title and the relevant documents evidencing your authority. Validation of proxies shall be held on September 20, 2024 at 2:00 p.m.

Successfully verified stockholders voting *in absentia* or by proxy will receive an email from the Corporation providing them the weblink to be able to access the live streaming of the meeting.

Electronic copies of the Notice of the Meeting, Definitive Information Statement, Management Report, SEC Form 17A, and other related documents in connection with the annual meeting may be accessed through the QR Code below or the Corporation's website at https://www.infra.com.ph/news/2024-annual-stockholders-meeting/ and through the PSE Edge portal at https://edge.pse.com.ph/.

For any concerns, please reach us through admin@infra.com.ph

For complete information on the Corporation's annual meeting, please visit https://www.infra.com.ph/news/2024-annual-stockholders-meeting/

DELFIN P. ANGCAO
Corporate Secretary

______________________________ Code Number: ____________________

[For Individual Stockholder]

INSTRUCTIONS:

1. Material erasures or alterations shall not affect the validity of the Proxy/Ballot form provided that the stockholder affixes his/her full signature beside such erasures or alterations. The initials of the said stockholder are not sufficient to validate the Proxy/Ballot form unless the said initials are also the said stockholder's customary signature.

2. Please submit either (i) the original signed and accomplished Proxy/Ballot form by mail, courier or manual delivery to the front desk of the Corporation's principal office at 38th Floor, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City 1223; or (ii) a scanned copy thereof by email at the Corporation's email address at admin@infra.com.ph. Deadline for the submission of Proxy/Ballot is on or before 5:00 p.m. of September 17, 2024.

PROXY/BALLOT FORM

PHILIPPINE INFRADEV HOLDINGS INC.

[PLEASE CHECK OR MARK THE APPROPRIATE BOX BELOW]

VOTING IN ABSENTIA:	VOTING BY PROXY:
The undersigned hereby votes as indicated below.	The Undersigned hereby appoints the Chairman of the Board of Directors of PHILIPPINE INFRADEV HOLDINGS INC. (the "Corporation"), or in his absence, the President of the Corporation to act for me/us and on my/our behalf at the PHILIPPINE INFRADEV HOLDINGS INC. Annual Stockholders' Meeting to be held on September 27, 2024 (and as may be rescheduled and/or adjourned) and to vote for me/us as indicated below, or if no such indication is given, as my/our proxy thinks fit:

		Please check or mark the appropriate box		
	RESOLUTION	*FOR*	*AGAINST*	*ABSTAIN*
1	Approval of the minutes of the previous meeting of the stockholders			
2	Approval of the management report and the 2023 audited financial statements			
3	Ratification of all resolutions, contracts, and acts of the Board of Directors and Management from the last stockholders' meeting to date			
5	Appointment of Independent Auditor (Isla Lipana & Co.)			

6	Approval of the Amendment of Article Third of the Amended Articles of Incorporation and Article I, Section of the Amended By-laws of the Corporation to change the principal office address of the Corporation from the 38th Floor, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City, to Philippine Infradev Site Office, Spinal Road, Brgy. Tatala, Binangonan, Rizal.			
7	Election of Directors for the term 2024-2025. (Note: If you want to vote by cumulative voting, kindly also indicate opposite the name of the nominee director/s that you are voting FOR, the number of votes that you want to give such nominee director/s, 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).			
	For Regular Directors:			
	1. Ren Youmin			
	2. Antonio L. Tiu			
	3. Ren Jinhua			
	4. Georgina A. Monsod			
	5. Laiza Rose R. Lamsen			
	For Independent Directors:			
	6. Benedict Lim			
	7. Eduardo V. de Mesa			

<u>IN CASE THIS PROXY/BALLOT IS SIGNED AND RETURNED IN BLANK</u>
If no instructions are indicated on a returned and duly signed proxy, the shares represented by the proxy will be voted:

- FOR the approval of the minutes of previous meeting of the stockholders;
- FOR the approval of the management report and the 2023 audited financial statements;
- FOR the confirmation and ratification of all resolutions, contracts, and acts of the Board of Directors and Management from the last stockholders' meeting to date;
- FOR the approval of the amendment of the Amended Articles of Incorporation and Amended By-laws to change the principal office address of the Corporation;
- FOR the election of the following directors for the term 2024-2025:

1. Ren Youmin (Regular Director)
2. Antonio L. Tiu (Regular Director)
3. Ren Youmin (Regular Director)
4. Georgina A. Monsod (Regular Director)
5. Laiza Rose R. Lamsen (Regular Director)
6. Benedict Lim (Independent Director)
7. Eduardo V. de Mesa (Independent Director)

- FOR the approval of the appointment of Isla Lipana & Co. (PricewaterhouseCoopers-Philippines) as the Corporation's external auditors; and

- TO authorize the Proxy to vote according to the Proxy's discretion on any matter that may come before the meeting

A Proxy/Ballot that is returned without a signature shall not be valid.

VALIDATION OF PROXIES
Validation of proxies shall be on September 20, 2024 at 2:00 pm at the principal office of the Corporation.

REVOCATION OF PROXIES:
A stockholder giving a proxy has the power to revoke it at any time before the validation of proxies on September 20, 2024 at 2:00 pm by submitting either (i) the original signed letter of revocation by mail, courier or manual delivery to the front desk of the Corporation's principal office at 38th Floor, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City 1223; or (ii) a scanned copy thereof by email to the Corporation's email address at admin@infra.com.ph

______________________________	____
Date	(Signature above printed name of Stockholder)

Code Number: ____________________

[For Corporate Stockholder]

INSTRUCTIONS:

1. This Proxy/Ballot form must be accompanied by a notarized Secretary's Certificate of the company's Board Resolution appointing and authorizing its representative to accomplish this Proxy/Ballot form.

2. Material erasures or alterations shall not affect the validity of the Proxy/Ballot form provided that the person authorized to accomplish this Proxy/Ballot form affixes his/her full signature beside such erasures or alterations. The initials of the said authorized person are not sufficient to validate the Proxy/Ballot form, unless the said initials are also the said person's customary signature.

3. Please submit either (i) the original signed and accomplished Proxy/Ballot form by mail, courier or manual delivery **to the front desk of the Corporation's principal office at 38th Floor, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City 1223**; or (ii) a scanned copy thereof by email at the Corporation's email address at admin@infra.com.ph. Deadline for the submission of Proxy/Ballot is on or before 5:00 p.m. of September 17, 2024.

PROXY/BALLOT FORM

PHILIPPINE INFRADEV HOLDINGS INC.

[PLEASE CHECK OR MARK THE APPROPRIATE BOX BELOW]

VOTING IN ABSENTIA:	VOTING BY PROXY:
The undersigned hereby votes as indicated below.	The Undersigned hereby appoints the Chairman of the Board of Directors of PHILIPPINE INFRADEV HOLDINGS INC. (the "Corporation"), or in his absence, the President of the Corporation to act for me/us and on my/our behalf at the PHILIPPINE INFRADEV HOLDINGS INC. Annual Stockholders' Meeting to be held on September 27, 2024 (and as may be rescheduled and/or adjourned) and to vote for me/us as indicated below, or if no such indication is given, as my/our proxy thinks fit:

		Please check or mark the appropriate box		
	RESOLUTION	*FOR*	*AGAINST*	*ABSTAIN*
1	Approval of the minutes of the previous meeting of the stockholders			
2	Approval of the management report and the 2023 audited financial statements			

3	Ratification of all resolutions, contracts, and acts of the Board of Directors and Management from the last stockholders' meeting to date			
5	Appointment of Independent Auditor (Isla Lipana & Co.)			
6	Approval of the Amendment of Article Third of the Amended Articles of Incorporation and Article I, Section of the Amended By-laws of the Corporation to change the principal office address of the Corporation from the 38th Floor, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City, to Philippine Infradev Site Office, Spinal Road, Brgy. Tatala, Binangonan, Rizal.			
7	Election of Directors for the term 2024-2025. (Note: If you want to vote by cumulative voting, kindly also indicate opposite the name of the nominee director/s that you are voting FOR, the number of votes that you want to give such nominee director/s, 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).			
	For Regular Directors:			
	1. Ren Youmin			
	2. Antonio L. Tiu			
	3. Ren Jinhua			
	4. Georgina A. Monsod			
	5. Laiza Rose R. Lamsen			
	For Independent Directors:			
	6. Benedict Lim			
	7. Eduardo V. de Mesa			

IN CASE THIS PROXY/BALLOT IS SIGNED AND RETURNED IN BLANK
If no instructions are indicated on a returned and duly signed proxy, the shares represented by the proxy will be voted:

- FOR the approval of the minutes of previous meeting of the stockholders;
- FOR the approval of the management report and the 2023 audited financial statements;
- FOR the confirmation and ratification of all resolutions, contracts, and acts of the Board of Directors and Management from the last stockholders' meeting to date;
- FOR the approval of the amendment of the Amended Articles of Incorporation and Amended By-laws to change the principal office address of the Corporation;
- FOR the election of the following directors for the term 2024-2025:

1. Ren Youmin (Regular Director)
2. Antonio L. Tiu (Regular Director)
3. Ren Youmin (Regular Director)
4. Georgina A. Monsod (Regular Director)

5. Laiza Rose R. Lamsen (Regular Director)
6. Benedict Lim (Independent Director)
7. Eduardo V. de Mesa (Independent Director)

- FOR the approval of the appointment of Isla Lipana & Co. (PricewaterhouseCoopers-Philippines) as the Corporation's external auditors; and
- To authorize the Proxy to vote according to the Proxy's discretion on any matter that may come before the meeting

A Proxy/Ballot that is returned without a signature shall not be valid.

VALIDATION OF PROXIES
Validation of proxies shall be on September 20, 2024 at 2:00 p.m. at the principal office of the Corporation.

REVOCATION OF PROXIES:
A stockholder giving a proxy has the power to revoke it at any time before the validation of proxies on September 20, 2024 at 2:00 p.m. by submitting either (i) the original signed letter of revocation by mail, courier or manual delivery to the front desk of the Corporation's principal office at 38th Floor, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City 1223; or (ii) a scanned copy thereof by email to the Corporation's email address at admin@infra.com.ph.

(Printed Name of Corporate Stockholder)
By:

Signature over Printed name of
Authorized Representative

Address

For Corporate Stockholders
Sample Secretary Certificate to be attached to the Proxy Form

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

SECRETARY'S CERTIFICATE

I, [*Name of Corporate Secretary*], of legal age, Filipino, with office address at [*Address of Corporate Secretary*], after having been sworn in accordance with law, hereby depose and state that:

1. I am the Corporate Secretary of [*name of corporate stockholder of PHILIPPINE INFRADEV HOLDINGS INC.]* (the **"Corporation"**), with offices at______________;

2. In a meeting of the Board of Directors of the Corporation held at its office on ______________, the following resolution was approved:

> "**RESOLVED**, That the Board of Directors of the Corporation authorize, as it hereby authorizes, the following officers of the Corporation, to designate the proxy or otherwise act as proxy of the Corporation, and to vote the shares of the Corporation during the 2024 annual stockholders' meeting of Philippine Infradev Holdings Inc. and any adjournments and postponements thereof, and any of the following is likewise authorized to sign, execute and deliver, any proxy form and such other documents, forms, instruments, or papers as may be required in order to represent the shares of the Corporation at the said annual stockholders' meeting:

Name	*Specimen Signature*
_________________________	_______________________
_________________________	_______________________

IN WITNESS WHEREOF, I hereunto affixed my signature this_______________________, at _______________ City, Metro Manila.

____
Corporate Secretary

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public for and in the City of ____________________, Philippines, this______________, by the affiant, whose identity I have confirmed through his/her Passport No.__________________, bearing the affiant's photograph and signature, and who showed to me his/her Community Tax Certificate No. __ issued at______________ City, on______, 202_.

Doc. No.________;
Page No._______;
Book No._______;
Series of 2024.

PHILIPPINE INFRADEV HOLDINGS INC.
2024 ANNUAL STOCKHOLDERS' MEETING

AGENDA
Action Outline

1. **Call to order**

   Upon the request of the Chairman of the Board of Directors, Mr. Ren Youmin, the President, Mr. Antonio L. Tiu, will call the meeting to order.

2. **Proof of notice of meeting and certification of quorum**

   The Corporate Secretary, Atty. Delfin P. Angcao, will certify that copies of the Notice of the meeting and the Definitive Information Statement ("DIS") made accessible via website link were sent via courier to the stockholders of record at least 21 days before the meeting.

   A copy of the Notice of the meeting, together with the DIS, Management Report, Minutes of the previous annual meeting of the stockholders, and other documents related to the meeting were made available through the Company's website at https://www.infra.com.ph/news/2024-annual-stockholders-meeting/ and at the PSE Edge portal at https://edge.pse.com.ph.

   Further, the Corporate Secretary will confirm whether a quorum exists for the valid transaction of business.

3. **Approval of the minutes of the previous meeting of the stockholders**

   In accordance with SEC Memorandum Circular No. 11, Series of 2024, a copy of the draft Minutes of the previous annual meeting of the stockholders was made available for examination at the Company's website at https://www.infra.com.ph/news/2024-annual-stockholders-meeting/. The stockholders will be requested to approve the draft minutes. The following is the proposed resolution:

   > *"**RESOLVED**, that the Stockholders of the **PHILIPPINE INFRADEV HOLDINGS INC.** (the 'Corporation') approve, as it hereby approves, the minutes of the Annual Stockholders' Meeting of the Corporation held on December 12, 2023."*

4. **Approval of the Management report and the 2023 audited financial statements**

   The President, Mr. Antonio L. Tiu, will present the Management Report, the Corporation's operational highlights and financial results and Audited Financial Statements ("AFS") for the year ended December 31, 2023. The 2023 AFS were audited by the Corporation's external auditor, Isla, Lipana & Co., and approved by the Corporation's Audit and Related Party Transactions Committee and the Board of Directors. In compliance with regulatory requirements, the Audited Financial Statements have also been submitted to the Securities and Exchange Commission and the Bureau of Internal Revenue.

   The stockholders will be requested to approve the Management Report and Audited Financial Statements for the year ended December 31, 2023. The following is the proposed resolution:

   > *"**RESOLVED**, that the Stockholders of the **PHILIPPINE INFRADEV HOLDINGS INC.** (the 'Corporation') approve, as it hereby approves, the Management Report as presented by the President of the Corporation, Mr. Antonio L. Tiu, and the Corporation's Audited Financial Statements for year ended December 31, 2023."*

5. **Ratification of resolutions, contracts, and acts of the Board of Directors and Management**

The acts, proceedings, transactions, contracts, agreements, resolutions and deeds of the Board of Directors, Management and/or Officers of the Corporation that were significant towards achieving the Corporation's performance and results were provided in the DIS, and the stockholders will be requested to ratify the same. The following is the proposed resolution for approval of the stockholders:

> *"**RESOLVED**, that the Stockholders of the* **PHILIPPINE INFRADEV HOLDINGS INC.** *(the 'Corporation') ratify, confirm, and approve, as it hereby ratifies, confirms, and approves, all acts, proceedings, transactions, contracts, agreements, resolutions and deeds, authorized and entered into by the Board of Directors, Management, and/or Officers of the Corporation from the date of the last annual stockholders' meeting up to the present."*

6. Approval of the Amendment of the Article Third of the Amended Articles of Incorporation and Article I, Section of the Amended By-laws of the Corporation to change the principal office address of the Corporation

The stockholders will then be asked to approve the amendment of Article Third of the Amended Articles of Incorporation of the Corporation and Article I, Section 1 of the Amended By-laws of the Corporation to change the principal office address of the Corporation from 35th Floor, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City to Philippine Infradev Site Office, Spinal Road, Brgy. Tatala, Binangonan, Rizal. The following is the proposed resolution for the approval of the stockholders:

I.

> *"**RESOLVED**, that the Stockholders of* **PHILIPPINE INFRADEV HOLDINGS INC.** *(the 'Corporation') approve, as it hereby approves, the amendment of the Amended Articles of Incorporation of the Corporation to change the principal office address of the Corporation from 35th Floor, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City* to *Philippine Infradev Site Office, Spinal Road, Brgy. Tatala, Binangonan, Rizal, thereby amending Article Third of its Amended Articles of Incorporation, to read as follows:*
>
> > ***THIRD:*** *That the place where the principal office of the corporation is to be established or located* is at ***<u>Philippine Infradev Site Office, Spinal Road, Brgy. Tatala, Binangonan, Rizal.</u>*** *(as amended on September 27, 2024)*
>
> ***RESOLVED, FINALLY**, that the directors and officers of the Corporation be authorized, as they are hereby authorized, to sign, execute, and deliver any and all documents which may be required to implement the foregoing resolution and secure the approval by the Securities and Exchange Commission ('SEC') of the amendment to the Corporation's Amended Articles of Incorporation."*

II.

> *"**RESOLVED**, that the Stockholders of* **PHILIPPINE INFRADEV HOLDINGS INC.** *(the 'Corporation') approve, as it hereby approves, the amendment of the Amended By-laws of the Corporation to change the principal office address of the Corporation, thereby amending Article I, Section 1 of its Amended By-laws, to read as follows:*
>
> ***ARTICLE I – OFFICE***
>
> > ***SECTION 1. <u>Principal Office. The Principal Office of the Corporation shall be located at the place indicated in the Articles of Incorporation of the Corporation.</u>*** *(as amended on September 27, 2024)*

***RESOLVED, FINALLY**, that the directors and officers of the Corporation be authorized, as they are hereby authorized, to sign, execute, and deliver any and all documents which may be required to implement the foregoing resolution and secure the approval by the Securities and Exchange Commission ('SEC') of the amendment to the Corporation's Amended By-laws."*

7. Election of directors

It is proposed to elect the following individuals to the Board of Directors for the current term of 2024-2025. The biographical profiles of the Nominee-Directors were provided in the DIS that was made accessible through the Company's website. The Nominee-Directors are the following:

For Regular Directors:

1. Ren Youmin
2. Antonio L. Tiu
3. Ren Jinhua
4. Georgina A. Monsod
5. Laiza Rose R. Lamsen

For Independent Directors:

6. Benedict Lim
7. Eduardo V. de Mesa

8. Appointment of external auditors

Upon the favorable recommendation of the Corporation's Audit and Related Party Transactions Committee, the Corporation's external auditor, Isla, Lipana & Co., is proposed to be reappointed as the Corporation's external auditor for the current year 2024. The audit partner-in-charge is currently Mr. Zaldy D. Aguirre. The following is the proposed resolution for the approval of the stockholders:

*"**RESOLVED,** that the Stockholders of **PHILIPPINE INFRADEV HOLDINGS INC.** (the 'Corporation') approve, as it hereby approves, the re-appointment of the accounting firm of Isla, Lipana & Co. as the external auditors of the Corporation for the year 2024."*

9. Other Matters

Stockholders may propose to discuss other issues and matters.

10. Adjournment

After all matters in the agenda have been taken up, the meeting will be adjourned.

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

1. Check the appropriate box:

   [ ] Preliminary Information Statement

   [✓] Definitive Information Statement

2. Name of Registrant as specified in its charter: **PHILIPPINE INFRADEV HOLDINGS INC.**

3. **PHILIPPINES**
   Province, country or other jurisdiction of incorporation or organization

4. SEC Identification Number **60312**

5. BIR Tax Identification Code **000-464-876-000**

6. **38/F Rufino Pacific Tower, 6784 Ayala Avenue, Makati City** — **1223**
   Address of principal office — Postal Code

7. Registrant's telephone number, including area code **(632) 8283-8294**

9. Date, time and place of the meeting of security holders**: September 27, 2024, at 2:00 p.m. via remote communication or *in absentia.***

The ASM cannot be scheduled on the date fixed in the By-laws of the Corporation (*i.e.*, second Tuesday of July or July 9, 2024) due to the irreconcilable conflict in the schedule of the Board of Directors, key management officers, and major stockholders as previously disclosed to the Securities and Exchange Commission ("SEC") and the Philippine Stock Exchange ("PSE") on July 2, 2024. As authorized by the Board of Directors of the Corporation, the President further postponed the ASM and reset the same to September 27, 2024 to allow the Management to adequately prepare the requirements for the conduct of the ASM and to ensure the attendance of the members of the Board of Directors, key management officers, and major stockholders (or their representatives) as previously disclosed on August 7, 2024.

9. Approximate date on which the Information Statement is first to be sent or given to security holders: **September 6, 2024**

10. In case of Proxy Solicitations: **Not Soliciting Proxy**

    Name of Person Filing the Statement/Solicitor:________________________________
    Address and Telephone No.: ____

11. Securities registered pursuant to Sections 8 and 12 of the Securities Regulations Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding
Common	**6,061,560,322**

12. Are any or all of registrant's securities listed on a Stock Exchange?

    Yes __✓__ No _______

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

    PHILIPPINE STOCK EXCHANGE - COMMON SHARES OF STOCK

PART I.
INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

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

The annual stockholders' meeting of the PHILIPPINE INFRADEV HOLDINGS INC. (the "Registrant" or the "Company" or "PIHI") shall be held on Friday, September 27, 2024, at 2:00 p.m. via remote communication or *in absentia*. The Chairman of the meeting shall call and preside over the meeting in Metro Manila which is the place where the principal office of the Company is located.

As previously disclosed to the Securities and Exchange Commission ("SEC") and the Philippine Stock Exchange ("PSE") on July 2, 2024, the annual meeting cannot be held on the date fixed in the By-laws of the Company (*i.e.,* second Tuesday of July or July 9, 2024) on account of the irreconcilable conflict in the schedule of the members of the Board of Directors, key management officers, and major stockholders (or their representatives). Thus, the annual meeting was initially postponed and reset to August 29, 2024 at 2:00 p.m.

The annual stockholders' meeting was further postponed and reset to September 27, 2024 at 2:00 p.m. in order to allow the Management to adequately prepare the requirements for the conduct of the ASM and to ensure the attendance of the members of the Board of Directors, key management officers, and major stockholders (or their representatives). In compliance with the relevant rules of the SEC and PSE, the requisite disclosures were made on August 7, 2024.

The mailing address of the Registrant is at 38/F, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City, 1223.

The approximate date on which this Information Statement will be first sent or given to stockholders is on September 6, 2024.

Proxy Solicitation: The Company is not soliciting for proxies.

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

A stockholder has the right to dissent and demand payment of the fair value of his shares: (i) in case any amendment to the Company's Articles of Incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences over the outstanding shares, or of extending or shortening the term of corporate existence: (ii) in case of any sale, lease, mortgage or disposition of all or substantially all of the corporate property or assets; (iii) in case of merger or consolidation; and (iv) in case of investment of corporate funds in another corporation or business or for any purpose other than the primary purpose.

If an action which may give rise to the right of appraisal is proposed at the meeting, any stockholder who voted against the proposed action and who wishes to exercise such right must make a written demand, within thirty (30) days after the date of the meeting or when the vote was taken, for the payment of the fair market value of his shares. Upon payment, he must surrender his certificates of stock. No payment, however, shall be made to any dissenting stockholder unless the Company has unrestricted retained earnings in its books to cover such payment.

There are no matters or proposed corporate actions at this year's annual stockholders' meeting which may give rise to a possible exercise by security holders of their appraisal rights under the provisions of the Revised Corporation Code of the Philippines.

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

No person who is or has been a director or officer of the Registrant, or an associate of the said persons, has any substantial interest, direct or indirect, by security holdings or otherwise in any matter to be acted upon during the meeting.

None of the persons mentioned above has informed the Registrant in writing of any intention to oppose any action to be taken at the meeting.

B. <u>CONTROL AND COMPENSATION INFORMATION</u>

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

(a) The Registrant has the following shares subscribed and outstanding as of July 31, 2024, the Record Date:

Common shares	-	6,061,560,322
Preferred shares	-	722,320,940

Out of the said subscribed and outstanding shares, 1,040,482,821 shares or 15.34% are owned by foreigners, while 5,743,398,441 or 84.66% are owned by Philippine nationals.

(b) Number of Votes entitled: Every stockholder entitled to vote as of the Record Date shall be entitled to one (1) vote per share of stock.

(c) The Record Date is on July 31, 2024. All stockholders of record as of July 31, 2024 are entitled to notice of, participate in via remote communication, and to vote *in absentia* at the Annual Stockholders' Meeting.

(d) Security Ownership of Certain Beneficial Owners and Management

(1) Security Ownership of Certain Record and Beneficial Owners

Stockholders owning more than 5% of the Registrant's shares of stocks as of July 31, 2024.

*Title of Class	Name, Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	Number of Shares Held	Percent of Class
Common	AGGREGATE BUSINESS GROUP HOLDINGS, INC. Unit 627 City and Land Mega Plaza Building ABD Avenue Corner Garnet Road, Ortigas Center, Pasig City[1]	AGGREGATE BUSINESS GROUP HOLDINGS, INC. Principal Stockholder	Filipino	4,320,905,000	71.28%

[1]Youmin Ren will vote the shares of Aggregate Business Group Holdings Inc.

Common	PCD NOMINEE CORP. (F) G/F MSE Bldg. Ayala Ave., Makati City	Various owners	Filipino	**671,432,815	11.08%
Common	PCD NOMINEE CORP. (NF) G/F MSE Bldg. Ayala Ave., Makati City	Various owners	Non-Filipino	626,197,699	10.33%
Common	AUSPICIOUS ONE BELT ONE ROAD FUND	AUSPICIOUS ONE BELT ONE ROAD FUND Principal Stockholder	British	368,175,000	6.07%

*The report is exclusive of 722,320,940 preferred shares with par value of Php 10 per share owned by the City Government of Makati.
**231,315,000 out of 671,432,815 common shares is for the account of AGGREGATE BUSINESS GROUP HOLDINGS, INC. which owns a total of 4,552,220,000 (75.10%) common shares of the Company.

Preferred Shares

There is no public trading market for the preferred shares.

The Preferred shares shall have the following basic features: voting, participating, redeemable, convertible to common shares, and preferred as to assets upon liquidation, and shall have such other features, terms and conditions not inconsistent with the above basic features as may be determined by the Board of Directors upon their issuance.

The outstanding preferred shares of 722,320,940 issued in favor of the City Government of Makati on October 31, 2019 shall have full voting rights, preference as to liquidation, with cumulative, participating (with common shares) and fixed dividends at a rate of 2% per annum from issuance of the Parent Company's preferred shares for five years until the total amount of dividends paid is P656.66 million. The preferred shares are convertible to: (i) common shares of the Parent Company, or (ii) twenty-five percent (25%) of the post conversion total issued and outstanding share capital of MCSI. The preferred shares are considered equity instruments based on their features.

(2) Security Ownership of Management

The following directors and officers are the direct/indirect owners of the Registrant's shares as indicated opposite their names as of August 7, 2024:

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership (All direct ownership unless otherwise indicated)	Citizenship	Percent of Ownership
Common	Ren Youmin Regular Director/Chairman of the Board	100	Australian	0.000001%
Common	Antonio L. Tiu Regular Director/President	50	Filipino	0.000001%

Common	Georgina A. Monsod Regular Director/ EVP/Treasurer	1,000	Filipino	0.000015%
Common	Ren Jinhua Regular Director	50	Chinese	0.000001%
Common	Antonio L. Tiu Regular Director	50	Filipino	0.000001%
Common	Benedict Peter W. Lim Independent Director	100	Filipino	0.000001%
Preferred	Claro F. Certeza Regular Director (Outgoing)	5	Filipino	0.000000%
Common	Laiza Rose R. Lamsen Nominee Regular Director	50	Filipino	0.000001%
Common	Delfin P. Angcao Corporate Secretary	150	Filipino	0.000002%
Common	Ana Maria A. Katigbak Asst. Corporate Secretary	150	Filipino	0.000002%
Total		1,705		0.000025%

(3) Voting Trust Holders of 5% or more

Registrant is not aware of any person holding more than 5% of the shares of Registrant under a voting trust or similar agreement.

(4) Changes in Control

There has been no change in control of the Registrant since the beginning of its last fiscal year. Neither is Registrant aware of any arrangement which may result in a change in control of it.

Item 5. **Directors and Executive Officers**

(a) The names, ages, terms of office, business experience for the last five years, directorship in other companies of the directors and executive officers of the Registrant are as follows:

Ren Youmin, Regular Director and Chairman of the Board. Ren Youmin graduated from the University of New South Wales, Australia with a degree of Bachelor of Commerce, major in Finance. He is currently the Chairman and General Manager of Longsteel Technology Limited, a company based on Hong Kong. Ren Youmin, an Australian citizen, is 27 years old. He has been a Director of the Company since July 2018.

Georgina A. Monsod, Executive Vice President ("EVP") and Treasurer. Ms. Monsod, 69, Filipino. She has been a member of the Board since 2008. Her business experience for the last five years includes being the Executive Vice-President and COO, Treasurer and Compliance Officer of the Company since March 12, 2008. She has been involved with real estate development and financing for the past 30 years starting her career with Don Tim Development Corporation and moving to PrimeEast Properties Inc. Prior to this, she worked for the government sector from 1978 to 1994 in the field of tourism development. She holds a Postgraduate Course in Tourism and Hotel Management by the International School of Tourism Sciences in Rome, Italy. She was also a faculty member of the University of the Philippines (Diliman). She passed the licensure examination for Real Estate Brokers and is now a licensed Real Estate Broker.

Ren Jinhua, Regular Director. He has over 31 years of outstanding practice experience in macro economy, business management and finance investment. He is a former director of Yangzijiang Shipbuilding. He is currently a Director of Mingly China Growth Fund Co., Ltd. and Chairman of Sinobase International (HK) Co., Ltd. Mr. Ren, a Chinese citizen, is 60 years old. He has been elected as Chairman of the Board since July 2018.

Atty. Delfin P. Angcao, Corporate Secretary and Corporate Information Officer. Mr. Angcao, 66, Filipino, has been the Corporate Secretary and Corporate Information Officer since March 2008. He is a partner at the Castillo Laman Tan Pantaleon & San Jose Law Offices (CLTPSJ) since the year 2000. He was a Junior Associate with CLTPSJ from 1995 to 1997. He climbed up to being a Senior Associate from 1997 to 2000. He was an Associate at the San Jose, Enriquez, Lacas, Santos, Borje & Vendero from 1992 to 1995. His business experience for the last five years includes being Director and/or Corporate Secretary of various client corporations of CLTPSJ including Mabuhay Holdings Corporation and The Manila Southwoods Golf & Country Club, Inc. He is a member of the Integrated Bar of the Philippines and the Philippine Institute of Certified Public Accountants.

Atty. Ana Maria A. Katigbak, Assistant Corporate Secretary. She is the Assistant Corporate Secretary of the Company and has held the office since 1999. She is a partner in Castillo, Laman, Tan, Pantaleon & San Jose Law Offices. She also acts as director of Mabuhay Holdings Corporation, Corporate Secretary of Alsons Consolidated Resources, Inc., IPM Holdings Inc. and Assistant Corporate Secretary of Energy Development Corporation, Mabuhay Holdings, Inc., Marcventures Holdings, Inc., Paxys Inc., Solid Group, Inc. and East Coast Vulcan Mining Corporation. She is a member of the Integrated Bar of the Philippines.

Claro F. Certeza, Outgoing Regular Director. Mr. Certeza is Filipino, 66 years old, has been a Director of the Company since November 2020. Mr. Certeza graduated from the Ateneo de Manila University School of Law where he obtained his Bachelor of Laws degree. He also holds a Bachelor of Science degree from the University of the East. He is a member of the faculty of the Ateneo de Manila University School of Law and the College of Law of the Lyceum University where he lectures on Civil Law, Labor Law and Franchise Law.

In 1992, he joined the Jollibee Foods Corporation ("Jollibee"), the biggest fast-food chain in the country where he concurrently served as Vice President for Legal and Vice President for Corporate Affairs. He was later elected Director of Jollibee and also a member of its Management Committee.

After he retired from Jollibee, Mr. Certeza resumed private practice and acted as legal counsel to Fuji Xerox Philippines and various fast-food companies such as Julie's Franchise Corporation, Aristocrat, Solerex, Crystal Clear, and Del Sol Foods Corporation, owners of the Goodah! Restaurant chain. He is likewise Executive Director of the Fuji Xerox Foundation of the Philippines, Inc. and the Legal Consultant of Gawad Kalinga, an institution recognized world-wide as an advocate of poverty alleviation.

Mr. Certeza is currently the City Administrator of Makati City.

Antonio L. Tiu, Regular Director and President. Mr. Tiu is 49 years old, Filipino, is the President/CEO and Chairman of Earthright Holdings, Inc., Chairman of The Big Chill, Inc., and President/CEO of Beidahuang Philippines, Inc. He was a part time lecturer in International Finance at DLSU Graduate School from 1999 to 2001 and currently board of adviser of DLSU School of Management. Mr. Tiu has a Master's degree in Commerce specializing in International Finance from University of New South Wales, Sydney Australia and BS Commerce major in Business Management from De La Salle University, Manila. He is currently a Doctorate student in Public Administration at the University of the Philippines. He was awarded the Ernst and Young Emerging Entrepreneur of the Year (2009), Overseas Chinese Entrepreneur of the Year 2010 and Ten Outstanding Young Men of the Philippines 2011. He is an active member of Integrated Food Manufacturer Association of the Philippines, PHILEXPORT, PHILFOODEX, Chinese Filipino Business Club, and Philippine Chamber of Agriculture and Food Industries.

Laiza Rose R. Lamsen, Nominee Regular Director. Ms. Lamsen is 35 years old, Filipino, Ms. Lamsen graduated from Rizal Technological University with a Bachelor of Science in Psychology. She currently serves as the Head of Marketing at Philippine Infradev Holdings Inc. Ms. Lamsen began her career in real estate as a Marketing Officer at Vista Land International, a subsidiary of Vista Land Lifescapes. After five successful years with Vista Land, she joined Philippine Infradev Holdings Inc., where she played a pivotal role in establishing and leading the sales and marketing department. Ms. Lamsen holds a PRC license as an Accredited Salesperson and earned a Bachelor of Science in Real Estate Management from the Information and Communication Technology Academy (iAcademy Makati). She successfully passed the Real Estate Brokerage Exam in 2024. Beyond her corporate responsibilities, Ms. Lamsen is deeply involved in youth activities and serves as a trainer in a youth organization. In 2014, she represented the Philippines at the Leadership Exchange in Lucerne, Switzerland.

Benedict Lim, Independent Director. Mr. Lim is Filipino, 61 years old, and has more than 35 years of international professional experience in business and strategic planning, product development, land master plan conceptualization and development, business and marketing plan development, tourism destination planning and marketing, managing operations, training, lecturing and consulting for hotels, resorts, spas, clubs, top tourism universities, condominiums, condotels, tourism and private real estate developments. Mr. Lim graduated from the Ateneo de Manila University with a degree in Business Management, and completed his Masters Course in Development Communication (magna cum laude) in the University of the Philippines. He is currently doing his Postgraduate Course in Communication. Mr. Lim is a faculty member of the University of the Philippines Diliman, De La Salle University – College of St. Benilde since 2007 and University of the Asia and Pacific since 2023. He has expertise in real estate management, property standards development, property rentals, marketing, yield and revenue management. He has been an independent director of the Corporation since 2020

Eduardo V. de Mesa, Independent Director. Atty. de Mesa was born 20 March 1953. He obtained his Bachelor of Laws degree from the University of the Philippines in 1985. He ranked No. 10 in his class and is a member of the Order of the Purple Feather in the UP College of Law.

His past work experience included legal counsel stints in both the government and private sectors. He was a member of the Board of Directors of the Bases Conversion Development Authority, Bonifacio Global City Estate Association, Fort Bonifacio Development Corporation, and North Luzon Railways Corporation all from years 2012-2015.

He served as Chief Presidential Legal Counsel in the Office of the President in July 2010 till December 2012 under then President Benigno Aquino III.

From his present law firm, De Mesa Law Office, he served as Senior Associate for Bautista Picazo Cruz Buyco and Tan Law Office (1987-1990), Balane Barican Cruz & Alampay Law Office (1990-1991), Carpio Villaraza & Cruz Law Office (1991-1992). He then became Managing Partner in De Mesa & Ochoa Law Office (1996-2003), De Mesa Zaballero & Partners Law Office (2005-2006); and a Partner in Carag de Mesa & Zaballero Law Office (2006-2015).

His professional affiliations include membership in the Integrated Bar of the Philippines, Philippine Bar Association, UP Law Alumni Association; and Arbitrator for the Philippine Dispute Resolution Center Inc.

Atty. de Mesa excels in the areas of civil, commercial and criminal litigation, commercial arbitration, labor law, election and immigration cases, and government procurement processes such as biddings, joint ventures and public private partnerships.

Except for the above-named directors and officers, the Registrant has no "significant employees" (as the term is defined under the SRC and its implementing rules and regulations).

(b) Independent Directors/Corporate Governance Committee.

In compliance with SRC Rule 38 which provides for the guidelines on the nomination and election of independent directors, a Corporate Governance Committee which performs the functions of the erstwhile Nomination Committee has been created with the following as members:

1. Eduardo V. de Mesa - Chairman, Independent Director
2. Benedict Peter W. Lim - Member, Independent Director
3. Ren Jinhua - Member, Regular Director

Under the Company's New Manual of Corporate Governance, the members of the Corporate Governance Committee shall consist of at least two independent directors, and the Chairman. The Corporate Governance Committee was tasked to accept and to pre-screen nominees for election as independent directors conformably with the criteria prescribed in SRC Rule 38 and the Company's Code of Corporate Governance, and to prepare and to make available to the SEC and the stockholders before the stockholders' meeting a Final List of Candidates as required in the said SEC Memo Circular.

In compliance with SRC Rule 38, hereunder is the Final List of Candidates for Independent Directors of the Registrant for the term 2024-2025 based on nominations received and pre-screened by the Corporate Governance Committee:

Name of Candidate	Nominated By
Benedict Peter W. Lim	Georgina A. Monsod
Eduardo V. de Mesa	Georgina A. Monsod

Ms. Monsod, presently a stockholder and the incumbent EVP and Treasurer of the Registrant, is not related to any of her above-mentioned nominees. The two (2) nominees for Independent Directors were selected by the Corporate Governance Committee in accordance with the guidelines in the Manual of Corporate Governance, the Revised Code of Corporate Governance for Publicly Listed Companies (SEC Memorandum Circular No. 19, series of 2016), and the Guidelines on the nomination and election of Independent Directors (SRC Rule 38).

The nominee Mr. Benedict Lim is currently the Corporation's Independent Director and has been an independent director of the Corporation since 2020.

Information about said candidates as required under Part IV (A) and (C) of Annex "C" of SRC Rule 12 are as contained in this item 5.

To comply with the Securities and Exchange Commission (SEC) Memorandum Circular No. 5 which became effective March 10, 2017, the company submits herewith the Certificates of Qualification of the independent directors in the form prescribed by the SEC. The term limits of the independent directors shall be for a maximum cumulative term of nine (9) years in accordance with SEC Memorandum Circular No. 4, Series of 2017 and SEC Memorandum Circular No. 19, Series of 2016. The reckoning date of the cumulative nine-year term is from 2012.

(c) Significant Employees.

Aside from those listed above, the Company has no other executive officers or certain key personnel who are deemed to make significant contribution to the business.

(d) Family Relationships.

Mr. Ren Jinhua, Regular Director, is the father of Ren Youmin, Regular Director and Chairman of the Board. Other than the foregoing, no director or officer is related to the extent of the fourth civil degree either by consanguinity or affinity.

(e) Involvement in Certain Legal Proceedings.

None of the directors and officers of the Company was involved, in the past five years up to the latest date, in any bankruptcy proceeding. Neither have they been during the same period convicted by final judgment in any criminal proceeding, nor been subject to any order, judgment or decree of competent jurisdiction, permanently enjoining, barring, suspending or otherwise limiting their involvement in any type of business, securities, commodities or banking activities, nor found in action by any court or administrative body to have violated a securities or commodities law that are material to their evaluation as to their fitness for their respective positions.

The Company and its consolidated subsidiaries/affiliates are parties to various legal actions or proceedings. However, in the opinion of management, the ultimate liability, if any, resulting from these actions or proceedings, will not have a material effect on the Company's financial position.

(f) Certain Relationship and Related Transactions.

Relationships and Related Transactions

See Item 13, Certain Relationships and Related Party Transactions, of the 2023 Annual Report.

Other than the transactions stated in Item 13 of the 2023 Annual Report, there has been no material transaction during the last two years, nor is there any material transaction currently proposed, to which the Company was or is to be a party in which any of the incumbent directors and executive officers which the Company, or owners of more than 5% of the Company's voting stock, and executive officers or owners of more than 5% of the Company's voting stock, had or is to have a direct or indirect material interest.

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

(a) Summary Compensation Table.

The annual compensation of the Company's executive officers for the last two (2) fiscal years and for 2023 are as follows:

Name	Position	Year	Salary	Bonus	Other Annual Compensation
Ren Jinhua	Chairman				

Antonio L. Tiu	President/Director				
Georgina A. Monsod	EVP and Treasurer				
Ren Youmin	Director/ Executive Committee				
Aggregate compensation (all key officers and directors as a group) Note: Registrant has no other executive officers except those named above.		2024 (estimated)	₱3.9M	None	None
		2023	₱1.14	None	None
		2022	₱3.4M	None	None

The directors of the Corporation do not receive any compensation as such directors except for per diems. Each director receives a per diem of ₱5,000.00 for each board meeting attended. For the year 2023, the directors of the Corporation received the following per diems and reimbursement of representation expenses incurred from time to time (net of tax):

Director	**Per Diem in 2023**
Ren Youmin	₱118,250
Antonio L. Tiu	₱118,250
Ren Jinhua	₱118,250
Georgina A. Monsod	₱118,250
Claro F. Certeza	₱118,250
Benedict Peter W. Lim	₱118,250
Eduardo V. de Mesa	₱118,250

(b) Compensation of Directors.

Directors receiving compensation were either employed as officers of the Registrant receiving fixed monthly salary or receiving reimbursement of representation expenses incurred from time to time.

Directors and executive officers employed by the Registrant, receiving fixed monthly salary are as shown in the table in the immediately preceding section.

(c) Employment Contracts and Termination of Employment and Change-in-Control Arrangement.

There were no employment contracts, termination of employment, or any arrangement that resulted or may result in a change of control of the Registrant.

(d) Warrants and Options Outstanding.

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

Item 7. **Independent Public Accountants**

(a) <u>Audit and Audit-Related Fees</u>

The Registrant continued the services of its external auditors from Isla Lipana & Co.

The firm of Isla, Lipana & Co. as represented by its partner-in-charge, Mr. Zaldy D. Aguirre, will be re-appointed as the Company's external auditor for the ensuing year during the stockholders' meeting. Mr. Aguirre has been the partner-in-charge since 2022 year-end audit. There were no disagreements with the auditors with respect to accounting principles and practices, financial disclosures, or auditing scope or procedures. As in previous years, representatives of the Registrant's auditors are expected to be present at this year's annual stockholders' meeting, available to respond to questions that may be asked by the stockholders. The said auditors will have the opportunity to make a statement if they desire to do so.

The external auditors charged the Company and its subsidiaries a total amount of ₱ 3,3360,000 and ₱ 3,3360,000 for the year ending December 31, 2023 and December 31, 2022, respectively.

The Company is in compliance with SRC Rule 68, Paragraph 3(b)(iv) which requires the rotation of external auditors or the handling partners of the auditing firm.

(b) <u>Tax Fees.</u>

There were routine professional services rendered by the external auditors for tax accounting, compliance, advice, planning and any other form of tax services in each of the last two (2) calendar years ending December 31, 2023 and 2022. The fees for these services are included in the Audit and Audit-Related Fees mentioned above.

(c) <u>All Other Fees.</u>

There were no other professional services rendered by the external auditors during the period.

(d) <u>Company Policy on Appointment of Independent Auditor</u>

The EVP, Treasurer and the Audit Committee recommended to the Board of Directors the appointment of the external auditor and the fixing of the audit fees. The Board of Directors approves the recommendation for the appointment of the external auditor subject to approval/ratification by the stockholders at the annual stockholders' meeting.

The present members of the Audit & Related Party Transactions Committee of the Company are as follows:

Benedict Peter W. Lim	-	Chairman (Independent Director)
Eduardo V. de Mesa	-	Member (Independent Director)
Ren Youmin	-	Member
Ren Jinhua	-	Member

D. <u>OTHER MATTERS</u>

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

Summary of Items to be Submitted for Stockholders' Approval

(a) Approval of the minutes of the 2023 annual stockholders' meeting

(b) Approval of annual report of management and 2023 audited financial statements
(c) Approval of the amendment of the Amended Articles of Incorporation and Amended By-laws to change the principal address of the corporation
(d) Approval of the minutes of the 2023 annual stockholders' meeting will constitute a ratification of the accuracy and faithfulness of the record therein of the events that transpired during the said meeting. Among the matters taken up during the 2023 annual stockholders' meeting and reflected in the minutes thereof were the following: (a) approval of the 2022 management report and 2022 audited financial statements; (b) ratification of corporate acts; (c) approval of the amendment of the Articles of Incorporation and By-laws to reduce the number of directors from eleven (11) to seven (7); (d) election of directors; and (e) appointment of external auditors. This will not constitute a second approval of the same matters that were already taken up and approved during the said meeting. Approval of the 2022 annual report of management and the 2022 audited financial statements will constitute a ratification of the Company's performance during the preceding year as contained or reflected in said annual report and financial statements.

Description of Voting and Voting Tabulation Procedures used in the 2023 annual meeting

Stockholders of record were allowed to vote by proxy or in absentia through the link provided by the Corporation for the 2023 annual stockholders' meeting. Stock Transfer Services, Inc. (STSI), the Corporation's stock transfer agent, acted as the board of canvassers for the annual meeting. They had access to the submitted proxies and the online voting portal of the Corporation, and based on the votes submitted, STSI was able to prepare the official tabulation of votes.

Description of opportunity given to stockholders to ask questions

The stockholders were encouraged to submit their questions before and during the December 12, 2023 annual stockholders' meeting. No questions or comments were raised by the Stockholders during the meeting.

Matters Discussed and Resolutions Reached and Record of Voting Results

Below is a summary of the tabulation of votes as confirmed by STSI:

2023 ASM Agenda Items	For	Against	Abstain
1. Approval of Minutes of the Previous Meeting of the Stockholders on December 5, 2022	5,126,859,700	0	0
2. Management Report and Approval of the 2022 Audited Financial Statements	5,126,859,700	0	0
3. Ratification of Resolutions, Contracts, Acts of the Board of Directors and Management	5,126,859,700	0	0
4. Approval of the amendment of the Articles of Incorporation and By-laws to reduce the number of directors from eleven (11) to seven (7)	5,126,859,700	0	0
5. Election of Directors			
<u>Nominees for Regular Directors</u>			
a) Ren Jinhua	5,126,859,700	0	0
b) Ren Youmin	5,126,859,700	0	0

c) Claro F. Certeza	5,126,859,700	0	0
d) Georgina A. Monsod	5,126,859,700	0	0
e) Laiza Rose R. Lamsen	5,126,859,700	0	0
Nominees for Independent Directors			
a) Benedict Peter W. Lim	5,126,859,700	0	0
b) Eduardo V. de Mesa	5,126,859,700	0	0
5. Appointment of External Auditors	5,126,859,700	0	0
6. Ratification of all acts of the board of directors and management from the last stockholders' meeting to date	5,126,859,700	0	0

List of Directors, Officers, Stockholders and Other Related Attendees who attended the 2023 Annual Stockholders Meeting

The following Directors were present:

Ren Jinhua
Ren Youmin
Claro F. Certeza
Georgina A. Monsod
Keinth Roger B. Castillo
Benedict Peter W. Lim
Jose Gerardo A. Medina

The following Officers of the Company were present:

Ren Jinhua (Director)
Georgina A. Monsod (EVP)
Keinth Roger B. Castillo (Director)
Delfin P. Angcao (Corporate Secretary)
Ana Maria A. Katigbak (Assistant Corporate Secretary)

The following shareholders were represented as follows:

Stockholders Participating in Absentia	
	No. of shares
Ren Jinhua	50
Georgina A. Monsod	1,000
Ren Youmin	100
Claro F. Certeza	5
Laiza Rose R. Lamsen	50
Benedict Lim	100
Eduardo V. de Mesa	50
Total	**1,355**
Stockholders Represented by Proxy	

	No. of shares
Aggregate Business Group Holdings Inc.	4,320,905,000
Auspicious One-Belt-One-Road Fund	368,175,000
Eagle Equities, Inc.	433,704,000
Cray R. Fernandez	975,200
Esteban G. Peña Sy	250
Gloria Georgia G. Garcia	250
Angelito Z. Anda	3,100,000
Total	**5,126,859,700**

Total No. of Shares Issued and Outstanding	6,783,881,262
Total No. of Shares Participating in Absentia & Represented by Proxy	5,126,859,700
Total Percentage of Shares Participating in Absentia & Represented by Proxy	75.57%

Other attendees:

Isla Lipana & Co. - External Auditor
Stock Transfer Services, Inc. - Stock Transfer Agent/Board of Canvasser

Material information on the current stockholders and their voting rights

As discussed previously, the following are the Stockholders owning more than 5% of the Registrant's shares of stocks as of August 7, 2024:

*Title of Class	Name, Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	Number of Shares Held	Percent of Class
Common	AGGREGATE BUSINESS GROUP HOLDINGS, INC. Unit 627 City and Land Mega Plaza Building ABD Avenue Corner Garnet Road, Ortigas Center, Pasig City[2]	AGGREGATE BUSINESS GROUP HOLDINGS, INC. Principal Stockholder	Filipino	4,320,905,000	71.28%
Common	PCD NOMINEE CORP. (F) G/F MSE Bldg. Ayala Ave., Makati City	Various owners	Filipino	**671,432,815	11.08%
Common	PCD NOMINEE CORP. (NF) G/F MSE Bldg. Ayala Ave., Makati City	Various owners	Non-Filipino	626,197,699	10.33%

[2] Youmin Ren will vote the shares of Aggregate Business Group Holdings Inc.

Common	AUSPICIOUS ONE BELT ONE ROAD FUND	AUSPICIOUS ONE BELT ONE ROAD FUND Principal Stockholder	British	368,175,000	6.07%

*The report is exclusive of 722,320,940 preferred shares with par value of Php 10 per share owned by the City Government of Makati.
**231,315,000 out of 671,432,815 common shares is for the account of AGGREGATE BUSINESS GROUP HOLDINGS, INC. which owns a total of 4,552,220,000 (75.10%) common shares of the Company.

Appraisals and performance report for the Board and Criteria and Procedure for Assessment

The Governance Committee oversees the annual performance evaluation of the Board, its board committees as well as the individual director's performance. The assessment criteria include the structure, efficiency and effectiveness of the Board as a body, the composition, organization and processes implemented within the different board committees and the knowledge, attendance and overall contribution of each member director to their respective board committees.

Directors Disclosures on self-dealing and related party transactions

The directors and officers of the Company did not have any dealing in the company's shares nor did they engage in any related party transactions during the year 2022.

Item 16. **Amendments of Charter, By-laws, and Other Documents**

(A) Amendment of Article Third of the Amended Articles of Incorporation

In a special meeting of the Board of Directors, it has resolved to amend Article Third of the Amended Articles of Incorporation ("AOI") of the Corporation in order to change the principal address of the Corporation:

Old Provision	Proposed Amendment	Rationale
Article Third, Amended Articles of Incorporation: **THIRD:** That the place where the principal office of the corporation is to be established or located is at 35th Floor, Rufino Pacific Tower, 6748 Ayala Avenue, Makati City.	**Article Third, Amended Articles of Incorporation:** **THIRD:** That the place where the principal office of the corporation is to be established or located is at Philippine Infradev Site Office, Spinal Road, Brgy. Tatala, Binangonan, Rizal	Subject to the approval of the stockholders and this Honorable Commission, the Company seeks to amend its principal office address from Makati City to Binangonan, Rizal. Considering that majority of the Company's business transactions are conducted in Binangonan, the Company has decided to relocate its principal office therein. The said relocation will better align the Company's official records with its current operational base, ensuring consistency and compliance with regulatory requirements.

In view of the foregoing, the Company has included the approval of the foregoing amendment of its Amended AOI as one of the agenda items for the upcoming annual meeting of the stockholders.

Accordingly, the Board's decision to amend the Company's Amended AOI has been properly disclosed to this Honorable Commission and the PSE on July 2, 2024.

(B) Amendment of Article I, Section 1 of the Amended By-laws

In a special meeting of the Board of Directors, it has resolved to amend Article I, Section 1 of the Amended By-laws of the Corporation in order to change the principal address of the Corporation:

Old Provision	Proposed Amendment	Rationale
Article I, Section 1, Amended By-laws: **SECTION 1. <u>Principal Office.</u>** The principal office of the corporation shall be located at Metro Manila, Philippines and at such other places within the Philippines as the Board of Directors may designate and fix.	**Article I, Section 1, Amended By-laws:** **SECTION 1. <u>Principal Office.</u>** The Principal Office of the Corporation shall be located at the place indicated in the Articles of Incorporation of the Corporation.	Kindly refer to the discussion above on the justification for the relocation of the Company's principal office.

In view of the foregoing, the Company has included the approval of the foregoing amendment of its Amended By-laws as one of the agenda items for the upcoming annual meeting of the stockholders. Accordingly, the Board's decision to change the principal office address of the Corporation has been properly disclosed to this Honorable Commission and the PSE on July 2, 2024.

Item 17. **Other Proposed Actions**

(a) Ratification of resolutions, contracts and acts of the board of directors and management
(b) Election of directors
(c) Appointment of external auditors

Resolutions, contracts and acts of the board of directors and management for ratification refer to those passed or undertaken by them during the year and for the day-to-day operations of the Company as contained or reflected in the annual report and financial statements. These included, among others, the election of officers, composition of corporate governance committees, and appointment of external auditors as previously disclosed to the Securities and Exchange Commission and the Philippine Stock Exchange.

Item 18. **Voting Procedures**

The vote required for acts requiring stockholders' approval is majority of stocks present in a quorum unless the law provides otherwise. In the election of directors, however, the seven (7) nominees obtaining the highest number of votes in accordance with the provisions of the Revised Corporation Code, shall be proclaimed the directors.

Casting of votes will be done *in absentia* or by proxy as described in the Guidelines and Procedures for Participating via Remote Communication and Voting *in Absentia*, Votes cast during the annual stockholders' meeting shall be counted by the Corporate Secretary.

ACCOMPANYING THIS INFORMATION STATEMENT IS A COPY OF THE NOTICE OF THE ANNUAL STOCKHOLDERS' MEETING CONTAINING THE AGENDA THEREOF, AS WELL AS A COPY OF THE REGISTRANT'S MANAGEMENT REPORT AS REQUIRED

UNDER SRC RULE 20 (4), AS AMENDED, AND THE COMPANY'S QUARTERLY REPORT FOR THE 1st QUARTER OF 2024 IN SEC FORM 17-Q.

REQUESTS FOR HARD COPIES OF THE FOREGOING DOCUMENTS MAY BE SENT TO admin@infra.com.ph.

SIGNATURE

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 **September 5, 2024.**

PHILIPPINE INFRADEV HOLDINGS INC.
Registrant

By:

DELFIN P. ANGCAO
Corporate Secretary

Attendance Report

Meeting of the Board of Directors

Members of the Board of Directors	January 19, 2024	January 24, 2024	January 29, 2024	March 5, 2024	April 21, 2024	April 22, 2024	April 26, 2024	May 21, 2024	June 29, 2024	July 5, 2024	July 17, 2024
1. Ren Jinhua	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2. Ren Youmin	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3. Claro Certeza	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
4. Georgina A. Monsod	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5. Laiza Rose R. Lamsen	✓	✓	✓	✓	✓	✓	✓	✓	Resigned	N/A	N/A
6. Benedict Lim (Independent Director)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
7. Eduardo V. De Mesa (Independent Director)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
8. Antonio L. Tiu	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓	✓

CERTIFICATE

I, **Laiza Rose R. Lamsen**, Filipino, of legal age, with office address at 38/F Rufino Pacific Tower, 6784 Ayala Avenue, Makati City, after having been duly sworn in accordance with law, do hereby depose and state that:

1. I am the Compliance Officer of **PHILIPPINE INFRADEV HOLDINGS INC.** (the "Corporation"), a corporation duly organized and existing under the laws of the Philippines, with principal officer address at 38/F Rufino Pacific Tower, 6784 Ayala Avenue, Legaspi Village, Makati City, Philippines.

2. I hereby certify that none of the Corporation's nominee Regular Directors, nominee Independent Directors, and Officers are appointed or employed in a government agency or its instrumentalities.

IN WITNESS WHEREOF, this Certificate was signed and issued this AUG 2 2 2024 at MAKATI CITY, Philippines.

Laiza Rose R. Lamsen
Compliance Officer

SUBSCRIBED AND SWORN to before me this AUG 2 2 2024 day of ________ at MAKATI CITY affiant personally appeared before me and exhibited to me her ________________ issued at ________________ on ________________.

Doc. No. 506;
Page No. 101;
Book No. XXV;
Series of 2024.

ATTY. GERVACIO B. ORTIZ JR.
Notary Public City of Makati
Until December 31, 2024
IBP No. 05729- Lifetime Member
MCLE Compliance No. VII-0022734
valid until April 14, 2025
Appointment No. M-39 (2023-2024)
PTR No. 10073909 Jan. 2, 2024 / Makati
Makati City Roll No. 40091
101 Urban Ave. Campos Rueda Bldg.
Brgy.Pio Del Pilar, Makati City

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **Eduardo V. de Mesa,** Filipino, of legal age and a resident of No. 16 Rome Street, Loyola Grand Villas, Pansol, Quezon City 1108, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of PHILIPPINE INFRADEV HOLDINGS, INC. (the "Company") and have been its independent director since 2023.

2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
NAMRIA	Consultant	2016 to present
STEFAN QUATERNARIES PHIL., INC	Consultant	2016 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Company, as provided in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.

4. I am NOT related to any director/officer/substantial shareholder of the Company and its subsidiaries and affiliates.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I am not in government service or affiliated with a government agency or a GOCC as would require written permission or consent from the head of the agency/department for me to be an independent director of the Company, pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.

7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code of Corporate Governance and other SEC issuances.

8. I shall inform the Corporate Secretary of the Company of any changes in the abovementioned information within five days from its occurrence.

Done, this AUG 0 8 2024 day of ________, at CITY OF MAKATI.

Eduardo V. de Mesa
Affiant

SUBSCRIBED AND SWORN to before me this AUG 0 8 2024 day of ________ at CITY OF MAKATI affiant personally appeared before me and exhibited to me his/her ______________________ issued at ________________ on ________________.

Doc. No. 371;
Page No. 66;
Book No. XXIX;
Series of 2024.

ATTY. GERVACIO B. ORTIZ JR.
Notary Public City of Makati
Until December 31, 2024
IBP No. 05729- Lifetime Member
MCLE Compliance No. VII-0022734
valid until April 14, 2025
Appointment No. M-39 (2023-2024)
PTR No. 10073909 Jan. 2, 2024 / Makati
Makati City Roll No. 40091
101 Urban Ave. Campos Rueda Bldg.
Brgy.Pio Del Pilar, Makati City

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **Benedict Peter W. Lim,** Filipino, of legal age and a resident of 22 Mariposa St., Cubao, Quezon City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of PHILIPPINE INFRADEV HOLDINGS, INC. (the "Company") and have been its independent director since 2020.

2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
University of the Philippines	Senior Lecturer Professor	10 years
De La Salle CSB	Senior Lecturer and Thesis Panelist	17 years to present
University of the Asia and the Pacific	Senior Lecturer	2 years to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Company, as provided in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.

4. I am NOT related to any director/officer/substantial shareholder of the Company and its subsidiaries and affiliates.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I am not in government service or affiliated with a government agency or a GOCC as would require written permission or consent from the head of the agency/department for me to be an independent director of the Company, pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.

7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code of Corporate Governance and other SEC issuances.

8. I shall inform the Corporate Secretary of the Company of any changes in the abovementioned information within five days from its occurrence.

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **Benedict Peter W. Lim,** Filipino, of legal age and a resident of 22 Mariposa St., Cubao, Quezon City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of PHILIPPINE INFRADEV HOLDINGS, INC. (the "Company") and have been its independent director since 2020.

2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
University of the Philippines	Senior Lecturer Professor	10 years
De La Salle CSB	Senior Lecturer and Thesis Panelist	17 years to present
University of the Asia and the Pacific	Senior Lecturer	2 years to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Company, as provided in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.

4. I am NOT related to any director/officer/substantial shareholder of the Company and its subsidiaries and affiliates.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I am not in government service or affiliated with a government agency or a GOCC as would require written permission or consent from the head of the agency/department for me to be an independent director of the Company, pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.

7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code of Corporate Governance and other SEC issuances.

8. I shall inform the Corporate Secretary of the Company of any changes in the abovementioned information within five days from its occurrence.

PHILIPPINE INFRADEV HOLDINGS, INC.

MANAGEMENT REPORT
Pursuant to SRC Rule 20 (4)

For the 2024 Annual Stockholders' Meeting

A. AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED DECEMBER 31, 2023, MARCH 31, 2024 AND JUNE 30, 2024 INTERIM FINANCIAL STATEMENTS

Registrant's consolidated audited financial statements for the fiscal year ended December 31, 2023 and interim financial statements for the periods ended March 31, 2024 and June 30, 2024 are attached.

B. THERE WERE NO DISAGREEMENTS WITH THE ACCOUNTANTS

C. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS

Company's Operations

Philippine Infradev Holdings Inc. (*formerly IRC Properties, Inc.*) (Parent Company) and Interport Development Corporation (IDC) (Subsidiary) were incorporated in the Philippines on February 24, 1975 and December 21, 1993, respectively. Parent Company is primarily involved in the acquisition, reclamation, development, or exploitation of lands for the purpose of converting and developing said lands to integrated residential or commercial neighborhoods, and generally to engage in real estate business in all its forms. IDC is primarily involved in the acquisition and selling of real estate of all kinds or to hold such properties for investment purposes.

The Parent Company became a public company through an initial public offering at the Philippine StockExchange (PSE) on February 27, 1978. There are no other offerings made other than new shares issuedarising from stock rights offering in 2010. As at December 31, 2023 and 2022, 15.53% of the total outstanding common shares of the Parent Company are listed in the PSE.

The immediate and ultimate parent of the Parent Company is Aggregate Business Group Holdings Inc. (ABG), a domestic holding company, which holds 67.10% (2022 - 67.10%) of the Parent Company's outstanding common shares as at December 31, 2023.

On July 20, 2018, the Parent Company's Board of Directors (BOD) and shareholders approved the change in the Parent Company's corporate name to Philippine Infradev Holdings Inc. Such change was subsequently approved by the Securities and Exchange Commission (SEC) on October 30, 2018.

On October 23, 2018, the Parent Company received from Public-Private Partnership (PPP) Selection Committee of Makati City Government a Notice of Award for the construction and operation of the Makati Subway System (the "Project") to be implemented through a joint venture agreement. The Project has been awarded to the Parent Company as the lead proponent of a consortium.

On March 4, 2019, the Parent Company incorporated Makati City Subway, Inc. (MCSI) that will be used as a special corporate vehicle for the Subway Project. MCSI is a wholly-owned, domestic subsidiary of the Parent Company.

On July 12, 2019, the Parent Company incorporated Jiangsu Rizal Infradev Co., Ltd. (JRIC) to function primarily as a corporate vehicle in the procurement of materials and equipment related to the Subway Project. JRIC is a wholly-owned, foreign subsidiary of the Parent Company

On July 19, 2019, the Makati City Council approved City Ordinance No. 2019-A-020 (the "Ordinance") on third and final reading. The Ordinance approved the terms and conditions of the PPP JV Agreement between the Parent Company and the Makati City Government for the construction, establishment, management and operation of the Subway Project.

On July 30, 2019, the Parent Company's BOD approved a resolution authorizing the Parent Company's execution, delivery and performance of the PPP JV Agreement with the Makati City Government, and of other instruments contemplated in the PPP JV Agreement. On the same date, authorized representatives of the Parent Company and the Makati City Government signed the PPP JV Agreement and the Parent Company submitted to the Makati City Government the US$350 million performance bond which was accepted by the Makati City Government.

On February 18, 2020, the Notice to Proceed for the Subway Project was received by the Parent Company. The Subway project is expected to be completed within five (5) years for an estimated total project cost of US$3.5 billion.

The Parent Company's BOD approved the change in the Parent Company's registered office and principal place of business from 35/F Rufino Pacific Tower, 6784 Ayala Avenue, Makati City to 38F (A&B) Rufino Pacific Tower, 6784 Ayala Avenue, Makati City, effective February 1, 2021.

On March 9, 2021, the Group executed a legally binding term sheet with Richer Today, Inc. ("RTI") for the financing, design, construction, development, marketing and sale of the lots in and around Station 5 of the Subway System Project through an unincorporated joint venture. Construction development over said lots shall commence after two (2) years.

On March 7, 2022, the Group received the certificate of registration of MCSI as new operator of Local Government Unit Public-Private Partnership from the Board of Investments effective January 17, 2022. This includes the approval of tax incentives which shall be limited to four (4) years income tax holiday, followed by five (5) years enhanced deductions and duty exemption on importation of capital equipment, subject to compliance with certain conditions.

Territorial dispute between the Cities of Makati and Taguig

In 2023, the Supreme Court ("SC") ruled with finality that the City of Taguig has jurisdiction over Fort Bonifacio and Embo barangays previously belonging to the City of Makati. As a result of this SC ruling, management has assessed that the alignment of the subway will no longer be feasible due to several stations now under the territory of the City of Taguig. As of reporting date, the construction activities related to the Subway System have been temporarily suspended.

The Parent Company and its subsidiaries have been collectively referred hereinto as the Group.

The clearing of the Company's Binangonan property is still the focus of the Company's operations with the goal of completely freeing from third party claims 500 hectares of the 2,200-hectare property. Due to a number of factors, including the recognition of Supreme Court's recognition of the superior rights of the bonafide occupants as well as potential challenges in clearing and re-titling of this large area of land, management has estimated that only 1,513 hectares are expected to be recovered/cleared and re-titled in the name of the Parent Company as at March 31, 2024 and December 31, 2023. This estimate is assessed at regular intervals of one (1) to three (3) years based on the Group's interaction with current occupants.

The Group is actively in the process of clearing and re-titling the large portion of the property in Binangonan for future developments.

Company's Shares of Stocks

In 2018, Aggregate Business Group Holdings Inc. (ABG) purchased 26.94% ownership out of the 29.62% equity interest in the Parent Company previously held by Mabuhay Holdings Corporation. ABG is a domestic holding company. In 2019, ABG increased its ownership in the Parent Company to 71.28% through the purchase of additional shares making it the Group's ultimate parent company as at December 31, 2021.

On July 20, 2018, the Parent Company's Board of Directors (BOD) and shareholders approved the change in the Parent Company's corporate name to Philippine Infradev Holdings Inc. Such change was subsequently approved by the Securities and Exchange Commission (SEC) on October 30, 2018.

Subsequently, the Parent Company received from its shareholders deposits for future common shares subscription amounting to P1.28 billion as at December 31, 2018, pending SEC's approval on the increase in authorized share capital. On March 15, 2019, following SEC's approval the Parent Company issued the corresponding 4.56 billion common shares.

On October 31, 2019, relative to the PPP JV Agreement, the Parent Company entered into the Subscription Agreement with the Makati City Government for 722.32 million preferred shares of the Parent Company at P10 per share in exchange for the delivery of the Makati Land.

In February 2020, the Parent Company and the Makati City Government agreed to split the Subscription Agreement into two: (i) 656.66 million preferred shares to be paid with land properties owned by the Makati City Government with an appraised value of P6.57 billion as at September 13, 2019, and (ii) 65.67 million preferred shares to be acquired through 2% annual stock dividends for 5 (five) years until the 722.32 million preferred shares are fully issued.

DISCUSSION OF THE REGISTRANT'S FINANCIAL CONDITION, CHANGES IN FINANCIAL CONDITION & RESULTS OF OPERATIONS FOR EACH OF THE LAST 3 FISCAL YEARS

INTERIM REPORT JUNE 30, 2024

The Company employed total assets of ₱123,776,151,032 financed by total liabilities of ₱22,543,018,378 and total stockholders' equity of ₱101,233,132,654. Noncurrent assets amounted to ₱121,170,965,954 consisting of investment property, property and equipment (net of accumulated depreciation), intangible assets and other assets. Current assets stood at ₱2,605,185,078

Results of Operation

A comparative review of the Company's financial operations for the quarter ended June 30, 2024 *vis-à-vis* the same period last year showed the following:

The significant increase of ₱177.04 million in total revenue was mainly due to the higher volume of sales in Casas Carlina for the first half of 2024. Total cost and expenses increased by ₱119.22 million from ₱199.62 million mainly because of the higher cost of sales. Higher cost of sales is brought by the higher sold units in 2024 which is forty-three (159) units as compared to six (91) units in 2023.

Material changes (June 30, 2024 vs. December 31, 2023)

Cash increased by ₱162.95 million mainly because of the payments from the customers, sale of land and cash proceeds from the take outs.

Receivable increased by ₱53.95 million mainly because of the receivable from the subcontractors and retention receivable.

Real estate held for sale and development decreased by ₱121.24 million mainly because of the sold units in Casas Carlina Project.

Prepayments and other current assets increased by ₱36.76 million mainly because of the increase in Input VAT.

Property and equipment, net decreased by ₱0.84 million mainly because of the recorded depreciation of the quarter

Accounts payable and accrued expenses increased by ₱66.36 million mainly due to the customer deposits received from the buyers of Casas Carlina.

Income tax payable increased by ₱18.44 million mainly due to the income tax liability incurred during the period..

Retirement benefit obligation decreased by ₱1.21 million mainly due to the payment made by the Company.

Retained Earnings increased by ₱55.99 million because of the net income earned.

There is no significant element of income that did not arise from the Registrant's continuing operations. Neither is the Company's operations affected by any seasonality or cyclical trends.

INTERIM REPORT MARCH 31, 2024

Results of Operations

A comparative review of the Company's financial operations for the quarter ended March 31, 2024 vis-à-vis the same period last year showed the following:

The significant increase of ₱73.80 million in total revenue was mainly due to the higher volume of sales in Casas Carlina for the first quarter of 2024. Total cost and expenses increased by ₱40.35 million from ₱90.88 million mainly because of the higher cost of sales. Higher cost of sales is brought by the higher sold units in 2024 which is forty-three (84) units as compared to six (43) units in 2023.

Financial Condition

The Company employed total assets of ₱123,708,874,359 financed by total liabilities of ₱22,504,856,495 and total stockholders' equity of ₱101,204,017,864. Noncurrent assets amounted to ₱121,171,374,273 consisting of investment property, property and equipment (net of accumulated depreciation), intangible assets and other assets. Current assets stood at ₱2,537,500,086.

Material changes (March 31, 2024 vs. December 31, 2023)

Cash increased by ₱48.09 million mainly because of the payments from the customers, sale of land and cash proceeds from the take outs.

Receivable increased by ₱40.11 million mainly because of the receivable from the subcontractors and retention receivable.

Prepayments and other current assets increased by ₱16.77 million mainly because of the increase in Input VAT..

Property and equipment, net decreased by ₱0.42 million mainly because of the recorded depreciation of the quarter

Accounts payable and accrued expenses increased by ₱38.46 million mainly due to the customer deposits received from the buyers of Casas Carlina.

Income tax payable increased by ₱8.18 million mainly due to the income tax liability incurred during the period.

Retirement benefit obligation decreased by ₱1.21 million mainly due to the payment made by the Company.

Retained Earnings increased by ₱22.87 million because of the net income earned.

There is no significant element of income that did not arise from the Registrant's continuing operations. Neither is the Company's operations affected by any seasonality or cyclical trends.

YEAR ENDED DECEMBER 31, 2023

Results of Operations

Philippine Infradev Holdings Inc. sold 1 units of Casas Aurora amounting to P 1,700,000 and 171 units of Casas Carlina amounting to P 379,626,834. Further, the Company sold a parcel of raw land amounting to P 21,955,500.00. Casas Carlina project is the main sales contributor for the year ended 2023.

Based on the latest appraisal as at December 31, 2023 performed by an independent external firm of appraisers, the Binangonan property has a fair value of P2,296/sqm as at December 31, 2023.

Financial Condition

The financial position of the Company as of December 31, 2023, shows total assets of P 123,644,570,770. Noncurrent assets were P 121,171,802,775. The noncurrent assets consist of investment properties, property and equipment (net of accumulated depreciation), intangible assets and other assets. Current assets as of December 31, 2023 recorded at P 2,472,767,995.

The total liabilities of the Company as of December 31, 2023 are P 22,463,427,629 while current liabilities stood at P 2,399,058,424. Non-current liabilities are P 20,064,369,205 which includes the 6,352,708,962 deferred tax liability and P 13,309,429,521 provision for clearing costs. Total stockholders' equity as of December 31, 2023 is P 101,181,143,141.

Material changes (2023 vs. 2022)

Cash increased by 85% or P68.23 million mainly due to the payments made (reservation, full payment) by our customers and escrow fund received from the Bank.

Receivables increased by 28% or P 184.55 million mainly because of the advances made to subcontractors and receivables arise from property sales in the Company's ordinary course of business.

Real estate held for sale and development increased by 6% or P91.24 million brought by the additions in the construction costs for the Casas Carlina.

Prepayments increased by 34% or P 88.03 million mainly because of the input VAT transactions of the Company.

Property and equipment decreased by P 2,893.30 million mainly due the impairment loss of Company's Construction-in-progress.

Intangible assets as at December 31, 2023 pertain to contractual rights over the excess FAR granted to the Group.

Other Assets decreased by 66% or P 1.80 million primarily due to refunded deposits.

The upward movement in the Accounts payable and accrued expenses of 46% or 166.18 million is mainly attributable to the deposits from the buyers of Casas Carlina project as well as the accrual of the corresponding commission.

Provision for clearing costs, current portion and non-current portion increased by P414.51 million due to the change in estimate of clearing cost, net of unwinding of discount.

Payable to related parties increased by 100% or P 1,834.52 million primarily due to the cost and expenses paid on behalf of the group in connection with the Subway System Project

Borrowings, current increased by P263.67 million mainly due to the additional unsecured loan availment.

Borrowings, net of current portion decreased by P73.80 million primarily due to the expectation that the borrowings are to be settled within twelve months.

The P 349.60 million or 6% increase in the deferred income tax liability is primarily due to the cumulative unrealized fair value gain on investment property.

YEAR ENDED DECEMBER 31, 2022

Results of Operations

Philippine Infradev Holdings Inc. sold 28 units of Casas Aurora amounting to P 46,265,700 and 66 units of Casas Carlina amounting to P 112,537,840. Further, the Company sold a parcel of raw land amounting to P 12,060,000. Casas Carlina project is the main sales contributor for the year ended 2022 in which the company started to sell the units in the year 2022.

Based on the latest appraisal as at December 31, 2022 performed by an independent external firm of appraisers, the Binangonan property has a fair value of P2,262/sqm as at December 31, 2022.

Financial Condition

The financial position of the Company as of December 31, 2022, shows total assets of P 164,804,840,792. Noncurrent assets were P 162,764,970,681. The noncurrent assets consist of investment properties, property and equipment (net of accumulated depreciation), intangible assets and other assets. Current assets as of December 31, 2022 stood at P 2,039,870,111.

The total liabilities of the Company as of December 31, 2022 is P 19,507,893,132 while current liabilities stood at P 464,866,651. Non-current liabilities is P 19,043,026,481 which includes the 6,003,104,920 deferred tax liability and P 12,962,595,743 provision for clearing costs. Total stockholders' equity as of December 31, 2022 is P 145,296,947,660.

Material changes (2022 vs. 2021)

Cash decreased by P352.33 million mainly because of the payment to the contractors and consultants related to the subway project and transit-oriented development. Other major payments were related to the construction costs for the fourth subdivision of the Company named Casas Carlina.

Real estate held for sale and development increased by P204.63 million brought by the additions in the construction costs for the fourth subdivision of the Company named Casas Carlina.

Receivables increased by P360.59 million mainly because of the advances made to subcontractors and receivables arise from property sales in the Company's ordinary course of business.

Prepayments increased by P75.64 million mainly because of the input VAT transactions of the Company.

Investment property increased by P4.88 billion mainly due to the fair value gain of the recognized land.

Property and equipment increased by P64.30 million mainly because of the transactions of MCSI related to its subway project.

Intangible assets as at December 31, 2022 pertain to contractual rights over the excess FAR granted to the Group.

The upward movement in the Accounts payable and accrued expenses of 20.98% is mainly attributable to the deposits from the buyers of Casas Carlina project as well as the accrual of the corresponding commission.

Provision for clearing costs, current portion and non-current portion increased by P837.36 million due to the change in estimate of clearing cost, net of unwinding of discount.
The material movement in the Deferred income tax liability is mainly brought by the cumulative unrealized fair value gain on investment property.

Share capital increased by P292.05 million brought by the collection of subscription receivable.

YEAR ENDED DECEMBER 31, 2021

Results of Operations

Philippine Infradev Holdings Inc. sold 10 units of Casas Aurora amounting to P 14,494,000 and 1 unit of Fiesta Casitas amounting to P 1,250,000. Further, the Company sold a parcel of raw land amounting to P 4,030,000. Casas Aurora project is the main sales contributor for the year ended 2021 in which the company started to sell the units in the year 2016.

A comparative review of the Company's financial operations for the year ended December 31, 2021 vis-à-vis the same period last year showed the following:

The negative material movement of sales account was brought by the lower sold units in 2021. Philippine Infradev Holdings Inc. (IRC) sold 10 units of Casas Aurora and 1 unit of Fiesta Casitas in 2021 as compared to 18 units and 14 units, respectively in 2020.

Based on the latest appraisal as at December 31, 2021 performed by an independent external firm of appraisers, the Binangonan property has a fair value of P1,971/sqm as at December 31, 2021.

Total cost and expenses decreased by P95.36 million from P157.39 million mainly due to the loss on disputed debts and foreign exchange loss incurred in 2020 as well as lower cost of sales for 2021.

Financial Condition

The financial position of the Company as of December 31, 2021, shows total assets of P 159,572,715,888. Noncurrent assets were P 157,821,702,058. The noncurrent assets consist of investment properties, property and equipment (net of accumulated depreciation), intangible assets and other assets. Current assets as of December 31, 2021 stood at P 1,751,013,830.

The total liabilities of the Company as of December 31, 2021 is P 17,551,928,281 while current liabilities stood at P 425,997,841. Non-current liabilities is P 17,125,930,440 which includes the 4,994,984,372 deferred tax liability and P 12,125,240,147 provision for clearing costs. Total stockholders' equity as of December 31, 2021 is P 142,020,787,607.

Material changes (2021 vs. 2020)

Cash decreased by P122.58 million mainly because of the land acquisitions and payment to the contractors and consultants related to the subway project and transit-oriented development. Other major payments were related to the land development and construction costs for the fourth subdivision of the Company named Casas Carlina.

Real estate held for sale and development increased by P83.15 million brought by the additions in the land development and construction costs for the fourth subdivision of the Company named Casas Carlina.

Prepayments increased by P20.63 million mainly because of the input VAT transactions of the Company.

Investment property increased by P9.22 billion mainly due to the land acquisition related to the subway project and fair value gain of the acquired land.

Property and equipment increased by P167.74 million mainly because of the transactions of MCSI related to its project development costs.

Intangible assets as at December 31, 2021 pertain to contractual rights over the excess FAR granted to the Group.

The upward movement in the Accounts payable and accrued expenses of 32% is mainly attributable to the accrued interest related to the loan of Jiangsu Rizal Infradev Co., Ltd. (JRIC) from Shanghai Mintu Investment Holding Company for Makati City Subway project partnership. JRIC is a wholly-owned, foreign subsidiary of the Parent Company to function primarily as a corporate vehicle in the procurement of materials and equipment related to the Subway Project. Further, the retention payable for both housing and subway project of the Group contributed to the upward movement of the account.

Provision for clearing costs, current portion and non-current portion increased by P324.92 million due to the change in estimate of clearing cost, net of unwinding of discount.

The material movement in the Deferred income tax liability is mainly brought by the cumulative unrealized fair value gain on investment property.

KEY PERFORMANCE AND FINANCIAL SOUNDNESS INDICATORS

Definition of Ratios

Working Capital- computed as current assets minus current liabilities.

Current Ratio- computed as current assets divided by current liabilities.

Quick Ratio- computed as current assets minus prepayments and land held for development divided by current liabilities.

Asset to Equity Ratio- measures financial leverage and long- term solvency. It shows how much of the assets are owned by the company. It is computed as total assets divided by stockholders' equity.

Debt to Assets Ratio- computed as total liabilities divided by total assets.

Debt to Equity Ratio- computed as total liabilities divided by total equity.

Gross Profit Margin- shows how much of the company's revenue remains after the cost of sales. It is computed as gross profit divided by sales.

Operating Profit Margin- measures the amount of money that remains after paying sales and operating expenses. It is computed as earnings before taxes and interest divided by sales.

Net Profit Margin- shows the money remaining after paying all expenses. It is computed as net profit divided by sales.

Return on Assets- measures how effectively the company uses its assets to create revenue. It is computed as net income divided by total assets.

Return on Equity- measures how much money the company have earned on its investment. It is computed as net income divided by stockholders' equity.

Interest Coverage Ratio- measures the company's ability to pay its interest charges. It is computed as income before income tax and interest expense divided by interest payments.

REGISTRANT'S FINANCIAL SOUNDNESS INDICATORS

Below are the comparative key performance indicators of the Company for the interim period and the last three (3) years:

	Mar. 31, 2024	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2021
Working Capital	95,801,737	73,709,571.00	1,575,003,460	1,325,015,989
Current Ratio	1.04	1.03	4.39	4.11
Quick Ratio	0.35	0.31	1.08	3.83
Asset to Equity Ratio	1.22	1.22	1.13	1.12
Debt to Assets Ratio	0.18	0.18	0.12	0.11
Debt to Equity Ratio	0.22	0.22	0.13	0.12
Gross Profit Margin	0.40	0.61	0.98	1.00
Operating Profit Margin	0.18	(80.67)	0.95	0.99
Net Profit Margin	0.13	(81.32)	0.71	0.80
Return on Assets	0.00	(0.36)	0.02	0.04
Return on Equity	0.00	(0.44)	0.02	0.05
Interest Coverage Ratio	2.89	(1,326.41)	2,308.10	344.24

D. GENERAL NATURE AND SCOPE OF BUSINESS

Philippine Infradev Holdings Inc. (formerly IRC Properties, Inc.) (the "Parent Company") was incorporated in the Philippines on February 24, 1975. The Parent Company is primarily engaged in the acquisition, reclamation, development, or exploitation of lands for the purpose of converting and developing said lands to integrated residential or commercial neighborhoods, and generally to engage in real estate business in all its forms.

The company has a 2,200-hectare property located in the Municipality of Binangonan, Province of Rizal. The Binangonan property was acquired in 1978 and part and parcel of the 2,200-hectare property.

The Parent Company has subsidiaries, Interport Development Corporation (IDC), Makati City Subway, Inc. (MCSI) and Jiangsu Rizal Infradev Co. Ltd. (the "Subsidiaries"). IDC is primarily involved in the acquisition and selling of real estate of all kinds or to hold such properties for investment purposes. MCSI is primarily engaged in the development, construction, operation, repair, maintenance, management and other allied business involving infrastructure and/ or public utility projects. Jiangsu Rizal Infradev Co., Ltd. (JRIC) to function primarily as a corporate vehicle in the procurement of materials and equipment related to the Subway Project. The Parent Company and the Subsidiaries have been collectively referred hereinto as the Group.

The Company currently holds offices at 38/F, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City. The Company's last annual stockholders' meeting was on December 5, 2022.

DEPENDENCE ON A FEW CUSTOMERS. This disclosure is currently not applicable to the Registrant's business and concerns.

TRANSACTIONS WITH AND/OR DEPENDENCE ON RELATED PARTIES. The Registrant's transactions with its subsidiaries and affiliates mainly consist of the granting of advances to/from them.

NEED FOR GOVERNMENTAL APPROVAL OF PRODUCTS AND SERVICES. Aside from being regulated by the PSE and the SEC, the Registrant generally is not subject to any other specific government regulation.

EFFECT OF EXISTING OR PROBABLE GOVERNMENTAL REGULATIONS TO THE BUSINESS. This disclosure is currently not applicable to the Registrant's business and concerns.

ESTIMATE OF AMOUNT SPENT FOR RESEARCH AND DEVELOPMENT ACTIVITIES. This disclosure is currently not applicable to the Registrant's business and concerns.

COSTS AND EFFECTS OF COMPLIANCE WITH ENVIRONMENTAL LAWS. This disclosure is currently not applicable to the Registrant's business and concerns.

TOTAL NUMBER OF EMPLOYEES AND NUMBER OF FULL TIME EMPLOYEES. Presently, the Company has a total thirty-eight (38) personnel excluding the Chairman, President, Corporate Secretary and Assistant Corporate Secretary. Management intends to hire additional personnel as the need arises.

E. DIRECTORS AND OFFICERS - Pls. refer to SEC Form 20- IS

F. MARKET PRICE OF AND DIVIDENDS ON THE REGISTRANT'S COMMON EQUITY

Principal Market

The common shares of the Registrant are being traded at the Philippine Stock Exchange. The company has an authorized capital stock of Php 19.5 Billion divided into 9,500,000,000 common shares with par value of Php 1.00 per share and 1,000,000,000 preferred shares with par value of Php 10.00 per share. The number of stockholders of record as of March 31, 2024 is 546. Common and preferred shares outstanding as of March 31, 2024 amount to 6,061,560,322 and 7,223,209,400, respectively.

Dividends

No dividend declarations were made during the two recent fiscal years of the Company. Aside from the accumulated deficit sustained by the company, there is no restriction that limits the ability to pay dividends on common equity. The company cannot yet declare dividends based on 2023 results of operations because the reconciled balance of retained earnings is still negative as shown in the reconciliation below.

	2021	**2022**	**2023**
Unappropriated Retained Earnings, as adjusted to available for dividend distribution, beginning	P (4,250,127,314)	P (920,004,702)	P (946,997,732)
Add: Net Income actually earned			
Net Income during the period closed to Retained earnings	1,019,887,479	2,011,802,734	(286,272,783)
Less: Non-actual/unrealized income net of tax			
Fair value adjustment of Investment Property resulting to gain (net of tax)	(663,209,583)	(2,038,795,764)	-
TOTAL RETAINED EARNINGS, END AVAILABLE FOR DIVIDEND	**P (3,893,449,418)**	**P (946,997,732)**	**P (1,233,270,515)**

Common Equity

The shares of INFRA traded along the following bands during 2023, 2022, and 2021:

	2023		**2022**		**2021**	
	High	**Low**	**High**	**Low**	**High**	**Low**
First Quarter	**0.99**	**0.86**	1.20	0.92	1.67	1.29
Second Quarter	**0.89**	**0.78**	1.08	0.88	1.47	1.30
Third Quarter	**0.76**	**0.42**	1.12	0.92	1.44	1.13
Fourth Quarter	**0.59**	**0.48**	0.96	0.84	1.27	1.09

The listed price of INFRA shares as of March 31, 2024 is P0.59.

Stockholders

The number of stockholders of record as of December 31, 2023, the Record Date of the 2023 annual stockholders' meeting is **546** Common shares outstanding as of December 31, 2023 amounted to 6,061,560,322.

The top 20 stockholders as of December 31, 2023 are as follows:

	Name of Stockholder	Number of Shares	Percentage Ownership
1	AGGREGATE BUSINESS GROUP HOLDINGS, INC.	4,320,905,000	*71.28%
2	PCD NOMINEE CORP. (F)	671,638,815	11.08%
3	PCD NOMINEE CORP. (NF)	625,991,699	10.33%
4	AUSPICIOUS ONE BELT ONE ROAD FUND	368,175,000	6.07%
5	RIZAL PARTNERS CO. LTD.	45,385,000	0.75%
6	MARILAQUE LAND INC.	5,998,000	0.10%
7	DEE ALICE T.	2,995,000	0.05%
8	VALMORA INVESTMENT AND MANAGEMENT CORPORATION	2,300,000	0.04%
9	EQUITY MANAGERS ASIA INC	1,000,000	0.02%
10	DAVID GO SECURITIES CORPO	729,000	0.01%
11	SIGUION-REYNA LEONARDO T	700,000	0.01%
12	UY IMELDA T.	621,000	0.01%
13	TAN HENRY L.	600,000	0.01%
14	BLUE RIDGE CORPORATION	500,000	0.01%
15	TANCHAN III SANTIAGO	500,000	0.01%
16	LAO ALEX L.	500,000	0.01%
17	CHAM GRACE	480,000	0.01%
18	ALL ASIA SECURITIES MANAGEMENT CORPORATION	419,000	0.01%
19	CO JR. TONG TE	401,000	0.01%
20	PASCUAL SECURITIES CORP.	400,250	0.01%

The report is exclusive of 722,320,940 preferred shares with par value of Php 10 per share owned by the City Government of Makati.

*231,315,000 out of 671,432,815 common shares is for the account of AGGREGATE BUSINESS GROUP HOLDINGS, INC. which owns a total of 4,552,220,000 (75.10%) common shares of the Company.

Recent Sales of Unregistered or Exempt Securities

On October 31, 2019, relative to the PPP JV Agreement, the Parent Company entered into the Subscription Agreement with the Makati City Government for 722.32 million preferred shares of the Parent Company at P10 per share in exchange for the delivery of the Makati Land.

In February 2020, the Parent Company and the Makati City Government agreed to split the Subscription Agreement into two: (i) 656.66 million preferred shares to be paid with land properties owned by the Makati City Government with an appraised value of P6.57 billion as at September 13, 2019, and (ii) 65.67 million preferred shares to be acquired through 2% annual stock dividends for 5 (five) years until the 722.32 million preferred shares are fully issued. On September 24, 2020, the SEC issued its Certificate of Approval of Valuation of the land owned by the Makati City Government as partial payment of its said subscription to the Company's preferred shares.

G. DISCUSSION ON COMPLIANCE WITH LEADING PRACTICE ON CORPORATE GOVERNANCE

The compliance officer is currently in charge of evaluating the level of compliance of the Board of Directors and top-level management with its New Manual of Corporate Governance.

Measures being undertaken by the company to fully comply with the adopted leading practices on good corporate governance;

Due to company's limited operations, measures are slowly being undertaken to fully comply with the adopted leading practices on good corporate governance.

Any deviation from the company's New Manual of Corporate Governance shall be fully disclosed to the Commission.

Other than the disclosure enumerated above, the company has nothing to report on the following:

a) Any known trends, demands, commitments, events or uncertainties that will have a material impact on its liquidity;
b) Events that will trigger direct or contingent financial obligation that is material to the company;
c) Material off-balance sheet transactions, arrangements or obligations;
d) Any material commitment for capital expenditures;
e) Any significant elements of income or loss that did not arise from the issuers continuing operations; and
f) Any seasonal aspects that had a material effect on the financial condition or results of operation.

H. UPON THE WRITTEN REQUEST OF A STOCKHOLDER, THE COMPANY WILL PROVIDE, WITHOUT CHARGE, A COPY OF THE COMPANY'S ANNUAL REPORT IN SEC FORM 17-A DULY FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THE STOCKHOLDER MAY BE CHARGED A REASONABLE COST FOR PHOTOCOPYING THE EXHIBITS. ALL REQUESTS MAY BE SENT TO THE FOLLOWING:

PHILIPPINE INFRADEV HOLDINGS, INC.
38/F. Rufino Pacific Tower, 6784 Ayala Avenue
Makati City 1223 or at
Email: admin@infra.com.ph

COVER SHEET

6	0	3	1	2

S.E.C. Registration Number

PHILIPPINE INFRADEV HOLDINGS INC AND SUBSIDIARY

(Company's Full Name)

38TH FLOOR RUFINO TOWER

6784 AYALA AVENUE MAKATI CITY

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

GEORGINA A. MONSOD

Contact Person

8283-8459 / 8283-8294

Company Telephone Number

12	3 1	17-Q		
Month	*Day*	FORM TYPE	*Month*	*Day*

Fiscal Year

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

546

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

SEC Number **60312** File Number ____________

PHILIPPINE INFRADEV HOLDINGS INC.
(Company's Full Name)

38/F Rufino Pacific Tower, 6784 Ayala Avenue, Makati City
(Company's Address)

(632) 8283-8459 / (632) 8283-8294
(Telephone Numbers)

December 31
(Fiscal Year Ending)
(month and day)

Quarterly Report
Form Type

____
Amendment Designation (if applicable)

March 31, 2024
Quarter Ended Date

Publicly Listed Corporation
(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2) (b) THEREUNDER

1. For the quarterly period ended: **March 31, 2024**

2. Commission Identification Number: **60312**

3. BIR Tax Identification Number: **000-464-876**

4. Exact name of registrant as specified in its charter: **PHILIPPINE INFRADEV HOLDINGS INC.**

5. Province, country or other jurisdiction of incorporation or organization: **Metro Manila, Philippines**

6. Industry Classification Code: [ ] (SEC Use Only)

7. Address of registrant's principal office Postal Code

   38F Rufino Pacific Tower, 6784 Ayala Avenue, Makati City **1223**

8. Registrant's telephone number, including area code: **(632) 8283-8459 / (632) 8283-8294**

9. Former name, former address and former fiscal year, if changed since last report

   N/A

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

Title of Each Class	Number of shares outstanding
Common	6,061,560,322
Preferred	722,320,940

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

    Yes [**x**] No [ ]

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

    Philippine Stock Exchange Common Stock

12. Indicate by check mark whether the registrant:

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

    Yes [**x**] No [ ]

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

    Yes [**x**] No [ ]

Philippine Infradev Holdings Inc. and Subsidiaries
(Formerly IRC Properties, Inc. and Subsidiary)
Consolidated Statements of Financial Position
As at March 31, 2024 and December 31, 2023
(All amounts in Philippine Peso)

	Notes	**March 31, 2024 (UNAUDITED)**	December 31, 2023 (AUDITED)
A S S E T S			
Current assets			
Cash	2	**₱128,370,810**	₱80,284,610
Receivables, net	3	**695,890,162**	655,778,548
Funds held by custodian bank	4	**18,776,244**	18,776,244
Real properties held for sale and development	5	**1,418,283,388**	1,458,519,547
Prepayments and other current assets	6	**276,179,482**	259,409,046
Total current assets		**2,537,500,086**	2,472,767,995
Non-current assets			
Investment property	7	**44,999,971,080**	44,999,971,080
Property and equipment, net	8	**3,004,904**	3,425,219
Intangible asset	9	**76,165,665,123**	76,165,665,123
Other assets, net	10	**2,733,166**	2,741,353
Total non-current assets		**121,171,374,273**	121,171,802,775
Total assets		**₱123,708,874,359**	₱123,644,570,770
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued expenses	11	**₱403,345,823**	₱364,888,395
Provision for clearing costs	12	**96,000,000**	100,000,000
Payable to related parties		**1,435,820,149**	1,435,820,149
Current portion of borrowings	13	**479,573,638**	479,573,636
Liability for refund of stock rights subscription		**18,776,244**	18,776,244
Income tax payable		**8,182,495**	-
Total current liabilities		**2,441,698,349**	2,399,058,424
Non-current liabilities			
Provision for clearing costs, net of current portion	12	**13,309,429,521**	13,309,429,521
Payable to related parties, net of current portion		**398,699,566**	398,699,566
Deferred income tax liabilities, net		**6,352,708,962**	6,352,708,962
Retirement benefit obligation		**2,320,097**	3,531,156
Total non-current liabilities		**20,063,158,146**	20,064,369,205
Total liabilities		**22,504,856,495**	22,463,427,629
Equity			
Share capital	14	**10,866,972,259**	10,866,972,259
Share premium	14	**669,800,642**	669,800,642
Share warrants	14	**1,755,520,000**	1,755,520,000
Treasury shares	14	**(18,642)**	(18,642)
Remeasurement reserve on retirement benefit obligation		**1,882,418**	1,882,418
Fair value reserve on investments in equity instruments		**(416,223)**	(416,223)
Other reserves		**115,281,384,905**	115,281,384,905
Retained earnings		**(27,371,107,495)**	(27,393,982,218)
Total equity		**101,204,017,864**	101,181,143,141
Total liabilities and equity		**₱123,708,874,359**	₱123,644,570,770

Philippine Infradev Holdings Inc. and Subsidiaries
(Formerly IRC Properties, Inc. and Subsidiary)

Consolidated Statements of Comprehensive Income
For the three-months period ended March 31, 2024 and
March 31, 2023 and December 31, 2023
(All amounts in Philippine Peso)

Income	**Notes**	**March 31, 2024 (UNAUDITED)**	March 31, 2023 (UNAUDITED)	December 31, 2023 (AUDITED)
Sales of real estate, net		**₱172,383,674**	₱98,579,300	₱403,282,334
Unrealized foreign exchange gain				138,891,072
Rental Income		**-**	-	-
Interest income from cash		**7,011**	871	22,129
Other income		**638,778**	56,496	353,624
		173,029,463	98,636,667	542,549,159
Costs and expenses				
Impairment losses on:				
Intangible asset		**-**	-	39,113,080,877
Construction-in-progress		**-**	-	4,846,072,263
Costs of real estate sold		**103,713,271**	70,663,862	211,443,000
Professional fees and other outside services		**3,112,051**	2,369,641	17,849,748
Salaries, wages and employee benefits	15	**5,019,905**	3,700,768	17,469,150
Depreciation		**420,316**	624,170	4,140,050
Taxes and licenses		**1,987,539**	2,579,710	7,333,398
Meeting expenses		**1,156,080**	1,318,508	6,031,165
Commission		**12,223,184**	6,175,714	27,500,652
Retirement benefit expense		**-**	-	823,392
Office supplies		**143,815**	79,493	1,171,222
Rent		**864,450**	830,290	5,584,359
Other expenses	16	**2,581,138**	2,533,784	18,701,440
		131,221,749	90,875,940	44,277,200,716
(Loss) income from operations		**41,807,714**	7,760,727	(43,734,651,557)
Interest expense		**10,750,496**	-	32,947,366
Income before income tax		**31,057,218**	7,760,727	(43,767,598,923)
Income tax expense		**(8,182,495)**	(2,131,454)	(352,281,397)
Net income for the year		**22,874,723**	5,629,273	(44,119,880,320)
Other comprehensive income (loss)		**-**	-	4,075,801
Total comprehensive income for the quarter		**₱22,874,723**	₱5,629,273	₱(44,115,804,519)
Basic earnings per share		**₱0.01**	₱0.00	₱ (12.01)
Diluted earnings per share		**₱0.00**	₱ (0.00)	₱ (7.98)

Philippine Infradev Holdings Inc. and Subsidiaries
(Formerly IRC Properties, Inc. and Subsidiary)
Consolidated Statements of Changes in Equity
For the three-months period ended March 31, 2024 and 2023
(All amounts in Philippine Peso)

	Share capital	Share premium	Share warrants	Treasury shares	Fair value reserve	Other reserve	Remeasurement gain (loss) of retirement benefit obligation	Retained earnings	Total
Balances as at January 1, 2023	**₱10,866,972,259**	**₱669,800,642**	**₱1,755,520,000**	**₱ (18,642)**	**₱(416,223)**	**₱115,277,925,721**	**₱1,265,801**	**₱16,725,898,102**	**₱145,296,947,660**
Comprehensive income									
Net income (loss) for the first quarter	-	-	-	-	-	-	-	5,629,273	**5,629,273**
Total comprehensive income for the first quarter	-	-	-	-	-	-	-	**5,629,273**	**5,629,273**
Balances as at March 31, 2023	**10,866,972,259**	**669,800,642**	**1,755,520,000**	**(18,642)**	**(416,223)**	**115,277,925,721**	**1,265,801**	**16,731,527,375**	**145,302,576,933**
Comprehensive income									
Net income (loss) for the last three quarters	-	-	-	-	-	-	-	(44,125,509,593)	**(44,125,509,593)**
Other comprehensive loss	-	-	-	-	-	3,459,184	616,617	-	**4,075,801**
Total comprehensive income for the last three quarters	-	-	-	-	-	3,459,184	616,617	(44,125,509,593)	(44,121,433,792)
Transaction with owners									
Issuance of ordinary shares		-	-	-	-	-	-	-	-
Balances as at January 1, 2024	**10,866,972,259**	**669,800,652**	**1,755,520,000**	**(18,642)**	**(416,223)**	**115,281,384,905**	**1,882,418**	**(27,393,982,218)**	**101,181,143,141**
Comprehensive income									
Net income (loss) for the first quarter	-	-	-	-	-	-	-	22,874,723	22,874,723
Total comprehensive income for the first quarter	-	-	-	-	-	-	-	22,874,723	22,874,723
Transaction with owners									
Issuance of ordinary shares	-	-	-	-	-	-	-	-	-
Balances as at March 31, 2024	**₱10,866,972,259**	**₱669,800,652**	**₱1,755,520,000**	**₱(18,642)**	**₱(416,223)**	**₱115,281,384,905**	**₱1,882,418**	**₱(27,371,107,495)**	**₱101,204,017,864**

Philippine Infradev Holdings Inc. and Subsidiaries
(Formerly IRC Properties, Inc. and Subsidiary)

Consolidated Statements of Cash Flows
For the three-months period ended March 31, 2024 and March 31, 2023
(All amounts in Philippine Peso)

	March 31, 2024	March 31, 2023
	(UNAUDITED)	(UNAUDITED)
Cash flows from operating activities		
Income before income tax	**₱31,057,218**	₱7,760,727
Adjustments for:		
Interest expense	**10,750,496**	624,170
Depreciation	**420,315**	-
Amortization	**10,186**	8,118
Interest income	**(7,011)**	(871)
Operating income (loss) before changes in working capital	**42,231,204**	8,392,144
Changes in working capital		
Receivables	**(40,111,614)**	(8,385,118)
Real estate held for sale and development	**40,236,159**	(62,207,294)
Prepayments and other current assets	**(16,770,436)**	(20,109,082)
Other assets	**(1,999)**	73,355
Accounts payable and accrued expenses	**26,495,876**	26,092,854
Cash generated from (absorbed by) operations	**52,079,189**	(56,143,141)
Interest received	**7,011**	871
Net cash provided by (used in) operating activities	**52,086,200**	(56,142,270)
Cash flows from investing activities		
Settlement of clearing costs	**(4,000,000)**	(501,599)
Acquisition of property and equipment	**-**	(745,145)
Net cash provided by (used in) investing activities	**(4,000,000)**	(1,246,744)
Cash flows from financing activities		
Settlement of borrowings	**-**	-
Proceeds from availment of borrowings	**-**	70,625,370
Proceeds from issuance of shares	**-**	-
Net cash provided by (used in) financing activities	**-**	70,625,370
Net increase (decrease) in cash for the period	**48,086,200**	13,236,357
Cash as at January 1	**80,284,610**	12,055,919
Effect of exchange rate changes	**-**	-
Cash as at March 31	**₱128,370,810**	₱25,292,275

PHILIPPINE INFRADEV HOLDINGS INC.

AGING OF ACCOUNTS RECEIVABLE
As of March 31, 2024
(All amounts in Philippine Peso)

	Amount	**1-30 days**	**Over 30 days**	**Over 60 days**	**Over 90 days**
Receivable from Amaia	₱17,104,604	-	-	₱8,905,851	₱8,198,753
Receivable from HDMF	54,379,130	-	-	16,313,739	38,065,391
Advances to M. Carsula	1,417,341	-	-	-	1,417,341
Advances to officer/ employees	704,929	-	704,929	-	-
Advances for contractors	429,871,642	-	-	324,755,013	105,116,629
Receivable from sold units	148,278,811	-	31,860,537	102,457,711	13,960,563
Advances to VGP	22,000,000	-	-	-	22,000,000
Advances to Greenroof Corp	25,117,941	-	-	-	25,117,941
Others	2,752,997	-	-	-	2,752,997
TOTAL ACCOUNTS RECEIVABLE	**₱701,627,395**	**-**	**₱32,565,466**	**₱452,432,314**	**₱216,629,615**

Note 1 - Corporate Information

Philippine Infradev Holdings Inc. (formerly IRC Properties, Inc.) (Parent Company) and Interport Development Corporation (IDC) (Subsidiary) were incorporated in the Philippines on February 24, 1975 and December 21, 1993, respectively. Parent Company is primarily involved in the acquisition, reclamation, development, or exploitation of lands for the purpose of converting and developing said lands to integrated residential or commercial neighborhoods, and generally to engage in real estate business in all its forms. IDC is primarily involved in the acquisition and selling of real estate of all kinds or to hold such properties for investment purposes.

In 2018, Aggregate Business Group Holdings Inc. (ABG) purchased 26.94% ownership out of the 29.62% equity interest in the Parent Company previously held by Mabuhay Holdings Corporation. ABG is a domestic holding company. In 2019, ABG increased its ownership in the Parent Company to 71.28% through the purchase of additional shares making it the Group's ultimate parent company as at March 31, 2024.

The Parent Company's Board of Directors (BOD) approved the change in the Parent Company's registered office and principal place of business from 35/F Rufino Pacific Tower, 6784 Ayala Avenue, Makati City to 38F (A&B) Rufino Pacific Tower, 6784 Ayala Avenue, Makati City, effective February 1, 2021.

On October 23, 2018, the Parent Company received from Public-Private Partnership (PPP) Selection Committee of the Makati City Government a Notice of Award for the construction and operation of the Makati City Subway System (the "Subway System") to be implemented through the PPP Joint Venture (PPP JV) Agreement. The Subway System Project has been awarded to the Parent Company as the lead proponent of a consortium.

On March 4, 2019, the Parent Company incorporated Makati City Subway, Inc. (MCSI) that will be used as a special corporate vehicle for the Subway System Project. MCSI is a wholly-owned, domestic subsidiary of the Parent Company.

On July 12, 2019, the Parent Company incorporated Jiangsu Rizal Infradev Co., Ltd. (JRIC) to function primarily as a corporate vehicle in the procurement of materials and equipment related to the Subway System Project. JRIC is a wholly-owned, foreign subsidiary incorporated in Jiangyin City, China.

On July 19, 2019, the Makati City Council approved City Ordinance No. 2020-A-020 (the "Ordinance") on third and final reading. The Ordinance approved the terms and conditions of the PPP JV Agreement between the Parent Company and the Makati City Government for the construction, establishment, management and operation of the Subway System.

On July 30, 2019, the Parent Company's BOD approved a resolution authorizing the Parent Company's execution, delivery and performance of the PPP JV Agreement with the Makati City Government as the Joint Venture (JV) Partner, and of other instruments contemplated in the PPP JV Agreement. On the same date, authorized representatives of the Parent Company and the Makati City Government signed the PPP JV Agreement and the Parent Company submitted to the Makati City Government the US$350 million performance bond which was accepted by the Makati City Government. The performance bond is covered by a surety agreement which will expire in August 2025.

On February 18, 2020, the Notice to Proceed for the Subway System Project was received by the Parent Company. The Subway System Project is expected to be completed within five (5) years for an estimated total project cost of US$3.50 billion.

On September 8, 2020, the Group executed the Engineering, Procurement, and Construction (EPC) contracts for the Subway System Project with China Construction Second Engineering Bureau Ltd. and Shanghai Electric Group Automation Engineering Co., Ltd. The EPC contracts cover (i) civil works, and (ii) mechanical, electrical, plumbing (MEP) works for a total price of US$1.21 billion. The Group made a downpayment amounting to $3.05 million. The planned completion timeline is from December 12, 2020 to December 12, 2024. The EPC contracts are still effective as of reporting date.

On March 9, 2021, the Group executed a legally binding term sheet with Richer Today, Inc. ("RTI") for the financing, design, construction, development, marketing and sale of the lots in and around Station 5 of the Subway System through an unincorporated joint venture. Construction development over said lots shall commence after two (2) years.

On March 7, 2022, the Group received the certificate of registration of MCSI as new operator of Local Government Unit Public-Private Partnership from the Board of Investments effective January 17, 2022. This includes the approval of tax incentives which shall be limited to four (4) years income tax holiday, followed by five (5) years enhanced deductions and duty exemption on importation of capital equipment, subject to compliance with certain conditions.

As at the date of the approval of the financial statements, the Group has completed the excavation and shoring works of the first phase of the underground walkway construction and concrete pouring of two mat foundations (Note 8). The first phase covers Station 3 (located along Sen. Gil J. Puyat Avenue, Dela Rosa Street and Urban Avenue). Adjustments and optimization of the subway basic design have also been made according to the requirements of the Makati City Government. The detailed design of the station and section of the first phase of the Subway System has been completed. Certain major equipment and machineries are on site, but with incoming deliveries, to continue to the next phase of the construction in Station 5 (located along J.P. Rizal Street within the old Makati City Hall).

The Parent Company and its subsidiaries have been collectively referred hereinto as the Group.

The clearing of the Company's Binangonan property is still the focus of the Company's operations with the goal of completely freeing from third party claims 500 hectares of the 2,200-hectare property. Due to a number of factors, including the recognition of Supreme Court's recognition of the superior rights of the bonafide occupants as well as potential challenges in clearing and re-titling of this large area of land, management has estimated that only 1,513 hectares are expected to be recovered/cleared and re-titled in the name of the Parent Company as at March 31, 2024 and December 31, 2023. This estimate is assessed at regular intervals of one (1) to three (3) years based on the Group's interaction with current occupants.

The Group is actively in the process of clearing and re-titling the large portion of the property in Binangonan for future developments.

The company is not dependent upon any customer. It does not hold any right on patents, trademarks, copyrights, licenses, franchises, concessions, and royalty agreements.

As of March 31, 2024, the Company has total of thirty-eight (36) personnel (December 2023 – 38 personnel) excluding the Chairman, President, Corporate Secretary and Assistant Corporate Secretary.

Note 2 - Cash

The account consists of:

	March 31, 2024 (UNAUDITED)	December 31, 2023 (AUDITED)
Cash in banks	**₱1,291,060**	₱1,275,060
Cash on hand	**127,079,750**	79,009,550
	₱128,370,810	₱80,284,610

Cash in banks earn interest at the prevailing bank deposit rates.

Note 3 - Receivables, net

The account consists of:

	March 31, 2024 (UNAUDITED)	December 31, 2023 (AUDITED)
Receivables from subcontractors	**₱118,095,825**	₱115,923,417
Receivables from sale of real estate held for sale and development	**580,073,644**	542,134,438
Advances to officers and employees	**704,929**	704,929
Others	**2,752,997**	2,752,997
	701,627,395	661,515,781
Provision for doubtful accounts	**(5,737,233)**	(5,737,233)
	₱695,890,162	₱655,778,548

Note 4 - Funds held by custodian bank

The account represents restricted funds from the proceeds of the Parent Company's cancelled stock rights offering in 1996, which was deposited with a local custodian bank. The local custodian bank is responsible for monitoring withdrawals or disbursements from the funds, and ensuring that all withdrawals and orders for payment made are in connection with, or relating to, any of the purposes specified in the work program submitted by the Group to the SEC in connection with the stock rights offering.

Following SEC's order to refund the money, the proceeds have been presented as liability in the consolidated statements of financial position. The Group does not have legal right to defer payment beyond one (1) year for any claims received, hence, the amount was presented as current liability.

During 2024 and 2023, there were neither payments of principal nor withdrawals from the account.

Note 5 - Real estate held for sale and development

This account represents cumulative development and construction costs of on-going housing projects in Binangonan, Rizal.

Details and movements of the account are as follows:

	March 31, 2024 (UNAUDITED)	December 31, 2023 (AUDITED)
At cost	**₱1,458,519,547**	₱1,367,277,406

Beginning		
Additions, including capitalized interest	**63,477,112**	302,685,141
Charged to cost of real estate sold	**(103,713,271)**	(211,443,000)
Ending	**₱1,418,283,388**	₱1,458,519,547

Note 6 - Prepayments and other current assets

The account consists of:

	March 31, 2024 (UNAUDITED)	December 31, 2023 (AUDITED)
Input value-added tax (VAT)	**₱208,937,223**	₱200,968,705
Prepaid taxes	**41,630,451**	32,838,532
Prepaid insurance	**17,006,054**	17,006,054
Advances to subcontractors	**2,318,642**	2,318,642
Others	**6,287,112**	6,277,113
	₱276,179,482	₱259,409,046

Note 7 - Investment property

The movements of this account are as follows:

	March 31, 2024 (UNAUDITED)	December 31, 2023 (AUDITED)
Beginning	**₱44,999,971,080**	₱44,584,958,769
Impact of changes in assumption of clearing cost	**-**	415,012,311
Additions, including capitalized interest	**-**	-
Ending	**₱44,999,971,080**	₱44,999,971,080

Note 8 - Property and equipment, net

Details of property and equipment and its movement are as follows:

	Condominium units and parking lots	Office equipment	Furniture and fixtures	Transportation and communication equipment	Building and Improvements	Construction-in-progress	Total
Cost							
January 1, 2023	₱14,553,014	₱2,266,066	₱1,623,639	₱9,698,957	₱1,389,629	₱2,890,819,668	₱2,920,352,997
Additions	-	807,363	184,902	302,491	368,286	1,972,181,061	1,973,844,103
Disposals	-	-	-	(125,461)	-	-	(125,461)
Reclassification	-	-	-	-	-	(16,928,466)	(16,928,466)
December 31, 2023	14,553,014	3,073,429	1,808,541	9,875,987	1,757,915	4,846,072,263	4,877,141,149
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
March 31, 2024	**14,553,014**	**3,073,429**	**1,808,541**	**9,875,987**	**1,757,915**	**4,846,072,263**	**4,877,141,149**
Accumulated depreciation							
January 1, 2023	12,791,774	1,860,450	1,209,667	7,208,210	555,852	-	23,625,953
Depreciation	1,761,240	392,804	312,793	1,311,141	362,072	-	4,140,050
Disposals	-	-	-	(122,336)	-	-	(122,336)
Reclassification	-	-	-	-	-	-	-
December 31, 2023	14,553,014	2,253,254	1,522,460	8,397,015	917,924	-	27,643,667
Depreciation	-	106,389	80,224	133,530	100,172	-	420,315
Disposals	-	-	-	-	-	-	-
March 31, 2024	14,553,014	2,359,643	1,602,684	8,530,545	1,018,096	-	28,063,982
Net book value							
March 31, 2024	**₱ -**	**₱713,786**	**₱205,857**	**₱1,345,442**	**₱739,819**	**₱ -**	**₱3,004,904**
December 31, 2023	₱ -	₱820,175	₱286,081	₱1,478,972	₱839,991	₱ -	₱3,425,219

Note 9 - Intangible asset

Intangible assets pertain to contractual rights over the excess FAR granted to the Group.

The Group has been granted enforceable contractual rights under the PPP JV Agreement with the Makati City Government. These rights include contractual rights over the excess FAR (the "Rights") under an ordinance issued and approved by the City Council of the Makati City Government as part of the terms of the conditions of the PPP JV Agreement to make the Subway System Project economically viable for the Group with the Parent Company being the main proponent. The Rights granted are a fundamental component of the PPP JV Agreement given the substantial amount of financial investments and risks associated with the Subway System Project. The Rights are distinct assets and separate from ownership of the Project Land. The Rights may be transferred, sold or conveyed to other parties without conditions at reporting date. However, utilization of the excess FAR is subject to ultimate ownership of the Project Land covered by the Subway System Project, either legally or economically or any other legal way of conveyance or transfer.

Note 10 - Other assets

Other assets consist of:

	March 31, 2024 (UNAUDITED)	December 31, 2023 (AUDITED)
Refundable deposits	**₱2,398,038**	₱2,396,038
Investments in equity securities	**213,100**	213,100
Computer software, net	**59,978**	70,165
Others	**62,050**	62,050
	₱2,733,166	₱2,741,353

Note 11 - Accounts payable and accrued expenses

Accounts payable and accrued expenses consist of:

	March 31, 2024 (UNAUDITED)	December 31, 2023 (AUDITED)
Accounts payable	**₱14,893,098**	₱14,893,098
Customers' deposits	**174,100,871**	155,494,092
Retention payable	**36,804,146**	36,804,146
Accrued expenses and other liabilities		
Real property taxes	**26,683,320**	26,683,320
Interest, penalties and related charges	**75,289,579**	64,539,083
Payable to government agencies	**5,114,302**	2,260,152
Others	**70,460,507**	64,214,504
	₱403,345,823	₱364,888,395

Note 12 - Provision for clearing costs

The movements in provision for clearing costs are as follows:

	March 31, 2024 (UNAUDITED)	December 31, 2023 (AUDITED)
Beginning	**₱13,409,429,521**	₱12,994,918,811

Change in estimate, net of unwinding of discount	**-**	415,012,311
Actual clearing costs paid	**(4,000,000)**	(501,601)
Total	**13,405,429,521**	13,409,429,521
Less: Non-current portion	**13,309,429,521**	13,309,429,521
Total current portion	**₱96,000,000**	₱100,000,000

Note 13 - Borrowings

The movements in borrowings and net debt reconciliation are as follows:

	March 31, 2024 (UNAUDITED)	December 31, 2023 (AUDITED)
Beginning	**₱479,573,636**	₱289,698,892
Cash flow changes		
Availments	**-**	211,674,188
Payments	**-**	-
Translation effect	**-**	(21,799,444)
Ending	**₱479,573,636**	₱479,573,636

Note 14 - Equity

(a) Share capital and share premium

Authorized capital and subscribed shares outstanding consist of:

	Authorized		Subscribed	
	Number of shares	Amount	Number of shares	Amount
2024				
Common shares with par value P1 per share *	9,500,000,000	9,500,000,000	6,061,578,964	6,061,578,964
Preferred shares with par value P10 per share**	1,000,000,000	10,000,000,000	656,655,400	6,566,554,000
			6,718,234,364	12,628,132,964
2023				
Common shares with par value P1 per share *	9,500,000,000	9,500,000,000	6,061,578,964	6,061,578,964
Preferred shares with par value P10 per share**	1,000,000,000	10,000,000,000	656,655,400	6,566,554,000
			6,718,234,364	12,628,132,964

*Issued and outstanding
**Not yet issued but fully paid

Subscription of preferred shares

The PPP JV Agreement provides that the Makati City Government shall contribute to MCSI, through the Parent Company, a total of 7.90-hectare properties in exchange for the Parent Company's preferred shares equivalent to the appraised value of the properties.

On October 31, 2019, relative to the PPP JV Agreement, the Parent Company entered into the Subscription Agreement with the Makati City Government for 656.66 million preferred shares of the Parent Company at P10 per share in exchange for the delivery of the Makati Land.

In February 2020, the Parent Company and the Makati City Government agreed to split the Subscription Agreement into two: (i) 656.66 million preferred shares to be paid with land properties owned by the Makati City Government with an appraised value of P6.57 billion as at September 13, 2019, and (ii) 65.67 million preferred shares to be acquired through 2% annual stock dividends for 5 (five) years until the 722.32 million preferred shares are fully issued.

Critical accounting judgment - Equity classification of preferred shares

The preferred shares have the following basic features: voting, participating, redeemable at the option of the Parent Company, convertible to common shares, and preferred as to asset upon liquidation. Based on these features, management has assessed that preferred shares are considered equity instruments.

(b) Treasury shares

The Parent Company acquired some of its shares of stock amounting to P18,642 as a reserve for future claims of shareholders which are shown in its transfer agent's records but not in its accounts. It is the Group's policy to honor such claims and therefore, issue the said reacquired shares to shareholders upon their presentation of the original unrecorded stock certificates.

(c) Share warrants payable

In 2017, the Makati City Government entered into a Memorandum of Agreement with private entities, including Cross-Strait Common Development Fund Co. ("Cross Strait"), for the latter to conduct a study that aims to provide convenience to commuters in the Philippines' financial district, alleviate traffic congestion and spur development to areas outside of the central business district through the Subway System Project, and to cooperate with the Makati City Government in entering into a PPP, JV, build-operate-transfer contract or any of its variants, or any appropriate collaborative engagement upon successful awarding of the Subway System Project.

On June 1, 2018, the Parent Company's BOD approved the issuance in favor of Cross Strait 1.2 billion warrants, American option, with the strike price of P1.00 per share, valid for 5 years from issuance, in exchange for Cross Strait's rights over the Subway System Project. This was subsequently approved by at least 2/3 of the Parent Company's shareholders on July 20, 2018.

The Parent Company and Cross Strait finalized the agreement in 2019 in which Cross Strait formally transfers to the Parent Company its rights to the Subway System Project including the priority of bidding for the said project, topside development projects, construction and operation rights for the Subway System. The transaction also includes pre-feasibility studies, feasibility studies, legal due diligence, financial models, and business planning. The carrying value of the share warrants, based on the fair value of the assets received at transaction date, amounted to P1.76 billion as at March 31, 2024. The value of such assets which are required to complete the construction of the Subway System are included as part of construction-in-progress account under property and equipment in the consolidated statements of financial position.

(d) Earnings(loss) per share

Basic earnings per share for the quarter ended March 31, 2024 and for the years ended December 31, 2023 and 2022 are as follows:

	March 31, 2024 (UNAUDITED)	December 31, 2023 (AUDITED)	December 31, 2022 (AUDITED)
Net income (loss) for the year	**22,874,723**	(44,119,880,320)	2,983,303,099
Weighted average number of shares outstanding	**3,673,558,272**	3,673,558,272	3,673,558,272

Earnings per share	**0.01**	(12.00)	0.81

Diluted earnings per share for the quarter ended March 31, 2024 and for the years ended December 31, 2023 and 2022 are as follows:

	March 31, 2024 (UNAUDITED)	December 31, 2023 (AUDITED)	December 31, 2022 (AUDITED)
Net income (loss) for the year	**5,629,273**	2,983,303,099	2,983,303,099
Weighted average number of shares outstanding			
Common shares outstanding	3,673,558,272	3,673,558,272	3,673,558,272
Diluted shares	1,856,655,400	1,856,655,400	1,856,655,400
	5,530,213,672	5,530,213,672	5,530,213,672
Earnings per share	**0.00**	(7.98)	0.54

(e) Liability for refund of stock rights subscription

On February 19, 1996, the SEC approved the Group's application for the issuance of 40 billion shares, by way of stock rights offering, at an offer price of P0.012 per share. The Group commenced its stock rights offering on March 31, 1997. However, on July 15, 1997, the SEC revoked the Certificate of Permit to Sell Securities and ordered the Group and its custodian bank to immediately return to subscribers the proceeds from the rights offering currently held in escrow. The proceeds from the offering, which remained unclaimed by the subscribers, are shown as "Liability for refund of stock rights subscription" in the current liabilities section of the consolidated statement of financial position.

Note 15 - Salaries, wages and employee benefits

Details of salaries, wages and employee benefits are as follows:

	March 31, 2024 (UNAUDITED)	December 31, 2023 (AUDITED)
Salaries and wages	**₱3,397,131**	₱12,994,465
Bonus and allowances	**1,296,227**	3,146,405
Statutory contributions	**326,547**	1,328,280
	₱5,019,905	₱17,469,150

Note 16 - Other expenses

Details of other expenses are as follows:

	March 31, 2024 (UNAUDITED)	December 31, 2023 (AUDITED)
Repairs and maintenance	**₱198,997**	₱2,483,446
Light and water	**323,895**	1,832,119
Dues and subscription	**151,267**	1,235,122
Transportation and travel	**92,642**	901,152
Marketing	**61,520**	845,496
Meals	**421,900**	767,002
Medical	**18,724**	681,210
Personnel	**-**	658,000
Gasoline, oil and parking	**89,361**	481,113
Communication	**76,527**	321,343
Amortization of computer software	**10,186**	39,672
Input VAT write-off	**-**	-
Miscellaneous	**1,136,119**	8,455,765
	₱2,581,138	₱18,701,440

Note 17 - Leases

(a) Group as lessor

In 2021, the Group entered into an agreement to lease a transportation equipment of the Group to a third party for a period of one (1) year, renewable upon mutual agreement by the Group and its lessee.

Until 2022, the Group was a party to non-cancellable long-term lease agreements for condominium units and parking lots. There are no long term leases as at December 31, 2023.

Al lease agreements of the Group as at December 31, 2023 are considered short-term leases.

(b) Group as lessee

The Group is party to non-cancellable lease agreements for condominium units and parking lots for office space and accommodation of officers. The agreements have terms ranging from one (1) to (3) years and is renewable upon mutual agreement by the Group and its lessors.

Lease terms are negotiated either on a collective or individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessors. Leased assets may not be used as security for borrowing purposes.

The refundable deposits recognized from the above lease agreements amounting to ₱1.30 million as at March 31, 2024 and December 31, 2023 (2022 - ₱1.21 million) are presented as part of other assets account in the consolidated statements of financial position and are refundable at the end of the lease terms.

The lease payments with the Group as lessee have been recognized as right-of-use assets and lease liabilities in the consolidated statements of financial position as at March 31, 2024, December 31, 2023 and 2022.

Note 18 - Contingencies

In addition to legal claims and costs in connection with the clearing of Binangonan property the Group has contingent liabilities with respect to claims, lawsuits and taxes which are pending decision by the courts or being contested, the outcome of which are not presently determinable. The detailed information about these claims, lawsuits and taxes has not been disclosed as it might prejudice the ongoing claims and litigations. Management is of the opinion that an adverse judgment in any one case will not materially affect its financial position and financial performance. Management believes that liability arising is not probable, thus, no provisions were made in 2024 and 2023.

Note 19 - Related party transaction

Parties are related if one can control or significantly influence another's financial and operational decisions, or if they share common control or influence, including affiliates.

The Parent Company engages in transactions with subsidiaries, associates, and other related parties, involving advances, expense reimbursements, real estate transactions, development, and administrative services.

Material Related Party Transactions Policy

Transactions between and among related parties create financial, commercial, and economic benefits to the Company. To this extent, therefore, the Company generally allows related party transactions. The general attitude of allowing related party transactions is subject to the condition that these are done on an arm's length basis and in compliance with the requirements set forth in this Policy. Thus, where the transaction is arrived at after competitive bidding, they are generally allowed.

All Related Party Transactions go through the normal approval processes of the Company. The Related Party Transactions Committee reviews and ratifies these RPT and endorses to the Board for approval.

In making its review, the RPT Committee will consider the following factors to the extent relevant to the RPT: (a) identity of the parties involved in the transaction, (b) terms of the transaction are fair and on an arm’s length basis to the Company, (c) the impact on director's or officer's independence, (d) whether the RPT would present improper conflict of interest for any director or officer of the Company.

The Board of Directors approves and confirms all Related Party Transactions endorsed by the RPT Committee.

Any member of the Board or RPT Committee who has an interest in the transaction must abstain from participation in the review and approval of any RPT.

Note 20 - Financial risk and capital management

20.1 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

Management, under the direction of the BOD is responsible for the management of financial risks. Its objective is to minimize the adverse impacts on the Group's financial performance due to the unpredictability of the real estate industry.

20.1.1 Market risk

(a) Currency risk

The Group's exposure on currency risk is minimal and limited only to foreign currency denominated cash in banks at reporting date. Changes in foreign currency exchange rates of these accounts are not expected to have a significant impact on the financial position or results of operations of the Group.

(b) Interest rate risk

Interest rate risk refers to risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Group's exposure to interest rate risk relates primarily to the Group's borrowings and lease liabilities. These financial instruments are not exposed to fair value interest rate risk as these are carried at amortized cost. Likewise, these instruments are not significantly exposed to variability in cash flows as these carry fixed interest rates.

(c) Price risk

Quoted financial assets at fair value through other comprehensive income are acquired at certain prices in the market. Such investment securities are subject to price risk due to changes in market values of instruments arising either from factors specific to individual instruments or their issuers, or factors affecting all instrument traded in the market. Depending on several factors such as interest rate movements the country's economic performance political stability and inflation rates, these prices change, reflecting how market participants view the developments. Price risk is insignificant to the Group since investment in securities is not material.

20.1.2 Credit risk

The Group takes on exposure to credit risk, which is the risk that a counterparty will cause a financial loss to the Group by failing to discharge an obligation.

(a) Cash in banks and funds held by custodian bank

The Group manages credit risk on its cash in bank by depositing in banks that passed the criteria of the Group. Some of these criteria are stability, financial performance, industry-accepted ratings, quality, diversity and responsiveness of products and services.

(b) Receivables

In respect of receivables from sale of real estate held for sale and development, credit risk is managed primarily through credit reviews and analysis of receivables on a continuous basis. The Group also undertakes supplemental credit review procedures for certain installment payment structures.

Other receivables consist mainly of advances to third party subcontractors. The Group limits its exposure to credit risk by transacting only with counterparties that have appropriate and acceptable credit history.

The Company applies the PFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for receivables from sale of real estate held for sale and development. Exposure to impairment losses on receivables from sale of real estate held for sale and development is not significant as the real estate property titles are not transferred to the buyers until significant payment has been made and the requirement for remedial procedures is minimal given the profile of buyers.

The Company's receivables from subcontractors and other receivables have been assessed to be fully performing as of reporting date.

(c) Refundable deposits

Refundable deposits are considered highly recoverable as the counterparty is assessed to have strong capacity to meet its obligation to return the funds upon expiration of the arrangement. Impairment assessment for refundable deposit is insignificant.

20.1.3 Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when these fall due. The consequence may be the failure to meet obligations to repay creditors and fulfill commitments.

All financial assets and liabilities are current as at reporting dates, except for the non-current portion of refundable deposits, borrowings and lease liabilities.

To manage liquidity, funding of maturing obligation will come either from future sale of developed properties, additional investments by shareholders and/or financing from banks or similar institutions.

20.2 Capital management

The Group's main objective is to ensure it has adequate capital moving forward to pursue its major land development, housing projects and other infrastructure projects.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can provide future returns to its shareholders and to maintain an optimal capital structure to reduce its cost of capital. For this purpose, capital is represented by total equity as shown in the consolidated statements of financial position, excluding fair value reserve on equity investments, remeasurement reserve on retirement benefit obligation and other reserve.

The Group manages its capital structure and makes adjustments in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or sell assets to reduce debt.

As part of the reforms of the PSE to expand capital market and improve transparency among listed firms, PSE requires listed entities to maintain a minimum of ten percent (10%) of their issued and outstanding shares, exclusive of any treasury shares, held by the public. The Group has fully complied with this requirement.

There was no change in the Group's capital management strategy and policies as at March 31, 2024 and December 31, 2023.

20.3 Fair value of financial instruments

The Group follows the fair value measurement hierarchy to disclose the fair values of its financial assets and liabilities.

As at March 31, 2024 and December 31, 2023, the Group's investments in equity securities are classified under Level 1 and Level 2 categories and no financial instruments classified under Level 3 category. The carrying values of the Group's current financial instruments as at reporting dates approximate their fair values due to their short-term nature. Non-current borrowings and lease liabilities are discounted using the effective interest method which approximates fair value, while the impact of discounting on non-current refundable deposits is immaterial.

Note 21 - Critical accounting estimates, assumptions and judgments

Estimates, assumptions and judgments 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.

The Group makes estimates, assumptions and judgments concerning the future. The resulting accounting estimates will, by definition seldom equal the related actual results. The estimates and assumptions applied by the Group may cause adjustment to the carrying amounts of assets and liabilities within the next financial year.

21.1 Critical accounting estimates and assumptions

(a) Estimate of fair value of investment property

As at March 31, 2024 and December 31, 2023, the Group's investment properties have estimated fair values ₱28.16 billion (2022 - ₱27.74 billion) for the Binangonan property and 16.84 billion for the Makati property.

The fair values of the Group's investment properties in Binangonan and Makati were determined by an independent external firm of appraisers based on the highest and best use of the properties. The fair values of the investment properties were calculated using the following approaches:

• Market approach provides an indication of value by comparing the asset with identical or comparable (that is similar) assets for which price information is available.

• Residual method is a hybrid of the market approach, the income approach and the cost approach. This is based on the completed “gross development value” and the deduction of development costs and the developer’s return to arrive at the residual value of the development property.

The income approach is considered in valuing assets, land, or properties by reference to their development potential. The value is the residue of the gross development value of the proposed development scheme upon completion, deferred by the development period up to the time when all the asset or property has been disposed of in the open market, after deducting the development costs including demolition costs, construction costs, professional fees and allowance for risk and profit. Meanwhile, the sales comparison was a comparative approach that considered the sales of similar or substitute properties and related market data, which may also consider current listings and offerings. The valuation of the investment properties was categorized as Level 3 measurement as it utilized adjusted inputs for valuation that were, for the major part, unobservable as at the date of valuation.

The sales comparison/market approach considered the sales of similar or substitute properties and related market data, which may also consider current listings and offerings. The technique of this approach requires the adjustments of comparable property by reducing reasonable comparative sales and listings to a common denominator. This was done by adjusting the differences between the subject property and those actual sales and listings regarded as comparable. The properties used as bases of comparison are situated within the vicinity of the subject property.

(b) Provision for clearing costs

The Supreme Court affirmed the validity of the Parent Company’s titles over its property in Binangonan, Rizal. However, due to a number of factors, including the recognition of the Supreme Court of the superior rights of the bona fide occupants as well as potential challenges in clearing and re-titling of the said property, the Group has set-up the provision for clearing costs based on the estimated expenditure to clear the property, including compensation for current occupants to vacate the property.

Management believes that the current provision is the best estimate based on existing conditions and circumstances as at March 31, 2024 and December 31, 2023. It is reasonably possible, based on existing knowledge, that the outcomes within the next financial year may be different from estimates and could require a material adjustment to the carrying amount of the provision for clearing costs.

(c) Estimating initial cost of intangible assets

The initial cost of the intangible assets was determined based on the fair value of the floor area ratio (FAR) development rights granted to the Group. The fair value was estimated using the income approach.

The income approach is considered in valuing assets, land, or properties by reference to their development potential. The value is the residue of the gross development value of the proposed development scheme upon completion, deferred by the development period up to the time when all the asset or property has been disposed of in the open market, after deducting the development costs including demolition costs, construction costs, professional fees and allowance for risk and profit.

(d) Determining NRV of real estate held for sale and development

Inventories are valued at the lower of cost and NRV. This requires the Group to make an estimate of the inventories’ estimated selling price in the ordinary course of business, costs of completion and costs necessary to make a sale to determine the NRV. The Group adjusts the cost of its real estate inventories to NRV based on its assessment of the recoverability of the real estate inventories. In determining the recoverability of the inventories, management considers whether inventories are damaged or if their selling prices have declined.

Likewise, management also considers whether the estimated costs of completion or the estimated costs to be incurred to make the sale have increased. In the event that NRV is lower than the cost, the decline is recognized as an expense. The amount and timing of recorded expenses for any period would differ if different judgments were made or different estimates were utilized.

21.2 Critical accounting judgments

(a) Collectability of the sales price

The Group considers the loan approval of HDMF as support for the collectability of the sales price of land and real estate properties. Management believes that it is probable to collect the consideration from buyers for revenues recorded for the periods ended March 31, 2024 and December 31, 2023.

(b) Joint arrangements

Management enters into joint arrangements for the development of its properties and other infrastructure projects.

(c) Housing projects in Binangonan, Rizal

As provided in the contractual agreements, the Group's contribution on the joint arrangements is limited only to the value of the land and other necessary assets, and any obligations related to the development are on the account of the counterparty in the joint operations. The joint arrangement is not structured through a separate vehicle and the Group has direct access to the arrangements' assets and obligations. As such, the arrangement is classified as joint operations.

Total land contributed to joint operations as at March 31, 2024 and December 31, 2023 is recorded as part of real estate held for sale and development in the consolidated statements of financial position.

(d) Makati City Subway System Project

As provided in the PPP JV Agreement with the Makati City Government, the Group is obligated for the construction, operation and management of the Subway System and the topside development over the land as specified in the agreement. The joint arrangement is structured through a separate vehicle, MCSI which is a wholly-owned subsidiary of the Parent Company. As such, the arrangement is classified as joint operations.

Land properties contributed to joint operations are recorded as part of investment properties and the contractual rights granted under the PPP JV Agreement as intangible assets in the consolidated statements of financial position.

Note 22 - Summary of significant accounting policies

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

22.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with PFRS. The term PFRS in general includes all applicable PFRS, PAS, and interpretations of the Philippine Interpretations Committee, Standing Interpretations Committee, and International Financial Reporting Interpretations Committee (IFRIC), which have been approved by the Financial and Sustainability Reporting Standards Council (FSRSC) (formerly known as Financial Reporting Standards Council) and adopted by the SEC.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments in equity securities and investment properties.

The preparation of the consolidated financial statements in conformity with PFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies.

<u>Changes in accounting policies and disclosures</u>

(a) New standards, amendments and interpretations adopted by the Group

The following relevant standard and interpretation to existing standard have been adopted by the Group effective January 1, 2023:

- Amendments to PAS 1, 'Presentation of Financial Statements'

  The amendments clarify that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g., the receipt of a waver or a breach of covenant). The amendments also clarify what PAS 1 means when it refers to the 'settlement' of a liability.

  In addition, PAS 1 requires entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

- Amendment to PAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors'

The amendment clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

(b) New standards, amendments and interpretations not yet adopted

There are no new standards or amendments to existing standards that are effective for annual periods beginning on or after December 31, 2023 that are considered relevant or expected to have a material effect on the Group's financial statements.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and wholly-owned subsidiaries, MCSI, JRIC and IDC.

Details for the date and place of incorporation of the subsidiaries are as follows:

Subsidiary	Date of incorporation	Place of incorporation	Principal activities
Interport Development Corporation	December 21, 1993	Philippines	(a)
Makati City Subway, Inc.	March 4, 2019	Philippines	(b)
Jiangsu Rizal Infradev Co., Ltd.	July 12, 2019	People's Republic of China	(c)

The subsidiaries of the Parent Company have the following principal activities:

(a) Primarily for the acquisition and selling of real estate of all kinds or hold such properties for investment purposes.
(b) Primarily engaged in the development, construction, operation, repair, maintenance, management and other allied business involving infrastructure and/or public utility projects, such as railways, railroads, subway systems and other transport systems, airports, toll ways, piers and other public works.
(c) Primarily to function as a corporate vehicle in the procurement of materials and equipment related to the Makati City Subway System Project.

The Group uses uniform accounting policies, any difference between the Parent Company and the subsidiaries are adjusted properly.

All the subsidiaries' undertakings are included in the consolidation. The proportion of the voting rights in the subsidiaries' undertakings held directly by the Parent Company do not differ from the proportion of ordinary shares held.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with an entity and has the ability to affect those returns through its power over an entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. These are deconsolidated from the date that control ceases.

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The Group also assesses the existence of control where it does not have more than 50% of the voting power but is able to govern the financial reporting and operating policies by virtue of de facto control. De facto control may arise in circumstances where the size Group's voting rights relative to the size and dispersion of holdings of other shareholders give the Group the power to govern the financial and operating policies.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group.

The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying 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.

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is not accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognized and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly in profit or loss.

Intercompany transactions, balances and unrealized gains on transactions between companies in the Group are eliminated. Unrealized losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions-that is, as transactions with the owners in their capacity as owners. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of subsidiaries

When the Group ceases to have control, any retained interest in an entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

22.2 Financial instruments

(a) Financial assets

Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through other comprehensive income; and
- those to be measured at amortized cost.

The financial assets at amortized cost of the Group comprise: cash in banks, receivables, excluding advances to officers and employees, funds held by custodian bank, and refundable deposits under other assets while financial assets at FVOCI pertain to investments in equity securities under other assets in the consolidated statement of financial position.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Impairment

The Group applies the PFRS 9 simplified approach to measuring ECL for all trade receivables which uses a lifetime expected loss allowance from initial recognition. To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the collection profiles over a period of 60 months before the beginning of the reporting dates and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the bank interest rates to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in this factor.

For cash in banks, other receivables that are financial assets, funds held by custodian bank and refundable deposits, the general approach is applied. Under this approach, credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognized.

The carrying amount of the receivables is reduced through the use of an allowance account, and the amount of the loss is recognized in expenses in the consolidated statement of comprehensive income. When a receivable is uncollectible, it is written-off against the allowance account for receivables. Receivables are written-off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than that agreed with Group. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor’s credit rating), the reversal of the previously recognized impairment loss is recognized through profit or loss.

Reversals of previously recorded impairment provision are based on the result of management's update assessment, considering the available facts and changes in circumstances, including but not limited to results of recent discussions and arrangements entered into with debtors as to the recoverability of receivables at the end of the reporting period. Subsequent recoveries of amounts previously written-off are recognized in expenses in the consolidated statement of comprehensive income.

(b) Financial liabilities

Classification

The Group classifies its financial liabilities at initial recognition in the following categories at amortized cost.

The Group's financial liabilities at amortized cost comprise accounts payable and other liabilities, excluding customers' deposits, payable to government agencies and accrued real property taxes, borrowings, and liability for refund of stocks rights subscription are classified under this category. These are included in current liabilities, except for maturities greater than 12 months after the reporting date, which are then classified as non-current liabilities.

22.3 Cash and funds held by a custodian bank

For purpose of presentation in the consolidated statement of cash flows, cash consists of cash on hand and deposits held at call with banks. Funds that are restricted and designated for particular purpose are shown separately from cash in the consolidated statement of financial position and are classified as current or non-current depending on the expected timing of disbursements. These are stated at face value or nominal amount.

22.4 Receivables

Receivables arising from regular sale of real estate held for sale and development made in the ordinary course of business are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less any provision for impairment. Receivables are measured at the original invoice amount (as the effect of discounting is immaterial), less any provision for impairment.

Advances to officers and employees are unliquidated cash advances for the Group's expenses. These are initially recognized at nominal amount and derecognized upon liquidation. They are included in current assets, except for expected liquidations greater than 12 months after the reporting date, which are then classified as non-current assets.

22.5 Prepayments and other current assets

Prepayments and other assets are recognized in the event that payment has been made in advance of obtaining right of access to receipt of services and measured at the amount of cash paid, which is equal to its nominal amount. Prepayments and other assets are recognized as expense either with the passage of time or through use or consumption.
Prepayments and other assets are carried at cost and are included in current assets, except when the related goods or services are expected to be received and rendered more than 12 months after the end of the reporting period, in which case, these are classified as non-current assets.

Prepayments in the form of unused tax credits are derecognized when there is a legally enforceable right to offset the recognized amounts against income tax due and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Input VAT are stated at face value less provision for impairment, if any. Any allowance for unrecoverable input, if any, is maintained by the Group at a level considered adequate to provide for potential uncollectible portions of the claims. Management evaluates the level of impairment provision on the basis of factors that affect the collectivity of the claim. The Group, on a continuing basis, makes a review of the status of the claims designed to identify those that may require provision for impairment losses.

Payments made as security for the leases entered into by the Group and will be returned to the Group at the end of the lease term are recognized as refundable deposits.

22.6 Real estate held for sale and development

The account includes land held for development, which refers to land acquired exclusively for development and resale thereafter and real properties held for sale and development through housing projects. Real estate held for sale and development is stated at the lower of cost and NRV. The cost comprises purchase price plus costs directly attributable to the acquisition of the assets including clearing, retitling, site preparation and subsequent development costs. NRV is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

22.7 Investment property

The Group's investment properties, principally comprising of properties in Binangonan, Rizal and in Makati City, Metro Manila, are held for capital appreciation and is not occupied by the Group. The Group has adopted the fair value model for its investment properties.

After initial recognition, investment property is carried at fair value as determined by an independent firm of appraisers. Fair value is based on income approach, which uses valuation techniques that convert future amounts (e.g., cash flows or income and expenses) to a single current (i.e., discounted) amount. The fair value measurement is determined on the basis of the value indicated by current market expectations about those future amounts. These valuations are reviewed annually by the independent appraiser.

Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value. On a regular basis, an estimate of the recoverable or clearable area over the properties is done by the Group. An increment in the recoverable area is recognized at fair value, with a consequent provision for estimated clearing costs.

Subsequent expenditure (i.e., provision for clearing costs) is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other costs, classified as repairs and maintenance, are charged to profit or loss during the financial period in which they are incurred.

Changes in fair values are recognized in profit or loss.

Property that is being constructed or developed for future use as investment property is classified as investment property

22.8 Intangible

The costs of intangible assets arising from contractual right are their fair value as at the date of acquisition, determined using discounted cash flows as a result of the asset being owned. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite. The intangible assets are considered to have finite life.

Intangible assets with finite lives are amortized based on the utilization of the related land using the output method. Output is in reference to the square meters allocable to the intangible assets. The amortization will start upon commencement of the significant construction activities over the transit-oriented development projects/investment properties.

Intangible assets are assessed for impairment whenever there is an indication that an intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite
useful life are reviewed at least at the end of each reporting period.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in profit or loss in the expense category consistent with the function of the intangible assets.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and are recognized in profit or loss when the intangible asset is derecognized.

22.9 Investments in joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor.

The Group, through MCSI, entered into an agreement with the Makati City Government to develop a subway system in Makati City. Under the terms of the agreement, the Group will contribute to the construction, operation and management of the Makati City Subway System and the topside development over the land as specified in the agreement. The agreement qualifies as a joint operation.

The contractual arrangement establishes the parties' rights to the assets, and obligations for the liabilities, relating to the arrangement, and the parties' rights to the corresponding revenues and obligations for the corresponding expenses.

22.10 Property and equipment

All other costs, classified as repairs and maintenance, are charged to profit or loss during the year in which they are incurred.

Depreciation of property and equipment are computed using the straight-line method over the following estimated useful lives in years:

Asset class	Useful life
Residential units and parking lots	25 to 50 or lease term, whichever is shorter
Building and improvements	25 to 50
All others	5

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

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

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal at which time the cost and their related accumulated depreciation are removed from the accounts. Gain or loss arising from disposal is determined as the difference between the net disposal proceeds and the carrying amount of the asset. Gain or loss on disposal is recognized in profit or loss in the period of the disposal.

22.11 Impairment of non-financial assets

Assets that have an indefinite useful life, such as investment in a subsidiary, and intangible assets, are not subject to depreciation and amortization and are tested annually for impairment. Assets that have definite useful life are subject to depreciation and amortization and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that are impaired are reviewed for possible reversal of the impairment at each reporting date.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but the increased carrying amount should not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized as income immediately in profit or loss.

22.12 Fair value measurement

The fair value of a non-financial asset is measured based on its highest and best use. The asset's current use is presumed to be its highest and best use.

The fair value of financial and non-financial liabilities takes into account non-performance risk, which is the risk that an entity will not fulfill an obligation.

The Group classifies its fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and

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

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 re-assessing 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.

External valuers are involved for valuation of significant assets, such as investment properties. 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 analyzes the movements in the values of assets and liabilities, which are required to be re-measured or re-assessed 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.

22.13 Accounts payable and accrued expenses

Accounts payable and other liabilities are recognized in the period in which the related money, goods or services are received or when a legally enforceable claim against the Group is established. These are measured at the original invoice amount (as the effect of discounting is immaterial). Government-related liabilities initially recognized at nominal amount and not subject to discounting but are derecognized similarly. These are included in current liabilities, except for maturities greater than 12 months after the reporting date, which are then classified as non-current liabilities.

22.14 Borrowings and borrowing costs

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in profit or loss in the period in which these are incurred.

22.15 Income taxes

The income tax expense for the period comprises current and deferred income tax. Income tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the income tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates based on existing laws that have been enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax losses or NOLCO and unused tax credits or excess MCIT to the extent that it is probable that future taxable profit will be available against which the temporary differences, unused tax losses and unused tax credits can be utilized.

Deferred income tax assets are recognized on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilized.

The Group reassesses at each reporting date the need to recognize a previously unrecognized deferred income tax asset.

Deferred income tax liabilities are recognized in full for all taxable temporary differences, except to the extent that the deferred income tax liability arises from the initial recognition of goodwill. Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally, the Group is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference not recognized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred income tax assets and liabilities are derecognized when the related bases are realized/settled or when it is no longer realizable/due.

22.16 Employee benefits

(a) Retirement benefits

The liability recognized in the consolidated statement of financial position is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, if any.

The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity which approximate the terms of the related retirement benefit liability.

(b) Short-term employee benefits

Wages, salaries, paid annual vacation and sick leave credits and other non-monetary benefits are accrued during the period in which the related services are rendered by employees of the Group. Short-term employee benefit obligations are measured on an undiscounted basis.

22.17 Contingencies and provisions

Contingent assets are not recognized in the consolidated financial statements but are disclosed in the notes when inflows of economic benefits are probable. If it becomes virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the consolidated financial statements.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provision for clearing costs represents the Group's expected cost to clear a portion of its Binangonan property and other properties that the Group acquires from bona fide occupants with superior rights over the Group's investment properties. The amount is based on the average estimated clearing and titling cost per agreement with the contractor. Such amount represents the peso value quoted by the contractor based on recoverable area and is adjusted regularly to reflect the net present value of obligation associated with clearing of land titles.

When the effect of 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 assessment and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to passage of time is recognized as an interest expense.

22.18 Deposits for future shares subscription

Deposits for future shares subscription represent amounts received from shareholders which will be settled by way of issuance of the Group's own shares at a future date. The Group considers the deposits as liability unless all of the following elements are present:

- The unissued authorized share capital of an entity is insufficient to cover the amount of shares indicated in the subscription agreement;

- There is a BOD's approval on the proposed increase in authorized share capital to cover the shares corresponding to the amount of the deposit;
- There is shareholders' approval of proposed increase; and
- The application for the approval of the proposed increase in authorized share capital has been filed with the SEC as at reporting date.

Deposits for future shares subscription are derecognized and converted to equity once corresponding shares have been issued.

22.19 Equity

(a) Share capital

Share capital, which are stated at par value, are classified as equity.

Issuance of new shares as a result of options, rights and warrants are shown in equity as an addition to the balance of share capital.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax. The excess of proceeds from issuance of shares over the par value of shares or additional capital contributions in which no shares were issued are credited to additional paid-in capital.

(b) Treasury shares

Where any member of the Group purchases the Group's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity.

(c) Retained earnings

Retained earnings include current and prior years' results of operations, net of transactions with shareholders and dividends declared, if any. Retained earnings also include the effect of changes in accounting policy as may be required by the relevant standards' transitional provisions on their initial adoption.

Dividend distribution to the Group's shareholders is recognized as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the Group's BOD.

(d) Stock rights offering

An issue of rights to existing shareholders of the Group that entitles them to purchase additional shares in proportion to their existing holdings, within a fixed time period, at a lower or discounted price to preserve the percentage ownership of the current holders.

Liability for stock rights subscriptions is derecognized once settled.

(e) Share warrants payable

Proceeds from the issue of common share warrants are treated as equity and recorded as a separate component of equity. Costs incurred on the issue of share warrants are netted against proceeds. Share warrants issued with common shares are measured at fair value at the grant date. The fair value is included as a component of equity and is transferred from share warrants to share capital on exercise date.

(f) Equity reserves

Equity reserves comprise actuarial gains and losses due to remeasurements of post-employment defined benefit plan, foreign currency translation of financial statements of a foreign subsidiary, the mark-to-market valuation of its financial assets at FVOCI and other reserve.

Other reserve arising from the recognition of intangible assets as a result of a contractual arrangement is restricted from dividend declaration. Such reserve is only available for use in corporate restructuring, reorganization and liquidation which will require authorization of the BOD and approval by the SEC.

22.20 Earnings per share

Basic earnings per share is calculated by dividing net income attributable to common shareholders by the weighted average number of common shares outstanding during the year. Diluted earnings per share is calculated by adjusting the earnings and number of shares for the effects of dilutive potential common shares.

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22.21 Revenues and income, and costs and expenses

(a) Revenues from contracts with customers and other income

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Group's activities, which normally approximates the invoice amount.

<u>Sales of real estate and costs of real estate sold</u>

Sales are recognized when control of the real estate has transferred, being when the sales price is deemed collectible. Collectability of the sales price is demonstrated by the buyer's commitment to pay, which in turn is supported by substantial initial and continuing investments that give the buyer a stake in the property sufficient that the risk of loss through default motivates the buyer to honor its obligation to the Group. Collectability is also assessed by considering factors such as the credit standing of the buyer, age and location of the property.

Sales of real estate are considered as sales at a point in time. For properties sold through a financing agreement with Pag-IBIG under the HDMF, revenue is recognized upon loan approval from HDMF, net of any discount. For properties sold through cash, revenue is recognized upon full collection, net of any discount. For properties sold through installments, revenue is recognized upon turnover of the units to the buyers, which coincides with the collection of a significant portion of the contract price.

Any collections on contracts that have not yet qualified for revenue recognition are reported as customers' deposits within accounts payable and other liabilities in the consolidated statement of financial position.

Costs of real estate sold are recognized simultaneously with revenue. Costs of real estate sold include cost of land allocated to the Group based on assigned lots stated in the agreement entered into with the developer and all other incidental costs incurred by the Group.

Other income not covered by PFRS 15, Revenue from Contracts with Customers

(i) Interest income

Interest income is recognized in profit or loss for all interest-bearing financial instruments using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future receipts through the expected life of the financial instrument or when appropriate, a shorter period to the net carrying amount of the financial asset.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognized using the original effective interest rate.

Interest income on bank deposits is recognized when earned, net of final tax.

(ii) Dividend income

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

(iii) Rental income

Operating lease payments are recognized as income on a straight-line basis over the lease term, except when another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as income in the period in which they are earned.

(iv) Other income

Other income, including gain on reversal of liabilities, is recognized when earned.

(a) Costs and expenses

(i) Interest expenses

Interest expense is recognized in profit or loss for all interest-bearing financial instruments using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating the interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument or when appropriate, a shorter period to the net carrying amount of the financial liability.

(ii) Other costs and expenses

Other costs and expenses are recognized when incurred.

22.22 Leases

(a) Group as lessee - operating lease

Short-term leases and leases of low-value assets

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense through profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets are those with minimum lease payments below the capitalization threshold. These leases are presented as part of rent under expenses in the consolidated statement of comprehensive income.

22.23 Foreign currency transactions and translation

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

Foreign currency transactions are translated into Philippine Peso using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

On consolidation, the assets and liabilities of JRIC, a foreign subsidiary with functional and presentation currency of Chinese Yuan, are translated into Philippine Peso at the rate of exchange prevailing at the reporting date and their income statements are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognized in other components of equity. On disposal of a foreign subsidiary, the component of other components of equity relating to that particular foreign subsidiary is recognized in profit or loss.

22.24 Related party transactions and relationships

Related party relationship exists when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationship also exists between and/or among entities which are under common control with the reporting enterprise, or between, and/or among the reporting enterprises and their key management personnel, directors, or their shareholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form. Related party transaction is a transfer of resources, services on obligations between a reporting entity and a related party regardless of whether a price is changed.

22.25 Operating segments

The Group's operating businesses are organized and managed separately according to the nature of the services provided, with each segment representing a strategic business unit that offers different services and serves different markets.

22.26 Events after the reporting date

Post year-end events that provide additional information about the Group's position at the reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

(For the Quarter Ended March 31, 2024)

Philippine Infradev Holdings Inc. (*formerly IRC Properties, Inc.*) (Parent Company) and Interport Development Corporation (IDC) (Subsidiary) were incorporated in the Philippines on February 24, 1975 and December 21, 1993, respectively. Parent Company is primarily involved in the acquisition, reclamation, development, or exploitation of lands for the purpose of converting and developing said lands to integrated residential or commercial neighborhoods, and generally to engage in real estate business in all its forms. IDC is primarily involved in the acquisition and selling of real estate of all kinds or to hold such properties for investment purposes.

In 2018, Aggregate Business Group Holdings Inc. (ABG) purchased 26.94% ownership out of the 29.62% equity interest in the Parent Company previously held by Mabuhay Holdings Corporation. ABG is a domestic holding company. In 2019, ABG increased its ownership in the Parent Company to 71.28% through the purchase of additional shares making it the Group's ultimate parent company as at March 31, 2024.

On July 20, 2018, the Parent Company's Board of Directors (BOD) and shareholders approved the change in the Parent Company's corporate name to Philippine Infradev Holdings Inc. Such change was subsequently approved by the Securities and Exchange Commission (SEC) on October 30, 2018.

On October 23, 2018, the Parent Company received from Public-Private Partnership (PPP) Selection Committee of Makati City Government a Notice of Award for the construction and operation of the Makati Subway System (the "Project") to be implemented through a joint venture agreement. The Project has been awarded to the Parent Company as the lead proponent of a consortium.

On March 4, 2019, the Parent Company incorporated Makati City Subway, Inc. (MCSI) that will be used as a special corporate vehicle for the Subway Project. MCSI is a wholly-owned, domestic subsidiary of the Parent Company.

On July 12, 2019, the Parent Company incorporated Jiangsu Rizal Infradev Co., Ltd. (JRIC) to function primarily as a corporate vehicle in the procurement of materials and equipment related to the Subway Project. JRIC is a wholly-owned, foreign subsidiary of the Parent Company

On July 19, 2019, the Makati City Council approved City Ordinance No. 2019-A-020 (the "Ordinance") on third and final reading. The Ordinance approved the terms and conditions of the PPP JV Agreement between the Parent Company and the Makati City Government for the construction, establishment, management and operation of the Subway Project.

On July 30, 2019, the Parent Company's BOD approved a resolution authorizing the Parent Company's execution, delivery and performance of the PPP JV Agreement with the Makati City Government, and of other instruments contemplated in the PPP JV Agreement. On the same date, authorized representatives of the Parent Company and the Makati City Government signed the PPP

JV Agreement and the Parent Company submitted to the Makati City Government the US$350 million performance bond which was accepted by the Makati City Government.

On February 18, 2020, the Notice to Proceed for the Subway Project was received by the Parent Company. The Subway project is expected to be completed within five (5) years for an estimated total project cost of US$3.5 billion.

The Parent Company's BOD approved the change in the Parent Company's registered office and principal place of business from 35/F Rufino Pacific Tower, 6784 Ayala Avenue, Makati City to 38F (A&B) Rufino Pacific Tower, 6784 Ayala Avenue, Makati City, effective February 1, 2021.

On September 8, 2020, the Group executed the Engineering, Procurement, and Construction (EPC) contracts for the Subway System Project with China Construction Second Engineering Bureau Ltd. and Shanghai Electric Group Automation Engineering Co., Ltd. The EPC contracts cover (i) civil works, and (ii) mechanical, electrical, plumbing (MEP) works for a total price of US$1.21 billion. The planned completion timeline is from December 12, 2020 to December 12, 2024. The EPC contracts are still effective as of reporting date.

On March 9, 2021, the Group executed a legally binding term sheet with Richer Today, Inc. ("RTI") for the financing, design, construction, development, marketing and sale of the lots in and around Station 5 of the Subway System Project through an unincorporated joint venture. Construction development over said lots shall commence after two (2) years.

On March 7, 2022, the Group received the certificate of registration of MCSI as new operator of Local Government Unit Public-Private Partnership from the Board of Investments effective January 17, 2022. This includes the approval of tax incentives which shall be limited to four (4) years income tax holiday, followed by five (5) years enhanced deductions and duty exemption on importation of capital equipment, subject to compliance with certain conditions.

As at the date of the approval of the financial statements, the Company has completed the excavation and shoring works of the first phase of the underground walkway construction and concrete pouring of two mat foundations. The first phase covers Station 3 (located along Sen. Gil J. Puyat Avenue, Dela Rosa Street and Urban Avenue). Adjustments and optimization of the subway basic design have also been made according to the requirements of the Makati City Government. The detailed design of the station and section of the first phase of the Subway System has been completed. Certain major equipment and machineries are on site, but with incoming deliveries, to continue to the next phase of the construction in Station 5 (located along J.P. Rizal Street within the old Makati City Hall).

In 2023, the Supreme Court (SC) ruled with finality that the City of Taguig has jurisdiction over Fort Bonifacio and Embo barangays previously belonging to the City of Makati. As a result of this of SC ruling, management has assessed that the alignment of the subway will no longer be feasible due to several stations now under the territory of the City of Taguig. As of reporting date, the construction activities related to the Subway System have been temporarily suspended.

The Parent Company and its subsidiaries have been collectively referred hereinto as the Group.

The clearing of the Company's Binangonan property is still the focus of the Company's operations with the goal of completely freeing from third party claims 500 hectares of the 2,200-hectare property. Due to a number of factors, including the recognition of Supreme Court's recognition of the superior rights of the bonafide occupants as well as potential challenges in clearing and re-titling of this large area of land, management has estimated that only 1,513 hectares are expected to be recovered/cleared and re-titled in the name of the Parent Company as at December 31, 2023 and

2022. This estimate is assessed at regular intervals of one (1) to three (3) years based on the Group's interaction with current occupants.

The Group is actively in the process of clearing and re-titling the large portion of the property in Binangonan for future developments.

The company is not dependent upon any customer. It does not hold any right on patents, trademarks, copyrights, licenses, franchises, concessions, and royalty agreements.

As of March 31, 2024, the Company has total of Thirty-Eight (36) personnel excluding the Chairman, President, Corporate Secretary and Assistant Corporate Secretary.

Financial Condition

Interim Report (March 31, 2024)

The Company employed total assets of ₱123,708,874,359 financed by total liabilities of ₱22,504,856,495 and total stockholders' equity of ₱101,204,017,864. Noncurrent assets amounted to ₱121,171,374,273 consisting of investment property, property and equipment (net of accumulated depreciation), intangible assets and other assets. Current assets stood at ₱2,537,500,086.

Results of Operation

A comparative review of the Company's financial operations for the quarter ended March 31, 2024 *vis-à-vis* the same period last year showed the following:

The significant increase of ₱73.80 million in total revenue was mainly due to the higher volume of sales in Casas Carlina for the first quarter of 2024. Total cost and expenses increased by ₱40.35 million from ₱90.88 million mainly because of the higher cost of sales. Higher cost of sales is brought by the higher sold units in 2024 which is forty-three (84) units as compared to six (43) units in 2023.

Material changes (March 31, 2024 vs. December 31, 2023)

Cash increased by ₱48.09 million mainly because of the payments from the customers, sale of land and cash proceeds from the take outs.

Receivable increased by ₱40.11 million mainly because of the receivable from the subcontractors and retention receivable.

Prepayments and other current assets increased by ₱16.77 million mainly because of the increase in Input VAT..

Property and equipment, net decreased by ₱0.42 million mainly because of the recorded depreciation of the quarter

Accounts payable and accrued expenses increased by ₱38.46 million mainly due to the customer deposits received from the buyers of Casas Carlina.

Income tax payable increased by ₱8.18 million mainly due to the income tax liability incurred during the period..

Retirement benefit obligation decreased by ₱1.21 million mainly due to the payment made by the Company.

Retained Earnings increased by ₱22.87 million because of the net income earned.

There is no significant element of income that did not arise from the Registrant's continuing operations. Neither is the Company's operations affected by any seasonality or cyclical trends.

Discussion of Material Events/Uncertainties Known to Management that would Address the Past and Impact on Future Operations

a. The Company's capital expenditures commitments are land clearing cost and the Casas Carlina Project and development on newly launched project Casas Bauhinia. It is not under any pressing obligation to pay its advances to affiliates. The Company has enough resources to cover payment of liabilities through the sale of some of its properties.

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

c. The Company does not have any material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships with unconsolidated entities or other persons created during the reporting period.

d. The Management is not aware of any known trends, demands, commitments, events or uncertainties that have had or that are reasonably expected to have a material favourable or unfavourable impact on the company's liquidity, net sales or revenues or income from continuing operations.

e. The Company does not have any significant elements of income or loss that did not arise from the company's continuing operations.

REGISTRANT'S COMPARATIVE FINANCIAL SOUNDNESS INDICATORS

	Mar. 31, 2024	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2021
Working Capital	95,801,737	73,709,571.00	1,575,003,460	1,325,015,989
Current Ratio	1.04	1.03	4.39	4.11
Quick Ratio	0.35	0.31	1.08	3.83
Asset to Equity Ratio	1.22	1.22	1.13	1.12
Debt to Assets Ratio	0.18	0.18	0.12	0.11
Debt to Equity Ratio	0.22	0.22	0.13	0.12
Gross Profit Margin	0.40	0.61	0.98	1.00
Operating Profit Margin	0.18	(80.67)	0.95	0.99
Net Profit Margin	0.13	(81.32)	0.71	0.80
Return on Assets	0.00	(0.36)	0.02	0.04
Return on Equity	0.00	(0.44)	0.02	0.05
Interest Coverage Ratio	2.89	(1,326.41)	2,308.10	344.24

Current/ Liquidity Ratios - shows the ability of the company to pay off its debts over the next year.

Working Capital- computed as current assets minus current liabilities.
Current Ratio- computed as current assets divided by current liabilities.
Quick Ratio- computed as current assets minus prepayments and land held for development divided by current liabilities.

Solvency Ratios - measure the company's ability to pay all debts, particularly long-term debts.

Debt to Equity - computed as total liabilities divided by total equity.

Debt to Assets - computed as total liabilities divided by total assets.

Asset to Equity Ratio - measures financial leverage and long- term solvency. It shows how much of the assets are owned by the company. It is computed as total assets divided by stockholders' equity.

Interest Coverage Ratio - measures the company's ability to pay its interest charges. It is computed as income before income tax and interest expense divided by interest payments.

Profitability Ratios

Gross Profit Margin- shows how much of the company's revenue remains after the cost of sales. It is computed as gross profit divided by sales.

Operating Profit Margin- measures the amount of money that remains after paying sales and operating expenses. It is computed as earnings before taxes and interest divided by sales.

Net Profit Margin- shows the money remaining after paying all expenses. It is computed as net profit divided by sales.

Return on Assets- measures how effectively the company uses its assets to create revenue. It is computed as net income divided by total assets.

Return on Equity- measures how much money the company have earned on its investment. It is computed as net income divided by stockholders' equity.

REPORT ON SEC FORM 17-C:

Date	Particulars
Jan 19, 2024	Change in Directors and/or Officers (Resignation/Removal or Appointment/Election) - Election of Laiza Rose R. Lamsen as Corporate Information Officer and Elmer Ato as Data Protection Officer

REPORT ON SEC FORM 17-C AS AMENDED

Date	Particulars

PART II – OTHER INFORMATION

ITEM 4 - NON-APPLICABILITY OF OTHER SEC-REQUIRED NOTES

Notes required to be disclosed but are not applicable to the Registrant are indicated below:

a. Assets Subject to Lien and Restrictions on Sales of Assets
b. Changes in Accounting Principles and Practices
c. Defaults
d. Preferred Shares
e. Pension and Retirement Plans
f. Restrictions which Limit the Availability of Retained Earnings for Dividend Purposes
g. Significant Changes in Bonds, Mortgages and Similar Debt
h. Registration with the Board of Investments (BOI)
i. Foreign Exchange losses Capitalized as part of Property, Plant & Equipment
j. Deferred Losses Arising from Long-Term Foreign Exchange Liabilities
k. Segment Reporting
l. Disclosure not made under SEC Form 17-C: None

ITEM 5- RECOGNITION OF IMPACT OF THE FOLLOWING NEW STANDARDS

The following new standards do not have and are not expected to have a material impact on the Group's financial statements.

	Adopted/Not adopted/ Not applicable
a. Separate Financial Statements PAS 27 (Amended)	Adopted
b. Investments in Associate and Joint Venture PAS 28	Adopted
c. Government Loans (Amendments to PFRS 1)	Not applicable
d. Disclosure-Offsetting Financial Assets and Financial Liabilities (Amendments to PFRS 7)	Adopted
e. Consolidated Financial Statements (PFRS 10)	Adopted
f. Joint Arrangements (PFRS 11)	Adopted
g. Disclosure of Interests in Other Entities (PFRS 12)	Adopted
h. Fair Value Measurement (PFRS 13)	Adopted
i. Financial Instruments (PFRS 9)	Adopted

SIGNATURES

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

Issuer: **PHILIPPINE INFRADEV HOLDINGS INC.**

GEORGINA A. MONSOD
Executive Vice President and Treasurer

JEAD MARK M. DELA ROSA
Accounting Manager

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

						6	0	3	1	2

COMPANY NAME

PHILIPPINE INFRADEV HOLDINGS
INC. AND SUBSIDIARIES

PRINCIPAL OFFICE (No./Street/Barangay/City/Town/Province)

38F A&B RUFINO PACIFIC TOWER
6784 AYALA AVENUE MAKATI CITY

Form Type	Department requiring the report	Secondary License Type, if Applicable
AAFS	SEC	

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
admin@infra.com.ph	(632) 8283-8459 / (632) 8283-8294	

No. of Stockholders	Annual Meeting (Month/Day)	Fiscal Year (Month/Day)
546		12/31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
GEORGINA A. MONSOD	gamonsod@infra.com.ph	8283-8459 / 8283-8294	

CONTACT PERSON's ADDRESS

38F (A&B), RUFINO PACIFIC TOWER, AYALA AVENUE, MAKATI CITY

Note 1: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

2: All boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **PHILIPPINE INFRADEV HOLDINGS INC. AND SUBSIDIARIES** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, as at and 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 misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as 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 crease 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 financial statements including the schedules therein, and submits the same to the stockholders.

Isla Lipana & Co., PwC (PricewatehouseCoopers), the independent auditors, appointed by the stockholders, has audited the financial statements of the company in accordance with Philippine Standards on Auditing and in its report the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

REN YOUMIN
Chairman of the Board of Directors

ANTONIO L. TIU
President

GEORGINA A. MONSOD
Executive Vice President and Treasurer

Signed this ___ day of July 2024

SUBSCRIBED AND SWORN TO before me, a Notary Public, for and in Makati City, this JUL 26 2024 day of ___ 2024, affiants exhibiting to me their PRC ID and/or Passports, as follows:

Affiant	PRC No./ Passport No.	Date of Issue	Place of Issue
REN YOUMIN	PA1846103	22 SEP 2014	AUSTRALIA
ANTONIO L. TIU	P5749783A	25 JAN 2018	DFA MANILA
GEORGINA A. MONSOD	P7698623A	27 JUN 2018	DFA MANILA

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Series of 2024

ATTY. GERVACIO B. ORTIZ JR.
Notary Public City of Makati
Until December 31, 2024
IBP No. 05729 Lifetime Member
MCLE Compliance No. VII-0022734
valid until April 14, 2025
Appointment No. M-39 (2023-2024)
PTR No. 10073909 Jan. 2, 2024 / Makati
Makati City Roll No. 40091
101 Urban Ave. Campos Rueda Bldg.
Brgy. Pio Del Pilar, Makati City

Independent Auditor's Report

To the Board of Directors and Shareholders of
Philippine Infradev Holdings Inc. and Subsidiaries
38F (A&B), Rufino Pacific Tower
6784 Ayala Avenue, Makati City

Our Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Philippine Infradev Holdings Inc. (the "Parent Company") and subsidiaries (together, the "Group") as at December 31, 2023 and 2022, and the consolidated financial performance and cash flows for each of the three years in the period ended December 31, 2023 in accordance with Philippine Financial Reporting Standards (PFRS).

What we have audited

The consolidated financial statements of the Group comprise:

- the consolidated statements of financial position as at December 31, 2023 and 2022;
- the consolidated statements of comprehensive income for each of the three years in the period ended December 31, 2023;
- the consolidated statements of changes in equity for each of the three years in the period ended December 31, 2023;
- the consolidated statements of cash flows for each of the three years in the period ended December 31, 2023; and
- the notes to the consolidated financial statements, including material accounting policy information.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (the "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.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgments; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Key audit matters

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

Key audit matters identified in our audit are as follows:

- Fair value of investment properties;
- Provision for clearing costs of investment properties; and
- Impairment of construction-in-progress (CIP) and intangible assets.

Key Audit Matter	How our audit addressed the Key Audit Matter
Fair value of investment properties This is an area of focus mainly due to the materiality of the asset and accounting estimation involved in valuing the asset. As at December 31, 2023, the Group reported investment properties carried at fair value, amounting to P45 billion. An annual fair value assessment is performed based on the requirements of PFRS 13, Fair Value Measurement, and PAS 40, Investment Property. Refer to Notes 7 to the consolidated financial statements for the details of the investment properties and for the discussion on critical accounting estimates.	Our audit procedures to address the matter included the following: • Performed an understanding of the Group's process in making accounting estimates and determining whether there were any changes from the prior period in the method, judgment and assumptions used by the Group in relation to the fair value estimates of investment properties. • Evaluated the competence, capabilities and objectivity of the independent appraiser engaged by the Group through inspection of available public information regarding their profile, license, and client portfolio. • Obtained and evaluated the valuation reports of the independent third-party appraiser commissioned by the Group to determine the fair values of the investment properties at the reporting date. We involved our valuation experts in assessing the appropriateness of the methodology and the reasonableness of management's assumptions.

Key Audit Matter	How our audit addressed the Key Audit Matter
Provision for clearing costs This is an area of focus mainly due to the materiality of the provision and the complexity of the calculation involved. As at December 31, 2023, the Group reported provision for clearing costs amounting to P13.4 billion in the consolidated statements of financial position. The Group estimates the provision for clearing costs based on the land area expected to be cleared over an extended period of time. The clearing activities include negotiating with informal settlers to facilitate issuance of clear title. Refer to Notes 12 to the consolidated financial statements for the details of provision for clearing costs and for the discussion on critical accounting estimates made by management.	Our audit procedures to address the matter included the following: • Performed an understanding of the Group's process in making accounting estimates and determining whether there were any changes from the prior period in the method, judgment and assumptions used by the Group in relation to the cost estimates underlying the provision for clearing costs. • Assessed the reasonableness of the projected cash flows, discount rate and timing of settlement used in calculating the present value of the provision by comparing the inputs and assumptions with the historical information on actual settlements per year, and timing of clearing of titles. We compared the discount rate used by management with relevant market rates.
Impairment of Construction-in-progress (CIP) and Intangible asset This is an area of focus mainly due to the significance of impairment losses recognized in profit or loss and the complexity of the impairment calculation and estimation processes involved. For the year ended December 31, 2023, the Group reported impairment losses amounting to P44 billion, broken down as follows: (a) P5 billion for CIP (b) P39 billion for intangible asset. The impairment losses are mainly driven by the adverse impacts and other uncertainties brought about by the final court ruling on the territorial dispute between the Cities of Makati and Taguig which affected the viability of the Group's Subway System Project and the related CIP and intangible asset. Further information about the territorial dispute is disclosed in Note 1 to the consolidated financial statements. Refer to Notes 8 and 9 to the consolidated financial statements for the details of impairment on CIP and intangible asset, respectively.	Our audit procedures to address the matter included the following: • Performed an understanding of the negative impact of the territorial dispute as the objective evidence of impairment of CIP and intangible asset and the Group's process in calculating the impairment loss. • Assessed the reasonableness of the assumptions used by management in calculating the recoverable amounts of CIP and intangible asset with the assistance of auditor's expert. • We have assessed the appropriateness of the valuation methodology used as well as the reasonableness of the significant inputs and assumptions used in the fair valuation of intangible asset used as basis for impairment. • We have evaluated the competence, capabilities and objectivity of the independent appraiser engaged by the Group by reviewing its profile, licenses and client portfolio. • Reviewed the adequacy of the Group's disclosures regarding impairment of CIP and intangible asset.

Other Information

Management is responsible for the other information. The other information comprise 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 do 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 these become available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and if required by Securities Regulation Code 68, to the Securities and Exchange Commission.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the ability of the Group 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 entities within 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 PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group 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 an entity within 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 Zaldy D. Aguirre.

Isla Lipana & Co.

Zaldy D. Aguirre
Partner
CPA Cert No. 0105660
P.T.R. No. 0024447, issued on January 12, 2024, Makati City
TIN 221-755-698
BIR A.N. 08-000745-077- 2023, issued on December 22, 2023; effective until December 21, 2026
BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
July 25, 2024

Statements Required by Rule 68
Securities Regulation Code (SRC)

To the Board of Directors and Shareholders of
Philippine Infradev Holdings Inc. and Subsidiaries
38F (A&B), Rufino Pacific Tower
6784 Ayala Avenue, Makati City

We have audited the consolidated financial statements of Philippine Infradev Holdings Inc. (the "Parent Company") and Subsidiaries as at and for the year ended December 31, 2023, on which we have rendered the attached report dated July 25, 2024. The supplementary information shown in the Parent Company's Reconciliation of Retained Earnings Available for Dividend Declaration and Map of the Group of Companies within which the Parent Company belongs, as additional components required by Part I Section 5 of the Revised SRC Rule 68, and Schedules A, B, C, D, E, F and G as required by Part II of the Revised SRC Rule 68, are presented for purposes of filing with the Securities and Exchange Commission and are not required parts of the basic consolidated financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements. In our opinion, the supplementary information has been prepared in accordance with the Revised of SRC Rule 68.

Isla Lipana & Co.

Zaldy D. Aguirre
Partner
CPA Cert No. 0105660
P.T.R. No. 0024447, issued on January 12, 2024, Makati City
TIN 221-755-698
BIR A.N. 08-000745-077- 2023, issued on December 22, 2023; effective until December 21, 2026
BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
July 25, 2024

Independent Auditor's Report on Components of Financial Soundness Indicators

To the Board of Directors and Shareholders of
Philippine Infradev Holdings Inc. and Subsidiaries
38F (A&B) Rufino Pacific Tower
6784 Ayala Avenue, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Philippine Infradev Holdings Inc. and 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 July 25, 2024. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the 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 PFRS. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023 and no material exceptions were noted.

Isla Lipana & Co.

Zaldy D. Aguirre
Partner
CPA Cert No. 0105660
P.T.R. No. 0024447, issued on January 12, 2024, Makati City
TIN 221-755-698
BIR A.N. 08-000745-077- 2023, issued on December 22, 2023; effective until December 21, 2026
BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
July 25, 2024

Philippine Infradev Holdings Inc. and Subsidiaries

Consolidated Statements of Financial Position
As at December 31, 2023 and 2022
(All amounts in Philippine Peso)

	Notes	2023	2022
Assets			
Current assets			
Cash	2	80,284,610	12,055,919
Receivables, net	3	655,778,548	471,225,674
Funds held by custodian bank	4	18,776,244	17,927,803
Real estate held for development and sale	5	1,458,519,547	1,367,277,406
Prepayments and other current assets	6	259,409,046	171,383,309
Total current assets		2,472,767,995	2,039,870,111
Non-current assets			
Investment properties	7	44,999,971,080	44,584,958,769
Property and equipment, net	8	3,425,219	2,896,725,020
Intangible assets	9	76,165,665,123	115,278,746,000
Other assets, net	10	2,741,353	4,540,892
Total non-current assets		121,171,802,775	162,764,970,681
Total assets		123,644,570,770	164,804,840,792
Liabilities and Equity			
Current liabilities			
Accounts payable and other liabilities	11	364,888,395	198,712,788
Provision for clearing costs	12	100,000,000	32,323,068
Payable to related parties	20	1,435,820,149	-
Current portion of borrowings	13	479,573,636	215,902,992
Liability for refund of stock rights subscription	14	18,776,244	17,927,803
Total current liabilities		2,399,058,424	464,866,651
Non-current liabilities			
Provision for clearing costs, net of current portion	12	13,309,429,521	12,962,595,743
Payable to related parties, net of current portion	20	398,699,566	-
Borrowings, net of current portion	13	-	73,795,900
Deferred income tax liabilities	18	6,352,708,962	6,003,104,920
Retirement benefit obligation	21	3,531,156	3,529,918
Total non-current liabilities		20,064,369,205	19,043,026,481
Total liabilities		22,463,427,629	19,507,893,132
Equity			
Share capital	14	10,866,972,259	10,866,972,259
Share premium	14	669,800,642	669,800,642
Share warrants	14	1,755,520,000	1,755,520,000
Treasury shares	14	(18,642)	(18,642)
Remeasurement reserve on retirement benefit obligation	21	1,882,418	1,265,801
Fair value reserve on investments in equity instruments		(416,223)	(416,223)
Other reserves	14	115,281,384,905	115,277,925,721
(Deficit) Retained earnings	14	(27,393,982,218)	16,725,898,102
Total equity		101,181,143,141	145,296,947,660
Total liabilities and equity		123,644,570,770	164,804,840,792

(The notes on pages 1 to 35 are integral part of these consolidated financial statements.)

Philippine Infradev Holdings Inc. and Subsidiaries

Consolidated Statements of Comprehensive Income
For each of the three years in the period ended December 31, 2023
(All amounts in Philippine Peso)

	Notes	2023	2022	2021
Income				
Real estate sales	5	403,282,334	170,863,540	19,780,500
Unrealized foreign exchange gain	24	138,891,072	6,958,483	-
Interest income	2	22,129	81,279	189,813
Unrealized fair value gain on investment properties	7	-	4,024,745,552	8,745,320,701
Other income		353,624	2,544,204	1,307,885
		542,549,159	4,205,193,058	8,766,598,899
Cost and expenses				
Impairment losses on:				
Intangible asset	9	39,113,080,877	-	-
Construction-in-progress	8	4,846,072,263	-	-
Receivables	3	-	-	3,737,233
Costs of real estate sold	5	211,443,000	103,941,958	10,085,380
Commission		27,500,652	11,988,819	1,114,589
Professional fees and other outside services		17,849,748	13,063,096	11,996,294
Salaries, wages and employee benefits	15	17,469,150	12,258,418	10,517,950
Taxes and licenses		7,333,398	17,681,749	4,015,894
Meeting expenses		6,031,165	4,936,223	2,677,064
Rent	17	5,584,359	4,984,066	492,708
Depreciation	8	4,140,050	5,800,467	8,104,486
Office supplies		1,171,222	619,175	498,204
Retirement benefit expense	21	823,392	778,160	774,445
Unrealized foreign exchange loss	24	-	-	4,656,033
Other expenses	16	18,701,440	35,559,920	14,350,070
		44,277,200,716	211,612,051	73,020,350
(Loss) income from operations		(43,734,651,557)	3,993,581,007	8,693,578,549
Interest expense	13,17	32,947,366	1,726,420	20,521,296
(Loss) income before taxes		(43,767,598,923)	3,991,854,587	8,673,057,253
Income tax expense	18	(352,281,397)	(1,008,551,488)	(1,625,160,787)
Net (loss) income for the year		(44,119,880,320)	2,983,303,099	7,047,896,466
Other comprehensive income (loss)				
Items that will not be reclassified to profit or loss:				
Remeasurement gain (loss) of retirement benefit obligation, net of tax	21	616,617	756,399	(136,661)
Items that will be reclassified to profit or loss:				
Translation gain (loss) on foreign subsidiary	14	3,459,184	53,683	(680,441)
		4,075,801	810,082	(817,102)
Total comprehensive (loss) income for the year		(44,115,804,519)	2,984,113,181	7,047,079,364
Basic (loss) earnings per share		(12.01)	0.81	1.92
Diluted (loss) earnings per share		(12.01)	0.54	1.27

(The notes on pages 1 to 35 are integral part of these consolidated financial statements.)

Philippine Infradev Holdings Inc. and Subsidiaries

Consolidated Statements of Changes in Equity
For each of the three years in the period ended December 31, 2023
(All amounts in Philippine Peso)

	Share capital (Note 14)	Share premium (Note 14)	Share warrants (Note 14)	Treasury shares (Note 14)	Remeasurement Reserve on retirement benefit obligation (Note 21)	Fair value reserve on investment in equity securities	Other reserves (Note 14)	Retained earnings (Note 14)	Total equity
Balances as at January 1, 2021	10,223,729,889	669,800,642	1,755,520,000	(18,642)	646,063	(416,223)	115,278,552,479	6,694,698,537	134,622,512,745
Comprehensive income									
Net income for the year	-	-	-	-	-	-	-	7,047,896,466	7,047,896,466
Other comprehensive loss	-	-	-	-	(136,661)	-	(680,441)	-	(817,102)
Total comprehensive income	-	-	-	-	(136,661)	-	(680,441)	7,047,896,466	7,047,079,364
Transactions with owners									
Issuance of common shares	351,195,498	-	-	-	-	-	-	-	351,195,498
Balances as at December 31, 2021	10,574,925,387	669,800,642	1,755,520,000	(18,642)	509,402	(416,223)	115,277,872,038	13,742,595,003	142,020,787,607
Comprehensive income									
Net income for the year	-	-	-	-	-	-	-	2,983,303,099	2,983,303,099
Other comprehensive income	-	-	-	-	756,399	-	53,683	-	810,082
Total comprehensive income	-	-	-	-	756,399	-	53,683	2,983,303,099	2,984,113,181
Transaction with owners									
Issuance of common shares	292,046,872	-	-	-	-	-	-	-	292,046,872
Balances as at December 31, 2022	10,866,972,259	669,800,642	1,755,520,000	(18,642)	1,265,801	(416,223)	115,277,925,721	16,725,898,102	145,296,947,660
Comprehensive loss									
Net loss for the year	-	-	-	-	-	-	-	(44,119,880,320)	(44,119,880,320)
Other comprehensive income	-	-	-	-	616,617	-	3,459,184	-	4,075,801
Total comprehensive loss	-	-	-	-	616,617	-	3,459,184	(44,119,880,320)	(44,115,804,519)
Balances as at December 31, 2023	10,866,972,259	669,800,642	1,755,520,000	(18,642)	1,882,418	(416,223)	115,281,384,905	(27,393,982,218)	101,181,143,141

(The notes on pages 1 to 35 are integral part of these consolidated financial statements.)

Philippine Infradev Holdings Inc. and Subsidiaries

Consolidated Statements of Cash Flows
For each of the three years in the period ended December 31, 2023
(All amounts in Philippine Peso)

	Notes	2023	2022	2021
Cash flows from operating activities				
(Loss) income before income tax		(43,767,598,923)	3,991,854,587	8,673,057,253
Adjustments for:				
Impairment losses	8,9	43,959,153,140	-	3,737,233
Interest expense	13,17	32,947,366	1,726,420	20,521,296
Depreciation	8	4,140,050	5,800,468	8,104,486
Input value-added tax write-off	16	-	-	6,951,172
Unrealized foreign exchange (gain)/loss	24	(138,891,072)	(6,958,483)	4,656,033
Retirement benefit expense	21	823,392	778,160	774,445
Amortization of computer software	10	39,672	35,882	37,103
Gain on disposal of property and equipment		3,125	-	-
Interest income from cash in banks	2	(22,129)	(81,279)	(189,813)
Unrealized fair value gain on investment properties	7	-	(4,024,745,552)	(8,745,320,701)
Operating income (loss) before changes in working capital		90,594,621	(31,589,797)	(27,671,493)
Changes in working capital:				
Receivables		(207,622,569)	(360,585,859)	(20,666,346)
Real estate held for sale and development		(91,242,141)	(204,633,675)	(83,154,637)
Prepayments and other current assets		(73,980,165)	(75,613,063)	(27,677,248)
Other assets		1,759,867	(2,562,437)	484,687
Accounts payable and other liabilities		136,650,808	(36,357,833)	53,492,706
Cash absorbed by operations		(143,839,579)	(711,342,664)	(105,192,331)
Interest received	2	22,129	81,279	189,813
Retirement benefits paid	21	-	-	(852,373)
Net cash used in operating activities		(143,817,450)	(711,261,385)	(105,854,891)
Cash flows from investing activities				
Additions to:				
Property and equipment	8	(1,663,042)	-	(168,716,886)
Settlement of clearing costs	12	(501,601)	(4,000,000)	(151,092,506)
Computer software	10	-	-	(42,232)
Investment properties	7	-	-	(1,202,600)
Net cash used in investing activities		(2,164,643)	(4,000,000)	(321,054,224)
Cash flows from financing activities				
Proceeds from availment of borrowings	13	211,674,188	75,005,700	-
Proceeds from issuance of shares	14	-	292,046,872	351,195,498
Payments for:				
Principal on borrowings	13	-	(6,249,239)	(18,929,181)
Interest on borrowings	13	-	-	(307,718)
Principal on lease liabilities	17	-	(1,945,631)	(3,949,438)
Interest on lease liabilities	17	-	(2,882,535)	(307,718)
Net cash provided by financing activities		211,674,188	355,975,167	327,701,443
Net increase (decrease) in cash for the year		65,692,095	(359,286,218)	(99,207,672)
Cash as at January 1		12,055,919	364,383,654	486,962,545
Effect of exchange rate changes on cash		2,536,596	6,958,483	(23,371,219)
Cash as at December 31	2	80,284,610	12,055,919	364,383,654

(The notes on pages 1 to 35 are integral part of these consolidated financial statements.)

Philippine Infradev Holdings Inc. and Subsidiaries

Notes to the Consolidated Financial Statements
As at December 31, 2023 and 2022
and for each of the three years in the period ended December 31, 2023
(In the notes, all amounts are shown in Philippine Peso unless otherwise stated)

1 General information

(a) Registration and organization

Philippine Infradev Holdings Inc. (the “Parent Company”) was incorporated in the Philippines on February 24, 1975. The Parent Company is primarily engaged in the acquisition, reclamation, development, or exploitation of lands for the purpose of converting and developing said lands to integrated residential or commercial neighborhoods, and generally to engage in real estate business in all its forms.

The Parent Company became a public company through an initial public offering at the Philippine Stock Exchange (PSE) on February 27, 1978. There are no other offerings made other than new shares issued arising from stock rights offering in 2010. As at December 31, 2023 and 2022, 15.53% of the total outstanding common shares of the Parent Company is listed in the PSE.

The immediate and ultimate parent of the Parent Company is Aggregate Business Group Holdings Inc. (ABG), a domestic holding company, which holds 67.10% (2022 - 67.10%) of the Parent Company’s outstanding common shares as at December 31, 2023.

The Parent Company and its subsidiaries are collectively referred hereinto as the “Group”.

The Parent Company’s Board of Directors (BOD) approved the change in the Parent Company’s registered office and principal place of business from 35/F Rufino Pacific Tower, 6784 Ayala Avenue, Makati City to 38F (A&B) Rufino Pacific Tower, 6784 Ayala Avenue, Makati City, effective February 1, 2021.

The consolidated financial statements have been approved and authorized for issue by the BOD on July 25, 2024.

(b) Makati Subway System; Territorial dispute

On October 23, 2018, the Parent Company received from Public-Private Partnership (PPP) Selection Committee of the Makati City Government a Notice of Award for the construction and operation of the Makati City Subway System (the “Subway System”) to be implemented through the PPP Joint Venture (PPP JV) Agreement. The Subway System Project has been awarded to the Parent Company as the lead proponent of a consortium.

On March 4, 2019, the Parent Company incorporated Makati City Subway, Inc. (MCSI) that will be used as a special corporate vehicle for the Subway System Project. MCSI is a wholly-owned, domestic subsidiary of the Parent Company.

On July 12, 2019, the Parent Company incorporated Jiangsu Rizal Infradev Co., Ltd. (JRIC) to function primarily as a corporate vehicle in the procurement of materials and equipment related to the Subway System Project. JRIC is a wholly-owned, foreign subsidiary incorporated in Jiangyin City, China.

On July 19, 2019, the Makati City Council approved City Ordinance No. 2020-A-020 (the "Ordinance") on third and final reading. The Ordinance approved the terms and conditions of the PPP JV Agreement between the Parent Company and the Makati City Government for the construction, establishment, management and operation of the Subway System.

On July 30, 2019, the Parent Company's BOD approved a resolution authorizing the Parent Company's execution, delivery and performance of the PPP JV Agreement with the Makati City Government as the Joint Venture (JV) Partner, and of other instruments contemplated in the PPP JV Agreement. On the same date, authorized representatives of the Parent Company and the Makati City Government signed the PPP JV Agreement and the Parent Company submitted to the Makati City Government the US$350 million performance bond which was accepted by the Makati City Government. The performance bond is covered by a surety agreement which will expire in August 2025.

On February 18, 2020, the Notice to Proceed for the Subway System Project was received by the Parent Company. The Subway System Project is expected to be completed within five (5) years for an estimated total project cost of US$3.50 billion.

On September 8, 2020, the Group executed the Engineering, Procurement, and Construction (EPC) contracts for the Subway System Project with China Construction Second Engineering Bureau Ltd. and Shanghai Electric Group Automation Engineering Co., Ltd. The EPC contracts cover (i) civil works, and (ii) mechanical, electrical, plumbing (MEP) works for a total price of US$1.21 billion. The Group made a downpayment amounting to $3.05 million. The planned completion timeline is from December 12, 2020 to December 12, 2024. The EPC contracts are still effective as of reporting date.

On March 9, 2021, the Group executed a legally binding term sheet with Richer Today, Inc. ("RTI") for the financing, design, construction, development, marketing and sale of the lots in and around Station 5 of the Subway System through an unincorporated joint venture. Construction development over said lots shall commence after two (2) years.

On March 7, 2022, the Group received the certificate of registration of MCSI as new operator of Local Government Unit Public-Private Partnership from the Board of Investments effective January 17, 2022. This includes the approval of tax incentives which shall be limited to four (4) years income tax holiday, followed by five (5) years enhanced deductions and duty exemption on importation of capital equipment, subject to compliance with certain conditions.

As at the date of the approval of the financial statements, the Group has completed the excavation and shoring works of the first phase of the underground walkway construction and concrete pouring of two mat foundation (Note 8). The first phase covers Station 3 (located along Sen. Gil J. Puyat Avenue, Dela Rosa Street and Urban Avenue). Adjustments and optimization of the subway basic design have also been made according to the requirements of the Makati City Government. The detailed design of the station and section of the first phase of the Subway System has been completed. Certain major equipment and machineries are on site, but with incoming deliveries, to continue to the next phase of the construction in Station 5 (located along J.P. Rizal Street within the old Makati City Hall).

Additional information on the PPP JV Agreement is disclosed in Notes 7 and 9.

Territorial dispute between the Cities of Makati and Taguig

In 2023, the Supreme Court (SC) ruled with finality that the City of Taguig has jurisdiction over Fort Bonifacio and Embo barangays previously belonging to the City of Makati. As a result of this of SC ruling, management has assessed that the alignment of the subway will no longer be feasible due to several stations now under the territory of the City of Taguig. As of reporting date, the construction activities related to the Subway System have been temporarily suspended.

2 Cash

The account as at December 31 consist of:

	2023	2022
Cash in banks	79,009,550	11,080,243
Cash on hand	1,275,060	975,676
	80,284,610	12,055,919

Cash in banks earn interest at the prevailing bank deposit rates. Interest income earned from bank deposits for the year ended December 31, 2023 amounted to P0.02 million (2022 - P0.08 million; 2021 - P0.19 million).

3 Receivables, net

This account as at December 31 consists of:

	2023	2022
Receivables from sale of real estate held for sale and	542,134,438	240,321,951
Advances to subcontractors	115,923,417	234,922,663
Advances to officers and employees	704,929	862,554
Other receivables	2,752,997	855,739
	661,515,781	476,962,907
Allowance for impairment losses	(5,737,233)	(5,737,233)
	655,778,548	471,225,674

All receivables are expected to be collected within 12 months from the reporting period. These are carried at amortized cost which approximates fair value as of the reporting date.

Receivables from sale of real estate held for sale and development are receivables arise from property sales in the Parent Company's ordinary course of business.

4 Funds held by custodian bank

This account represents restricted funds from the proceeds of the Parent Company's cancelled stock rights offering in 1996, which were deposited with a local custodian bank. The local custodian bank is responsible for monitoring withdrawals or disbursements from the funds, and ensuring that all withdrawals and orders for payment made are in connection with, or relating to, any of the purposes specified in the work program submitted by the Group to the SEC in connection with the stock rights offering (Note 14).

Following SEC's order to refund the money, the proceeds have been presented as liability in the consolidated statements of financial position. The Group does not have legal right to defer payment beyond one (1) year for any claims received, hence, the amount was presented as current liability.

During 2023, there were neither payments of principal nor withdrawals from the account.

5 Real estate held for development and sale

This account represents cumulative development and construction costs of the Group's on-going housing projects in Binangonan, Rizal.

Details and movements of this account as at and for the years ended December 31 are as follows:

	2023	2022
At cost		
At January 1	1,367,277,406	1,161,788,731
Additions, including capitalized interest	302,685,141	309,430,633
Charged to costs of real estate sold	(211,443,000)	(103,941,958)
At December 31	1,458,519,547	1,367,277,406

Revenues from real estate sold in 2023 amounted to P403.28 million (2022 - P170.86 million; 2021 - P19.78 million).

Critical accounting estimate – Valuation of real estate held for development and sale

Real estate held for development and sale are valued at the lower of cost and net realizable value (NRV). This requires the Group to make an estimate of the inventories' estimated selling price in the ordinary course of business, costs of completion and costs necessary to make a sale to determine the NRV. The Group adjusts the cost of its real estate inventories to NRV based on its assessment of the recoverability of the real estate inventories, if necessary.

Likewise, management also considers whether the estimated costs of completion or the estimated costs to be incurred to make the sale have increased. In the event that NRV is lower than the cost, the decline is recognized as an expense. The amount and timing of recorded expenses for any period would differ if different judgments were made or different estimates were utilized.

6 Prepayments and other current assets

This account as at December 31 consists of:

	2023	2022
Input value-added tax (VAT)	200,968,705	146,660,481
Prepaid taxes	32,838,532	17,555,529
Prepaid insurance	17,006,054	3,762,268
Other prepayments and current assets	6,277,113	1,086,036
Advances to subcontractors	2,318,642	2,318,995
	259,409,046	171,383,309

There was no write-off of input VAT in 2023 (2022 - P1.39 million 2021 - P6.95 million) (Note 16).

Other prepayments refers to prepaid rent and advances from employees.

7 Investment properties

This account consists of the Group's property in Binangonan, Rizal, which is currently being cleared for future development, and property in Makati City relative to the Subway System Project (Note 1).

Movements of this account for the years ended December 31 are as follows:

	Note	2023	2022	2021
At January 1		44,584,958,769	39,708,520,001	30,485,989,041
Impact of changes in assumption of clearing cost	12	415,012,311	851,693,216	326,117,753
Unrealized fair value gain		-	4,024,745,552	8,745,320,701
Additions		-	-	151,092,506
At December 31		44,999,971,080	44,584,958,769	39,708,520,001
Binangonan property		28,155,408,680	27,740,396,369	24,170,308,801
Makati property		16,844,562,400	16,844,562,400	15,538,211,200
		44,999,971,080	44,584,958,769	39,708,520,001

The cumulative unrealized fair value gain recognized amounting to P24.85 billion as at December 31, 2023 (2022 - P24.85 billion) is not available for dividend declaration (Note 14).

For consolidated statement of cash flows purposes, the unrealized fair value gain and provision for clearing costs are considered non-cash transactions.

As at December 31, 2023 and 2022, no investment properties have been pledged as security for any of the Group's liabilities. The Group has contractual obligation to develop the land acquired from Makati City Government based on the PPP JV Agreement and the Binangonan property as discussed below.

a. Binangonan property

The Binangonan property was acquired in 1978.

On November 21, 1991, the Supreme Court affirmed previous decisions by the Court of Appeals and the Regional Trial Court confirming the validity of the Parent Company's titles over its Binangonan property. However, in the same Supreme Court decision, it was also declared that the Parent Company's ownership of the titles shall be subject to the declared superior rights of bona fide occupants with registered titles within the area covered by the questioned decree and bona fide occupants who have acquired ownership through acquisitive prescription of dominion and other real rights. The area of present claimants to certain parcels of land within the Parent Company's titled property is currently being identified and verified by the Group's legal counsel.

b. Makati property for the Subway System Project

Under the PPP JV Agreement (see Note 1), the Makati City Government, as the JV Partner, will provide MCSI through the Parent Company parcels of land (the "Project Land"). The Project Land will consist of the areas required for the staging, construction, operation, maintenance and development of the Subway System as indicated in the feasibility study and/or as may be mutually agreed upon by the Makati City Government and the Parent Company (the "JV Parties") that currently belong to: (i) the Makati City Government, (ii) the Parent Company and (iii) third parties, which must be delivered and made available to MCSI in accordance with the Subway System Project's Land Acquisition Plan. The specific rights and obligations of the JV Parties are provided in the PPP JV Agreement.

On October 28, 2019, the Makati City Government transferred the beneficial ownership of a 7.87-hectare property in Makati City (the "Makati Land") to the Parent Company through an Asset Transfer Agreement in consideration for the issuance of the Parent Company's preferred shares (Note 14). These land parcels which are located at the identified stations of the Subway System will be used in the construction of topside development for residential, commercial and public uses.

Until the issuance of the Certificate of Final Completion, the Makati Land can only be mortgaged, encumbered or used as collateral by MCSI upon the express consent and approval by all nominee directors of the Makati City Government in the Parent Company and MCSI.

As at December 31, 2023 and 2022, the Group acquired a total of 8.39 hectares of land (inclusive of Project Land and parcels of land acquired from third-party owners).

Critical accounting estimate – Fair values of Binangonan and Makati properties

The fair values of the Group's investment properties in Binangonan and Makati were determined by an independent external firm of appraisers based on the highest and best use of the properties.The fair values of the investment properties were calculated using the following approaches:

- Market approach provides an indication of value by comparing the asset with identical or comparable (that is similar) assets for which price information is available.
- Residual method is a hybrid of the market approach, the income approach and the cost approach. This is based on the completed "gross development value" and the deduction of development costs and the developer's return to arrive at the residual value of the development property.

The following table summarizes the quantitative information about the significant unobservable inputs used in Level 3 fair value measurements of the investment properties as at December 31:

	Unobservable inputs*	Range of inputs	Relationship of unobservable inputs to fair value
2023			
Binangonan property	Discount rate	11%	The higher the input, the lower the fair value.
	Price growth rate	5%	The higher the input, the higher the fair value.
	Expected annual cash flows	P939.6 million to P29.36 billion	The higher the input, the higher the fair value.
	Size adjustment	-20% to 0%	The higher the input, the higher the fair value.
	Location adjustment	-25% to 0%	The higher the input, the higher the fair value.
Makati property	Size adjustment	-30% to 20%	The higher the input, the higher the fair value
	Location adjustment	-45% to 20%	The higher the input, the higher the fair value
2022			
Binangonan property	Discount rate	12.5%	The higher the input, the lower the fair value.
	Price growth rate	5%	The higher the input, the higher the fair value.
	Expected annual cashflows	P955.80 million to P29.96 billion	The higher the input, the higher the fair value.
	Size adjustment	-20% to 0%	The higher the input, the higher the fair value.
	Location adjustment	-20% to 0%	The higher the input, the higher the fair value.
Makati property	Size adjustment	-30% to 20%	The higher the input, the higher the fair value.
	Location adjustment	-45% to 20%	The higher the input, the higher the fair value.

**There were no significant inter-relationships between unobservable inputs that materially affect fair values.*

8 Property and equipment, net

Details of and movements in this account as at and during the years ended December 31 are as follows:

	Condominium units and parking lots	Office equipment	Furniture and fixtures	Transportation and communication equipment	Building and improvements	Construction-in-progress	Total
Cost							
January 1, 2022	18,333,703	1,882,449	1,616,039	9,698,957	1,389,629	2,819,767,924	2,852,688,701
Additions	-	383,617	7,600	-	-	71,051,744	71,442,961
Reclassification	(3,780,689)	-	-	-	-	-	(3,780,689)
December 31, 2022	14,553,014	2,266,066	1,623,639	9,698,957	1,389,629	2,890,819,668	2,920,350,973
Additions	-	807,363	184,902	302,491	368,286	1,972,181,061	1,973,844,103
Disposals	-	-	-	(125,461)	-	-	(125,461)
Reclassification	-	-	-	-	-	(16,928,466)	(16,928,466)
December 31, 2023	14,553,014	3,073,429	1,808,541	9,875,987	1,757,915	4,846,072,263	4,877,141,149
Accumulated depreciation							
January 1, 2022	11,710,786	1,709,368	900,119	5,668,782	277,926	-	20,266,981
Depreciation	3,522,483	151,082	309,548	1,539,428	277,926	-	5,800,467
Disposals	(2,441,495)	-	-	-	-	-	(2,441,495)
December 31, 2022	12,791,774	1,860,450	1,209,667	7,208,210	555,852	-	23,625,953
Depreciation	1,761,240	392,804	312,793	1,311,141	362,072	-	4,140,050
Disposals	-	-	-	(122,336)	-	-	(122,336)
December 31, 2023	14,553,014	2,253,254	1,522,460	8,397,015	917,924	-	27,643,667
Allowance for impairment losses							
January 1, 2023	-	-	-	-	-	-	-
Impairment charge for the year	-	-	-	-	-	4,846,072,263	4,846,072,263
December 31, 2023	-	-	-	-	-	4,846,072,263	4,846,072,263
Net book value							
December 31, 2022	1,761,240	405,616	413,972	2,490,747	833,777	2,890,819,668	2,896,725,020
December 31, 2023	-	820,175	286,081	1,478,972	839,991	-	3,425,219

Construction-in-progress pertains to development costs such as architectural designs, environmental impact assessments, concept design and master planning for the Subway System Project (Note 1). The additions in 2023 substantially represent capitalized cost and charges paid initially by the related party on behalf of the Group (Note 20).

Significant accounting estimate - Impairment of construction-in-progress (CIP)

The Company assesses at each reporting date whether there is an indication that the carrying amount of the non-financial assets may be impaired. If any such indication exists, the Company makes an estimate of the asset's recoverable amount. An impairment loss would be recognized whenever evidence exists that the carrying value is not recoverable.

In view of the SC ruling on territorial dispute between the cities of Makati and Taguig (Note 1) which rendered the the Subway System no longer logistically and economically viable and the other uncertainties surrounding the matter, management has deemed it prudent to set up a full impairment loss provision (a non-cash charge) on the CIP account as of reporting date. Management however, is still committed to continue the Subway System Project and is seriously studying other viable options.

Management will regularly assess the carrying amount of the construction-in-progress. Under the relevant accounting standard, if there is any indication that an impairment loss recognized in prior periods for an asset (other than goodwill) may no longer exist, the entity shall estimate and update the recoverable amount of the asset. This assessment process may result in an improvement in the recoverable amount of the asset (e.g. CIP account) that would trigger the reversal of previously recorded impairment loss.

9 Intangible assets

Intangible assets pertain to contractual rights over the excess floor area ratio (FAR) development rights granted to the Group (see discussions below). The initial cost of the intangible assets amounting to P115.3 billion was based on the valuation report issued by an independent external firm of appraisers in 2019.

	2023	2022
At January 1	115,278,746,000	115,278,746,000
Impairment loss for the year	(39,113,080,877)	-
At December 31	76,165,665,123	115,278,746,000

As discussed in Note 7, the Group has been granted enforceable contractual rights under the PPP JV Agreement with the Makati City Government (Note 1). These rights include contractual rights over the excess FAR (the “Rights”) under an ordinance issued and approved by the City Council of the Makati City Government as part of the terms of the conditions of the PPP JV Agreement to make the Subway System Project economically viable for the Group with the Parent Company being the main proponent. The Rights granted are a fundamental component of the PPP JV Agreement given the substantial amount of financial investments and risks associated with the Subway System Project. The Rights are distinct assets and separate from ownership of the Project Land. The Rights may be transferred, sold or conveyed to other parties without conditions at reporting date.

Significant judgment – Recognition of intangible assets

Management believes that the recognition of the excess FAR development rights as intangible assets is consistent with of PAS 38, Intangible Assets, as discussed below:

- The Rights are enforceable and legally owned by the Group as at December 31, 2023 and 2022;
- The Rights are distinct assets, separate from land ownership;
- The Rights can be transferred, sold or otherwise conveyed to other parties; and
- The inflow of economic benefits from the above Rights is more likely than not or probable as at December 31, 2023 and 2022

The initial recognition of intangible assets resulted in a credit to the other reserves account in equity (Note 14).

Critical accounting estimates - Useful life and carrying value of intangible assets

The Group’s excess FAR is subject to a definite and limited useful life based on the utilization of the related land using the output method. Output is in reference to the square meters allocable to the intangible asset. The amortization will start upon commencement of significant construction activities of the transit-oriented development (TOD) projects/investment properties. There is no amortization in 2023 and 2022 as construction activities related to the TOD projects/investment properties are yet to commence.

Critical accounting estimate - Impairment of intangible assets due to territorial dispute

In view of the SC ruling on the territorial dispute between the local government units of Makati City and Taguig City as disclosed in Note 1 and the uncertainties surrounding the Group’s Subway System Project as of reporting date, management has decided to set up an impairment loss provision (a non-cash charge) amounting to P39.11 billion as of reporting date on the excess FAR on areas that are now under the jurisdiction of Taguig City. The intangible assets recoverable amount is based on the latest valuation report issued by a firm of appraisers engaged by the management.

Management will regularly assess the carrying amount of the intangible assets. Under the relevant accounting standard, if there is any indication that an impairment loss recognized in prior periods for an asset (other than goodwill) may no longer exist, the entity shall estimate and update the recoverable amount of the asset. This assessment process may result in an improvement in the recoverable amount of the asset (e.g. intangible asset) which would trigger the reversal of previously recorded impairment loss.

10 Other assets

This account as at December 31 consists of:

	2023	2022
Refundable deposits	2,396,038	2,571,050
Computer software, net	70,164	29,835
Advances to supplier	-	1,664,857
Others	275,151	275,150
	2,741,353	4,540,892

Refundable deposits mainly consist of security deposits arising from the Group's leases (Note 17).

11 Accounts payable and other liabilities

This account as at December 31 consists of:

	2023	2022
Accounts payable	14,893,098	15,007,839
Customers' deposits	155,494,092	54,939,011
Retention payable	36,804,146	41,275,909
Accrued expenses and other liabilities		
Real property taxes	26,683,320	26,683,320
Interest, penalties and related charges	64,539,083	34,992,824
Payable to government agencies	2,260,152	3,522,269
Others	64,214,504	22,291,616
	364,888,395	198,712,788

Accounts payable are generally non-interest bearing and normally settled on a 30 to 60-day term.

Customers' deposits pertain to cash collected from customers for reservation fee, titling fee, processing fee and other fees.

Retention payable pertains to withheld amount to be paid to the contractor upon completion of projects.

12 Provision for clearing costs

This account represents estimated costs to clear the Group's investment properties of Binangonan properties (Note 7).

The movements in the account for the years ended December 31 are as follows:

	Note	2023	2022
At January 1		12,994,918,811	12,147,225,596
Impact of changes in assumptions and unwinding of discount	7	415,012,311	851,693,215
Actual clearing costs paid		(501,601)	(4,000,000)
Total		13,409,429,521	12,994,918,811
Less: Non-current portion		13,309,429,521	12,962,595,743
Total current portion		100,000,000	32,323,068

Critical accounting estimate - Provision for clearing costs

As discussed in Note 7, the Supreme Court affirmed the validity of the Parent Company's titles over its property in Binangonan, Rizal. However, due to a number of factors, including the recognition of the Supreme Court of the superior rights of the bona fide occupants as well as potential challenges in clearing and re-titling of the said property, the Group has set-up the provision for clearing costs based on the estimated expenditure to clear the property, including compensation for current occupants to vacate the property.

The provision for clearing costs represents the present value of expected pay-outs using a pre-tax rate of 17.00% both as at December 31, 2023 and 2022, which management assessed as reflective of current market assessments of the time value of money and the risks specific to the liability. Each year, the provision is reviewed for any change in estimate and consider accretion of discount, if any.

Where the discount rate used increased/decreased by 1% from management's estimates, the provision for clearing costs would be be P699.15 million lower/P773.94 million higher (2022 - P750.12 million lower/ P674.73 million higher).

Management believes that the current provision is the best estimate based on existing conditions and circumstances as at December 31, 2023 and 2022. It is reasonably possible, based on existing knowledge, that the outcomes within the next financial year may be different from estimates and could require a material adjustment to the carrying amount of the provision for clearing costs.

13 Borrowings

This account represents unsecured loans denominated in Philippine peso (PHP), Hongkong dollar (HKD), US Dollar (USD) and Chinese Yuan (CNY) from a related party-creditor (Note 20), with interest rate of 15.00% and payment period terms of one to two years. The movements in the account as at and for the years ended December 31 are as follows:

	2023	2022
At January 1	289,698,892	222,152,229
Cash flow changes:		
Availments	211,674,188	75,005,700
Payments	-	(6,249,239)
Foreign currency translation effect	(21,799,444)	(1,209,798)
At December 31	479,573,636	289,698,892
Borrowings		
Current	479,573,636	215,902,992
Non-current	-	73,795,900
	479,573,636	289,698,892

Interest expense on borrowings for the year ended December 31, 2023 amounted to P32.95 million (2022 - P1.73 million; 2021 - P20.52 million).

14 Equity

(a) Share capital, share premium and deposits for future share subscription

Details of share capital as at December 31, 2023 and 2022 are as follows:

	Authorized		Subscribed		Paid Up	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Common shares with par value of P1 per share	9,500,000,000	9,500,000,000	6,061,578,964	6,061,578,964	4,300,418,259	4,300,418,259
Preferred shares with par value of P10 per share	1,000,000,000	10,000,000,000	656,655,400	6,566,554,000	656,655,400	6,566,554,000
				12,628,132,964		10,866,972,259

The movements in share capital and share premium for the years ended December 31 are as follows:

	Number of shares	Share capital	Share premium	Total
Common shares				
At January 1, 2022	4,008,371,387	4,008,371,387	669,800,642	4,678,172,029
Collection of subscription receivable	292,046,872	292,046,872	-	292,046,872
At December 31, 2022 and 2023	4,300,418,259	4,300,418,259	669,800,642	4,970,218,901
Preferred shares				
At December 31, 2023 and 2022	656,655,400	6,566,554,000	-	6,566,554,000

Preferred shares

The PPP JV Agreement provides that the Makati City Government shall contribute to MCSI, through the Parent Company, parcels of land in exchange for the Parent Company's preferred shares equivalent to the appraised value of the properties (Notes 1 and 7).

In October 2019, relative to the PPP JV Agreement, the Parent Company entered into the Subscription Agreement with the Makati City Government for 656.66 million preferred shares of the Parent Company at P10 per share in exchange for the delivery of the Makati Land (Note 7).

In February 2020, the Parent Company and the Makati City Government agreed to split the Subscription Agreement into two: (i) 656.66 million preferred shares to be paid with land properties owned by the Makati City Government with an appraised value of P6.57 billion as at September 13, 2020, and (ii) 65.67 million preferred shares to be acquired through 2% annual stock dividends for 5 (five) years until the 722.32 million preferred shares are fully issued.

Critical accounting judgment - Equity classification of preferred shares

The preferred shares have the following basic features: voting, participating, redeemable at the option of the Parent Company, convertible to common shares, and preferred as to asset upon liquidation. Based on these features, management has assessed that preferred shares are considered equity instruments.

(b) Treasury shares

The Parent Company acquired some of its shares of stock amounting to P18,642 as a reserve for future claims of shareholders which are shown in its transfer agent's records but not in its accounts. It is the Group's policy to honor such claims and therefore, issue the said reacquired shares to shareholders upon their presentation of the original unrecorded stock certificates.

(c) Share warrants

In 2017, the Makati City Government entered into a Memorandum of Agreement with private entities, including Cross-Strait Common Development Fund Co. ("Cross Strait"), for the latter to conduct a study that aims to provide convenience to commuters in the Philippines' financial district, alleviate traffic congestion and spur development to areas outside of the central business district through the Subway System Project, and to cooperate with the Makati City Government in entering into a PPP, JV, build-operate-transfer contract or any of its variants, or any appropriate collaborative engagement upon successful awarding of the Subway System Project.

On June 1, 2018, the Parent Company's BOD approved the issuance in favor of Cross Strait 1.2 billion warrants, American option, with the strike price of P1.00 per share, valid for 5 years from issuance, in exchange for Cross Strait's rights over the Subway System Project. This was subsequently approved by at least 2/3 of the Parent Company's shareholders on July 20, 2018.

The Parent Company and Cross Strait finalized the agreement in 2019 in which Cross Strait formally transfers to the Parent Company its rights to the Subway System Project including the priority of bidding for the said project, topside development projects, construction and operation rights for the Subway System. The carrying value of the share warrants, based on the fair value of the assets received at transaction date. The agreement will expire in 2024.

(d) (Loss) earnings per share

Basic (loss) earnings per share for the years ended December 31 are as follows:

	2023	2022	2021
Net (loss) income for the year	(44,119,880,320)	2,983,303,099	7,047,896,466
Weighted average number of shares outstanding	3,673,558,272	3,673,558,272	3,673,558,272
Basic (loss) earnings per share	(12.01)	0.81	1.92

Diluted (loss) earnings per share for the years ended December 31 are as follows:

	2023	2022	2021
Net (loss) income for the year	(44,119,880,320)	2,983,303,099	7,047,896,466
Weighted average number of common shares outstanding			
Common shares outstanding	3,673,558,272	3,673,558,272	3,673,558,272
Potential common shares	1,856,655,400	1,856,655,400	1,856,655,400
	5,530,213,672	5,530,213,672	5,530,213,672
Diluted (loss) earnings per share	(7.98)	0.54	1.27

The basic and diluted earning per share figures presented in the 2023 statements of comprehensive income are the same, as the potential common shares are considered anti-dilutive.

(e) Liability for refund of stock rights subscription

On February 19, 1996, the SEC approved the Parent Company's application for the issuance of 40.00 billion shares, by way of stock rights offering, at an offer price of P0.012 per share. The Parent Company commenced its stock rights offering on March 31, 1997. However, on July 15, 1997, the SEC revoked the Certificate of Permit to Sell Securities and ordered the Group and its custodian bank to immediately return to subscribers the proceeds from the rights offering currently held in escrow (Note 4). The proceeds from the offering, which remained unclaimed by the subscribers, are shown as liability for refund of stock rights subscription in the current liabilities section of the consolidated statements of financial position.

(f) (Deficit) Retained earnings

As at December 31, 2023, the Group has deficit of P27.39 billion (2022 - retained earnings of P16.73 billion) which include cumulative unrealized fair value gain on the Group's investment properties amounting to P24.85 billion as at December 31, 2023 (2022 - P24.85 billion) that is not available for dividend declaration (Note 7).

(g) Other reserves

Details of this account as at December 31 are as follows:

	Note	2023	2022
Reserve from contractual rights granted	9	115,278,746,000	115,278,746,000
Cumulative translation reserve on foreign subsidiary		2,638,905	(820,279)
		115,281,384,905	115,277,925,721

15 Salaries, wages and employee benefits

Details of this account for the years ended December 31 are as follows:

	2023	2022	2021
Salaries and wages	12,994,465	9,633,870	8,238,279
Bonus and allowances	3,146,405	1,963,348	1,736,909
Statutory contributions	1,328,280	661,200	542,762
	17,469,150	12,258,418	10,517,950

16 Other expenses

Details of this account for the years ended December 31 are as follows:

	Notes	2023	2022	2021
Repairs and maintenance		2,483,446	1,112,425	660,558
Light and water		1,832,119	1,793,507	728,700
Dues and subscription		1,235,122	1,412,432	500,258
Transportation and travel	10	901,152	114,978	144,167
Marketing		845,496	3,835,135	398,315
Meals		767,002	575,462	487,403
Medical		681,210	634,984	394,112
Personnel		658,000	739,402	580,194
Gasoline, oil and parking		481,113	572,792	345,290
Communication		321,343	246,859	260,975
Amortization of computer software	6	39,672	35,882	37,103
Input VAT write-off		-	1,388,839	6,951,172
Donation		-	-	500,000
Miscellaneous		8,455,765	23,097,223	2,361,823
		18,701,440	35,559,920	14,350,070

Miscellaneous mainly include insurance, contractual fees, training expenses, and other operating costs and the gain from early settlement of lease liability.

17 Leases

Group as lessee

Until 2022, the Group was a party to non-cancellable long-term lease agreements for condominium units and parking lots. There are no long term leases as at December 31, 2023.

All lease agreements of the Group as at December 31, 2023 are considered short-term leases.

Lease assets and liabilities as at December 31 are as follows:

	Notes	2023	2022
Right-of-use assets, net			
Residential units and parking lots	8	-	1,761,240
Lease liabilities			
Current		-	-
Non-current		-	-
	11	-	-

The consolidated statements of comprehensive income for the years ended December 31 includes the following amounts under expenses relating to the Group's leases:

	2023	2022	2021
Depreciation of right-of-use assets	1,761,240	3,522,483	6,108,880
Rent expense from short-term leases	5,584,359	4,984,066	492,708
Interest expense from lease liabilities	-	124,076	307,718
	7,345,599	8,630,625	6,909,306

18 Income taxes

The components of income tax expense as follows:

	2023	2022	2021
Current	2,882,894	683,072	-
Deferred	349,398,503	1,007,868,416	1,625,160,787
	352,281,397	1,008,551,488	1,625,160,787

Deferred income tax liabilities as at December 31 consist of the tax effects of the following:

	2023	2022
Unrealized fair value gain on investment properties	6,316,835,265	5,321,253,549
Unrealized foreign exchange gain	35,246,224	681,487,030
Remeasurement reserve on retirement benefit obligation	627,473	364,341
	6,352,708,962	6,003,104,920

The movements in the deferred income tax liabilities, net for the year ended December 31 are as follows:

	2023	2022
January 1	6,003,104,920	4,994,984,372
Charged to profit or loss	349,398,503	1,007,926,008
Charged (Credited) to other comprehensive income	205,539	194,540
December 31	6,352,708,962	6,003,104,920

Deferred income tax assets are recognized to the extent that the realization of the related tax benefits through future taxable profits is probable.

Significant judgment on recoverability of deferred tax assets

Management reviews at each reporting date the carrying amounts of deferred income tax assets. The carrying amount of deferred income tax assets is reduced to the extent that it is no longer probable that sufficient taxable profit will be available against which the related tax assets can be utilized.

Management believes that the non-recognition of deferred income tax assets is appropriate due to the Company's limited capacity to generate sufficient taxable income in the immediately succeeding three (3) to five (5) years given current development activities.

Details of deferred income tax assets of the Group that were not recognized as at December 31:

	2023	2022
Allowance for impairment losses	1,211,518,066	-
Net operating loss carry-over (NOLCO)	56,657,955	64,206,447
Accrued interest, penalties and related charges	9,060,306	823,465
Accrued real property taxes	6,670,830	6,670,830
MCIT	3,664,410	578,092
Unrealized foreign exchange loss	523,456	-
Retirement benefit obligation recognized in profit or loss	412,185	566,029
	1,288,507,208	72,844,863

Details of NOLCO as at December 31, which could be carried over as deduction from taxable income following the year of incurrence, are as follows:

Year incurred	Valid until	2023	2022
2023	2026	4,518,935	-
2022	2025	38,618,190	38,618,190
2021	2026	58,411,180	58,411,180
2020	2025	159,796,416	159,796,416
2019	2022	-	415,664,778
		261,344,721	672,490,564
Expired		-	(415,664,778)
Applied		(34,712,902)	-
Unused NOLCO with no deferred income tax assets recognized		226,631,819	256,825,786
NOLCO at 25% tax rate		56,657,955	64,206,447

The Parent Company is liable to pay MCIT as defined in the tax regulations. The details of the Parent Company's excess MCIT over normal income tax, which can be claimed as deduction against future corporate income tax due following the year of incurrence, are as follows:

Year	Valid until	2023	2022
2023	2026	2,882,894	-
2022	2025	683,072	683,072
2021	2024	98,444	98,444
2020	2023	490,957	490,957
2019	2022	-	-
		4,155,367	1,272,473
Expired		(490,957)	(694,381)
Unrecognized MCIT		3,664,410	578,092

Reconciliations of the income tax expense computed at the statutory tax rates to effective income tax expense as shown in the consolidated statements of comprehensive income for the years ended December 31 are as follows:

	2023	2022	2021
Income tax expense computed at statutory tax rates	(10,941,899,731)	997,963,647	2,168,266,814
Adjust for tax effects resulting from:			
Change in unrecognized deferred income tax assets	1,522,780,419	10,487,986	15,628,734
Non-deductible expenses	1,089	249,314	2,933,073
Interest income subjected to final tax	-	(15,331)	(42,464)
Impairment of intangible asset	9,778,270,219	-	-
Non-taxable income	(5,532)	(134,128)	-
Impact of change in tax rate on deferred income tax liability	-	-	(561,625,370)
Others	(6,865,067)	-	-
Effective income tax expense	352,281,397	1,008,551,488	1,625,160,787

19 Contingencies

In addition to legal claims and costs in connection with the clearing of Binangonan property (Note 12), the Group has contingent liabilities with respect to claims, lawsuits and taxes which are pending decision by the courts or being contested, the outcome of which are not presently determinable. The detailed information about these claims, lawsuits and taxes has not been disclosed as it might prejudice the ongoing claims and litigations. Management is of the opinion that an adverse judgment in any one case will not materially affect its financial position and financial performance. Management believes that liability arising is not probable, thus, no provisions were made in 2023 and 2022.

20 Related party transactions and balances

Parties are related if one can control or significantly influence another's financial and operational decisions, or if they share common control or influence, including affiliates.

The Parent Company engages in transactions with subsidiaries, associates, and other related parties, involving advances, expense reimbursements, real estate transactions, development, and administrative services.

Material Related Party Transactions Policy

Transactions between and among related parties create financial, commercial, and economic benefits to the Company. To this extent, therefore, the Company generally allows related party transactions. The general attitude of allowing related party transactions is subject to the condition that these are done on an arm's length basis and in compliance with the requirements set forth in this Policy. Thus, where the transaction is arrived at after competitive bidding, they are generally allowed.

All Related Party Transactions go through the normal approval processes of the Company. The Related Party Transactions Committee reviews and ratifies these RPT and endorses to the Board for approval.

In making its review, the RPT Committee will consider the following factors to the extent relevant to the RPT: (a) identity of the parties involved in the transaction, (b) terms of the transaction are fair and on an arms length basis to the Company, (c) the impact on director's or officer's independence, (d) whether the RPT would present improper conflict of interest for any director or officer of the Company.

The Board of Directors approves and confirms all Related Party Transactions endorsed by the RPT Committee.

Any member of the Board or RPT Committee who has an interest in the transaction must abstain from participation in the review and approval of any RPT.

Material related party transactions are any related party transactions, either individually or over a twelve-month period, amounting to ten percent (10%) or higher of a company's current total assets based on its latest audited financial statement.

In the normal course of business, the Group transacts with entities which are considered related parties. The significant related party transactions and balances as at and for the years ended December 31 are as follows:

	Transactions	Outstanding receivable (payable)	Terms and conditions
2023			
Common shareholder			
Borrowings *(Note 13)*	(189,874,744)	(479,573,636)	Interest-bearing, guaranteed by the Parent Company's assets and payable in cash.
Billings for costs and expenses paid on behalf of the Group in connection with the Subway System Project	(1,834,519,715)	(1,834,519,715)	Non-interest-bearing, unsecured, and collectible in cash upon demand at gross amount.
Key management personnel			
Salaries, wages and short-term benefits	3,133,917	-	Non-interest-bearing, unguaranteed, and collectible in cash upon demand at gross amount.
Retirement benefits	566	(1,847,146)	Please refer to Note 21.

	Transactions	Outstanding receivable (payable)	Terms and conditions
2022			
Common shareholder			
Borrowings *(Note 13)*	1,726,420	(289,698,892)	Interest-bearing, guaranteed by the Parent Company's assets and payable in cash.
Key management personnel			
Salaries, wages and short-term benefits	3,664,934	-	Non-interest-bearing, unguaranteed and collectible in cash upon demand at gross amount.
Retirement benefits	(144,826)	(1,846,580)	Please refer to Note 21.

The summarized financial information of the subsidiaries as at and for the years ended December 31 are as follows:

	MCSI	JRIC	IDC
2023			
Total current assets	613,789,993	192,433,238	49,507,147
Total non-current assets	93,011,490,614	-	-
Total current liabilities	(2,114,811,938)	(221,214,309)	(2,172,421)
Total non-current liabilities	(2,382,361,804)	-	-
Net assets (liabilities)	89,128,106,866	(28,781,070)	(47,334,726)
Net income (loss)	(43,861,067,805)	-	(52,500)
Total comprehensive income (loss)	(43,861,067,805)	-	(52,500)
2022			
Total current assets	561,029,557	215,561,700	49,507,147
Total non-current assets	135,015,880,662	-	-
Total current liabilities	(239,573,599)	(247,801,954)	(2,069,921)
Total non-current liabilities	(2,348,161,948)	-	-
Net assets (liabilities)	132,989,174,672	(32,240,254)	47,437,226
Net income (loss)	971,554,043	(20,367,596)	(50,000)
Total comprehensive income (loss)	971,554,043	(21,048,037)	(50,000)

The following related party balances as at December 31 were eliminated for the purpose of preparing the consolidated financial statements:

	2023	2022
Receivable from subsidiaries	901,007	901,007
Investment in subsidiaries	11,018,867,226	11,046,430,000
Payable to subsidiaries	544,921,758	519,513,638
Advances between subsidiaries	-	679,916,101

21 Retirement benefits

The latest actuarial valuation of the retirement benefits was sought from an independent actuary as at December 31, 2023. As at December 31, 2023, the Group has 38 (2022 - 25) regular employees covered under the requirements of RA No. 7641, also known as the Retirement Pay Law.

The Group provides for a defined benefit plan which covers the retirement, death, and disability benefits of all its qualified employees in accordance with the provisions of RA No. 7641. Under the plan, the normal retirement age is 60 with at least five (5) years of credited service and the normal retirement benefit is equal to one-half (1/2) of monthly salary for every year of credited service. The plan is unfunded as at December 31, 2023 and 2022.

The defined benefit obligation is determined using the projected unit credit (PUC) method. Under the PUC method, the annual normal cost for the portion of the retirement is determined using the amount necessary to provide for the portion of the retirement benefit accruing during the year.

Changes in the present value of the unfunded defined benefit obligation as at December 31 are as follows:

	2023	2022
January 1	3,529,918	3,760,290
Current service cost	564,649	583,753
Interest cost	258,743	194,407
Remeasurement (gain) loss from:		
Changes in financial assumptions	282,240	(746,395)
Experience adjustments	(1,104,394)	(262,137)
December 31	3,531,156	3,529,918

The components of the retirement benefit expense for the years ended December 31 are as follows:

	2023	2022	2021
Current service cost	564,649	583,753	628,869
Interest cost	258,743	194,407	145,576
	823,392	778,160	774,445

The sensitivities of the defined benefit obligation as at December 31 to changes in the principal assumptions are as follows:

	Impact on retirement benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
2023			
Discount rate	1.00%	(247,135)	304,364
Salary increase rate	1.00%	304,901	(251,779)
2022			
Discount rate	1.00%	(248,655)	303,913
Salary increase rate	1.00%	308,139	(255,841)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the retirement benefit obligation recognized within the consolidated statements of financial position.

The expected maturity analysis of undiscounted benefit payments as at December 31 are as follows:

	2023	2022
Within one (1) year	1,612,261	1,612,261
More than one (1) year but less than five (5) years	1,266,819	152,691
More than five (5) years but less than 10 years	1,299,351	2,361,294
	4,178,431	4,126,246

The principal actuarial assumptions used for the years ended December 31 are as follows:

	2023	2022
Discount rate	6.17%	7.33%
Expected rate of salary increase	5.00%	5.00%

23 Segment information

The Group's operating businesses are organized and managed separately according to the nature of the services provided, with each segment representing a strategic business unit that offers different services and serves different markets. The Group has two segments: (1) Real estate business - pertains to the Parent Company, Interport Development Corporation (IDC) and JRIC which focus on the development and sale of real properties; and (2) Subway system - pertains to MCSI which focuses on the Subway System Project.

Significant information on the reportable segments are as follows:

	Real estate business	Subway system	Total
2023			
Operating assets	41,768,998,414	93,625,280,607	135,394,279,021
Operating liabilities	18,730,844,914	2,114,811,938	20,845,656,852
Revenues from external customers	403,282,334	-	403,282,334
Total income	401,559,563	140,989,596	542,549,159
Total expenses	369,750,805	87,927,010,685	88,296,761,490
Income tax (benefit) expense	318,081,541	34,199,856	352,281,397
Segment net income (loss)	(286,272,783)	(87,820,220,946)	(88,106,493,729)
2022			
Operating assets	29,778,044,947	135,113,902,072	164,891,947,019
Operating liabilities	19,108,574,640	192,540,547	19,301,115,187
Revenues from external customers	170,863,540	-	170,863,540
Unrealized fair value gain on investment properties	2,719,795,677	1,307,555,402	4,027,351,079
Total income	2,890,679,174	1,307,555,402	4,198,234,576
Total expenses	220,885,095	8,367,195	229,252,290
Income tax (benefit) expense	680,917,320	-	680,917,320
Segment net income	1,988,876,758	1,299,188,208	3,288,064,966
2021			
Operating assets	36,630,566,294	134,254,335,855	170,884,902,149
Operating liabilities	15,582,479,056	2,500,959,399	18,083,438,455
Revenues from external customers	19,780,500	-	19,780,500
Unrealized fair value gain on investment properties	663,209,583	8,082,111,118	8,745,320,701
Total income	686,546,278	8,083,420,921	8,769,967,199
Total expenses	62,075,792	34,834,154	96,909,946
Income tax expense	(395,366,993)	2,020,527,780	1,625,160,787
Segment net income	1,019,837,479	6,028,058,987	7,047,896,466

All revenues are from domestic entities incorporated in the Philippines; hence, the Group did not present geographical information required by PFRS 8, Operating Segments.

There were no revenues derived from a single external customer above 10% of total revenues in 2023, 2022 and 2021.

The reconciliation of segment information to the balances in the consolidated financial statements as at and for the years ended December 31 are as follows:

	Total segment information	Eliminating and reclassification entries	Consolidated amounts
2023			
Operating assets	135,394,279,021	(11,749,708,251)	123,644,570,770
Operating liabilities	20,845,656,852	1,617,770,777	22,463,427,629
Revenues from external customers	403,282,334	-	403,282,334
Total income	542,549,159	-	542,549,159
Total expenses	88,296,761,490	(44,019,560,774)	44,277,200,716
Income tax expense	352,281,397	-	352,281,397
Segment net income	(88,106,493,729)	43,986,613,409	(44,119,880,320)
2022			
Operating assets	164,891,947,019	(87,106,227)	164,804,840,792
Operating liabilities	19,301,115,187	206,777,945	19,507,893,132
Revenues from external customers	170,863,540	-	170,863,540
Unrealized fair value gain on investment properties	4,027,351,079	(2,605,527)	4,024,745,552
Total income	4,198,234,576	6,958,482	4,205,193,058
Total expenses	229,252,290	(17,640,239)	211,612,051
Income tax expense	680,917,320	327,634,168	1,008,551,488
Segment net income	3,288,064,966	(304,761,867)	2,983,303,099
2021			
Operating assets	170,884,902,149	(11,312,186,261)	159,572,715,888
Operating liabilities	18,083,438,455	(531,510,174)	17,551,928,281
Revenues from external customers	19,780,500	-	19,780,500
Unrealized fair value gain on investment properties	8,745,320,701	-	8,745,320,701
Total income	8,769,967,199	(3,368,300)	8,766,598,899
Total expenses	96,909,946	(3,368,300)	93,541,646
Income tax expense	1,625,160,787	-	1,625,160,787
Segment net income	7,047,896,466	-	7,047,896,466

24 Financial risk and capital management

24.1 Financial risk management

The Group’s activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group’s overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group’s financial performance.

Management, under the direction of the BOD is responsible for the management of financial risks. Its objective is to minimize the adverse impacts on the Group’s financial performance mainly due to the unpredictability of the real estate industry.

(a) Market risk

Currency risk

The Group’s exposure on currency risk is minimal and normally limited only to foreign currency denominated cash in banks, and borrowing and related interest payable at reporting dates.

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Group's exposure to interest rate risk relates primarily to the Group's borrowings (Note 13) and lease liabilities (Note 17). These financial instruments are not exposed to fair value interest rate risk as these are carried at amortized cost. Likewise, these instruments are not significantly exposed to variability in cash flows as these carry fixed interest rates.

Price risk

Quoted financial assets at fair value through other comprehensive income are acquired at certain prices in the market. Such investment securities are subject to price risk due to changes in market values of instruments arising either from factors specific to individual instruments or their issuers, or factors affecting all instrument traded in the market. Depending on several factors such as interest rate movements, the country's economic performance, political stability and inflation rates, these prices change, reflecting how market participants view the developments. Price risk is insignificant to the Group since investment in securities is not material.

Foreign currency exchange risk

The Group's exposure to foreign currency exchange risk arise from monetary assets and liabilities which are denominated in a currency that is not the Group's functional currency. Foreign currency exchange risk is the risk that the value of future cash flow of a financial instrument will fluctuate because of changes in foreign currency exchange rates. To manage its exposure to foreign currency exchange risk, the Company manages the timing of settlement/payment to ensure that the Company is not unfavorably exposed to fluctuations of foreign currency exchange rates.

The Company's significant foreign currency denominated monetary assets and liabilities at December 31 consist of:

2023			
	USD	HKD	CNY
Assets			
Cash	353,688	-	32,806
Liabilities			
Borrowings	(1,850,000)	(30,000,000)	(31,988,000)
Payable to related parties	(1,080,321)	(18,400,000)	(229,290,342)
	(2,930,321)	(48,400,000)	(261,278,342)
Net foreign currency denominated assets (liabilities)	(2,576,633)	(48,400,000)	(261,245,536)
Exchange rates at December 31	55.57	7.81	7.11
Peso equivalent	(143,175,766)	(378,134,680)	(1,858,004,377)

2022			
	USD	HKD	CNY
Assets			
Cash	11,620	-	32,773
Liabilities			
Borrowings	-	(10,000,000)	(26,988,000)
Payable to related parties	-	-	-
	-	(10,000,000)	(26,988,000)
Net foreign currency denominated assets (liabilities)	11,620	(10,000,000)	(26,955,227)
Exchange rates at December 31	56.12	7.20	8.04
Peso equivalent	652,114	(71,996,000)	(216,644,550)

The closing rate used by the Company approximates the exchange rate prevailing at December 31 as published by the Bangko Sentral ng Pilipinas.

The reasonable change in foreign currency rates against Philippine peso (PHP) would lead to the following pre-tax profit movements:

	2023			2022		
	Appreciation (depreciation) of foreign currencies against PHP		Impact on pre-tax income	Appreciation (depreciation) of foreign currencies against PHP		Impact on pre-tax income
United States Dollar (USD)	+/- 0.99%	+/-	1,410,837	+/- 10.53%	+/-	68,661
Chinese Yen (CNY)	+/- 8.52%	+/-	32,201,007	+/- 10.59%	+/-	7,625,266
Hongkong Dollar (HKD)	+/- 11.51%	+/-	213,860,530	+/- 0.88%	+/-	1,911,674

The assumed shift in exchange rates of the various foreign currencies used in the sensitivity analysis is based on year-on-year movement of the closing exchange rates.

(b) *Credit risk*

The Group takes on exposure to credit risk, which is the risk that a counterparty will cause a financial loss to the Group by failing to discharge its obligations. The Group's maximum exposure from financial assets that are subject to credit risk as at December 31 are as follows:

	Notes	2023	2022
Cash in banks	2	79,009,550	11,080,243
Receivables, gross*	3	660,810,852	476,100,354
Funds held by custodian bank	4	18,776,244	17,927,803
Refundable deposits	10	2,396,038	2,571,050
		760,992,684	507,679,450

**Exclude advances to officers and employees*

The table below shows the credit quality of the Group's financial assets subject to credit risk as at December 31:

	Stage 1 - Performing	Stage 2 - Underperforming	Stage 3 - Non-performing	Total
2023				
Cash in banks	79,009,550	-	-	79,009,550
Receivables, gross*	544,887,435	110,186,184	5,737,233	660,810,852
Funds held by custodian bank	18,776,244	-	-	18,776,244
Refundable deposits	2,396,038	-	-	2,396,038
	645,069,267	110,186,184	5,737,233	760,992,684
2022				
Cash in banks	11,080,243	-	-	11,080,243
Receivables, gross*	241,177,690	229,185,431	5,737,233	476,100,354
Funds held by custodian bank	17,927,803	-	-	17,927,803
Refundable deposits	2,571,050	-	-	2,571,050
	272,756,786	229,185,431	5,737,233	507,679,450

**Exclude advances to officers and employees*

Cash in banks and funds held by custodian bank

The Group manages credit risk on its cash in banks by depositing in banks that passed the criteria of the Group. Some of these criteria are stability, financial performance, industry-accepted ratings, quality, diversity and responsiveness of products and services.

As at December 31, the Group's cash and funds held by custodian that are maintained with universal, thrift and commercial banks are as follows:

	2023	2022
Cash in banks		
Universal banks	79,009,550	11,080,243
Funds held by custodian bank		
Universal bank	18,776,244	17,927,803

The remaining cash in the consolidated statements of financial position pertains to cash on hand which is not exposed to credit risk.

Receivables

In respect of receivables from sale of real estate held for sale and development, credit risk is managed primarily through credit reviews and analysis of receivables on a continuous basis. The Group also undertakes supplemental credit review procedures for certain installment payment structures. Other receivables consist mainly of advances to third party subcontractors. The Group limits its exposure to credit risk by transacting only with counterparties that have appropriate and acceptable credit history.

The Group applies the PFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for receivables from sale of real estate held for sale and development. Exposure to impairment losses on receivables from sale of real estate held for sale and development is not significant as the real estate property titles are not transferred to the buyers until significant payment has been made and the requirement for remedial procedures is minimal given the profile of buyers.

The Group's receivables from subcontractors and other receivables have been assessed to be fully performing as of reporting date. Credit risk is considered low as the counterparties, which have ongoing projects for the Group, possess sufficient financial capacity to meet their obligations. Accordingly, the expected credit loss on these fully performing contract receivables is deemed insignificant for financial reporting purposes.

Refundable deposits

Refundable deposits are considered highly recoverable as the counterparty is assessed to have strong capacity to meet its obligation to return the funds upon expiration of the arrangement. Based on impairment assessment, there is no expected credit loss for refundable deposits as at December 31, 2023 and 2022.

(c) *Liquidity risk*

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when these fall due. The consequence may be the failure to meet obligations to repay creditors and fulfill contractual commitments.

To manage liquidity, funding of maturing obligation will come either from future sale of developed properties, additional investments by shareholders and/or financing from banks or similar institutions. The Group constantly monitors and manages its liquidity position, liquidity gaps and surplus on a daily basis. A committed stand-by credit facility from several banks is also available to ensure availability of funds when necessary.

Under the PPP JV Agreement (Notes 1 and 7), the Parent Company, being the lead private proponent, shall have the obligation to finance the Subway System Project through equity investments and/or loan, financial lease, bond or other analogous form of financing from banks or other institutions with financial capacity which is acceptable to the Makati City Government. The obligation of the Parent Company to finance the Subway System Project shall be in the minimum amount of US$3.5 billion or such amount that is actually needed to completely finance the Subway System Project, whichever is lower.

To mitigate liquidity risks, the Group considers the following:

- It has access to undrawn financing and credit facilities from overseas financial institutions, which is included in the Group's liquidity management;
- It is able to maintain an adequate time spread of refinancing maturities;
- It has active communication with potential investors; and
- It has the ability to convert long-term financial assets into cash.

The contractual undiscounted cash flows from the remaining contractual maturity for the Group's non-derivative financial liabilities as at December 31 are as follows:

	Note	Within one year	More than one year	Total
2023				
Accounts payable and other liabilities*	11	180,450,831	-	180,450,831
Liability for refund of stock rights subscription	4	18,776,244	-	18,776,244
Borrowings	14	479,573,636	-	479,573,636
		678,800,711	-	678,800,711
2022				
Accounts payable and other liabilities*	11	113,568,187	-	113,568,187
Liability for refund of stock rights subscription	4	17,927,803	-	17,927,803
Borrowings	13	215,902,992	73,795,900	289,698,892
		347,398,982	73,795,900	421,194,882

**Excluding customers' deposits, payable to government agencies and accrued real property taxes*

The Group expects to settle its financial obligations in accordance with their maturity dates. Management generates sufficient cash from its operations and has enough financial assets to meet its maturing financial obligations.

24.2 Capital management

The Group's main objective is to ensure it has adequate capital moving forward to pursue its major land development, housing projects and other infrastructure projects.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can provide future returns to its shareholders and to maintain an optimal capital structure to reduce its cost of capital. For this purpose, capital is represented by total equity as shown in the consolidated statements of financial position, excluding fair value reserve on equity investments, remeasurement reserve on retirement benefit obligation and other reserves.

The Group manages its capital structure and makes adjustments in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital in proportion to risk. The BOD has overall responsibility for monitoring capital in proportion to risk. Profiles for capital ratios are set in the light of changes in the external environment and the risks underlying the Group's business, operation and industry.

As part of the reforms of the PSE to expand capital market and improve transparency among listed firms, PSE requires listed entities to maintain a minimum of ten percent (10%) of their issued and outstanding shares, exclusive of any treasury shares, held by the public. The Group has fully complied with this requirement.

There were no changes in the Group's capital management strategy and policies in 2023 and 2022.

24.3 Fair value of financial instruments

As at December 31, 2023 and 2022, the fair values of the Group's investments in equity securities are classified under Level 1 and Level 2 categories. No financial instruments classified under Level 3 category. The carrying values of the Group's current financial instruments as at reporting dates approximate their fair values due to their short-term nature.

25 Summary of material accounting policy information

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

25.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with PFRS. The term PFRS in general includes all applicable PFRS, PAS, and interpretations of the Philippine Interpretations Committee, Standing Interpretations Committee, and International Financial Reporting Interpretations Committee (IFRIC), which have been approved by the Financial and Sustainability Reporting Standards Council (FSRSC) (formerly known as Financial Reporting Standards Council) and adopted by the SEC.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments in equity securities and investment properties.

The preparation of the consolidated financial statements in conformity with PFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are as follows:

- Valuation of real estate held for development and sale (Note 5)
- Fair value of investment properties (Note 7)
- Impairment of construction-in-progress (CIP) (Note 8)
- Useful life and carrying value of intangible assets (Note 9)
- Impairment of intangible assets due to territorial dispute(Note 9)
- Provision for clearing costs (Note 12)

Significant judgments

- Recognition of intangible assets (Note 9)
- Equity classification of preferred shares (Note 14)
- Recoverability of deferred tax assets (Note 10)

Changes in accounting policies and disclosures

New standard and interpretation to existing standard

The following relevant standard and interpretation to existing standard have been adopted by the Group effective January 1, 2023:

- Amendments to PAS 1, *'Presentation of Financial Statements'*

  The amendments clarify that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g., the receipt of a waver or a breach of covenant). The amendments also clarify what PAS 1 means when it refers to the 'settlement' of a liability.

  In addition, PAS 1 requires entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

- Amendment to PAS 8, *'Accounting Policies, Changes in Accounting Estimates and Errors'*

  The amendment clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

New standards, amendments to existing standards and interpretations not yet adopted by the Group.

There are no new standards or amendments to existing standards that are effective for annual periods beginning on or after December 31, 2023 that are considered relevant or expected to have a material effect on the Group's financial statements.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and wholly-owned subsidiaries, MCSI, JRIC and IDC.

Details for the date and place of incorporation of the subsidiaries are as follows:

Subsidiary	Date of incorporation	Place of incorporation	Principal activities
Interport Development Corporation	December 21, 1993	Philippines	(a)
Makati City Subway, Inc.	March 4, 2019	Philippines	(b)
Jiangsu Rizal Infradev Co., Ltd.	July 12, 2019	People's Republic of China	(c)

The subsidiaries of the Parent Company have the following principal activities:

(a) Primarily for the acquisition and selling of real estate of all kinds or hold such properties for investment purposes.
(b) Primarily engaged in the development, construction, operation, repair, maintenance, management and other allied business involving infrastructure and/or public utility projects, such as railways, railroads, subway systems and other transport systems, airports, toll ways, piers and other public works.
(c) Primarily to function as a corporate vehicle in the procurement of materials and equipment related to the Makati City Subway System Project.

The Group uses uniform accounting policies, any difference between the Parent Company and the subsidiaries are adjusted properly.

All the subsidiaries' undertakings are included in the consolidation. The proportion of the voting rights in the subsidiaries' undertakings held directly by the Parent Company do not differ from the proportion of ordinary shares held.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with an entity and has the ability to affect those returns through its power over an entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. These are deconsolidated from the date that control ceases.

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The Group also assesses the existence of control where it does not have more than 50% of the voting power but is able to govern the financial reporting and operating policies by virtue of de facto control. De facto control may arise in circumstances where the size Group's voting rights relative to the size and dispersion of holdings of other shareholders give the Group the power to govern the financial and operating policies.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying 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.

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is not accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognized and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly in profit or loss.

Intercompany transactions, balances and unrealized gains on transactions between companies in the Group are eliminated. Unrealized losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions-that is, as transactions with the owners in their capacity as owners. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of subsidiaries

When the Group ceases to have control, any retained interest in an entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

25.2 Financial instruments

(a) Financial assets

Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through other comprehensive income; and
- those to be measured at amortized cost.

The financial assets at amortized cost of the Group comprise: cash in banks, receivables, excluding advances to officers and employees, funds held by custodian bank, and refundable deposits under other assets while financial assets at FVOCI pertain to investments in equity securities under other assets (Note 10) in the consolidated statement of financial position.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Impairment

The Group applies the PFRS 9 simplified approach to measuring ECL for all trade receivables which uses a lifetime expected loss allowance from initial recognition. To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the collection profiles over a period of 60 months before the beginning of the reporting dates and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the bank interest rates to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in this factor.

For cash in banks, other receivables that are financial assets, funds held by custodian bank and refundable deposits, the general approach is applied. Under this approach, credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognized.

The carrying amount of the receivables is reduced through the use of an allowance account, and the amount of the loss is recognized in expenses in the consolidated statement of comprehensive income. When a receivable is uncollectible, it is written-off against the allowance account for receivables. Receivables are written-off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than that agreed with Group. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized through profit or loss.

Reversals of previously recorded impairment provision are based on the result of management's update assessment, considering the available facts and changes in circumstances, including but not limited to results of recent discussions and arrangements entered into with debtors as to the recoverability of receivables at the end of the reporting period. Subsequent recoveries of amounts previously written-off are recognized in expenses in the consolidated statement of comprehensive income.

(b) Financial liabilities

Classification

The Group classifies its financial liabilities at initial recognition in the following categories at amortized cost.

The Group's financial liabilities at amortized cost comprise accounts payable and other liabilities, excluding customers' deposits, payable to government agencies and accrued real property taxes, borrowings, and liability for refund of stocks rights subscription are classified under this category. These are included in current liabilities, except for maturities greater than 12 months after the reporting date, which are then classified as non-current liabilities.

25.3 Real estate held for development and sale

The account includes land held for development, which refers to land acquired exclusively for development and resale thereafter and real properties held for sale and development through housing projects. Real estate held for sale and development is stated at the lower of cost and NRV. The cost comprises purchase price plus costs directly attributable to the acquisition of the assets including clearing, retitling, site preparation and subsequent development costs. NRV is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

25.4 Investment properties

The Group's investment properties, principally comprising of properties in Binangonan, Rizal and in Makati City, Metro Manila, are held for capital appreciation and is not occupied by the Group. The Group has adopted the fair value model for its investment properties.

After initial recognition, investment property is carried at fair value as determined by an independent firm of appraisers. Fair value is based on income approach, which uses valuation techniques that convert future amounts (e.g., cash flows or income and expenses) to a single current (i.e., discounted) amount. The fair value measurement is determined on the basis of the value indicated by current market expectations about those future amounts. These valuations are reviewed annually by the independent appraiser.

Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value. On a regular basis, an estimate of the recoverable or clearable area over the properties is done by the Group. An increment in the recoverable area is recognized at fair value, with a consequent provision for estimated clearing costs.

Subsequent expenditure (i.e., provision for clearing costs) is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other costs, classified as repairs and maintenance, are charged to profit or loss during the financial period in which they are incurred.

Changes in fair values are recognized in profit or loss.

Property that is being constructed or developed for future use as investment property is classified as investment property.

25.5 Intangible assets

The costs of intangible assets arising from contractual right are their fair value as at the date of acquisition, determined using discounted cash flows as a result of the asset being owned. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite. The intangible assets are considered to have finite life.

Intangible assets with finite lives are amortized based on the utilization of the related land using the output method. Output is in reference to the square meters allocable to the intangible assets. The amortization will start upon commencement of the significant construction activities over the transit-oriented development projects/investment properties.

Intangible assets are assessed for impairment whenever there is an indication that an intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in profit or loss in the expense category consistent with the function of the intangible assets.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and are recognized in profit or loss when the intangible asset is derecognized.

25.6 Property and equipment

All other costs, classified as repairs and maintenance, are charged to profit or loss during the year in which they are incurred.

Depreciation of property and equipment are computed using the straight-line method over the following estimated useful lives in years:

Asset class	Useful life
Residential units and parking lots	25 to 50 or lease term, whichever is shorter
Building and improvements	25 to 50
All others	5

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

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

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal at which time the cost and their related accumulated depreciation are removed from the accounts. Gain or loss arising from disposal is determined as the difference between the net disposal proceeds and the carrying amount of the asset. Gain or loss on disposal is recognized in profit or loss in the period of the disposal.

25.7 Impairment of non-financial assets

Assets that have an indefinite useful life, such as investment in a subsidiary, and intangible assets, are not subject to depreciation and amortization and are tested annually for impairment. Assets that have definite useful life are subject to depreciation and amortization and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that are impaired are reviewed for possible reversal of the impairment at each reporting date.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but the increased carrying amount should not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized as income immediately in profit or loss.

25.8 Fair value measurement

The fair value of a non-financial asset is measured based on its highest and best use. The asset's current use is presumed to be its highest and best use.

The fair value of financial and non-financial liabilities takes into account non-performance risk, which is the risk that an entity will not fulfill an obligation.

The Group classifies its fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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 re-assessing 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.

External valuers are involved for valuation of significant assets, such as investment properties. 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 analyzes the movements in the values of assets and liabilities, which are required to be re-measured or re-assessed 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.

25.9 Borrowings and borrowing costs

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in profit or loss in the period in which these are incurred.

25.10 Income taxes

The income tax expense for the period comprises current and deferred income tax. Income tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the income tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates based on existing laws that have been enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax losses or NOLCO and unused tax credits or excess MCIT to the extent that it is probable that future taxable profit will be available against which the temporary differences, unused tax losses and unused tax credits can be utilized.

Deferred income tax assets are recognized on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilized.

The Group reassesses at each reporting date the need to recognize a previously unrecognized deferred income tax asset.

Deferred income tax liabilities are recognized in full for all taxable temporary differences, except to the extent that the deferred income tax liability arises from the initial recognition of goodwill. Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally, the Group is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference not recognized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred income tax assets and liabilities are derecognized when the related bases are realized/settled or when it is no longer realizable/due.

25.11 Employee benefits

(a) Retirement benefits

The liability recognized in the consolidated statement of financial position is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, if any.

The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity which approximate the terms of the related retirement benefit liability.

(b) Short-term employee benefits

Wages, salaries, paid annual vacation and sick leave credits and other non-monetary benefits are accrued during the period in which the related services are rendered by employees of the Group. Short-term employee benefit obligations are measured on an undiscounted basis.

25.12 Contingencies and provisions

Contingent assets are not recognized in the consolidated financial statements but are disclosed in the notes when inflows of economic benefits are probable. If it becomes virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the consolidated financial statements.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provision for clearing costs represents the Group's expected cost to clear a portion of its Binangonan property and other properties that the Group acquires from bona fide occupants with superior rights over the Group's investment properties. The amount is based on the average estimated clearing and titling cost per agreement with the contractor. Such amount represents the peso value quoted by the contractor based on recoverable area and is adjusted regularly to reflect the net present value of obligation associated with clearing of land titles.

When the effect of 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 assessment and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to passage of time is recognized as an interest expense.

25.13 Revenues and income, and costs and expenses

(a) Revenues from contracts with customers and other income

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Group's activities, which normally approximates the invoice amount.

<u>Sales of real estate and costs of real estate sold</u>

Sales are recognized when control of the real estate has transferred, being when the sales price is deemed collectible. Collectability of the sales price is demonstrated by the buyer's commitment to pay, which in turn is supported by substantial initial and continuing investments that give the buyer a stake in the property sufficient that the risk of loss through default motivates the buyer to honor its obligation to the Group. Collectability is also assessed by considering factors such as the credit standing of the buyer, age and location of the property.

Sales of real estate are considered as sales at a point in time. For properties sold through a financing agreement with Pag-IBIG under the HDMF, revenue is recognized upon loan approval from HDMF, net of any discount. For properties sold through cash, revenue is recognized upon full collection, net of any discount. For properties sold through installments, revenue is recognized upon turnover of the units to the buyers, which coincides with the collection of a significant portion of the contract price.

Any collections on contracts that have not yet qualified for revenue recognition are reported as customers' deposits within accounts payable and other liabilities in the consolidated statement of financial position.

Costs of real estate sold are recognized simultaneously with revenue. Costs of real estate sold include cost of land allocated to the Group based on assigned lots stated in the agreement entered into with the developer and all other incidental costs incurred by the Group.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating the interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument or when appropriate, a shorter period to the net carrying amount of the financial liability.

25.14 Leases

(a) Group as lessee - operating lease

Short-term leases and leases of low-value assets

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense through profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets are those with minimum lease payments below the capitalization threshold. These leases are presented as part of rent under expenses in the consolidated statement of comprehensive income.

25.15 Foreign currency transactions and translation

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

Foreign currency transactions are translated into Philippine Peso using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

On consolidation, the assets and liabilities of JRIC, a foreign subsidiary with functional and presentation currency of Chinese Yuan, are translated into Philippine Peso at the rate of exchange prevailing at the reporting date and their income statements are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognized in other components of equity. On disposal of a foreign subsidiary, the component of other components of equity relating to that particular foreign subsidiary is recognized in profit or loss.

Philippine Infradev Holdings Inc. and Subsidiaries

38th Floor (A&B), Rufino Pacific Tower
6784 Ayala Avenue
Makati City

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES
As at December 31, 2023

Other Supporting Schedules

Philippine Infradev Holdings Inc. and Subsidiaries

Schedule A - Financial Assets
As at December 31, 2023
(All amounts in Philippine Peso)

Name of issuing entity and description of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the statement of financial position	Value based on market quotations at end of reporting period	Income received and accrued
Financial assets at amortized cost				
Cash	N/A	80,284,610	80,284,610	353,624
Receivables, net	N/A	655,778,548	655,778,548	-
Funds held by custodian bank	N/A	18,776,244	18,776,244	-
Refundable deposits	N/A	2,396,038	2,396,038	-
		757,235,440	757,235,440	353,624
Financial asset at fair value through other comprehensive income				
Equitable Banking Corp.	120	-	-	-
Victorias Milling Corp.	70,000	163,100	163,100	-
Tower Club	1	50,000	50,000	-
		213,100	213,100	-
Total financial assets		757,448,540	757,448,540	353,624

See Notes 2, 3, 4, and 10 to the Consolidated Financial Statements.

Philippine Infradev Holdings Inc. and Subsidiaries

Schedule B - Amounts Receivable from Directors, Officers,
Employees, Related Parties and Principal Stockholders (Other than Related Parties)
As at December 31, 2023
(All amounts in Philippine Peso)

Name and designation of debtor	Balance at beginning of period	Additions	Deduction		Current	Not current	Balance at end of period
			Amount collected	Amount written-off			
Not applicable							

Philippine Infradev Holdings Inc. and Subsidiaries

Schedule C - Amounts Receivable from Related Parties
which are Eliminated during the Consolidation of Financial Statements
As at December 31, 2023
(All amounts in Philippine Peso)

Name and designation of debtor	Balance at beginning of period	Additions	Deduction		Current	Not current	Balance at end of period
			Amount collected	Amount written-off			
Interport Development Corporation	570,025	-	-	-	-	570,025	570,025
Jiangsu Rizal Infradev Co., Ltd.	100,000	-	-	-	-	100,000	100,000
	670,025	-	-	-	-	670,025	670,025

See Note 20 to the Consolidated Financial Statements

Philippine Infradev Holdings Inc. and Subsidiaries

Schedule D - Long Term Debt
As at December 31, 2023
(All amounts in Philippine Peso)

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption “Current portion of long-term debt” in related statement of financial position	Amount shown under caption “Long-term debt” related statement of financial position
Borrowings	479,573,636	479,573,636	-

See Note 13 to the Consolidated Financial Statements.

Philippine Infradev Holdings Inc. and Subsidiaries

Schedule E - Indebtedness to Related Parties
(Long-term Loans from Related Parties)
As at December 31, 2023
(All amounts in Philippine Peso)

Name of related party	Balance at beginning of period	Balance at end of period
Not applicable*		

**All related party payables are current*

Philippine Infradev Holdings Inc. and Subsidiaries

Schedule F - Guarantees of Securities of Other Issuers
As at December 31, 2023
(All amounts in Philippine Peso)

Name of issuing entity of securities guaranteed by the company for which statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by the company for which statement is filed	Nature of guarantee
Not applicable				

Philippine Infradev Holdings Inc. and Subsidiaries

Schedule G - Capital Stock
As at December 31, 2023
(All amounts in Philippine Peso)

Title of issue	Number of shares authorized	Number of shares issued and outstanding	Number of shares reserved for options, warrants, conversions, and other rights	Number of shares held by: Parent company	Directors, officers, and employees	Others
Subscribed shares:						
Common class	9,500,000,000	6,061,578,964	1,755,520,000	4,552,220,000	1,900	1,509,357,064
Preferred shares	1,000,000,000	656,655,400	-	-	-	656,655,400
Total	10,500,000,000	6,718,234,364	1,755,520,000	4,552,220,000	1,900	2,166,012,464

Philippine Infradev Holdings Inc.

Reconciliation of Retained Earnings Available for Dividend Declaration
For the year ended December 31, 2023
(All amounts in Philippine Peso)

Unappropriated Retained Earnings, beginning of the year/period		(946,997,732)
Add: Category A: Items that are directly credited to Unappropriated retained earnings		
Reversal of Retained earnings appropriation/s	-	
Effect of restatements or prior-period adjustments	-	
Others (describe nature)	-	
Less: Category B: Items that are directly debited to Unappropriated retained earnings		
Dividend declaration during the reporting period	-	
Retained earnings appropriated during the reporting period	-	
Effect of restatements or prior-period adjustments	-	
Treasury shares	-	
Unappropriated Retained Earnings, as adjusted		(946,997,732)
Add/Less: Net Income (loss) for the current year/period		(286,272,783)
Less: Category C.1: Unrealized income recognized in the profit or loss during the year/period (net of tax)		
Equity in net income of associate/joint venture, net of dividends declared	-	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	-	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Unrealized fair value gain of investment property	-	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-	-
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to Cash and cash equivalents	-	
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Realized fair value gain of Investment property	-	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-	-
Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)	-	
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-	
Reversal of previously recorded fair value adjustment (mark-to market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Reversal of previously recorded fair value gain of investment property	-	

forward

forwarded.

Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded (describe nature)	-	
Adjusted net income/loss		(286,272,783)
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)	-	
Amortization of the effect of reporting relief	-	
Total amount of reporting relief granted during the year	-	
Others (describe nature)	-	-
Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of treasury shares (except for reacquisition of redeemable shares)		
Net movement of deferred tax asset not considered in the reconciling items under the previous categories		
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and setup of service concession asset and concession payable		
Adjustment due to deviation from PFRS/GAAP - gain (loss)		
Cumulative unrealized fair value gain on FVTPL in prior years	-	
Cumulative fair value gain in prior years	-	-
Total Retained Earnings, end of the year/period available for dividend declaration		(1,233,270,515)

Philippine Infradev Holdings Inc. and Subsidiaries

Schedule of Financial Soundness Indicators
As at December 31, 2023
(With comparative ratios as at December 31, 2022 and 2021)

Ratio	Formula		2023	2022	2021
Current ratio	Total current assets divided by total current liabilities Total current assets Divided by: Total current liabilities Current ratio	 2,472,767,995 2,399,058,424 1.03	1.03	4.388	4.11
Acid test ratio	Quick assets (Total current assets less inventories and prepayments and other assets) divided by total current liabilities Total current assets Less: Real estate held for sale and development Prepayments and other current assets Quick assets Divided by: Total current liabilities Acid test ratio	 2,472,767,995 (1,458,519,547) (259,409,046) 754,839,402 2,399,058,424 0.31	0.31	1.08	1.16
Solvency ratio	Net income plus non-cash expenses (e.g. depreciation, amortization, etc.) divided by total liabilities Net income Add: Depreciation Amortization Insurance Expense Subtotal Divided by: Total liabilities Solvency ratio	 (44,119,880,320) 4,140,050 39,672 3,684,680 (44,112,015,918) 22,463,427,629 (1.96)	(1.96)	0.15	0.40
Debt-to-equity ratio	Total liabilities divided by total equity Total liabilities Divided by: Total equity Debt-to-equity ratio	 22,463,427,629 101,181,143,141 0.22	0.22	0.13	0.12
Asset-to-equity ratio	Total assets divided by total equity Total assets Divided by: Total equity Asset-to-equity ratio	 123,644,570,770 101,181,143,141 1.22	1.22	1.13	1.12
Interest rate coverage ratio	Net income before interest and tax divided by interest expense Net income before tax Add: Interest expense Net income before interest and tax Divided by: Interest expense Interest rate coverage ratio	 (43,734,651,557) 32,947,366 (43,701,704,191) 32,947,366 (1,326.41)	(1,326.41)	2,313.22	423.64

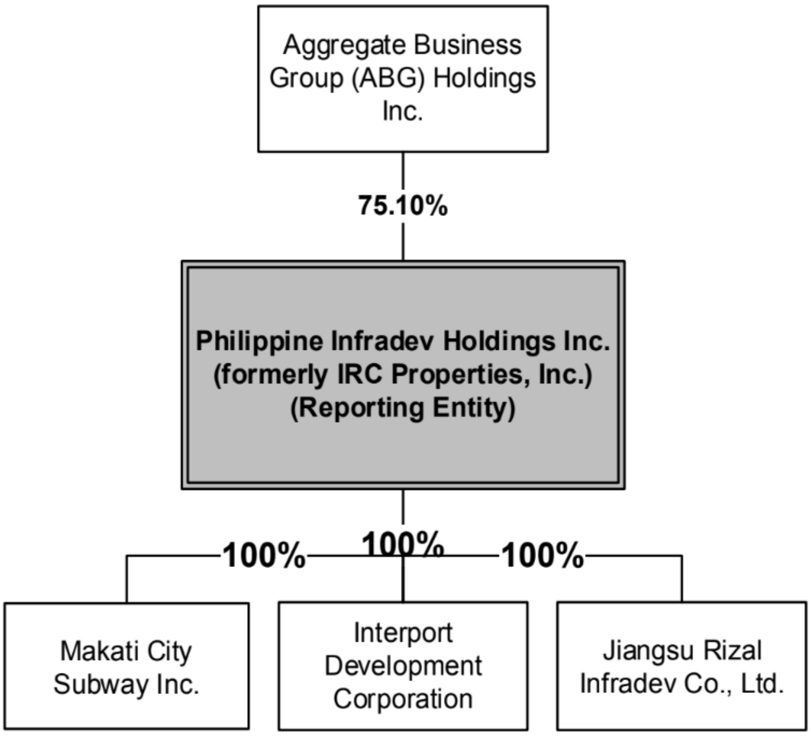
Philippine Infradev Holdings Inc. and Subsidiaries

Schedule of Financial Soundness Indicators
As at December 31, 2023
(With comparative figures as at December 31, 2021 and 2020)

Ratio	Formula		2023	2022	2021
Return on equity	Net income divided by total equity				
	Net income	(44,119,880,320)	(0.44)	0.02	0.05
	Divided by: Total equity	101,181,143,141			
	Return on equity	(0.44)			
Return on assets	Net income divided by total assets				
	Net income	(44,119,880,320)	(0.36)	0.02	0.04
	Divided by: Total assets	123,644,570,770			
	Return on assets	(0.36)			
Net profit margin	Net income divided by total revenues				
	Net income	(44,119,880,320)	(81.32)	0.80	0.80
	Divided by: Total revenues	542,549,159			
	Net profit margin	(81.32)			

Philippine Infradev Holdings Inc. and Subsidiaries

Map of the Group of Companies within which the Reporting Entity Belongs
December 31, 2023



COVER SHEET

6	0	3	1	2

S.E.C. Registration Number

PHILIPPINE INFRADEV HOLDINGS INC AND SUBSIDIARY

(Company's Full Name)

38TH FLOOR RUFINO TOWER

6784 AYALA AVENUE MAKATI CITY

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

GEORGINA A. MONSOD	8283-8459 / 8283-8294
Contact Person	Company Telephone Number

12	31	17-Q		
Month	*Day*	FORM TYPE	*Month*	*Day*

Fiscal Year

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

546		
Total No. of Stockholders	Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

SEC Number **60312** File Number ______

PHILIPPINE INFRADEV HOLDINGS INC.
(Company's Full Name)

38/F Rufino Pacific Tower, 6784 Ayala Avenue, Makati City
(Company's Address)

(632) 8283-8459 / (632) 8283-8294
(Telephone Numbers)

December 31
(Fiscal Year Ending)
(month and day)

Quarterly Report
Form Type

______
Amendment Designation (if applicable)

June 30, 2024
Quarter Ended Date

Publicly Listed Corporation
(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2) (b) THEREUNDER

1. For the quarterly period ended: **June 30, 2024**

2. Commission Identification Number: **60312**

3. BIR Tax Identification Number: **000-464-876**

4. Exact name of registrant as specified in its charter: **PHILIPPINE INFRADEV HOLDINGS INC.**

5. Province, country or other jurisdiction of incorporation or organization: **Metro Manila, Philippines**

6. Industry Classification Code: [ ] (SEC Use Only)

7. Address of registrant's principal office Postal Code

   38F Rufino Pacific Tower, 6784 Ayala Avenue, Makati City **1223**

8. Registrant's telephone number, including area code: **(632) 8283-8459 / (632) 8283-8294**

9. Former name, former address and former fiscal year, if changed since last report

   N/A

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

Title of Each Class	Number of shares outstanding
Common	6,061,560,322
Preferred	722,320,940

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

    Yes [**x**] No [ ]

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

    Philippine Stock Exchange Common Stock

12. Indicate by check mark whether the registrant:

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

    Yes [**x**] No [ ]

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

    Yes [**x**] No [ ]

Philippine Infradev Holdings Inc. and Subsidiaries
(Formerly IRC Properties, Inc. and Subsidiary)
Consolidated Statements of Financial Position
As at June 30, 2024 and December 31, 2023
(All amounts in Philippine Peso)

	Notes	**June 30, 2024 (UNAUDITED)**	December 31, 2023 (AUDITED)
A S S E T S			
Current assets			
Cash	2	**₱243,231,339**	₱80,284,610
Receivables, net	3	**709,726,734**	655,778,548
Funds held by custodian bank	4	**18,776,244**	18,776,244
Real properties held for sale and development	5	**1,337,277,215**	1,458,519,547
Prepayments and other current assets	6	**296,173,546**	259,409,046
Total current assets		**2,605,185,078**	2,472,767,995
Non-current assets			
Investment property	7	**44,999,971,080**	44,999,971,080
Property and equipment, net	8	**2,581,734**	3,425,219
Intangible asset	9	**76,165,665,123**	76,165,665,123
Other assets, net	10	**2,748,017**	2,741,353
Total non-current assets		**121,170,965,954**	121,171,802,775
Total assets		**₱123,776,151,032**	₱123,644,570,770
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued expenses	11	**₱ 431,249,384**	₱364,888,395
Provision for clearing costs	12	**96,000,000**	100,000,000
Payable to related parties		**1,435,820,149**	1,435,820,149
Current portion of borrowings	13	**479,573,636**	479,573,636
Liability for refund of stock rights subscription		**18,776,244**	18,776,244
Income tax payable		**18,440,819**	-
Total current liabilities		**2,479,860,232**	2,399,058,424
Non-current liabilities			
Provision for clearing costs, net of current portion	12	**13,309,429,521**	13,309,429,521
Payable to related parties, net of current portion		**398,699,566**	398,699,566
Deferred income tax liabilities, net		**6,352,708,962**	6,352,708,962
Retirement benefit obligation		**2,320,097**	3,531,156
Total non-current liabilities		**20,063,158,146**	20,064,369,205
Total liabilities		**22,543,018,378**	22,463,427,629
Equity			
Share capital	14	**10,866,972,259**	10,866,972,259
Share premium	14	**669,800,642**	669,800,642
Share warrants	14	**1,755,520,000**	1,755,520,000
Treasury shares	14	**(18,642)**	(18,642)
Remeasurement reserve on retirement benefit obligation		**1,882,418**	1,882,418
Fair value reserve on investments in equity instruments		**(416,223)**	(416,223)
Other reserves		**115,281,384,905**	115,281,384,905
Retained earnings		**(27,341,992,705)**	(27,393,982,218)
Total equity		**101,233,132,654**	101,181,143,141
Total liabilities and equity		**₱123,776,151,032**	₱123,644,570,770

Philippine Infradev Holdings Inc. and Subsidiaries
(Formerly IRC Properties, Inc. and Subsidiary)
Consolidated Statements of Total Comprehensive Income
For the six-months period ended June 30, 2024 and 2023
(All amounts in Philippine Peso)

		Quarters Ended Apr 1 – Jun 30		Year to Date Jan 1 -Jun30	
	Notes	**2024**	2023	**2024**	2023
Income		**(UNAUDITED)**	(UNAUDITED)	**(UNAUDITED)**	(UNAUDITED)
Sales of real estate, net		**₱ 216,108,696**	₱112,873,932	**₱388,492,370**	₱211,453,232
Foreign exchange gain, net		**-**	-	**-**	-
Rental Income		**-**	-	**-**	-
Interest income from cash		**13,361**	1,306	**20,372**	2,177
Other income		**119,755**	77,998	**758,533**	134,494
		216,241,812	112,953,236	**389,271,275**	211,589,903
Costs and expenses					
Cost of sales	5	**131,864,015**	79,532,240	**235,577,286**	150,196,102
Professional fees and other outside services		**5,856,827**	3,066,331	**8,968,878**	5,435,972
Salaries, wages and employee benefits	15	**3,514,570**	4,458,501	**8,534,475**	8,159,269
Interest expense		**10,750,496**	-	**21,500,992**	-
Meeting expenses		**5,727,976**	1,241,776	**6,884,056**	2,560,284
Depreciation expense		**415,138**	660,630	**835,454**	1,284,800
Rent		**785,502**	3,125,878	**1,649,952**	3,956,168
Commission		**14,111,506**	8,130,382	**26,334,690**	14,306,096
Donations		**20,000**	-	**20,000**	-
Taxes and licenses		**1,642,521**	2,606,112	**3,630,060**	5,185,822
Office supplies		**48,661**	850,897	**192,476**	930,390
Other expenses	16	**2,131,486**	5,072,124	**4,712,624**	7,605,908
		176,868,698	108,744,871	**318,840,943**	199,620,811
Income before income tax		**39,373,114**	4,208,365	**70,430,332**	11,969,092
Income tax expense		**(10,258,324)**	(1,211,661)	**(18,440,819)**	(3,343,115)
Net income for the year		**29,114,790**	2,996,704	**51,989,513**	8,625,977
Other comprehensive income (loss)		**-**	-	**-**	-
Total comprehensive income for the quarter		**₱29,114,790**	₱2,996,704	**₱51,989,513**	₱8,625,977
Basic earnings per share		**0.01**	0.00	**0.01**	0.00
Diluted earnings per share		**0.01**	0.00	**0.01**	0.00

Philippine Infradev Holdings Inc. and Subsidiaries
(Formerly IRC Properties, Inc. and Subsidiary)
Consolidated Statements of Changes in Equity
For the three-months period ended June 30, 2024 and 2023
(All amounts in Philippine Peso)

	Share capital	Share premium	Share warrants	Treasury shares	Fair value reserve	Other reserve	Remeasurement gain (loss) of retirement benefit obligation	Retained earnings	Total
Balances as at January 1, 2023	**₱10,866,972,259**	**₱669,800,642**	**₱1,755,520,000**	**₱ (18,642)**	**₱(416,223)**	**₱115,277,925,721**	**₱1,265,801**	**₱16,725,898,102**	**₱145,296,947,660**
Comprehensive income									
Net income (loss) for the first two quarters	-	-	-	-	-	-	-	8,625,977	**8,625,977**
Total comprehensive income for the first two quarters	-	-	-	-	-	-	-	**8,625,977**	**8,625,977**
Balances as at June 30, 2023	**10,866,972,259**	**669,800,642**	**1,755,520,000**	**(18,642)**	**(416,223)**	**115,277,925,721**	**1,265,801**	**16,734,524,079**	**145,305,573,637**
Comprehensive income									
Net income (loss) for the last two quarters	-	-	-	-	-	-	-	(44,128,506,297)	**(44,128,506,297)**
Other comprehensive loss	-	-	-	-	-	3,459,184	616,617	-	**4,075,801**
Total comprehensive income for the last two quarters	-	-	-	-	-	3,459,184	616,617	(44,128,506,297)	(44,124,430,496)
Transaction with owners									
Issuance of ordinary shares		-	-	-	-	-	-	-	-
Balances as at January 1, 2024	**10,866,972,259**	**669,800,652**	**1,755,520,000**	**(18,642)**	**(416,223)**	**115,281,384,905**	**1,882,418**	**(27,393,982,218)**	**101,181,143,141**
Comprehensive income									
Net income (loss) for the first two quarters	-	-	-	-	-	-	-	51,989,513	51,989,513
Total comprehensive income for the first two quarters	-	-	-	-	-	-	-	51,989,513	51,989,513
Transaction with owners									
Issuance of ordinary shares	-	-	-	-	-	-	-	-	-
Balances as at June 30, 2024	**₱10,866,972,259**	**₱669,800,652**	**₱1,755,520,000**	**₱(18,642)**	**₱(416,223)**	**₱115,281,384,905**	**₱1,882,418**	**₱(27,341,992,705)**	**₱101,233,132,654**

Philippine Infradev Holdings Inc. and Subsidiaries
(Formerly IRC Properties, Inc. and Subsidiary)

Consolidated Statements of Cash Flows
For the three-months period ended June 30, 2024 and June 30, 2023
(All amounts in Philippine Peso)

	June 30, 2024	June 30, 2023
	(UNAUDITED)	(UNAUDITED)
Cash flows from operating activities		
Income before income tax	**₱70,430,332**	₱11,969,092
Adjustments for:		
Interest expense	**10,750,496**	-
Depreciation	**835,454**	1,284,800
Amortization	**16,853**	16,236
Interest income	**(20,372)**	(2,177)
Operating income (loss) before changes in working capital	**82,012,763**	13,267,951
Changes in working capital		
Receivables	**(53,948,186)**	(32,214,181)
Real estate held for sale and development	**121,242,332**	(149,515,310)
Prepayments and other current assets	**(36,764,500)**	(46,848,425)
Other assets	**(23,517)**	(72,307)
Accounts payable and accrued expenses	**54,399,434**	64,723,929
Cash generated from (absorbed by) operations	**166,918,326**	(150,658,343)
Interest received	**20,372**	2,177
Net cash provided by (used in) operating activities	**166,938,698**	(150,656,166)
Cash flows from investing activities		
Settlement of clearing costs	**(4,000,000)**	(501,599)
Proceeds from disposal of property and equipment	**8,031**	
Acquisition of property and equipment	**-**	(2,843,315)
Net cash provided by (used in) investing activities	**(3,991,969)**	(3,344,914)
Cash flows from financing activities		
Settlement of borrowings	**-**	-
Proceeds from availment of borrowings	**-**	177,605,588
Proceeds from issuance of shares	**-**	-
Net cash provided by (used in) financing activities	**-**	177,605,588
Net increase (decrease) in cash for the period	**162,946,729**	23,604,508
Cash as at January 1	**80,284,610**	12,055,919
Cash as at June 30	**₱243,231,339**	₱35,660,427

PHILIPPINE INFRADEV HOLDINGS INC.

AGING OF ACCOUNTS RECEIVABLE
As of June 30, 2024
(All amounts in Philippine Peso)

	Amount	1-30 days	Over 30 days	Over 60 days	Over 90 days
Receivable from Amaia	₱17,104,604	-	-	₱8,905,851	₱8,198,753
Receivable from HDMF	54,379,130	-	-	16,313,739	38,065,391
Advances to M. Carsula	1,417,341	-	-	-	1,417,341
Advances to officer/ employees	704,929	-	704,929	-	-
Advances for contractors	431,412,444	-	-	325,140,213	106,272,231
Receivable from sold units	160,574,582	-	34,934,480	111,679,539	13,960,563
Advances to VGP	22,000,000	-	-	-	22,000,000
Advances to Greenroof Corp	25,117,941	-	-	-	25,117,941
Others	2,752,996	-	-	-	2,752,996
TOTAL ACCOUNTS RECEIVABLE	**₱715,463,967**	**-**	**₱35,639,409**	**₱462,039,343**	**₱217,785,218**

PHILIPPINE INFRADEV HOLDINGS INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1 - Corporate Information

Philippine Infradev Holdings Inc. (formerly IRC Properties, Inc.) (Parent Company) and Interport Development Corporation (IDC) (Subsidiary) were incorporated in the Philippines on February 24, 1975 and December 21, 1993, respectively. Parent Company is primarily involved in the acquisition, reclamation, development, or exploitation of lands for the purpose of converting and developing said lands to integrated residential or commercial neighborhoods, and generally to engage in real estate business in all its forms. IDC is primarily involved in the acquisition and selling of real estate of all kinds or to hold such properties for investment purposes.

In 2018, Aggregate Business Group Holdings Inc. (ABG) purchased 26.94% ownership out of the 29.62% equity interest in the Parent Company previously held by Mabuhay Holdings Corporation. ABG is a domestic holding company. In 2019, ABG increased its ownership in the Parent Company to 71.28% through the purchase of additional shares making it the Group's ultimate parent company as at June 30, 2024.

The Parent Company's Board of Directors (BOD) approved the change in the Parent Company's registered office and principal place of business from 35/F Rufino Pacific Tower, 6784 Ayala Avenue, Makati City to 38F (A&B) Rufino Pacific Tower, 6784 Ayala Avenue, Makati City, effective February 1, 2021.

On October 23, 2018, the Parent Company received from Public-Private Partnership (PPP) Selection Committee of the Makati City Government a Notice of Award for the construction and operation of the Makati City Subway System (the "Subway System") to be implemented through the PPP Joint Venture (PPP JV) Agreement. The Subway System Project has been awarded to the Parent Company as the lead proponent of a consortium.

On March 4, 2019, the Parent Company incorporated Makati City Subway, Inc. (MCSI) that will be used as a special corporate vehicle for the Subway System Project. MCSI is a wholly-owned, domestic subsidiary of the Parent Company.

On July 12, 2019, the Parent Company incorporated Jiangsu Rizal Infradev Co., Ltd. (JRIC) to function primarily as a corporate vehicle in the procurement of materials and equipment related to the Subway System Project. JRIC is a wholly-owned, foreign subsidiary incorporated in Jiangyin City, China.

On July 19, 2019, the Makati City Council approved City Ordinance No. 2020-A-020 (the "Ordinance") on third and final reading. The Ordinance approved the terms and conditions of the PPP JV Agreement between the Parent Company and the Makati City Government for the construction, establishment, management and operation of the Subway System.

On July 30, 2019, the Parent Company's BOD approved a resolution authorizing the Parent Company's execution, delivery and performance of the PPP JV Agreement with the Makati City Government as the Joint Venture (JV) Partner, and of other instruments contemplated in the PPP JV Agreement. On the same date, authorized representatives of the Parent Company and the Makati City Government signed the PPP JV Agreement and the Parent Company submitted to the Makati City Government the US$350 million performance bond which was accepted by the Makati City Government. The performance bond is covered by a surety agreement which will expire in August 2025.

On February 18, 2020, the Notice to Proceed for the Subway System Project was received by the Parent Company. The Subway System Project is expected to be completed within five (5) years for an estimated total project cost of US$3.50 billion.

On September 8, 2020, the Group executed the Engineering, Procurement, and Construction (EPC) contracts for the Subway System Project with China Construction Second Engineering Bureau Ltd. and Shanghai Electric Group Automation Engineering Co., Ltd. The EPC contracts cover (i) civil works, and (ii) mechanical, electrical, plumbing (MEP) works for a total price of US$1.21 billion. The Group made a downpayment amounting to $3.05 million. The planned completion timeline is from December 12, 2020 to December 12, 2024. The EPC contracts are still effective as of reporting date.

On March 9, 2021, the Group executed a legally binding term sheet with Richer Today, Inc. ("RTI") for the financing, design, construction, development, marketing and sale of the lots in and around Station 5 of the Subway System through an unincorporated joint venture. Construction development over said lots shall commence after two (2) years.

On March 7, 2022, the Group received the certificate of registration of MCSI as new operator of Local Government Unit Public-Private Partnership from the Board of Investments effective January 17, 2022. This includes the approval of tax incentives which shall be limited to four (4) years income tax holiday, followed by five (5) years enhanced deductions and duty exemption on importation of capital equipment, subject to compliance with certain conditions.

As at the date of the approval of the financial statements, the Group has completed the excavation and shoring works of the first phase of the underground walkway construction and concrete pouring of two mat foundations (Note 8). The first phase covers Station 3 (located along Sen. Gil J. Puyat Avenue, Dela Rosa Street and Urban Avenue). Adjustments and optimization of the subway basic design have also been made according to the requirements of the Makati City Government. The detailed design of the station and section of the first phase of the Subway System has been completed. Certain major equipment and machineries are on site, but with incoming deliveries, to continue to the next phase of the construction in Station 5 (located along J.P. Rizal Street within the old Makati City Hall).

The Parent Company and its subsidiaries have been collectively referred hereinto as the Group.

The clearing of the Company's Binangonan property is still the focus of the Company's operations with the goal of completely freeing from third party claims 500 hectares of the 2,200-hectare property. Due to a number of factors, including the recognition of Supreme Court's recognition of the superior rights of the bonafide occupants as well as potential challenges in clearing and re-titling of this large area of land, management has estimated that only 1,513 hectares are expected to be recovered/cleared and re-titled in the name of the Parent Company as at June 30, 2024 and December 31, 2023. This estimate is assessed at regular intervals of one (1) to three (3) years based on the Group's interaction with current occupants.

The Group is actively in the process of clearing and re-titling the large portion of the property in Binangonan for future developments.

The company is not dependent upon any customer. It does not hold any right on patents, trademarks, copyrights, licenses, franchises, concessions, and royalty agreements.

As of June 30, 2024, the Company has total of thirty-eight (30) personnel (December 2023 – 38 personnel) excluding the Chairman, President, Corporate Secretary and Assistant Corporate Secretary.

Note 2 - Cash

The account consists of:

	June 30, 2024 (UNAUDITED)	December 31, 2023 (AUDITED)
Cash in banks	**₱1,291,060**	₱1,275,060
Cash on hand	**241,940,279**	79,009,550
	₱243,231,339	₱80,284,610

Cash in banks earn interest at the prevailing bank deposit rates.

Note 3 - Receivables, net

The account consists of:

	June 30, 2024 (UNAUDITED)	December 31, 2023 (AUDITED)
Receivables from subcontractors	**₱119,636,627**	₱115,923,417
Receivables from sale of real estate held for sale and development	**592,369,415**	542,134,438
Advances to officers and employees	**704,929**	704,929
Others	**2,752,996**	2,752,997
	715,463,967	661,515,781
Provision for doubtful accounts	**(5,737,233)**	(5,737,233)
	₱709,726,734	₱655,778,548

Note 4 - Funds held by custodian bank

The account represents restricted funds from the proceeds of the Parent Company's cancelled stock rights offering in 1996, which was deposited with a local custodian bank. The local custodian bank is responsible for monitoring withdrawals or disbursements from the funds, and ensuring that all withdrawals and orders for payment made are in connection with, or relating to, any of the purposes specified in the work program submitted by the Group to the SEC in connection with the stock rights offering.

Following SEC's order to refund the money, the proceeds have been presented as liability in the consolidated statements of financial position. The Group does not have legal right to defer payment beyond one (1) year for any claims received, hence, the amount was presented as current liability.

During 2024 and 2023, there were neither payments of principal nor withdrawals from the account.

Note 5 - Real estate held for sale and development

This account represents cumulative development and construction costs of on-going housing projects in Binangonan, Rizal.

Details and movements of the account are as follows:

	June 30, 2024 (UNAUDITED)	December 31, 2023 (AUDITED)
At cost	**₱1,458,519,547**	₱1,367,277,406

Beginning		
Additions, including capitalized interest	**114,334,954**	302,685,141
Charged to cost of real estate sold	**(235,577,286)**	(211,443,000)
Ending	**₱1,337,277,215**	₱1,458,519,547

Note 6 - Prepayments and other current assets

The account consists of:

	June 30, 2024 (UNAUDITED)	December 31, 2023 (AUDITED)
Input value-added tax (VAT)	**₱215,799,236**	₱200,968,705
Prepaid taxes	**53,351,496**	32,838,532
Prepaid insurance	**17,006,054**	17,006,054
Advances to subcontractors	**2,318,642**	2,318,642
Others	**7,698,118**	6,277,113
	₱296,173,546	₱259,409,046

Note 7 - Investment property

The movements of this account are as follows:

	June 30, 2024 (UNAUDITED)	December 31, 2023 (AUDITED)
Beginning	**₱44,999,971,080**	₱44,584,958,769
Impact of changes in assumption of clearing cost	**-**	415,012,311
Additions, including capitalized interest	**-**	-
Ending	**₱44,999,971,080**	₱44,999,971,080

Note 8 - Property and equipment, net

Details of property and equipment and its movement are as follows:

	Condominium units and parking lots	Office equipment	Furniture and fixtures	Transportation and communication equipment	Building and Improvements	Construction-in-progress	Total
Cost							
January 1, 2023	₱14,553,014	₱2,266,066	₱1,623,639	₱9,698,957	₱1,389,629	₱2,890,819,668	₱2,920,352,997
Additions	-	807,363	184,902	302,491	368,286	1,972,181,061	1,973,844,103
Disposals	-	-	-	(125,461)	-	-	(125,461)
Reclassification	-	-	-	-	-	(16,928,466)	(16,928,466)
December 31, 2023	14,553,014	3,073,429	1,808,541	9,875,987	1,757,915	4,846,072,263	4,877,141,149
Additions	-	-	-	-	-	-	-
Disposals	-	(8,031)	-	-	-	-	(8,031)
June 30, 2024	**14,553,014**	**3,065,398**	**1,808,541**	**9,875,987**	**1,757,915**	**4,846,072,263**	**4,877,133,118**
Accumulated depreciation							
January 1, 2023	12,791,774	1,860,450	1,209,667	7,208,210	555,852	-	23,625,953
Depreciation	1,761,240	392,804	312,793	1,311,141	362,072	-	4,140,050
Disposals	-	-	-	(122,336)	-	-	(122,336)
Reclassification	-	-	-	-	-	-	-
December 31, 2023	14,553,014	2,253,254	1,522,460	8,397,015	917,924	-	27,643,667
Depreciation	-	210,477	160,450	264,183	200,344	-	835,454
Disposals	-	-	-	-	-	-	-
June 30, 2024	14,553,014	2,463,731	1,682,910	8,661,198	1,118,268	-	28,479,121
Net book value							
June 30, 2024	**₱ -**	**₱601,667**	**₱125,631**	**₱1,214,789**	**₱639,647**	**-**	**₱2,581,734**
December 31, 2023	₱ -	₱820,175	₱286,081	₱1,478,972	₱839,991	₱ -	₱3,425,219

Note 9 - Intangible asset

Intangible assets pertain to contractual rights over the excess FAR granted to the Group.

The Group has been granted enforceable contractual rights under the PPP JV Agreement with the Makati City Government. These rights include contractual rights over the excess FAR (the "Rights") under an ordinance issued and approved by the City Council of the Makati City Government as part of the terms of the conditions of the PPP JV Agreement to make the Subway System Project economically viable for the Group with the Parent Company being the main proponent. The Rights granted are a fundamental component of the PPP JV Agreement given the substantial amount of financial investments and risks associated with the Subway System Project. The Rights are distinct assets and separate from ownership of the Project Land. The Rights may be transferred, sold or conveyed to other parties without conditions at reporting date. However, utilization of the excess FAR is subject to ultimate ownership of the Project Land covered by the Subway System Project, either legally or economically or any other legal way of conveyance or transfer.

Note 10 - Other assets

Other assets consist of:

	June 30, 2024 (UNAUDITED)	December 31, 2023 (AUDITED)
Refundable deposits	**₱2,398,038**	₱2,396,038
Investments in equity securities	**213,100**	213,100
Computer software, net	**74,829**	70,165
Others	**62,050**	62,050
	₱2,748,017	₱2,741,353

Note 11 - Accounts payable and accrued expenses

Accounts payable and accrued expenses consist of:

	June 30, 2024 (UNAUDITED)	December 31, 2023 (AUDITED)
Accounts payable	**₱14,911,098**	₱14,893,098
Customers' deposits	**190,497,800**	155,494,092
Retention payable	**36,828,146**	36,804,146
Accrued expenses and other liabilities		
Real property taxes	**26,683,320**	26,683,320
Interest, penalties and related charges	**86,040,075**	64,539,083
Payable to government agencies	**2,479,934**	2,260,152
Others	**73,809,011**	64,214,504
	₱431,249,384	₱364,888,395

Note 12 - Provision for clearing costs

The movements in provision for clearing costs are as follows:

	June 30, 2024 (UNAUDITED)	December 31, 2023 (AUDITED)
Beginning	**₱13,409,429,521**	₱12,994,918,811

Change in estimate, net of unwinding of discount	**-**	415,012,311
Actual clearing costs paid	**(4,000,000)**	(501,601)
Total	**13,405,429,521**	13,409,429,521
Less: Non-current portion	**13,309,429,521**	13,309,429,521
Total current portion	**₱96,000,000**	₱100,000,000

Note 13 - Borrowings

The movements in borrowings and net debt reconciliation are as follows:

	June 30, 2024 (UNAUDITED)	December 31, 2023 (AUDITED)
Beginning	**₱479,573,636**	₱289,698,892
Cash flow changes		
Availments	**-**	211,674,188
Payments	**-**	-
Translation effect	**-**	(21,799,444)
Ending	**₱479,573,636**	₱479,573,636

Note 14 - Equity

(a) Share capital and share premium

Authorized capital and subscribed shares outstanding consist of:

	Authorized		Subscribed	
	Number of shares	Amount	Number of shares	Amount
2024				
Common shares with par value P1 per share *	9,500,000,000	9,500,000,000	6,061,578,964	6,061,578,964
Preferred shares with par value P10 per share**	1,000,000,000	10,000,000,000	656,655,400	6,566,554,000
			6,718,234,364	12,628,132,964
2023				
Common shares with par value P1 per share *	9,500,000,000	9,500,000,000	6,061,578,964	6,061,578,964
Preferred shares with par value P10 per share**	1,000,000,000	10,000,000,000	656,655,400	6,566,554,000
			6,718,234,364	12,628,132,964

*Issued and outstanding
**Not yet issued but fully paid

Subscription of preferred shares

The PPP JV Agreement provides that the Makati City Government shall contribute to MCSI, through the Parent Company, a total of 7.90-hectare properties in exchange for the Parent Company's preferred shares equivalent to the appraised value of the properties.

On October 31, 2019, relative to the PPP JV Agreement, the Parent Company entered into the Subscription Agreement with the Makati City Government for 656.66 million preferred shares of the Parent Company at P10 per share in exchange for the delivery of the Makati Land.

In February 2020, the Parent Company and the Makati City Government agreed to split the Subscription Agreement into two: (i) 656.66 million preferred shares to be paid with land properties owned by the Makati City Government with an appraised value of P6.57 billion as at September 13, 2019, and (ii) 65.67 million preferred shares to be acquired through 2% annual stock dividends for 5 (five) years until the 722.32 million preferred shares are fully issued.

Critical accounting judgment - Equity classification of preferred shares

The preferred shares have the following basic features: voting, participating, redeemable at the option of the Parent Company, convertible to common shares, and preferred as to asset upon liquidation. Based on these features, management has assessed that preferred shares are considered equity instruments.

(b) Treasury shares

The Parent Company acquired some of its shares of stock amounting to P18,642 as a reserve for future claims of shareholders which are shown in its transfer agent's records but not in its accounts. It is the Group's policy to honor such claims and therefore, issue the said reacquired shares to shareholders upon their presentation of the original unrecorded stock certificates.

(c) Share warrants payable

In 2017, the Makati City Government entered into a Memorandum of Agreement with private entities, including Cross-Strait Common Development Fund Co. ("Cross Strait"), for the latter to conduct a study that aims to provide convenience to commuters in the Philippines' financial district, alleviate traffic congestion and spur development to areas outside of the central business district through the Subway System Project, and to cooperate with the Makati City Government in entering into a PPP, JV, build-operate-transfer contract or any of its variants, or any appropriate collaborative engagement upon successful awarding of the Subway System Project.

On June 1, 2018, the Parent Company's BOD approved the issuance in favor of Cross Strait 1.2 billion warrants, American option, with the strike price of P1.00 per share, valid for 5 years from issuance, in exchange for Cross Strait's rights over the Subway System Project. This was subsequently approved by at least 2/3 of the Parent Company's shareholders on July 20, 2018.

The Parent Company and Cross Strait finalized the agreement in 2019 in which Cross Strait formally transfers to the Parent Company its rights to the Subway System Project including the priority of bidding for the said project, topside development projects, construction and operation rights for the Subway System. The transaction also includes pre-feasibility studies, feasibility studies, legal due diligence, financial models, and business planning. The carrying value of the share warrants, based on the fair value of the assets received at transaction date, amounted to P1.76 billion as at June 30, 2024. The value of such assets which are required to complete the construction of the Subway System are included as part of construction-in-progress account under property and equipment in the consolidated statements of financial position.

(d) Earnings(loss) per share

Basic earnings per share for the quarter ended June 30, 2024 and for the years ended December 31, 2023 and 2022 are as follows:

	June 30, 2024 (UNAUDITED)	December 31, 2023 (AUDITED)	December 31, 2022 (AUDITED)
Net income (loss) for the year	**51,989,513**	(44,119,880,320)	2,983,303,099
Weighted average number of shares outstanding	**3,673,558,272**	3,673,558,272	3,673,558,272
Earnings per share	**0.01**	(12.00)	0.81

Diluted earnings per share for the quarter ended June 30, 2024 and for the years ended December 31, 2023 and 2022 are as follows:

	June 30, 2024 (UNAUDITED)	December 31, 2023 (AUDITED)	December 31, 2022 (AUDITED)
Net income (loss) for the year	**51,989,513**	2,983,303,099	2,983,303,099
Weighted average number of shares outstanding			
Common shares outstanding	**3,673,558,272**	3,673,558,272	3,673,558,272
Diluted shares	**1,856,655,400**	1,856,655,400	1,856,655,400
	5,530,213,672	5,530,213,672	5,530,213,672
Earnings per share	**0.01**	(7.98)	0.54

(e) Liability for refund of stock rights subscription

On February 19, 1996, the SEC approved the Group's application for the issuance of 40 billion shares, by way of stock rights offering, at an offer price of P0.012 per share. The Group commenced its stock rights offering on March 31, 1997. However, on July 15, 1997, the SEC revoked the Certificate of Permit to Sell Securities and ordered the Group and its custodian bank to immediately return to subscribers the proceeds from the rights offering currently held in escrow. The proceeds from the offering, which remained unclaimed by the subscribers, are shown as "Liability for refund of stock rights subscription" in the current liabilities section of the consolidated statement of financial position.

Note 15 - Salaries, wages and employee benefits

Details of salaries, wages and employee benefits are as follows:

	June 30, 2024 (UNAUDITED)	December 31, 2023 (AUDITED)
Salaries and wages	**₱6,085,448**	₱12,994,465
Bonus and allowances	**1,935,720**	3,146,405
Statutory contributions	**513,307**	1,328,280
	₱8,534,475	₱17,469,150

Note 16 - Other expenses

Details of other expenses are as follows:

	June 30, 2024 (UNAUDITED)	December 31, 2023 (AUDITED)
Repairs and maintenance	**₱ 260,828**	₱2,483,446
Light and water	**808,625**	1,832,119
Dues and subscription	**394,801**	1,235,122
Transportation and travel	**198,873**	901,152
Marketing	**187,554**	845,496
Meals	**534,075**	767,002
Medical	**407,714**	681,210
Personnel	**-**	658,000
Gasoline, oil and parking	**120,793**	481,113
Communication	**106,723**	321,343
Amortization of computer software	**16,853**	39,672
Input VAT write-off	**-**	-
Miscellaneous	**1,675,785**	8,455,765
	₱4,712,624	₱18,701,440

Note 17 - Leases

(a) Group as lessor

In 2021, the Group entered into an agreement to lease a transportation equipment of the Group to a third party for a period of one (1) year, renewable upon mutual agreement by the Group and its lessee.

Until 2022, the Group was a party to non-cancellable long-term lease agreements for condominium units and parking lots. There are no long term leases as at December 31, 2023.

Al lease agreements of the Group as at December 31, 2023 are considered short-term leases.

(b) Group as lessee

The Group is party to non-cancellable lease agreements for condominium units and parking lots for office space and accommodation of officers. The agreements have terms ranging from one (1) to (3) years and is renewable upon mutual agreement by the Group and its lessors.

Lease terms are negotiated either on a collective or individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessors. Leased assets may not be used as security for borrowing purposes.

The refundable deposits recognized from the above lease agreements amounting to ₱1.30 million as at June 30, 2024 and December 31, 2023 (2022 - ₱1.21 million) are presented as part of other assets account in the consolidated statements of financial position and are refundable at the end of the lease terms.

The lease payments with the Group as lessee have been recognized as right-of-use assets and lease liabilities in the consolidated statements of financial position as at June 30, 2024, December 31, 2023 and 2022.

Note 18 - Contingencies

In addition to legal claims and costs in connection with the clearing of Binangonan property the Group has contingent liabilities with respect to claims, lawsuits and taxes which are pending decision by the courts or being contested, the outcome of which are not presently determinable. The detailed information about these claims, lawsuits and taxes has not been disclosed as it might prejudice the ongoing claims and litigations. Management is of the opinion that an adverse judgment in any one case will not materially affect its financial position and financial performance. Management believes that liability arising is not probable, thus, no provisions were made in 2024 and 2023.

Note 19 - Related party transaction

Parties are related if one can control or significantly influence another's financial and operational decisions, or if they share common control or influence, including affiliates.

The Parent Company engages in transactions with subsidiaries, associates, and other related parties, involving advances, expense reimbursements, real estate transactions, development, and administrative services.

Material Related Party Transactions Policy

Transactions between and among related parties create financial, commercial, and economic benefits to the Company. To this extent, therefore, the Company generally allows related party transactions. The general attitude of allowing related party transactions is subject to the condition that these are done on an arm's length basis and in compliance with the requirements set forth in this Policy. Thus, where the transaction is arrived at after competitive bidding, they are generally allowed.

All Related Party Transactions go through the normal approval processes of the Company. The Related Party Transactions Committee reviews and ratifies these RPT and endorses to the Board for approval.

In making its review, the RPT Committee will consider the following factors to the extent relevant to the RPT: (a) identity of the parties involved in the transaction, (b) terms of the transaction are fair and on an arm’s length basis to the Company, (c) the impact on director's or officer's independence, (d) whether the RPT would present improper conflict of interest for any director or officer of the Company.

The Board of Directors approves and confirms all Related Party Transactions endorsed by the RPT Committee.

Any member of the Board or RPT Committee who has an interest in the transaction must abstain from participation in the review and approval of any RPT.

Note 20 - Financial risk and capital management

20.1 Financial risk management

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

Management, under the direction of the BOD is responsible for the management of financial risks. Its objective is to minimize the adverse impacts on the Group's financial performance due to the unpredictability of the real estate industry.

20.1.1 Market risk

(a) Currency risk

The Group's exposure on currency risk is minimal and limited only to foreign currency denominated cash in banks at reporting date. Changes in foreign currency exchange rates of these accounts are not expected to have a significant impact on the financial position or results of operations of the Group.

(b) Interest rate risk

Interest rate risk refers to risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Group's exposure to interest rate risk relates primarily to the Group's borrowings and lease liabilities. These financial instruments are not exposed to fair value interest rate risk as these are carried at amortized cost. Likewise, these instruments are not significantly exposed to variability in cash flows as these carry fixed interest rates.

(c) Price risk

Quoted financial assets at fair value through other comprehensive income are acquired at certain prices in the market. Such investment securities are subject to price risk due to changes in market values of instruments arising either from factors specific to individual instruments or their issuers, or factors affecting all instrument traded in the market. Depending on several factors such as interest rate movements the country's economic performance political stability and inflation rates, these prices change, reflecting how market participants view the developments. Price risk is insignificant to the Group since investment in securities is not material.

20.1.2 Credit risk

The Group takes on exposure to credit risk, which is the risk that a counterparty will cause a financial loss to the Group by failing to discharge an obligation.

(a) Cash in banks and funds held by custodian bank

The Group manages credit risk on its cash in bank by depositing in banks that passed the criteria of the Group. Some of these criteria are stability, financial performance, industry-accepted ratings, quality, diversity and responsiveness of products and services.

(b) Receivables

In respect of receivables from sale of real estate held for sale and development, credit risk is managed primarily through credit reviews and analysis of receivables on a continuous basis. The Group also undertakes supplemental credit review procedures for certain installment payment structures.

Other receivables consist mainly of advances to third party subcontractors. The Group limits its exposure to credit risk by transacting only with counterparties that have appropriate and acceptable credit history.

The Company applies the PFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for receivables from sale of real estate held for sale and development. Exposure to impairment losses on receivables from sale of real estate held for sale and development is not significant as the real estate property titles are not transferred to the buyers until significant payment has been made and the requirement for remedial procedures is minimal given the profile of buyers.

The Company's receivables from subcontractors and other receivables have been assessed to be fully performing as of reporting date.

(c) Refundable deposits

Refundable deposits are considered highly recoverable as the counterparty is assessed to have strong capacity to meet its obligation to return the funds upon expiration of the arrangement. Impairment assessment for refundable deposit is insignificant.

20.1.3 Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when these fall due. The consequence may be the failure to meet obligations to repay creditors and fulfill commitments.

All financial assets and liabilities are current as at reporting dates, except for the non-current portion of refundable deposits, borrowings and lease liabilities.

To manage liquidity, funding of maturing obligation will come either from future sale of developed properties, additional investments by shareholders and/or financing from banks or similar institutions.

20.2 Capital management

The Group's main objective is to ensure it has adequate capital moving forward to pursue its major land development, housing projects and other infrastructure projects.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can provide future returns to its shareholders and to maintain an optimal capital structure to reduce its cost of capital. For this purpose, capital is represented by total equity as shown in the consolidated statements of financial position, excluding fair value reserve on equity investments, remeasurement reserve on retirement benefit obligation and other reserve.

The Group manages its capital structure and makes adjustments in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or sell assets to reduce debt.

As part of the reforms of the PSE to expand capital market and improve transparency among listed firms, PSE requires listed entities to maintain a minimum of ten percent (10%) of their issued and outstanding shares, exclusive of any treasury shares, held by the public. The Group has fully complied with this requirement.

There was no change in the Group's capital management strategy and policies as at June 30, 2024 and December 31, 2023.

20.3 Fair value of financial instruments

The Group follows the fair value measurement hierarchy to disclose the fair values of its financial assets and liabilities.

As at June 30, 2024 and December 31, 2023, the Group's investments in equity securities are classified under Level 1 and Level 2 categories and no financial instruments classified under Level 3 category. The carrying values of the Group's current financial instruments as at reporting dates approximate their fair values due to their short-term nature. Non-current borrowings and lease liabilities are discounted using the effective interest method which approximates fair value, while the impact of discounting on non-current refundable deposits is immaterial.

Note 21 - Critical accounting estimates, assumptions and judgments

Estimates, assumptions and judgments 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.

The Group makes estimates, assumptions and judgments concerning the future. The resulting accounting estimates will, by definition seldom equal the related actual results. The estimates and assumptions applied by the Group may cause adjustment to the carrying amounts of assets and liabilities within the next financial year.

21.1 Critical accounting estimates and assumptions

(a) Estimate of fair value of investment property

As at June 30, 2024 and December 31, 2023, the Group's investment properties have estimated fair values ₱28.16 billion (2022 - ₱27.74 billion) for the Binangonan property and 16.84 billion for the Makati property.

The fair values of the Group's investment properties in Binangonan and Makati were determined by an independent external firm of appraisers based on the highest and best use of the properties. The fair values of the investment properties were calculated using the following approaches:

• Market approach provides an indication of value by comparing the asset with identical or comparable (that is similar) assets for which price information is available.

• Residual method is a hybrid of the market approach, the income approach and the cost approach. This is based on the completed "gross development value" and the deduction of development costs and the developer's return to arrive at the residual value of the development property.

The income approach is considered in valuing assets, land, or properties by reference to their development potential. The value is the residue of the gross development value of the proposed development scheme upon completion, deferred by the development period up to the time when all the asset or property has been disposed of in the open market, after deducting the development costs including demolition costs, construction costs, professional fees and allowance for risk and profit. Meanwhile, the sales comparison was a comparative approach that considered the sales of similar or substitute properties and related market data, which may also consider current listings and offerings. The valuation of the investment properties was categorized as Level 3 measurement as it utilized adjusted inputs for valuation that were, for the major part, unobservable as at the date of valuation.

The sales comparison/market approach considered the sales of similar or substitute properties and related market data, which may also consider current listings and offerings. The technique of this approach requires the adjustments of comparable property by reducing reasonable comparative sales and listings to a common denominator. This was done by adjusting the differences between the subject property and those actual sales and listings regarded as comparable. The properties used as bases of comparison are situated within the vicinity of the subject property.

(b) Provision for clearing costs

The Supreme Court affirmed the validity of the Parent Company's titles over its property in Binangonan, Rizal. However, due to a number of factors, including the recognition of the Supreme Court of the superior rights of the bona fide occupants as well as potential challenges in clearing and re-titling of the said property, the Group has set-up the provision for clearing costs based on the estimated expenditure to clear the property, including compensation for current occupants to vacate the property.

Management believes that the current provision is the best estimate based on existing conditions and circumstances as at June 30, 2024 and December 31, 2023. It is reasonably possible, based on existing knowledge, that the outcomes within the next financial year may be different from estimates and could require a material adjustment to the carrying amount of the provision for clearing costs.

(c) Estimating initial cost of intangible assets

The initial cost of the intangible assets was determined based on the fair value of the floor area ratio (FAR) development rights granted to the Group. The fair value was estimated using the income approach.

The income approach is considered in valuing assets, land, or properties by reference to their development potential. The value is the residue of the gross development value of the proposed development scheme upon completion, deferred by the development period up to the time when all the asset or property has been disposed of in the open market, after deducting the development costs including demolition costs, construction costs, professional fees and allowance for risk and profit.

(d) Determining NRV of real estate held for sale and development

Inventories are valued at the lower of cost and NRV. This requires the Group to make an estimate of the inventories' estimated selling price in the ordinary course of business, costs of completion and costs necessary to make a sale to determine the NRV. The Group adjusts the cost of its real estate inventories to NRV based on its assessment of the recoverability of the real estate inventories. In determining the recoverability of the inventories, management considers whether inventories are damaged or if their selling prices have declined.

Likewise, management also considers whether the estimated costs of completion or the estimated costs to be incurred to make the sale have increased. In the event that NRV is lower than the cost, the decline is recognized as an expense. The amount and timing of recorded expenses for any period would differ if different judgments were made or different estimates were utilized.

21.2 Critical accounting judgments

(a) Collectability of the sales price

The Group considers the loan approval of HDMF as support for the collectability of the sales price of land and real estate properties. Management believes that it is probable to collect the consideration from buyers for revenues recorded for the periods ended June 30, 2024 and December 31, 2023.

(b) Joint arrangements

Management enters into joint arrangements for the development of its properties and other infrastructure projects.

(c) Housing projects in Binangonan, Rizal

As provided in the contractual agreements, the Group's contribution on the joint arrangements is limited only to the value of the land and other necessary assets, and any obligations related to the development are on the account of the counterparty in the joint operations. The joint arrangement is not structured through a separate vehicle and the Group has direct access to the arrangements' assets and obligations. As such, the arrangement is classified as joint operations.

Total land contributed to joint operations as at June 30, 2024 and December 31, 2023 is recorded as part of real estate held for sale and development in the consolidated statements of financial position.

(d) Makati City Subway System Project

As provided in the PPP JV Agreement with the Makati City Government, the Group is obligated for the construction, operation and management of the Subway System and the topside development over the land as specified in the agreement. The joint arrangement is structured through a separate vehicle, MCSI which is a wholly-owned subsidiary of the Parent Company. As such, the arrangement is classified as joint operations.

Land properties contributed to joint operations are recorded as part of investment properties and the contractual rights granted under the PPP JV Agreement as intangible assets in the consolidated statements of financial position.

Note 22 - Summary of significant accounting policies

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

22.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with PFRS. The term PFRS in general includes all applicable PFRS, PAS, and interpretations of the Philippine Interpretations Committee, Standing Interpretations Committee, and International Financial Reporting Interpretations Committee (IFRIC), which have been approved by the Financial and Sustainability Reporting Standards Council (FSRSC) (formerly known as Financial Reporting Standards Council) and adopted by the SEC.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments in equity securities and investment properties.

The preparation of the consolidated financial statements in conformity with PFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies.

Changes in accounting policies and disclosures

(a) New standards, amendments and interpretations adopted by the Group

The following relevant standard and interpretation to existing standard have been adopted by the Group effective January 1, 2023:

- Amendments to PAS 1, 'Presentation of Financial Statements'

  The amendments clarify that liabilities are classified as either current or noncurrent, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g., the receipt of a waver or a breach of covenant). The amendments also clarify what PAS 1 means when it refers to the 'settlement' of a liability.

  In addition, PAS 1 requires entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

- Amendment to PAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors'

The amendment clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

(b) New standards, amendments and interpretations not yet adopted

There are no new standards or amendments to existing standards that are effective for annual periods beginning on or after December 31, 2023 that are considered relevant or expected to have a material effect on the Group's financial statements.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and wholly-owned subsidiaries, MCSI, JRIC and IDC.

Details for the date and place of incorporation of the subsidiaries are as follows:

Subsidiary	Date of incorporation	Place of incorporation	Principal activities
Interport Development Corporation	December 21, 1993	Philippines	(a)
Makati City Subway, Inc.	March 4, 2019	Philippines	(b)
Jiangsu Rizal Infradev Co., Ltd.	July 12, 2019	People's Republic of China	(c)

The subsidiaries of the Parent Company have the following principal activities:

(a) Primarily for the acquisition and selling of real estate of all kinds or hold such properties for investment purposes.
(b) Primarily engaged in the development, construction, operation, repair, maintenance, management and other allied business involving infrastructure and/or public utility projects, such as railways, railroads, subway systems and other transport systems, airports, toll ways, piers and other public works.
(c) Primarily to function as a corporate vehicle in the procurement of materials and equipment related to the Makati City Subway System Project.

The Group uses uniform accounting policies, any difference between the Parent Company and the subsidiaries are adjusted properly.

All the subsidiaries' undertakings are included in the consolidation. The proportion of the voting rights in the subsidiaries' undertakings held directly by the Parent Company do not differ from the proportion of ordinary shares held.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with an entity and has the ability to affect those returns through its power over an entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. These are deconsolidated from the date that control ceases.

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The Group also assesses the existence of control where it does not have more than 50% of the voting power but is able to govern the financial reporting and operating policies by virtue of de facto control. De facto control may arise in circumstances where the size Group's voting rights relative to the size and dispersion of holdings of other shareholders give the Group the power to govern the financial and operating policies.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group.

The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying 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.

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is not accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognized and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly in profit or loss.

Intercompany transactions, balances and unrealized gains on transactions between companies in the Group are eliminated. Unrealized losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.
Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions-that is, as transactions with the owners in their capacity as owners. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of subsidiaries

When the Group ceases to have control, any retained interest in an entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

22.2 Financial instruments

(a) Financial assets

Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through other comprehensive income; and
- those to be measured at amortized cost.

The financial assets at amortized cost of the Group comprise: cash in banks, receivables, excluding advances to officers and employees, funds held by custodian bank, and refundable deposits under other assets while financial assets at FVOCI pertain to investments in equity securities under other assets in the consolidated statement of financial position.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Impairment

The Group applies the PFRS 9 simplified approach to measuring ECL for all trade receivables which uses a lifetime expected loss allowance from initial recognition. To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the collection profiles over a period of 60 months before the beginning of the reporting dates and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the bank interest rates to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in this factor.

For cash in banks, other receivables that are financial assets, funds held by custodian bank and refundable deposits, the general approach is applied. Under this approach, credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognized.

The carrying amount of the receivables is reduced through the use of an allowance account, and the amount of the loss is recognized in expenses in the consolidated statement of comprehensive income. When a receivable is uncollectible, it is written-off against the allowance account for receivables. Receivables are written-off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than that agreed with Group. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized through profit or loss.

Reversals of previously recorded impairment provision are based on the result of management's update assessment, considering the available facts and changes in circumstances, including but not limited to results of recent discussions and arrangements entered into with debtors as to the recoverability of receivables at the end of the reporting period. Subsequent recoveries of amounts previously written-off are recognized in expenses in the consolidated statement of comprehensive income.

(b) Financial liabilities

Classification

The Group classifies its financial liabilities at initial recognition in the following categories at amortized cost.

The Group's financial liabilities at amortized cost comprise accounts payable and other liabilities, excluding customers' deposits, payable to government agencies and accrued real property taxes, borrowings, and liability for refund of stocks rights subscription are classified under this category. These are included in current liabilities, except for maturities greater than 12 months after the reporting date, which are then classified as non-current liabilities.

22.3 Cash and funds held by a custodian bank

For purpose of presentation in the consolidated statement of cash flows, cash consists of cash on hand and deposits held at call with banks. Funds that are restricted and designated for particular purpose are shown separately from cash in the consolidated statement of financial position and are classified as current or non-current depending on the expected timing of disbursements. These are stated at face value or nominal amount.

22.4 Receivables

Receivables arising from regular sale of real estate held for sale and development made in the ordinary course of business are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less any provision for impairment. Receivables are measured at the original invoice amount (as the effect of discounting is immaterial), less any provision for impairment.

Advances to officers and employees are unliquidated cash advances for the Group's expenses. These are initially recognized at nominal amount and derecognized upon liquidation. They are included in current assets, except for expected liquidations greater than 12 months after the reporting date, which are then classified as non-current assets.

22.5 Prepayments and other current assets

Prepayments and other assets are recognized in the event that payment has been made in advance of obtaining right of access to receipt of services and measured at the amount of cash paid, which is equal to its nominal amount. Prepayments and other assets are recognized as expense either with the passage of time or through use or consumption.
Prepayments and other assets are carried at cost and are included in current assets, except when the related goods or services are expected to be received and rendered more than 12 months after the end of the reporting period, in which case, these are classified as non-current assets.

Prepayments in the form of unused tax credits are derecognized when there is a legally enforceable right to offset the recognized amounts against income tax due and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Input VAT are stated at face value less provision for impairment, if any. Any allowance for unrecoverable input, if any, is maintained by the Group at a level considered adequate to provide for potential uncollectible portions of the claims. Management evaluates the level of impairment provision on the basis of factors that affect the collectivity of the claim. The Group, on a continuing basis, makes a review of the status of the claims designed to identify those that may require provision for impairment losses.

Payments made as security for the leases entered into by the Group and will be returned to the Group at the end of the lease term are recognized as refundable deposits.

22.6 Real estate held for sale and development

The account includes land held for development, which refers to land acquired exclusively for development and resale thereafter and real properties held for sale and development through housing projects. Real estate held for sale and development is stated at the lower of cost and NRV. The cost comprises purchase price plus costs directly attributable to the acquisition of the assets including clearing, retitling, site preparation and subsequent development costs. NRV is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

22.7 Investment property

The Group's investment properties, principally comprising of properties in Binangonan, Rizal and in Makati City, Metro Manila, are held for capital appreciation and is not occupied by the Group. The Group has adopted the fair value model for its investment properties.

After initial recognition, investment property is carried at fair value as determined by an independent firm of appraisers. Fair value is based on income approach, which uses valuation techniques that convert future amounts (e.g., cash flows or income and expenses) to a single current (i.e., discounted) amount. The fair value measurement is determined on the basis of the value indicated by current market expectations about those future amounts. These valuations are reviewed annually by the independent appraiser.

Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value. On a regular basis, an estimate of the recoverable or clearable area over the properties is done by the Group. An increment in the recoverable area is recognized at fair value, with a consequent provision for estimated clearing costs.

Subsequent expenditure (i.e., provision for clearing costs) is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other costs, classified as repairs and maintenance, are charged to profit or loss during the financial period in which they are incurred.

Changes in fair values are recognized in profit or loss.

Property that is being constructed or developed for future use as investment property is classified as investment property

22.8 Intangible

The costs of intangible assets arising from contractual right are their fair value as at the date of acquisition, determined using discounted cash flows as a result of the asset being owned. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite. The intangible assets are considered to have finite life.

Intangible assets with finite lives are amortized based on the utilization of the related land using the output method. Output is in reference to the square meters allocable to the intangible assets. The amortization will start upon commencement of the significant construction activities over the transit-oriented development projects/investment properties.

Intangible assets are assessed for impairment whenever there is an indication that an intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite
useful life are reviewed at least at the end of each reporting period.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in profit or loss in the expense category consistent with the function of the intangible assets.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and are recognized in profit or loss when the intangible asset is derecognized.

22.9 Investments in joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor.

The Group, through MCSI, entered into an agreement with the Makati City Government to develop a subway system in Makati City. Under the terms of the agreement, the Group will contribute to the construction, operation and management of the Makati City Subway System and the topside development over the land as specified in the agreement. The agreement qualifies as a joint operation.

The contractual arrangement establishes the parties' rights to the assets, and obligations for the liabilities, relating to the arrangement, and the parties' rights to the corresponding revenues and obligations for the corresponding expenses.

22.10 Property and equipment

All other costs, classified as repairs and maintenance, are charged to profit or loss during the year in which they are incurred.

Depreciation of property and equipment are computed using the straight-line method over the following estimated useful lives in years:

Asset class	Useful life
Residential units and parking lots	25 to 50 or lease term, whichever is shorter
Building and improvements	25 to 50
All others	5

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

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

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal at which time the cost and their related accumulated depreciation are removed from the accounts. Gain or loss arising from disposal is determined as the difference between the net disposal proceeds and the carrying amount of the asset. Gain or loss on disposal is recognized in profit or loss in the period of the disposal.

22.11 Impairment of non-financial assets

Assets that have an indefinite useful life, such as investment in a subsidiary, and intangible assets, are not subject to depreciation and amortization and are tested annually for impairment. Assets that have definite useful life are subject to depreciation and amortization and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that are impaired are reviewed for possible reversal of the impairment at each reporting date.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but the increased carrying amount should not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized as income immediately in profit or loss.

22.12 Fair value measurement

The fair value of a non-financial asset is measured based on its highest and best use. The asset's current use is presumed to be its highest and best use.

The fair value of financial and non-financial liabilities takes into account non-performance risk, which is the risk that an entity will not fulfill an obligation.

The Group classifies its fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices); and

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

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 re-assessing 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.

External valuers are involved for valuation of significant assets, such as investment properties. 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 analyzes the movements in the values of assets and liabilities, which are required to be re-measured or re-assessed 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.

22.13 Accounts payable and accrued expenses

Accounts payable and other liabilities are recognized in the period in which the related money, goods or services are received or when a legally enforceable claim against the Group is established. These are measured at the original invoice amount (as the effect of discounting is immaterial). Government-related liabilities initially recognized at nominal amount and not subject to discounting but are derecognized similarly. These are included in current liabilities, except for maturities greater than 12 months after the reporting date, which are then classified as non-current liabilities.

22.14 Borrowings and borrowing costs

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in profit or loss in the period in which these are incurred.

22.15 Income taxes

The income tax expense for the period comprises current and deferred income tax. Income tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the income tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates based on existing laws that have been enacted or substantively enacted at the reporting date and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax losses or NOLCO and unused tax credits or excess MCIT to the extent that it is probable that future taxable profit will be available against which the temporary differences, unused tax losses and unused tax credits can be utilized.

Deferred income tax assets are recognized on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilized.

The Group reassesses at each reporting date the need to recognize a previously unrecognized deferred income tax asset.

Deferred income tax liabilities are recognized in full for all taxable temporary differences, except to the extent that the deferred income tax liability arises from the initial recognition of goodwill. Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally, the Group is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference not recognized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred income tax assets and liabilities are derecognized when the related bases are realized/settled or when it is no longer realizable/due.

22.16 Employee benefits

(a) Retirement benefits

The liability recognized in the consolidated statement of financial position is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, if any.

The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity which approximate the terms of the related retirement benefit liability.

(b) Short-term employee benefits

Wages, salaries, paid annual vacation and sick leave credits and other non-monetary benefits are accrued during the period in which the related services are rendered by employees of the Group. Short-term employee benefit obligations are measured on an undiscounted basis.

22.17 Contingencies and provisions

Contingent assets are not recognized in the consolidated financial statements but are disclosed in the notes when inflows of economic benefits are probable. If it becomes virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the consolidated financial statements.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provision for clearing costs represents the Group's expected cost to clear a portion of its Binangonan property and other properties that the Group acquires from bona fide occupants with superior rights over the Group's investment properties. The amount is based on the average estimated clearing and titling cost per agreement with the contractor. Such amount represents the peso value quoted by the contractor based on recoverable area and is adjusted regularly to reflect the net present value of obligation associated with clearing of land titles.

When the effect of 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 assessment and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to passage of time is recognized as an interest expense.

22.18 Deposits for future shares subscription

Deposits for future shares subscription represent amounts received from shareholders which will be settled by way of issuance of the Group's own shares at a future date. The Group considers the deposits as liability unless all of the following elements are present:

- The unissued authorized share capital of an entity is insufficient to cover the amount of shares indicated in the subscription agreement;

- There is a BOD’s approval on the proposed increase in authorized share capital to cover the shares corresponding to the amount of the deposit;
- There is shareholders’ approval of proposed increase; and
- The application for the approval of the proposed increase in authorized share capital has been filed with the SEC as at reporting date.

Deposits for future shares subscription are derecognized and converted to equity once corresponding shares have been issued.

22.19 Equity

(a) Share capital

Share capital, which are stated at par value, are classified as equity.

Issuance of new shares as a result of options, rights and warrants are shown in equity as an addition to the balance of share capital.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax. The excess of proceeds from issuance of shares over the par value of shares or additional capital contributions in which no shares were issued are credited to additional paid-in capital.

(b) Treasury shares

Where any member of the Group purchases the Group’s equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity.

(c) Retained earnings

Retained earnings include current and prior years’ results of operations, net of transactions with shareholders and dividends declared, if any. Retained earnings also include the effect of changes in accounting policy as may be required by the relevant standards’ transitional provisions on their initial adoption.

Dividend distribution to the Group’s shareholders is recognized as a liability in the Group’s consolidated financial statements in the period in which the dividends are approved by the Group’s BOD.

(d) Stock rights offering

An issue of rights to existing shareholders of the Group that entitles them to purchase additional shares in proportion to their existing holdings, within a fixed time period, at a lower or discounted price to preserve the percentage ownership of the current holders.

Liability for stock rights subscriptions is derecognized once settled.

(e) Share warrants payable

Proceeds from the issue of common share warrants are treated as equity and recorded as a separate component of equity. Costs incurred on the issue of share warrants are netted against proceeds. Share warrants issued with common shares are measured at fair value at the grant date. The fair value is included as a component of equity and is transferred from share warrants to share capital on exercise date.

(f) Equity reserves

Equity reserves comprise actuarial gains and losses due to remeasurements of post-employment defined benefit plan, foreign currency translation of financial statements of a foreign subsidiary, the mark-to-market valuation of its financial assets at FVOCI and other reserve.

Other reserve arising from the recognition of intangible assets as a result of a contractual arrangement is restricted from dividend declaration. Such reserve is only available for use in corporate restructuring, reorganization and liquidation which will require authorization of the BOD and approval by the SEC.

22.20 Earnings per share

Basic earnings per share is calculated by dividing net income attributable to common shareholders by the weighted average number of common shares outstanding during the year. Diluted earnings per share is calculated by adjusting the earnings and number of shares for the effects of dilutive potential common shares.

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22.21 Revenues and income, and costs and expenses

(a) Revenues from contracts with customers and other income

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Group's activities, which normally approximates the invoice amount.

<u>Sales of real estate and costs of real estate sold</u>

Sales are recognized when control of the real estate has transferred, being when the sales price is deemed collectible. Collectability of the sales price is demonstrated by the buyer's commitment to pay, which in turn is supported by substantial initial and continuing investments that give the buyer a stake in the property sufficient that the risk of loss through default motivates the buyer to honor its obligation to the Group. Collectability is also assessed by considering factors such as the credit standing of the buyer, age and location of the property.

Sales of real estate are considered as sales at a point in time. For properties sold through a financing agreement with Pag-IBIG under the HDMF, revenue is recognized upon loan approval from HDMF, net of any discount. For properties sold through cash, revenue is recognized upon full collection, net of any discount. For properties sold through installments, revenue is recognized upon turnover of the units to the buyers, which coincides with the collection of a significant portion of the contract price.

Any collections on contracts that have not yet qualified for revenue recognition are reported as customers' deposits within accounts payable and other liabilities in the consolidated statement of financial position.

Costs of real estate sold are recognized simultaneously with revenue. Costs of real estate sold include cost of land allocated to the Group based on assigned lots stated in the agreement entered into with the developer and all other incidental costs incurred by the Group.

<u>Other income not covered by PFRS 15, Revenue from Contracts with Customers</u>

(i) Interest income

Interest income is recognized in profit or loss for all interest-bearing financial instruments using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future receipts through the expected life of the financial instrument or when appropriate, a shorter period to the net carrying amount of the financial asset.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognized using the original effective interest rate.

Interest income on bank deposits is recognized when earned, net of final tax.

(ii) Dividend income

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

(iii) Rental income

Operating lease payments are recognized as income on a straight-line basis over the lease term, except when another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as income in the period in which they are earned.

(iv) Other income

Other income, including gain on reversal of liabilities, is recognized when earned.

(a) Costs and expenses

(i) Interest expenses

Interest expense is recognized in profit or loss for all interest-bearing financial instruments using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating the interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument or when appropriate, a shorter period to the net carrying amount of the financial liability.

(ii) Other costs and expenses

Other costs and expenses are recognized when incurred.

22.22 Leases

(a) Group as lessee - operating lease

Short-term leases and leases of low-value assets

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense through profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets are those with minimum lease payments below the capitalization threshold. These leases are presented as part of rent under expenses in the consolidated statement of comprehensive income.

22.23 Foreign currency transactions and translation

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

Foreign currency transactions are translated into Philippine Peso using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

On consolidation, the assets and liabilities of JRIC, a foreign subsidiary with functional and presentation currency of Chinese Yuan, are translated into Philippine Peso at the rate of exchange prevailing at the reporting date and their income statements are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognized in other components of equity. On disposal of a foreign subsidiary, the component of other components of equity relating to that particular foreign subsidiary is recognized in profit or loss.

22.24 Related party transactions and relationships

Related party relationship exists when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationship also exists between and/or among entities which are under common control with the reporting enterprise, or between, and/or among the reporting enterprises and their key management personnel, directors, or their shareholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form. Related party transaction is a transfer of resources, services on obligations between a reporting entity and a related party regardless of whether a price is changed.

22.25 Operating segments

The Group's operating businesses are organized and managed separately according to the nature of the services provided, with each segment representing a strategic business unit that offers different services and serves different markets.

22.26 Events after the reporting date

Post year-end events that provide additional information about the Group's position at the reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

(For the Quarter Ended June 30, 2024)

Philippine Infradev Holdings Inc. (*formerly IRC Properties, Inc.*) (Parent Company) and Interport Development Corporation (IDC) (Subsidiary) were incorporated in the Philippines on February 24, 1975 and December 21, 1993, respectively. Parent Company is primarily involved in the acquisition, reclamation, development, or exploitation of lands for the purpose of converting and developing said lands to integrated residential or commercial neighborhoods, and generally to engage in real estate business in all its forms. IDC is primarily involved in the acquisition and selling of real estate of all kinds or to hold such properties for investment purposes.

In 2018, Aggregate Business Group Holdings Inc. (ABG) purchased 26.94% ownership out of the 29.62% equity interest in the Parent Company previously held by Mabuhay Holdings Corporation. ABG is a domestic holding company. In 2019, ABG increased its ownership in the Parent Company to 71.28% through the purchase of additional shares making it the Group's ultimate parent company as at June 30, 2024.

On July 20, 2018, the Parent Company's Board of Directors (BOD) and shareholders approved the change in the Parent Company's corporate name to Philippine Infradev Holdings Inc. Such change was subsequently approved by the Securities and Exchange Commission (SEC) on October 30, 2018.

On October 23, 2018, the Parent Company received from Public-Private Partnership (PPP) Selection Committee of Makati City Government a Notice of Award for the construction and operation of the Makati Subway System (the "Project") to be implemented through a joint venture agreement. The Project has been awarded to the Parent Company as the lead proponent of a consortium.

On March 4, 2019, the Parent Company incorporated Makati City Subway, Inc. (MCSI) that will be used as a special corporate vehicle for the Subway Project. MCSI is a wholly-owned, domestic subsidiary of the Parent Company.

On July 12, 2019, the Parent Company incorporated Jiangsu Rizal Infradev Co., Ltd. (JRIC) to function primarily as a corporate vehicle in the procurement of materials and equipment related to the Subway Project. JRIC is a wholly-owned, foreign subsidiary of the Parent Company

On July 19, 2019, the Makati City Council approved City Ordinance No. 2019-A-020 (the "Ordinance") on third and final reading. The Ordinance approved the terms and conditions of the PPP JV Agreement between the Parent Company and the Makati City Government for the construction, establishment, management and operation of the Subway Project.

On July 30, 2019, the Parent Company's BOD approved a resolution authorizing the Parent Company's execution, delivery and performance of the PPP JV Agreement with the Makati City Government, and of other instruments contemplated in the PPP JV Agreement. On the same date, authorized representatives of the Parent Company and the Makati City Government signed the PPP

JV Agreement and the Parent Company submitted to the Makati City Government the US$350 million performance bond which was accepted by the Makati City Government.

On February 18, 2020, the Notice to Proceed for the Subway Project was received by the Parent Company. The Subway project is expected to be completed within five (5) years for an estimated total project cost of US$3.5 billion.

The Parent Company's BOD approved the change in the Parent Company's registered office and principal place of business from 35/F Rufino Pacific Tower, 6784 Ayala Avenue, Makati City to 38F (A&B) Rufino Pacific Tower, 6784 Ayala Avenue, Makati City, effective February 1, 2021.

On September 8, 2020, the Group executed the Engineering, Procurement, and Construction (EPC) contracts for the Subway System Project with China Construction Second Engineering Bureau Ltd. and Shanghai Electric Group Automation Engineering Co., Ltd. The EPC contracts cover (i) civil works, and (ii) mechanical, electrical, plumbing (MEP) works for a total price of US$1.21 billion. The planned completion timeline is from December 12, 2020 to December 12, 2024. The EPC contracts are still effective as of reporting date.

On March 9, 2021, the Group executed a legally binding term sheet with Richer Today, Inc. ("RTI") for the financing, design, construction, development, marketing and sale of the lots in and around Station 5 of the Subway System Project through an unincorporated joint venture. Construction development over said lots shall commence after two (2) years.

On March 7, 2022, the Group received the certificate of registration of MCSI as new operator of Local Government Unit Public-Private Partnership from the Board of Investments effective January 17, 2022. This includes the approval of tax incentives which shall be limited to four (4) years income tax holiday, followed by five (5) years enhanced deductions and duty exemption on importation of capital equipment, subject to compliance with certain conditions.

As at the date of the approval of the financial statements, the Company has completed the excavation and shoring works of the first phase of the underground walkway construction and concrete pouring of two mat foundations. The first phase covers Station 3 (located along Sen. Gil J. Puyat Avenue, Dela Rosa Street and Urban Avenue). Adjustments and optimization of the subway basic design have also been made according to the requirements of the Makati City Government. The detailed design of the station and section of the first phase of the Subway System has been completed. Certain major equipment and machineries are on site, but with incoming deliveries, to continue to the next phase of the construction in Station 5 (located along J.P. Rizal Street within the old Makati City Hall).

In 2023, the Supreme Court (SC) ruled with finality that the City of Taguig has jurisdiction over Fort Bonifacio and Embo barangays previously belonging to the City of Makati. As a result of this of SC ruling, management has assessed that the alignment of the subway will no longer be feasible due to several stations now under the territory of the City of Taguig. As of reporting date, the construction activities related to the Subway System have been temporarily suspended.

The Parent Company and its subsidiaries have been collectively referred hereinto as the Group.

The clearing of the Company's Binangonan property is still the focus of the Company's operations with the goal of completely freeing from third party claims 500 hectares of the 2,200-hectare property. Due to a number of factors, including the recognition of Supreme Court's recognition of the superior rights of the bonafide occupants as well as potential challenges in clearing and re-titling of this large area of land, management has estimated that only 1,513 hectares are expected to be recovered/cleared and re-titled in the name of the Parent Company as at December 31, 2023 and

2022. This estimate is assessed at regular intervals of one (1) to three (3) years based on the Group's interaction with current occupants.

The Group is actively in the process of clearing and re-titling the large portion of the property in Binangonan for future developments.

The company is not dependent upon any customer. It does not hold any right on patents, trademarks, copyrights, licenses, franchises, concessions, and royalty agreements.

As of June 30, 2024, the Company has total of Thirty-Eight (30) personnel excluding the Chairman, President, Corporate Secretary and Assistant Corporate Secretary.

Financial Condition

Interim Report (June 30, 2024)

The Company employed total assets of ₱123,776,151,032 financed by total liabilities of ₱22,543,018,378 and total stockholders' equity of ₱101,233,132,654. Noncurrent assets amounted to ₱121,170,965,954 consisting of investment property, property and equipment (net of accumulated depreciation), intangible assets and other assets. Current assets stood at ₱2,605,185,078

Results of Operation

A comparative review of the Company's financial operations for the quarter ended June 30, 2024 *vis-à-vis* the same period last year showed the following:

The significant increase of ₱177.04 million in total revenue was mainly due to the higher volume of sales in Casas Carlina for the first half of 2024. Total cost and expenses increased by ₱119.22 million from ₱199.62 million mainly because of the higher cost of sales. Higher cost of sales is brought by the higher sold units in 2024 which is forty-three (159) units as compared to six (91) units in 2023.

Material changes (June 30, 2024 vs. December 31, 2023)

Cash increased by ₱162.95 million mainly because of the payments from the customers, sale of land and cash proceeds from the take outs.

Receivable increased by ₱53.95 million mainly because of the receivable from the subcontractors and retention receivable.

Real estate held for sale and development decreased by ₱121.24 million mainly because of the sold units in Casas Carlina Project.

Prepayments and other current assets increased by ₱36.76 million mainly because of the increase in Input VAT.

Property and equipment, net decreased by ₱0.84 million mainly because of the recorded depreciation of the quarter

Accounts payable and accrued expenses increased by ₱66.36 million mainly due to the customer deposits received from the buyers of Casas Carlina.

Income tax payable increased by ₱18.44 million mainly due to the income tax liability incurred during the period..

Retirement benefit obligation decreased by ₱1.21 million mainly due to the payment made by the Company.

Retained Earnings increased by ₱55.99 million because of the net income earned.

There is no significant element of income that did not arise from the Registrant's continuing operations. Neither is the Company's operations affected by any seasonality or cyclical trends.

Discussion of Material Events/Uncertainties Known to Management that would Address the Past and Impact on Future Operations

a. The Company's capital expenditures commitments are land clearing cost and the Casas Carlina Project and development on newly launched project Casas Bauhinia. It is not under any pressing obligation to pay its advances to affiliates. The Company has enough resources to cover payment of liabilities through the sale of some of its properties.

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

c. The Company does not have any material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships with unconsolidated entities or other persons created during the reporting period.

d. The Management is not aware of any known trends, demands, commitments, events or uncertainties that have had or that are reasonably expected to have a material favourable or unfavourable impact on the company's liquidity, net sales or revenues or income from continuing operations.

e. The Company does not have any significant elements of income or loss that did not arise from the company's continuing operations.

REGISTRANT'S COMPARATIVE FINANCIAL SOUNDNESS INDICATORS

	Jun. 30, 2024	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2021
Working Capital	125,324,846	73,709,571.00	1,575,003,460	1,325,015,989
Current Ratio	1.05	1.03	4.39	4.11
Quick Ratio	0.39	0.31	1.08	3.83
Asset to Equity Ratio	1.22	1.22	1.13	1.12
Debt to Assets Ratio	0.18	0.18	0.12	0.11
Debt to Equity Ratio	0.22	0.22	0.13	0.12
Gross Profit Margin	0.39	0.61	0.98	1.00
Operating Profit Margin	0.18	(80.67)	0.95	0.99
Net Profit Margin	0.13	(81.32)	0.71	0.80
Return on Assets	0.00	(0.36)	0.02	0.04
Return on Equity	0.00	(0.44)	0.02	0.05
Interest Coverage Ratio	4.28	(1,326.41)	2,308.10	344.24

Current/ Liquidity Ratios - shows the ability of the company to pay off its debts over the next year.

Working Capital- computed as current assets minus current liabilities.

Current Ratio- computed as current assets divided by current liabilities.

Quick Ratio- computed as current assets minus prepayments and land held for development divided by current liabilities.

Solvency Ratios - measure the company's ability to pay all debts, particularly long-term debts.

Debt to Equity - computed as total liabilities divided by total equity.

Debt to Assets - computed as total liabilities divided by total assets.

Asset to Equity Ratio - measures financial leverage and long- term solvency. It shows how much of the assets are owned by the company. It is computed as total assets divided by stockholders' equity.

Interest Coverage Ratio - measures the company's ability to pay its interest charges. It is computed as income before income tax and interest expense divided by interest payments.

Profitability Ratios

Gross Profit Margin- shows how much of the company's revenue remains after the cost of sales. It is computed as gross profit divided by sales.

Operating Profit Margin- measures the amount of money that remains after paying sales and operating expenses. It is computed as earnings before taxes and interest divided by sales.

Net Profit Margin- shows the money remaining after paying all expenses. It is computed as net profit divided by sales.

Return on Assets- measures how effectively the company uses its assets to create revenue. It is computed as net income divided by total assets.

Return on Equity- measures how much money the company have earned on its investment. It is computed as net income divided by stockholders' equity.

REPORT ON SEC FORM 17-C:

Date	Particulars
Jan 19, 2024	Change in Directors and/or Officers (Resignation/Removal or Appointment/Election) - Election of Laiza Rose R. Lamsen as Corporate Information Officer and Elmer Ato as Data Protection Officer

REPORT ON SEC FORM 17-C AS AMENDED

Date	Particulars

PART II – OTHER INFORMATION

ITEM 4 - NON-APPLICABILITY OF OTHER SEC-REQUIRED NOTES

Notes required to be disclosed but are not applicable to the Registrant are indicated below:

a. Assets Subject to Lien and Restrictions on Sales of Assets
b. Changes in Accounting Principles and Practices
c. Defaults
d. Preferred Shares
e. Pension and Retirement Plans
f. Restrictions which Limit the Availability of Retained Earnings for Dividend Purposes
g. Significant Changes in Bonds, Mortgages and Similar Debt
h. Registration with the Board of Investments (BOI)
i. Foreign Exchange losses Capitalized as part of Property, Plant & Equipment
j. Deferred Losses Arising from Long-Term Foreign Exchange Liabilities
k. Segment Reporting
l. Disclosure not made under SEC Form 17-C: None

ITEM 5- RECOGNITION OF IMPACT OF THE FOLLOWING NEW STANDARDS

The following new standards do not have and are not expected to have a material impact on the Group's financial statements.

	Adopted/Not adopted/ Not applicable
a. Separate Financial Statements PAS 27 (Amended)	Adopted
b. Investments in Associate and Joint Venture PAS 28	Adopted
c. Government Loans (Amendments to PFRS 1)	Not applicable
d. Disclosure-Offsetting Financial Assets and Financial Liabilities (Amendments to PFRS 7)	Adopted
e. Consolidated Financial Statements (PFRS 10)	Adopted
f. Joint Arrangements (PFRS 11)	Adopted
g. Disclosure of Interests in Other Entities (PFRS 12)	Adopted
h. Fair Value Measurement (PFRS 13)	Adopted
i. Financial Instruments (PFRS 9)	Adopted

SIGNATURES

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

Issuer: **PHILIPPINE INFRADEV HOLDINGS INC.**

GEORGINA A. MONSOD
Executive Vice President and Treasurer

JEAD MARK M. DELA ROSA
Accounting Manager