

# COVER SHEET

C	S	2	0	1	3	1	0	1	7	9
---	---	---	---	---	---	---	---	---	---	---

A	L	L	H	O	M	E		C	O	R	P	.									
---	---	---	---	---	---	---	--	---	---	---	---	---	--	--	--	--	--	--	--	--	--

(Company's Full Name)

L	O	W	E	R		G	R	O	U	N	D		F	L	O	O	R	,		B	U	I	L	D	I	N	G		B
,		E	V	I	A		L	I	F	E	S	T	Y	L	E		C	E	N	T	E	R	,		V	I	S	T	A
	C	I	T	Y	,		D	A	A	N	G	H	A	R	I	,		A	L	M	A	N	Z	A		I	I	,	
L	A	S		P	I	Ñ	A	S		C	I	T	Y																

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

<b>Robirose M. Abbot</b>
--------------------------

Contact Person

<b>+63 (919) 081-5302</b>
---------------------------

Company Telephone Number

1	2
---	---

Month

3	1
---	---

Day

Calendar Year

<b>20-IS Definitive Information Statement</b>
---

FORM TYPE

--	--

Month

--	--

Day

Annual Meeting

--

Secondary License Type, If Applicable

--	--	--

Dept. Requiring this  
Doc.

--

Amended Articles  
Number/Section

--

Total No. of

Stockholders

Total Amount of Borrowings

--

Domestic

--

Foreign

-----  
To be accomplished by SEC Personnel concerned

--	--	--	--	--	--	--	--	--

File Number

--	--	--	--	--	--	--	--	--

Document I.D.

LCU

Cashier



## CERTIFICATION

**ALLHOME CORP.** (the "Company") hereby certifies that except for Ms. Camille A. Villar, none of the directors and officers of the Company named in the Information Statement for the Annual Meeting of its shareholders for the year 2025 works in the government as of the date hereof.

Ms. Villar is currently a duly elected Senator. She is not disqualified from being, and does not require any consent or approval to serve as, a director of the Company on account of her said position.

Issued this 26<sup>th</sup> day of May 2025.

**ALLHOME CORP.**

By:

  
**ARBIN OMAR CARIÑO**  
Corporate Secretary

A handwritten signature in black ink, appearing to be "Arbin", located to the right of the printed name and title.

## CERTIFICATION OF INDEPENDENT DIRECTORS

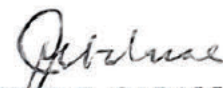
I, **Jessie D. Cabaluna**, Filipino, of legal age and a resident of [REDACTED], after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of **AllHome Corp.** and have been its independent director since July 8, 2019.
2. I am affiliated with the following companies or organizations:

Company / Organization	Position / Relationship	Period of Service
AllDay Marts, Inc.	Independent Director	2021-Present
Stetchworth	President	18 September 2019 to present
Anvaya Cove Beach and Nature Club, Inc.	Independent Director	30 July 2021 to present
Areit, Inc.	Independent Director	3 December 2021 to present
Alveira Country Club	Independent Director	21 March 2023 to present
SyCip Gorres Velayo & Co. (SGV)	Partner	1978 to 2017

3. I possess all the qualification and none of the disqualifications to serve as an Independent Director of **AllHome Corp.**, as provided for Sec 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other SEC issuances.
4. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
5. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code.
6. I shall inform the corporate secretary of **AllHome Corp.** of any changes in the abovementioned information within five days from its occurrence.

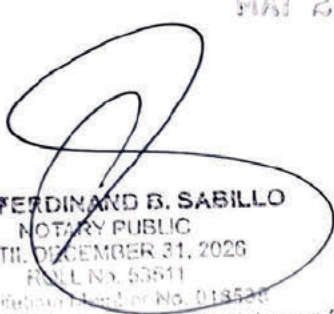
Done, this MAY 26 2025 at MANDALUYONG CITY.

  
**JESSIE D. CABALUNA**  
Affiant

SUBSCRIBED, AND SWORN to before me this \_\_\_\_\_ at  
MANDALUYONG CITY, affiant personally appeared before me and exhibited to me her valid  
[REDACTED], expiring on November 21, 2029.

MAY 26 2025

Doc. No. 216  
Page No. 4C  
Book No. VI  
Series of 2025.

  
**ATTY. FERDINAND B. SABILLO**  
NOTARY PUBLIC  
UNTIL DECEMBER 31, 2026  
ROLL NO. 53511  
ICP License Number No. 018528  
PTR No. 5700677 / 103 July 2025 / Mandaluyong City  
MCLE Compliance No. VII-0006771 issued dated 25 May 2022  
Notarial Commission Appointment No. 0014-25  
Vista Corporate Center, Upper Ground Floor,  
Worldwide Corporate Center, Shaw Blvd., Mandaluyong City

## CERTIFICATION OF INDEPENDENT DIRECTORS

I, **Raul Juan N. Esteban**, Filipino, of legal age and a resident of [REDACTED], after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of **AllHome Corp.** and have been its independent director since June 23, 2023
2. I am affiliated with the following companies or organizations:

Company/ Organization	Position/ Relationship	Period of Service
Philippine Survey and Research Center	Managing Director	1989-Present
Vistamalls, Inc.	Independent Director	2014-Present
AllDay Marts, Inc.	Independent Director	2021-Present
VistaREIT, Inc.	Independent Director	2022-Present

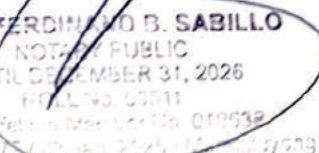
3. I possess all the qualification and none of the disqualifications to serve as an Independent Director of **AllHome Corp.**, as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations and other SEC issuances.
4. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
5. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code.
6. I shall inform the corporate secretary of **AllHome Corp.** of any changes in the abovementioned information within five days from its occurrence.

Done, this MAY 26 2025 at MANDALUYONG CITY:

  
**RAUL JUAN N. ESTEBAN**  
Affiant

SUBSCRIBED AND SWORN to before me this MAY 26 2025 at MANDALUYONG CITY, affiant personally appeared before me and exhibited to me his valid ID [REDACTED] expiring on \_\_\_\_\_.

Doc. No. 217  
Page No. 46  
Book No. 14  
Series of 2025.

  
**ATTY. FERDINAND B. SABILLO**  
NOTARY PUBLIC  
UNTIL DECEMBER 31, 2026  
P.O. No. 07511  
IBP License No. 010538  
PTR No. 570037, LUP No. 2024-10, Mandaluyong City  
MCLE Compliance No. 11403111, issued date 125 May 2022  
Notaria: Conin-Edon Appoint. No. 0314-25  
Vista Corporate Center, Upper Ground Floor,  
Worldwide Corporate Center, Shaw Blvd., Mandaluyong City





## **NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

Notice is hereby given that the annual meeting of stockholders of ALLHOME CORP. (the "**Company**" or "**HOME**") for the year 2025 will be held online on **June 27, 2025, Friday at 10:00 a.m.** with the proceedings livestreamed and voting conducted in absentia through the Company's secure voting online facility which may be accessed through the Company's website for the 2025 AGM: **[www.corporate.allhome.com.ph/asm2025](http://www.corporate.allhome.com.ph/asm2025)**.

The order of business thereat as follows:

- I. Call to order
- II. Certification of service of notice and presence of quorum
- III. Approval of the minutes of the last Annual Meeting of Stockholders held on June 28, 2024
- IV. Presentation of the President's Report, Management Report and Audited Financial Statements as of and for the year ended December 31, 2024
- V. Ratification of all acts and resolutions of the Board of Directors and Management from the date of the last annual stockholders' meeting until the date of this meeting
- VI. Election of the members of the Board of Directors, including the Independent Directors, for the year 2025

Manuel B. Villar Jr.  
Camille A. Villar  
Manuel Paolo A. Villar  
Dante M. Julongbayan  
Frances Rosalie T. Coloma  
Jessie D. Cabaluna (Independent Director)  
Raul Juan N. Esteban (Independent Director)

- VII. Appointment of External Auditors
- VIII. Other Matters
- X. Adjournment

The Board of Directors has fixed **28 May 2025** as the record date for the determination of stockholders entitled to notice of, and to vote at, said Annual Stockholders' Meeting.

In light of the current circumstances, and to ensure the safety and welfare of the Company's stockholders, the Company will dispense with the physical attendance of stockholders at the meeting and will allow attendance only by remote communication and voting only in absentia or by appointing the Chairman of the meeting as their proxy.

Stockholders who intend to participate in the meeting via remote communication and to exercise their vote in absentia must notify the Corporate Secretary by registering *in absentia* on or before **June 23, 2025**. All information submitted will be subject to verification and validation by the Corporate Secretary.

Stockholders who intend to appoint a proxy should submit duly accomplished proxy forms on or before **June 16, 2025** at the Office of the Corporate Secretary at **Upper Ground Floor, Worldwide Corporate Center, Shaw Boulevard, Mandaluyong City** and/or by email to **omar\_carino@rlsclawoffices.com**.

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

  
**ARBIN OMAR CARIÑO**  
Corporate Secretary

## **AGENDA DETAILS AND RATIONALE**

### **1. Certification of service of notice and presence of quorum**

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

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

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

- (i) Stockholders may attend the meeting remotely through [www.corporate.allhome.com.ph/asm2025](http://www.corporate.allhome.com.ph/asm2025) (the "Website"). Stockholders may send their questions or comments prior to the meeting by e-mail at [ir@allhome.ph](mailto:ir@allhome.ph). The Website shall include a mechanism by which questions may be posted live during the meeting. The Company will endeavor to answer all questions submitted prior to and in the course of the meeting, or separately through the Company's Investor Relations Office within a reasonable period after the meeting.
- (ii) Each of the Agenda items which will be presented for resolution will be shown on the screen during the live streaming as the same is taken up at the meeting.
- (iii) Stockholders must notify the Company of their intention to participate in the meeting by remote communication to be included in determining quorum, together with the stockholders who voted in absentia and by proxy.
- (iv) Voting shall only be allowed for stockholders registered in the Company's Electronic Voting in Absentia System provided in the Company's website for the 2025 Annual Meeting of Stockholders or through the Chairman of the meeting as proxy.
- (v) All the items in the Agenda for the approval by the stockholders will need the affirmative vote of stockholders representing at least a majority of the issued and outstanding voting stock represented at the meeting.
- (vi) Election of directors will be by plurality of votes and every stockholder will be entitled to cumulate his votes.
- (vii) The Company's stock transfer agent and Corporate Secretary will tabulate and validate all votes received.

### **2. Approval of the minutes of the last Annual Meeting of Stockholders held on June 28, 2024**

The minutes of the last Annual Meeting of Stockholders held on June 28, 2024 will be presented for approval by the stockholders, in keeping with Section 49(a) of the Revised Corporation Code.

A copy of such minutes has been uploaded on the Company's website.

**3. Presentation of the President's Report, Management Report and Audited Financial Statements as of and for the year ended December 31, 2024**

The audited financial statements ("AFS") of the Company as of and for the year ended December 31, 2024 (as audited by Punongbayan & Araullo), a copy of which is incorporated in the Definitive Information Statement for this meeting, will be presented for approval by the stockholders. The Acting President and COO of the Company, Ms. Frances Rosalie T. Coloma, will deliver a report to the stockholders on the Company's performance for the year 2024 (which will include highlights from the AFS) and the outlook for 2025.

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

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

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

The Board and Management of the Company believe it is in keeping with the Company's thrust to at all times observe best corporate governance practices, that ratification of their acts and resolutions be requested from the shareholders in this annual meeting. Such ratification will be a confirmation that the shareholders approve the manner that the Board and Management run the business and affairs of the Company.

**5. Election of the members of the Board of Directors, including the Independent Directors, for the year 2025**

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

**6. Appointment of External Auditors**

The Audit Committee is endorsing to the stockholders the re-appointment of Punongbayan & Araullo ("P&A") as external auditor of the Company for the fiscal year 2025.



## PROXY

[NOTE: Stockholders who would like to be represented thereat by a proxy may choose to execute and send a proxy form to the Office of the Corporate Secretary, Atty. Arbin Omar P. Cariño at Upper Ground Floor, Worldwide Corporate Center, Shaw Boulevard, Mandaluyong City on or before 24 June 2025. A sample proxy form is provided below. Stockholders may likewise email a copy of the accomplished proxy form to omar\_carino@rlsclawoffices.com.]

The undersigned stockholder of ALLHOME CORP. (the "Company") hereby appoints \_\_\_\_\_ or in his absence, the Chairman of the meeting, as attorney-in-fact or proxy, with power of substitution, to represent and vote \_\_\_\_\_ shares registered in his/her/its name as proxy of the undersigned stockholder, at the Annual Stockholders' Meeting of the Company on 27 June 2025 at 10:00 a.m. and at any adjournment thereof for the purpose of acting on the following matters:

- |  |   |
|--|---|
| 1. Approval of the Minutes of the Annual Stockholders Meeting of the Company held on June 28, 2024                               | 5. Appointment of Punongbayan & Araullo ("P&A") as external auditor                       |
| <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Abstain  | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Abstain |
| 2. Approval of the Audited Financial Statements for the period ended 31 December 2024  |   |
| <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Abstain  |   |
| 3. Ratification of all acts and resolutions of the Board of Directors and Management for the year 2024 until date of the meeting | _____ Printed name of Stockholder   |
| <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Abstain  |   |

4. Election of the members of the Board of Directors, including the Independent Directors, for the year 2025

\_\_\_\_\_  
Signature of Stockholder /  
Authorized representative

Name	No. of votes
Manuel B. Villar Jr.	_____
Camille A. Villar	_____
Manuel Paolo A. Villar	_____
Dante M. Julongbayan	_____
Frances Rosalie T. Coloma	_____
Jessie D. Cabaluna	_____
Raul Juan N. Esteban	_____

\_\_\_\_\_  
Date

*This proxy should be received by the Corporate Secretary on or before June 24, 2025, the deadline for submission of proxies.*

*This proxy when properly executed will be voted in the manner as directed herein by the stockholder(s). If no direction is made, this proxy will be voted for the election of all nominees and for the approval of the matters stated above and for such other matters as may properly come before the meeting in the manner described in the Information Statement. Unless otherwise provided in the proxy, it shall be valid only for the meeting for which it is intended. (As amended on 13 June 2019 by at least a majority of the Board of Directors and by the Stockholders owning or representing at least two-thirds (2/3) of the outstanding capital stock of the Corporation)*

*A stockholder giving a proxy has the power to revoke it at any time before the right granted is exercised. A proxy is also considered revoked if the stockholder attends the meeting in person and expressed his intention to vote in person.*

*Notarization of this proxy is not required.*

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20  
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:  
[ ☒ ] Preliminary Information Statement  
[ ☐ ] Definitive Information Statement
2. Name of Registrant as specified in its charter: **ALLHOME CORP.**
3. **Philippines**  
Province, country or other jurisdiction of incorporation or organization
4. SEC Identification Number **CS201310179**
5. BIR Tax Identification Code **008-541-952-000**
6. **Lower Ground Floor, Building B, EVIA Lifestyle Center, Vista City,**  
**Daanghari, Almanza II, Las Piñas City** **1747**  
Address of principal office Postal Code
7. Registrant's telephone number, including area code **(+63919) 0815302**
8. Date, time and place of the meeting of security holders  
**27 June 2025, 10:00 a.m. (via Remote Communication)**
9. Approximate date on which the Information Statement is first to be sent or given to security holders  
**13 June 2025**
10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA:
- | Title of Each Class                   | Number of Shares of Common Stock<br>Outstanding or Amount of Debt Outstanding |
|---------------------------------------|---|
| <b>Common stock (As of 3/31/2025)</b> | <b>3,750,000,002 shares</b>   |
11. Are any or all of registrant's securities listed in a Stock Exchange?  
Yes [ ☒ ] No [ ☐ ]
- Name of Stock Exchange: **Philippine Stock Exchange**  
Class of securities listed: **Common Stocks**

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

<b>PART I</b>
---------------

## **INFORMATION STATEMENT**

### **GENERAL INFORMATION**

#### **Date, time and place of meeting of security holders.**

Date: June 27, 2025  
Time: 10:00 a.m.  
Place: N/A (via Remote Communication)  
Link: [www.corporate.allhome.com.ph/asm2025](http://www.corporate.allhome.com.ph/asm2025)

The corporate mailing address of the principal office of the Registrant is Lower Ground Floor, Building B, EVIA Lifestyle Center, Vista City, Daanghari, Almanza II, Las Piñas City, Philippines.

This Information Statement may be accessed by the Company's stockholders beginning June 16, 2025 at the Company's website, [www.allhome.com.ph](http://www.allhome.com.ph).

#### **Dissenters' Right of Appraisal**

Under Section 80, Title X, of the Revised Corporation Code of the Philippines ("Corporation Code").

Any stockholder of the Registrant shall have the right to dissent and demand payment of the fair value of his shares only in the following instances, as provided by the Revised Corporation Code:

- (1) In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those outstanding shares of any class, or of extending or shortening the term of corporate existence;
- (2) In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets;
- (3) In case of merger or consolidation; and
- (4) In case of investments in another corporation, business or purpose.

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

If within a period of sixty (60) days from the date the corporate action was approved by the stockholders, the withdrawing stockholder and the corporation cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the corporation and the third by the two thus chosen. The findings of the majority of appraisers shall be final, and their award shall be paid by the corporation within thirty (30) days after such award is made: Provided, that no payment shall be made to any dissenting stockholder unless the corporation has unrestricted retained earnings in its books to cover such payment; and Provided, Further, That upon payment by the corporation of the agreed or awarded price, the stockholder shall forthwith transfer his shares to the corporation.

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

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

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

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

### **CONTROL AND COMPENSATION INFORMATION**

#### **Voting Securities and Principal Holders Thereof**

(a) Number of shares outstanding as of 31 March 2025

Common: 3,750,000,002

(b) Record Date: 28 May 2025

Each common share of stock of the Registrant is entitled to one (1) vote. Pursuant to Article V, Section 4 and Article VI Section 7 of the Registrant's By-Laws, all stockholders of the corporation shall have the right to participate and vote during meetings of the stockholders, including the Annual Stockholders' Meeting, either in person or by proxy executed in writing by the stockholder and filed with the corporate secretary within five business days before the scheduled meeting.

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

#### **Equity Ownership of Foreign and Local Shareholders**

Foreign and local security ownership as of March 31, 2025:

Class	Filipino		Foreign		Total Shares Outstanding
	Shares	Percent of Class	Shares	Percent of Class	
Common	3,535,726,975	94.29%	214,273,027	5.71%	3,750,000,002
<b>Total</b>	<b>3,535,726,975</b>		<b>214,273,027</b>		<b>3,750,000,002</b>

**Security Ownership of Certain Beneficial Owners and Management**

Security ownership of certain record and beneficial owners of more than 5.0% of the voting securities as of March 31, 2025:

<b>Title of Class of Securities</b>	<b>Name/Address of Record Owners and Relationship with Us</b>	<b>Name of Beneficial Owner /Relationship with Record Owner</b>	<b>Citizenship</b>	<b>No. of Shares Held</b>	<b>% of Ownership</b>
Common Shares	AllValue Holdings Corp. LGF Bldg B, Evia Lifestyle Center, Vista City, Daang Hari, Almanza II, Las Piñas City Shareholder	Record Owner is also beneficial Owner	Filipino	2,540,108,000	67.74%
Common Shares	PCD Nominee Corporation 37/F Tower 1, The Enterprise Ctr. 6776 Ayala Ave. cor. Paseo de Roxas, Makati City Shareholder	Record Owner is not the beneficial Owner	Filipino	995,403,665	26.54%
Common Shares	PCD Nominee Corporation 37/F Tower 1, The Enterprise Ctr. 6776 Ayala Ave. cor. Paseo de Roxas, Makati City Shareholder	Record Owner is not the beneficial Owner	Non-Filipino	214,223,027	5.71%

Security ownership of certain management as of March 31, 2025:

<b>Title of Class</b>	<b>Name of Beneficial Owner</b>	<b>Amount &amp; Nature of Beneficial Ownership</b>	<b>Citizenship</b>	<b>Percent of Class</b>
Common Shares	Manuel B. Villar Jr. C. Masibay Street, BF Resort Village, Las Piñas City	2,540,108,000 – Indirect	Filipino	67.74%
Common Shares	Manuel B. Villar Jr. C. Masibay Street, BF Resort Village, Las Piñas City	100 – Direct	Filipino	0.00%
Common Shares	Manuel Paolo A. Villar C. Masibay Street, BF Resort Village, Las Piñas City	100 – Direct	Filipino	0.00%
Common Shares	Camille A. Villar C. Masibay Street, BF Resort Village, Las Piñas City	100 – Direct	Filipino	0.00%
Common Shares	Dante M. Julongbayan B11 L37 Maya Alta PH 1 Dalig, Antipolo City	1,000 – Indirect	Filipino	0.00%
Common Shares	Frances Rosalie T. Coloma 1-10 Granwood Villas, BF Homes Quezon City	100 – Direct	Filipino	0.00%
Common Shares	Raul Juan N. Esteban 21/F, Omm-Citra Buiding, San Miguel Avenue, Ortigas Centre Pasig City	1,000 – Indirect	Filipino	0.00%
Common Shares	Jessie D. Cabaluna 87 Molave Ave., Molave Park Merville, Paranaque City	1 – Direct	Filipino	0.00%
<b>TOTAL</b>		<b>2,540,110,401</b>		<b>67.74%</b>



Except as indicated in the above table, none of the above-listed officers and management indirectly own shares of the Registrant. Except as aforementioned, no other officers of the Registrant hold, directly or indirectly, shares in the Registrant.

---

*Based on the total issued and outstanding capital stocks as of March 31, 2025 of 3,750,000,002 common shares.*

<sup>1</sup> Mr. Manuel B. Villar, Jr. and his spouse are the controlling shareholders of AllValue Holdings Corp. The right to vote the shares held by AllValue Holdings Corp. in this annual meeting is expected to be exercised by Mr. Villar.

<sup>2</sup> PCD Nominee Corporation is the registered owner of shares beneficially owned by participants in the Philippine Depository & Trust Corporation, a private company organized to implement an automated book entry system of handling securities transactions in the Philippines (PCD). Under the PCD procedures, when an issuer of a PCD-eligible issue will hold a stockholders' meeting, the PCD shall execute a pro-forma proxy in favor of its participants for the total number of shares in their respective principal securities account as well as for the total number of shares in their client securities account. For the shares held in the principal securities account, the participant concerned is appointed as proxy with full voting rights and powers as registered owner of such shares. For the shares held in the client securities account, the participant concerned is appointed as proxy, with the obligation to constitute a sub-proxy in favor of its clients with full voting and other rights for the number of shares beneficially owned by such clients. Except as indicated above, as of Record Date, the Company is not aware of any investor beneficially owning shares lodged with the PCD which comprise more than five percent (5%) of the Company's total outstanding capital stock.

### **Voting Trust Holders of 5.0% or More**

As of March 31, 2025, there is no party holding any voting trust for 5% or more of total shares outstanding.

### **Changes in Control**

The Registrant is not aware of any voting trust agreements or any other similar agreements which may result in a change in control of the Registrant. No change in control of the Registrant has occurred since the beginning of its last fiscal year.

### **Directors and Executive Officers of the Registrant**

#### ***Term of Office***

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

#### ***Background Information***

The following are the names, ages and citizenship of the incumbent directors/independent directors and officers of the Registrant:

<b><u>NAME</u></b>	<b><u>AGE</u></b>	<b><u>POSITION</u></b>	<b><u>CITIZENSHIP</u></b>
Manuel B. Villar Jr.	75	Chairman	Filipino
Camille A. Villar	40	Vice Chairman	Filipino
Dante M. Julongbayan	56	Director	Filipino
Frances Rosalie T. Coloma	62	Director, Acting President, Chief Operating Officer	Filipino
Manuel Paolo A. Villar	48	Director	Filipino

<u>NAME</u>	<u>AGE</u>	<u>POSITION</u>	<u>CITIZENSHIP</u>
Jessie D. Cabaluna	67	Independent Director	Filipino
Raul Juan N. Esteban	62	Independent Director	Filipino
Robirose M. Abbot	52	Chief Financial Officer, Chief Risk Officer and Head of Investor Relations	Filipino
Louella M. Fernandez	43	Controller, Compliance Officer and Treasurer	Filipino
Arbin Omar P. Cariño	43	Corporate Secretary	Filipino

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

**Manuel B. Villar, Jr. *Chairman of the Board.*** Mr. Villar, 75, was Senator of the Philippines from 2001 to June 2013. He served as Senate President from 2006 to 2008. He also served as a Congressman from 1992 to 2001 and as Speaker of the House of Representatives from 1998 to 2000. A Certified Public Accountant, Mr. Villar graduated from the University of the Philippines in 1970 with the degree of Bachelor of Science in Business Administration and in 1973 with the degree of Masters in Business Administration. He founded Camella Homes in the early 1970s and successfully managed said company over the years, to become the largest homebuilder in the Philippines now known as the Vista Land Group. Mr. Villar is also Chairman of the Board of Vista Land and Lifescapes, Inc., Starmalls, Inc., and Golden Bria Holdings, Inc.

**Dante M. Julongbayan. *Director.*** Director, Engr. Dante, 56, graduated from the University of the East with a Bachelor of Science in Civil Engineering. He is a licensed Junior Geodetic and Civil Engineer. Since joining the group in 1993, Engr. Julongbayan has held several key positions, including: Marketing Division Head of Camella and Brittany from 2001 to 2006, Technical Head of Camella and Crown Asia from 2007 to 2010, Managing Director of Camella North Luzon from 2011 to 2014, and Group Production Head of Vista Land. Currently, Engr. Julongbayan serves as the Group Asset and Fleet Head at Vista Land.

**Frances Rosalie T. Coloma. *Director, Acting President and Chief Operating Officer.*** Ms. Coloma, 62, graduated cum laude from the University of the Philippines with a degree of Bachelor of Science in Business Administration and Accountancy. She is a Certified Public Accountant. She is a Director of Vista Land and Lifescapes, Inc., and Golden Bria Holdings, Inc., Ms. Coloma was the Chief Financial Officer and Chief Information Officer of Golden Bria Holdings, Inc. from 2016 to 2019. She was also the Chief Financial Officer of Vistamalls, Inc. (formerly named as Starmalls, Inc.) from 2012 to 2016.

**Manuel Paolo A. Villar. *Director.*** Mr. Villar, 48, graduated from the Wharton School of the University of Pennsylvania, Philadelphia, USA with a Bachelor of Science in Economics and Bachelor of Applied Science in 1999. He was a consultant for McKinsey & Co. in the United States from 1999 to 2001. He joined Crown Asia in 2001 as Head of Corporate Planning. He is the President and CEO of Vista Land & Lifescapes, Inc. since 2011 and President of Vistamalls, Inc. (formerly named as Starmalls, Inc.). He is also the CEO and Chairman of St. Augustine Gold and Copper Limited from October 2012 and Chairman of TVI Resources Development Philippines, Inc. Mr. Villar is the majority shareholder of Prime Asset Ventures, Inc.

**Camille A. Villar. *Director.*** Ms. Villar, 40, graduated from Ateneo de Manila University with a degree in Bachelor of Science in Management. She obtained a Master's Degree in Business Administration from the Instituto de Estudios Superiores de la Epresa (IESE) Business School, Barcelona, Spain. She is the President and CEO of AllValue. She is also a Director of Vista Land & Lifescapes, Inc., Vistamalls, Inc. (formerly named as Starmalls, Inc.), and Golden Bria Holdings, Inc. She was

President of AllHome until May 2019, Brittany Corporation from 2010 to 2013 and the Head of Corporate Communications for Vista Land from 2008 to 2010.

**Jessie D. Cabaluna. *Independent Director.*** Ms. Cabaluna, 67, graduated with a degree in Bachelor of Science in Commerce, major in Accounting from University of St. La Salle in 1977. She also completed the Management Development Program from the Asian Institute of Management in 1988, and Advance Management Program from the Harvard Business School in 2012. Ms. Cabaluna also completed Finance for Corporate Directors Program in 2017. She was previously a Partner at SGV & Co. from 1997 to 2017.

**Raul Juan N. Esteban. *Independent Director.*** Mr. Esteban, 62, graduated from the Ateneo de Manila University with a degree of Bachelor of Science in Management Engineering. He became a brand manager of Unilever Philippine from 1983 to 1986. He was the Country Representative of PPF (A Subsidiary of Unilever) from 1986 to 1988. He was Founding Partner of AGB-Nielsen Philippines and was Chairman until 2012. He held various positions in the Advertising Board of the Philippines, Advertising Congress, MORES (Marketing & Opinion Research Society of the Philippines) and ESOMAR (World Association of Marketing, Social, and Opinion Research) from 2000 to present. Currently, he is the Managing Director of Philippine Survey and Research Center Inc. Mr. Esteban is currently an independent director of Vistamalls, Inc. (formerly Starmalls, Inc.) and AllDay Marts, Inc.

**Robirose M. Abbot. *Chief Finance Officer, Chief Risk Officer and Investor Relations Head.*** Ms. Abbot, 52, graduated from Silliman University in 1992 with a degree in Business Administration – Accounting, and completed her Masters in Business Administration from Ateneo de Manila University in 2003 earning a Gold Medal (summa cum laude). She is a Certified Public Accountant. She was previously the General Manager – Business Resource Unit of Earth+ Style Corporation from 2010 to 2011. She was also the Chief Finance Officer of Philippine Realty & Holdings Corp. from 2011 to 2014, Ubox Corporation from 2014 to 2015, and in Raemulan Lands, Inc. from 2015 to 2019.

**Louella M. Fernandez. *Controller, Treasurer and Compliance Officer.*** Ms. Fernandez, 43, graduated cum laude from Jose Rizal University in 2004 with a Bachelor of Science in Accountancy. She is a Certified Public Accountant. Ms. Fernandez was a Finance Head at Vista Land & Lifescapes, Inc. from 2017 to 2019. She was the Controller of various companies such as Globalland Property Management Inc. & Subsidiary, Environet Total Services Inc. & Subsidiary, and GetAll Corp. before taking the role of Controller and Compliance Officer of AllHome.

**Arbin Omar P. Cariño. *Corporate Secretary.*** Mr. Cariño, 43, graduated from the De La Salle University. He took up Bachelor of Science in Chemistry and Bachelor of Secondary Education major in Physics and Math. Mr. Cariño earned his law degree from the San Beda College of Law. He is the Corporate Secretary of VFund Management, Inc.

All the incumbent Directors above have one (1) year term of office and all have been nominated for re-election to the Board of Directors.

The By-Laws of the Registrant conforms with SRC Rule 38, as amended, with regard to the nomination of independent directors of the Registrant. Article I, Sections 2, 3 and 4 of the Registrant's By-Laws provide as follows:

“Section 2. Independent Directors – The members of the Board of Directors must have at least one (1) share of the capital stock of the corporation. They shall serve for a period of one (1) year and until their successors are elected and qualified. The Board should have at least two (2) independent directors, or such number as to constitute at least one-third (1/3) of the members of the Board, whichever is higher.

Section 3. Election – The directors shall be elected from among the stockholders during the annual meeting of the stockholders at the principal office of the corporation.

Section 4. Disqualification – No stockholder convicted by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years, or a violation of the Revised Corporation Code of the Philippines, committed within five (5) years prior to the date of election shall qualify as a director. A stockholder shall not be eligible to be elected as a director if he is engaged in any business which competes with or is antagonistic to that of the Corporation. Without limiting the generality of the foregoing, a person shall be deemed to be so engaged:

- (a) If he is an officer, manager, or controlling person of, or the owner (either of record or beneficially) of 10% or more of any outstanding class of shares of, any corporation (other than one in which the Corporation owns at least 30% of the capital stock) engaged in a business which the Board of Directors, by at least three-fourths (3/4) vote, determines to be competitive or antagonistic to that of the Corporation; or
- (b) If he is an officer, manager, or controlling person of, or the owner (either of record or beneficially) of 10% or more of any outstanding class of shares of, any other corporation or entity engaged in any line of business of the Corporation, when in the judgment of the Board of Directors, by at least three-fourths (3/4) vote, the laws against combinations in restraint of trade shall be violated by such person's membership in the Board of Directors; or
- (c) If the Board of Directors, in the exercise of its judgment in good faith, determines at least three-fourths (3/4) vote that he is the nominee of any person set forth in (a) or (b);

In determining whether or not a person is a controlling person, beneficial owner, or the nominee of another, the Board of Directors may take into account such factors as business and family relationship.

Notwithstanding the foregoing prohibition, a stockholder may still be qualified or eligible for nomination or election to the Board of Directors if:

- (a) The perceived competing business controls the Corporation (i.e., competing business owns at least majority of the Corporation), is under common control with the Corporation (i.e., the same ultimate beneficial stockholder has control of both Corporations), or is controlled by the Corporation (i.e., at least majority of the competing business is owned by the Corporation); or
- (b) The perceived competing business is a related party to the Corporation where the nominee in question is a person identified as a person with significant influence over the Corporation and the perceived competing business, or the nominee in question is a member of the key management personnel of the Corporation and the perceived competing business.

For the proper implementation of this provision, all nominations for the election of directors by the stockholders shall be submitted in writing to the Corporate Governance Committee on or before such date that the Board of Directors may fix."

On the other hand, SRC Rule 38, as amended, provide in part as follows:

"8. Nomination and Election of Independent Director/s

The following rules shall be applicable to all covered companies:

- A. The Nomination Committee (the "Committee") shall have at least three (3) members, one of whom is an independent director. It shall promulgate the guidelines or criteria to govern the conduct of the nomination. The same shall be

properly disclosed in the Registrant's information or proxy statement or such other reports required to be submitted to the Commission.

- B. Nomination of independent director/s shall be conducted by the Committee prior to a stockholders' meeting. All recommendations shall be signed by the nominating stockholders together with the acceptance and conformity by the would-be nominees.
- C. The Committee shall pre-screen the qualifications and prepare a final list of all candidates and put in place screening policies and parameters to enable it to effectively review the qualifications of the nominees for independent director/s.
- D. After the nomination, the Committee shall prepare a Final List of Candidates which shall contain all the information about all the nominees for independent directors, as required under Part IV (A) and (C) of Annex "C" of SRC Rule 12, which list, shall be made available to the Commission and to all stockholders through the filing and distribution of the Information Statement, in accordance with SRC Rule 20, or in such other reports the Registrant is required to submit to the Commission. The name of the person or group of persons who recommended the nomination of the independent director shall be identified in such report including any relationship with the nominee.
- E. Only nominees whose names appear on the Final List of Candidates shall be eligible for election as Independent Director/s. No other nominations shall be entertained after the Final List of Candidates shall have been prepared. No further nominations shall be entertained or allowed on the floor during the actual annual stockholders'/memberships' meeting."

The Registrant has complied with the guidelines on the nomination and election of independent directors set forth in Rule 38 of the Amended Implementing Rules and Regulations of the Securities Regulation Code. The nominated independent directors, namely Ms. Jessie D. Cabaluna and Mr. Raul Juan N. Esteban were duly nominated by Mr. Romeo M. Sabater, a registered shareholder of the Registrant who is not a director, officer or substantial shareholder of the Registrant and who is not related to either of the said nominees. The Nominations Committee of the Company is composed of Mr. Manuel B. Villar, Jr., Chairman and Camille A. Villar, Member.

Under recommendation 5.3 of SEC Memorandum Circular No. 19, Series of 2016, the SEC allows independent directors the maximum tenure of nine (9) years to sit in the Board of a publicly listed company. The tenure of the independent directors is still within the permissible period under the said SEC recommendation as Ms. Jessie D. Cabaluna was elected as independent director in 2019 and Mr. Raul Juan N. Esteban was elected as independent director in 2023.

## Appraisals and Performance Report for the Board

Attendance of each director of the Corporation in Board meetings held during the year 2024 as follows:

<i>Director's Name</i>	<b>April 25</b>	<b>May 15</b>	<b>May 27</b>	<b>June 28</b>	<b>August 13</b>	<b>October 21</b>	<b>November 13</b>	<b>Attendance Percentage</b>
Manuel B. Villar, Jr.	P	P	P	P	P	P	P	100%
Camille A. Villar	P	P	P	P	P	P	P	100%
Manuel Paolo A. Villar	P	P	P	P	P	P	P	100%
*Benjamarie Therese N. Serrano	P	P	P	P	P	-	-	71%
**Dante M. Julongbayan	-	-	-	-	-	P	P	29%
Frances Rosalie T. Coloma	P	P	P	P	P	P	P	100%
Raul Juan N. Esteban	P	P	P	P	P	P	P	100%
Jessie D. Cabaluna	P	P	P	P	P	P	P	100%

Legend: (A) Absent, (P) Present, (-) Not Applicable

\* Died/Term Ended on September 5, 2024

\*\* Elected on October 21, 2024

The Board has established committees to assist in exercising its authority in monitoring the performance of the Company in accordance with its Corporate Governance Manual and Code of Business Ethics.

## Term of Office

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

## Resignations/Declined Nominations

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

## Significant Employees

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

## Family Relationships

Manuel B. Villar, Jr., is the father of Manuel Paolo A. Villar and Camille A. Villar. Except for said



relationship, none of the aforementioned Directors or Executive Officers is related to the others by consanguinity or affinity within the fourth civil degree.

### ***Certain Relationships and Related Transactions***

As of March 31, 2025, the Villar Family Companies held 67.74% of the total issued and outstanding common share capital of the Company.

The Company, in its ordinary course of business, engage in transactions with the Villar Family Companies and their respective subsidiaries. The Company's policy with respect to related-party transactions is to ensure that these transactions are entered into on terms at least comparable to those available from unrelated third parties.

The transactions with related parties for the year ended December 31, 2024 are discussed in the Company's 2024 Audited Financial Statements attached in this Information Statement. Please see Note 18, pages 33 to 34 of the Notes to the Financial Statements accompanying the Company's 2024 Audited Financial Statements. All individual material related party transactions shall be approved by at least two-thirds vote of the BOD, with at least a majority of the independent directors voting to approve the material related party transactions.

The Company's directors and employees are required to promptly disclose any business and family-related transactions with the Company to ensure that potential conflicts of interest are surfaced and brought to the attention of management. None of the Company's directors has entered into self-dealing and related party transactions with or involving the Company in 2024.

### ***Involvement in Certain Legal Proceedings***

None of the aforementioned Directors or Executive Officers is, or has been, involved in any criminal or bankruptcy proceeding, or is, or has been, subject to any judgment of a competent court barring or otherwise limiting his involvement in any type of business, or has been found to have violated any securities laws during the past five (5) years and up to the latest date.

### **Compensation of Directors and Executive Officers**

#### ***Executive Compensation***

The executive officers of the Registrant are currently receiving and will continue to receive fixed salaries on a monthly basis from the respective subsidiaries or businesses of the Registrant that they manage. The compensation for its executive officers for the year 2023 and 2024 (actual) and 2025 (projected) are as shown below:

<b>Names</b>	<b>Position</b>	<b>Year</b>	<b>Salary and Bonus</b>
<b>Aggregate executive compensation for the following key management officers:</b>			
Frances Rosalie T. Coloma	President	<b>Actual 2023</b>  <b>Actual 2024</b>  <b>Projected 2025</b>	<b>₱ 30.9 M</b>
Robirose M. Abbot	CFO/ CRO/ Head of IR		<b>₱ 16.3 M</b>
Marianita N. Domingo	COO		<b>₱ 18.0 M</b>
Louella M. Fernandez	Controller/ Compliance Officer		
<b>Aggregate executive</b>		<b>Actual 2023</b>	<b>₱ 42.4 M</b>

<b>compensation for all other officers and directors, unnamed</b>		<b>Actual 2024</b>	<b>₱ 76.6 M</b>
		<b>Projected 2025</b>	<b>₱ 84.3 M</b>

The total annual compensation paid to the above-named officers and directors was paid in cash. The annual compensation includes the basic salary, the mid-year and 13<sup>th</sup> month bonus. No other annual compensation was given to above-named officers and directors except for the mentioned annual compensation package.

### **Standard arrangements**

Other than payment of reasonable per diem of P100,000 per non-executive director for every meeting, there are no standard arrangements pursuant to which the Board of Directors are compensated, or are to be compensated, directly or indirectly, for any services provided as a director during 2024.

Director	Total Remuneration in 2024
Manuel B. Villar Jr.	P-
Camille A. Villar	-
Dante M. Julongbayan**	-
Benjamarie Therese N. Serrano*	-
Frances Rosalie T. Coloma	-
Manuel Paolo A. Villar	-
Raul Juan N. Esteban	450,000
Jessie D. Cabaluna	450,000
<b>Total</b>	<b>P900,000</b>

\* Died/Term Ended on September 5, 2024

\*\* Elected on October 21, 2024

### **Other arrangements**

There are no other arrangements pursuant to which any director of the Company was compensated, or is to be compensated, directly or indirectly by the Company, during 2024 for any service provided as a director.

### **Employment contract between the company and executive officers**

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

### **Warrants and options held by the executive officers and directors**

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

### **Significant employee**

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

### **Independent Public Accountants**

The auditing firm Punongbayan & Araullo ("P&A") is being recommended for election as external auditor for the current year. The Company is compliant with SRC Rule 68, (3), (b), (iv), requiring the rotation of external auditors or engagement partners for a period of five (5) consecutive years. As P&A has been the external auditor of the Company since 2018 with Mr. James Araullo as the signing partner for AllHome, beginning 2023.

Representatives of the said firm are expected to be present at the annual stockholders' meeting and will have the opportunity to make a statement if they desire to do so, and are expected to be available to respond to appropriate questions. In 2024, the Registrant's auditors did not perform any substantial non-audit services for the Registrant.

### **Changes in and Disagreement with Accountants on Accounting and Financial Disclosure**

The Company has not had any material disagreements on accounting and financial disclosures with its current external auditor for the same periods.

There are no disagreements with auditors on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which, if not resolved to their satisfaction, would have caused the auditors to make reference thereto in their reports on the financial statements of the Company and its subsidiaries.

### **Audit Committee's Approval Policies and Procedures**

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

The Audit Committee of the Registrant was composed of Mr. Raul Juan N. Esteban, Chairman, and Mr. Manuel Paolo A. Villar and Ms. Jessie D. Cabaluna, members.

### **Audit and Audit-Related Fees**

The following table sets out the aggregate fees billed for each of the last two years for professional services rendered by P&A.

	<b><u>2024</u></b>	<b><u>2023</u></b>
	<b><i>(In ₱ Thousands with VAT)</i></b>	
Audit and Audit-Related Fees	₱ 1,875.0	₱ 1,700.0
Fees for services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements		
Non – Audit Fees	155.0	
All Other Fees	-	-
<b>Total</b>	<b>₱ 2,030.0</b>	<b>₱ 1,700.0</b>

*P&A does not have any direct or indirect interest in the Company. Other than the agreed upon procedure for the KPI report on electricity and water consumption, no other assurance and related services were rendered.*

### **Tax Fees**

Except as provided above, the Registrant did not pay any tax fees and other fees to its external auditors.

### **Authorization or Issuance of Securities Other than for Exchange**

Not applicable. The Company has not issued any authorization or issuance of securities other than for Exchange.

### **Modification or Exchange of Securities**

Not applicable. There has not been any modification or exchange of securities.

### **Mergers, Consolidations, Acquisitions and Similar Matters**

Not applicable. The Company is not subject of any merger or consolidation.

### **Acquisition or Disposition of Property**

Not applicable. The Company has not acquired any new property.

### **Restatement of Accounts**

Not applicable. The Company has not restated any accounts.

## **OTHER MATTERS**

### **Action with Respect to Reports**

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

1. Minutes of the last Annual Meeting of Stockholders held on June 28, 2024, covering the following matters: (i) Approval of the minutes of the Annual Stockholders' Meeting held on June 23, 2023; (ii) Presentation of the President's Report, Management Report and Audited Financial Statements for the year 2023; (iii) Ratification of all acts and resolutions of the Board of Directors and Management since the annual stockholders' meeting held in June 24, 2023; (iv) Election of the members of Board of Directors, including the Independent Directors of the Company for the ensuing fiscal year; (v) Appointment of the external auditor of the Company for the fiscal year 2024; and (vi) other matters.
2. The President's Report; and
3. Audited Financial Statements for the year 2024.

The 2024 Annual Meeting of the Shareholders was held via remote communication and was attended by the shareholders, the Board of Directors, and various officers of the Corporation. The shareholders were allowed to vote on each agenda item presented to them for approval, with the number of votes approving each agenda item indicated in their respective sections in the Minutes. The shareholders were also given the opportunity through electronic mail to ask questions, express opinion, and make suggestions on various issues related to the Corporation. In compliance with Section 49 of the Revised Corporation Code, the Minutes of the Annual Meeting of the Shareholders held on June 28, 2024 and the 2024 Definitive Information Statement contain the following: (a) a description of the voting and tabulation procedures used in the meeting, (b) a

description of the opportunity given shareholders to ask questions and a description of the nature of the questions, (c) matters discussed and resolutions reached and the record of the voting results for each agenda item and (d) a list of the directors and shareholders who attended the meeting.

### **Matters Not Required to be Submitted**

There are no matters or actions to be taken up in the meeting that will not require the vote of the stockholders as of the record date.

### **Amendment of Charter, Bylaws or Other Documents**

There are no amendments of articles of incorporation and by-laws in 2024.

### **Other Proposed Actions**

1. Ratification of all acts and resolutions of the Board of Directors and Management for the year 2024 until the date of the meeting, as set forth in the minutes of the meetings of the Board of Directors held during the same period and in the disclosures that have been duly filed with the SEC and the PSE. These minutes cover the approval of the quarterly and annual reports of the Registrant filed with the SEC and the PSE; resignation/election of members of the Board of Directors; appointment of authorized signatures for various transactions in the normal course of business of the Company as well as opening and closure of various investment and/or deposit accounts.
2. Election of External Auditors

### **Voting Procedures**

#### *Manner of voting*

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

For the purpose of electing directors, a stockholder may vote such number of his shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them in the same principle among as many candidates as he shall see fit. Unless required by law, or demanded by a stockholder present or represented at the meeting and entitled to vote thereat, voting need not be by ballot and will be done by show of hands.

#### *Voting requirements*

- (a) With respect to the election of directors, candidates who received the highest number of votes shall be declared elected.
- (b) With respect to the adoption of the Audited Financial Statements for the year ended 31 December 2024, as well as the approval or ratification of the other actions set forth under the heading "Other Proposed Actions" above, the vote of majority of the outstanding capital stock entitled to vote and represented in the meeting is required to approve such matters.

#### *Method of counting votes*

The Corporate Secretary will be responsible for counting votes based on the number of shares entitled to vote owned by the stockholders who are present or represented by proxies at the Annual

Meeting of the stockholders.

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



## PART II

### MANAGEMENT REPORT

#### I. FINANCIAL STATEMENTS

The Financial Statements of the Registrant as of and for the year ended December 31, 2024 are incorporated herein in the accompanying Index to Financial Statements and Supplementary Schedules.

#### II. INFORMATION ON INDEPENDENT ACCOUNTANT

Punongbayan & Araullo (P&A) independent certified public accountants, audited the Company's consolidated financial statements without qualification as of and for the years ended December 31, 2021, 2022 and 2024, included in this report. James Araullo is the current audit partner for the Company.

The Company has not had any disagreements on accounting and financial disclosures with its current external auditors for the same periods or any subsequent interim period. P&A has neither shareholding in the Company nor any right, whether legally enforceable or not, to nominate persons or to subscribe for the securities in the Company. P&A will not receive any direct or indirect interest in the Company or in any securities thereof (including options, warrants or rights thereto). The foregoing is in accordance with the Code of Ethics for Professional Accountants in the Philippines set by the Board of Accountancy and approved by the Professional Regulation Commission.

The following table sets out the aggregate fees billed for each of the last two years for professional services rendered by P&A.

	<u>2024</u>	<u>2023</u>
	<i>(In ₱ Thousands with VAT)</i>	
Audit and Audit-Related Fees	₱ 1,875.0	₱ 1,700.0
Fees for services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements		
Non – Audit Fees	155.0	
All Other Fees	-	-
<b>Total</b>	<b>₱ 2,030.0</b>	<b>₱ 1,700.0</b>

*P&A does not have any direct or indirect interest in the Company. Other than the agreed upon procedure for the KPI report on electricity and water consumption, no other assurance and related services were rendered.*

#### III. AUDIT COMMITTEE'S APPROVAL AND PROCEDURES FOR THE SERVICES OF THE EXTERNAL AUDITOR

The scope, extent, and nature of the services to be referred to, and/or rendered by the appointed external auditor of the Company has been unanimously approved by the audit committee in a meeting duly called for the purpose, including the fees to be paid for the services thus rendered and/or referred. In relation to the audit of the Company's annual financial statements, the Company's Corporate Governance Manual provides that the audit committee shall, among other activities (i) evaluate significant issues reported by the external auditors in relation to the adequacy, efficiency and effectiveness of policies, controls, processes and activities of the Company; (ii) ensure that other non-audit work provided by the external auditors are not in conflict with their functions as external auditors; and (iii) ensure the compliance of the Company with acceptable auditing and accounting standards and regulations.

#### IV. MANAGEMENT'S DISCUSSION AND ANALYSIS

##### REVIEW OF FIRST QUARTER END 2025 VS FIRST QUARTER END 2024

##### RESULTS OF OPERATIONS

	Unaudited March 31, 2025	Unaudited March 31, 2024	Horizontal Analysis % Change	Vertical Analysis	
	(In millions of PHP)			1Q2025	1Q2024
Sales	1,768.01	2,760.52	-35.95%	100%	100%
Cost of Merchandise Sold	1,095.45	1,717.04	-36.20%	62%	62%
Gross Profit	672.57	1,043.48	-35.55%	38%	38%
Support, Fees, Rentals, and Other Revenues	38.52	48.31	-20.26%	2%	2%
Gross Profit including Other Revenues	711.09	1,091.79	-34.87%	40%	40%
Total Operating Expenses	529.18	774.96	-31.72%	30%	28%
Operating Profit	181.91	316.82	-42.58%	10%	11%
Other Income					
Finance costs	126.20	130.19	-3.07%	7%	5%
Finance income	0.47	0.40	18.31%	0%	0%
	125.73	129.79			
Profit Before Tax	56.18	187.03	-69.96%	3%	7%
Tax Expense					
Current	14.32	21.84	-34.44%	1%	1%
Deferred	0.27	24.84	-98.91%	0%	1%
	14.05	46.68			
NET PROFIT	42.14	140.35	-69.98%	2%	5%

##### Quarter Ended March 31, 2025 compared to quarter ended March 31, 2024

##### Sales

The company recorded sales of ₱1,768.0 million for the three months ended March 31, 2025, a decrease of about 16% from ₱2,760.5 million for the three months ended March 31, 2024. The property market, which significantly drives spend on construction and furnishing continued to be soft. This, coupled with the shift in consumer spending priorities to food, travel, entertainment, and health resulted to a lower transaction count and consequent decline in SSSG. The condominium market in Metro Manila continues to see a lengthened inventory of ready-for-occupancy units, recently estimated to last 8 years; whereas, vacancy in the secondary market reached 23.9%, an all-time high. Developers have been cautious on new launches, resulting in historic low launches and take-up.

The following table shows the key operating performance indicators relevant to the revenues for the period ended March 31, 2025 and 2024.

	As of and for the period ended 31 March		
	2025	2024	% change
Number of Stores	72	72	0.0%
Net Selling Area (in sqm)	282,412	296,933	-21.0%
Net Sales (Php millions)	1,768.0	2,760.5	-36.0%
SSSG	-35.5%	-6.3%	

### **Cost of Merchandise Sold**

For the three months ended March 31, 2025, cost of merchandise sold was at ₱1,095.4 million, a decrease of 36% from the ₱1,717.0 million for the same period in 2024 corresponding to the decrease in sales.

### **Support, Fees, Rentals and Other Revenues**

Support, Fees, Rentals and Other Revenues decreased by 8% from ₱48.3 million for the three months ended March 31, 2024 to ₱38.5 million for the three months ended March 31, 2025, primarily due to the decrease in vendor's support with no store opened during the period.

### **Selling, General and Administrative Expenses**

Selling, General and Administrative Expenses decreased by 68.3% to ₱529.2 million for the three months ended March 31, 2025 from ₱775.0 million for the same period in 2024, primarily due to the following reason:

- Decrease in depreciation and amortization from ₱361.1 million in March 31, 2024 to ₱370.1 million in March 31, 2025 attributed to the closure of a branch store in Mandaluyong and Las Pinas. Two new stores in Muntinlupa were opened at the end of 2024 retaining the number of stores at 72.
- Decrease in salaries, wages, and employee benefits from ₱111.3 million in March 31, 2024 to ₱57.5 million in March 31, 2024 due to the retirement of some senior managers of the company.
- Decrease in outside services from ₱65.3 million in March 31, 2024 to ₱14.4 million in March 31, 2025 due to deployment rationalization of store personnel.
- Decrease in rentals from ₱54.0 million in March 31, 2024 to ₱27.0 million in March 31, 2025 due to lower sales which is the basis for the rental computation.
- Decrease in communication and utilities from ₱88.0 million in March 31, 2024 to ₱31.0 million in March 31, 2025 due to cost-saving measures being implemented.
- Decrease in merchant fee from ₱36.0 million in March 31, 2024 to ₱5.3 million in March 31, 2025 attributable to decline in sales for the period.
- Decrease in taxes and licenses from ₱19.0 million in March 31, 2024 to ₱13.3 million in March 31, 2025 due to lower sales.

- Decrease in repairs and maintenance from ₱8.3 million in March 31, 2024 to ₱2.0 million in March 31, 2025 due to efficient and timely weatherproofing maintenance services done in the stores.
- Decrease in office and store supplies from ₱5.0 million in March 31, 2024 to ₱1.0 million in March 31, 2025 due primarily to cost-saving initiatives
- Decrease in professional fees from ₱3.0 million in March 31, 2024 to ₱1.0 million in March 31, 2025 due to timing difference in the payment of audit fees, BOD fees, and other various engagements.
- Decrease in advertising and promotions from ₱5.0 million in March 31, 2024 to ₱1.2 million in March 31, 2025 on account of cost-saving measures implemented and usage of online digital and social media platforms for marketing purposes.
- Decrease in dues and subscriptions from ₱4.0 million in March 31, 2024 to ₱0.3 million in March 31, 2025 due primarily to cost-saving initiatives.
- Decrease in transportation expense from ₱6.0 million in March 31, 2024 to ₱1.2 million in March 31, 2025 due primarily to cost-saving initiatives.
- Decrease in insurance expense from ₱5.3 million in March 31, 2024 to ₱4.0 million in March 31, 2025 due to adjustment in rates and coverages.
- Decrease in representation and entertainment from ₱1.7 million in March 31, 2024 to ₱0.4 million in March 31, 2025 due primarily to cost-saving initiatives.
- Decrease in commission expense from ₱1.1 million in March 31, 2024 to ₱0.2 million in March 31, 2025 primarily due to the decrease in sales which are generally the basis for commission incentives.
- Decrease in miscellaneous expense from ₱2.8 million in March 31, 2024 to ₱1.0 million in March 31, 2025 due primarily to cost-saving initiatives.

### **Finance Cost, net**

Finance cost, net decreased from ₱130.2 million for the three months ended March 31, 2024 to ₱126.2 million for the three months ended March 31, 2025 due to adjustment in capitalized borrowing cost.

### **Tax Expense**

Tax expense decreased by 70.0% from ₱46.7 million for the three months ended March 31, 2024 to ₱14.0 million for the three months ended March 31, 2025 due to lower taxable income for the period.

### **Net Profit**

As a result of the foregoing, our net income decreased by 70% from ₱140.4 million net profit for the three months ended March 31, 2024 to ₱42.1 million net profit for the three months ended March 31, 2025.

## FINANCIAL CONDITION

	Unaudited March 31, 2025 (In millions of PHP)	Audited December 31, 2024	Horizontal Analysis % Change	Vertical Analysis	
				1Q2025	FY2024
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	1,337.64	1,357.58	-1.47%	5.00%	5.04%
Trade and other receivables – net	995.27	1,074.36	-7.36%	3.72%	3.99%
Merchandise inventories	7,466.78	7,441.36	0.34%	27.93%	27.61%
Other current assets	3,653.53	3,655.65	-0.06%	13.66%	13.56%
Total current assets	<b>13,453.23</b>	<b>13,528.95</b>	-0.56%	50.31%	50.19%
<b>NON-CURRENT ASSETS</b>					
Property and equipment – net	12,560.14	12,705.53	-1.14%	46.97%	47.14%
Other non-current assets	725.14	721.00	0.57%	2.71%	2.67%
Total non-current assets	<b>13,285.27</b>	<b>13,426.53</b>	-1.05%	49.69%	49.81%
<b>TOTAL ASSETS</b>	<b>26,738.50</b>	<b>26,955.48</b>	-0.80%	100.00%	100.00%
<b>LIABILITIES AND EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Trade and other payables	760.63	960.13	-20.78%	2.84%	3.56%
Loans payable – current portion	4,158.91	4,090.50	1.67%	15.55%	15.18%
Lease Liabilities – current portion	518.61	516.22	0.46%	1.94%	1.92%
Income tax payable	12.17	14.25	-14.58%	0.05%	0.05%
Total current liabilities	<b>5,450.32</b>	<b>5,581.11</b>	-2.34%	20.38%	20.70%
<b>NON-CURRENT LIABILITIES</b>					
Lease Liabilities – net of current portion	2,230.15	2,230.15	0.00%	8.34%	8.27%
Loans payable – net of current portion	2,031.02	2,161.71	-6.05%	7.60%	8.02%
Deferred tax liabilities – net	653.12	653.39	-0.04%	2.44%	2.42%
Retirement benefit obligation	65.03	62.38	4.24%	0.24%	1.53%
Total non-current liabilities	4,979.32	5,107.63	-2.51%	18.62%	18.95%
Total Liabilities	<b>10,429.63</b>	<b>10,688.74</b>	-2.42%	39.01%	39.65%
<b>EQUITY</b>					
Capital stock	3,750.00	3,750.00	0.00%	14.02%	13.91%
Additional paid-in capital	7,209.30	7,209.30	0.00%	26.96%	26.75%
Revaluation reserves – net	53.07	53.07	0.00%	0.20%	0.20%
Retained earnings	5,296.50	5,254.37	0.80%	19.81%	19.49%
Total Equity	<b>16,308.87</b>	<b>16,266.73</b>	0.26%	60.99%	60.35%
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>26,738.50</b>	<b>26,955.48</b>	-0.80%	100.00%	100.00%

### As of 31 March 2025 vs. 31 December 2024

Total assets amounting to ₱26,739.0 million as of March 31, 2025 recorded a decrease of 1% from the reported amount of ₱26,955.4 million in December 31, 2024 due to the following:

- Cash amounting to ₱1,417.6 million as of March 31, 2025 recorded a decrease of 1.4% from the reported amount of ₱1,437.5 million in December 31, 2024 due to the timing difference in the payment of various purchases and collection of receivables.

- Trade and Other Receivables amounting to ₱995.3 million as of March 31, 2025 recorded a decrease of 7.4% from the reported amount of ₱1,074.4 million reported in December 31, 2024 due to timing difference in collection and decrease in corporate sales.
- Merchandise Inventory amounting to ₱7,467.0 million as of March 31, 2025 recorded a slight increase of 0.3% from the ₱7,441.4 million reported in December 31, 2024 due to continuous replenishment and timing of purchase to refresh inventory.
- Property and Equipment amounting to ₱12,560.1 million as of March 31, 2025 recorded a decrease of 1% from the ₱12,705.5 million reported in December 31, 2024 primarily due to depreciation.
- Other Assets amounting to ₱4,298.6 million, as of March 31, 2025, recorded a slight increase from the amount ₱4,296.6 million reported in December 31, 2024 due primarily to the timing of purchase and payment.

Total liabilities amounting to ₱10,429.6 million as of March 31, 2025 recorded a decrease of 2% from the reported amount of ₱10,688.7 million in December 31, 2024. This was due to the following:

- Trade and other payables amounting to ₱761.0 million, as of March 31, 2025, recorded a decrease of 21% from the ₱960.1 million reported in December 31, 2024 due to payments of payables for the purchase of inventories. Payment to non-trade such those relating to delivery fee and rent also decrease as sales also decline. While payable relating to agency and other operating expense decrease due to the continued cost rationalization effort.
- Loans payable including non-current portion amounting to ₱6,389.0 million, as of March 31, 2025, recorded an increase of 1% from the ₱6,230.2 million reported in December 31, 2024 due to advance refinancing on maturing loans.
- Lease liability including non-current portion amounting to ₱2,549.6 million, as of March 31, 2025, recorded a decrease of 5% from the ₱2,678.0 million reported in December 31, 2024 due to lease payments made.
- Income tax payable amounting to ₱12.2 million, as of March 31, 2025, recorded a decrease of 14% from the ₱14.2 million reported in December 31, 2024 due to lower sales which is the basis of tax payments.
- Deferred Tax Liability amounting to ₱653.4 million, as of March 31, 2025, recorded a slight decrease from the amount ₱653.1 million reported in December 31, 2024 due to the adjustment to temporary tax differences for the period.
- Retirement benefit obligation amounting to ₱65.0 million, as of March 31, 2025, recorded an increase of 4% from the ₱62.4 million reported in December 31, 2024 due to adjustment of provision for the retirement benefit.

Total stockholder's equity amounting to ₱16,309.0 million, as of March 31, 2025, recorded a slight increase of from the ₱16,267.0 million reported in December 31, 2024 due to net income recorded for the period.



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

Key Performance Indicators	3/31/2025	3/31/2024
Revenue (₱ millions)	₱1,768.0	₱2,760.5
Gross Profit (₱ millions)	672.6	1,043.6
Gross Profit Margin (%) <sup>(a)</sup>	38.0%	37.8%
Net Profit or Loss (₱ millions)	42.0	140.3
Net Profit Margin (%) <sup>(b)</sup>	2.4%	5.1%

<sup>(a)</sup> Gross Profit Margin: This ratio is obtained by dividing the Gross Profit of the Company by its Revenue

<sup>(b)</sup> Net Profit Margin: This ratio is obtained by dividing the Net Profit of the Company by its Revenue

Since there are various calculation methods for the performance indicators above, the Company's presentation may not be comparable to similarly titled measures used by other companies.

Revenues decreased for the three months ended March 31, 2025 compared to the three months ended March 31, 2024 due the property market, which significantly drives spend on construction and furnishing continued to be soft. This, coupled with the shift in consumer spending priorities to food, travel, entertainment, and health resulted to a lower transaction count and consequent decline in SSSG.

Gross Profit decreased for the three months ended March 31, 2025 compared to three months ended March 31, 2024 due to the decrease in sales.

Gross Profit Margin slightly increased for the three months ended March 31, 2025 compared to three months ended March 31, 2024 due to lower cost of goods sold as these were purchased in advance in the previous quarters at lower cost.

Net Profit or Loss, and Net Profit Margin decreased for the three months ended March 31, 2025 compared to three months ended March 31, 2024 due to lower sales and the increase in operating expenses

#### **Material Changes to the Company's Balance Sheet as of 31 March 2025 compared to 31 December 2024 (increase/decrease of 5% or more)**

- Trade and Other Receivables amounting to ₱995.3 million as of March 31, 2025 recorded a decrease of 7.4% from the reported amount of ₱1,074.4 million reported in December 31, 2024 due to timing difference in collection and decrease on corporate sales.
- Trade and other payables amounting to ₱761.0 million, as of March 31, 2025, recorded a decrease of 21% from the ₱960.1 million reported in December 31, 2024 due to payments of payables for the purchase of inventories. Payment to non-trade such those relating to delivery fee and rent also decrease as sales also decline. While payable relating to agency and other operating expense decrease due to the continued cost rationalization effort.
- Lease liability including non-current portion amounting to ₱2,549.6 million, as of March 31, 2025, recorded a decrease of 5% from the ₱2,678.0 million reported in December 31, 2024 due to lease payments made.
- Income tax payable amounting to ₱12.2 million, as of March 31, 2025, recorded a decrease of 15% from the ₱14.2 million reported in December 31, 2024 due to lower sales which is the basis of tax payments.

#### **Material Changes to the Company's Statement of Income for the 3-month of 2025 compared to**

**the 3-month of 2024 (increase/decrease of 5% or more)**

- The company recorded sales of ₱1,768.0 million for the three months ended March 31, 2025, a decrease of about 16% from ₱2,760.5 million for the three months ended March 31, 2024. The property market, which significantly drives spend on construction and furnishing continued to be soft. This, coupled with the shift in consumer spending priorities to food, travel, entertainment, and health resulted to a lower transaction count and consequent decline in SSSG.
- For the three months ended March 31, 2025, cost of merchandise sold was at ₱1,095.4 million, a decrease of 36% from the ₱1,717.0 million for the same period in 2024 corresponding to the decrease in sales.
- Support, Fees, Rentals and Other Revenues decreased by 8% from ₱48.3 million for the three months ended March 31, 2024 to ₱38.5 million for the three months ended March 31, 2025, primarily due to the decrease in vendor's support with no store opened during the period.
- Tax expense decreased by 69.9% from ₱46.7 million for the three months ended March 31, 2024 to ₱14.4 million for the three months ended March 31, 2025 due to lower taxable income for the period.
- As a result of the foregoing, our net income decreased by 70% from ₱140.4 million net profit for the three months ended March 31, 2024 to ₱42.1 million net profit for the three months ended March 31, 2025.

**COMMITMENTS AND CONTINGENCIES**

There are no material commitment and contingency as of March 31, 2025 and as of March 31, 2024. For the 3-month of 2025, there was no seasonal aspect that had a material effect on the financial condition or results of operations of the Company. Neither were there any trends, events or uncertainties that have had or that are reasonably expected to have a material impact on the net sales or revenues or income from continuing operations. The Company is not aware of events that will cause a material change in the relationship between the costs and revenues.

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

## **REVIEW OF FULL YEAR 2024 VS FULL YEAR 2023**

### **RESULTS OF OPERATIONS**

	<b>FY2024</b>	<b>FY2023</b>	<b>Horizontal Analysis</b>	<b>Vertical Analysis</b>	
	(In millions of PHP)		% Change	FY2024	FY2023
Sales	9,890.52	12,065.43	-18.03%	100%	100%
Cost of Merchandise Sold	6,140.50	7,486.48	-17.98%	62%	62%
Gross Profit	3,750.03	4,578.95	-18.10%	38%	38%
Support, Fees, Rentals, and Other Revenues	172.56	222.05	-22.29%	2%	2%
Gross Profit including Other Revenues	3,922.58	4,801.00	-18.30%	40%	40%
Total Operating Expenses	1,020.15	3,282.88	-68.92%	10%	27%
Operating Profit	1,020.15	1,518.13	-32.80%	10%	13%
Other Income					
Finance costs	529.38	456.83	15.88%	5%	4%
Finance income	2.20	1.54	43.06%	0%	0%
	507.90	455.29			
Profit Before Tax	512.25	1,062.83	-51.80%	5%	9%
Tax Expense					
Current	78.90	106.78	-26.11%	1%	1%
Deferred	32.56	158.80	-79.50%	0%	1%
	111.46	265.57			
<b>NET PROFIT</b>	<b>400.80</b>	<b>797.26</b>	-49.73%	4%	7%

### **Year ended December 31, 2024 compared to year ended December 31, 2023**

#### **Sales**

The company recorded sales of ₱9,890.5 million for the year ended 31 December 2024, a decrease of 18% from ₱12,065.4 million for the year ended 31 December 2023. This was brought about by the weakened demand in the hard categories as customers deferred their purchases for home construction and finishing owing to rising inflation, while continued delay in completion and turn-over of residential units resulted to lower sales of appliances, furniture, and furnishings – all under soft categories.

The following table shows the key operating performance indicators relevant to the revenues for the period ended 31 December 2024 and 2022.

As of and for the period ended 31 December		
<b>2024</b>	<b>2023</b>	Percentage Change

Number of stores	72	72	0.0%
Net Selling Area (in sqms)	282,412	296,303	-5.0%
Net Sales (₱ millions)	9,891	12,065	-18.0%
SSSG	-18.4%	-13.0%	

*\*Excluding 3 Alabang stores*

### **Cost of Merchandise Sold**

For the year ended 31 December 2024, cost of merchandise sold was at ₱6,140.4 million, a decrease of 18% from the ₱7,486.4 level for the same period in 2023 corresponding to the decrease in sales.

### **Support, Fees, Rentals and Other Revenues**

Support, fees, rentals, and other revenues decreased by 22% from ₱222.1 million for the year ended 31 December 2023 to ₱172.5 million for the year ended 31 December 2024, primarily due to the decrease in sales which are generally the basis for vendor incentives and support.

### **Selling, General and Administrative Expenses**

Selling, general and administrative expenses decreased by 12% to ₱2,902.4 million for the year ended 31 December 2024 from ₱3,283.0 million for the same period in 2023, primarily due to the following reasons:

- Increase in depreciation and amortization from ₱1,450.3 million for the year ended 31 December 2023 to ₱1,454.5 million for the year ended 31 December 2024 attributed to several capitalized store refurbishments.
- Decrease in salaries and wages from ₱413.3 million for the year ended 31 December 2023 to ₱351.0 million for the year ended 31 December 2024 due to the retirement of some senior personnel of the company.
- Decrease in rentals from ₱273.0 million for the year ended 31 December 2023 to ₱185.0 million for the year ended 31 December 2024 due to lower sales which is used for the rental computation.
- Decrease in outside services from ₱282.0 million for the year ended 31 December 2023 to ₱202.6 million for the year ended 31 December 2024 due to deployment rationalization of store personnel.
- Decrease in communication and utilities from ₱370.4 million for the year ended 31 December 2023 to ₱361.1 million for the year ended 31 December 2024 due to cost-saving measures being implemented.
- Decrease in merchant fee from ₱155.2 million for the year ended 31 December 2023 to ₱112.2 million for the year ended 31 December 2024 attributable to decline in sales for the period.
- Decrease in taxes and licenses from ₱101.0 million for the year ended 31 December 2023 to ₱100.0 million for the year ended 31 December 2024 due to lower sales tax base.
- Decrease in repairs and maintenance from ₱30.0 million for the year ended 31 December 2023 to ₱29.0 million for the year ended 31 December 2024 due to early timing of repairs and maintenance activities for the year.
- Decrease in office and store supplies from ₱27.0 million for the year ended 31 December 2023 to ₱13.5 million for the year ended 31 December 2024 due primarily to cost-saving

initiatives.

- Decrease in advertising and promotions from ₱20.0 million for the year ended 31 December 2023 to ₱14.6 million for the year ended 31 December 2024 on account of cost-saving measures implemented and usage of online digital and social media platforms for marketing purposes.
- Decrease in transportation expense from ₱18.0 million for the year ended 31 December 2023 to ₱16.0 million for the year ended 31 December 2024 due primarily to cost-saving initiatives.
- Increase in insurance expense from ₱16.1 million for the year ended 31 December 2023 to ₱19.6 million for the year ended 31 December 2024 due to adjustment in rates and coverages.
- Decrease in dues and subscription from ₱13.4 million for the year ended 31 December 2023 to ₱12.0 million for the year ended 31 December 2024 due primarily to cost-saving initiatives.
- Decrease in professional fees from ₱14.6 million for the year ended 31 December 2023 to ₱10.4 million for the year ended 31 December 2024 due to timing difference in the payment of audit fees, BOD fees, and other various engagements.
- Decrease in commission expense from ₱7.1 million the year ended 31 December 2023 to ₱4.0 million for the year ended 31 December 2024 primarily due to the decrease in sales which are generally the basis for commission incentives.
- Decrease in representation and entertainment from ₱7.1 million for the year ended 31 December 2023 to ₱5.0 million for the year ended 31 December 2024 due primarily to cost-saving initiatives.
- Decrease in miscellaneous from ₱21.6 million for the year ended 31 December 2023 to ₱5.3 million for the year ended 31 December 2024 due primarily to cost-saving initiatives.

### **Finance Cost, net**

Finance cost increased from ₱457.0 million for the year ended 31 December 2023 to ₱529.4 million for the year ended 31 December 2024. The increase was primarily attributable to the increase of ₱105.8 million interest expense on loans payable and ₱2.1 million interest expense on retirement funds but slightly offset by the decrease of ₱35.3 million interest expense from lease liability.

### **Finance Income**

Finance income increased from ₱1.5 million for the year ended 31 December 2023 to ₱2.2 million for the year ended 31 December 2024. The increase was primarily attributable to the interest income on time deposits.

### **Other Gains**

In 2024, the Company derecognized right-of-use assets with total carrying amount of P120.9 million, as a result of the pre-termination of leases on certain store outlet. The corresponding lease liabilities derecognized amounted to P140.2 million. Gain on lease modification amounting to P19.3 million was recognized.

As a result, Other gains is ₱19.3 million for the year ended 31 December 2024 from nil for the year ended 31 December 2023.

**Tax Expense**

Tax expense decreased by 58% from ₱265.5 million for the year ended 31 December 2023 to ₱111.5 million for the year ended 31 December 2024 due to lower taxable income for the period.

**Net Profit**

As a result of the foregoing, our net income decreased by about 50% from ₱797.2 million for the year ended 31 December 2023 to ₱400.7 million for the year ended 31 December 2024.

For the 12-month of 2024, there was no seasonal aspect that had a material effect on the financial condition or results of operations of the Company. Neither were there any trends, events or uncertainties that have had or that are reasonably expected to have a material impact on the net sales or revenues or income from continuing operations. The Company is not aware of events that will cause a material change in the relationship between the costs and revenues.

## FINANCIAL CONDITION

	FY2024	FY2023	Horizontal Analysis % Change	Vertical Analysis	
ASSETS	(In millions of PHP)			FY2024	FY2023
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	1,357.58	1,577.50	-13.94%	5.04%	5.85%
Trade and other receivables – net	1,074.36	690.37	55.62%	3.99%	2.56%
Merchandise inventories	7,441.36	7,279.11	2.23%	27.61%	27.00%
Other current assets	3,655.65	3,626.72	0.80%	13.56%	13.45%
Total current assets	<b>13,528.95</b>	<b>13,173.69</b>	2.70%	50.19%	48.86%
<b>NON-CURRENT ASSETS</b>					
Property and equipment – net	12,705.53	13,116.74	-3.14%	47.14%	48.64%
Other non-current assets	721.00	673.91	6.99%	2.67%	2.50%
Total non-current assets	<b>13,426.53</b>	<b>13,790.65</b>	-2.64%	49.81%	51.14%
<b>TOTAL ASSETS</b>	<b>26,955.48</b>	<b>26,964.34</b>	-0.03%	100.00%	100.00%
<b>LIABILITIES AND EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Trade and other payables	960.13	940.30	2.11%	3.56%	3.49%
Loans payable – current portion	4,090.50	3,449.50	18.58%	15.18%	12.79%
Lease Liabilities – current portion	516.22	510.46	1.13%	1.92%	1.89%
Income tax payable	14.25	39.49	-63.92%	0.05%	0.15%
Total current liabilities	<b>5,581.11</b>	<b>4,939.75</b>	12.98%	20.70%	18.32%
<b>NON-CURRENT LIABILITIES</b>					
Lease Liabilities – net of current portion	2,230.15	2,578.75	-13.52%	8.27%	9.56%
Loans payable – net of current portion	2,161.71	2,803.96	-22.91%	8.02%	10.40%
Deferred tax liabilities – net	653.39	598.79	9.12%	2.42%	2.22%
Retirement benefit obligation	62.38	127.40	-51.03%	0.23%	0.47%
Total non-current liabilities	<b>5,107.63</b>	<b>6,108.90</b>	-16.39%	18.95%	22.66%
Total Liabilities	<b>10,688.74</b>	<b>11,048.65</b>	-3.26%	39.65%	40.98%
<b>EQUITY</b>					
Capital stock	3,750.00	3,750.00	0.00%	13.91%	13.91%
Additional paid-in capital	7,209.30	7,209.30	0.00%	26.75%	26.74%
Revaluation reserves – net	53.07	-13.05	-506.57%	0.20%	-0.05%
Retained earnings	5,254.37	4,969.44	5.73%	19.49%	18.43%
Total Equity	<b>16,266.73</b>	<b>15,915.69</b>	2.21%	60.35%	59.02%
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>26,955.48</b>	<b>26,964.34</b>	-0.03%	100.00%	100.00%

### ***As of 31 December 2024 vs. 31 December 2023***

Total assets as of 31 December 2024 were ₱26,955.5 million compared to ₱26,964.3 million as of 31 December 2023, or a slight decrease due to the following:

- Cash decreased by 14% from ₱1,557.5 million as of 31 December 2023 to ₱1,357.6 million as of 31 December 2024 due primarily to decline in sales, higher interest paid and income tax paid for the period caused by MCIT rate change.
- Trade and other receivables increased by 38% from ₱690.3 million as of 31 December 2023 to ₱1,047.3 million as of 31 December 2024 arising from the carrying amount of derecognized leasehold improvement to be reimburse from a related party. Refer further to notes 12.1 and 18.2 of the AFS.
- Merchandise inventories increased by 2% from ₱7,279.1 million as of 31 December 2023 to ₱7,441.3 million as of 31 December 2024 due to continuous replenishment and refresh of new inventory.
- Property and equipment decreased by 2% from ₱13,116.7 million as of 31 December 2023 to ₱12,705.5 million as of 31 December 2024 primarily due to depreciation.
- Other assets increased by 2% from ₱4,300.6 million as of 31 December 2023 to ₱4,376.6 million as of 31 December 2024 due primarily to advances to suppliers and contractors.

Total liabilities as of 31 December 2023 were ₱11,048.6 million compared to ₱10,689.0 million as of 31 December 2024, or a 3% decrease. This was due to the following:

- Loans payable including the non-current portion increased by 5% from ₱6,028.2 million as of 31 December 2023 to ₱6,320.6 million as of 31 December 2024 due to additional loan availment for the period.
- Lease liability including the non-current portion decreased by 19% from ₱3,314.4 million as of 31 December 2023 to ₱2,678.0 million as of 31 December 2024 due to lease pre-termination. Refer further to notes 12.1 of the AFS.
- Income tax payable decreased by 64% from ₱39.5 million as of December 31, 2023 to ₱14.2 million as of 31 December 2024 due to lower sales which is the tax base for the period.
- Deferred tax liabilities increased by 9% from ₱599.0 million as of December 31, 2023 to ₱653.4 million as of 31 December 2024 due to adjustments to temporary tax differences for the period.
- Retirement benefit obligation decreased by 51% from ₱127.3 million as of 31 December 2023 to ₱62.4 million as of 31 December 2024 due to adjustment of provision for the retirement benefit.

Total stockholder's equity increased by 2% from ₱15,915.6 million as of 31 December 2023 to ₱16,267.0 million as of 31 December 2024 due to net income recorded for the period.

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

<b>Key Performance Indicators</b>	<b>12/31/2024</b>	<b>12/31/2023</b>
Revenues ( ₱ millions)	P9,890.5	P12,065.4
Gross Profit ( ₱ millions)	3,750.0	7,785.5
Gross Profit Margin (%) (a)	38.0%	38.0%
Net Profit or Loss ( ₱ millions)	400.8	797.2
Net Profit Margin (%) (b)	4.0%	7.0%

(a) *Gross Profit Margin: This ratio is obtained by dividing the Gross Profit of the Company by its Revenues*

(b) *Net Profit Margin: This ratio is obtained by dividing the Net Profit of the Company by its Revenues*



- (c) *Since there are various calculation methods for the performance indicators above, the Company's presentation may not be comparable to similarly titled measures used by other companies.*

Revenues decreased for the year ended 31 December 2024 compared to year ended 31 December 2023 due to the weakened demand in the hard categories as customers deferred their purchases for home construction and finishing owing to rising inflation, while continued delay in completion and turn-over of residential units resulted to lower sales of appliances, furniture, and furnishings – all under soft categories.

Gross Profit decreased for the year ended 31 December 2024 compared to year ended 31 December 2023 due to the decrease in sales.

Gross Profit Margin remains flat for the year ended 31 December 2024 and year ended 31 December 2023

Net Profit and Net Profit Margin decreased for the year ended 31 December 2024 compared to year ended 31 December 2023 due to lower sales; lower support, fees, rentals and other revenues.

**Material Changes to the Company's Balance Sheet as of 31 December 2024 compared to 31 December 2023 (increase/decrease of 5% or more)**

- Cash decreased by 14% from ₱1,557.5 million as of 31 December 2023 to ₱1,357.6 million as of 31 December 2024 due primarily to decline in sales, higher interest paid and income tax paid for the period cause by MCIT rate change.
- Trade and other receivables increased by 38% from ₱690.3 million as of 31 December 2023 to ₱1,047.3 million as of 31 December 2024 arising from the carrying amount of derecognized leasehold improvement to be reimburse from a related party. Refer further to notes 12.1 and 18.2 of the AFS.
- Loans payable including the non-current portion increased by 5% from ₱6,028.2 million as of 31 December 2023 to ₱6,320.6 million as of 31 December 2024 due to additional loan availment for the period.
- Lease liability including the non-current portion decreased by 19% from ₱3,314.4 million as of 31 December 2023 to ₱2,678.0 million as of 31 December 2024 due to lease pre-termination. Refer further to notes 12.1 of the AFS.
- Income tax payable decreased by 64% from ₱39.5 million as of December 31, 2023 to ₱14.2 million as of 31 December 2024 due to lower sales which is the tax base for the period.
- Deferred tax liabilities increased by 9% from ₱599.0 million as of December 31, 2023 to ₱653.4 million as of 31 December 2024 due to adjustments to temporary tax differences for the period.
- Retirement benefit obligation decreased by 51% from ₱127.3 million as of 31 December 2023 to ₱62.4 million as of 31 December 2024 due to adjustment of provision for the retirement benefit.

**Material Changes to the Company's Statement of Income for the 12-month of 2024 compared to the 12-month of 2023 (increase/decrease of 5% or more)**

- The company recorded sales of ₱9,890.5 million for the year ended 31 December 2024, a decrease of 18% from ₱12,065.4 million for the year ended 31 December 2023. This was brought about by the weakened demand in the hard categories as customers deferred their purchases for home construction and finishing owing to rising inflation, while continued delay in completion and turn-over of residential units resulted to lower sales of appliances, furniture,

and furnishings – all under soft categories.

- For the year ended 31 December 2024, cost of merchandise sold was at ₱6,140.4 million, a decrease of 18% from the ₱7,486.4 level for the same period in 2023 corresponding to the decrease in sales as well as due to lower cost of goods as these were purchased in advance at lower cost.
- Support, fees, rentals, and other revenues decreased by 22% from ₱222.1 million for the year ended 31 December 2023 to ₱172.5 million for the year ended 31 December 2024, primarily due to the decrease in vendor's support.
- Selling, general and administrative expenses decreased by 12% to ₱2,902.4 million for the year ended 31 December 2024 from ₱3,283.0 million for the same period in 2023.
- Finance income increased from ₱1.5 million for the year ended 31 December 2023 to ₱2.2 million for the year ended 31 December 2024. The increase was primarily attributable to the interest income on time deposits.
- Other gains decreased to ₱19.3 million for the year ended 31 December 2024 from nil for the year ended 31 December 2023.
- Tax expense decreased by 58% from ₱265.5 million for the year ended 31 December 2023 to ₱111.5 million for the year ended 31 December 2024 due to lower taxable income for the period.
- As a result of the foregoing, our net income decreased by about 50% from ₱797.2 million for the year ended 31 December 2023 to ₱400.7 million for the year ended 31 December 2024.
- There is no other material change in the Company's financial position (changes of 5% or more) and condition that will warrant a more detailed discussion..

### **COMMITMENTS AND CONTINGENCIES**

There is no material commitment and contingency as of 31 December 2024 and as of 31 December 2023.

## **REVIEW OF YEAR END 2023 VS YEAR END 2022**

### **RESULTS OF OPERATIONS**

*Year Ended December 31, 2023 compared to year ended December 31, 2022*

	FY2023	FY2022	Horizontal Analysis	Vertical Analysis	
	(In millions of ₱)		% Change	% of Total Sales	
				FY2023	FY2022
Sales	12,065.4	12,564.8	-4%	100%	100%
Cost of Merchandise Sold	7,486.5	7,940.6	-6%	69%	65%
Gross Profit	4,579.0	4,624.1	-1%	30%	35%
Support, Fees, Rentals, and Other Revenues	222.1	254.7	-12%	1%	2%
Gross Profit including Other Revenues	4,801.0	4,878.8	-1%	40%	39%
Total Operating Expenses	3,282.9	3,059.9	7%	27%	24%
Operating Profit	1,518.1	1,819.0	-16%	12%	14%
Other Income					
Finance costs	456.8	408.4	12%	-4%	3%
Losses from fire – net	-	233.6	0%	0%	2%
Finance income	(1.5)	(1.5)	4%	0%	0%
Other gains	-	(66.3)	0%	0%	1%
	455.3	574.2	20%	4%	5%
Profit Before Tax	1,062.8	1,244.8	-14%	8%	10%
Tax Expense					
Current	106.7	177.7	-39%	1%	1%
Deferred	158.8	133.3	19%	1%	1%
	265.6	311.0	-14%	2%	2%
NET PROFIT	797.3	933.8	-14%	6%	7%

### **Revenues**

The company recorded sales of ₱12,065.4 million for the year ended 31 December 2023, a decrease of 4% from ₱12,564.8 million for the year ended 31 December 2022. While the soft categories remained stable, the softening demand for the hard categories was significant.

The following table shows the key operating performance indicators relevant to the revenues for the period ended 31 December 2023 and 2022.

	As of and for the period ended 31 December		Percentage Change
	2023	2022	
Number of stores	72*	60*	20.0%
Net Selling Area (in	296,933	295,303	0.5%

sqms)			
Net Sales (₱ millions)	12,065.4	12,565	-4.0%
SSSG**	-4.7%	-13.0%	

\*63 stores less 3 Alabang stores

\*\*SSSG excludes Alabang stores

### **Cost of Merchandise Sold**

For the year ended 31 December 2023, cost of merchandise sold was at ₱7,486.5 million, a decrease of 6% from the ₱7,940.6 level for the same period in 2022 corresponding to the decrease in sales as well as due to lower cost of goods as these were purchased in advance at lower cost.

### **Support, Fees, Rentals and Other Revenues**

Support, fees, rentals, and other revenues decreased by 13% from ₱254.7 million for the year ended 31 December 2022 to ₱222.1 million for the year ended 31 December 2023, primarily due to the decrease in vendor's support with only small specialty stores opened during the period.

### **Selling, General and Administrative Expenses**

Selling, general and administrative expenses increased by 7% to ₱3,282.8 million for the year ended 31 December 2023 from ₱3,059.9 million for the same period in 2022, primarily due to the following reasons:

- Increase in depreciation and amortization from ₱1,399.2 million for the year ended 31 December 2022 to ₱1,450.4 million for the year ended 31 December 2023 primarily as a result of increase in the number of stores.
- Increase in salaries and wages from ₱384.4 million for the year ended 31 December 2022 to ₱413.3 million for the year ended 31 December 2023 due to the additional manpower for the new stores and inflationary effect.
- Decrease in rentals from ₱317.5 million for the year ended 31 December 2022 to ₱273.0 million for the year ended 31 December 2023 due to lower sales which is the basis for the rental computation.
- Increase in outside services from ₱281.7 million for the year ended 31 December 2022 to ₱282.1 million for the year ended 31 December 2023 due to more efficient staffing in our stores.
- Increase in communication and utilities from ₱267.6 million for the year ended 31 December 2022 to ₱370.4 million for the year ended 31 December 2023 due to significant hike in power rates in 2023.
- Increase in merchant fee from ₱150.0 million for the year ended 31 December 2022 to ₱155.3 million for the year ended 31 December 2023 due to higher debit/credit card and installment sales for the period.
- Decrease in taxes and licenses from ₱105.6 million for the year ended 31 December 2022 to ₱101.0 million for the year ended 31 December 2023 due to lower sales.

- Increase in repairs and maintenance from ₱25.0 million for the year ended 31 December 2022 to ₱30.0 million for the year ended 31 December 2023 due to weatherproofing maintenance services done in the stores.
- Increase in office and store supplies from ₱25.0 million for the year ended 31 December 2022 to ₱27.0 million for the year ended 31 December 2023 due primarily to increasing cost of supplies driven by inflation.
- Increase in advertising and promotions from ₱17.0 million for the year ended 31 December 2022 to ₱20.0 million for the year ended 31 December 2023 on account of higher marketing campaigns spent in 2023 in line with the Company's 10th year anniversary.
- Increase in transportation expense from ₱16.5 million for the year ended 31 December 2022 to ₱18.0 million for the year ended 31 December 2023 due to increasing fuel prices and increase in deliveries from distribution centers to stores as well as inter-stores stock transfer.
- Increase in insurance expense from ₱13.2 million for the year ended 31 December 2022 to ₱16.2 million for the year ended 31 December 2023 to cover the newly opened stores and a more comprehensive coverage in existing stores.
- Increase in dues and subscription from ₱12.9 million for the year ended 31 December 2022 to ₱13.4 million for the year ended 31 December 2023 due to increase in the number of stores.
- Increase in professional fees from ₱12.9 million for the year ended 31 December 2022 to ₱14.7 million for the year ended 31 December 2023 primarily due to appraisal fee this 2023.
- Commission expense remained flat from ₱7.1 million the year ended 31 December 2022 to ₱7.1 million for the year ended 31 December 2023.
- Increase in representation and entertainment from ₱6.8 million for the year ended 31 December 2022 to ₱7.1 million for the year ended 31 December 2023 due to activities held in line with the Company's 10th year anniversary.
- Decrease in impairment loss from ₱50.9 million for the year ended 31 December 2022 to nil for the year ended 31 December 2023 due to fire loss in 2022.
- Increase in miscellaneous from ₱17.4 million for the year ended 31 December 2022 to ₱85.0 million for the year ended 31 December 2023 due to one-time inventory write-off in 2023.

### **Finance Cost**

Finance cost increased from ₱408.4 million for the year ended 31 December 2022 to ₱457.0 million for the year ended 31 December 2023. The increase was primarily attributable to the increase of ₱119.1 million interest expense on loans payable and ₱2.0 million interest expense on retirement funds.

### **Finance Income**

Finance income slightly increased from ₱1.4 million for the year ended 31 December 2022 to ₱1.5 million for the year ended 31 December 2023. The increase was primarily attributable to the interest income on time deposits.

### **Tax Expense**

Tax expense decreased by 14% from ₱311.0 million for the year ended 31 December 2022 to ₱265.6 million for the year ended 31 December 2023 due to lower taxable income for the period.

### **Net Profit**

As a result of the foregoing, our net income decreased by about 21% from ₱933.8 million for the year ended 31 December 2022 to ₱797.2 million for the year ended 31 December 2023.

For the 12-month of 2022, there was no seasonal aspect that had a material effect on the financial condition or results of operations of the Company. Neither were there any trends, events or uncertainties that have had or that are reasonably expected to have a material impact on the net sales or revenues or income from continuing operations. The Company is not aware of events that will cause a material change in the relationship between the costs and revenues.

## FINANCIAL CONDITION

	FY2023	FY2022	Horizontal Analysis	Vertical Analysis	
	(In millions of ₱)		% Change	% of Total Sales	
				FY2023	FY2022
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	1,657.5	1,767.7	-6%	6%	7%
Trade and other receivables – net	690.4	655.3	5%	3%	2%
Merchandise inventories	7,279.1	6,629.8	10%	27%	25%
Other current assets	3,546.7	2,963.7	19%	13%	11%
Total current assets	<b>13,173.6</b>	<b>12,016.4</b>	10%	49%	45%
<b>NON-CURRENT ASSETS</b>					
Property and equipment – net	13,116.7	14,018.9	-6%	49%	52%
Other non-current assets	674.0	699.1	-4%	3%	3%
Total non-current assets	<b>13,790.7</b>	<b>14,718.0</b>	-6%	51%	55%
<b>TOTAL ASSETS</b>	<b>26,964.3</b>	<b>26,734.4</b>	1%	100%	100%
<b>LIABILITIES AND EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Trade and other payables	940.3	1,246.3	-25%	3%	5%
Loans payable – current portion	3,449.5	2,931.4	-6%	13%	11%
Lease Liabilities – current portion	510.5	489.8	4%	2%	2%
Income tax payable	39.5	4.8	7%	0%	0%
Total current liabilities	<b>4,939.8</b>	<b>4,672.2</b>	-9%	18%	17%
<b>NON-CURRENT LIABILITIES</b>					
Lease Liabilities – net of current portion	2,804.0	3,256.1	-14%	10%	12%
Loans payable – net of current portion	2,578.8	2,256.3	14%	10%	11%
Deferred tax liabilities – net	598.8	448.0	34%	2%	2%
Retirement benefit obligation	127.4	65.5	95%	0%	0%
Total non-current liabilities	<b>6,108.9</b>	<b>6,779.5</b>	1%	23%	25%
Total Liabilities	<b>11,048.7</b>	<b>11,451.7</b>	-4%	41%	43%
<b>EQUITY</b>					
Capital stock	3,750.0	3,750.0	0%	14%	14%
Additional paid-in capital	7,209.3	7,209.3	0%	27%	27%
Revaluation reserves – net	(13.1)	10.9	-219%	0%	0%
Retained earnings	4,969.4	4,312.4	15%	18%	16%
Total Equity	<b>15,915.7</b>	<b>15,282.7</b>	4%	59%	57%
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>26,964.3</b>	<b>26,734.4</b>	1%	100%	100%

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

Total assets as of 31 December 2023 were ₱26,964.3 million compared to ₱26,734.4 million as of 31 December 2022, or a slight increase due to the following:

- Cash decreased by 6% from ₱1,767.7 million as of 31 December 2022 to ₱1,657.5 million as of 31 December 2023 as the cash generated were used primarily for the purchase of inventory, capital expenditures of new stores, repairs and maintenance, and refresh of mature stores.
- Trade and other receivables increased by 5% from ₱655.3 million as of 31 December 2022 to ₱690.3 million as of 31 December 2023 due to timing difference in collection of corporate sales towards the end of the year.

- Merchandise inventories increased by 10% from ₱6,629.8 million as of 31 December 2022 to ₱7,379.1 million as of 31 December 2023 due primarily to the low sales during the period and remaining inventory for the holiday buys.
- Property and equipment decreased by 6% from ₱14,018.9 million as of 31 December 2022 to ₱13,116.7 million as of 31 December 2023 due primarily to capital expenditures spent for new stores and refresh of mature stores and software upgrades.
- Other assets increased by 15% from ₱3,662.8 million as of 31 December 2022 to ₱4,220.6 million as of 31 December 2023 due primarily to advances for purchases of imported items.

Total liabilities as of 31 December 2022 were ₱11,451.7 million compared to ₱11,048.6 million as of 31 December 2023, or a 3.5% decrease. This was due to the following:

- Loans payable including the non-current portion increased by 2% from ₱5,941.4 million as of 31 December 2022 to ₱6,028.2 million as of 31 December 2023 due to additional borrowings to fund for newly stores opened during the period.
- Lease liability including the non-current portion decreased by 12% from ₱3,745.8 million as of 31 December 2022 to ₱3,314.4 million as of 31 December 2023 due to lease payments made.
- Income tax payable increased by 734% from ₱4.8 million as of December 31, 2022 to ₱39.4 million as of 31 December 2023 due to eligibility for regular corporate income tax rate in the 4th quarter from minimum corporate income tax rate as of the 3rd quarter.
- Deferred tax liabilities increased by 34% from ₱448.0 million as of December 31, 2022 to ₱598.8 million as of 31 December 2023 due to adjustments to temporary tax differences for the period.
- Retirement benefit obligation increased by 95% from ₱65.5 million as of 31 December 2022 to ₱127.4 million as of 31 December 2023 due to adjustment of provision for the retirement benefit.

Total stockholder's equity increased by 4% from ₱15,282.7 million as of 31 December 2022 to ₱15,915.7 million as of 31 December 2023 due to net income recorded primarily for the period.

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

Key Performance Indicators	12/31/2022	12/31/2021
Revenues (₱ millions)	₱12,065.4	₱14,564.9
Gross Profit (₱ millions)	4,579.0	4,624.1
Gross Profit Margin (%) <sup>(a)</sup>	38.0%	36.8%
Net Profit (₱ millions)	797.2	933.8
Net Profit Margin (%) <sup>(b)</sup>	6.6%	7.4%

Notes:

(a) Gross Profit Margin: This ratio is obtained by dividing the Gross Profit of the Company by its Revenues

(b) Net Profit Margin: This ratio is obtained by dividing the Net Profit of the Company by its Revenues

Because there are various calculation methods for the performance indicators above, the Company's presentation of such may not be comparable to similarly titled measures used by other companies.

Revenues decreased for the year ended 31 December 2023 compared to year ended 31 December 2022 due to the weakened sales in the hard categories.

Gross Profit decreased for the year ended 31 December 2023 compared to year ended



31 December 2022 due to the decrease in sales.

Gross Profit Margin increased for the year ended 31 December 2023 compared to year ended 31 December 2021 due to strategic pricing and lower acquisition cost.

Net Profit and Net Profit Margin decreased for the year ended 31 December 2023 compared to year ended 31 December 2022 due to lower sales; lower support, fees, rentals and other revenues; higher finance costs.

**Material Changes to the Company's Balance Sheet as of 31 December 2023 compared to 31 December 2022 (increase/decrease of 5% or more)**

Cash decreased by 6% from ₱1,767.7 million as of 31 December 2022 to ₱1,657.5 million as of 31 December 2023 cash generated were used primarily for the purchase of inventory, capital expenditures of new stores, repairs and maintenance, and refresh of mature stores.

Trade and other receivables increased by 5% from ₱655.3 million as of 31 December 2022 to ₱590.4 million as of 31 December 2023 due to timing difference in collection of corporate sales towards the end of the year.

Merchandise inventories increased by 10% from ₱6,629.8 million as of 31 December 2022 to ₱7,279.1 million as of 31 December 2023 due primarily to the low sales during the period and remaining inventory for the holiday buys.

Property and equipment decreased by 6% from ₱14,019.0 million as of 31 December 2022 to ₱13,116.7 million as of 31 December 2023 due to depreciation for the period

Other Assets increased by 15% from ₱3,663.0 million as of 31 December 2022 to ₱4,220.6 million as of 31 December 2023 due primarily to advances for purchases of imported items.

Lease liability including the non-current portion decreased by 11% from ₱3,745.8 million as of 31 December 2022 to ₱3,314.4 million as of 31 December 2023 due to lease payments made.

Deferred tax liabilities increased by 34% from ₱448.0 million as of December 31, 2022 to ₱598.8 million as of 31 December 2023 due to adjustments to temporary tax differences for the period.

Income tax payable increased by 724% from ₱4.8 million as of December 31, 2022 to ₱39.5 million as of 31 December 2023 due to eligibility for regular corporate income tax rate in the 4th quarter from minimum corporate income tax rate as of the 3rd quarter.

Retirement benefit obligation increased by 95% from ₱65.5 million as of 31 December 2022 to ₱127.4 million as of 31 December 2023 due to adjustment of provision for the retirement benefit

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

For the year ended 31 December 2023, cost of merchandise sold was at ₱7,486.5 million, a decrease of 6% from the ₱7,940.6 level for the same period in 2022 corresponding to the decrease in sales as well as due to lower cost of goods as these were purchased in advance at lower cost

Selling, general and administrative expenses increased from ₱3,059.8 for the year ended 31 December 2022 to ₱3,282.8, an increase of 7%

Support, fees, rentals, and other revenues decreased by 13% from ₱254.7 million for the year ended 31 December 2022 to ₱222.1 million for the year ended 31 December 2023, primarily due

to the decrease in vendor's support only small specialty stores opened during the period.

Tax expense decreased by 14% from ₱311.0 million for the year ended 31 December 2022 to ₱265.6 million for the year ended 31 December 2023 due to lower taxable income for the period.

As a result of the foregoing, our net income decreased by about 14% from ₱933.8 million for the year ended 31 December 2022 to ₱797.2 million for the year ended 31 December 2023.

There is no other material change in the Company's financial position (changes of 5% or more) and condition that will warrant a more detailed discussion.

### **COMMITMENTS AND CONTINGENCIES**

There is no material commitment and contingency as of 31 December 2023 and as of 31 December 2022.

#### IV. NATURE AND SCOPE OF BUSINESS

**AllHome Corp. (the “Company”)** is a pioneering “one-stop shop” home improvement retailer in the Philippines. Since its incorporation on May 29, 2013, it has grown to 72 stores as of December 31, 2024, having an aggregate net selling space of approximately 296,933 sqm. The Company’s product offering spans seven key categories from over 1,000 local and international brands, including 45 in-house brands. These product categories are furniture, hardware, appliances, tiles and sanitary wares, homewares, linens and construction materials.

The Company’s principal office address is LGF Building B, Evia Lifestyle Center, Daanghari Road, Almanza Dos, Las Piñas City, Philippines, with contact number: (+63919) 081-5302 and (+632) 8880-1100, and its corporate website is [www.allhome.com.ph](http://www.allhome.com.ph).

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

##### Market Information

The Company’s common shares are being traded at the Philippine Stock Exchange. The high and low sales prices for each quarter within the last three fiscal years as traded on the Philippine Stock Exchange are as follows:

Quarter	2025			2024			2023			2022		
	High	Low	Close	High	Low	Close	High	Low	Close	High	Low	Close
1 <sup>st</sup>	0.64	0.50	0.52	1.28	1.23	1.24	3.34	1.64	2.45	9.00	7.40	7.60
2 <sup>nd</sup>				1.01	0.96	0.98	1.88	1.78	1.82	8.40	4.45	4.75
3 <sup>rd</sup>				0.88	0.85	0.87	1.75	1.71	1.74	5.36	3.29	3.29
4 <sup>th</sup>				0.70	0.68	0.70	1.12	1.10	1.12	3.29	1.37	1.65

The market capitalization of HOME as of December 31, 2024, based on the closing price of P0.64 per share, was approximately P2.4 billion.

As of March 31, 2025, HOME’s market capitalization stood at ₱1.9 billion based on the ₱0.52 per share closing price.

##### Price Information as of the Latest Practicable Trading Date

<u>Trading Date</u>	<u>High</u>	<u>Low</u>	<u>Close</u>
11 June 2025	0.52	0.50	0.52

##### Stockholders

There are approximately 34 holders of common equity security of the Company as of March 31, 2025 (based on the number of accounts registered with the Stock Transfer Agent).

The following are the top 20 holders of the common securities of the Company:

	<b>Stockholder's Name</b>	<b>Common Shares</b>	<b>Percentage</b>
1	AllValue Holdings Corp.	2,540,108,000	67.74%
2	PCD Nominee Corporation - Filipino	995,403,665	26.54%
3	PCD Nominee Corporation - Non Filipino	214,223,027	5.71%
4	Jharna P. Chandnani	50,000	0.00%
5	Rolando A. Aralar or Myrna I. Aralar or Roland I. Aralar	45,000	0.00%
6	Emmanuel Del Prado	38,000	0.00%
7	Myra P. Villanueva	25,000	0.00%
8	Jose Domingo Poblete Swann	20,000	0.00%
9	Mike Jerome Paulino Salazar	14,700	0.00%
10	Myrna P. Villanueva	10,000	0.00%
11	Milagros P. Villanueva	10,000	0.00%
12	Raul Galvante Coralde	10,000	0.00%
13	Cherrubin Den Tee Chua	10,000	0.00%
14	Arnold Santillan	5,000	0.00%
15	Joyce Anne malong Coralde	4,500	0.00%
16	Rachel P. Nacion	3,000	0.00%
17	Farida G. De Leon	3,000	0.00%
18	Mylene C. Arnigo	3,000	0.00%
19	Marietta V. Cabreza	2,500	0.00%
20	Juan Carlos V. Cabreza	2,500	0.00%
	<b>TOTAL</b>	<b>3,749,990,892</b>	
	Other Stockholders	9,110	0.00%
	<b>Total issued and outstanding common shares as of March 31, 2025</b>	<b>3,750,000,002</b>	<b>100.00%</b>

### **Dividends**

#### **P0.0309 per share Regular Cash Dividend**

Declaration date: November 13, 2024

Record date: November 27, 2024

Payment date: December 12, 2024

#### **P0.0374 per share Regular Cash Dividend**

Declaration date: November 29, 2023

Record date: December 15, 2023

Payment date: December 29, 2023

#### **P0.0770 per share Regular Cash Dividend**

Declaration date: November 29, 2022

Record date: December 15, 2022

Payment date: December 29, 2022

#### **P0.0527 per share Regular Cash Dividend**

Declaration date: November 12, 2021

Record date: November 29, 2021

Payment date: December 14, 2021

**P0.014 per share Regular Cash Dividend**

Declaration date: November 25, 2020

Record date: December 14, 2020

Payment date: December 28, 2020

**P1.2785 per share Regular Cash Dividend**

Declaration Date: May 28, 2019

Record date: June 14, 2019

Payment date: June 28, 2019

**Dividend Policy**

The Registrant's Board is authorized to declare dividends. A cash dividend declaration does not require any further approval from the Registrant's shareholders. A stock dividend declaration requires the further approval of shareholders representing not less than two-thirds of the Registrant's outstanding capital stock. Dividends may be declared only from unrestricted retained earnings.

In relation to foreign shareholders, dividends payable may not be remitted using foreign exchange sourced from the Philippine banking system unless the investment was first registered with the Banko Sentral ng Pilipinas.

The Registrant is allowed under Philippine laws to declare property and stock dividends, subject to certain requirement.

**Record Date**

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

**Dividends**

Pursuant to the board approval on August 19, 2019, the Company intends to maintain an annual dividend payment ratio of 15% to 30% of net income after tax for the preceding fiscal year, payable primarily in cash. However, the Board of Directors, in its discretion, may decide to declare dividends to be payable in property or shares. The declaration of dividends shall also be subject to the requirements of applicable laws and regulations, compliance with the company's loan covenants and other circumstances which restrict the payment of dividends. Circumstances which could restrict its ability to pay cash dividends include, but are not limited to, when the company undertakes major projects and developments requiring substantial cash expenditures. The Board, may, at any time, modify such dividend payout ratio depending upon the results of operations and future projects and plans and other considerations.

In 2024, the Company's BOD approved the declaration of cash dividends amounting to P115.9 million (P0.0309 per share) on November 27, 2024, and payable to stockholders of record as of November 30, 2024. The cash dividends were settled on December 12, 2024.

In 2023, the Company's BOD approved the declaration of cash dividends amounting to P140.3 million (P0.0374 per share) on November 14, 2023, and payable to stockholders of record as of

November 30, 2023. The cash dividends were settled on December 15, 2023.

### **Recent Sale of Unregistered Securities**

There have been no sales of unregistered securities in the past three years.

### **Stock Options**

None.

## **VI. COMPLIANCE WITH LEADING PRACTICE ON CORPORATE GOVERNANCE**

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

Ultimate responsibility and oversight of the Company's adherence to superior corporate governance practices rests with the Board of Directors. As a policy matter, the Board will hold monthly meetings, at which any number of relevant corporate governance issues may be raised for discussion.

Practical oversight of the Company's corporate governance standards is exercised through the Board's Corporate Governance Committee.

The Company is committed to building a solid reputation for sound corporate governance practices, including a clear understanding by its Directors of the Company's strategic objectives, structures to ensure that such objectives are realized, systems to ensure the effective management of risks and the systems to ensure the Company's obligations are identified and discharged in all aspects of its business. Each January, the Company will issue a certification to the Philippines Securities and Exchange Commission and the Philippine Stock Exchange that it has fulfilled its corporate governance obligations.

As of the date of this report, there are no known material deviations from the Company's Manual of Corporate governance. The Company is taking further steps to enhance adherence to principles and practices of good corporate governance

**UPON THE WRITTEN REQUEST OF A STOCKHOLDER, THE REGISTRANT UNDERTAKES TO FURNISH SAID STOCKHOLDER A COPY OF SEC FORM 17-A FREE OF CHARGE, EXCEPT FOR EXHIBITS ATTACHED THERETO WHICH SHALL BE CHARGED AT COST. ANY WRITTEN REQUEST FOR A COPY OF SEC FORM 17-A SHALL BE ADDRESSED AS FOLLOWS:**

**AllHome Corp.  
Lower Ground Floor, Building B, EVIA Lifestyle  
Center, Vista City, Daanghari, Almanza II, Las  
Piñas City**

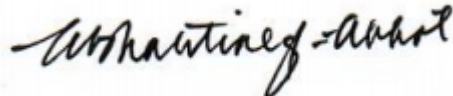
**Attention: Robirose M. Abbot**

**PART III**

**SIGNATURE PAGE**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Las Piñas on June 13, 2025.

By:

A handwritten signature in black ink, appearing to read "RobiRose M. Abbot", written in a cursive style.

**ROBIROSE M. ABBOT**  
CFO, CRO and Head of IR



# COVER SHEET

C	S	2	0	1	3	1	0	1	7	9
---	---	---	---	---	---	---	---	---	---	---

[illegible]

(Company's Full Name)

[illegible]

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

**Robirose M. Abbot**  
Contact Person

<p><b>09190815302</b></p> <p>Company Telephone Number</p>
---

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

17-Q  
FORM TYPE

*Month Day*  
 Annual Meeting

Secondary License Type, If  
Applicable

Dept.	Requiring	this
Doc.		

Amended Articles Number/Section
------------------------------------

of  Total Amount of Borrowings  
 Total No. of Domestic Foreign  
 Stockholders

To be accomplished by SEC Personnel concerned

File Number							
Document I.D.							

LCU
Cashier

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended: March 31, 2025
2. SEC Identification number: CS-201310179
3. BIR Tax Identification No: 008-541-952
4. AllHome Corp.  
Exact name of issuer as specified in its charter:
5. Philippines  
Province, country or other jurisdiction of incorporation or organization
6. Industry Classification Code:  (SEC Use Only)
7. LGF Bldg B, EVIA Lifestyle Center, Daanghari, Almanza Dos, Las Piñas City 1747  
Address of issuer's principal office Postal Code
8. +63 (919) 081-5302  
Issuer's telephone number, including area code
9. N/A  
Former name, former address and former fiscal year, if changed since last report

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

Title of each Class	Number of shares of common stock outstanding And amount of debt outstanding
Common stock (as of 03/31/2025 net of nil treasury shares)	3,750,000,002

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

Yes [ x ] No [ ]

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

Philippine Stock Exchange Common Stock

12. Check whether the registrant:

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

Yes [ x ] No [ ]

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

Yes [ x ] No [ ]

## **TABLE OF CONTENTS**

### **PART I - FINANCIAL STATEMENTS**

#### **Item 1. Financial Statements**

- Statements of Financial Position as of March 31, 2025 and December 31, 2024
- Statements of Comprehensive Income for the three months ended March 31, 2025 and 2024
- Statement of Changes in Equity for the three months ended March 31, 2025 and 2024
- Statements of Cash Flows for the three months ended March 31, 2025 and 2024
- Notes to Financial Statements

#### **Item 2. Management Discussion and Analysis of Financial Condition and Results of Operations**

- 3-month of 2025 vs. 3-month of 2024
- Top Five (5) Key Performance Indicators
- Material Changes (5% or more)- Statement of Financial Position
- Material Changes (5% or more)- Statement of Comprehensive Income
- Commitments and Contingencies

### **PART II-OTHER INFORMATION**

#### **Item 3. 3-months of 2025 Developments**

#### **Item 4. Other Notes to 3-months of 2025 Operating and Financial Results**



**AllHome Corp.**  
**Statements of Financial Position**  
**As of March 31, 2025 and December 31, 2024**  
*(Amounts in Philippine Peso)*

	Note	Unaudited Mar 31, 2025	Audited Dec 31, 2024
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	<b>₱1,337,643,156</b>	₱1,357,578,051
Trade and other receivables - net	6	<b>995,272,320</b>	1,074,361,800
Merchandise inventories	7	<b>7,466,781,467</b>	7,441,356,243
Other current assets	8	<b>3,653,531,912</b>	3,655,651,613
Total Current Assets		<b>13,453,228,854</b>	13,528,947,707
<b>Non-current Assets</b>			
Property and equipment - net	9	<b>12,560,136,166</b>	12,705,527,887
Other non-current assets	8	<b>725,135,619</b>	721,000,061
Total Non-current Assets		<b>13,285,271,786</b>	13,426,527,948
<b>TOTAL ASSETS</b>		<b>26,738,500,640</b>	26,955,475,655
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Trade and other payables	10	<b>760,626,798</b>	960,134,016
Loans payable	11	<b>4,158,910,375</b>	4,090,502,730
Lease liability	12	<b>518,606,031</b>	516,222,626
Income tax payable		<b>12,172,692</b>	14,250,585
Total Current Liabilities		<b>5,450,315,896</b>	5,581,109,957
<b>Non-current Liabilities</b>			
Loans payable	11	<b>2,230,150,000</b>	2,230,150,000
Lease liability	12	<b>2,031,020,433</b>	2,161,710,201
Deferred tax liabilities - net	17	<b>653,119,341</b>	653,389,784
Retirement benefit obligation	16	<b>65,027,761</b>	62,384,938
Total Non-current Liabilities		<b>4,979,317,534</b>	5,107,634,923
Total liabilities		<b>10,429,633,431</b>	10,688,744,880
<b>Equity</b>			
Capital stock	19	<b>3,750,000,002</b>	3,750,000,002
Additional paid-in capital		<b>7,209,298,114</b>	7,209,298,114
Revaluation reserves		<b>53,067,226</b>	53,067,226
Retained earnings		<b>5,296,501,867</b>	5,254,365,433
Total Equity		<b>16,308,867,209</b>	16,266,730,775
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>₱26,738,500,639</b>	₱26,955,475,655

See accompanying Notes to Financial Statements.



**AllHome Corp.**  
**Statements of Comprehensive Income**  
**For the three months ended March 31, 2025 and 2024**  
*(Amounts in Philippine Peso)*

	Note	Unaudited Jan-Mar Q1-2025	Unaudited Jan-Mar 2025	Unaudited Jan-Mar Q1-2024	Unaudited Jan-Mar 2024
<b>SALES</b>	13	<b>P1,768,013,580</b>	<b>P1,768,013,580</b>	<b>P2,760,520,854</b>	<b>P2,760,520,854</b>
<b>COST OF MERCHANDISE SOLD</b>	14	<b>(1,095,446,202)</b>	<b>(1,095,446,202)</b>	<b>(1,717,043,971)</b>	<b>(1,717,043,971)</b>
<b>GROSS PROFIT</b>		<b>672,567,378</b>	<b>672,567,378</b>	<b>1,043,476,883</b>	<b>1,043,476,883</b>
<b>SUPPORT FEES, RENTALS AND OTHER REVENUES</b>	13	<b>38,522,135</b>	<b>38,522,135</b>	<b>48,309,115</b>	<b>48,309,115</b>
<b>GROSS PROFIT INCLUDING OTHER REVENUES</b>		<b>711,089,512</b>	<b>711,089,512</b>	<b>1,091,785,998</b>	<b>1,091,785,998</b>
<b>SELLING, GENERAL AND ADMINISTRATIVE EXPENSES</b>	14	<b>(529,182,399)</b>	<b>(529,182,399)</b>	<b>(774,963,840)</b>	<b>(774,963,840)</b>
<b>OPERATING PROFIT</b>		<b>181,907,114</b>	<b>181,907,114</b>	<b>316,822,158</b>	<b>316,822,158</b>
<b>FINANCE INCOME (COSTS)</b>					
Finance costs	15	(126,195,850)	(126,195,850)	(130,190,899)	(130,190,899)
Finance income	5	470,646	470,646	397,814	397,814
		<b>(125,725,204)</b>	<b>(125,725,204)</b>	<b>(129,793,085)</b>	<b>(129,793,085)</b>
<b>PROFIT BEFORE TAX</b>		<b>56,181,910</b>	<b>56,181,910</b>	<b>187,029,073</b>	<b>187,029,073</b>
<b>TAX EXPENSE (INCOME)</b>	17				
Current		(14,315,919)	(14,315,919)	(21,835,720)	(21,835,720)
Deferred		270,442	270,442	(24,841,985)	(24,841,985)
		<b>(14,045,477)</b>	<b>(14,045,477)</b>	<b>(46,677,705)</b>	<b>(46,677,705)</b>
<b>NET PROFIT (LOSS)</b>		<b>42,136,432</b>	<b>42,136,432</b>	<b>140,351,367</b>	<b>140,351,367</b>
<b>OTHER COMPREHENSIVE INCOME</b>		<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>		<b>P42,136,432</b>	<b>P42,136,432</b>	<b>P140,351,367</b>	<b>P140,351,367</b>
Basic and Diluted earnings (loss) per share		<b>P0.01</b>	<b>P0.01</b>	<b>P0.04</b>	<b>P0.04</b>

See accompanying Notes to Financial Statements.



**AllHome Corp.**  
**Statements of Changes in Equity**  
**For the three months ended March 31, 2025 and 2024**  
*(Amounts in Philippine Peso)*

	Note	Unaudited Mar 31, 2025	Unaudited Mar 31, 2024
<b>CAPITAL STOCK</b>	19	<b>₱3,750,000,002</b>	₱3,750,000,002
<b>ADDITIONAL PAID-IN CAPITAL</b>	19	<b>7,209,298,114</b>	7,209,298,114
<b>REVALUATION RESERVES</b>	19	<b>53,067,226</b>	(13,052,353)
<b>RETAINED EARNINGS</b>			
Balance at beginning of period		5,254,365,433	4,969,441,278
Net profit (loss) for the period		<u>42,136,432</u>	<u>140,351,367</u>
Balance at end of period		<u>5,296,501,867</u>	<u>5,109,792,645</u>
<b>TOTAL EQUITY</b>		<u><b>₱16,308,867,209</b></u>	<u>₱16,056,038,409</u>



**AllHome Corp.**  
**Statements of Cash Flows**  
**For the three months ended March 31, 2025 and 2024**  
*(Amounts in Philippine Peso)*

	Notes	Unaudited Jan-Mar Q1-2025	Unaudited Jan to Mar 2025	Unaudited Jan-Mar Q1-2024	Unaudited Jan to Mar 2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Profit before tax		₱ 56,181,910	₱ 56,181,910	₱ 187,029,073	₱ 187,029,073
Adjustments for:					
Losses due to fire		-	-	-	-
Depreciation and amortization	9	370,075,400	370,075,400	361,058,529	361,058,529
Finance costs	12, 15, 16	126,195,850	126,195,850	130,190,899	130,190,899
Gain on lease modification	17	-	-	-	-
Finance income	5	(470,646)	(470,646)	(397,814)	(397,814)
Operating profit before working capital changes		551,982,514	551,982,514	677,880,687	677,880,687
Decrease/(Increase) in:					
Trade and other receivables		79,089,479	79,089,479	(48,776,557)	(48,776,557)
Inventories		(25,425,224)	(25,425,224)	(4,854,966)	(4,854,966)
Other current assets		2,119,702	2,119,702	(54,808,281)	(54,808,281)
Increase/(Decrease) in:					
Trade and other payables		(203,965,253)	(203,965,253)	123,113,806	123,113,806
Retirement benefit obligation	16	1,757,718	1,757,718	4,102,523	4,102,523
Cash generated from operations		405,558,936	405,558,936	696,657,212	696,657,212
Cash paid for income taxes		(16,393,812)	(16,393,812)	(43,090,844)	(43,090,844)
<b>Net cash from Operating activities</b>		<b>389,165,124</b>	<b>389,165,124</b>	<b>653,566,368</b>	<b>653,566,368</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Additions to property and equipment	9	(168,934,820)	(168,934,820)	(247,620,522)	(247,620,522)
Increase in other non-current assets		(12,113,721)	(12,113,721)	(38,668,401)	(38,668,401)
Interest received		470,646	470,646	397,814	397,814
<b>Net cash used in Investing activities</b>		<b>(180,577,895)</b>	<b>(180,577,895)</b>	<b>(285,891,109)</b>	<b>(285,891,109)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Proceeds from availment of loans	11	918,259,095	918,259,095	1,876,689,085	1,876,689,085
Repayment of loans payable	11	(849,851,450)	(849,851,450)	(1,755,458,680)	(1,755,458,680)
Payments of principal portion of lease liability	12	(128,306,364)	(128,306,364)	(122,246,219)	(122,246,219)
Interest paid for lease liabilities	12	(45,692,555)	(45,692,555)	(55,188,547)	(55,188,547)
Interest paid for loans payable	11	(122,930,852)	(122,930,852)	(73,626,091)	(73,626,091)
<b>Net cash (used in) from financing activities</b>		<b>(228,522,126)</b>	<b>(228,522,126)</b>	<b>(129,830,452)</b>	<b>(129,830,452)</b>
<b>NET DECREASE IN CASH</b>		<b>(19,934,897)</b>	<b>(19,934,897)</b>	<b>237,844,808</b>	<b>237,844,808</b>
<b>CASH AT BEGINNING OF PERIOD</b>		<b>1,357,578,052</b>	<b>1,357,578,052</b>	<b>1,657,495,156</b>	<b>1,657,495,156</b>
<b>CASH AT END OF PERIOD</b>		<b>₱1,337,643,156</b>	<b>₱1,337,643,156</b>	<b>₱1,895,339,964</b>	<b>₱1,895,339,964</b>

See accompanying Notes to Financial Statements.

# **ALLHOME CORP.**

## **NOTES TO FINANCIAL STATEMENTS**

---

### **1. Corporate Information**

#### ***1.1 Corporate Information***

AllHome Corp. (the Company) was registered with the Philippine Securities and Exchange Commission (SEC) on May 29, 2013. The Company is primarily engaged in buying, selling, distributing, marketing, at wholesale and retail, of all kinds of goods, commodities, wares and merchandise.

The Company's shares were listed in the Philippine Stock Exchange (PSE) on September 27, 2019 (see Note 19.1).

The Company is a subsidiary of AllValue Holdings Corp. (AllValue or the parent company), which is a subsidiary of Fine Properties Inc. (FPI or the ultimate parent company). AllValue and FPI are incorporated and domiciled in the Philippines. Both companies are presently engaged in the business of a holding company; to buy and hold shares of other companies either by subscribing unissued shares of the capital stock in public or private offerings.

The registered office address and principal place of business of the Company is located at Lower Ground Floor, Building B, EVIA Lifestyle Center, Vista City, Daang Hari, Almanza II, Las Piñas City. The registered office address and principal places of business of AllValue and FPI are located at 3rd Level Starmall Las Piñas, CV Starr Avenue, Philamlife Village, Pamplona, Las Piñas City.

#### ***1.2 Approval of Financial Statements***

The financial statements of the Company as of March 31, 2025 were authorized for issue by the Company's Board of Directors (BOD) on May 14, 2025. The Company's owners and BOD have the power to amend the financial statements after issuance.

---

### **2. MATERIAL ACCOUNTING POLICY INFORMATION**

The material accounting policy information that have been used in the preparation of these financial statements are summarized in the succeeding pages. The policies have been consistently applied to all the periods presented, unless otherwise stated.

#### ***2.1 Basis of Preparation of Financial Statements***

##### ***(a) Statement of Compliance with Philippine Financial Reporting Standards***

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). PFRS are adopted by the Financial and Sustainability Reporting Standards Council (FSRSC) from the pronouncements issued by the International Accounting Standards Board, and approved by the Philippine Board of Accountancy.



The financial statements have been prepared using the measurement bases specified by PFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies that follow.

*(b) Presentation of Financial Statements*

The financial statements are presented in accordance with Philippine Accounting Standard (PAS) 1, *Presentation of Financial Statements*. The Company presents all items of income, expense and other comprehensive income or losses in a single statement of comprehensive income.

The Company presents a third statement of financial position as of the beginning of the preceding period when it applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items that has a material effect on the information in the statement of financial position at the beginning of the preceding period. The related notes to the third statement of financial position are not required to be disclosed.

To conform with the 2024 financial statements presentation, the Company reclassified short-term placements with original maturity period of one year amounting to P80.0 million, previously presented under the Cash account, to Other Current Assets account in the 2023 statement of financial position (see Notes 5 and 8).

As a result, decrease in cash at the end of year amounting to P80.0 million, were reclassified to increase in other current assets under operating activities section in the 2023 and 2022 statements of cash flows.

The reclassification did not result in any adjustments to the Company's statements of comprehensive income and statements of changes in equity for the years ended December 31, 2023 and 2022. Also, the reclassification did not affect any other item within the comparative statement of financial position and did not change any information previously provided to the financial statement users, hence, no third statement of financial position is presented.

*(c) Functional and Presentation Currency*

The financial statements are presented in Philippine peso (P), the Company's functional and presentation currency, and all values represent absolute amounts except when otherwise indicated.

Items included in the financial statements of the Company are measured using its functional currency. Functional currency is the currency of the primary economic environment in which the Company operates.

## **2.2 Adoption of Amended PFRS Accounting Standards**

*(a) Effective in 2024 that are Relevant to the Company*

The Company adopted for the first time the following amendments and annual improvements to PFRS, which are mandatorily effective for annual periods beginning on or after January 1, 2024:

PAS 1 (Amendments)	:	Presentation of Financial Statements – Classification of Liabilities as Current or Non-current, and Non-current Liabilities with Covenants
PAS 7 and PFRS 7 (Amendments)	:	Statement of Cash Flows, and Financial

Instruments: Disclosures – Supplier Finance Arrangements

PFRS 16 (Amendments) : Leases – Lease Liability in a Sale and Leaseback

Discussed below and on the succeeding page are the relevant information about these amendments.

- (i) PAS 1 (Amendments), *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*. The amendments provide guidance on whether a liability should be classified as either current or non-current. The amendments clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and that the classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. The application of these amendments had no significant impact on the Company's financial statements.
- (ii) PAS 1 (Amendments), *Presentation of Financial Statements – Non-current Liabilities with Covenants*. The amendments specify that if the right to defer settlement for at least 12 months is subject to an entity complying with conditions after the reporting period, then those conditions would not affect whether the right to defer settlement exists at the end of the reporting period for the purposes of classifying a liability as current or non-current. For non-current liabilities subject to conditions, an entity is required to disclose information about the conditions, whether the entity would comply with the conditions based on its circumstances at the reporting date and whether and how the entity expects to comply with the conditions by the date on which they are contractually required to be tested. The application of these amendments had no significant impact on the Company's financial statements.
- (iii) PAS 7 and PFRS 7 (Amendments), *Statement of Cash Flows, Financial Instruments: Disclosures – Supplier Finance Arrangements*. The amendments add a disclosure objective to PAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, PFRS 7 is amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk. The application of these amendments had no significant impact on the Company's financial statements.
- (iv) PFRS 16 (Amendments), *Leases – Lease Liability in a Sale and Leaseback*. The amendments requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognizing in profit or loss any gain or loss relating to the partial or full termination of a lease. The application of these amendments had no significant impact on the Company's financial statements.

(b) *Effective Subsequent to 2024 but not Adopted Early*

There are pronouncements effective for annual periods subsequent to 2024, which are adopted by the FSRSC. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and, none of these are expected to have significant impact on the Company's

financial statements:

- (i) PAS 21 (Amendments), *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability* (effective from January 1, 2025)
- (ii) PFRS 9 and PFRS 7 (Amendments), *Financial Instruments, and Financial Instruments: Disclosures – Amendments to the Classification and Measurement of Financial Instruments* (effective from January 1, 2026)
- (iii) PFRS 18, *Presentation and Disclosure in Financial Statements* (effective from January 1, 2027). The new standard impacts the classification of profit or loss items (i.e., into operating, investing and financing categories) and the presentation of subtotals in the statement of profit or loss (i.e., operating profit and profit before financing and income taxes). The new standard also changes the aggregation and disaggregation of information presented in the primary financial statements and in the notes. It also introduces required disclosures about management-defined performance measures. The new standard, however, does not affect how an entity recognizes and measures its financial condition, financial performance and cash flows.

## **2.3 Financial Instruments**

### **(a) Financial Assets**

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

#### **(i) Classification and Measurement of Financial Assets**

The Company's financial assets include only financial assets at amortized cost and are presented in the statement of financial position as Cash and Cash Equivalents, Trade and Other Receivables and Security deposits presented as part of Other Non-current Assets.

#### **(ii) Impairment of Financial Assets**

The Company applies the simplified approach in measuring ECL, which uses a lifetime expected loss allowance for all trade receivables and security deposits. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. To calculate the ECL, the Company uses its historical experience, external indicators and forward-looking information to calculate the ECL using a provision matrix. The Company also assesses impairment of trade receivables and security deposits on a collective basis as they possess shared credit risk characteristics and have been grouped based on the days past due [see Note 22.2(b) and Note 22.2(c)].

### **(b) Financial Liabilities**

Financial liabilities include trade and other payables (except tax-related liabilities), lease liabilities and loans payable, are recognized when the Company becomes a party to the contractual terms of the instrument.

## **2.4      *Merchandise Inventories***

The cost of inventories is determined using the moving average method.

For purposes of identifying the net realizable value, the Company opted to group inventory items relating to the same product line that have similar purposes, are produced and marketed in the same geographical area, and cannot be practicably evaluated separately from other items in that product line

## **2.5      *Property and Equipment***

Property and equipment are initially recognized at cost and subsequently carried at cost less accumulated depreciation, amortization and any impairment in value.

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

Store equipment	15 to 18 years
Right-of-use assets – store outlets	7 to 15 years
Furniture, fixtures and office equipment	5 to 15 years
Right-of-use assets – warehouse	2 years
Transportation equipment	8 to 10 years

Leasehold improvements are amortized over their estimated useful lives of 18 years or the lease term, whichever is shorter.

## **2.6      *Revenue and Expense Recognition***

Revenue arises mainly from the sale of merchandise.

The Company enters into transactions involving the sale and delivery of merchandise representing construction materials, home improvement, furnishings and décor products. In addition, the Company also recognizes vendors' support and marketing fees in relation to the vendors' participation in the marketing/promotional activities of the Company.

The significant judgments used in determining the transaction price and the amounts allocated to the performance obligations are disclosed in Note 3.1(c). The transaction price allocated to performance obligations satisfied at a point in time is recognized as revenue when control of the goods transfers to the customer. As a matter of accounting policy, when applicable, if the performance obligation is satisfied over time, the transaction price allocated to that performance obligation is recognized as revenue as the performance obligation is satisfied.

The Company also assesses its revenue agreements against the specific criteria enumerated below in order to determine if it is acting as principal or agent. Both the legal form and the substance of the agreement are considered to determine each party's respective roles in the agreement. In all revenue agreements, the Company is acting as a principal. Revenue is recorded at gross when acting as a principal while only net revenues are considered if only an agency service exists.

In addition, the following specific recognition criteria must also be met before revenue is recognized:

- (a) *Sale of merchandise* – Revenue is recognized when the control transfers at a point in time with the customer, i.e., generally when the customer purchased the merchandise. For individual customers, payment of the transaction price is due immediately at the point the customer purchases the merchandise. On the other hand, invoices for merchandise purchased by corporate customers are due based on agreed terms and are provided upon receipt of merchandise by the customer. For e-commerce sales, revenue is recognized when control of goods have been transferred to the customer, being the point when the goods are delivered to the customer. Delivery occurs when the goods have been shipped to the customer's specific location.
- (b) *Vendors' support and marketing fees* – Vendors' support and marketing fees arise from the vendors' participation in the marketing/promotional activities of the Company such as product exhibits, launch of new stores support and product features in various media platforms. The duration of contracts are generally short-term, and the related revenue are recognized over time as the performance of the contractually agreed tasks are rendered.
- (c) *Delivery fees* – Delivery fees are charged for the transportation of merchandise from the Company's stores to a certain destination as agreed with the customer. Delivery fees are recognized over time as the services are provided. Payment of delivery fees is due immediately, i.e., upon the customer's purchase of merchandise.
- (d) *Miscellaneous* – Miscellaneous income comprise of support received from supplier for store opening and clearance sales. Miscellaneous income is recognized at a point in time when support is received from the supplier.

As applicable, if the Company is required to refund the related purchase price for returned goods, it recognizes an outflow of cash or a reduction in trade receivables with a corresponding adjustment on the amount of revenue recognized during the reporting period. Also, the Company recognizes a right of return asset on the goods to be recovered from the customers with a corresponding adjustment to Cost of Merchandise Sold. However, there were no contracts containing significant right of return arrangements which remain outstanding during the reporting periods since the Company's policy with customers for most of its sale of merchandise pertain to outright return which are recognized immediately. Relative to this outright return arrangement, the amount of revenue is also immediately adjusted as of the end of the reporting periods.

Under the Company's standard contract terms for sale to customers, only goods found to be shoddy or defective shall be honored for return. The right of return is not a separate performance obligation and is not considered in establishing the transaction price since right of return entitles the customer to exchange the product bought for another product of the same type, quality, condition and price.

The Company operates a customer loyalty incentive programme where individual customers accumulate points for purchases made which entitle them for award credits on future purchases. The Company allocates a portion of the consideration received to loyalty points. This allocation is based on the relative stand-alone selling prices. The stand-alone selling price is estimated based on the equivalent value given when the points are redeemed by the customer and the likelihood of redemption, as evidenced by the Company's historical experience. The significant judgments used in determining the transaction price and the amounts allocated to the performance obligations are disclosed in Note 3.1(c).

A liability is recognized for revenue relating to the loyalty points at the time of the initial sales transactions. Revenue from loyalty points are recognized when the points are redeemed by the

customer. Revenue from loyalty points that are not expected to be redeemed by the customer is recognized in proportion to the pattern of rights exercised by customers.

In obtaining customer contracts, the Company incurs incremental costs. As the expected amortization period of these costs, if capitalized, would be less than one year, the Company uses the practical expedient in PFRS 15 and expenses such costs as incurred.

## **2.7 Leases**

The Company accounts for its leases as follows:

### *(a) Company as Lessee*

Subsequent to initial recognition, the Company depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term which is from 2 to 15 years, inclusive of reasonably certain extension period.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, Right-of-use Assets and Lease Liabilities have been presented under Property and Equipment, and separately from Other Liabilities, respectively.

### *(b) Company as Lessor*

The Company applies judgment in determining whether a lease contract is a finance or operating lease.

## **2.8 Impairment of Non-financial Assets**

The Company's property and equipment and other non-financial assets are subject to impairment testing.

## **2.9 Employee Benefits**

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

The Company's defined benefit post-employment plan covers all regular full-time employees. The pension plan is tax-qualified, non-contributory and administered by a trustee.

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

---

## **3. Significant Accounting Judgments and Estimates**

The preparation of the Company's financial statements in accordance with PFRS requires management to make judgments and estimates that affect the amounts reported in the financial

statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately differ from these estimates.

### **3.1      *Critical Management Judgments in Applying Accounting Policies***

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

#### *(a) Determination of Lease Term of Contracts with Renewal and Termination Options*

In determining the lease term, management considers all relevant factors and circumstances that create an economic incentive to exercise a renewal option

or not exercise a termination option. Renewal options and/or periods after termination options are only included in the lease term if the lease is reasonably certain to be extended or not terminated and the renewal of the contract is not subject to mutual agreement of both parties.

The factors that are normally the most relevant are (a) if there are significant penalties should the Company pre-terminate the contract, and (b) if any leasehold improvements are expected to have a significant remaining value, the Company is reasonably certain to extend and not to terminate the lease contract. Otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The Company did not include the renewal period as part of the lease term for leases of some of its stores and warehouse due to the provision in its contracts that requires mutual agreement of both parties on the terms and agreements of the renewal and termination of the lease contract.

The lease term is reassessed if an option is actually exercised or not exercised or the Company becomes obliged to exercise or not exercise it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the Company.

#### *(b) Determination of Timing of Satisfaction of Performance Obligations*

In determining the appropriate method to use in recognizing the Company's revenue from sale of merchandise, management determines that revenue is recognized at a point in time when the control of the goods have passed to the customer, i.e., generally when the customer acknowledges delivery of the goods.

Miscellaneous income comprise of support received from supplier for store opening and clearance sales. Miscellaneous income is recognized at a point in time when support are received from supplier.

On the other hand, revenue from vendors' support, marketing fees and delivery fees are recognized over time when the Company transfers control of the services over time as the performance of contractually agreed tasks are rendered. The management considers the output method under PFRS 15 as the Company recognizes revenue on the basis of direct measurements of the value to the customer of the services transferred to date relative to the services promised under the contract.

*(c) Determination of Transaction Price of Contract with Customer*

The transaction price is considered receivable to the extent of products sold with a right to avail customer loyalty points, right of return, discounts and rebates. The transaction price of customer loyalty points is allocated amongst the material right and other performance obligations identified in the contract based on the stand-alone selling prices, which are all observable. The Company measures its revenue net of consideration allocated to the fair value of the point credits.

Management has assessed that the amount involved for the right of return is not material and in most cases, customers could exchange the returned items with another merchandise in the store within the prescribed period (i.e., within seven days from date of purchase). Discounts and rebates are identifiable to specific goods and are recognized as reduction against the revenue recognized from sale of merchandise.

*(d) Determination of ECL on Trade and Other Receivables and Security Deposits*

The Company uses a provision matrix to calculate ECL for trade and other receivables and security deposits.

The provision rates are based on days past due for groupings of various customer segments to the extent applicable that have similar loss patterns (i.e., by geography, product type, or customer type and rating).

The provision matrix is based on the Company's historical observed default rates. The Company's management intends to regularly calibrate (i.e., on an annual basis) the matrix to consider the historical credit loss experience with forward-looking information (i.e., forecast economic conditions). Details about the ECL on the Company's trade and other receivables and security deposits are disclosed in Note 22.2(b) and Note 22.2(c).

*(e) Capitalization of Borrowing Costs*

The Company determines whether the amount of borrowing costs qualify for capitalization as part of the cost of the qualifying asset, or should be expensed outright. The accounting treatment for the finance costs is determined by assessing whether the asset is a qualifying asset taking into consideration the period of time needed to bring the asset for its intended use. Failure to make the right judgment will result in the misstatement of assets and net profit.

*(f) Recognition of Provisions and Contingencies*

Provisions are recognized when present obligations will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events.

Judgment is exercised by management to distinguish between provisions and contingencies.

Disclosure of provisions and contingencies are discussed in Note 21.

**3.2 Key Sources of Estimation Uncertainty**



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

*(a) Determination of Appropriate Discount Rate in Measuring Lease Liabilities*

The Company measures its lease liabilities at present value of the lease payments that are not paid at the commencement date of the lease contract. The lease payments were discounted using a reasonable rate deemed by management equal to the Company's incremental borrowing rate. In determining a reasonable discount rate, management considers the term of the leases, the underlying asset and the economic environment. Actual results, however, may vary due to changes in estimates brought about by changes in such factors.

*(b) Estimation of Allowance for ECL*

The measurement of the allowance for ECL on financial assets at amortized cost is an area that requires the use of significant assumptions about the future economic conditions and credit behavior (e.g., likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation used in measuring ECL is further detailed in Note 22.2(b) and Note 22.2(c).

*(c) Determination of Net Realizable Value of Merchandise Inventories*

In determining the net realizable value of merchandise inventories, management takes into account the most reliable evidence available at the time the estimates are made. The Company's products are subject to inventory obsolescence. Moreover, future realization of the carrying amounts of merchandise inventories as presented in Note 7 is affected by price changes of the products and the costs incurred necessary to make a sale. Both aspects are considered key sources of estimation uncertainty and may cause significant adjustments to the Company's merchandise inventories within the next financial reporting period.

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

The Company estimates the useful lives of property and equipment and right-of-use assets based on the period over which the assets are expected to be available-for-use. The estimated useful lives of property and equipment and right-of-use assets are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence, and legal or other limits on the use of the assets.

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

*(e) Evaluation of Impairment of Non-financial Assets*

In assessing impairment, management estimates the recoverable amount of each asset or a cash-generating unit based on expected future cash flows and uses an interest rate to calculate

the present value of those cash flows. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. Though management believes that the assumptions used in the estimation of fair values reflected in the financial statements are appropriate and reasonable, significant changes in those assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

Management has assessed that no impairment losses are required to be recognized on non-financial assets in 2024, 2023 and 2022.

*(f) Determination of Realizable Amount of Deferred Tax Assets*

The Company reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Management assessed that the deferred tax assets recognized as at December 31, 2024 and 2023 will be fully utilized in the coming years. The carrying values of deferred tax assets netted against deferred tax liabilities as of those reporting periods are disclosed in Note 17.

*(g) Valuation of Post-employment Defined Benefit Obligation*

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

The amounts of post-employment benefit obligation and expense, and an analysis of the movements in the estimated present value of post-employment benefit, as well as the significant assumptions used in estimating such obligation are presented in Note 16.

---

#### **4. Segment Reporting**

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

In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment. There have been no changes from prior periods in the measurement methods used to determine reported segment profit or loss.

The Company has only one reportable segment, which is the trading business. Further, the Company has only one geographical segment as all its operations are based in the Philippines. The revenue of the Company consists mainly of sales to external customers through its retail and e-commerce channels. The Company has no significant customer which contributed to 10% or more to the revenue of the Company.

## 5. Cash

Cash includes the following components:

	Unaudited Mar 31, 2025	Audited Dec 31, 2024
Cash in banks	₱ 1,331,763,156	₱ 1,351,778,051
Cash on hand	5,880,000	5,800,000
	<u>₱1,417,643,156</u>	<u>₱ 1,357,578,051</u>

Cash in banks generally earn interest at rates based on daily bank deposit rates.

Finance income on these bank deposits for the three months ended March 31, 2025 and 2024, amounted to ₱0.47 million and ₱0.4 million, respectively.

---

## 6. Trade and Other Receivables - net

This account is composed of the following:

	Note	Unaudited Mar 31, 2025	Audited Dec 31, 2024
Trade receivables- third parties		₱379,344,276	₱439,451,751
Non-trade receivables		636,733,657	656,174,658
Others	18	<u>1,588,311</u>	<u>1,129,315</u>
		1,017,666,244	1,096,755,724
Allowance for impairment losses		<u>(22,393,924)</u>	<u>(22,393,924)</u>
		<u>₱995,272,320</u>	<u>₱1,074,361,800</u>

Trade receivables are due from various customers and have credit terms ranging from 30 days to 60 days. The carrying amounts of the receivables are considered a reasonable approximation of fair values due to their short duration.

Non-trade receivables comprise of the Company's receivables from suppliers arising from vendors' support, marketing fees, miscellaneous income.

Others pertain to accrued interest receivable from short-term placements.

All of the Company's trade and other receivables have been assessed for ECL. The Company assessed that the existing allowance for impairment losses is sufficient as of March 31, 2025.

---

## 7. Merchandise Inventories

Merchandise inventories pertain to goods owned by the Company, which include construction materials, home improvements, furnishings and décor products, among others, that are traded under the normal course of business, and amounted to ₱7,446.8 million and ₱7,441.4 million as of March 31, 2025 and December 31, 2024, respectively. The Company did not provide any allowance for inventory obsolescence as the merchandise inventories are deemed saleable. Merchandise inventories were all stated at cost, which is lower than net realizable value, as of March 31, 2025 and December 31, 2024.

Cost of merchandise inventories charged to operations are presented as Cost of Merchandise Sold in the statements of comprehensive income (see Note 14.1).

## 8. Other Assets

The composition of this account is shown below:

	Note	Unaudited Mar 31, 2025	Audited Dec 31, 2024
Current:			
Advances for purchases		₱3,316,776,159	₱3,333,658,871
Short-term placements		80,000,000	80,000,000
Prepaid rent		69,401,233	75,252,156
Deferred input value-added taxes (VAT)		3,071,745	3,556,757
Others		184,282,775	163,183,829
		<u>3,653,531,912</u>	<u>3,655,651,613</u>
Non-current:			
Advances to contractors		210,893,192	199,492,535
Materials and supplies	9	272,780,127	280,758,289
Security deposit		241,462,301	240,749,237
		<u>725,135,619</u>	<u>721,000,061</u>
		<u>₱4,378,667,531</u>	<u>₱4,376,651,674</u>

Advances for purchases pertain to payments made to various third party suppliers which are primarily used in the purchase of merchandise inventories subsequent to March 31, 2025 and 2024.

Short-term placements have original maturity period of one year and earn effective interest rates of 2.00% in 2024 and 2023, and 0.55% in 2022. Interest income from short-term placements amounting to P1.1 million in 2024 and 2023, and P0.6 million in 2022, are presented as Finance income under Other Income (Charges) section of the statements of comprehensive income. The outstanding balance of such interest is presented as Others under Trade and Other Receivables account in the statements of financial position (see Note 6).

Prepaid rent pertains to advance payment for the rental of new stores in accordance with the lease agreements.

Materials and supplies pertain to construction materials intended for store fit-out. In 2024, 2023 and 2022, certain construction materials and supplies under Non-current Assets amounting to P9.4 million, P44.8 million and P49.8 million, respectively, were reclassified to Construction in Progress under Property and Equipment in the statements of financial position (see Note 9).

Security deposits include deposits made to lessors arising from the lease of retail spaces which will be refunded at the end of the lease term or be applied to the last months' rentals on the related contracts and deposits made to a distribution utility as a guarantee for the electric meters installed in the Company's stores.

Advances to contractors pertain to mobilization funds made to various contractors for the construction of several items under property and equipment.

Others consist of prepaid taxes and licenses, repairs, supplies, insurance, advertising, and dues and subscriptions.

## 9. Property and Equipment

The roll forward analyses of this account are as follows:

	Store Equipment	Furniture, Fixtures and Office Equipment	Transportation Equipment	Leasehold Improvement	Right-of-use Assets	Construction- in-Progress	Total
Balance at January 1, 2025, net of accumulated depreciation and amortization	₱2,550,257,947	₱1,017,811,864	₱45,445,648	₱7,049,206,621	₱1,954,762,244	₱88,043,563	₱12,705,527,887
Additions - Other property and Equipment	700,040	49,072,884	—	142,588,298	—	31,247,415	223,608,638
Disposals (Note 21)	—	—	—	—	—	—	—
Reclassification	—	—	—	—	—	—	—
Lease modifications (Note 12)	—	—	—	—	—	—	—
Depreciation and amortization changes for the period	(58,414,606)	(66,993,947)	(2,065,057)	(124,425,039)	(117,101,710)	—	(369,000,360)
<b>Balance at March 31, 2025, net of accumulated depreciation</b>	<b>₱2,492,543,381</b>	<b>₱999,890,801</b>	<b>₱43,380,590</b>	<b>₱7,067,369,881</b>	<b>₱1,837,660,535</b>	<b>₱119,290,978</b>	<b>₱12,560,136,166</b>
	Store Equipment	Furniture, Fixtures and Office Equipment	Transportation Equipment	Leasehold Improvement	Right-of-use Assets	Construction- in-Progress	Total
Balance at January 1, 2024, net of accumulated depreciation and amortization	₱2,365,965,726	₱1,131,681,676	₱57,786,419	₱6,914,129,983	₱2,554,116,745	₱93,059,039	₱13,116,739,588
Additions - Other property and Equipment	405,961,029	151,819,393	1,578,065	—	—	730,069,469	1,289,427,956
Disposals (Note 21)	—	—	—	735,084,945	—	(735,084,945)	—
Reclassification	—	—	—	(125,216,997)	—	—	(125,216,997)
Lease modifications (Note 12)	—	—	—	—	(120,874,763)	—	(120,874,763)
Depreciation and amortization changes for the period	(221,668,808)	(265,689,205)	(13,918,836)	(474,791,310)	(478,479,738)	—	(1,454,547,897)
Balance at December 31, 2024, net of accumulated depreciation	<b>₱2,550,257,947</b>	<b>₱1,017,811,864</b>	<b>₱45,445,648</b>	<b>₱7,049,206,621</b>	<b>₱1,954,762,244</b>	<b>₱88,043,563</b>	<b>₱12,705,527,887</b>

Construction in Progress pertains to accumulated costs incurred on the construction of new stores. The ongoing projects as of December 31, 2023 were fully completed in 2024 while the remaining ongoing projects as of December 31, 2024 are expected to be completed by 2025. Other than the remaining capital expenditures, there are no other capital commitments relating to the ongoing projects.

In 2024, 2023 and 2022, certain construction materials and supplies under Non-current Assets amounting to P9.4 million, P44.8 million and P49.8 million, respectively, were reclassified to Construction in Progress under Property and Equipment in the statements of financial position (see Note 8).

The Company's right-of-use assets pertain to store and warehouse facilities with terms ranging from 2 to 15 years, inclusive of reasonably certain extension period [refer also to Note 3.1(a)], and an average remaining lease term ranging from 1 to 9 years as of December 31, 2024 (see Note 12). In addition, there are leases with extension options and with variable consideration. Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublease the asset to another party, the right-of-use asset can only be used by the Company.

The Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. There are no leases with options to purchase or terminate. The Company has no low-value leases.

In 2024, the Company disposed of leasehold improvements with a total cost of P188.2 million and accumulated depreciation of P63.0 million, mainly due to the pretermination of a store outlet lease to facilitate new development plans by a related party under common ownership (see Note 12.1). As per agreement, the carrying amount of leasehold improvements amounting to P125.2 million will be reimbursed by the related party (see Note 18.2). The related receivable is presented as part of Non-trade receivables under Trade and Other Receivables in the 2024 statement of financial position (see Note 6). No gains or losses were recognized from this transaction.

In 2022, the Company wrote off certain property and equipment as a result of the fire incident in its Alabang store outlets on January 8, 2022, with total cost and accumulated depreciation of P279.5 million and P60.2 million, respectively (see Note 15.2). The details of the related pretermination of lease due to fire incident is discussed in Note 12.1.

In 2024, 2023 and 2022, borrowing costs amounting to P169.2 million, P238.8 million and P196.7 million, respectively, based on capitalization rate ranging from 5.00% to 8.90% in 2024, 5.00% to 8.50% in 2023 and 5.00% to 7.09% in 2022 for specific borrowings in those years, were capitalized as part of Construction in Progress see Note 11).

The amount of depreciation and amortization is presented as part of General and Administrative Expenses in the statements of comprehensive income (see Note 14.2).

As of December 31, 2024 and 2023, the gross carrying amount of the Company's fully depreciated property and equipment that are still used in operations is P204.2 million and P116.2 million, respectively.

There were no items of property and equipment that were used as collateral for any of the Company's loans.

The Company also recognized rental income from its operating leases as lessor amounting to P12.4 million, P15.6 million and P18.1 million in 2024, 2023 and 2022, respectively, and is presented as part of Support, Fees, Rentals and Other Revenues in the statements of comprehensive income (see Note 13).

---

## 10. Trade and Other Payables

This account consists of:

	Unaudited Mar 31, 2025	Audited Dec 31, 2024
Trade payables	<b>₱646,999,541</b>	₱740,253,581
Non-trade payables	<b>43,251,717</b>	115,956,330
Accrued expenses	<b>38,417,878</b>	54,493,791
VAT payable	<b>15,267,513</b>	24,003,917
Withholding tax payable	<b>7,110,868</b>	17,052,240
Others	<b>8,530,183</b>	8,374,157
	<b>₱759,577,700</b>	₱960,134,016

Trade payables arise from the Company's purchases of inventories and other direct costs. These are noninterest-bearing and have credit terms ranging from 30 to 60 days.

Non-trade payables arise from the Company's capital asset acquisitions and other operating expenditures not yet paid as of the end of the period.

Accrued expenses are liabilities arising from unpaid interest on loans, rent, utilities, salaries and other costs.

The Company operates a customer loyalty incentive programme where individual customers accumulate points for purchases made which entitle them for award credits on future purchases. In 2024 and 2023, the Company recognized deferred revenue for the unredeemed points amounting to P6.1 million and P5.9 million, respectively, which is presented as part of Others.

## 11. Loans Payable

Loans payable are presented in the statements of financial position as follows:

	Unaudited Mar 31, 2025	Audited Dec 31, 2024
Current:		
Short-term loans	<b>2,531,410,375</b>	₱2,463,002,730
Current portion of long-term loans	<b>1,627,500,000</b>	1,627,500,000
	<b>4,158,910,375</b>	4,090,502,730
Non-current Long-term loans	<b>2,230,150,000</b>	2,230,150,000
	<b>6,389,060,375</b>	6,320,652,730

### **11.1 Short-term Loans**

The Company obtained short-term loans from various local banks for the Company's working capital requirements with fixed interest rates ranging from 5.00% to 9.75% in 2024 and 7.50% to 8.25% in 2023, and with terms of 150 to 360 days. The short-term loans in 2024 and 2023 are rolled over upon maturity. There are no loan covenants on the Company's short-term loans.

### **11.2 Long-term Loans**

The Company obtained various long-term loans from local banks to partially finance the construction and expansion of the Company's stores and to refinance its existing loan obligation. These loans are subject to fixed interest rate ranging from 5.00% to 8.90% and payable in quarterly installments.

Certain loans of the Company with local banks are subject to compliance with loan covenants. The Company has to maintain a minimum current ratio of at least 1.00, maximum debt-to-equity ratio of not more than 2.50 and a minimum debt-service coverage ratio of at least 1.00. The ratios are computed on the basis of the Company's annual audited financial statements. The Company has complied with the loan covenants as of March 31, 2025 and December 31, 2024 (see Note 24).

The total finance costs attributable to all the loans of the Company amounted to P482.8 million, P446.7 million and P321.1 million in 2024, 2023 and 2022, respectively. Of these amounts, portion charged as expense amounted to P313.6 million, P207.9 million and P124.4 million in 2024, 2023 and 2022, respectively, and is presented as part of Finance costs under Other Income (Charges) section of the statements of comprehensive income (see Note 15). The Company capitalized the interest on loans amounting to P169.2 million, P238.8 million and P196.7 million in 2024, 2023 and 2022, respectively, based on capitalization rate ranging from 5.00% to 8.90% in 2024, 5.00% to 8.50% in 2023 and 5.00% to 7.09% in 2022 for specific borrowings in those periods, were included as part of construction in progress (see Note 9).

Interest payable from these loans amounted to P32.2 million, P34.5 million and P26.3 million as of December 31, 2024, 2023 and 2022, respectively, and is presented as part of Accrued expenses under Trade and Other Payables in the statements of financial position (see Note 10). There were no assets used as collateral for any of the Company's loans.

---

## **12. Leases**

The Company is a lessee under non-cancellable operating leases covering its store outlets and warehouse facilities (see Note 9). These lease contracts include extension and variable lease payments. With the exception of leases with variable consideration, each lease is reflected on the statements of financial position as a right-of-use asset presented under Property and Equipment and a lease liability presented separately from other liabilities.

The security deposits paid in connection with the leases amounting to P241.5 million and P240.7 million as of March 31, 2025 and December 31, 2024, respectively, is presented as Security deposits under Other Non-current Assets in the statements of financial position (see Note 8). Management believes that no allowance for ECL is required for security deposits since there has been no significant change in the credit



quality of the accounts [see Note 22.2(c)].

### 12.1 Lease Liability

Lease liability is presented in the statement of financial position as of March 31, 2025 and December 31, 2024 as follows:

	Unaudited Mar 31, 2025	Audited Dec 31, 2024
Current	<b>₱518,606,031</b>	₱516,222,626
Non-current	<b>2,031,020,433</b>	2,161,710,201
	<b>₱2,549,626,464</b>	<b>₱2,677,932,827</b>

### 12.2 Additional Profit or Loss

Expenses recognized for the period are as follows:

	Note	Unaudited Mar 31, 2025	Audited Mar 31, 2024
Depreciation expense of right-of-use assets	9	<b>₱117,101,710</b>	₱123,145,448
Interest expense on lease liabilities	15	<b>45,692,555</b>	55,188,543
Variable lease payments	14.2	<b>26,621,880</b>	53,849,390
		<b>₱189,416,144</b>	<b>₱232,183,381</b>

The total cash outflow in respect of leases, including payment in lease agreements that contain variable payment linked to sales as mentioned in Note 12.2, amounted to P189.4 and P232.2 million in March 31, 2025 and 2024 respectively.

## 13. Revenues

The Company's revenues arise from sale transactions with individual and corporate customers in the Philippines totaling to ₱2.8 billion and ₱2.9 billion for the three-months period ended March 31, 2025 and 2024, respectively.

The disaggregation on revenue recognition whether point in time or over time for period ended March 31, 2025 is shown below:

	Point in time	Over time	Total
Sale of merchandise (Note 18.1)	<b>₱1,768,013,580</b>	<b>₱—</b>	<b>₱1,768,013,580</b>
Vendors' support	—	30,418,565	30,418,565
Marketing fees	—	1,498,304	1,498,304
Delivery fees	—	2,425,237	2,425,237
Miscellaneous	1,001,247	—	1,001,247
	<b>₱1,769,014,827</b>	<b>₱34,342,105</b>	<b>₱1,803,356,933</b>

This compares to the disaggregation on revenue recognition whether point in time or over time for period ended March 31, 2024 as follows:

	Point in time	Over time	Total
Sale of merchandise (Note 18.1)	₱2,760,520,854	₱—	₱2,760,520,854
Vendors' support	—	38,995,991	38,995,991
Marketing fees	—	3,091,497	3,091,497
Delivery fees	—	2,421,327	2,421,327
Miscellaneous	2,062,300	—	2,062,300
	<b>₱2,762,583,154</b>	<b>₱44,508,815</b>	<b>₱2,807,091,969</b>

The Company also recognized rental income from its operating lessor amounting to ₱1.1 million and ₱1.7 million in 2025 and 2024, respectively

Vendors' support, marketing fees, delivery fees, rentals and miscellaneous are presented as part of Support fees, rentals and other revenues account in the statements of comprehensive income.

Miscellaneous revenues represent supports received from suppliers for store opening and clearance sales.

#### 14. Cost and Expenses

##### 14.1 Cost of Merchandise Sold

The details of cost of merchandise sold are shown below:

	Note	Unaudited Mar 31, 2025	Unaudited Mar 31, 2024
Inventories at beginning of period	7	₱7,441,356,243	₱7,279,106,747
Purchases during the period		1,120,871,426	1,721,898,937
Cost of goods available for sale		8,562,227,668	9,001,005,685
Inventories at end of period	7	7,446,781,467	7,283,961,713
		<b>₱1,095,446,002</b>	<b>₱1,717,043,971</b>

##### 14.2 Other Operating Expenses

	Note	Unaudited Mar 31, 2025	Unaudited Mar 31, 2024
Depreciation and amortization	9	₱370,075,400	₱361,058,529
Salaries, wages and employee benefits	16	57,501,537	111,316,169
Outside services		14,416,164	65,311,561
Rentals	12.2	26,621,880	53,849,390
Communication and utilities		30,798,204	87,545,458
Merchant fee		5,347,485	35,987,876
Taxes and licenses		13,330,674	18,598,406
Office and store supplies		993,459	4,956,198
Repairs and maintenance		1,718,601	8,368,016
Professional fees		769,102	2,899,300
Advertising and promotions		1,225,769	4,810,282

Dues and subscriptions	372,826	3,658,080
Transportation expense	1,169,610	5,706,444
Insurance expense	3,675,000	5,318,115
Representation and entertainment	387,370	1,727,592
Commission expense	241,708	1,091,902
Miscellaneous	537,610	2,760,521
	<b>P529,182,399</b>	<b>P774,963,840</b>

## 15. Other Income (Charges)

### 15.1 Finance Costs

Finance costs include the following:

	Note	Unaudited Mar 31, 2025	Unaudited Mar 31, 2024
Interest expense from:			
Lease liability	12.2	P45,692,555	P55,188,543
Loans payable	11	79,617,830	73,625,756
Retirement benefit obligation	16.2	885,105	1,376,266
Bank service charge		361	-
		<b>P126,195,850</b>	<b>P130,190,899</b>

### 15.2 Losses from Fire

On January 8, 2022, the Company's store outlets located in Alabang, Muntinlupa City were severely damaged by fire. As a result, the Company wrote off certain inventories and property and equipment with net carrying value amounting to P83.8 million and P219.3 million, respectively (see Notes 7 and 9). The Company received total insurance claims amounting to P69.5 million, which was offset against the losses incurred from the fire incident. The related net loss amounting to P233.6 million is presented as Losses from fire under Other Income (Charges) in the 2022 statement of comprehensive income.

## 16. Salaries, Wages and Employee Benefits

Expenses recognized for salaries, wages and employee benefits in 2024 and 2023 are presented below.

### 16.1 Salaries, Wages and Employee Benefits

	Note	Unaudited Mar 31, 2025	Unaudited Mar 31, 2024
Salaries and wages		P48,096,018	P93,317,217
Post-employment benefit	16.2	1,757,718	4,102,523
Other employee benefits		7,647,801	13,896,430
		<b>P57,501,537</b>	<b>P111,316,169</b>

### 16.2 Post-employment Defined Benefit Plan

(a) Characteristics of the Defined Benefit Plan

The Company maintains an unfunded, noncontributory post-employment defined benefit plan covering all qualified employees.

The normal retirement age of the Company's employees is at 60 with a minimum of five years of credited service. The compulsory retirement age is at 65 with a minimum of five years of credited service. The normal retirement benefit is equal to 100% of the monthly salary multiplied by every year of credited service.

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

The most recent actuarial valuation dated April 8, 2025 was performed by a professionally qualified external actuary.

The movements in the present value of the retirement benefit obligation recognized in the statements of financial position are as follows:

	<b>Unaudited Mar 31, 2025</b>	Audited Dec 31, 2024
Balance at beginning of the period	<b>P62,384,938</b>	P127,398,117
Current service cost	<b>1,757,718</b>	19,776,377
Past Service Cost	—	—
Interest expense	<b>885,105</b>	7,620,687
Benefits paid from Company operating fund		(4,250,805)
Transferred liability	—	—
Actuarial losses (gains) arising from:	—	—
Changes in demographic assumptions		(46,250,294)
Experience adjustments		(42,177,198)
Changes in financial assumptions		268,054
Balance at the end of the period	<b>P65,027,761</b>	P 62,384,938

The interest expense is included as part of Finance Costs under Finance Income (Costs) in the statements of comprehensive income (see Note 15).

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

In determining the amount of the retirement benefit obligation, the following significant actuarial assumptions were used for the period ended March 31, 2025 and December 31, 2024:

Discount rate	6.11%
Expected rate of salary increases	10.00%

Assumptions regarding future mortality experience are based on published statistics and mortality tables. The average remaining working lives of an individual retiring at the age of 60 is 35 years. These assumptions were

developed by management with the assistance of an independent actuary. Discount factors are determined close to the end of each reporting period by reference to the interest rates of zero coupon government bonds with terms to maturity approximating to the terms of the post-employment obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

(c) *Risks Associated with the Retirement Plan*

The plan exposes the Company to actuarial risks such as interest rate risk, longevity risk and salary risk.

(i) *Interest Rate Risk*

The present value of the defined benefit obligation is calculated using a discount rate determined by reference to market yields of government bonds. Generally, a decrease in the interest rate of a reference government bonds will increase the plan obligation.

(ii) *Longevity and Salary Risks*

The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of the plan participants during their employment and to their future salaries. Consequently, increases in the life expectancy and salary of the plan participants will result in an increase in the plan obligation.

(d) *Other Information*

The information on the sensitivity analysis for certain significant actuarial assumptions, and the timing and uncertainty of future cash flows related to the retirement plan as of December 31, 2024 and 2023 are discussed below and in the succeeding page.

(i) *Sensitivity Analysis*

The following table summarizes the effects of changes in the significant actuarial assumptions used in the determination of the defined benefit obligation as of December 31:

(Amounts in PHP)	<b>Impact on Post-employment Defined Benefit Obligation</b>		
	<b><u>Change in Assumption</u></b>	<b><u>Increase in Assumption</u></b>	<b><u>Decrease in Assumption</u></b>
<b><u>2024:</u></b>			
Discount rate	+/- 1%	(6,445,395)	7,539,623
Salary growth	+/- 1%	7,477,834	(6,522,105)
<b><u>2023:</u></b>			
Discount rate	+/- 1%	(17,099,527)	20,716,282
Salary growth	+/- 1%	20,369,670	(17,168,105)

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognized in the 2024 statement of financial position.

(ii) *Funding Arrangements and Expected Contributions*

The plan is currently unfunded by P62.4 million based on the latest actuarial valuation. While there are no minimum funding requirement in the country, the size of the underfunding may pose a cash flow risk that the Company may be exposed to if several employees retire within the same year.

The Company has yet to determine when to establish a retirement fund and how much to contribute.

The maturity profile of the undiscounted expected benefit payments as of December 31 from the plan follows:

	<u>2024</u>	<u>2023</u>
Within five years	<b>P13,086,079</b>	P17,590,806
More than five years to 10 years	<b>39,575,823</b>	60,454,890
More than 10 years	<b><u>335,756,789</u></b>	<u>1,521,735,003</u>
	<b><u>P388,418,691</u></b>	<b><u>P1,599,780,699</u></b>

Management expects that a substantial portion of the undiscounted expected benefit payments is probable after 10 years from the end of the reporting period. The weighted average duration of the defined benefit obligation at the end of the reporting period is 14.15 years.

---

## 17. Income Taxes

The components of tax expense as reported in profit or loss are:

	<u>Unaudited Mar 31, 2025</u>	<u>Unaudited Mar 31, 2024</u>
Regular corporate income tax (RCIT)	<b>(P8,816,126)</b>	P17,294,851
Final tax at 20%	<b>94,129</b>	79,563
Excess of minimum corporate income tax (MCIT) at 2% over RCIT	<b><u>23,037,916</u></b>	<u>4,540,869</u>
	<b>14,315,919</b>	21,915,283
Deferred tax expense relating to originating and reversal of other temporary differences	<b><u>(270,442)</u></b>	<u>24,841,985</u>
	<b><u>P14,045,477</u></b>	<b><u>P46,757,268</u></b>

A reconciliation of tax on pretax profit computed at the applicable statutory rates to tax expense reported in profit or loss is as follows:

	<u>Unaudited Mar 31, 2025</u>	<u>Unaudited Mar 31, 2024</u>
Tax on pretax profit at statutory rate	<b>P14,045,477</b>	P46,757,268
Adjustment for income subjected to lower tax rate	<b>(23,532)</b>	(19,891)
Tax effects of non-deductible expense	<b><u>25,532</u></b>	<u>19,891</u>
Tax expense	<b><u>P14,045,477</u></b>	<b><u>P46,757,268</u></b>

The Company is subject to the Minimum Corporate Income Tax (MCIT) as defined under the tax regulations, or RCIT, whichever is higher. The Company reported MCIT for the period ended March 31, 2025 and March 31, 2024.

The deferred tax liabilities as of March 31, 2025 and December 31, 2024 relate to the following:

	Statements of Financial Position		Statements of Comprehensive Income	
	Unaudited Mar 31, 2025	Audited Dec 31, 2024	Unaudited Mar 31, 2025	Unaudited Mar 31, 2024
Deferred tax assets:				
Leases - PFRS 16	<b>₱187,523,615</b>	₱189,089,359	<b>₱187,523,615</b>	₱199,110,653
Retirement obligation	<b>12,235,258</b>	11,574,552	<b>12,235,258</b>	24,284,057
Impairment loss	<b>5,961,115</b>	5,961,115	<b>5,961,115</b>	5,961,115
Uncollected Income	-		-	4,350,786
Excess MCIT	<b>101,492,800</b>	78,454,884	<b>101,492,800</b>	4,540,869
Reward liability	<b>1,525,769</b>	1,525,769	<b>1,525,769</b>	1,485,367
	<b>308,738,556</b>	286,605,679	<b>308,738,556</b>	239,732,846
Deferred tax liabilities:				
Depreciation	<b>(677,725,700)</b>	(663,324,044)	<b>(677,725,700)</b>	(606,733,543)
Borrowing costs	<b>(274,328,945)</b>	(266,868,166)	<b>(274,328,945)</b>	(246,828,279)
Uncollected income	<b>(9,803,253)</b>	(9,803,253)	<b>(9,803,253)</b>	(9,803,253)
	<b>(961,857,899)</b>	(939,995,463)	<b>(961,857,899)</b>	(853,561,822)
Deferred tax liabilities – net	<b>(₱653,119,341)</b>	(₱653,389,784)	<b>(₱653,119,341)</b>	(₱623,632,228)

The Company claimed itemized deductions for 2025 and 2024 in computing for its income tax due.

## 18. Related Party Transactions

The Company's related parties include its ultimate parent company, parent company, related parties under common ownership, key management personnel and others.

Based on the requirement of SEC Memorandum Circular 2019-10, *Rules of Material Related Party Transactions of Publicly-listed Companies*, transactions amounting to 10% or more of the total assets based on its latest consolidated financial statements that were entered into with related parties are considered material. In 2024 and 2023, there were no transactions with related parties that exceeds the 10% threshold to be considered material.

All individual material related party transactions shall be approved by at least two-thirds (2/3) vote of the Company's board of directors, with at least a majority of the independent directors voting to approve the material related party transactions. In case that a majority of the independent directors' vote is not secured, the material related party transaction may be ratified by the vote of the stockholders representing at least two-thirds of the outstanding capital stock. For aggregate related party transactions within a 12-month period that breaches the

materiality threshold of 10% of the consolidated total assets based on the latest financial statements, the same board approval would be required for the transactions that meet and exceeds the materiality threshold covering the same related party.

The summary of the Company's transactions with its related parties and the related outstanding balances as of December 31, 2024 and 2023 and for the years ended December 31, 2024, 2023 and 2022 are discussed below.

(Amounts in PHP)	Notes	Amount of Transactions			Outstanding Balances Receivables (Payables)	
		2024	2023	2022	2024	2023
<b>Related Parties Under Common Ownership:</b>						
Lease liability	12	(140,155,609)	-	-	(2,103,093,579)	(2,660,909,225)
Right-of-use asset	9, 12	(120,874,763)	-	-	1,546,059,140	2,061,316,758
Depreciation	9, 12	392,675,237	422,185,134	404,977,243	-	-
Interest	12, 15	167,546,956	184,093,610	226,125,154	-	-
Rentals	12	148,759,563	72,243,854	316,198,441	-	-
Sale of merchandise	6, 18.1	120,180,699	94,033,075	97,510,230	39,762,624	48,060,151
Reimbursement of expenses	6, 18.2	125,216,997	-	-	125,216,997	-
<b>Key Management Personnel Compensation</b>						
	18.3	42,941,466	56,755,227	48,846,000	-	-

Management determines possible impairment based on the related parties' ability to repay the advances upon demand at the reporting date taking into consideration the historical defaults from the related parties. Management assessed that the outstanding receivables from related parties as of December 31, 2024 and 2023 are recoverable since these related parties have the capacity to pay the advances upon demand. There were no impairment losses recognized for these receivables from related parties in 2024, 2023 and 2022.

### **18.1 Sale of Merchandise**

The Company sells various merchandise items to its related parties with similar transaction price and terms under exact business circumstance with third parties. These transactions are presented as part of Sales in the statements of comprehensive income (see Note 13). The related receivables are presented as part of Trade Receivables under Trade and Other Receivables in the statements of financial position (see Note 6).

### **18.2 Reimbursement of Expenses**

In 2024, the Company entered into an agreement with a related party under common ownership, to facilitate new development plans of the latter which resulted in the closure of a certain store outlet and derecognition of the related leasehold improvements (see Notes 9 and 12.1). The carrying amount of the derecognized leasehold improvements amounted to P125.2 million, which will be reimbursed by the related party. The related receivable is presented as part of Non-trade receivables under Trade and Other Receivables in the 2024 statement of financial position (see Note 6). No gains or losses were recognized from this transaction. There was no similar transaction in 2023 and 2022.

### **18.3 Key Management Personnel Compensation**

For the period ended March 31, 2025, the total key management personnel compensation which includes short-term and post-employment benefits amounted to P9.7 million.



---

## 19. Equity

### 19.1 Capital Stock

The details of the Company's capital stocks as of March 31, 2025 and December 31, 2024 are as follows:

	Unaudited Mar 31, 2025		Audited Dec 31, 2024	
	No. of Shares	Amount	No. of Shares	Amount
<b>Authorized shares:</b>				
Common	5,900,000,000	5,900,000,000	5,900,000,000	5,900,000,000
Preferred	1,000,000,000	100,000,000	1,000,000,000	100,000,000
<b>Issued and outstanding shares:</b>				
Common - Par value of P1 per share	3,750,000,002	3,750,000,002	3,750,000,002	3,750,000,002
Balance at the end of the period	3,750,000,002	3,750,000,002	3,750,000,002	3,750,000,002

### 19.2 Additional Paid-In Capital

Additional paid-in capital consists of P7,209.3 million from the initial public offering in 2019, net of P665.7 million stock issuance costs incurred such as underwriting fees and commissions, taxes and filing fees (see Note 19.1).

### 19.3 Retained Earnings

In 2024, the Company's BOD approved the declaration of cash dividends amounting to P115.9 million (P0.0309 per share) on November 27, 2024, and payable to stockholders of record as of November 30, 2024. The cash dividends were settled on December 12, 2024.

In 2023, the Company's BOD approved the declaration of cash dividends amounting to P140.3 million (P0.0374 per share) on November 14, 2023, and payable to stockholders of record as of November 30, 2023. The cash dividends were settled on December 15, 2023.

In 2022, the Company's BOD approved the declaration of cash dividends amounting to P288.8 million (P0.0770 per share) on November 29, 2022, payable to stockholders of record as of December 15, 2022. The outstanding dividends payable amounting to P35.0 million is presented as part of Non-trade payables under Trade and Other Payables in the 2022 statement of financial position (see Note 10). The cash dividends were settled in 2023.

### 19.4 Revaluation Reserves

The component and reconciliation of items under Revaluation Reserves account in the statement of financial position are shown below.

	Unaudited Mar 31, 2025	Audited Dec 31, 2024
Balance at beginning of period	P53,067,226	(P13,052,353)
Remeasurement on post-employment defined benefit obligation	—	88,159,438
Tax expense	—	(22,039,860)
Effect of the change in income tax rate	—	—
Balance at the end of the period	P53,067,226	P53,067,226

## 20. Earnings (Loss) Per Share

Earnings (loss) per share were computed as follows:

	Unaudited Mar 31, 2025	Unaudited Mar 31, 2024
Net (loss) profit	P42,136,432	P140,351,367
Divided by weighted average number of outstanding common shares	3,750,000,002	3,750,000,002
Basic and diluted EPS	P0.01	P0.04

The Company has no potential dilutive common shares as of March 31, 2025 and 2024.

## 21. Commitments and Contingencies

The significant commitments and contingencies involving the Company are presented below:

### 21.1 Legal Claims

The Company is a party to certain case from the normal course of business. The Company and its legal counsel believe that any eventual liabilities under this case will not have a material effect on the financial statements. Accordingly, no provision for probable losses arising from legal contingencies was recognized in the financial statements as of March 31, 2025 and 2024.

### 21.2 Others

There are other commitments, guarantees and contingent liabilities that may arise in the normal course of operations of the Company which are not reflected in the financial statements. As of March 31, 2025 and December 31, 2024, management is of the opinion that losses, if any, from these items will not have any material effect on the Company's financial statements, taken as a whole.

## 22. Risk Management Objectives and Policies

The Company is exposed to a variety of operational and financial risks in relation to financial instruments. The Company's risk management is coordinated with its parent company, in close cooperation with the Company's BOD.

The Company does not normally engage in the trading of financial assets for speculative purposes nor does it write options. The most significant operational and financial risks to which the Company is exposed to are described below.

## 22.1 Interest Rate Risk

The Company's policy is to minimize interest rate cash flow risk exposures on long-term financing. In 2024, 2023 and 2022, the Company is exposed to changes in market interest rates through its cash in banks and short-term placements, which are subject to variable interest rates.

Short-term bank loans, cash in banks and short-term placements which are subject to repricing are tested on a reasonably possible change (weighted average) of +/-1.86% and +/-1.42% Philippine peso in 2024 and 2023, respectively. On the other hand, the Company's exposure to foreign currency interest rate is insignificant. The percentages have been determined based on the average market volatility of interest rates, using standard deviation, in the previous 12 months estimated at 99% level of confidence. The sensitivity analysis is based on the Company's financial instruments held at the end of each reporting period, with the effect estimated from the beginning of the year. All other variables are held constant.

The changes in percentages would affect profit before tax by +/-P26.7 million and +/-P23.5 million in 2024 and 2023, respectively.

On the other hand, the Company's long-term bank loans are subject to fixed rates ranging from 5.00% to 8.90% per annum in 2024 and 5.00% to 8.50% per annum in 2023 (see Note 11). Accordingly, management assessed that the Company is not significantly exposed to changes in market interest rates for its bank borrowings in 2024 and 2023.

## 22.2 Credit Risk

Credit risk is the risk that counterparty may fail to discharge an obligation to the Company. The Company is exposed to this risk for various financial instruments, for example by granting receivables to customers and related parties, and placing deposits.

The Company continuously monitors defaults of other counterparties, identified individually, and incorporates this information into its credit risk controls. The Company's policy is to deal only with creditworthy counterparties.

Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown in the statements of financial position or in the detailed analysis provided in the notes to the financial statements, as summarized below.

	<u>Notes</u>	<u>Mar 31, 2025</u>	<u>Dec 31, 2024</u>
Cash in banks	4	<b>1,331,763,156</b>	1,351,778,051
Trade and other receivables - net	6	<b>995,272,320</b>	1,074,361,800
Security deposits	8, 12	<b>241,462,301</b>	240,749,237
Short-term placements	8	<b>80,000,000</b>	80,000,000
		<b><u>2,648,497,777</u></b>	<b><u>2,746,889,088</u></b>

Except for cash in banks, none of the Company's financial assets are secured by collateral or other credit enhancements.

(a) *Cash and Short-term Placements*

The credit risk for cash and short-term placements is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. Cash in banks and short-term placements which are insured by the Philippine Deposit Insurance Corporation (PDIC) up to a maximum coverage of P0.5 million per depositor per banking institution, as provided for under Republic Act. No. 9576, *Amendment to Charter of Philippine Deposit Insurance Corporation*. Effective March 15, 2025, the PDIC increased the maximum coverage to P1.0 million per depositor per banking institution.

(b) *Trade and Other Receivables*

The Company applies the PFRS 9 simplified approach in measuring ECL which uses a lifetime expected loss allowance for trade and other receivables.

To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and the days past due (age buckets). The Company also concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the other receivables as it shares the same credit risk characteristics.

The expected loss rates are based on the payment and aging profiles over a period of five years before December 31, 2024 and 2023, and the corresponding historical credit losses experienced within such period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified that the inflation rate and the Philippine gross domestic product in 2024 and 2023, respectively, were the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in this factor.

The Company identifies a default when the receivables become credit-impaired or when the customer is not able to settle the receivables within the normal credit terms of 30 to 60 days, depending on the terms with customers; hence, these receivables were already considered as past due on its contractual payment. In addition, the Company considers qualitative assessment in determining default such as in instances where the customer is unlikely to pay its obligations and is deemed to be in significant financial difficulty.

The table below summarizes the loss allowance of the Company based on the past due months of trade and non-trade receivables:

(Amounts in PHP)	Not yet due/Within 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
<b>Mar 31, 2025:</b>					
Expected loss rate	0.00%	46.25%	61.40%	92.73%	
Gross carrying amount	971,907,363	37,450,865	3,889,981	2,894,199	1,016,142,408
Loss allowance	–	17,321,621	2,388,448	2,683,855	22,393,924
<b>2024:</b>					
Expected loss rate	0.00%	46.25%	61.40%	92.73%	
Gross carrying amount	1,051,391,364	37,450,865	3,889,981	2,894,199	1,095,626,409
Loss allowance	-	17,321,621	2,388,448	2,683,855	22,393,924

On the other hand, based on the analysis, there is no loss allowance provided as of March 31, 2025 and December 31, 2024, on the Company's non-trade receivables as the Company does not have any non-trade receivables which has been outstanding for more than three months. The Company's management continues to monitor counterparties default rates and macroeconomic factors affecting the counterparties' ability to settle the receivables. Management considers the credit quality of non-trade receivables that are not past due or impaired to be good.

(c) *Security Deposits*

The Company is not exposed to any significant credit risk exposure, since the counterparties are reputable lessors with sound liquid position. The Company can apply such deposits to future payments in case it defaults.

## **22.3      *Liquidity Risk***

The Company manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash outflows due in a day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a six-month and one-year period are identified monthly.

The Company maintains cash to meet its liquidity requirements for up to 30-day periods. Excess cash are invested in short-term placements. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

---

## **23. Categories and Fair Value Measurements**

### **23.1      *Carrying Amounts and Fair Values Category***

The Company has no financial assets and financial liabilities carried at fair value.

For the Company's financial assets and liabilities carried at amortized cost as at December 31, 2024 and 2023, management considers that the carrying values of these financial instruments approximate their fair values either because these instruments are short-term in nature or the effect of discounting for those maturities of more than one year is not material, hence, no further comparison between the carrying amounts and fair values is presented.

A description of the Company's risk management objectives and policies for financial instruments is provided in Note 22.

### **23.2      *Offsetting of Financial Assets and Financial Liabilities***

The Company has not set-off financial instruments in 2024 and 2023. For financial assets and financial liabilities subject to enforceable master netting agreements or similar arrangements, each agreement between the Company and counterparties (i.e. related parties including parent company and companies under common ownership) allows for the net settlement of the relevant financial assets and financial liabilities when both elect to settle on a net basis. In the absence of such an election, financial assets and financial liabilities will be settled on a gross basis, however, each party to the master netting agreement or similar agreement will have the option to settle all such amounts on a net basis in the event of default of the other party.

As of December 31, 2024 and 2023, the Company does not have any financial assets that may be potentially set-off against its outstanding liabilities to related parties.

### **23.3      *Fair Value Hierarchy***

In accordance with PFRS 13, *Fair Value Measurement*, the fair value of financial assets and liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant

PFRS Accounting Standards, are categorized into three levels based on the significance of inputs used to measure the fair value. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

There are no financial assets and financial liabilities measured at fair value as of March 31, 2025 and December 31, 2024. Neither was there transfers among fair value levels in those years.

#### **23.4 Financial Instruments Measured at Amortized Cost for which Fair Value is Disclosed**

The table below summarizes the fair value hierarchy of the Company's financial assets and financial liabilities which are not measured at fair value in the statements of financial position but for which fair value is disclosed (see Note 23.1).

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b><u>December 31, 2024</u></b>				
<i>Financial assets:</i>				
Cash	1,357,578,051	-	-	1,357,578,051
Trade and other receivables	-	-	1,074,361,800	1,074,361,800
Security deposits	-	-	187,491,790	187,491,790
Short-term placements	80,000,000	-	-	80,000,000
	<b><u>1,437,578,051</u></b>	<b><u>-</u></b>	<b><u>1,261,853,590</u></b>	<b><u>2,699,431,641</u></b>
<i>Financial liabilities:</i>				
Trade and other payables	-	-	919,077,859	919,077,859
Loans payable	-	-	5,892,214,169	5,892,214,169
Lease liabilities	-	-	2,677,932,827	2,677,932,827
	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>9,489,224,855</u></b>	<b><u>9,489,224,855</u></b>
 <b><u>December 31, 2023</u></b>				
<i>Financial assets:</i>				
Cash	1,577,495,156	-	-	1,577,495,156
Trade and other receivables	-	-	690,371,484	690,371,484
Security deposits	-	-	161,349,959	161,349,959
Short-term placements	80,000,000	-	-	80,000,000
	<b><u>1,657,495,156</u></b>	<b><u>-</u></b>	<b><u>851,721,443</u></b>	<b><u>2,509,216,599</u></b>
<i>Financial liabilities:</i>				
Trade and other payables	-	-	886,244,614	886,244,614
Loans payable	-	-	5,634,207,662	5,634,207,662

Lease liabilities	-	-	3,314,427,152	3,314,427,152
	-	-	9,834,879,428	9,834,879,428

## 24. Capital Management Objectives, Policies and Procedures

The Company's capital management objective is to ensure the Company's ability to continue as a going concern entity. Essentially, the Company, in coordination with its parent company, monitors capital on the basis of the carrying amount of equity as presented in the statements of financial position.

The Company manages the capital structure and makes adjustments to consider changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Company monitors capital on the ratios on its covenants with certain financial institutions. Capital for the reporting periods is summarized as follows:

	Unaudited Mar 31, 2025	Audited Dec 31, 2024
Total liabilities	<b>P10,429,633,431</b>	P10,688,744,880
Total equity	<b>16,308,867,209</b>	16,266,730,775
Debt-to-equity ratio	<b>0.64 : 1:00</b>	0.66 : 1:00

## 25. Supplemental Information on Non-cash Activities

The following discusses the supplemental information on non-cash investing and financing activities as presented in the statements of cash flows for the years ended March 31, 2025, December 31, 2024, 2023 and 2022.

- In March 2025 and years 2024, 2023 and 2022, the Company capitalized borrowing costs amounting to P47.8 million, P169.2 million, P238.8 million and P196.7 million, respectively, to property and equipment (see Notes 9 and 11).
- In March 2025 and years 2024, 2023 and 2022, the Company has unpaid interest arising from loans payable amounting to P34.7 million, P32.2 million, P34.5 million and P26.3 million, respectively, which is presented as part of Accrued expenses under Trade and Other Payables in the statements of financial position (see Notes 10 and 11).
- In March 2025 and years 2024, 2023 and 2022, certain construction materials and supplies under Non-current Assets amounting to P7.9 million, P9.4 million, P44.8 million and P49.8 million, respectively, were reclassified to Construction in Progress under Property and Equipment in the statements of financial position (see Notes 8 and 9).
- In 2024, the Company pre-terminated one of its lease contracts which resulted in the derecognition of right-of-use asset and lease liability with remaining carrying amounts of P120.9 million and P140.2 million, respectively, and recognition of gain on lease pre-termination amounting to P19.3 million (see Notes 9 and 12). In 2023, the Company recognized additional right-of-use assets amounting to P72.4 million and the corresponding lease liability of the same amount (see Notes 9 and 12). In 2022, the Company pre-terminated some of its lease contracts which resulted to the derecognition of right-of-use assets and lease liabilities with remaining carrying amounts of P235.1 million and P267.3 million, respectively, and recognition of gain on lease pre-termination amounting to P32.2 million (see Notes 9 and 12).
- In 2024, the Company disposed of leasehold improvements with a total cost of P188.2 million and accumulated depreciation of P63.0 million, mainly due to the

pretermination of a store outlet lease to facilitate new development plans by a related party under common ownership (see Note 12.1). As per agreement, the carrying amount of leasehold improvements amounting to P125.2 million will be reimbursed by the related party (see Note 18.2). The related receivable is presented as part of Non-trade receivables under Trade and Other Receivables in the 2024 statement of financial position (see Note 6). No gains or losses were recognized from this transaction.

- In 2024, 2023 and 2022, certain advances to contractors under Non-current Assets amounting to P10.7 million, P110.4 million and P80.0 million, respectively, were reclassified to Construction in Progress under Property and Equipment in the statements of financial position (see Notes 8 and 9).
- In 2022, the Company recorded dividends payable to its parent company amounting P35.0 million which were settled in 2023. There was no outstanding dividends payable in 2024 and 2023.



# ALLHOME CORP.

## Supplemental Schedule of Financial Soundness Indicators

March 31, 2025 and March 31, 2024

Ratio	Formula	2025	Formula	2024
Current ratio	Total Current Assets divided by Total Current Liabilities	2.47	Total Current Assets divided by Total Current Liabilities	2.59
	Total Current Assets ₱13,453,228,854		Total Current Assets ₱13,520,149,766	
	Divide by: Total Current Liabilities 5,450,315,896		Divide by: Total Current Liabilities 5,217,417,339	
	Current Ratio 2.47		Current Ratio 2.59	
Acid test ratio	Quick Assets (Total Current Assets less Inventories and Other Current Assets) divided by Total Current Liabilities	0.43	Quick Assets (Total Current Assets less Inventories and Other Current Assets) divided by Total Current Liabilities	0.50
	Total Current Assets ₱13,453,228,854		Total Current Assets ₱13,520,149,766	
	Less: Merchandise Inventories (7,466,781,467)		Less: Merchandise Inventories (7,283,961,713)	
	Other Current Assets (3,653,531,912)		Other Current Assets (3,601,700,048)	
	Quick Assets 2,332,915,476		Quick Assets 2,634,488,004	
	Divide by: Total Current Liabilities 5,450,315,896		Divide by: Total Current Liabilities 5,217,417,339	
	Acid Test Ratio 0.43		Acid Test Ratio 0.50	
Solvency ratio	Total Liabilities divided by Total Assets	0.39	Total Liabilities divided by Total Assets	0.41
	Total Liabilities ₱10,429,633,431		Total Liabilities ₱11,222,115,632	
	Divide by: Total Assets 26,738,500,640		Divide by: Total Assets 27,278,154,040	
	Solvency Ratio 0.39		Solvency Ratio 0.41	
Debt-to-equity ratio	Total Liabilities divided by Total Equity	0.64	Total Liabilities divided by Total Equity	0.70
	Total Liabilities ₱10,429,633,431		Total Liabilities ₱11,222,115,632	
	Divide by: Total Equity 16,308,867,209		Divide by: Total Equity 16,056,038,409	
	Debt-to-Equity Ratio 0.64		Debt-to-Equity Ratio 0.70	
Asset-to-equity ratio	Total Assets divided by Total Equity	1.64	Total Assets divided by Total Equity	1.70
	Total Assets ₱26,738,500,460		Total Assets ₱27,278,154,040	
	Divide by: Total Equity 16,308,867,209		Divide by: Total Equity 16,056,038,409	
	Asset-to-equity ratio 1.64		Asset-to-equity ratio 1.70	
Interest rate coverage ratio	Earnings before interest and taxes (EBIT) divided by Interest Expense	1.44	Earnings before interest and taxes (EBIT) divided by Interest Expense	2.43
	EBIT ₱181,907,114		EBIT ₱316,822,158	
	Divide by: Interest Expense 126,195,850		Divide by: Interest Expense 130,190,899	
	Interest Coverage Ratio 1.44		Interest Coverage Ratio 2.43	
Return on equity	Net Profit divided by Total Equity	0.003	Net Profit divided by Total Equity	0.009
	Net Profit ₱42,136,432		Net Profit ₱140,351,367	
	Divide by: Total Equity 16,308,867,209		Divide by: Total Equity 16,056,038,409	
	Return on equity 0.003		Return on equity 0.009	
Return on assets	Net Profit divided by Total Assets	0.002	Net Profit divided by Total Assets	0.005
	Net Profit ₱42,136,432		Net Profit ₱140,351,367	
	Divide by: Total Assets ₱26,738,500,460		Divide by: Total Assets 27,278,154,040	
	Return on assets 0.002		Return on assets 0.005	
Net profit margin	Net profit divided by Total Revenue	0.05	Net profit divided by Total Revenue	0.05
	Net Profit ₱42,136,432		Net Profit ₱140,351,367	
	Divide by: Total Revenue 1,768,013,580		Divide by: Total Revenue 2,760,520,854	
	Net Profit Margin 0.05		Net Profit Margin 0.05	



## MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### REVIEW OF FIRST QUARTER END 2025 VS FIRST QUARTER END 2024

#### RESULTS OF OPERATIONS

Three Months ended March 31, 2025 compared to Three Months ended March 31, 2024

##### Sales

The company recorded sales of ₱1,768.0 million for the three months ended March 31, 2025, a decrease of about 16% from ₱2,760.5 million for the three months ended March 31, 2024. The property market, which significantly drives spend on construction and furnishing continued to be soft. This, coupled with the shift in consumer spending priorities to food, travel, entertainment, and health resulted to a lower transaction count and consequent decline in SSSG. The condominium market in Metro Manila continues to see a lengthened inventory of ready-for-occupancy units, recently estimated to last 8 years; whereas, vacancy in the secondary market reached 23.9%, an all-time high. Developers have been cautious on new launches, resulting in historic low launches and take-up.

The following table shows the key operating performance indicators relevant to the revenues for the period ended March 31, 2025 and 2024.

	As of and for the period ended 31 March		
	<b>2025</b>	2024	% change
Number of Stores	72	72	0.0%
Net Selling Area (in sqm)	282,412	296,933	-21.0%
Net Sales (Php millions)	1,768.0	2,760.5	-36.0%
SSSG	-35.5%	-6.3%	

##### Cost of Merchandise Sold

For the three months ended March 31, 2025, cost of merchandise sold was at ₱1,095.4 million, a decrease of 36% from the ₱1,717.0 million for the same period in 2024 corresponding to the decrease in sales.

##### Support, Fees, Rentals and Other Revenues

Support, Fees, Rentals and Other Revenues decreased by 8% from ₱48.3 million for the three months ended March 31, 2024 to ₱38.5 million for the three months ended March 31, 2025, primarily due to the decrease in vendor's support with no store opened during the period.

##### Selling, General and Administrative Expenses

Selling, General and Administrative Expenses decreased by 68.3% to ₱529.2 million for the three months ended March 31, 2025 from ₱775.0 million for the same period in 2024, primarily due to the following reason:

- Decrease in depreciation and amortization from ₱361.1 million in March 31, 2024 to ₱370.1 million in March 31, 2025 attributed to the closure of a branch store in Mandaluyong and Las Pinas. Two new stores in Muntinlupa were opened at the end of 2024 retaining the number of stores at 72.
- Decrease in salaries, wages, and employee benefits from ₱111.3 million in March 31, 2024 to ₱57.5 million in March 31, 2024 due to the retirement of some senior managers of the company.
- Decrease in outside services from ₱65.3 million in March 31, 2024 to ₱14.4 million in March 31, 2025 due to deployment rationalization of store personnel.
- Decrease in rentals from ₱54.0 million in March 31, 2024 to ₱27.0 million in March 31, 2025 due to lower sales which is the basis for the rental computation.
- Decrease in communication and utilities from ₱88.0 million in March 31, 2024 to ₱31.0 million in March 31, 2025 due to cost-saving measures being implemented.
- Decrease in merchant fee from ₱36.0 million in March 31, 2024 to ₱5.3 million in March 31, 2025 attributable to decline in sales for the period.
- Decrease in taxes and licenses from ₱19.0 million in March 31, 2024 to ₱13.3 million in March 31, 2025 due to lower sales.
- Decrease in repairs and maintenance from ₱8.3 million in March 31, 2024 to ₱2.0 million in March 31, 2025 due to efficient and timely weatherproofing maintenance services done in the stores.
- Decrease in office and store supplies from ₱5.0 million in March 31, 2024 to ₱1.0 million in March 31, 2025 due primarily to cost-saving initiatives
- Decrease in professional fees from ₱3.0 million in March 31, 2024 to ₱1.0 million in March 31, 2025 due to timing difference in the payment of audit fees, BOD fees, and other various engagements.
- Decrease in advertising and promotions from ₱5.0 million in March 31, 2024 to ₱1.2 million in March 31, 2025 on account of cost-saving measures implemented and usage of online digital and social media platforms for marketing purposes.
- Decrease in dues and subscriptions from ₱4.0 million in March 31, 2024 to ₱0.3 million in March 31, 2025 due primarily to cost-saving initiatives.
- Decrease in transportation expense from ₱6.0 million in March 31, 2024 to ₱1.2 million in March 31, 2025 due primarily to cost-saving initiatives.
- Decrease in insurance expense from ₱5.3 million in March 31, 2024 to ₱4.0 million in March 31, 2025 due to adjustment in rates and coverages.

- Decrease in representation and entertainment from ₱1.7 million in March 31, 2024 to ₱0.4 million in March 31, 2025 due primarily to cost-saving initiatives.
- Decrease in commission expense from ₱1.1 million in March 31, 2024 to ₱0.2 million in March 31, 2025 primarily due to the decrease in sales which are generally the basis for commission incentives.
- Decrease in miscellaneous expense from ₱2.8 million in March 31, 2024 to ₱1.0 million in March 31, 2025 due primarily to cost-saving initiatives.

#### **Finance Cost, net**

Finance cost, net decreased from ₱130.2 million for the three months ended March 31, 2024 to ₱126.2 million for the three months ended March 31, 2025 due to adjustment in capitalized borrowing cost.

#### **Tax Expense**

Tax expense decreased by 70.0% from ₱46.7 million for the three months ended March 31, 2024 to ₱14.0 million for the three months ended March 31, 2025 due to lower taxable income for the period.

#### **Net Profit**

As a result of the foregoing, our net income decreased by 70% from ₱140.4 million net profit for the three months ended March 31, 2024 to ₱42.1 million net profit for the three months ended March 31, 2025.

## FINANCIAL CONDITION

### *As of 31 March 2025 vs. 31 December 2024*

Total assets amounting to ₱26,739.0 million as of March 31, 2025 recorded a decrease of 1% from the reported amount of ₱26,955.4 million in December 31, 2024 due to the following:

- Cash amounting to ₱1,417.6 million as of March 31, 2025 recorded a decrease of 1.4% from the reported amount of ₱1,437.5 million in December 31, 2024 due to the timing difference in the payment of various purchases and collection of receivables.
- Trade and Other Receivables amounting to ₱995.3 million as of March 31, 2025 recorded a decrease of 7.4% from the reported amount of ₱1,074.4 million reported in December 31, 2024 due to timing difference in collection and decrease in corporate sales.
- Merchandise Inventory amounting to ₱7,467.0 million as of March 31, 2025 recorded a slight increase of 0.3% from the ₱7,441.4 million reported in December 31, 2024 due to continuous replenishment and timing of purchase to refresh inventory.
- Property and Equipment amounting to ₱12,560.1 million as of March 31, 2025 recorded a decrease of 1% from the ₱12,705.5 million reported in December 31, 2024 primarily due to depreciation.
- Other Assets amounting to ₱4,298.6 million, as of March 31, 2025, recorded a slight increase from the amount ₱4,296.6 million reported in December 31, 2024 due primarily to the timing of purchase and payment.

Total liabilities amounting to ₱10,429.6 million as of March 31, 2025 recorded a decrease of 2% from the reported amount of ₱10,688.7 million in December 31, 2024. This was due to the following:

- Trade and other payables amounting to ₱761.0 million, as of March 31, 2025, recorded a decrease of 21% from the ₱960.1 million reported in December 31, 2024 due to payments of payables for the purchase of inventories.
- Loans payable including non-current portion amounting to ₱6,389.0 million, as of March 31, 2025, recorded an increase of 1% from the ₱6,230.2 million reported in December 31, 2024 due to advance refinancing on maturing loans.
- Lease liability including non-current portion amounting to ₱2,549.6 million, as of March 31, 2025, recorded a decrease of 5% from the ₱2,678.0 million reported in December 31, 2024 due to lease payments made.
- Income tax payable amounting to ₱12.2 million, as of March 31, 2025, recorded a decrease of 14% from the ₱14.2 million reported in December 31, 2024 due to lower sales which is the basis of tax payments.

- Deferred Tax Liability amounting to ₱653.4 million, as of March 31, 2025, recorded a slight decrease from the amount ₱653.1 million reported in December 31, 2024 due to the adjustment to temporary tax differences for the period.
- Retirement benefit obligation amounting to ₱65.0 million, as of March 31, 2025, recorded an increase of 4% from the ₱62.4 million reported in December 31, 2024 due to adjustment of provision for the retirement benefit.

Total stockholder's equity amounting to ₱16,309.0 million, as of March 31, 2025, recorded a slight increase of from the ₱16,267.0 million reported in December 31, 2024 due to net income recorded for the period.

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

Key Performance Indicators	<i>3/31/2025</i>	3/31/2024
Revenue (₱ millions)	₱1,768.0	₱2,760.5
Gross Profit (₱ millions)	672.6	1,043.6
Gross Profit Margin (%) <sup>(a)</sup>	38.0%	37.8%
Net Profit or Loss (₱ millions)	42.0	140.3
Net Profit Margin (%) <sup>(b)</sup>	2.4%	5.1%

<sup>(a)</sup> Gross Profit Margin: This ratio is obtained by dividing the Gross Profit of the Company by its Revenue

<sup>(b)</sup> Net Profit Margin: This ratio is obtained by dividing the Net Profit of the Company by its Revenue

Since there are various calculation methods for the performance indicators above, the Company's presentation may not be comparable to similarly titled measures used by other companies.

Revenues decreased for the three months ended March 31, 2025 compared to the three months ended March 31, 2024 due the property market, which significantly drives spend on construction and furnishing continued to be soft. This, coupled with the shift in consumer spending priorities to food, travel, entertainment, and health resulted to a lower transaction count and consequent decline in SSSG.

Gross Profit decreased for the three months ended March 31, 2025 compared to three months ended March 31, 2024 due to the decrease in sales.

Gross Profit Margin slightly increased for the three months ended March 31, 2025 compared to three months ended March 31, 2024 due to lower cost of goods sold as these were purchased in advance in the previous quarters at lower cost.

Net Profit or Loss, and Net Profit Margin decreased for the three months ended March 31, 2025 compared to three months ended March 31, 2024 due to lower sales and the increase in operating expenses

**Material Changes to the Company's Balance Sheet as of 31 March 2025 compared to 31 December 2024 (increase/decrease of 5% or more)**

- Trade and Other Receivables amounting to ₱995.3 million as of March 31, 2025 recorded a decrease of 7.4% from the reported amount of ₱1,074.4 million reported in December 31, 2024 due to timing difference in collection and decrease on corporate sales.
- Trade and other payables amounting to ₱761.0 million, as of March 31, 2025, recorded a decrease of 21% from the ₱960.1 million reported in December 31, 2024 due to payments of payables for the purchase of inventories.
- Lease liability including non-current portion amounting to ₱2,549.6 million, as of March 31, 2025, recorded a decrease of 5% from the ₱2,678.0 million reported in December 31, 2024 due to lease payments made.
- Income tax payable amounting to ₱12.2 million, as of March 31, 2025, recorded a decrease of 15% from the ₱14.2 million reported in December 31, 2024 due to lower sales which is the basis of tax payments.

**Material Changes to the Company's Statement of Income for the 3-month of 2025 compared to the 3-month of 2024 (increase/decrease of 5% or more)**

- The company recorded sales of ₱1,768.0 million for the three months ended March 31, 2025, a decrease of about 16% from ₱2,760.5 million for the three months ended March 31, 2024. The property market, which significantly drives spend on construction and furnishing continued to be soft. This, coupled with the shift in consumer spending priorities to food, travel, entertainment, and health resulted to a lower transaction count and consequent decline in SSSG.
- For the three months ended March 31, 2025, cost of merchandise sold was at ₱1,095.4 million, a decrease of 36% from the ₱1,717.0 million for the same period in 2024 corresponding to the decrease in sales.
- Support, Fees, Rentals and Other Revenues decreased by 8% from ₱48.3 million for the three months ended March 31, 2024 to ₱38.5 million for the three months ended March 31, 2025, primarily due to the decrease in vendor's support with no store opened during the period.
- Tax expense decreased by 69.9% from ₱46.7 million for the three months ended March 31, 2024 to ₱14.4 million for the three months ended March 31, 2025 due to lower taxable income for the period.
- As a result of the foregoing, our net income decreased by 70% from ₱140.4 million net profit for the three months ended March 31, 2024 to ₱42.1 million net profit for the three months ended March 31, 2025.



## **COMMITMENTS AND CONTINGENCIES**

There are no material commitment and contingency as of March 31, 2025 and as of March 31, 2024.

For the 3-month of 2025, there was no seasonal aspect that had a material effect on the financial condition or results of operations of the Company. Neither were there any trends, events or uncertainties that have had or that are reasonably expected to have a material impact on the net sales or revenues or income from continuing operations. The Company is not aware of events that will cause a material change in the relationship between the costs and revenues.

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

## **PART II – OTHER INFORMATION**

### **Item 3. 3-month of 2025 Development**

**A.** New Projects or Investments in another line of business or comparison.

*None*

**B.** Composition of Board of Directors.

Manuel B. Villar, Jr.	Chairman of the Board
Camille A. Villar	Vice Chairman of the Board
Dante M. Julongbayan	Director
Frances Rosalie T. Coloma	Director, Acting President and COO
Manuel Paolo A. Villar	Director
Jessie D. Cabaluna	Independent Director
Raul Juan N. Esteban	Independent Director

**C.** Performance of the corporation or result/progress of operation.

*Please see unaudited Financial Statements and Management's Discussion and Analysis.*

**D.** Declaration of Dividends.

**P0.0309 per share Regular Cash Dividend**

Declaration date: November 13, 2024

Record date: November 27, 2024

Payment date: December 12, 2024

**P0.0374 per share Regular Cash Dividend**

Declaration date: November 29, 2023

Record date: December 15, 2023

Payment date: December 29, 2023

**P 0.0770 per share Regular Cash Dividend**

Declaration date: November 29, 2022

Record date: December 15, 2022

Payment date: December 29, 2022

**P 0.0527 per share Regular Cash Dividend**

Declaration date: November 12, 2021

Record date: November 29, 2021

Payment date: December 14, 2021

**P 0.014 per share Regular Cash Dividend**

Declaration date: November 25, 2020

Record date: December 14, 2020

Payment date: December 28, 2020

**P 1.2785 per share Regular Cash Dividend**

Declaration date: May 28, 2019

Record date: June 14, 2019  
Payment date: June 28, 2019

- E.** Contracts of merger, consolidation, or joint venture; contract of management, licensing, marketing, distributorship, technical assistance or similar agreements.

*None.*

- F.** Offering of rights, granting of Stock Options and corresponding plans thereof.

*None.*

- G.** Acquisition of additional mining claims or other capital assets or patents, formula, real estate.

*Not Applicable*

- H.** Other information, material events or happenings that may have affected or may affect market price of security

*None.*

- I.** Transferring of assets, except in normal course of business.

*None.*

**Item 4. Other Notes as of 3-month of 2025 Operations and Financials.**

- J.** Nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that is unusual because of their nature, size, or incidents.

*None.*

- K.** Nature and amount of changes in estimates of amounts reported in prior periods and their material effect in the current period.

*There were no changes in estimates of amounts reported in prior interim period or prior financial years that have a material effect in the current interim period.*

- L.** New financing through loans/issuances, repurchases and repayments of debt and equity securities.

*See Notes to Financial Statements and Management's Discussion and Analysis.*

- M.** Material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.

*See Notes to Financial Statements and Management's Discussion and Analysis.*

- N.** The effect of changes in the composition of the issuer during the interim period including business combinations, acquisition or disposal of subsidiaries and long term investments, restructurings, and discontinuing operations.

*None.*

- O.** Changes in contingent liabilities or contingent assets since the last annual statement of financial position date.

*None.*

- P.** Existence of material contingencies and other material events or transactions during the interim period.

*None.*

- Q.** Events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.

*None.*

- R.** Material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

*None.*

- S.** Material commitments for capital expenditures, general purpose and expected sources of funds.

*Material commitments for capital expenditures contracted were attributed to the store fixtures and equipment being put up for the upcoming new stores.*

- T.** Known trends, events or uncertainties that have had or that are reasonably expected to have impact on sales/revenues/income from continuing operations.

*As of March 31, 2025, no known trends, events or uncertainties that are reasonably expected to have impact on sales/revenues/income from continuing operations except for those being disclosed in the 3-month of 2025 financial statement.*

- U.** Significant elements of income or loss that did not arise from continuing operations.

*None.*

- V.** Causes for any material change/s from period to period in one or more line items of the financial statements.

*None.*

- W.** Seasonal aspect that had material effect on the financial condition or results of operations.

*None.*

- X.** Disclosures not made under SEC Form 17-C

*None.*

## **SIGNATURES**

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

**ALLHOME CORP.**

Issuer

By:

A handwritten signature in black ink, appearing to read "Robirose M. Abbot", is written over a light gray rectangular background.

**ROBIROSE M. ABBOT**

CFO / CRO and Head of IR

Date: **May 15, 2025**

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

T +63 2 8988 2288

## Report of Independent Auditors

**The Board of Directors and Stockholders**  
**AllHome Corp.**  
**(A Subsidiary of AllValue Holdings Corp.)**  
Lower Ground Floor, Building B  
EVIA Lifestyle Center, Vista City  
Daang Hari, Almanza II  
Las Piñas City

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of AllHome Corp. (the Company), which comprise the statements of financial position as of December 31, 2024 and 2023, and statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended December 31, 2024, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2024 in accordance with Philippine Financial Reporting Standards (PFRS Accounting Standards).

#### Basis for Opinion

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





### **Key Audit Matters**

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

#### **(a) Revenue Recognition**

##### *Description of the Matter*

Revenue is one of the key performance measures used to assess the Company's business performance. Revenue is recognized when the control over the goods has been transferred at a point in time to the customer, i.e., generally when the customer has acknowledged delivery of goods. Revenue from sale of merchandise is generated through direct sales to customers. For the year ended December 31, 2024, the total revenues amounted to P9,890.5 million.

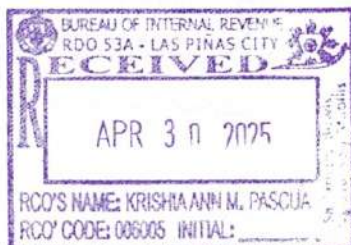
In our view, revenue recognition is significant to our audit because of the inherent risk of material misstatement involved and the materiality of the amount of recorded revenues which impact the Company's profitability.

The Company's disclosures about its revenues and revenue recognition policy are included in Notes 2, 3 and 13.

##### *How the Matter was Addressed in the Audit*

Our audit procedures to address the risk of material misstatement relating to revenue recognition, which was considered to be a significant risk, included:

- updating our understanding of the Company's revenue transactions by reviewing revenue arrangements and revenue transaction processes;
- evaluating appropriateness of the Company's revenue recognition policy in accordance with PFRS 15, *Revenue from Contracts with Customers*;
- testing the design and operating effectiveness of information technology (IT) general controls and application controls over the automated system from origination to recording of sales;
- testing the design and operating effectiveness of internal controls related to the Company's sale generation, recognition and measurement processes, which include inquiry and examination of supporting documents;
- performing test of details of revenue transactions on a sampling basis during the year and performing sales cut-off test, including, among others, examining sales transactions near period end, and analyzing and reviewing sales returns to determine whether revenues are appropriately recognized in the proper period; and,
- performing detailed analysis of revenue segments and related key ratios such as, but not limited to, current year's components of revenues (e.g., by customer and by location) as a percentage of total revenues and analysis of current and prior year's monthly revenue trends.



**(b) Existence and Valuation of Inventories**

*Description of the Matter*

The Company's total inventories amounting to P7,441.4 million as of December 31, 2024 represents 28% of total assets of the Company. Inventories are valued at the lower of cost and net realizable value. Cost is determined using the moving average method. Management uses estimates in assessing whether inventories are valued at the lower of cost and net realizable value. Moreover, the Company's inventories are considered voluminous and majority of these are kept in the Company's stores and warehouses. Relative to these, we determined that existence and valuation of inventories are key audit matters.

The Company's disclosures about inventories and the related inventory valuation policies are included in Notes 2, 3 and 7.

*How the Matter was Addressed in the Audit*

Our audit procedures to address the risk of material misstatement relating to inventory existence and valuation, included, among others, the following:

On inventory existence:

- testing the design and operating effectiveness of IT general controls and application controls over the automated system related to inventory receipts, shipment and adjustments;
- testing the design and operating effectiveness of internal controls related to the Company's inventory count processes;
- conducting physical inventory count observation in selected stores and warehouses, including, among others, touring the facility before and after the inventory count observation to gain an understanding of the location and condition of inventories prior to the count and after the count is concluded; determining that all sample inventory items were counted and no items were counted twice; obtaining relevant cut-off information and copy of count control documents; examining sample inventory items to test count against inventory records; clearing exceptions, if any, with appropriate personnel; and, projecting errors to the population; and,
- performing detailed analysis of inventory-related ratios such as, but not limited to, inventory turnover and current year's components of inventories as a percentage of total inventories.





On inventory valuation:

- determining the method of inventory costing and evaluating appropriateness and consistency of application of the valuation of inventories at lower of cost and net realizable value;
- testing the design and operating effectiveness of IT general controls and application controls over the automated system related to updating and changing of prices;
- performing test of design and operating effectiveness of controls on inventory costing process;
- performing test of details to ascertain appropriateness of inventory costing for selected inventory items by recomputing unit cost and comparing to unit cost per books, examining supplier invoices and other documents supporting the movements affecting the moving average unit cost; and,
- determining whether inventory is stated at the lower of cost and net realizable value by verifying latest selling price, reviewing estimated cost to sell of sample inventory items and comparing the net selling price to the unit cost per books.

**Other Information**

Management is responsible for the other information. The other information comprises the information included in the Company's Securities and Exchange Commission (SEC) Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024 but does not include the financial statements and our auditors' report thereon. The SEC Form 20-IS, SEC Form 17-A and Annual Report for the year ended December 31, 2024 are expected to be made available to us after the date of this auditors' report.

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

In connection with our audits of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

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

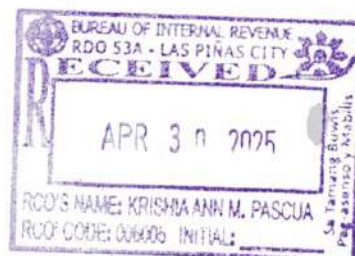
Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement,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

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

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







### ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, 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.

## Report on Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended December 31, 2024 required by the Bureau of Internal Revenue as disclosed in Note 26 to the financial statements is presented for purposes of additional analysis and is not a required part of the basic financial statements prepared in accordance with PFRS Accounting Standards. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

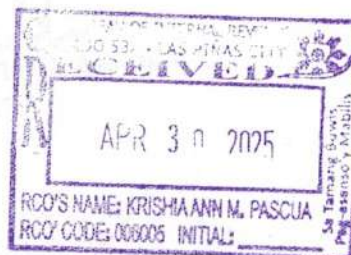
The engagement partner on the audits resulting in this independent auditors' report is James Joseph Benjamin J. Araullo.

### PUNONGBAYAN & ARAULLO

  
By: James Joseph Benjamin J. Araullo  
Partner

CPA Reg. No. 0111202  
TIN 212-755-957  
PTR No. 10465897, January 2, 2025, Makati City  
BIR AN 08-002511-039-2024 (until October 3, 2027)  
BOA/PRC Cert. of Reg. No. 0002/P-002 (until August 12, 2027)

April 24, 2025





## Report of Independent Certified Public Accountants to Accompany Income Tax Return

The Board of Directors and Stockholders  
AllHome Corp.

(A Subsidiary of AllValue Holdings Corp.)

Lower Ground Floor, Building B

EVIA Lifestyle Center, Vista City

Daang Hari, Almanza II

Las Piñas City

We have audited the financial statements of AllHome Corp. (the Company) for the year ended December 31, 2024, on which we have rendered the attached report dated April 24, 2025.

In compliance with Revenue Regulations V-20, we are stating that no partner of our Firm is related by consanguinity or affinity to the president, manager or principal stockholders of the Company.

**PUNONGBAYAN & ARAULLO**

By:   
James Joseph Benjamin J. Araullo  
Partner

CPA Reg. No. 0111202

TIN 212-755-957

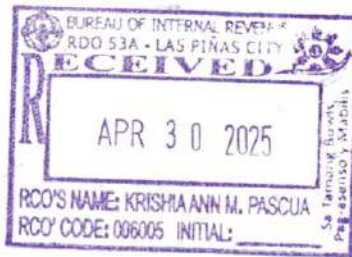
PTR No. 10465897, January 2, 2025, Makati City

BIR AN 08-002511-039-2024 (until October 3, 2027)

BOA/PRC Cert. of Reg. No. 0002/P-002 (until August 12, 2027)



April 24, 2025



**ALLHOME CORP.**  
*(A Subsidiary of AllValue Holdings Corp.)*  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2024 AND 2023**  
*(Amounts in Philippine Pesos)*

	Notes	2024	2023
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash	5	P 1,357,578,051	P 1,577,495,156
Trade and other receivables - net	6	1,074,361,800	690,371,484
Merchandise inventories	7	7,441,356,243	7,279,106,747
Other current assets	8	3,655,651,613	3,626,715,210
Total Current Assets		13,528,947,707	13,173,688,597
<b>NON-CURRENT ASSETS</b>			
Property and equipment - net	9	12,705,527,887	13,116,739,588
Other non-current assets	8	721,000,061	673,913,285
Total Non-current Assets		13,426,527,948	13,790,652,873
<b>TOTAL ASSETS</b>		<b>P 26,955,475,655</b>	<b>P 26,964,341,470</b>
<b>LIABILITIES AND EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	P 960,134,016	P 940,299,943
Loans payable	11	4,090,502,730	3,449,496,491
Lease liabilities	12	516,222,626	510,463,801
Income tax payable		14,250,585	39,492,484
Total Current Liabilities		5,581,109,957	4,939,752,719
<b>NON-CURRENT LIABILITIES</b>			
Loans payable	11	2,230,150,000	2,578,750,000
Lease liabilities	12	2,161,710,201	2,803,963,351
Deferred tax liabilities - net	17	653,389,784	598,790,243
Retirement benefit obligation	16	62,384,938	127,398,117
Total Non-current Liabilities		5,107,634,923	6,108,901,711
Total Liabilities		10,688,744,880	11,048,654,430
<b>EQUITY</b>			
Capital stock	19	3,750,000,002	3,750,000,002
Additional paid-in capital		7,209,298,114	7,209,298,114
Revaluation reserves		53,067,226	( 13,052,352 )
Retained earnings		5,254,365,433	4,969,441,276
Net Equity		16,266,730,775	15,915,687,040
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>P 26,955,475,655</b>	<b>P 26,964,341,470</b>

*See Notes to Financial Statements.*

**ALLHOME CORP.**  
*(A Subsidiary of AllValue Holdings Corp.)*  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022**  
*(Amounts in Philippine Pesos)*

	Notes	2024	2023	2022
<b>SALES</b>	13	P 9,890,521,461	P 12,065,428,801	P 12,564,760,820
<b>COST OF MERCHANDISE SOLD</b>	14	6,140,495,764	7,486,478,117	7,940,627,825
<b>GROSS PROFIT</b>		3,750,025,697	4,578,950,684	4,624,132,995
<b>SUPPORT, FEES, RENTALS AND OTHER REVENUES</b>	9, 13	172,556,888	222,051,248	254,715,152
<b>GROSS PROFIT INCLUDING OTHER REVENUES</b>		3,922,582,585	4,801,001,932	4,878,848,147
<b>OTHER OPERATING EXPENSES</b>	14			
Selling expenses		1,873,112,825	1,989,105,721	1,844,664,177
General and administrative expenses		1,029,315,430	1,293,770,811	1,215,189,914
		2,902,428,255	3,282,876,532	3,059,854,091
<b>OPERATING PROFIT</b>		1,020,154,330	1,518,125,400	1,818,994,056
<b>OTHER INCOME (CHARGES)</b>				
Finance costs	15	( 529,384,169 )	( 456,832,526 )	( 408,366,914 )
Finance income	5, 8	2,203,394	1,540,234	1,482,701
Losses from fire - net	15	-	-	( 233,605,568 )
Other gains	6, 12	19,280,846	-	66,253,972
		( 507,899,929 )	( 455,292,292 )	( 574,235,809 )
<b>PROFIT BEFORE TAX</b>		512,254,401	1,062,833,108	1,244,758,247
<b>TAX EXPENSE</b>	17			
Current		78,895,563	106,777,947	177,681,330
Deferred		32,559,681	158,796,930	133,308,146
		111,455,244	265,574,877	310,989,476
<b>NET PROFIT</b>		400,799,157	797,258,231	933,768,771
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>				
Item that will not be reclassified subsequently to profit or loss:				
Remeasurements of retirement benefit plan	16	88,159,438	( 32,001,955 )	15,530,620
Deferred tax income (expense)	17	( 22,039,860 )	8,000,489	( 3,882,655 )
		66,119,578	( 24,001,466 )	11,647,965
<b>TOTAL COMPREHENSIVE INCOME</b>		P 466,918,735	P 773,256,765	P 945,416,736
<b>Basic and Diluted Earnings per Share</b>	20	P 0.11	P 0.21	P 0.25

See Notes to Financial Statements.





**ALLHOME CORP.**  
*(A Subsidiary of AllValue Holdings Corp.)*  
**STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022**  
*(Amounts in Philippine Pesos)*

	Capital Stock (see Note 19)	Additional Paid-in Capital (see Note 19)	Retained Earnings (see Note 19)	Revaluation Reserves (see Notes 16 and 19)	Total Equity
Balance at January 1, 2024	P 3,750,000,002	P 7,209,298,114	P 4,969,441,276	(P 13,052,352)	P 15,915,687,040
Dividends declared	-	-	( 115,875,000)	-	( 115,875,000)
Total comprehensive income for the year	-	-	400,799,157	66,119,578	466,918,735
Balance at December 31, 2024	<u>P 3,750,000,002</u>	<u>P 7,209,298,114</u>	<u>P 5,254,365,433</u>	<u>P 53,067,226</u>	<u>P 16,266,730,775</u>
Balance at January 1, 2023	P 3,750,000,002	P 7,209,298,114	P 4,312,433,045	P 10,949,114	P 15,282,680,275
Dividends declared	-	-	( 140,250,000)	-	( 140,250,000)
Total comprehensive income (loss) for the year	-	-	797,258,231	( 24,001,466)	773,256,765
Balance at December 31, 2023	<u>P 3,750,000,002</u>	<u>P 7,209,298,114</u>	<u>P 4,969,441,276</u>	<u>(P 13,052,352)</u>	<u>P 15,915,687,040</u>
Balance at January 1, 2022	P 3,750,000,002	P 7,209,298,114	P 3,667,414,274	(P 698,851)	P 14,626,013,539
Dividends declared	-	-	( 288,750,000)	-	( 288,750,000)
Total comprehensive income for the year	-	-	933,768,771	11,647,965	945,416,736
Balance at December 31, 2022	<u>P 3,750,000,002</u>	<u>P 7,209,298,114</u>	<u>P 4,312,433,045</u>	<u>P 10,949,114</u>	<u>P 15,282,680,275</u>

*See Notes to Financial Statements.*



**ALLHOME CORP.**  
**(A Subsidiary of AllValue Holdings Corp.)**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022**  
**(Amounts in Philippine Pesos)**

	Notes	2024	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before tax		P 512,254,401	P 1,062,833,108	P 1,244,758,247
Adjustments for:				
Depreciation and amortization	14	1,454,547,897	1,450,382,737	1,399,223,674
Interest expense	15	529,384,169	456,832,526	408,363,414
Gain on pre-termination of lease	12	( 19,280,846 )	-	( 32,221,619 )
Interest income	5, 8	( 2,203,394 )	( 1,540,234 )	( 1,482,701 )
Losses from fire - net	15	-	-	233,605,568
Gain on reversal of impairment loss on trade receivables	6	-	-	( 34,032,353 )
Operating profit before working capital changes		2,474,702,227	2,968,508,137	3,218,214,230
Increase in trade and other receivables		( 258,773,319 )	( 35,101,194 )	( 237,439,831 )
Decrease (increase) in merchandise inventories		( 162,249,496 )	( 649,355,634 )	342,064,482
Increase in other current assets		( 28,936,403 )	( 583,023,990 )	( 904,210,518 )
Increase (decrease) in trade and other payables		22,118,268	( 279,203,457 )	( 64,013,589 )
Increase in retirement benefit obligation		15,525,572	24,410,090	7,120,698
Cash generated from operations		2,062,386,849	1,446,233,952	2,361,735,472
Cash paid for income taxes		( 104,137,462 )	( 72,079,624 )	( 262,605,520 )
Proceeds from fire insurance	15	-	-	69,524,513
Net Cash From Operating Activities		1,958,249,387	1,374,154,328	2,168,654,465
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Additions to property and equipment	9	( 1,100,149,926 )	( 81,718,248 )	( 1,940,420,971 )
Advances paid to contractors	8	( 58,023,327 )	( 135,266,833 )	( 25,779,047 )
Derecognition (payment) of security deposits	12	( 9,151,229 )	5,188,547	( 60,400,941 )
Interest received		2,203,394	1,540,234	1,482,701
Net Cash Used in Investing Activities		( 1,165,121,088 )	( 210,256,300 )	( 2,025,118,258 )
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from availment of loans	11	3,741,902,730	3,771,996,491	3,331,388,027
Repayment of loans	11	( 3,449,496,491 )	( 3,685,138,027 )	( 2,334,418,931 )
Repayment of lease liabilities	12	( 704,475,439 )	( 747,280,998 )	( 809,033,942 )
Interest paid for loans payable		( 485,101,204 )	( 438,445,306 )	( 275,549,378 )
Dividends paid	19	( 115,875,000 )	( 175,250,000 )	( 253,750,000 )
Net Cash Used in Financing Activities		( 1,013,045,404 )	( 1,274,117,840 )	( 341,364,224 )
<b>NET DECREASE IN CASH</b>		( 219,917,105 )	( 110,219,812 )	( 197,828,017 )
<b>CASH AT BEGINNING OF YEAR</b>		1,577,495,156	1,687,714,968	1,885,542,985
<b>CASH AT END OF YEAR</b>		P 1,357,578,051	P 1,577,495,156	P 1,687,714,968

Supplemental Information on Non-cash Investing and Financing Activities is disclosed in Note 25 to Financial Statements.

See Notes to Financial Statements.





**ALLHOME CORP.**  
*(A Subsidiary of AllValue Holdings Corp.)*  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024, 2023 AND 2022**  
*(Amounts in Philippine Pesos)*

**1. GENERAL INFORMATION**

**1.1 Corporate Information**

AllHome Corp. (the Company) was registered with the Philippine Securities and Exchange Commission (SEC) on May 29, 2013. The Company is primarily engaged in buying, selling, distributing, marketing, at wholesale and retail, of all kinds of goods, commodities, wares and merchandise.

The Company's shares were listed in the Philippine Stock Exchange (PSE) on September 27, 2019 (see Note 19.1).

The Company is a subsidiary of AllValue Holdings Corp. (AllValue or the parent company), which is a subsidiary of Fine Properties Inc. (FPI or the ultimate parent company). AllValue and FPI are incorporated and domiciled in the Philippines. Both companies are presently engaged in the business of a holding company; to buy and hold shares of other companies either by subscribing unissued shares of the capital stock in public or private offerings.

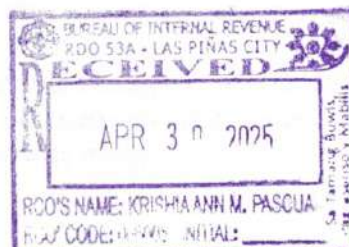
The registered office address and principal place of business of the Company is located at Lower Ground Floor, Building B, EVIA Lifestyle Center, Vista City, Daang Hari, Almanza II, Las Piñas City. The registered office address and principal places of business of AllValue and FPI are located at 3<sup>rd</sup> Level Starmall Las Piñas, CV Starr Avenue, Philamlife Village, Pamplona, Las Piñas City.

**1.2 Approval of Financial Statements**

The financial statements of the Company as of and for the year ended December 31, 2024 (including the comparative financial statements as of December 31, 2023 and for the years ended December 31, 2023 and 2022) were authorized for issue by the Company's Board of Directors (BOD) on April 24, 2025. The Company's owners and BOD have the power to amend the financial statements after issuance.

**2. MATERIAL ACCOUNTING POLICY INFORMATION**

The material accounting policy information that have been used in the preparation of these financial statements are summarized in the succeeding pages. The policies have been consistently applied to all the periods presented, unless otherwise stated.



## **2.1 Basis of Preparation of Financial Statements**

### *(a) Statement of Compliance with Philippine Financial Reporting Standards*

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS Accounting Standards). PFRS Accounting Standards are adopted by the Financial and Sustainability Reporting Standards Council (FSRSC) from the pronouncements issued by the International Accounting Standards Board, and approved by the Philippine Board of Accountancy.

The financial statements have been prepared using the measurement bases specified by PFRS Accounting Standards for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies that follow.

### *(b) Presentation of Financial Statements*

The financial statements are presented in accordance with Philippine Accounting Standard (PAS) 1, *Presentation of Financial Statements*. The Company presents all items of income, expense and other comprehensive income or losses in a single statement of comprehensive income.

The Company presents a third statement of financial position as of the beginning of the preceding period when it applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items that has a material effect on the information in the statement of financial position at the beginning of the preceding period. The related notes to the third statement of financial position are not required to be disclosed.

To conform with the 2024 financial statements presentation, the Company reclassified short-term placements with original maturity period of one year amounting to P80.0 million, previously presented under the Cash account, to Other Current Assets account in the 2023 statement of financial position (see Notes 5 and 8).

As a result, decrease in cash at the end of year amounting to P80.0 million, were reclassified to increase in other current assets under operating activities section in the 2023 and 2022 statements of cash flows.

The reclassification did not result in any adjustments to the Company's statements of comprehensive income and statements of changes in equity for the years ended December 31, 2023 and 2022. Also, the reclassification did not affect any other item within the comparative statement of financial position and did not change any information previously provided to the financial statement users, hence, no third statement of financial position is presented.

### *(c) Functional and Presentation Currency*

The financial statements are presented in Philippine peso (PHP), the Company's functional and presentation currency, and all values represent absolute amounts except when otherwise indicated.

Items included in the financial statements of the Company are measured using its functional currency. Functional currency is the currency of the primary economic environment in which the Company operates.

## 2.2 *Adoption of Amended PFRS Accounting Standards*

### (a) *Effective in 2024 that are Relevant to the Company*

The Company adopted for the first time the following amendments and annual improvements to PFRS Accounting Standards, which are mandatorily effective for annual periods beginning on or after January 1, 2024:

PAS 1 (Amendments)	:	Presentation of Financial Statements – Classification of Liabilities as Current or Non-current, and Non-current Liabilities with Covenants
PAS 7 and PFRS 7 (Amendments)	:	Statement of Cash Flows, and Financial Instruments: Disclosures – Supplier Finance Arrangements
PFRS 16 (Amendments)	:	Leases – Lease Liability in a Sale and Leaseback

Discussed below and on the succeeding page are the relevant information about these amendments.

- (i) PAS 1 (Amendments), *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*. The amendments provide guidance on whether a liability should be classified as either current or non-current. The amendments clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and that the classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. The application of these amendments had no significant impact on the Company's financial statements.
- (ii) PAS 1 (Amendments), *Presentation of Financial Statements – Non-current Liabilities with Covenants*. The amendments specify that if the right to defer settlement for at least 12 months is subject to an entity complying with conditions after the reporting period, then those conditions would not affect whether the right to defer settlement exists at the end of the reporting period for the purposes of classifying a liability as current or non-current. For non-current liabilities subject to conditions, an entity is required to disclose information about the conditions, whether the entity would comply with the conditions based on its circumstances at the reporting date and whether and how the entity expects to comply with the conditions by the date on which they are contractually required to be tested. The application of these amendments had no significant impact on the Company's financial statements.

- (iii) PAS 7 and PFRS 7 (Amendments), *Statement of Cash Flows, Financial Instruments: Disclosures – Supplier Finance Arrangements*. The amendments add a disclosure objective to PAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, PFRS 7 is amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk. The application of these amendments had no significant impact on the Company's financial statements.
- (iv) PFRS 16 (Amendments), *Leases – Lease Liability in a Sale and Leaseback*. The amendments requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognizing in profit or loss any gain or loss relating to the partial or full termination of a lease. The application of these amendments had no significant impact on the Company's financial statements.

(b) *Effective Subsequent to 2024 but not Adopted Early*

There are pronouncements effective for annual periods subsequent to 2024, which are adopted by the FSRSC. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and, none of these are expected to have significant impact on the Company's financial statements:

- (i) PAS 21 (Amendments), *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability* (effective from January 1, 2025)
- (ii) PFRS 9 and PFRS 7 (Amendments), *Financial Instruments, and Financial Instruments: Disclosures – Amendments to the Classification and Measurement of Financial Instruments* (effective from January 1, 2026)
- (iii) PFRS 18, *Presentation and Disclosure in Financial Statements* (effective from January 1, 2027). The new standard impacts the classification of profit or loss items (i.e., into operating, investing and financing categories) and the presentation of subtotals in the statement of profit or loss (i.e., operating profit and profit before financing and income taxes). The new standard also changes the aggregation and disaggregation of information presented in the primary financial statements and in the notes. It also introduces required disclosures about management-defined performance measures. The new standard, however, does not affect how an entity recognizes and measures its financial condition, financial performance and cash flows.

## **2.3 Financial Instruments**

### *(a) Financial Assets*

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

#### *(i) Classification and Measurement of Financial Assets*

The Company's financial assets include only financial assets at amortized cost and are presented in the statement of financial position as Cash, Trade and Other Receivables, Short-term placements presented as part of Other Current Assets and Security deposits presented as part of Other Non-current Assets.

#### *(ii) Impairment of Financial Assets*

The Company applies the simplified approach in measuring estimated credit losses (ECL), which uses a lifetime expected loss allowance for all trade receivables and security deposits. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. To calculate the ECL, the Company uses its historical experience, external indicators and forward-looking information to calculate the ECL using a provision matrix. The Company also assesses impairment of trade receivables and security deposits on a collective basis as they possess shared credit risk characteristics and have been grouped based on the days past due [see Note 22.2(b) and Note 22.2(c)].

### *(b) Financial Liabilities*

Financial liabilities include trade and other payables (except tax-related liabilities), lease liabilities and loans payable, are recognized when the Company becomes a party to the contractual terms of the instrument.

## **2.4 Merchandise Inventories**

The cost of inventories is determined using the moving average method.

For purposes of identifying the net realizable value, the Company opted to group inventory items relating to the same product line that have similar purposes, are produced and marketed in the same geographical area, and cannot be practicably evaluated separately from other items in that product line

## **2.5 Property and Equipment**

Following initial recognition at cost, property and equipment are carried at cost less accumulated depreciation, amortization and any impairment in value.

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

Store equipment	15 to 18 years
Right-of-use assets – store outlets	7 to 15 years
Furniture, fixtures and office equipment	5 to 15 years
Transportation equipment	8 to 10 years
Right-of-use asset – warehouse	2 years

Leasehold improvements are amortized over their estimated useful lives of 18 years or the lease term, whichever is shorter.

## ***2.6 Revenue and Expense Recognition***

Revenue arises mainly from the sale of merchandise.

The Company enters into transactions involving the sale and delivery of merchandise representing construction materials, home improvement, furnishings and décor products. In addition, the Company also recognizes vendors' support and marketing fees in relation to the vendors' participation in the marketing/promotional activities of the Company. The significant judgments used in determining the transaction price and the amounts allocated to the performance obligations are disclosed in Note 3.1(c). The transaction price allocated to performance obligations satisfied at a point in time is recognized as revenue when control of the goods transfers to the customer. As a matter of accounting policy, when applicable, if the performance obligation is satisfied over time, the transaction price allocated to that performance obligation is recognized as revenue as the performance obligation is satisfied.

The Company also assesses its revenue agreements against the specific criteria enumerated below in order to determine if it is acting as principal or agent. Both the legal form and the substance of the agreement are considered to determine each party's respective roles in the agreement. In all revenue agreements, the Company is acting as a principal. Revenue is recorded at gross when acting as a principal while only net revenues are considered if only an agency service exists.

In addition, the following specific recognition criteria must also be met before revenue is recognized:

- (a) *Sale of merchandise* – Revenue is recognized when the control transfers at a point in time with the customer, i.e., generally when the customer purchased the merchandise. For individual customers, payment of the transaction price is due immediately at the point the customer purchases the merchandise. On the other hand, invoices for merchandise purchased by corporate customers are due based on agreed terms and are provided upon receipt of merchandise by the customer. For e-commerce sales, revenue is recognized when control of goods have been transferred to the customer, being the point when the goods are delivered to the customer. Delivery occurs when the goods have been shipped to the customer's specific location.

- (b) *Vendors' support and marketing fees* – Vendors' support and marketing fees arise from the vendors' participation in the marketing/promotional activities of the Company such as product exhibits, launch of new stores support and product features in various media platforms. The duration of contracts are generally short-term, and the related revenue are recognized over time as the performance of the contractually agreed tasks are rendered.
- (c) *Delivery fees* – Delivery fees are charged for the transportation of merchandise from the Company's stores to a certain destination as agreed with the customer. Delivery fees are recognized over time as the services are provided. Payment of delivery fees is due immediately, i.e., upon the customer's purchase of merchandise.
- (d) *Miscellaneous* – Miscellaneous income comprise of support received from supplier for store opening and clearance sales. Miscellaneous income is recognized at a point in time when support is received from the supplier.

As applicable, if the Company is required to refund the related purchase price for returned goods, it recognizes an outflow of cash or a reduction in trade receivables with a corresponding adjustment on the amount of revenue recognized during the reporting period. Also, the Company recognizes a right of return asset on the goods to be recovered from the customers with a corresponding adjustment to Cost of Merchandise Sold. However, there were no contracts containing significant right of return arrangements which remain outstanding during the reporting periods since the Company's policy with customers for most of its sale of merchandise pertain to outright return which are recognized immediately. Relative to this outright return arrangement, the amount of revenue is also immediately adjusted as of the end of the reporting periods.

Under the Company's standard contract terms for sale to customers, only goods found to be shoddy or defective shall be honored for return. The right of return is not a separate performance obligation and is not considered in establishing the transaction price since right of return entitles the customer to exchange the product bought for another product of the same type, quality, condition and price.

The Company operates a customer loyalty incentive programme where individual customers accumulate points for purchases made which entitle them for award credits on future purchases. The Company allocates a portion of the consideration received to loyalty points. This allocation is based on the relative stand-alone selling prices. The stand-alone selling price is estimated based on the equivalent value given when the points are redeemed by the customer and the likelihood of redemption, as evidenced by the Company's historical experience. The significant judgments used in determining the transaction price and the amounts allocated to the performance obligations are disclosed in Note 3.1(c).

A liability is recognized for revenue relating to the loyalty points at the time of the initial sales transactions. Revenue from loyalty points are recognized when the points are redeemed by the customer. Revenue from loyalty points that are not expected to be redeemed by the customer is recognized in proportion to the pattern of rights exercised by customers.

In obtaining customer contracts, the Company incurs incremental costs. As the expected amortization period of these costs, if capitalized, would be less than one year, the Company uses the practical expedient in PFRS 15, *Revenue from Contracts with Customers*, and expenses such costs as incurred.

## **2.7 Leases**

The Company accounts for its leases as follows:

### *(a) Company as Lessee*

Subsequent to initial recognition, the Company depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term which is from 2 to 15 years, inclusive of reasonably certain extension period.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

On the statement of financial position, right-of-use assets and Lease liabilities have been presented under Property and equipment, and separately from other liabilities, respectively.

### *(b) Company as Lessor*

The Company applies judgment in determining whether a lease contract is a finance or operating lease.

## **2.8 Impairment of Non-financial Assets**

The Company's property and equipment and other non-financial assets are subject to impairment testing.

## **2.9 Employee Benefits**

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

The Company's defined benefit post-employment plan covers all regular full-time employees.

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



### 3 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Company's financial statements in accordance with PFRS Accounting Standards requires management to make judgments and estimates that affect the amounts reported in the financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately differ from these estimates.

#### ***3.1 Critical Management Judgments in Applying Accounting Policies***

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

##### *(a) Determination of Lease Term of Contracts with Renewal and Termination Options*

In determining the lease term, management considers all relevant factors and circumstances that create an economic incentive to exercise a renewal option or not exercise a termination option. Renewal options and/or periods after termination options are only included in the lease term if the lease is reasonably certain to be extended or not terminated and the renewal of the contract is not subject to mutual agreement of both parties.

The factors that are normally the most relevant are (a) if there are significant penalties should the Company pre-terminate the contract, and (b) if any leasehold improvements are expected to have a significant remaining value, the Company is reasonably certain to extend and not to terminate the lease contract. Otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The Company did not include the renewal period as part of the lease term for leases of some of its stores and warehouse due to the provision in its contracts that requires mutual agreement of both parties on the terms and agreements of the renewal and termination of the lease contract.

The lease term is reassessed if an option is actually exercised or not exercised or the Company becomes obliged to exercise or not exercise it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the Company.

##### *(b) Determination of Timing of Satisfaction of Performance Obligations*

In determining the appropriate method to use in recognizing the Company's revenue from sale of merchandise, management determines that revenue is recognized at a point in time when the control of the goods have passed to the customer, i.e., generally when the customer acknowledges delivery of the goods.

Miscellaneous income comprise of support received from supplier for store opening and clearance sales. Miscellaneous income is recognized at a point in time when support are received from supplier.

On the other hand, revenue from vendors' support, marketing fees and delivery fees are recognized over time when the Company transfers control of the services over time as the performance of contractually agreed tasks are rendered. The management considers the output method under PFRS 15 as the Company recognizes revenue on the basis of direct measurements of the value to the customer of the services transferred to date relative to the services promised under the contract.

(c) *Determination of Transaction Price of Contract with Customer*

The transaction price is considered receivable to the extent of products sold with a right to avail customer loyalty points, right of return, discounts and rebates. The transaction price of customer loyalty points is allocated amongst the material right and other performance obligations identified in the contract based on the stand-alone selling prices, which are all observable. The Company measures its revenue net of consideration allocated to the fair value of the point credits.

Management has assessed that the amount involved for the right of return is not material and in most cases, customers could exchange the returned items with another merchandise in the store within the prescribed period (i.e., within seven days from date of purchase). Discounts and rebates are identifiable to specific goods and are recognized as reduction against the revenue recognized from sale of merchandise.

(d) *Determination of ECL on Trade and Other Receivables and Security Deposits*

The Company uses a provision matrix to calculate ECL for trade and other receivables and security deposits. The provision rates are based on days past due for groupings of various customer segments to the extent applicable that have similar loss patterns (i.e., by geography, product type, or customer type and rating). The provision matrix is based on the Company's historical observed default rates. The Company's management intends to regularly calibrate (i.e., on an annual basis) the matrix to consider the historical credit loss experience with forward-looking information (i.e., forecast economic conditions). Details about the ECL on the Company's trade and other receivables and security deposits are disclosed in Note 22.2(b) and Note 22.2(c), respectively.

(e) *Capitalization of Borrowing Costs*

The Company determines whether the amount of borrowing costs qualify for capitalization as part of the cost of the qualifying asset, or should be expensed outright. The accounting treatment for the finance costs is determined by assessing whether the asset is a qualifying asset taking into consideration the period of time needed to bring the asset for its intended use. Failure to make the right judgment will result in the misstatement of assets and net profit.

(f) *Recognition of Provisions and Contingencies*

Provisions are recognized when present obligations will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events.

Judgment is exercised by management to distinguish between provisions and contingencies. Disclosure of provisions and contingencies are discussed in Note 21.

**3.2 Key Sources of Estimation Uncertainty**

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

(a) *Determination of Appropriate Discount Rate in Measuring Lease Liabilities*

The Company measures its lease liabilities at present value of the lease payments that are not paid at the commencement date of the lease contract. The lease payments were discounted using a reasonable rate deemed by management equal to the Company's incremental borrowing rate. In determining a reasonable discount rate, management considers the term of the leases, the underlying asset and the economic environment. Actual results, however, may vary due to changes in estimates brought about by changes in such factors.

(b) *Estimation of Allowance for ECL*

The measurement of the allowance for ECL on financial assets at amortized cost is an area that requires the use of significant assumptions about the future economic conditions and credit behavior (e.g., likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation used in measuring ECL is further detailed in Note 22.2.

(c) *Determination of Net Realizable Value of Merchandise Inventories*

In determining the net realizable value of merchandise inventories, management takes into account the most reliable evidence available at the time the estimates are made. The Company's products are subject to inventory obsolescence. Moreover, future realization of the carrying amounts of merchandise inventories as presented in Note 7 is affected by price changes of the products and the costs incurred necessary to make a sale. Both aspects are considered key sources of estimation uncertainty and may cause significant adjustments to the Company's merchandise inventories within the next financial reporting period.

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

The Company estimates the useful lives of property and equipment and right-of-use assets based on the period over which the assets are expected to be available-for-use. The estimated useful lives of property and equipment and right-of-use assets are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence, and legal or other limits on the use of the assets.

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

(e) *Evaluation of Impairment of Non-financial Assets*

In assessing impairment, management estimates the recoverable amount of each asset or a cash-generating unit based on expected future cash flows and uses an interest rate to calculate the present value of those cash flows. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. Though management believes that the assumptions used in the estimation of fair values reflected in the financial statements are appropriate and reasonable, significant changes in those assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

Management has assessed that no impairment losses are required to be recognized on non-financial assets in 2024, 2023 and 2022.

(f) *Determination of Realizable Amount of Deferred Tax Assets*

The Company reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Management assessed that the deferred tax assets recognized as at December 31, 2024 and 2023 will be fully utilized in the coming years. The carrying values of deferred tax assets offset against deferred tax liabilities as of those reporting periods are disclosed in Note 17.

(g) *Valuation of Post-employment Defined Benefit Obligation*

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

The amounts of post-employment benefit obligation and expense, and an analysis of the movements in the estimated present value of post-employment benefit, as well as the significant assumptions used in estimating such obligation are presented in Note 16.2.

#### 4. SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the Company's BOD – its chief operating decision maker. The Company's BOD is responsible for assessing performance of the operating segments.

In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment. There have been no changes from prior periods in the measurement methods used to determine reported segment profit or loss.

The Company has only one reportable segment, which is the trading business. Further, the Company has only one geographical segment as all its operations are based in the Philippines. The revenue of the Company consists mainly of sales to external customers through its retail and e-commerce channels. The Company has no significant customer which contributed to 10% or more to the revenue of the Company.

#### 5. CASH

Cash include the following components:

<i>(Amounts in PHP)</i>	<b>2024</b>	<b>2023</b> (As restated – see Note 2)
Cash in banks	<b>1,351,778,051</b>	1,569,920,156
Cash on hand	<b>5,800,000</b>	7,575,000
	<b><u>1,357,578,051</u></b>	<b><u>1,577,495,156</u></b>

Cash in banks generally earn interest at rates based on daily bank deposit rates.

Interest income from cash in banks amounting to P1.1 million, P0.4 million and P0.9 million in 2024, 2023 and 2022, respectively, are presented as part of Finance income under Other Income (Charges) section of the statements of comprehensive income.

## 6. TRADE AND OTHER RECEIVABLES

This account is composed of the following:

<i>(Amounts in PHP)</i>	Notes	2024	2023
Trade receivables	18.1	<b>439,451,751</b>	313,171,545
Non-trade receivables	18.2	<b>656,174,658</b>	398,464,548
Others	8	<b>1,129,315</b>	1,129,315
		<b>1,096,755,724</b>	712,765,408
Allowance for impairment losses		<b>(22,393,924)</b>	(22,393,924)
		<b><u>1,074,361,800</u></b>	<b><u>690,371,484</u></b>

Trade receivables are due from various customers and have credit terms ranging from 30 to 60 days. The carrying amounts of the receivables are considered a reasonable approximation of fair values due to their short duration.

Non-trade receivables comprise of the Company's receivables from suppliers arising from vendors' support, marketing fees and miscellaneous income.

Others pertain mainly to accrued interest receivable from short-term placements.

All of the Company's trade and other receivables have been assessed for ECL in 2024, 2023 and 2022. In previous years, the Company recognized allowance for impairment of P23.8 million on certain receivables. In 2022, the Company recognized a gain on reversal of impairment loss amounting to P34.0 million and is presented as part of Other gains under Other Income (Charges) in the 2022 statement of comprehensive income. In 2023, the Company wrote off certain receivables that are fully provided with allowance amounting to P1.5 million as the management assessed that those receivables are no longer collectible. There was no additional nor reversal of impairment in 2024.

A reconciliation of the allowance for impairment of trade receivables at beginning and end of 2024 and 2023 is shown below.

<i>(Amounts in PHP)</i>	2024	2023
Balance at beginning of year	<b>22,393,924</b>	23,844,458
Write-off	<b>-</b>	(1,450,534)
Balance at end of year	<b><u>22,393,924</u></b>	<b><u>22,393,924</u></b>

## 7. MERCHANDISE INVENTORIES

Merchandise inventories pertain to goods owned by the Company, which include construction materials, home improvements, furnishings and décor products, among others, that are traded under the normal course of business, and amounted to P7,441.4 million and P7,279.1 million as of December 31, 2024 and 2023, respectively. The Company did not provide any allowance for inventory obsolescence as the merchandise inventories are deemed saleable. Merchandise inventories were all stated at cost, which is lower than net realizable value, as of December 31, 2024 and 2023.

Cost of merchandise inventories charged to operations are presented as Cost of Merchandise Sold in the statements of comprehensive income (see Note 14.1).

In 2024 and 2023, the Company wrote off obsolete merchandise inventories amounting to P6.8 million and P63.4 million, respectively. This is presented as Loss on inventory disposals under Other Operating Expenses in the 2024 and 2023 statements of comprehensive income (see Note 14.2).

As a result of the fire incident in its Alabang store on January 8, 2022, the Company wrote off certain inventories amounting to P83.8 million (see Note 15.2). There was no similar event in 2024 and 2023.

## 8. OTHER ASSETS

The composition of this account is shown below.

<i>(Amounts in PHP)</i>	<u>Notes</u>	<u>2024</u>	2023 (As restated – see Note 2)
Current:			
Advances for purchases		3,333,658,871	3,347,662,771
Short-term placements		80,000,000	80,000,000
Prepaid rent		75,252,156	65,976,269
Deferred input value-added tax (VAT)		3,556,757	5,496,807
Others		163,183,829	127,579,363
		<u>3,655,651,613</u>	<u>3,626,715,210</u>
Non-current:			
Materials and supplies	9	280,758,289	290,180,044
Security deposits	12	240,749,237	231,598,008
Advances to contractors		199,492,535	152,135,233
		<u>721,000,061</u>	<u>673,913,285</u>
		<u>4,376,651,674</u>	<u>4,300,628,495</u>

Advances for purchases pertain to payments made to various third party suppliers which are primarily used in the purchase of merchandise inventories subsequent to December 31, 2024 and 2023.

Short-term placements have original maturity period of one year and earn effective interest rates of 2.00% in 2024 and 2023, and 0.55% in 2022. Interest income from short-term placements amounting to P1.1 million in 2024 and 2023, and P0.6 million in 2022, are presented as Finance income under Other Income (Charges) section of the statements of comprehensive income. The outstanding balance of such interest is presented as Others under Trade and Other Receivables account in the statements of financial position (see Note 6).

Prepaid rent pertains to advance payment for the rental of new stores in accordance with the lease agreements.

Materials and supplies pertain to construction materials intended for store fit-out. In 2024, 2023 and 2022, certain construction materials and supplies under Non-current Assets amounting to P9.4 million, P44.8 million and P49.8 million, respectively, were reclassified to Construction in Progress under Property and Equipment in the statements of financial position (see Note 9).

Security deposits include deposits made to lessors arising from the lease of retail spaces which will be refunded at the end of the lease term or be applied to the last months' rentals on the related contracts and deposits made to a distribution utility as a guarantee for the electric meters installed in the Company's stores.

Advances to contractors pertain to mobilization funds made to various contractors for the construction of several items under property and equipment.

Others consist of prepaid taxes and licenses, repairs, supplies, insurance, advertising, and dues and subscriptions.



## 9. PROPERTY AND EQUIPMENT

The gross carrying amounts and accumulated depreciation and amortization of property and equipment at the beginning and end of 2024 and 2023 are shown below.

<i>(Amounts in PHP)</i>	<b>Store Equipment</b>	<b>Furniture, Fixtures and Office Equipment</b>	<b>Transportation Equipment</b>	<b>Leasehold Improvements</b>	<b>Right-of-use Assets – Store Outlets</b>	<b>Right-of-use Asset – Warehouse</b>	<b>Construction in Progress</b>	<b>Total</b>
December 31, 2024								
Cost	3,860,139,153	2,031,708,095	159,419,234	8,987,642,779	4,435,179,184	101,469,882	88,043,563	19,663,601,890
Accumulated depreciation and amortization	<u>(1,309,881,206)</u>	<u>(1,013,896,231)</u>	<u>(113,973,586)</u>	<u>(1,938,436,158)</u>	<u>(2,513,871,084)</u>	<u>(68,015,738)</u>	<u>-</u>	<u>(6,958,074,003)</u>
Net carrying amount	<b><u>2,550,257,947</u></b>	<b><u>1,017,811,864</u></b>	<b><u>45,445,648</u></b>	<b><u>7,049,206,621</u></b>	<b><u>1,921,308,100</u></b>	<b><u>33,454,144</u></b>	<b><u>88,043,563</u></b>	<b><u>12,705,527,887</u></b>
December 31, 2023								
Cost	3,454,178,124	1,879,888,702	157,841,169	8,440,768,088	4,676,928,712	101,469,882	93,059,039	18,804,133,716
Accumulated depreciation and amortization	<u>(1,088,212,398)</u>	<u>(748,207,026)</u>	<u>(100,054,750)</u>	<u>(1,526,638,105)</u>	<u>(2,192,838,514)</u>	<u>(31,443,335)</u>	<u>-</u>	<u>(5,687,394,128)</u>
Net carrying amount	<b><u>2,365,965,726</u></b>	<b><u>1,131,681,676</u></b>	<b><u>57,786,419</u></b>	<b><u>6,914,129,983</u></b>	<b><u>2,484,090,198</u></b>	<b><u>70,026,547</u></b>	<b><u>93,059,039</u></b>	<b><u>13,116,739,588</u></b>
January 1, 2023								
Cost	2,752,380,875	1,487,186,019	78,788,843	7,361,628,683	3,390,551,312	216,047,446	131,545,136	15,418,128,314
Accumulated depreciation and amortization	<u>(184,072,305)</u>	<u>(210,337,246)</u>	<u>(13,642,815)</u>	<u>(395,548,507)</u>	<u>(455,851,873)</u>	<u>(139,770,928)</u>	<u>-</u>	<u>(1,399,223,674)</u>
Net carrying amount	<b><u>2,568,308,570</u></b>	<b><u>1,276,848,773</u></b>	<b><u>65,146,028</u></b>	<b><u>6,966,080,176</u></b>	<b><u>2,934,699,439</u></b>	<b><u>76,276,518</u></b>	<b><u>131,545,136</u></b>	<b><u>14,018,904,640</u></b>

The reconciliation of the net carrying amount of property and equipment at the beginning and end of 2024, 2023 and 2022 is shown below.

<i>(Amounts in PHP)</i>	Store Equipment	Furniture, Fixtures and Office Equipment	Transportation Equipment	Leasehold Improvements	Right-of-use Assets – Store Outlets	Right-of-use Asset – Warehouse	Construction in Progress	Total
Balance at January 1, 2024, net of accumulated depreciation and amortization	2,365,965,726	1,131,681,676	57,786,419	6,914,129,983	2,484,090,198	70,026,547	93,059,039	13,116,739,588
Additions –								
Other property and equipment	405,961,029	151,819,393	1,578,065	-	-	-	730,069,469	1,289,427,956
Reclassifications	-	-	-	735,084,945	-	-	(735,084,945)	-
Disposals	-	-	-	(125,216,997)	-	-	-	(125,216,997)
Lease pretermination (see Note 12)	-	-	-	-	(120,874,763)	-	-	(120,874,763)
Depreciation and amortization charges for the year	(221,668,808)	(265,689,205)	(13,918,836)	(474,791,310)	(441,907,335)	(36,572,403)	-	(1,454,547,897)
Balance at December 31, 2024, net of accumulated depreciation and amortization	<u>2,550,257,947</u>	<u>1,017,811,864</u>	<u>45,445,648</u>	<u>7,049,206,621</u>	<u>1,921,308,100</u>	<u>33,454,144</u>	<u>88,043,563</u>	<u>12,705,527,887</u>
Balance at January 1, 2023, net of accumulated depreciation and amortization	2,568,308,570	1,276,848,773	65,146,028	6,966,080,176	2,934,699,439	76,276,518	131,545,136	14,018,904,640
Additions:								
Other property and equipment	4,251,684	107,459,390	5,851,256	-	-	-	358,223,689	475,786,019
Right-of-use assets (see Note 12)	-	-	-	-	3,600,100	68,831,566	-	72,431,666
Reclassifications	-	-	-	396,709,786	-	-	(396,709,786)	-
Depreciation and amortization charges for the year	(206,594,528)	(252,626,487)	(13,210,865)	(448,659,979)	(454,209,341)	(75,081,537)	-	(1,450,382,737)
Balance at December 31, 2023, net of accumulated depreciation and amortization	<u>2,365,965,726</u>	<u>1,131,681,676</u>	<u>57,786,419</u>	<u>6,914,129,983</u>	<u>2,484,090,198</u>	<u>70,026,547</u>	<u>93,059,039</u>	<u>13,116,739,588</u>
Balance at January 1, 2022, net of accumulated depreciation and amortization	2,383,052,724	838,975,649	77,021,895	5,987,767,986	3,466,352,227	375,317,826	477,012,330	13,605,500,637
Additions –								
Other property and equipment	402,924,232	643,704,165	3,429,433	673,472,546	-	-	543,472,271	2,267,002,647
Reclassifications	39,546,189	9,998,698	-	839,394,578	-	-	(888,939,465)	-
Disposals	(73,142,270)	(5,492,493)	(1,662,485)	(139,006,427)	-	-	-	(219,303,675)
Lease pretermination (see Note 12)	-	-	-	-	(75,800,915)	(159,270,380)	-	(235,071,295)
Depreciation and amortization charges for the year	(184,072,305)	(210,337,246)	(13,642,815)	(395,548,507)	(455,851,873)	(139,770,928)	-	(1,399,223,674)
Balance at January 1, 2022, net of accumulated depreciation and amortization	<u>2,568,308,570</u>	<u>1,276,848,773</u>	<u>65,146,028</u>	<u>6,966,080,176</u>	<u>2,934,699,439</u>	<u>76,276,518</u>	<u>131,545,136</u>	<u>14,018,904,640</u>

The gross carrying amounts and accumulated depreciation of racks and gondola, which are part of store equipment, subject to operating lease at the beginning and end of 2024, 2023 and 2022 are shown below.

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Cost	<b>1,290,635,536</b>	1,276,774,147	1,276,774,147
Accumulated depreciation and amortization	<b><u>(386,608,486)</u></b>	<u>(316,851,475)</u>	<u>(247,286,983)</u>
Net carrying amount	<b><u>904,027,050</u></b>	<u>959,922,672</u>	<u>1,029,487,164</u>

A reconciliation of the carrying amounts of store equipment subject to operating lease at the beginning and end of 2024 and 2023 is shown below.

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Beginning, net of accumulated depreciation	<b>959,922,672</b>	1,029,487,164
Additions	<b>13,861,389</b>	-
Depreciation and amortization charges for the year	<b><u>(69,757,011)</u></b>	<u>(69,564,492)</u>
Ending, net of accumulated depreciation	<b><u>904,027,050</u></b>	<u>959,922,672</u>

Construction in Progress pertains to accumulated costs incurred on the construction of new stores. The ongoing projects as of December 31, 2023 were fully completed in 2024 while the remaining ongoing projects as of December 31, 2024 are expected to be completed by 2025. Other than the remaining capital expenditures, there are no other capital commitments relating to the ongoing projects.

In 2024, 2023 and 2022, certain construction materials and supplies under Non-current Assets amounting to P9.4 million, P44.8 million and P49.8 million, respectively, were reclassified to Construction in Progress under Property and Equipment in the statements of financial position (see Note 8).

The Company's right-of-use assets pertain to store and warehouse facilities with terms ranging from 2 to 15 years, inclusive of reasonably certain extension period [refer also to Note 3.1(a)], and an average remaining lease term ranging from 1 to 9 years as of December 31, 2024 (see Note 12). In addition, there are leases with extension options and with variable consideration. Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublease the asset to another party, the right-of-use asset can only be used by the Company. The Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. There are no leases with options to purchase or terminate. The Company has no low-value leases.

In 2024, the Company disposed of leasehold improvements with a total cost of P188.2 million and accumulated depreciation of P63.0 million, mainly due to the pretermination of a store outlet lease to facilitate new development plans by a related party under common ownership (see Note 12.1). As per agreement, the carrying amount of leasehold improvements amounting to P125.2 million will be reimbursed by the related party (see Note 18.2). The related receivable is presented as part of Non-trade receivables under Trade and Other Receivables in the 2024 statement of financial position (see Note 6). No gains or losses were recognized from this transaction.

In 2022, the Company wrote off certain property and equipment as a result of the fire incident in its Alabang store outlets on January 8, 2022, with total cost and accumulated depreciation of P279.5 million and P60.2 million, respectively (see Note 15.2). The details of the related pretermination of lease due to fire incident is discussed in Note 12.1.

In 2024, 2023 and 2022, borrowing costs amounting to P169.2 million, P238.8 million and P196.7 million, respectively, based on capitalization rate ranging from 5.00% to 8.90% in 2024, 5.00% to 8.50% in 2023 and 5.00% to 7.09% in 2022 for specific borrowings in those years, were capitalized as part of Construction in Progress (see Note 11).

The amount of depreciation and amortization is presented as part of General and Administrative Expenses in the statements of comprehensive income (see Note 14.2).

As of December 31, 2024 and 2023, the gross carrying amount of the Company's fully depreciated property and equipment that are still used in operations is P204.2 million and P116.2 million, respectively.

There were no items of property and equipment that were used as collateral for any of the Company's loans.

The Company also recognized rental income from its operating leases as lessor amounting to P12.4 million, P15.6 million and P18.1 million in 2024, 2023 and 2022, respectively, and is presented as part of Support, Fees, Rentals and Other Revenues in the statements of comprehensive income (see Note 13).

## 10. TRADE AND OTHER PAYABLES

This account consists of:

<i>(Amounts in PHP)</i>	Note	2024	2023
Trade payables		740,253,581	682,692,592
Non-trade payables		115,956,330	149,454,904
Accrued expenses	11	54,493,791	44,974,465
VAT payable		24,003,917	37,828,659
Withholding taxes payable		17,052,240	16,226,670
Others		8,374,157	9,122,653
		<u>960,134,016</u>	<u>940,299,943</u>

Trade payables arise from the Company's purchases of merchandise inventories and other direct costs. These are noninterest-bearing and have credit terms ranging from 30 to 60 days.

Non-trade payables include payables from the Company's capital asset acquisitions and other operating expenditures not yet paid.

Accrued expenses are liabilities arising from unpaid interest on loans, rent, utilities, salaries and other costs.

The Company operates a customer loyalty incentive programme where individual customers accumulate points for purchases made which entitle them for award credits on future purchases. In 2024 and 2023, the Company recognized deferred revenue for the unredeemed points amounting to P6.1 million and P5.9 million, respectively, which is presented as part of Others.

## 11. LOANS PAYABLE

Loans payable are presented in the statements of financial position as follows:

<i>(Amounts in PHP)</i>	<u>Note</u>	<u>2024</u>	<u>2023</u>
Current:			
Short-term loans	11.1	<b>2,463,002,730</b>	2,271,996,491
Current portion of long-term loans	11.2	<u><b>1,627,500,000</b></u>	<u>1,177,500,000</u>
		<b>4,090,502,730</b>	<b>3,449,496,491</b>
Non-current –			
Long-term loans	11.2	<u><b>2,230,150,000</b></u>	<u>2,578,750,000</u>
		<u><b>6,320,652,730</b></u>	<u><b>6,028,246,491</b></u>

### ***11.1 Short-term Loans***

The Company obtained short-term loans from various local banks for the Company's working capital requirements with fixed interest rates ranging from 5.00% to 9.75% in 2024 and 7.50% to 8.25% in 2023, and with terms of 150 to 360 days. The short-term loans in 2024 and 2023 are rolled over upon maturity. There are no loan covenants on the Company's short-term loans.

## 11.2 Long-term Loans

The details of long-term loans and borrowings are discussed below and in the succeeding page (amounts in PHP).

Interest Rate	Security	Availment	Maturity	Outstanding Balances	
				2024	2023
Fixed rate at 8.90%	Unsecured	2024	Up to 2027	<b>800,000,000</b>	-
Fixed rate at 6.63%	Unsecured	2024	Up to 2026	<b>478,900,000</b>	-
Fixed rate at 8.50%	Unsecured	2023	Up to 2028	<b>468,750,000</b>	500,000,000
Fixed rate at 8.23%	Unsecured	2023	Up to 2028	<b>875,000,000</b>	1,000,000,000
Fixed rate at 7.35%	Unsecured	2022	Up to 2026	<b>265,000,000</b>	360,000,000
Fixed rate at 5.85%	Unsecured	2021	Up to 2025	<b>270,000,000</b>	596,250,000
Fixed rate at 5.00%	Unsecured	2021	Up to 2025	<b>700,000,000</b>	1,300,000,000
Total				<b><u>3,857,650,000</u></b>	<b><u>3,756,250,000</u></b>

The Company obtained various long-term loans from local banks to partially finance the construction and expansion of the Company's stores and to refinance its existing loan obligation. These loans are subject to fixed interest rate ranging from 5.00% to 8.90% and payable in quarterly installments.

Certain loans of the Company with local banks are subject to compliance with loan covenants. The Company has to maintain a minimum current ratio of at least 1.00, maximum debt-to-equity ratio of not more than 2.50 and a minimum debt-service coverage ratio of at least 1.00. The ratios are computed on the basis of the Company's annual audited financial statements. The Company has complied with the loan covenants as of December 31, 2024 and 2023 (see Note 24).

The total finance costs attributable to all the loans of the Company amounted to P482.8 million, P446.7 million and P321.1 million in 2024, 2023 and 2022, respectively. Of these amounts, portion charged as expense amounted to P313.6 million, P207.9 million and P124.4 million in 2024, 2023 and 2022, respectively, and is presented as part of Finance costs under Other Income (Charges) section of the statements of comprehensive income (see Note 15). The Company capitalized the interest on loans amounting to P169.2 million, P238.8 million and P196.7 million in 2024, 2023 and 2022, respectively, based on capitalization rate ranging from 5.00% to 8.90% in 2024, 5.00% to 8.50% in 2023 and 5.00% to 7.09% in 2022 for specific borrowings in those periods, were included as part of construction in progress (see Note 9).

Interest payable from these loans amounted to P32.2 million, P34.5 million and P26.3 million as of December 31, 2024, 2023 and 2022, respectively, and is presented as part of Accrued expenses under Trade and Other Payables in the statements of financial position (see Note 10). There were no assets used as collateral for any of the Company's loans.

A reconciliation of the carrying amounts of short-term and long-term loans at the beginning and end of December 31, 2024, 2023 and 2022 is presented below.

<i>(Amounts in PHP)</i>	<b>Short-term Loans</b>	<b>Long-term Loans</b>	<b>Total</b>
Balance as of January 1, 2024	2,271,996,491	3,756,250,000	6,028,246,491
Cash flows from financing activities:			
Additional borrowings	2,463,002,730	1,278,900,000	3,741,902,730
Repayment of borrowings	<u>(2,271,996,491)</u>	<u>(1,177,500,000)</u>	<u>(3,449,496,491)</u>
Balance as of December 31, 2024	<b><u>2,463,002,730</u></b>	<b><u>3,857,650,000</u></b>	<b><u>6,320,652,730</u></b>
Balance as of January 1, 2023	2,931,388,027	3,010,000,000	5,941,388,027
Cash flows from financing activities:			
Additional borrowings	2,271,996,491	1,500,000,000	3,771,996,491
Repayment of borrowings	<u>(2,931,388,027)</u>	<u>(753,750,000)</u>	<u>(3,685,138,027)</u>
Balance as of December 31, 2023	<u>2,271,996,491</u>	<u>3,756,250,000</u>	<u>6,028,246,491</u>
Balance as of January 1, 2022	2,044,418,931	2,900,000,000	4,944,418,931
Cash flows from financing activities:			
Additional borrowings	2,931,388,027	400,000,000	3,331,388,027
Repayment of borrowings	<u>(2,044,418,931)</u>	<u>(290,000,000)</u>	<u>(2,334,418,931)</u>
Balance as of December 31, 2022	<u>2,931,388,027</u>	<u>3,010,000,000</u>	<u>5,941,388,027</u>

## 12. LEASES

The Company is a lessee under non-cancellable operating leases covering its store outlets and warehouse facilities (see Note 9). These lease contracts include extension and variable lease payments. With the exception of leases with variable consideration, each lease is reflected on the statements of financial position as a right-of-use asset presented under Property and Equipment and a lease liability presented separately from other liabilities.

The security deposits paid in connection with the leases amounting to P240.7 million and P231.6 million as of December 31, 2024 and 2023, respectively, is presented as Security deposits under Other Non-current Assets in the statements of financial position (see Note 8). Management believes that no allowance for ECL is required for security deposits since there has been no significant change in the credit quality of the accounts [see Note 22.2(c)].

### 12.1 Lease Liabilities

Lease liabilities are presented in the statements of financial position as follows:

<i>(Amounts in PHP)</i>	<b>2024</b>	<b>2023</b>
Current	<b>516,222,626</b>	510,463,801
Non-current	<b><u>2,161,710,201</u></b>	<u>2,803,963,351</u>
	<b><u>2,677,932,827</u></b>	<u>3,314,427,152</u>

The movements in the lease liabilities recognized in the statements of financial position are as follows:

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Balance as of January 1	<b>3,314,427,152</b>	3,745,821,070
Cash flows from financing activities –		
Repayment of lease liabilities	<b>(704,475,439)</b>	(747,280,998)
Non-cash financing activities:		
Accretion of interest	<b>208,136,723</b>	243,455,414
Lease pre-termination	<b>(140,155,609)</b>	-
Additional lease liabilities	<u>-</u>	<u>72,431,666</u>
Balance as of December 31	<u><b>2,677,932,827</b></u>	<u><b>3,314,427,152</b></u>

The use of termination option to certain lease contracts gives the Company added flexibility in the event it has identified more suitable premises in terms of cost and/or location. The future cash outflows to which the Company is potentially exposed to that are not reflected in the measurement of lease liabilities represent the amount of remaining utility bills until clearance from the contract, other damages to the premises, if any, and the security deposits and advance rentals to be forfeited. An option is only exercised when consistent with the Company's business strategy and the economic benefits of exercising such option exceeds the expected overall cost.

With the exception of lease with variable consideration, the lease contracts have remaining lease term ranging from 1 to 9 years as of December 31, 2024.

In 2024, the Company derecognized right-of-use assets with total carrying amount of P120.9 million, as a result of the pre-termination of lease on a certain store outlet to facilitate new development plans by a related party under common ownership (see Note 18.2). The corresponding lease liabilities derecognized amounted to P140.2 million. Gain on lease pre-termination amounting to P19.3 million is presented as part of Other gains under Other Income (Charges) in the 2024 statement of comprehensive income. In 2022, the Company derecognized right-of-use assets with total carrying amount of P235.1 million, as a result of the pre-termination of leases on certain store outlets and warehouse facilities, including the lease in Alabang store affected by the fire incident (see Note 9). The corresponding lease liabilities derecognized amounted to P267.3 million. Gain on lease pre-termination amounting to P32.2 million is presented as part of Other gains under Other Income (Charges) in the 2022 statement of comprehensive income. There was no similar transaction in 2023.

As of December 31, 2024 and 2023, the Company has no commitments for leases entered into which had not yet commenced.



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

<i>(Amounts in PHP)</i>	2024		Net Present Values
	Lease Payments	Finance Charges	
Within 1 year	685,576,715	169,354,089	516,222,626
1 to 2 years	679,698,181	133,255,916	546,442,265
2 to 3 years	667,636,851	94,054,578	573,582,273
3 to 4 years	587,310,880	55,209,496	532,101,384
4 to 5 years	305,796,147	21,304,676	284,491,471
5 to 9 years	242,651,108	17,558,300	225,092,808
Total	<b>3,168,669,882</b>	<b>490,737,055</b>	<b>2,677,932,827</b>
	2023		Net Present Values
	Lease Payments	Finance Charges	
Within 1 year	723,649,837	213,186,036	510,463,801
1 to 2 years	718,447,115	176,741,538	541,705,577
2 to 3 years	712,568,581	138,949,520	573,619,061
3 to 4 years	700,507,250	97,941,745	602,565,505
4 to 5 years	620,181,280	57,170,154	563,011,126
5 to 10 years	562,143,256	39,081,174	523,062,082
Total	<b>4,037,497,319</b>	<b>723,070,167</b>	<b>3,314,427,152</b>

### ***12.2 Lease Payments Not Recognized as Liabilities***

The Company also entered into lease agreements that contain variable payment linked to sales generated from certain stores. The expenses relating to these leases amounting to P184.9 million, P272.8 million and P317.5 million in 2024, 2023 and 2022, respectively, are presented as Rentals under Selling Expenses in the statements of comprehensive income (see Notes 12.3 and 14.2).

If the sales of the Company had changed by an average of +/-1.0%, the variable rent expense would have changed by +/- P1.4 million, +/- P2.0 million and +/- P2.4 million in 2024, 2023 and 2022, respectively.

### ***12.3 Additional Profit or Loss and Cash Flow Information***

The total cash outflow in respect of leases, including payments in lease agreements that contain variable payment linked to sales as mentioned in Note 12.2, amounted to P889.4 million, P1,020.1 million and P1,126.5 million in 2024, 2023 and 2022, respectively.

The expenses recognized in the statements of comprehensive income are as follows:

<i>(Amounts in PHP)</i>	Notes	2024	2023	2022
Depreciation expense of right-of-use assets	9	478,479,738	529,290,878	595,622,801
Interest expense on lease liabilities	15	208,136,723	243,455,414	280,456,937
Variable lease payments	12.2, 14.2	184,877,068	272,810,860	317,482,870
		<b>871,493,529</b>	<b>1,045,557,152</b>	<b>1,193,562,608</b>

### 13. REVENUES

The Company's main revenues arise from sale transactions with individual and corporate customers in the Philippines totaling to P9,890.5 million, P12,065.4 million and P12,564.8 million in 2024, 2023 and 2022, respectively.

The 2024, 2023, and 2022 disaggregation on revenue recognition whether point in time or over time, excluding rental income subject to PFRS 16, is shown below.

<i>(Amounts in PHP)</i>	Note	Point in time	Over time	Total
<b><u>2024:</u></b>				
Sales	18.1	9,890,521,461	-	9,890,521,461
Vendor's support		-	138,495,607	138,495,607
Delivery fees		-	10,729,582	10,729,582
Marketing fees		-	6,319,829	6,319,829
Miscellaneous		4,609,251	-	4,609,251
		<b>9,895,130,712</b>	<b>155,545,018</b>	<b>10,050,675,730</b>
<b><u>2023:</u></b>				
Sales	18.1	12,065,428,801	-	12,065,428,801
Vendor's support		-	165,948,348	165,948,348
Delivery fees		-	12,603,951	12,603,951
Marketing fees		-	17,300,464	17,300,464
Miscellaneous		10,571,729	-	10,571,729
		<b>12,076,000,530</b>	<b>195,852,763</b>	<b>12,271,853,293</b>
<b><u>2022:</u></b>				
Sales	18.1	12,564,760,820	-	12,564,760,820
Vendor's support		-	171,152,464	171,152,464
Delivery fees		-	15,580,119	15,580,119
Marketing fees		-	25,596,962	25,596,962
Miscellaneous		24,238,569	-	24,238,569
		<b>12,588,999,389</b>	<b>212,329,545</b>	<b>12,801,328,934</b>

The Company also recognized rental income from its operating leases as lessor amounting to P12.4 million, P15.6 million and P18.1 million in 2024, 2023 and 2022, respectively (see Note 9).

Miscellaneous income comprises of support received from supplier for store opening and clearance sales.

Vendors' support, delivery fees, marketing fees, rentals and miscellaneous are presented as Support, Fees, Rental and Other Revenues in the statements of comprehensive income.

#### 14. COST AND EXPENSES

##### 14.1 Cost of Merchandise Sold

The details of cost of merchandise sold are shown below.

<i>(Amounts in PHP)</i>	Note	2024	2023	2022
Merchandise inventories at beginning of year	7	7,279,106,747	6,629,751,113	7,055,642,001
Purchases during the year		6,302,745,260	8,135,833,751	7,514,736,937
Cost of goods available for sale		13,581,852,007	14,765,584,864	14,570,378,938
Merchandise inventories at end of year	7	(7,441,356,243)	(7,279,106,747)	(6,629,751,113)
		<u>6,140,495,764</u>	<u>7,486,478,117</u>	<u>7,940,627,825</u>

##### 14.2 Other Operating Expenses

The details of selling, general and administrative expenses by nature are shown below.

<i>(Amounts in PHP)</i>	Notes	2024	2023	2022
Depreciation and amortization	9	1,454,547,897	1,450,382,737	1,399,223,674
Communications and utilities		361,129,590	370,429,675	267,561,206
Salaries, wages and employee benefits	16.1	351,371,179	413,308,251	384,428,180
Outside services		202,618,395	282,078,656	281,742,157
Rentals	12.2, 12.3	184,877,068	272,810,860	317,482,870
Merchant fee		112,175,261	155,254,079	149,904,728
Taxes and licenses		99,710,603	100,728,809	105,621,879
Repairs and maintenance		28,902,263	29,540,364	25,040,365
Insurance expense		19,658,773	16,167,886	13,167,886
Transportation expense		15,738,613	18,012,911	16,526,909
Advertising and promotions		14,680,936	20,046,433	17,046,433
Office and store supplies		13,517,523	26,842,160	24,967,000
Dues and subscriptions		11,797,787	13,395,480	12,895,480
Professional fees		10,426,710	14,672,577	12,893,647
Loss on inventory disposals	7	6,826,998	63,437,763	-
Representation and entertainment		5,084,981	7,077,447	6,810,931
Commission expense		4,074,001	7,102,609	7,102,609
Miscellaneous		5,289,677	21,587,835	17,438,137
		<u>2,902,428,255</u>	<u>3,282,876,532</u>	<u>3,059,854,091</u>

These expenses are classified as follows:

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Selling	<b>1,873,112,825</b>	1,989,105,721	1,844,664,177
General and administrative	<b>1,029,315,430</b>	1,293,770,811	1,215,189,914
	<b><u>2,902,428,255</u></b>	<u>3,282,876,532</u>	<u>3,059,854,091</u>

## 15. OTHER INCOME (CHARGES)

### 15.1 Finance Costs

Finance costs include the following:

<i>(Amounts in PHP)</i>	<u>Notes</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Interest expense from:				
Loans payable	11	<b>313,626,759</b>	207,872,049	124,401,148
Lease liabilities	12.3	<b>208,136,723</b>	243,455,414	280,456,937
Retirement benefit obligation	16.2	<b>7,620,687</b>	5,505,063	3,505,329
Others		<u>-</u>	<u>-</u>	<u>3,500</u>
		<b><u>529,384,169</u></b>	<u>456,832,526</u>	<u>408,366,914</u>

### 15.2 Losses from Fire

On January 8, 2022, the Company's store outlets located in Alabang, Muntinlupa City were severely damaged by fire. As a result, the Company wrote off certain inventories and property and equipment with net carrying value amounting to P83.8 million and P219.3 million, respectively (see Notes 7 and 9). The Company received total insurance claims amounting to P69.5 million, which was offset against the losses incurred from the fire incident. The related net loss amounting to P233.6 million is presented as Losses from fire under Other Income (Charges) in the 2022 statement of comprehensive income.

## 16. SALARIES, WAGES AND EMPLOYEE BENEFITS

### 16.1 Salaries, Wages and Employee Benefits

Expenses recognized for salaries, wages and employee benefits in 2024, 2023 and 2022 are presented below.

<i>(Amounts in PHP)</i>	<u>Notes</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Salaries and wages		<b>293,421,244</b>	340,282,961	331,564,980
Post-employment benefit	16.2	<b>19,776,377</b>	24,410,090	10,920,698
Others employee benefits		<b>38,173,558</b>	48,615,200	41,942,502
	14.2	<b><u>351,371,179</u></b>	<u>413,308,251</u>	<u>384,428,180</u>

## 16.2 Post-employment Defined Benefit Plan

### (a) Characteristics of the Defined Benefit Plan

The Company maintains an unfunded, noncontributory post-employment defined benefit plan covering all qualified employees.

The normal retirement age of the Company's employees is at 60 with a minimum of five years of credited service. The compulsory retirement age is at 65 with a minimum of five years of credited service. The normal retirement benefit is equal to 100% of the monthly salary multiplied by every year of credited service.

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

The most recent actuarial valuation in 2024 and 2023 dated April 8, 2025 and March 31, 2024, respectively, was performed by a professionally qualified external actuary.

The movements in the present value of the retirement benefit obligation recognized in the statements of financial position are as follows:

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Balance at beginning of year	127,398,117	65,481,009
Current service cost	19,776,377	13,086,307
Interest expense	7,620,687	5,505,063
Benefits paid from operating funds	(4,250,805)	-
Past service cost	-	11,323,783
Actuarial losses (gains) arising from:		
Changes in demographic assumptions	(46,250,294)	-
Experience adjustments	(42,177,198)	11,532,946
Changes in financial assumptions	268,054	20,469,009
Balance at end of year	<u>62,384,938</u>	<u>127,398,117</u>

The amounts of post-employment benefit recognized in profit or loss and in other comprehensive income or loss in respect of the defined benefit post-employment plan are presented below and in the succeeding page (see Note 16.1):

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>	<u>2022</u>
<i>Reported in profit or loss:</i>			
Current service cost	19,776,377	13,086,307	10,920,698
Interest expense	7,620,687	5,505,063	3,505,329
Past service cost	-	11,323,783	-
	<u>27,397,064</u>	<u>29,915,153</u>	<u>14,426,027</u>

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>	<u>2022</u>
<i>Reported in other comprehensive loss (income):</i>			
Actuarial losses (gains) arising from:			
Changes in demographic assumptions	<b>(46,250,294)</b>	-	-
Experience adjustments	<b>(42,177,198)</b>	11,532,946	(16,266,837)
Changes in financial assumptions	<b>268,054</b>	20,469,009	736,217
	<b><u>(88,159,438)</u></b>	<b><u>32,001,955</u></b>	<b><u>(15,530,620)</u></b>

The interest expense is included as part of Finance costs under Other Income (Charges) section of the statements of comprehensive income (see Note 15).

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

In determining the amount of the retirement benefit obligation, the following significant actuarial assumptions were used for the year ended December 31:

	<u>2024</u>	<u>2023</u>
Discount rates	<b>6.11%</b>	6.14%
Expected rate of salary increase	<b>10.00%</b>	10.00%

Assumptions regarding future mortality experience are based on published statistics and mortality tables. The average remaining working lives of an individual retiring at the age of 60 is 35 years. These assumptions were developed by management with the assistance of an independent actuary. Discount factors are determined close to the end of each reporting period by reference to the interest rates of zero coupon government bonds with terms to maturity approximating to the terms of the post-employment obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

(c) *Risks Associated with the Retirement Plan*

The plan exposes the Company to actuarial risks such as interest rate risk, longevity risk and salary risk.

(i) *Interest Rate Risk*

The present value of the defined benefit obligation is calculated using a discount rate determined by reference to market yields of government bonds. Generally, a decrease in the interest rate of a reference government bonds will increase the plan obligation.

(ii) *Longevity and Salary Risks*

The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of the plan participants during their employment and to their future salaries. Consequently, increases in the life expectancy and salary of the plan participants will result in an increase in the plan obligation.

(d) *Other Information*

The information on the sensitivity analysis for certain significant actuarial assumptions, and the timing and uncertainty of future cash flows related to the retirement plan as of December 31, 2024 and 2023 are discussed below and in the succeeding page.

(i) *Sensitivity Analysis*

The following table summarizes the effects of changes in the significant actuarial assumptions used in the determination of the defined benefit obligation as of December 31:

<i>(Amounts in PHP)</i>	<b>Impact on Post-employment Defined Benefit Obligation</b>		
	<b>Change in Assumption</b>	<b>Increase in Assumption</b>	<b>Decrease in Assumption</b>
<b><u>2024:</u></b>			
Discount rate	+/- 1%	<b>(6,445,395)</b>	<b>7,539,623</b>
Salary growth	+/- 1%	<b>7,477,834</b>	<b>(6,522,105)</b>
<b><u>2023:</u></b>			
Discount rate	+/- 1%	(17,099,527)	20,716,282
Salary growth	+/- 1%	20,369,670	(17,168,105)

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognized in the 2024 statement of financial position.

(ii) *Funding Arrangements and Expected Contributions*

The plan is currently unfunded by P62.4 million based on the latest actuarial valuation. While there are no minimum funding requirement in the country, the size of the underfunding may pose a cash flow risk that the Company may be exposed to if several employees retire within the same year.

The Company has yet to determine when to establish a retirement fund and how much to contribute.

The maturity profile of the undiscounted expected benefit payments as of December 31 from the plan follows:

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>
Within five years	<b>13,086,079</b>	17,590,806
More than five years to 10 years	<b>39,575,823</b>	60,454,890
More than 10 years	<b>335,756,789</b>	1,521,735,003
	<b><u>388,418,691</u></b>	<u>1,599,780,699</u>

Management expects that a substantial portion of the undiscounted expected benefit payments is probable after 10 years from the end of the reporting period. The weighted average duration of the defined benefit obligation at the end of the reporting period is 14.15 years.

## 17. INCOME TAXES

The components of tax expense as reported in the statements of comprehensive income are as follows:

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>	<u>2022</u>
<i>Reported in profit or loss:</i>			
Current tax expense:			
Minimum corporate income tax (MCIT) at 2%	<b>78,454,884</b>	-	-
Final tax at 20%	<b>440,679</b>	174,646	170,590
Regular corporate income tax (RCIT) at 25%	<b>-</b>	106,603,301	177,510,740
	<b><u>78,895,563</u></b>	<u>106,777,947</u>	<u>177,681,330</u>
Deferred tax expense arising from origination and reversal of temporary differences	<b><u>32,559,681</u></b>	<u>158,796,930</u>	<u>133,308,146</u>
	<b><u>111,455,244</u></b>	<u>265,574,877</u>	<u>310,989,476</u>
<i>Reported in other comprehensive income (loss) –</i>			
Deferred tax income (expense) arising from origination and reversal of temporary differences	<b><u>(22,039,860)</u></b>	<u>8,000,489</u>	<u>(3,882,655)</u>



A reconciliation of tax on pretax profit computed at the applicable statutory rates to tax expense reported in profit or loss is as follows:

<i>(Amounts in PHP)</i>	2024	2023	2022
Tax on pretax profit at 25%	<b>128,063,600</b>	265,708,277	311,189,562
Adjustment for income subject to lower tax rate	<b>(110,170)</b>	(210,412)	(200,086)
Tax effect of non-deductible expenses	<b>(16,498,186)</b>	77,012	-
Tax expense	<b>111,455,244</b>	265,574,877	310,989,476

The Company is subject to MCIT computed at 2.0% in 2024, 1.5% in 2023, and 1% in 2022, of gross income, net of allowable deductions as defined under the tax regulations, or to RCIT, whichever is higher. In 2024, the Company reported MCIT, which can be claimed as deduction until 2027. The Company reported RCIT in 2023 and 2022 as RCIT was higher than MCIT in those years.

The net deferred tax liabilities as of December 31 relate to the following:

<i>(Amounts in PHP)</i>	Statements of Financial Position		Statements of Comprehensive Income					
			Profit or Loss			Other Comprehensive Income (Loss)		
	2024	2023	2024	2023	2022	2024	2023	2022
Deferred tax assets:								
Leases – PFRS 16	189,089,359	198,374,314	9,284,955	(6,366,323)	(8,706,044)	-	-	-
MCIT	78,454,884	-	(78,454,884)	-	-	-	-	-
Post-employment defined obligation	11,574,552	26,765,146	(6,849,266)	(7,478,788)	(3,606,507)	22,039,860	(8,000,489)	3,882,655
Impairment loss	5,961,115	5,961,115	-	-	8,508,088	-	-	-
Reward liability	1,525,769	1,485,367	(40,402)	316,438	(1,654,672)	-	-	-
	<b>286,605,679</b>	<b>232,585,942</b>	<b>(76,059,597)</b>	<b>(13,528,673)</b>	<b>(5,459,135)</b>	<b>22,039,860</b>	<b>(8,000,489)</b>	<b>3,882,655</b>
Deferred tax liabilities:								
Tax depreciation	(663,324,044)	(581,424,616)	81,899,428	124,882,254	127,740,440	-	-	-
Borrowing costs	(266,868,166)	(240,148,316)	26,719,850	47,443,349	39,657,619	-	-	-
Uncollected income	(9,803,253)	(9,803,253)	-	-	(28,630,778)	-	-	-
	<b>(939,995,463)</b>	<b>(831,376,185)</b>	<b>108,619,278</b>	<b>172,325,603</b>	<b>138,767,281</b>	<b>-</b>	<b>-</b>	<b>-</b>
Deferred liabilities - net	<b>(653,389,784)</b>	<b>(598,790,243)</b>						
Deferred tax expense (income)			<b>32,559,681</b>	158,796,930	133,308,146	<b>22,039,860</b>	<b>(8,000,489)</b>	<b>3,882,665</b>

The Company claimed itemized deductions for 2024, 2023 and 2022 in computing for its income tax due.

## 18. RELATED PARTY TRANSACTIONS

The Company's related parties include its ultimate parent company, parent company, related parties under common ownership, key management personnel and others.

Based on the requirement of SEC Memorandum Circular 2019-10, *Rules of Material Related Party Transactions of Publicly-listed Companies*, transactions amounting to 10% or more of the total assets based on its latest consolidated financial statements that were entered into with related parties are considered material. In 2024 and 2023, there were no transactions with related parties that exceeds the 10% threshold to be considered material.

All individual material related party transactions shall be approved by at least two-thirds (2/3) vote of the Company's board of directors, with at least a majority of the independent directors voting to approve the material related party transactions. In case that a majority of the independent directors' vote is not secured, the material related party transaction may be ratified by the vote of the stockholders representing at least two-thirds of the outstanding capital stock. For aggregate related party transactions within a 12-month period that breaches the materiality threshold of 10% of the consolidated total assets based on the latest financial statements, the same board approval would be required for the transactions that meet and exceeds the materiality threshold covering the same related party.

The summary of the Company's transactions with its related parties and the related outstanding balances as of December 31, 2024 and 2023 and for the years ended December 31, 2024, 2023 and 2022 are discussed below.

(Amounts in PHP)	Notes	Amount of Transactions			Outstanding Balances Receivables (Payables)	
		2024	2023	2022	2024	2023
<b>Related Parties Under Common Ownership:</b>						
Lease liability	12	(140,155,609)	-	-	(2,103,093,579)	(2,660,909,225)
Right-of-use asset	9, 12	(120,874,763)	-	-	1,546,059,140	2,061,316,758
Depreciation	9, 12	392,675,237	422,185,134	404,977,243	-	-
Interest	12, 15	167,546,956	184,093,610	226,125,154	-	-
Rentals	12	148,759,563	72,243,854	316,198,441	-	-
Sale of merchandise	6, 18.1	120,180,699	94,033,075	97,510,230	39,762,624	48,060,151
Reimbursement of expenses	6, 18.2	125,216,997	-	-	125,216,997	-
<b>Key Management Personnel Compensation</b>						
	18.3	42,941,466	56,755,227	48,846,000	-	-

Management determines possible impairment based on the related parties' ability to repay the advances upon demand at the reporting date taking into consideration the historical defaults from the related parties. Management assessed that the outstanding receivables from related parties as of December 31, 2024 and 2023 are recoverable since these related parties have the capacity to pay the advances upon demand. There were no impairment losses recognized for these receivables from related parties in 2024, 2023 and 2022.

### 18.1 Sale of Merchandise

The Company sells various merchandise items to its related parties with similar transaction price and terms under exact business circumstances with third parties. These transactions are presented as part of Sales in the statements of comprehensive income (see Note 13). The related receivables are presented as part of Trade receivables under Trade and Other Receivables in the statements of financial position (see Note 6).

## 18.2 Reimbursement of Expenses

In 2024, the Company entered into an agreement with a related party under common ownership, to facilitate new development plans of the latter which resulted in the closure of a certain store outlet and derecognition of the related leasehold improvements (see Notes 9 and 12.1). The carrying amount of the derecognized leasehold improvements amounted to P125.2 million, which will be reimbursed by the related party. The related receivable is presented as part of Non-trade receivables under Trade and Other Receivables in the 2024 statement of financial position (see Note 6). No gains or losses were recognized from this transaction. There was no similar transaction in 2023 and 2022.

## 18.3 Key Management Personnel Compensation

The total compensation of key management personnel, which include all managers and executives, is shown below.

<i>(Amounts in PHP)</i>	<b>2024</b>	<b>2023</b>	<b>2022</b>
Short-term benefits	<b>38,818,440</b>	52,389,440	44,938,320
Post-employment defined benefits	<b>4,123,026</b>	4,365,787	3,907,680
	<b><u>42,941,466</u></b>	<b><u>56,755,227</u></b>	<b><u>48,846,000</u></b>

## 19. EQUITY

### 19.1 Capital Stock

Details of this account for years 2024, 2023 and 2022 are shown below.

<i>(Amounts in PHP)</i>	<b>Shares</b>	<b>Amount</b>
Authorized – par value:		
Common – P1.00 par value	5,900,000,000	5,900,000,000
Preferred – P0.10 par value	1,000,000,000	1,000,000,000
Issued and outstanding –		
Common shares –		
Balance at beginning and end of year	3,750,000,002	3,750,000,002

On July 8, 2019, the SEC approved the Company's application for the increase of authorized capital stock from P2,000.0 million to P6,000.0 million divided into 5,900,000,000 common shares with par value of P1.00 per common share and 1,000,000,000 preferred shares with par value of P0.10 per preferred share. On the same date, the Company issued 1,000,000,000 common shares for the payment of certain advances from its parent company that were converted into equity and two common shares for a consideration of P2.00 to independent directors.

On October 10, 2019, the Company, by way of a primary offering (IPO), sold 750,000,000 shares of its common stock (Offer Share) at an offer price of P11.50 per Offer Share, and generated proceeds of P7,959.3 million from such IPO, net of IPO expenses amounting to P665.7 million (see Note 19.2).

As of December 31, 2024, 2023 and 2022, the Company's number of shares registered totaled 3,750,000,002 with par value of P1.00 per share and closed at a price of P1.12 in 2024. The total number of stockholders is 32 as of December 31, 2024 and 2023, with the shares held in the name of PCD Nominee Corporation belonging to 128 participants. The public float lodged with PCD Nominee Corporation is counted only as one stockholder.

### ***19.2 Additional Paid-In Capital***

Additional paid-in capital consists of P7,209.3 million from the initial public offering in 2019, net of P665.7 million stock issuance costs incurred such as underwriting fees and commissions, taxes and filing fees (see Note 19.1).

### ***19.3 Retained Earnings***

In 2024, the Company's BOD approved the declaration of cash dividends amounting to P115.9 million (P0.0309 per share) on November 27, 2024, and payable to stockholders of record as of November 30, 2024. The cash dividends were settled on December 12, 2024.

In 2023, the Company's BOD approved the declaration of cash dividends amounting to P140.3 million (P0.0374 per share) on November 14, 2023, and payable to stockholders of record as of November 30, 2023. The cash dividends were settled on December 15, 2023.

In 2022, the Company's BOD approved the declaration of cash dividends amounting to P288.8 million (P0.0770 per share) on November 29, 2022, payable to stockholders of record as of December 15, 2022. The outstanding dividends payable amounting to P35.0 million were settled in 2023.

## **20. EARNINGS PER SHARE**

Basic earnings per share (EPS) is determined by dividing net profit by the weighted average number of common shares issued, adjusted for any stock dividends or stock splits, less any shares held in treasury during the reporting period (see Note 20).

Diluted EPS is also computed by dividing net profit by the weighted average number of common shares issued and outstanding during the reporting period. However, net profit attributable to common shares and the weighted average number of common shares outstanding are adjusted to reflect the effects of any potentially dilutive preferred shares, convertible loans and stock options.

EPS were computed as follows:

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Net profit	400,799,157	797,258,231	933,768,771
Divided by weighted average number of outstanding common shares	<u>3,750,000,002</u>	<u>3,750,000,002</u>	<u>3,750,000,002</u>
Basic and diluted EPS	<u>0.11</u>	<u>0.21</u>	<u>0.25</u>

The Company has no potential dilutive common shares as of December 31, 2024, 2023 and 2022.

## 21. COMMITMENTS AND CONTINGENCIES

The significant commitments and contingencies involving the Company are presented below.

### 21.1 Legal Claims

The Company is a party to certain case from the normal course of business. The Company and its legal counsel believe that any eventual liabilities under this case will not have a material effect on the financial statements. Accordingly, no provision for probable losses arising from legal contingencies was recognized in the financial statements as of December 31, 2024 and 2023.

### 21.2 Others

There are other commitments, guarantees and contingent liabilities that may arise in the normal course of operations of the Company which are not reflected in the financial statements. As of December 31, 2024 and 2023, management is of the opinion that losses, if any, from these items will not have any material effect on the Company's financial statements, taken as a whole.

## 22. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to a variety of operational and financial risks in relation to financial instruments. The Company's risk management is coordinated with its parent company, in close cooperation with the Company's BOD.

The Company does not normally engage in the trading of financial assets for speculative purposes nor does it write options. The most significant operational and financial risks to which the Company is exposed to are described below and in the succeeding pages.

### 22.1 Interest Rate Risk

The Company's policy is to minimize interest rate cash flow risk exposures on long-term financing. In 2024, 2023 and 2022, the Company is exposed to changes in market interest rates through its cash in banks and short-term placements, which are subject to variable interest rates.

Short-term bank loans, cash in banks and short-term placements which are subject to repricing are tested on a reasonably possible change (weighted average) of +/-1.86% and +/-1.42% Philippine peso in 2024 and 2023, respectively. On the other hand, the Company's exposure to foreign currency interest rate is insignificant. The percentages have been determined based on the average market volatility of interest rates, using standard deviation, in the previous 12 months estimated at 99% level of confidence. The sensitivity analysis is based on the Company's financial instruments held at the end of each reporting period, with the effect estimated from the beginning of the year. All other variables are held constant.

The changes in percentages would affect profit before tax by +/-P26.7 million and +/-P23.5 million in 2024 and 2023, respectively.

On the other hand, the Company's long-term bank loans are subject to fixed rates ranging from 5.00% to 8.90% per annum in 2024 and 5.00% to 8.50% per annum in 2023 (see Note 11). Accordingly, management assessed that the Company is not significantly exposed to changes in market interest rates for its bank borrowings in 2024 and 2023.

## 22.2 Credit Risk

Credit risk is the risk that counterparty may fail to discharge an obligation to the Company. The Company is exposed to this risk for various financial instruments, for example by granting receivables to customers and related parties and placing deposits.

The Company continuously monitors defaults of other counterparties, identified individually, and incorporates this information into its credit risk controls. The Company's policy is to deal only with creditworthy counterparties.

Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown in the statements of financial position or in the detailed analysis provided in the notes to the financial statements, as summarized below.

<i>(Amounts in PHP)</i>	Notes	2024	2023
Cash in banks	4	<b>1,351,778,051</b>	1,569,920,156
Trade and other receivables - net	6	<b>1,074,361,800</b>	690,371,484
Security deposits	8, 12	<b>240,749,237</b>	231,598,008
Short-term placements	8	<b>80,000,000</b>	80,000,000
		<b><u>2,746,889,088</u></b>	<b><u>2,571,889,648</u></b>

Except for cash in banks, none of the Company's financial assets are secured by collateral or other credit enhancements.

(a) *Cash and Short-term Placements*

The credit risk for cash and short-term placements is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. Cash in banks and short-term placements which are insured by the Philippine Deposit Insurance Corporation (PDIC) up to a maximum coverage of P0.5 million per depositor per banking institution, as provided for under Republic Act. No. 9576, *Amendment to Charter of Philippine Deposit Insurance Corporation*. Effective March 15, 2025, the PDIC increased the maximum coverage to P1.0 million per depositor per banking institution.

(b) *Trade and Other Receivables*

The Company applies the PFRS 9 simplified approach in measuring ECL which uses a lifetime expected loss allowance for trade and other receivables.

To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and the days past due (age buckets). The Company also concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the other receivables as it shares the same credit risk characteristics.

The expected loss rates are based on the payment and aging profiles over a period of five years before December 31, 2024 and 2023, and the corresponding historical credit losses experienced within such period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified that the inflation rate and the Philippine gross domestic product in 2024 and 2023, respectively, were the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in this factor.

The Company identifies a default when the receivables become credit-impaired or when the customer is not able to settle the receivables within the normal credit terms of 30 to 60 days, depending on the terms with customers; hence, these receivables were already considered as past due on its contractual payment. In addition, the Company considers qualitative assessment in determining default such as in instances where the customer is unlikely to pay its obligations and is deemed to be in significant financial difficulty.

The table below summarizes the loss allowance of the Company based on the past due months of trade and non-trade receivables:

<i>(Amounts in PHP)</i>	Not yet due/Within 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
<b>2024:</b>					
Expected loss rate	0.00%	46.25%	61.40%	92.73%	
Gross carrying amount	1,051,391,364	37,450,865	3,889,981	2,894,199	1,095,626,409
Loss allowance	-	17,321,621	2,388,448	2,683,855	22,393,924
<b>2023:</b>					
Expected loss rate	0.00%	55.57%	68.75%	84.69%	
Gross carrying amount	672,235,048	36,043,069	3,005,853	352,123	711,636,093
Loss allowance	-	20,029,187	2,066,524	298,213	22,393,924

On the other hand, based on the analysis, there is no loss allowance provided as at December 31, 2024 and 2023, on the Company's non-trade receivables as the Company does not have any non-trade receivables which has been outstanding for more than three months. The Company's management continues to monitor counterparties default rates and macroeconomic factors affecting the counterparties' ability to settle the receivables. Management considers the credit quality of non-trade receivables that are not past due or impaired to be good.

(c) *Security Deposits*

The Company is not exposed to any significant credit risk exposure, since the counterparties are reputable lessors with sound liquid position. The Company can apply such deposits to future payments in case it defaults.

### 22.3 Liquidity Risk

The Company manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash outflows due in a day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a six-month and one-year period are identified monthly.

The Company maintains cash to meet its liquidity requirements for up to 30-day periods. Excess cash are invested in short-term placements. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

As of December 31, 2024 the Company's financial liabilities have contractual maturities which are summarized below.

(Amounts in PHP)	Notes	Current		Non-current	
		Upon demand/Within Six Months	Six to 12 Months	One to Three Years	Later than Three Years
Trade and other payables	10	919,077,859	-	-	-
Loan payables	11	3,331,275,078	1,098,297,346	1,614,707,988	1,031,250,000
Lease liabilities	12	349,783,690	335,793,025	1,347,335,032	1,135,758,135
		<b>4,600,136,627</b>	<b>1,434,090,371</b>	<b>2,962,043,020</b>	<b>2,167,008,135</b>

This compares to the contractual maturities of the Company's financial liabilities as of December 31, 2023 as follows:

(Amounts in PHP)	Notes	Current		Non-current	
		Upon demand/Within Six Months	Six to 12 Months	One to Three Years	Later than Three Years
Trade and other payables	10	886,244,614	-	-	-
Loan payables	11	3,192,109,672	476,920,313	1,306,492,160	1,616,201,389
Lease liabilities	12	359,233,756	364,416,081	1,431,015,696	1,882,831,786
		<b>4,437,588,042</b>	<b>841,336,394</b>	<b>2,737,507,856</b>	<b>3,499,033,175</b>

The contractual maturities reflect the gross cash flows, which may differ from the carrying values of the financial liabilities at the end of the reporting periods.



## 23. CATEGORIES AND FAIR VALUE MEASUREMENTS

### *23.1 Carrying Amounts and Fair Values Category*

The Company has no financial assets and financial liabilities carried at fair value.

For the Company's financial assets and liabilities carried at amortized cost as at December 31, 2024 and 2023, management considers that the carrying values of these financial instruments approximate their fair values either because these instruments are short-term in nature or the effect of discounting for those maturities of more than one year is not material, hence, no further comparison between the carrying amounts and fair values is presented.

A description of the Company's risk management objectives and policies for financial instruments is provided in Note 22.

### *23.2 Offsetting of Financial Assets and Financial Liabilities*

The Company has not set-off financial instruments in 2024 and 2023. For financial assets and financial liabilities subject to enforceable master netting agreements or similar arrangements, each agreement between the Company and counterparties (i.e. related parties including parent company and companies under common ownership) allows for the net settlement of the relevant financial assets and financial liabilities when both elect to settle on a net basis. In the absence of such an election, financial assets and financial liabilities will be settled on a gross basis, however, each party to the master netting agreement or similar agreement will have the option to settle all such amounts on a net basis in the event of default of the other party.

As of December 31, 2024 and 2023, the Company does not have any financial assets that may be potentially set-off against its outstanding liabilities to related parties.

### *23.3 Fair Value Hierarchy*

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

There are no financial assets and financial liabilities measured at fair value as of December 31, 2024 and 2023. Neither was there transfers among fair value levels in those years.

#### ***23.4 Financial Instruments Measured at Amortized Cost for which Fair Value is Disclosed***

The table below summarizes the fair value hierarchy of the Company's financial assets and financial liabilities which are not measured at fair value in the statements of financial position but for which fair value is disclosed (see Note 23.1).

	Level 1	Level 2	Level 3	Total
<b><u>December 31, 2024</u></b>				
<i>Financial assets:</i>				
Cash	1,357,578,051	-	-	1,357,578,051
Trade and other receivables	-	-	1,074,361,800	1,074,361,800
Security deposits	-	-	187,491,790	187,491,790
Short-term placements	80,000,000	-	-	80,000,000
	<b><u>1,437,578,051</u></b>	<b><u>-</u></b>	<b><u>1,261,853,590</u></b>	<b><u>2,699,431,641</u></b>
<i>Financial liabilities:</i>				
Trade and other payables	-	-	919,077,859	919,077,859
Loans payable	-	-	5,892,214,169	5,892,214,169
Lease liabilities	-	-	2,677,932,827	2,677,932,827
	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>9,489,224,855</u></b>	<b><u>9,489,224,855</u></b>
<b><u>December 31, 2023</u></b>				
<i>Financial assets:</i>				
Cash	1,577,495,156	-	-	1,577,495,156
Trade and other receivables	-	-	690,371,484	690,371,484
Security deposits	-	-	161,349,959	161,349,959
Short-term placements	80,000,000	-	-	80,000,000
	<b><u>1,657,495,156</u></b>	<b><u>-</u></b>	<b><u>851,721,443</u></b>	<b><u>2,509,216,599</u></b>
<i>Financial liabilities:</i>				
Trade and other payables	-	-	886,244,614	886,244,614
Loans payable	-	-	5,634,207,662	5,634,207,662
Lease liabilities	-	-	3,314,427,152	3,314,427,152
	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>9,834,879,428</u></b>	<b><u>9,834,879,428</u></b>

## 24. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Company's capital management objective is to ensure the Company's ability to continue as a going concern entity. Essentially, the Company, in coordination with its parent company, monitors capital on the basis of the carrying amount of equity as presented in the statements of financial position.

The Company manages the capital structure and makes adjustments to consider changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

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

<i>(Amounts in PHP)</i>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Total liabilities	<b>10,688,744,880</b>	11,048,654,430	11,451,738,066
Total equity	<b>16,266,730,775</b>	15,915,687,040	15,282,680,275
Debt-to-equity ratio	<b>0.66 : 1.00</b>	0.69 : 1.00	0.75 : 1.00

The Company monitors capital on the debt-to-equity ratio on its covenants with certain financial institutions. In 2024 and 2023, the Company has to maintain a minimum current ratio of at least 1.00, maximum debt-to-equity ratio of 2.50:1.00, and a minimum debt-service coverage ratio of at least 1.00. The Company has properly complied with the loans' covenants as of December 31, 2024 and 2023 (see Note 11).

## 25. SUPPLEMENTAL INFORMATION ON NON-CASH ACTIVITIES

The following discusses the supplemental information on non-cash investing and financing activities as presented in the statements of cash flows for the years ended December 31, 2024, 2023 and 2022:

- In 2024, 2023 and 2022, the Company capitalized borrowing costs amounting to P169.2 million, P238.8 million and P196.7 million, respectively, to property and equipment (see Notes 9 and 11).
- In 2024, 2023 and 2022, the Company has unpaid interest arising from loans payable amounting to P32.2 million, P34.5 million and P26.3 million, respectively, which is presented as part of Accrued expenses under Trade and Other Payables in the statements of financial position (see Notes 10 and 11).
- In 2024, 2023 and 2022, certain construction materials and supplies under Non-current Assets amounting to P9.4 million, P44.8 million and P49.8 million, respectively, were reclassified to Construction in Progress under Property and Equipment in the statements of financial position (see Notes 8 and 9).

- In 2024, the Company pre-terminated one of its lease contracts which resulted in the derecognition of right-of-use asset and lease liability with remaining carrying amounts of P120.9 million and P140.2 million, respectively, and recognition of gain on lease pre-termination amounting to P19.3 million (see Notes 9 and 12). In 2023, the Company recognized additional right-of-use assets amounting to P72.4 million and the corresponding lease liability of the same amount (see Notes 9 and 12). In 2022, the Company pre-terminated some of its lease contracts which resulted to the derecognition of right-of-use assets and lease liabilities with remaining carrying amounts of P235.1 million and P267.3 million, respectively, and recognition of gain on lease pre-termination amounting to P32.2 million (see Notes 9 and 12).
- In 2024, the Company disposed of leasehold improvements with a total cost of P188.2 million and accumulated depreciation of P63.0 million, mainly due to the pretermination of a store outlet lease to facilitate new development plans by a related party under common ownership (see Note 12.1). As per agreement, the carrying amount of leasehold improvements amounting to P125.2 million will be reimbursed by the related party (see Note 18.2). The related receivable is presented as part of Non-trade receivables under Trade and Other Receivables in the 2024 statement of financial position (see Note 6). No gains or losses were recognized from this transaction.
- In 2024, 2023 and 2022, certain advances to contractors under Non-current Assets amounting to P10.7 million, P110.4 million and P80.0 million, respectively, were reclassified to Construction in Progress under Property and Equipment in the statements of financial position (see Notes 8 and 9).
- In 2022, the Company recorded dividends payable to its parent company amounting P35.0 million which were settled in 2023. There was no outstanding dividends payable in 2024 and 2023.

**26. SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE**

Presented in the succeeding pages is the supplementary information on taxes, duties and licenses fees paid or accrued during the taxable year which is required by the Bureau of Internal Revenue (BIR) under Revenue Regulations (RR) No. 15-2010 to be disclosed as part of the notes to financial statements. This supplementary information is not a required disclosure under PFRS Accounting Standards.

(a) *Output VAT*

In 2024, the Company declared output VAT as follows:

<i>(Amounts in PHP)</i>	<b>Tax Base</b>	<b>Output VAT</b>
Sale of merchandise	9,890,521,461	1,186,862,575
Other income:		
Vendor's support	138,495,607	16,619,473
Rentals	12,402,619	1,488,314
Marketing fees	10,729,582	1,287,550
Delivery fees	6,319,829	758,379
Miscellaneous	4,609,251	553,110
	<b>10,063,078,349</b>	<b>1,207,569,401</b>

The tax bases are included as part of Sales and Support, Fees, Rentals and Other Revenues in the 2024 statement of comprehensive income. The tax bases for Other Income are based on the Company's gross receipts until the effectivity of RR No. 03-2024 on April 27, 2024. Subsequently, the accrual method was used.

The outstanding output VAT payable amounting to P24.0 million as of December 31, 2024 is presented as part of Trade and Other Payables in the 2024 statement of financial position.

(b) *Input VAT*

The movements in input VAT in 2024 are summarized below.

<i>(Amounts in PHP)</i>	<b>Tax Base</b>
Balance at beginning of year	-
Goods for resale/manufacture or further processing	768,719,635
Services lodged under other accounts	308,821,686
Capital goods subject to amortization	36,355,821
Amortization of deferred input VAT on purchases of capital goods exceeding P1.0 million	1,940,049
Capital goods not subject to amortization	301,699
Applied against output VAT	(1,116,138,890)
Balance at end of year	-

(c) *Excise Tax*

The Company did not have any transactions subject to excise tax in 2024.

(d) *Documentary Stamp Tax*

In 2024, the Company paid documentary stamp tax (DST) amounting to P23.1 million pertaining to the interest-bearing loans availed during the year.

(e) *Taxes and Licenses*

The details of taxes and licenses account in 2024 are shown below.

*(Amounts in PHP)*

Municipal licenses and permits	75,574,456
DST	23,142,658
Real property tax	993,489
	<hr/>
	<b>99,710,603</b>
	<hr/>

The amount of taxes and licenses are presented as part of General and Administrative Expenses in the 2024 statement of comprehensive income.

(f) *Withholding Taxes*

The details of total withholding taxes for the year ended December 31, 2024 are shown below.

*(Amounts in PHP)*

Expanded	98,297,444
Compensation and benefits	15,450,560
Final	5,065,765
	<hr/>
	<b>118,813,769</b>
	<hr/>

The outstanding balances of expanded withholding tax, withholding tax on compensation and final withholding tax amounting to P10.8 million, P1.2 million and P5.1 million, respectively, are recorded as Withholding taxes payable under Trade and Other Payables in the 2024 statement of financial position.

(g) *Deficiency Tax Assessments*

As of December 31, 2024, the Company does not have any final deficiency tax assessment from the BIR nor does it have tax cases outstanding or pending in courts or bodies outside of the BIR in any of the open taxable years.

# **Report of Independent Auditors to Accompany Supplementary Information Required by the Securities and Exchange Commission Filed Separately from the Basic Financial Statements**

---

**Punongbayan & Araullo**

20<sup>th</sup> Floor, Tower 1  
The Enterprise Center  
6766 Ayala Avenue  
1200 Makati City  
Philippines

T +63 2 8988 2288

**The Board of Directors and Stockholders  
AllHome Corp.**

**(A Subsidiary of AllValue Holdings Corp.)**

Lower Ground Floor, Building B  
EVIA Lifestyle Center, Vista City  
Daang Hari, Almanza II  
Las Piñas City

We have audited, in accordance with Philippine Standards on Auditing, the financial statements of AllHome Corp. (the Company) for the year ended December 31, 2024, on which we have rendered our report dated April 24, 2025. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The applicable supplementary information (see List of Supplementary Information) is presented for purposes of additional analysis in compliance with the requirements of the Revised Securities Regulation Code Rule 68 and is not a required part of the basic financial statements prepared in accordance with Philippine Financial Reporting Standards Accounting Standards. Such supplementary information is the responsibility of the Company's management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

## **PUNONGBAYAN & ARAULLO**

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

CPA Reg. No. 0111202

TIN 212-755-957

PTR No. 10465897, January 2, 2025, Makati City

BIR AN 08-002511-039-2024 (until October 3, 2027)

BOA/PRC Cert. of Reg. No. 0002/P-002 (until August 12, 2027)

April 24, 2025

**ALLHOME CORP.**  
*(A Subsidiary of AllValue Holdings Corp.)*  
**List of Supplementary Information**  
**December 31, 2024**

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



**ALLHOME CORP.**  
*(A Wholly Owned Subsidiary of AllValue Holdings Corp.)*  
**SCHEDULE D - LONG TERM DEBT**  
**December 31, 2024**  
*(Amounts in Philippine Pesos)*

Title of Issue and type of obligation	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet
Term Loans	P <u>1,627,500,000</u>	P <u>2,230,150,000</u>

**ALLHOME CORP.**  
*(A Subsidiary of AllValue Holdings Corp.)*  
**SCHEDULE G - CAPITAL STOCK**  
**DECEMBER 31, 2024**

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding	Number of Shares Reserved for Options, Warrants, Conversion and Other Rights	Number of Shares Held by		
				Related Parties	Directors, Officers and Employees	Others
Common Shares at P1.00 par value	<u>5,900,000,000</u>	<u>3,750,000,002</u>	<u>-</u>	<u>2,540,108,000</u>	<u>502</u>	<u>1,209,891,500</u>
Preferred Shares at P0.10 par value	<u>1,000,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**ALLHOME CORP.**  
**(A Subsidiary of AllValue Holdings Corp.)**  
Lower Ground Floor, Building B, Evia Lifestyle Centre, Almanza II, Las Piñas City  
**Reconciliation of Retained Earnings Available for Dividend Declaration**  
**For the Year Ended December 31, 2024**

<b>Unappropriated Retained Earnings at Beginning of Year</b>		P	5,170,302,649
<b>Add: <u>Category A:</u> Items that are directly credited to Unappropriated Retained Earnings</b>			
Reversal of Retained Earning Appropriation/s	P	-	
Effect of restatements or prior-period adjustments		-	
Others		-	-
<b>Less: <u>Category B:</u> Items that are directly debited to Unappropriated Retained Earnings</b>			
Dividend declaration during the reporting period	(	115,875,000 )	
Retained Earnings appropriated during the reporting period		-	
Effect of restatements or prior-period adjustments		-	
Others		-	( 115,875,000 )
<b>Unappropriated Retained Earnings at Beginning of Year, as adjusted</b>			<u>5,054,427,649</u>
<b>Add/Less: Net Income (Loss) for the Current Year</b>			400,799,157
<b>Less: <u>Category C.1:</u> Unrealized income recognized in the profit or loss during the reporting period (net of tax)</b>			
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 result of certain transactions accounted for under the PFRS		-	
Sub-total			-
<b>Add: <u>Category C.2:</u> Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)</b>			
Realized foreign exchange gain, except those attributable to cash and cash equivalents		-	
Realized fair value adjustment (mark-to-market gains) of financial instruments at 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		-	
Sub-total			-
<b>Add: <u>Category C.3:</u> Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)</b>			
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 instrument at FVTPL		-	
Reversal of previously recorded fair value gain of investment property		-	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded		-	
Sub-total			-
<i>Balance carried forward</i>			
<b>Adjusted Net Income/Loss</b>		P	<u>400,799,157</u>

Balance brought forward

**Adjusted Net Income/Loss**

**P 400,799,157**

**Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)**

Depreciation on revaluation increment (after tax)

P -

Sub-total

-

**Add/ Less: Category E: Adjustments related to relief granted by the SEC and BSP**

Amortization of the effect of reporting relief

-

Total amount of reporting relief granted during the year

-

Others

-

Sub-total

-

**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

( 85,344,552 )

Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right-of-use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable

9,284,955

Adjustment due to deviation from PFRS/GAAP - gain (loss)

-

Others

-

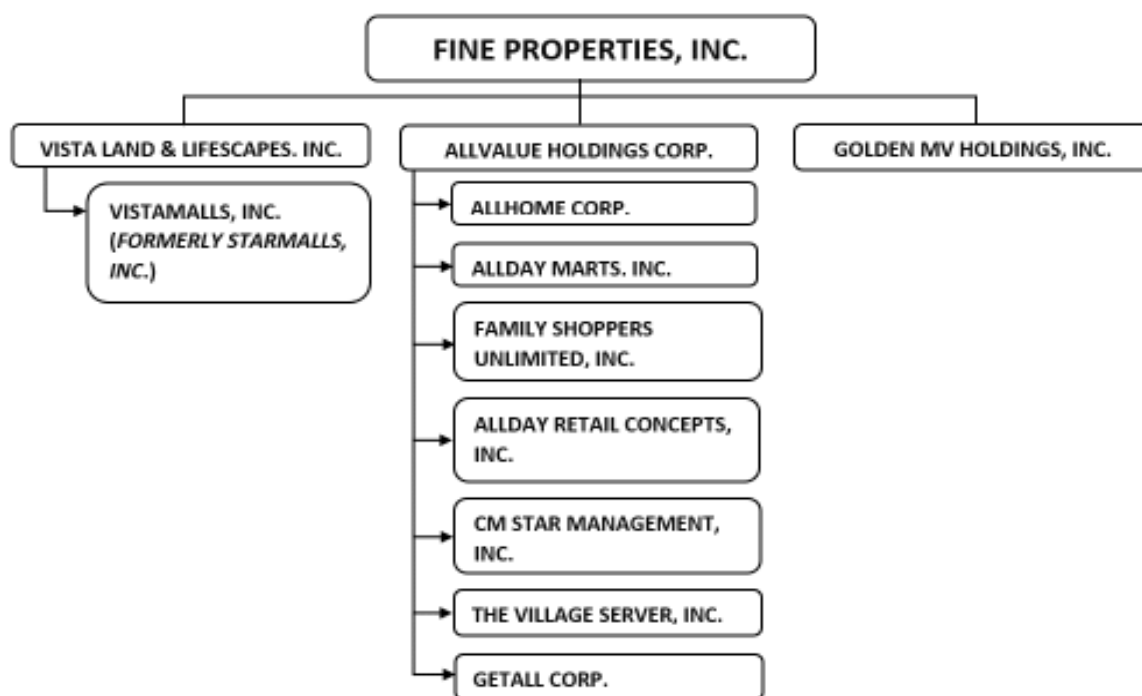
Sub-total

( 76,059,597 )

**Unappropriated Retained Earnings Available for Dividend Distribution at End of Year**

**P 5,379,167,209**

**ALLHOME CORP.**  
*(A Subsidiary of AllValue Holdings Corp.)*  
**SHOWING THE RELATIONSHIPS BETWEEN AND AMONG COMPANIES IN THE GROUP**  
**ULTIMATE PARENT COMPANY AND PARENT COMPANY**



**ALLHOME CORP.**  
**Supplemental Schedule of Financial Soundness Indicators**  
**December 31, 2024 and 2023**

Ratio	Formula	2024	Formula	2023
Current ratio	Total Current Assets divided by Total Current Liabilities  Total Current Assets P 13,528,947,707 Divide by: Total Current Liabilities 5,581,109,957 Current ratio 2.42	2.42	Total Current Assets divided by Total Current Liabilities  Total Current Assets P 13,173,688,597 Divide by: Total Current Liabilities 4,939,752,719 Current ratio 2.67	2.67
Acid test ratio	Quick assets (Total Current Assets less Merchandise Inventories and Other Current Assets) divided by Total Current Liabilities  Total Current Assets P 13,528,947,707 Less: Merchandise Inventories ( 7,441,356,243) Other Current Assets ( 3,655,651,613) Quick Assets 2,431,939,851 Divide by: Total Current Liabilities 5,581,109,957 Acid test ratio 0.44	0.44	Quick assets (Total Current Assets less Merchandise Inventories and Other Current Assets) divided by Total Current Liabilities  Total Current Assets P 13,173,688,597 Less: Merchandise Inventories ( 7,279,106,747) Other Current Assets ( 3,546,715,210) Quick Assets 2,347,866,640 Divide by: Total Current Liabilities 4,939,752,719 Acid test ratio 0.48	0.48
Solvency ratio	Total Liabilities divided by Total Assets  Total Liabilities P 10,688,744,880 Divide by: Total Assets 26,955,475,655 Solvency ratio 0.40	0.40	Total Liabilities divided by Total Assets  Total Liabilities P 11,048,654,430 Divide by: Total Assets 26,964,341,470 Solvency ratio 0.41	0.41
Debt-to-equity ratio	Total Liabilities divided by Total Equity  Total Liabilities P 10,688,744,880 Divide by: Total Equity 16,266,730,775 Debt-to-equity ratio 0.66	0.66	Total Liabilities divided by Total Equity  Total Liabilities P 11,048,654,430 Divide by: Total Equity 15,915,687,040 Debt-to-equity ratio 0.69	0.69
Assets-to-equity ratio	Total Assets divided by Total Equity  Total Assets P 26,955,475,655 Divide by: Total Equity 16,266,730,775 Assets-to-equity ratio 1.66	1.66	Total Assets divided by Total Equity  Total Assets P 26,964,341,470 Divide by: Total Equity 15,915,687,040 Assets-to-equity ratio 1.69	1.69
Interest rate coverage	Earnings before interest and taxes (EBIT) divided by Interest expense  EBIT P 1,020,154,330 Divide by: Interest expense 529,384,169 Interest rate coverage ratio 1.93	1.93	Earnings before interest and taxes (EBIT) divided by Interest expense  EBIT P 1,518,125,400 Divide by: Interest expense 456,832,526 Interest rate coverage ratio 3.32	3.32
Return on equity	Net Profit divided by Total Equity  Net Profit P 400,799,157 Divide by: Total Equity 16,266,730,775 Return on equity 0.02	0.02	Net Profit divided by Total Equity  Net Profit P 797,258,231 Divide by: Total Equity 15,915,687,040 Return on equity 0.05	0.05
Return on assets	Net Profit divided by Total Assets  Net Profit P 400,799,157 Divide by: Total Assets 26,955,475,655 Return on assets 0.01	0.01	Net Profit divided by Total Assets  Net Profit P 797,258,231 Divide by: Total Assets 26,964,341,470 Return on assets 0.03	0.03
Net profit margin	Net Profit divided by Total Revenue  Net Profit P 400,799,157 Divide by: Total Revenue 9,890,521,461 Net profit margin 0.04	0.04	Net Profit divided by Total Revenue  Net Profit P 797,258,231 Divide by: Total Revenue 12,065,428,801 Net profit margin 0.07	0.07

**ALLHOME CORP.**  
**Supplementary Schedule of External Auditor Fee-Related Information**  
**For the Years Ended December 31, 2024 and 2023**  
*(Amounts in Philippine Pesos)*

	<u>2024</u>	<u>2023</u>
<b>Total Audit Fees</b>	<b><u>P 1,875,000</u></b>	<b><u>P 1,700,000</u></b>
Non-audit service fees:		
Other assurance service	155,000	-
Tax service	-	-
All other service	-	-
<b>Total Non-Audit Fees</b>	<b><u>155,000</u></b>	<b><u>-</u></b>
<b>Total Audit and Non-audit Fees</b>	<b><u><u>P 2,030,000</u></u></b>	<b><u><u>P 1,700,000</u></u></b>