COVER SHEET

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ALLHOME CORP.

(Company's Full Name)

LOWER GROUND FLOOR, BUILDING B, EVIA LIFESTYLE CENTER, VISTA CITY, DAANGHARI, ALMANZA II, LAS PIÑAS CITY

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

Robirose M. Abbot
Contact Person

09190815302
Company Telephone Number

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

17-A
FORM TYPE

Month *Day*
Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A, *AS AMENDED*

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

1. For the fiscal year ended **December 31, 2024**

2. SEC Identification Number **CS201310179** 3. BIR Tax Identification No. **008-541-952-000**

4. Exact name of issuer as specified in its charter **ALLHOME CORP.**

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

6. (SEC Use Only)
   Industry Classification Code:

7. **Lower Ground Floor, Building B, Evia Lifestyle Center, Vista City, Daanghari, Almanza II, Las Piñas City** **1750**
   Address of principal office Postal Code

8. **+639190815302**
   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 SRC, or Sec. 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common shares	**3,750,000,002 shares**

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

    Yes [/] No [ ]

    If yes, state the name of such stock exchange and the classes of securities listed therein:
    Philippine Stock Exchange **Common shares**

12. Check whether the issuer:

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

    Yes [/] No [ ]

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

Yes [/]   No [ ]

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form. (See definition of "affiliate" in "Annex B").

₱774.32 Million as of December 31, 2024

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

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

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

DOCUMENTS INCORPORATED BY REFERENCE

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

Financial Statements as of and for the year ended December 31, 2024
(incorporated as reference for Items 7 and 12 of SEC Form 17-A)

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PART I – BUSINESS

Item 1. Business

<u>Overview</u>

AllHome Corp. (the "Company") is a pioneering "one-stop shop" home store in the Philippines. Since its incorporation in 2013, the Company now has 72 stores as of December 31, 2024, having an aggregate net selling space of approximately 282,412 sqm.

The Company was incorporated in the Republic of the Philippines on May 29, 2013 and started operations with four (4) stores. The Company opened its first store in the Visayas region, AllHome Talisay in Cebu, in June 2016 and first store in Mindanao, AllHome Cagayan de Oro, in July 2018. Since then, the Company has added 22 stores in 2019, 5 stores in 2020, 7 stores in 2021, 6 stores in 2022, 12 stores in 2023. As of December 2024, AllHome's store network has grown to 72 stores.

The Company's product offering spans seven (7) key categories from over 1,000 local and international brands. These product categories are furniture, appliances, homewares, linens, hardware, tiles and sanitary wares, and construction materials.

The Company believes that it offers customers a unique shopping experience for the home in a comfortable and convenient setting. The Company believes that its range of store formats appeal to homeowners, in-house design consultants and builders, architects, engineers, and contractors and help them to realize their vision of creating their and their clients' dream homes and living spaces. To complement its product offerings, the Company provides special services including free styling consultations with in-house design consultants, ready-for-occupancy home furnishing services and packages, delivery, customizable furniture, gift registry services, and customer lounges where homeowners, in-house design consultants and builders, architects, engineers, and contractors can meet to discuss their plans.

Store Formats

The Company has three store formats in operation: (1) large mall-based store, ranging from 7,000 sqm to 8,000 sqm in net selling space; (2) large free-standing store with an average net selling space of 7,000 sqm; and (3) small specialty store, ranging from 250 sqm to 400 sqm in net selling space.

Products

AllHome offers a complete line of products for home improvement and construction – including for maintenance, repairs and renovations and decorating. The following provides an overview of our key product categories, products, and brands.

<u>Product Category</u>	**<u>Products Offered</u>**
Furniture	Office, living, dining, bedroom, outdoor and children's furniture
Appliances	Air-conditioners, refrigerators and freezers, washing machines, TVs, sounds systems, kitchen appliances, small appliances, digital items (including mobile phones and gadgets)
Linens	Comforters, duvets, bedsheets, curtains, pillows, towels
Homewares	Tableware, kitchenware, storage and organizers, décor

Hardware	Electrical supplies and accessories, lighting, plumbing, paints and sundries, hardware, power and hand tools, automotive, lawn and garden products, DIY products, pet food and lifestyle products
Tiles and Sanitary Wares	Indoor and outdoor tiles, decorative tiles, mosaic tiles, engineered wood, laminated flooring, vinyl, pavers, decking, water closets and lavatories, bathtubs, shower enclosures and partitions
Construction materials	Building materials, wood, and mouldings

Distribution Methods of Products

The Company, as mentioned in the preceding paragraphs, has three (3) store formats with a total of 72 stores as of 2024. Most of the stores are located in Mega Manila. The Company's network expansion program aims to put up more AllHome stores in other regions and locations as well, although the pandemic situation has the Company reevaluated its strategies and decided to focus its immediate expansion pipeline on NCR+ and the Tier 1 cities nationwide.

Below is the breakdown of the number of the Company's stores per location and format:

Store Format	Region	Number of stores
Large Mall Based	Mega Manila	15
	Luzon (outside Mega Manila)	3
	Visayas	2
	Mindanao	1
Large Free-Standing	Mega Manila	8
	Luzon (outside Mega Manila)	4
	Visayas	1
	Mindanao	4
Small Specialty	Mega Manila	31
	Luzon (outside Mega Manila)	1
	Visayas	2
Total		72

Inventories are stored in one (1) distribution centers and forty (40) in-store warehouses located at the back of each store. Suppliers are responsible for packing and delivering the products to our distribution centers located in Laguna and Cavite (for onward delivery to our provincial stores outside of Mega Manila) or directly to the warehouses located at the back of each store in Mega Manila. Currently, the utilization rate of the distribution centers is approximately 90%. The Company believes that centralizing storage in our distribution centers allows them to make appropriate adjustments to our product portfolio based on customer preferences in diverse store locations, adopt different marketing plans to accelerate sales of slow-moving stocks, and maintain healthy inventory and control over cash flow. The Company typically replenishes products three times per week, depending on store location and need.

The Company generally offers delivery services for its products, subject to minimum spend amounts. The Company believes that it has strong and stable relationships with reliable third-party logistics service providers with sufficient logistics resources for the distribution and delivery of its products to our stores and have arrangements for certain delivery trucks to be designated for AllHome's exclusive use.

Competition

The Company's result of operations is affected by competition from other retailers in construction and home improvement supplies, appliances, and furniture, among others. This market is highly competitive and the Company faces competition from national and local retailers, including smaller-format hardware stores, mall-based stores, and the established retailers with depots.

Suppliers

The Company has steadily expanded its network of suppliers and concessionaires since commencing operations. The Company maintains a sourcing network comprising an aggregate of over 600 suppliers (including concessionaires). Products manufactured outside the Philippines are purchased from distributors located in the Philippines or through other third parties who import these products into the Philippines.

Our three largest suppliers each accounting for at least 20% of our total purchases for the twelve months ended December 31, 2024 are Haier Electrical Appliances Phils. Inc., Glenorchy Trading, Inc., and Concepcion Midea Inc.

The Company selects its suppliers based on a number of criteria including their reputation in the industry, quality and standards, reliability of delivery, exclusivity, and price.

None of these suppliers is a related party. The Company does not rely on any single supplier as it maintains a wide network of suppliers. As the home improvement industry is susceptible to changes in the market trends and customer preferences which is more pronounced during the pandemic, the Company strives to continuously source new products and normally sources from different suppliers from time to time.

Services

To complement its product offerings, the Company provides services to support the needs of our customers. These include interior design consultations and providing recommendations on AllHome products to suit a customer's specific needs, door-to-door delivery and installation services, customizable furniture (e.g., closets), free furniture assembly services and other services such as delivery and gift registry.

The Company's in-house design consultants are available to its customers for complimentary one-on-one consultations. The Company is also very familiar with Vista Land homes and developments within their area. The Company prides itself on its knowledgeable and accommodating staff who are trained to address both the in-store and online needs and questions that customers may have with regard to its diverse range of products and services.

In addition, each large-format store also maintains a customer lounge that provides a venue for in-store meetings between architects, builders, contractors, designers, engineers, and homeowners.

The pandemic has changed the way customers do their shopping, and as such, the Company established its omnichannel presence by creating its online shopping platform allhome.com.ph to cater to the growing online customers. It also has an order tracker facility to let customers know the status of their orders.

To complement its online presence, the Company continues to enhance its services by creating a personal shopper service SHOP4U that serves the needs of its online customers who still want to discuss their home shopping needs to a live person in-store. The Company has also established its Click & Collect counter where online customers can opt to pick up their shopped merchandise instead of having them delivered.

Customers

The Company's customers comprise homeowners and renters, contractors, architects, builders, engineers, and interior designers belonging to the upper-middle income to upper income market. The Company is not dependent on any single customer or a few customers, and the loss of any of its customers would not have a material adverse effect on its operations.

Customer Loyalty Program- AllRewards and the Builders Loyalty Card

As a member of the network of AllValue stores, customers earn points for purchases at AllHome under AllValue's AllRewards membership program. Once the minimum balance of points is reached, the points can be used as payment for purchases at any AllValue Store.

The Company also launched towards the end of 2020 the Builders Loyalty Card, which is specifically intended for customers of hard categories – construction materials, tiles and sanitary wares, and hardware. This loyalty card is aimed to tap and increase the Company's customer base from the network of architects, builders, contractors, designers and engineers. This is also in line with the Company's expansion of its in-house brands primarily in the hard categories.

<u>Transactions with Related Parties</u>

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

<u>Intellectual Property</u>

The Company has a number of trademarks registered with the Philippine Intellectual Property Office as well as applications for the registration of various trademarks for AllHome and its private labels. These trademarks are important because name recognition and exclusivity of use are contributing factors to our success

Set out below is a list of our marks registered or pending registration with the Philippine Intellectual Property Office:

Trademark	Date of Registration/Filing	Expiration
AllHome One-stop shop for your home	**March 17, 2019**	**March 17, 2029**
quick fix	**December 12, 2019**	**December 12, 2029**
LIVEART SPACE	**June 28, 2020**	**June 28, 2030**
FLUX	**June 28, 2020**	**June 28, 2030**
PIXIE DREAMS	**June 28, 2020**	**June 28, 2030**
POLYSHADE by AllHome	**June 28, 2020**	**June 28, 2030**
Artigiano	**June 28, 2020**	**June 28, 2030**

FINE HOLZ	**June 28, 2020**	**June 28, 2030**
Primo CERAMICHE by AllHome	**June 28, 2020**	**June 28, 2030**
PRIMA LINENS	**June 28, 2020**	**June 28, 2030**
leuchte	**September 20, 2020**	**September 20, 2030**
TEUER	**September 20, 2020**	**September 20, 2030**
URBAN RELUXUR	**March 21, 2021**	**March 21, 2031**
AllBuilders	**March 21, 2021**	**March 21, 2031**
MARKEL	**November 7, 2021**	**November 7, 2031**
wudland	**December 6, 2021**	**December 6, 2031**
TERRAWOOD	**December 6, 2021**	**December 6, 2031**
LAMIBUILD by AllHome	**December 6, 2021**	**December 6, 2031**

EMBOSS by AllHome	**September 17, 2021**	**September 17, 2031**
TOUGH NOTCH QUALITY TOOLS	**October 22, 2021**	**October 22, 2031**
ABODE PIECES	**September 17, 2021**	**September 17, 2031**
Blossoms	**October 15, 2021**	**October 15, 2031**
ELEMENTS	**December 11, 2021**	**December 11, 2031**
CURATED PIECES AllHome	**December 11, 2021**	**December 11, 2031**
SOUND PRO	**December 6, 2021**	**December 6, 2031**
AllHome BUILDER'S CENTRE	**December 16, 2021**	**December 16, 2031**
BERWICK CAR ACCESSORIES	**March 19, 2024**	**March 19, 2032**
STAHL by AllHome	**March 19, 2023**	**March 19, 2032**
EISEI BY BRÄUHN	**June 13, 2023**	**June 13, 2032**

AllREWARDS	**October 15, 2023**	**October 15, 2032**
AllDIGITAL	**July 7, 2021**	**Pending**
PetBuddy	**July 7, 2021**	**May 4, 2033**
Finestra UPVC Windows AllHome Exclusives	**January 10, 2023**	**April 15, 2034**
SNUGGLES	**January 20, 2023**	**Pending**
ROSSIO TILES	**February 15, 2023**	**March 15, 2028**
all about BEDS	**February 21, 2023**	**February 21, 2032**
kernïg	**February 21, 2023**	**February 23, 2033**
KREATIV	**July 7, 2019**	**July 7, 2029**
EZ SPACE	**February 21, 2023**	**Pending**
My Mother's Cupboard KITCHEN AND MORE	**March 26, 2023**	**March 26, 2032**

SOHO BEDDINGS	**April 4, 2023**	**Pending**
KITCHEN SECRETS	**April 25, 2023**	**February 23, 2033**
AllHome Appliances	**May 28, 2023**	**May 28, 2032**
CASTEL	**May 28, 2023**	**May 28, 2032**
LUSTRO TILES	**June 2, 2023**	**June 2, 2032**
Cabinets & Co.	**June 13, 2023**	**June 13, 2032**
Beyond Basic AllHome	**September 10, 2023**	**September 10, 2032**
saniclean	**September 19, 2023**	**September 19, 2032**
BRÄUHN	**September 19, 2023**	**September 19, 2032**
HOME THREADS	**September 19, 2023**	**September 19, 2032**

The Company has 4 applications pending with the Intellectual Property Office and no application is being prepared for filing.

Government Approval and Regulations

The Company believes that it has all the applicable and material permits and licenses necessary to operate business as currently conducted and such permits and licenses are valid, subsisting, or pending renewal.

Effect of Existing or Probable Governmental Regulations

By the nature of its business, the Company is subject to governmental regulations on its business operations and marketing activities, which includes, among others, license to operate.

As of December 31, 2024, the Company is not aware of any existing or probable governmental regulations that will have an effect on the Company's business operations.

Employees

As of December 31, 2024, we had 345 employees broken down as follows:

Function	Number of Employees
Large Mall Based	154
Large Free Standing	67
Small Specialty	14
Head Office	106
Warehouse	4
TOTAL	**345**

In addition to regular employees, the Company engages third-party manpower service providers (security and manpower agencies) to support the personnel requirements of our business. The Company recognizes the need to hire additional personnel to handle its expansion plans and expects to hire new employees in the next 12 months, subject to the changing needs of its business and prevailing market conditions.

The Company has no collective bargaining agreement with any employee and none of its employees belongs to a union. The Company believes that we have a good relationship with our employees. There have been changes in key officers during the year on account of resignations in the past year.

The Company provides employees with training and other development programs to enable them to effectively carry out their jobs and prepare them for career advancement in the Company. In particular, the Company has a training academy to improve its operational efficiency and help build relationships with its customers by providing employees with the necessary information and understanding of our products and services to enhance the customer experience. Among the series of trainings that the Company's training academy has provided to key employees are as follows:

- Advanced MS Excel
- B.E.S.T. Leaders
- Delivering Impactful Customer Experience
- Project Management Workshop
- Solution Selling for Corporate Sales

The Company takes measures to control its labor costs with improved productivity through cross-training personnel to enable them to handle multiple areas of operation and equip them also to ascend to higher positions in the future as part of the Company's manpower development program.The Company does not have an employee stock option plan.

Risks

Risks related to the Company's Business

The Company may not be successful in implementing its growth strategy, including plans to expand its store network and product offerings, and we may not be able to manage future growth efficiently.

The Company intends to increase its revenues through, among others, expanding its store network, introducing new products and broadening its product offering. Its expansion activities may be financed by a combination of equity and additional borrowings.

Its plans and strategy are subject to various factors affecting its ability to implement its growth strategy, including, among others:

- market conditions, the general state of the Philippine economy, global economic conditions, health and regulatory environment;
- its ability to identify suitable sites for store locations;
- its ability to lease appropriate real estate for store locations;
- its ability to obtain required permits and licenses and meet regulatory requirements to establish, fit-out and open new stores;
- its ability to bear the increase in logistics costs when regional expansion occurs;
- its ability to open new stores in a timely manner;
- its ability to introduce new in-house brands to the market;
- its ability to continue to attract customers to its stores;
- its ability to obtain financing and other support for expansion;
- ts ability to maintain the scale and stability of its information technology systems to support its current operations and continuous business growth;
- the hiring, training and retention of skilled store personnel;
- the identification and relocation of experienced store management personnel;
- the effective management of inventory to meet the needs of its stores on a timely basis;
- its operating performance and the availability of sufficient levels of cash flow or necessary financing to support its expansion; and
- its ability to successfully address competitive merchandising, distribution and other challenges encountered in connection with expansion into new geographic areas and markets.

The Company may experience delays in opening new stores within the time frames we initially target. Any of the above factors or other similar challenges could delay or prevent the Company from completing store openings and its store network expansion plan. If we fail to successfully implement its growth strategy and open new stores in a timely manner due to the absence of, or its inability to carry out or sufficiently address any of the above-mentioned factors, or otherwise, its business, financial condition and results of operations may be materially and adversely affected.

Expansion into new geographical areas will expose the Company to additional operational, logistical and other risks and there is no assurance that its new stores will be successful or profitable. An inability to manage future growth efficiently could have a material adverse effect on its business, financial condition, cash flows, results of operations and prospects.

Demand for its products and services may be adversely impacted by changes in the economy.

Its business and results of operations are highly dependent on demand from its customers for its products and services, and such demand may be adversely impacted by changes in the economy. As with other retail businesses, demand for its products and services depends in part on prevailing economic conditions. Negative developments in the local or national economy, credit conditions and availability, disposable income, employment conditions or other factors may decrease consumer spending generally or demand for its products and services, thus resulting in decreased demand for some or all of its products and services. In particular, its business is subject to changes in the retail and real estate market environment in the Philippines. Its largest retail market is Mega Manila. Demand for its products is driven by gross domestic product, overseas foreign remittances, and by new and existing real estate projects in the market including, but not limited to, residential houses and condominiums.

Any changes in these markets, including adverse regulatory developments or adverse developments in consumer disposable income in Mega Manila, slow roll-out of housing and other real estate projects, in particular, could have an adverse effect on its business.

The Company may not timely identify or effectively respond to consumer needs, expectations or trends and sell the appropriate mix of products to suit changing customer preferences.

Consumer demand for its products is significantly affected by consumer preferences. Its success depends in part on its ability to identify social, style and other trends that affect customer preferences, and sell products that both meet its standards for quality and respond to changing customers' preferences. The rapid availability of new products and changes in consumer preferences have made it more difficult to reliably predict sales demand. The Company relies on experience, data and established processes to accurately forecast and manage fluctuations in demand. These processes include conducting internal and customer surveys, reviewing industry reports, attending trade shows and industry benchmarking to assess changes in consumer preferences. Failure to source and effectively market products, or to accurately forecast changes in customer preferences, could negatively affect its customer satisfaction levels, its relationship with its customers and demand for its products and services. In the event that the Company is unable to identify and adapt to such changes in consumer preferences quickly or the products which it currently carries are superseded by merchandise carried by its competitors (including online competitors), consumer demand for its products may decline and its business, financial condition, results of operations and prospects may be materially and adversely affected.

Strong competition could negatively affect prices and demand for its products and services, and could decrease its market share.

The retail industry in the Philippines is very competitive, including in Mega Manila where its stores are concentrated and other areas outside Mega Manila. The Company competes with various home stores selling merchandise falling under each of the seven product categories that we offer based on factors such as price, store location, product assortment, availability and quality, customer service, customer shopping experience, attractiveness of its stores and presentation of merchandise and brand recognition, online platform, delivery service, or a combination of these factors. Moreover, the Company anticipates competition from new market entrants and joint partnerships between national and international operators in certain product categories. Intense competitive pressures, including those arising from its expansion strategy or its inability to adapt effectively and quickly to a changing competitive landscape could affect its prices, its margins or demand for its products and services.

The Company believes that the home improvement retail market in areas outside the Mega Manila region is dominated by independent local operations. Expansion into these areas exposes us to operational, logistical and other risks of doing business in new territories. Operationally, the Company may experience supply, distribution, transportation and/or inventory management issues due to the limited presence of large retailers and underdevelopment of distribution networks. Any difficulty we experience with respect to developing its business presence in emerging urban areas outside Mega Manila and increasing competition in certain areas wherein competitors open stores within close proximity to its stores, could negatively impact its results of operations through a loss of sales, reductions in margins from competitive price changes or greater operating costs, and could materially affect its growth strategy and financial condition.

The Company relies on distributors, third-party service providers and the distribution networks of its suppliers for transportation, warehousing, and delivery of products to its warehouses and stores.

The Company relies on third-party distributors and suppliers, including concessionaires for its inventory intake and store displays, and other third-party service providers such as logistics services for the delivery of its products to its stores, distribution centers and in-store warehouses. A disruption within its logistics or supply chain network could adversely affect its ability to distribute and maintain inventory, which could impair its ability to meet customer demand for products and result in lost sales, increased supply chain costs, or damage to its reputation. Any deterioration in the relationships between suppliers, distributors and third-party service providers or other changes relating to these parties, including changes in supply and distribution chains, could have an adverse effect on its business, financial condition, and results of operations.

The Company relies on third-party suppliers for the provision of merchandise.

The Company relies on third-party suppliers (including concessionaires) for the provision of merchandise in its stores. The Company may experience material disruptions in the supply of products due to prolonged interruptions in the operations of these suppliers, which may in turn be caused by a number of factors, including equipment failures or property damage experienced by these suppliers, changes in laws and regulations that affect their manufacturing processes, or financial difficulties, and labor disputes faced by these suppliers. Other factors may also disrupt its ability to obtain products from these suppliers including weather-related events; natural disasters; trade policy changes or restrictions; tariffs or import-related taxes; third-party strikes, lock-outs, work stoppages or slowdowns; shipping capacity constraints; port congestion; third-party contract disputes; supply or shipping interruptions or costs; military conflicts; acts of terrorism; or other factors beyond its control. Any such disruption could negatively impact its financial performance or financial condition.

The success of its business depends in part on its ability to develop and maintain good relationships with its current and future outright sales suppliers and concessionaires.

The Company derives almost all of its revenue from outright sales and sales of concession products, and its success depends on its ability to retain existing suppliers and concessionaires, and attract new suppliers and concessionaires on terms and conditions favorable to them. The sourcing of its products is dependent, in part, on its relationships with its suppliers. The Company has long-standing working relationships with a broad range of national and multinational suppliers across all its product categories.

If the Company is unable to maintain good relationships with its existing suppliers and concessionaires (which provide support teams for the sale of the consigned products), or if the Company is unable to develop and maintain new supplier and concessionaire relationships, it will be unable to carry merchandise and products that are in demand and can generate profit for us. Furthermore, if any of its outright sales suppliers or concessionaires changes its distribution methods, we may experience a disruption in its product supply. As a result, its market positioning, image, and reputation may be adversely affected, and its revenue and profitability may be impaired.

Dissatisfaction with its customer service could prevent it from retaining its customers.

The satisfaction of its customers depends in particular on the effectiveness of its customer service, in particular, its ability to address requests and inquiries, and deal with complaints, in a timely and satisfying manner. The Company has physical customer service desks, store hotlines and email and social media accounts to address customer needs and concerns. Any unsatisfactory response or lack of responsiveness by its customer service team could adversely affect customer satisfaction and loyalty.

Dissatisfaction with its customer service could have a material adverse effect on its business, financial condition, cash flows, results of operations and prospects.

The Company plans to mitigate the aforementioned risks through its competitive strengths and strategies.

<u>Strengths</u>

Pioneering "one-stop shop" home store offering a comprehensive selection of products in a fast-growing segment of the retail sector in the Philippines

The Company capitalizes on pioneering the "one-stop shop" home store offering a comprehensive selection of products in a fast-growing segment of the retail sector in the Philippines, and constantly innovate and evolve amidst the shifts in customer buying behavior. The Company believes that the combined size and scale of its stores, its omnichannel presence, comprehensive product offerings and the "one-stop" shopping experience sets them apart from its competitors. Leveraging on its store network, omnichannel presence, and unique "one-stop shop"proposition, the Company believes that it is well-positioned to take advantage of the sustained growth of the home improvement retail sector in the Philippines.

Strategic and sustainable expansion plan arising from synergistic relationship with the country's leading homebuilder

The Company has a strategic and sustainable expansion plan arising from its synergistic relationship with the country's leading homebuilder. The Company's relationship with the Villar Group, including Vista Land and Lifescapes, Inc. (Vista Land) and Golden Bria Holdings, Inc. (Golden Bria), allows them to locate and launch new stores in parallel with the development of the residential and commercial projects of the Villar Group. This enables the Company to strategically pursue its expansion plans to cater to homebuilders and new homeowners, its key customer base, allowing the Company to allocate and utilize capital more efficiently. The Company believes that they are well-positioned to continue to benefit from the Villar Group's land bank, extensive project pipeline, in-depth knowledge and resources to select and open new stores strategically and systematically.

Strong operational expertise and a scalable business model for future expansion

The Company believes that it has accumulated the know-how to efficiently set up and effectively operate a home store. As the Company pursues its expansion strategy, its operational expertise and know-how could reduce store opening costs and timelines, accelerating the ramp up of new stores across the Philippines.

Differentiated customer shopping experience in a retail ecosystem

The Company offers a unique and differentiated customer shopping experience in a retail ecosystem. The Company is part of AllValue Holdings, Inc. (AllValue) (the Villar Group's holding company for its investments in retail businesses), which operates AllDay supermarket, AllDay convenience stores and Coffee Project, among other retail concepts. AllValue stores are typically located near each other in the same shopping center and in particular, there is a Coffee Project near almost all of our existing AllHome stores. The Company believes that the diversified retail offerings provided by AllValue, together with other entertainment and lifestyle establishments offered by the Villar Group (such as Vista Cinemas and Market Liberty), create a retail ecosystem that addresses the various needs of the surrounding residential communities, thereby increasing customer traffic and enhancing the overall shopping experience. The Company also offers differentiated services to our customers including free interior design consultation, delivery and installation services, customizable furniture, customer lounges, online shopping platform allhome.com.ph, personal shopper service SHOP4U, Click & Collect counter, and gift registry services.

Omnichannel presence and elevated customer shopping experience aligned with changing consumer trends

The Company continuously improves its omnichannel presence and invests in technology and digitalization to provide its customers seamless experience between digital and physical stores. It also utilizes its physical stores as fulfillment centers for its online sales resulting to faster last-mile fulfillment service.

In line with its omnichannel strategies, AllHome has launched its capability for predictive personalization of customers' preferences through the use of Zendesk, AllRewards Loyalty System, and MoEngage. Zendesk is a customer service omnichannel ticketing tool used to receive, track, and solve customer concerns and/or inquiries. It is also capable of working collaboratively with support groups to resolve tickets. On the other hand, MoEngage is a cutting-edge marketing automation tool that can drive up quality leads by customizing digital marketing campaigns to target customers, monitor conversion rate of these marketing campaigns to website visits and then to sales, and measure the ROI of these marketing campaigns.

The Company has a track record of significant growth and profitability and has experienced and founder-led management team with extensive knowledge of homebuilding markets.

Strategies

- ***Range rationalization on Inventory***
- ***Continuous implementation of Efficiency initiatives***
- ***Building strength in Soft Categories***
- ***Improve in-store experience***
- ***Develop new sales channels***
- ***Continue to pursue synergies with the Villar Group both with the real estate companies and AllValue retail ecosystem***

There is no guarantee, however, that these strategies and measures would ultimately eliminate the risks of delays in the Company’s expansion plans.

Item 2. Properties

The Company does not own any land and have no ongoing process for the acquisition of any property. The Company leases spaces for all of its retail stores, primarily from its related parties.

The lease rates and terms for its properties follow standard market rates and practices for similar businesses. The lease rates are generally based on a percentage of gross sales or on an agreed minimum guaranteed rate (whichever is higher), which are subject to annual escalation rates in line with market standards. In addition, the rates are generally inclusive of common use service area fees, as may be agreed upon between parties. The term of the lease is for 10 years and is renewable.

Item 3. Legal Proceedings

The Company is a party to a certain case arising 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 at December 31, 2024 and 2023.

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

Except for matters taken up during the Annual Stockholders Meeting, there was no other matter submitted to a vote of security holders during the period covered by this report.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Issuer'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 market prices for each quarter within the last two fiscal years as traded on the Philippine Stock Exchange are as follows:

Quarter	2024			2023		
	High	Low	Close	High	Low	Close
1st	1.28	1.23	1.24	2.50	2.44	2.45
2nd	1.01	0.96	0.98	1.88	1.78	1.82
3rd	0.88	0.85	0.87	1.75	1.71	1.74
4th	0.70	0.68	0.70	1.12	1.10	1.12

The market capitalization of HOME as of December 31, 2024, based on the closing price of ₱0.64 per share, was approximately ₱2.4 billion.

Price Information as of the Latest Practicable Trading Date

Trading Date	High	Low	Close
15 April 2024	0.56	0.54	0.55

Stockholders

There are approximately 34 holders of common equity security of the Company as of December 31, 2024 (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:

	Stockholder's Name	Common Shares	Percentage
1	AllValue Holdings Corp.	2,540,108,000	67.74%
2	PCD Nominee Corporation – Filipino	828,026,307	22.08%
3	PCD Nominee Corporation – Non Filipino	381,600,385	10.17%
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%
	TOTAL	3,749,990,892	
	Other Stockholders	9,110	0.00%
	Total issued and outstanding common shares as of December 31, 2024	**3,750,000,002**	**100.00%**

<u>Dividends</u>

On November 13, 2024, the Company declared regular cash dividends amounting to ₱115.90 million, payable to its shareholders of record at November 27, 2024, paid on December 12, 2024.

<u>Recent Sale of Unregistered Securities</u>

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

<u>Stock Options</u>

None.

Item 6. Management's Discussion and Analysis

<u>REVIEW OF YEAR END 2024 VS YEAR END 2023</u>

RESULTS OF OPERATIONS

Year Ended December 31, 2024 compared to year ended December 31, 2023

<u>Revenues</u>

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 2023.

	As of and for the period ended 31 December		Percentage Change
	2024	2023	
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.%
SSSG**	-18.4%	-13.0%	

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

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.

FINANCIAL CONDITION

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 to the timing difference in the payment of various purchases and collection of receivables.

- 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 due to timing difference in collection of receivables.

- 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 advance refinancing on maturing loans.

- 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 payments made.

- 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 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:

Key Performance Indicators	12/31/2024	12/31/2023
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 (₱ millions)	400.8	797.2
Net Profit Margin (%) [(b)]	4.0%	7.0%

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*

(c) *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 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 13% from ₱1,657.4 million as of 31 December 2023 to ₱1,437.5 million as of 31 December 2024 due to the timing difference in the payment of various purchases and collection of receivables.

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 due to timing difference in collection of receivables.

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 advance refinancing on maturing loans.

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 payments made.

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 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

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 2021.

	As of and for the period ended 31 December		Percentage Change
	2023	2022	
Number of stores	72*	60*	20.0%
Net Selling Area (in sqms)	296,933	295,303	0.5%
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 20 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.

FINANCIAL CONDITION

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	**12/31/2023**	**12/31/2022**
Revenues (₱ millions)	₱12,065.4	₱14,564.9
Gross Profit (₱ millions)	4,579.0	4,624.1
Gross Profit Margin (%) [(a)]	38.0%	36.8%
Net Profit (₱ millions)	797.2	933.8
Net Profit Margin (%) [(b)]	6.6%	7.4%

Notes:

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

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

(f) *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 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 Statement of Income 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.

REVIEW OF YEAR END 2022 VS YEAR END 2021

RESULTS OF OPERATIONS

Year Ended December 31, 2022 compared to year ended December 31, 2021

Revenues

The company recorded sales of ₱12,564.8 million for the year ended 31 December 2022, a decrease of 12% from ₱14,324.9 million for the year ended 31 December 2021. This was brought about by the weakened sales in the hard categories since the 2nd quarter this year, Omicron surge in the 1st quarter, lower foot traffic due to heavy rains and strong typhoons in August and September, and the shift in consumer spending to travel/leisure/entertainment.

The following table shows the key operating performance indicators relevant to the revenues for the period ended 31 December 2022 and 2021.

	As of and for the period ended 31 December		Percentage Change
	2022	2021	
Number of stores	60*	57	5.26%
Net Selling Area (in sqms)	295,303	297,469	-0.73%
Net Sales (₱ millions)	12,565	14,325	-12.29%
SSSG	-13.0%	8.1%	

**63 stores less 3 Alabang stores*
***SSSG excludes Alabang stores*

Cost of Merchandise Sold

For the year ended 31 December 2022, cost of merchandise sold was at ₱7,940.6 million, a decrease of 15% from the ₱9,306.1 level for the same period in 2021 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 28% from ₱355.9 million for the year ended 31 December 2021 to ₱254.7 million for the year ended 31 December 2022, primarily due to the decrease in vendor's support with less number of large stores opened during the period.

Selling, General and Administrative Expenses

Selling, general and administrative expenses decreased by 3% to ₱3,059.9 million for the year ended 31 December 2022 from ₱3,156.4 million for the same period in 2021, primarily due to the following reasons:

- Increase in depreciation and amortization from ₱1,200.7 million for the year ended 31 December 2021 to ₱1,399.2 million for the year ended 31 December 2022 primarily as a result of increase in the number of stores.

- Increase in salaries and wages from ₱363.7 million for the year ended 31 December 2021 to ₱384.4 million for the year ended 31 December 2022 due to the additional manpower for the new stores.

- Decrease in rentals from ₱467.4 million for the year ended 31 December 2021 to ₱317.5 million for the year ended 31 December 2022 due to lower sales which is used for the rental computation and the closure of Alabang stores.

- Decrease in outside services from ₱363.4 million for the year ended 31 December 2021 to ₱281.7 million for the year ended 31 December 2022 due to the manpower rationalization being implemented as well as due to the decline in customers' delivery charges due to lower sales for the period.

- Decrease in communication and utilities from ₱333.4 million for the year ended 31 December 2021 to ₱267.6 million for the year ended 31 December 2022 due to cost-saving measures being implemented.

- Increase in merchant fee from ₱120.9 million for the year ended 31 December 2021 to ₱149.9 million for the year ended 31 December 2022 due to higher debit/credit card and installment sales for the period.

- Decrease in taxes and licenses from ₱107.1 million for the year ended 31 December 2021 to ₱105.6 million for the year ended 31 December 2022 due to lower sales.

- Increase in repairs and maintenance from ₱19.1 million for the year ended 31 December 2021 to ₱25.0 million for the year ended 31 December 2022 due to the additional disinfection and sanitation protocols implemented in the stores as well as due to weatherproofing maintenance services done in the stores.

- Increase in office and store supplies from ₱23.1 million for the year ended 31 December 2021 to ₱25.0 million for the year ended 31 December 2022 due primarily to timing of purchases of supplies in the head office and due to increase in the number of stores.

- Decrease in advertising and promotions from ₱19.2 million for the year ended 31 December 2021 to ₱17.0 million for the year ended 31 December 2022 on account of cost-saving measures implemented and usage of online digital and social media platforms for marketing purposes.

- Increase in transportation expense from ₱9.6 million for the year ended 31 December 2021 to ₱16.5 million for the year ended 31 December 2022 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 ₱9.2 million for the year ended 31 December 2021 to ₱13.2 million for the year ended 31 December 2022 to cover the newly opened stores and adjustment in coverages.

- Increase in dues and subscription from ₱11.8 million for the year ended 31 December 2021 to ₱12.9 million for the year ended 31 December 2022 due to increase in the number of stores.

- Decrease in professional fees from ₱18.0 million for the year ended 31 December 2021 to ₱12.9 million for the year ended 31 December 2022 primarily because of the one-time credit rating fee paid in 2021.

- Increase in commission expense from ₱4.5 million the year ended 31 December 2021 to ₱7.1 million for the year ended 31 December 2022 as most corporate sales during the period were generated by external or third party sales teams.

- Representation and entertainment was maintained at ₱6.8 million for the years ended 31 December 2021 and 31 December 2022.

- Decrease in impairment loss from ₱50.9 million for the year ended 31 December 2021 to nil for the year ended 31 December 2022 as recognized allowance for impairment is sufficient.

- Decrease in miscellaneous from ₱27.7 million for the year ended 31 December 2021 to ₱17.4 million for the year ended 31 December 2022 due to cost-saving measures implemented

Finance Cost

Finance cost increased from ₱393.7 million for the year ended 31 December 2021 to ₱408.4 million for the year ended 31 December 2022. The increase was primarily attributable to the increase of ₱45.7 million interest expense on loans payable and ₱0.8 million interest expense on retirement funds but slightly offset by the decrease of ₱31.8 million interest expense from lease liability.

Losses from Fire

On January 8, 2022, the Company's store outlets located at 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. The Company received total insurance claims amounting to P69.5 million, which was offset against the losses incurred from the fire incident. Thus, the related net losses from fire amounted to P233.6 million.

Finance Income

Finance income increased from ₱1.2 million for the year ended 31 December 2021 to ₱1.5 million for the year ended 31 December 2022. The increase was primarily attributable to the interest income on time deposits.

Other Gains

All of the Company's trade and other receivables have been assessed for ECL in 2022, 2021 and 2020. In 2021 and 2020, the Company recognized an impairment loss amounting to P50.9 million and P5.6 million, respectively. The impairment loss recognized is presented as Impairment loss under General and Administrative Expenses in the statements of comprehensive income. In 2022, the Company recognized a gain on reversal of impairment loss amounting to P34.0 million.

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. The corresponding lease liabilities derecognized amounted to P267.3 million. Gain on lease modification amounting to P32.2 million was recognized.

As a result, Other gains is ₱66.3 million for the year ended 31 December 2022 from nil for the year ended 31 December 2021

Tax Expense

Tax expense decreased by 18% from ₱381.4 million for the year ended 31 December 2021 to ₱311.0 million for the year ended 31 December 2022 due to lower taxable income for the period.

Net Profit

As a result of the foregoing, our net income decreased by about 35% from ₱1,444.3 million for the year ended 31 December 2021 to ₱933.8 million for the year ended 31 December 2022.

FINANCIAL CONDITION

As of 31 December 2022 vs. 31 December 2021

Total assets as of 31 December 2022 were ₱26,734.4 million compared to ₱25,812.7 million as of 31 December 2021, or a 4% increase due to the following:

- Cash decreased by 6% from ₱1,885.5 million as of 31 December 2021 to ₱1,767..7 million as of 31 December 2022 as the cash generated were used primarily for the capital expenditures of new stores, setting up of new head offices and data centers as previous offices were damaged by fire, and refresh of mature stores and software upgrades.

- Trade and other receivables increased by 71% from ₱383.8 million as of 31 December 2021 to ₱655.3 million as of 31 December 2022 due to timing difference in collection for corporate sales.

- Merchandise inventories decreased by 6% from ₱7,055.6 million as of 31 December 2021 to ₱6,629.8 million as of 31 December 2022 due primarily to the flush out sales of slow-moving and non-moving inventories during the period.

- Property and equipment increased by 3% from ₱13,605.5 million as of 31 December 2021 to ₱14,018.9 million as of 31 December 2022 due primarily to capital expenditures spent for new stores, setting up of new head offices and data centers as previous offices were damaged by fire, refresh of mature stores and software upgrades.

- Other assets increased by 3% from ₱2,882.2 million as of 31 December 2021 to ₱2,963.7 million as of 31 December 2022 due primarily to advances to suppliers and contractors.

Total liabilities as of 31 December 2021 were ₱11,186.7 million compared to ₱11,451.7 million as of 31 December 2022, or a 2% increase. This was due to the following:

- Loans payable including the non-current portion increased by 20% from ₱4,944.4 million as of 31 December 2021 to ₱5,941.4 million as of 31 December 2022 due to additional borrowings to fund for newly stores opened during the period.

- Lease liability including the non-current portion decreased by 18% from ₱4,541.7 million as of 31 December 2021 to ₱3,745.8 million as of 31 December 2022 due to lease payments made.

- Income tax payable decreased by 95% from ₱89.7 million as of December 31, 2021 to ₱4.8 million as of 31 December 2022 due to lower tax payable for the period.

- Deferred tax liabilities decreased by 44% from ₱310.8 million as of December 31, 2021 to ₱448.0 million as of 31 December 2022 due to adjustments to temporary tax differences for the period.

- Retirement benefit obligation decreased by 7% from ₱70.4 million as of 31 December 2021 to ₱65.5 million as of 31 December 2022 due to adjustment of provision for the retirement benefit.

Total stockholder's equity increased by 4% from ₱14,626.0 million as of 31 December 2021 to ₱15,282.7 million as of 31 December 2022 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	**12/31/2022**	**12/31/2021**
Revenues (₱ millions)	₱12,564.8	₱14,324.9
Gross Profit (₱ millions)	4,624.1	5,018.7
Gross Profit Margin (%) [a]	36.8%	35.0%
Net Profit (₱ millions)	933.8	1,444.3
Net Profit Margin (%) [b]	7.4%	10.1%

Notes:

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

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

(i) *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 2022 compared to year ended 31 December 2021 due to the weakened sales in the hard categories since the second quarter this year, Omicron surge in the first quarter, lower foot traffic due to heavy rains and strong typhoons in August and September, and the shift in consumer spending to travel/leisure/entertainment.

Gross Profit decreased for the year ended 31 December 2022 compared to year ended 31 December 2021 due to the decrease in sales.

Gross Profit Margin increased for the year ended 31 December 2022 compared to year ended 31 December 2021 due to lower cost of goods as these were purchased in advance at lower cost.

Net Profit and Net Profit Margin decreased for the year ended 31 December 2022 compared to year ended 31 December 2021 due to lower sales; lower support, fees, rentals and other revenues; higher finance costs; and incurrence of loss on damaged assets due to fire loss.

Material Changes to the Company's Balance Sheet as of 31 December 2022 compared to 31 December 2021 (increase/decrease of 5% or more)

Cash decreased by 6% from ₱1,885.5 million as of 31 December 2021 to ₱1,767.7 million as of 31 December 2022 as the cash generated were used primarily for the capital expenditures of new stores, setting up of new head offices and data centers as previous offices were damaged by fire, and refresh of mature stores and software upgrades.

Trade and other receivables increased by 71% from ₱383.8 million as of 31 December 2021 to ₱655.3 million as of 31 December 2022 due to timing difference in collection.

Merchandise inventories decreased by 6% from ₱7,055.6 million as of 31 December 2021 to ₱6,629.8 million as of 31 December 2022 due primarily to the flush out sales of slow-moving and non-moving inventories during the period.

Loans payable including the non-current portion increased by 20% from ₱4,944.4 million as of 31 December 2021 to ₱5,941.4 million as of 31 December 2022 due to additional borrowings to fund for newly stores opened during the period.

Lease liability including the non-current portion decreased by 18% from ₱4,541.7 million as of 31 December 2021 to ₱3,745.8 million as of 31 December 2022 due to lease payments made.

Income tax payable decreased by 95% from ₱89.7 million as of December 31, 2021 to ₱4.8 million as of 31 December 2022 due to lower tax payable for the period.

Deferred tax liabilities decreased by 44% from ₱310.8 million as of December 31, 2021 to ₱448.0 million as of 31 December 2022 due to adjustments to temporary tax differences for the period.

Retirement benefit obligation decreased by 7% from ₱70.4 million as of 31 December 2021 to ₱65.5 million as of 31 December 2022 due to adjustment of provision for the retirement benefit.

Material Changes to the Company's Statement of income for the 12-month of 2020 compared to the 12-month of 2019 (increase/decrease of 5% or more)

The company recorded sales of ₱12,564.8 million for the year ended 31 December 2022, a decrease of 12% from ₱14,324.9 million for the year ended 31 December 2021. This was brought about by the weakened sales in the hard categories since the 2nd quarter this year, Omicron surge in the 1st quarter, lower foot traffic due to heavy rains and strong typhoons in August and September, and the shift in consumer spending to travel/leisure/entertainment.

For the year ended 31 December 2022, cost of merchandise sold was at ₱7,940.6 million, a decrease of 15% from the ₱9,306.1 level for the same period in 2021 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 28% from ₱355.9 million for the year ended 31 December 2021 to ₱254.7 million for the year ended 31 December 2022, primarily due to the decrease in vendor's support with less number of large stores opened during the period.

On January 8, 2022, the Company's store outlets located at 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. The Company received total insurance claims amounting to P69.5 million, which was offset against the losses incurred from the fire incident. Thus, the related net losses from fire amounted to P233.6 million.

Finance income increased from ₱1.2 million for the year ended 31 December 2021 to ₱1.5 million for the year ended 31 December 2022. The increase was primarily attributable to interest income from time deposits.

Other gains increased to ₱66.3 million for the year ended 31 December 2022 from nil for the year ended

31 December 2021 due to gain on reversal of impairment loss amounting to P34.0 million and gain on lease modification amounting to P32.2 million.

Tax expense decreased by 18% from ₱381.4 million for the year ended 31 December 2021 to ₱311.0 million for the year ended 31 December 2022 due to lower taxable income for the period.

As a result of the foregoing, our net income decreased by about 35% from ₱1,444.3 million for the year ended 31 December 2021 to ₱933.8 million for the year ended 31 December 2022.

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 2022 and as of 31 December 2021.

Item 7. Financial Statements

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

Item 8. Information on Independent Accountant and Other Related Matters

Independent Public Accountant

Punongbayan & Araullo (Grant Thornton) independent certified public accountants, audited the Company's consolidated financial statements without qualification as of and for the years ended December 31, 2021, 2023 and 2024, included in this report. James Araullo is the current audit partner for the Company.

External Audit Fees and Services

External Audit Fees

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

	2024	2023
	(in ₱ thousands with VAT)	
Audit and Audit-Related Fees……………………………………	**1,875,000.00**	**1,700,000.00**

Punongbayan & Araullo does not have any direct or indirect interest in the Company.

Tax Fees

Tax accounting, compliance, advice, planning and other form of tax services are not rendered by the appointed external auditor of the Company, but are secured from other entities.

All Other Fees

The appointed External Auditor of the Company does not render and/or provide product or service to the Company other than those provided under the caption "External Audit Fees".

Audit Committee's Approval Policies and Procedure for the Services of the External Auditor

The scope, extent and nature of the services to be referred to, and/or to be rendered by, the appointed External Auditor of the Company has to be 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.

Changes in and Disagreements 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.

PART III – CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

Board of Directors and Executive Officers

The table below sets forth the members of the Company's Board and Executive Officers as of December 31, 2024.

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

** Business Experience of the named directors and officers covers the past 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.

Camille A. Villar. *Director,* Ms. Villar, 40, graduated from the 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 Eprese (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.

Dante M. Julongbayan. *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, 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.

Raul Juan N. Esteban. *Independent Director*, Mr. Esteban, 62, graduated from the Ateneo de Manila University with a degree in Bachelor of Science in Management Engineering. He became a brand manager of Unilever Philippines 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.)

Jessie D. Cabaluna. *Independent Director.* Ms. Cabaluna, 67, graduated with a degree in Bachelor of Science in Commerce, major in Accounting from the 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.

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 the 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, Ubix Corporation from 2014 to 2015, and in Raemulan Lands, Inc. from 2015 to 2019.

Louella M. Fernandez. *Controller, Compliance Officer and Treasurer*. 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 All Bank, Inc.

<u>Resignation of Directors</u>

AllHome Corp. (the "Company") has been informed that its President, Ms. Benjamarie Therese N. Serrano, has passed away on September 5, 2024. Ms. Serrano had been the President of the Company since 2019.

<u>Family relationships</u>

Manuel B. Villar, Jr., is the father of Manuel Paolo A. Villar and Camille A. Villar. There are no other family relationships among the directors and executive officers.

<u>Involvement in Certain Legal Proceedings of Directors and Executive Officers</u>

None of the Directors and Executive Officers is involved in any material pending legal proceedings in any court or administrative agency of the government.

(a) None of them has been involved in any bankruptcy petition.

(b) None of them has been convicted by final judgment in a criminal proceeding or being subject to any pending criminal proceeding, both domestic and foreign.

(c) None of them has been subject to any order, judgment or decree of any court of competent jurisdiction (both domestic and foreign) permanently or temporarily enjoining, barring, suspending or likewise limiting their involvement in any type of business, securities, commodities or banking activities.

(d) None of them has been found by a domestic or foreign court of competent jurisdiction (in a civil action), by the Commission or comparable body, or by a domestic or foreign exchange or organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation.

Item 10. Executive Compensation

Aggregate executive compensation for the following key management officers:	**Position**	**Year**	**Salary and Bonus**
Frances Rosalie T. Coloma	President	**Actual 2023**	**₱30.9 M**
Robirose M. Abbot	CFO / CRO / IR Head	**Actual 2024**	**₱16.3 M**
Louella M. Fernandez	Controller / Compliance Office	**Projected 2025**	**₱18.0 M**
Vanessa L. Bauzon-Crisol	Chief Audit Executive		
Aggregate executive compensation for all other officers and directors, unnamed		**Actual 2023**	**₱42.4 M**
		Actual 2024	**₱76.6 M**
		Projected 2025	**₱84.3 M**

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 13th month bonus.

<u>Standard arrangements</u>

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 2023 and 2024.

<u>Other arrangements</u>

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 2023 and 2024 for any service provided as a director.

<u>Employment Contracts Between the Company and Senior Management Officers</u>

The Company has not entered into any contract or arrangement for payment of compensation other than what has been included above.

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

Item 11. Security Ownership of Certain Beneficial Owners and Management

Security Ownership of Record and Beneficial Owners

Security ownership of certain record and beneficial owners of more than 5.0% of the voting securities as of December 31, 2024:

Title of Class of Securities	Name/Address of Record Owners and Relationship with Us	Name of Beneficial Owner /Relationship with Record Owner	Citizenship	No. of Shares Held	% of Ownership[1]
Common Shares	AllValue Holdings Corp. LGF Bldg B, Evia Lifestyle Center, Vista City, Daang Hari, Almanza II, Las Piñas City Shareholder	Record Owner is also a 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 a Beneficial Owner	Non-Filipino	214,223,027	5.71%
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 a Beneficial Owner	Filipino	995,403,665	26.54%

[1]*Based on the total issued and outstanding common shares of 3,750,000,002 as of December 31, 2024.*

Security Ownership of Directors and Management

Security ownership of certain directors and management as of December 31, 2024:

Title of Class	Name of Beneficial Owner	Amount & Nature of Beneficial Ownership	Citizenship	Percent of Class
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 – Direct	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 223B, 29 Meralco Avenue, Ortigas Center, Pasig City	1,000 – Direct	Filipino	0.00%
Common Shares	Jessie D. Cabaluna 87 Molave Ave., Molave Park Merville, Paranaque City	1 – Direct	Filipino	0.00%
TOTAL		**2,540,110,401**		**67.74%**

Voting Trust Holders of 5.0% or More

As of December 31, 2024, there is no party holding any voting trust for 5% or more of total shares outstanding.

Changes In Control

As of December 31, 2024, there was no arrangement which may result in a change in control of the Company.

Item 12. Certain Relationships and Related Transactions

No transaction, without proper disclosure, was undertaken by the Company in which any Director or Executive Officer, nominee for election as Director, or any member of its immediate family was involved or had a direct or indirect material interest.

No single Director or Executive Officer, nominee for election as Director, or any member of their immediate family owns or holds more than 10% of the Company's voting shares.

Please refer to Notes on Related Party Transactions of the Notes to Financial Statements of the 2024 Audited Financial Statements, which is incorporated herein in the accompanying Index to Exhibits.

PART IV – CORPORATE GOVERNANCE

Item 13. Corporate Governance

To be disclosed separately under Integrated Annual Corporate Governance Report (I-ACGR).

In compliance with SEC Memorandum Circular No. 15, Series of 2017, the Company will submit its I-ACGR for the year ended December 31, 2024 on or before May 30, 2024.

PART V – EXHIBITS AND SCHEDULES

Item 14. Exhibits and Reports on SEC Form 17 A

Exhibits

See accompanying Index to Financial Statements and Supplementary Schedules.

The following exhibit is incorporated by reference in this report:

Financial Statements of the Company as of and for the year ended December 31, 2024.

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

Reports on SEC Form 17-C

The following current reports have been reported by AllHome Corp. during the year 2024 through official disclosure letters dated:

April 25, 2024
Material Information/Transactions 04/25/2024

April 25, 2024
Notice of Analysts'/Investors' Briefing 04/25/2024

April 30, 2024
Press Release 04/30/2024

May 7, 2024
Notice of Annual or Special Stockholders' Meeting 05/07/2024

May 13, 2024
Notice of Analysts'/Investors' Briefing 05/13/2024

May 16, 2024
Material Information/Transactions 05/16/2024

May 28, 2024
Change in Directors and/or Officers 05/28/2024

May 28, 2024
[Amend-1]Notice of Annual or Special Stockholders' Meeting 05/28/2024

June 3, 2024
[Amend-2]Notice of Annual or Special Stockholders' Meeting 06/03/2024

June 28, 2024
Results of Annual or Special Stockholders' Meeting 06/28/2024

June 28, 2024
Results of Organizational Meeting of Board of Directors 06/28/2024

August 12, 2024
Notice of Analysts'/Investors' Briefing 08/12/2024

August 14, 2024
Material Information/Transactions 08/14/2024

August 14, 2024
Press Release 08/14/2024

August 10, 2024
Notice of Analysts'/Investors' Briefing 08/10/2024

August 15, 2024
Material Information/Transactions 08/15/2024

August 16, 2024
Press Release 08/16/2024

September 6, 2024
Change in Directors and/or Officers 09/06/2024

September 6, 2024
[Amend-1]Change in Directors and/or Officers 09/06/2024

September 9, 2024
[Amend-1]Amendments to Articles of Incorporation 08/09/2024

November 12, 2024
Notice of Analysts'/Investors' Briefing 11/12/2024

November 13, 2024
Material Information/Transactions 11/13/2024

November 13, 2024
Declaration of Cash Dividends 11/13/2024

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in MANDALUYONG CITY on APR 28 2025.

By:

FRANCES ROSALIE T. COLOMA
Acting President

ARBIN OMAR P. CARIÑO
Corporate Secretary

ROBIROSE M. ABBOT
Chief Financial Officer, CRO and Head of IR

LOUELLA M. FERNANDEZ
Controller and Compliance Officer

SUBSCRIBED AND SWORN, to before me, this APR 28 2025 at MANDALUYONG CITY, affiants exhibiting to me their respective valid identification documents, to wit:

Name	Valid ID	Date and Place of Issue
Frances Rosalie T. Coloma	Driver's License No. N02-92-201-402	
Robirose M. Abbot	Driver's License No. N26-05-005526	08.16.2019 – LTO Muntinlupa
Arbin Omar P. Cariño	Driver's License No. C07-98-165603	03.28.2019 – LTO
Louella M. Fernandez	PRC Registration No. 0113433	11.19.2004 – PRC

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

Doc. No. 197;
Page No. 41;
Book No. V;
Series of 2025.

ATTY. FERDINAND B. SABILLO
NOTARY PUBLIC
UNTIL DECEMBER 31, 2026
ROLL No. 53511
IBP Lifetime Member No. 018538
PTR No. 5700677 / 03 Jan. 2025 / Mandaluyong City
MCLE Compliance No. VII-0018781 issued dated 25 May 2022
Notarial Commission Appointment No. 0314-25
Vista Corporate Center, Upper Ground Floor,
Worldwide Corporate Center, Shaw Blvd., Mandaluyong City

ALLHOME CORP.

INDEX TO FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES
Form 17-A, Item 7

Financial Statements

Statement of Management's Responsibility for Financial Statements
Report of Independent Public Accountant
Statement of Financial Position as of December 31, 2024 and 2023
Statements of Comprehensive Income for the years ended December 31, 2024, 2023 and 2022
Statements of Changes in Equity for the years ended December 31, 2024, 2023 and 2022
Statements of Cash Flows for the years ended December 31, 2024, 2023 and 2022
Notes to Financial Statements

Supplementary Schedules

Report of Independent Auditors on Supplementary Schedules

I. Supplementary Schedules required by Annex 68-E

APRIL 23

AllHome
One-stop shop for your home

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **AllHome Corp.** is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, for the years ended December 31, 2024, and 2023 in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

MANUEL B. VILLAR, JR.
Chairman of the Board

FRANCES ROSALIE T. COLOMA
President and CEO

ROBIROSE M. ABBOT
Chief Finance Officer

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APR 30 2025
RCO'S NAME: KRISHIA ANN M. PASCUA
RCO' CODE: 006005 INITIAL:

SUBSCRIBED AND SWORN, to before me this APR 2 4 2025 at MANDALUYONG CITY, affiants exhibiting to me their respective Passports, to wit:

Name	Passport No.	Date and Place of Issue
Manuel B Villar, Jr.	P2529752B	12 JUL 2019 / DFA MANILA
Frances Rosalie T. Colom	P8269474B	24 NOV 2021 / DFA MANILA
Robirose M. Abbot	Driver's License No. N26-05-005526	11 APR 2022/DFA NCRSOUTH

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

Doc No. 170
Page No. 35
Book No. V
Series of 2025

ATTY. FERDINAND B. SABILLO
NOTARY PUBLIC
UNTIL DECEMBER 31, 2026
ROLL No. 53511
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APR 3 0 2025
RCO'S NAME: KRISHIA ANN M. PASCUA
RCO' CODE: 006005 INITIAL: ______
Sa Tamang Buwis, Pag-asenso'y Mabilis

P&A
Grant Thornton

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.

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RCO' CODE: 006005 INITIAL:

(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.

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Sa Tamang Buwis, Pag-asenso y Mabilis

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.

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RCO' CODE: 006005 INITIAL:

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RDO 53A - LAS PIÑAS CITY
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APR 3 0 2025
RCO'S NAME: KRISHIA ANN M. PASCUA
RCO CODE: 006006 INITIAL:

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

RECEIVED
APR 30 2025
RCO'S NAME: KRISHIA ANN M. PASCUA
RCO' CODE: 006005 INITIAL:

P&A
Grant Thornton

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)

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RDO 53A - LAS PIÑAS CITY
RECEIVED
APR 30 2025
RCO'S NAME: KRISHA ANN M. PASCUA
RCO' CODE:

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
ASSETS			
CURRENT ASSETS			
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
NON-CURRENT ASSETS			
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
TOTAL ASSETS		P 26,955,475,655	P 26,964,341,470
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
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
NON-CURRENT LIABILITIES			
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
EQUITY	19		
Capital stock		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
TOTAL LIABILITIES AND EQUITY		P 26,955,475,655	P 26,964,341,470

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
SALES	13	P 9,890,521,461	P 12,065,428,801	P 12,564,760,820
COST OF MERCHANDISE SOLD	14	6,140,495,764	7,486,478,117	7,940,627,825
GROSS PROFIT		3,750,025,697	4,578,950,684	4,624,132,995
SUPPORT, FEES, RENTALS AND OTHER REVENUES	9, 13	172,556,888	222,051,248	254,715,152
GROSS PROFIT INCLUDING OTHER REVENUES		3,922,582,585	4,801,001,932	4,878,848,147
OTHER OPERATING EXPENSES	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
OPERATING PROFIT		1,020,154,330	1,518,125,400	1,818,994,056
OTHER INCOME (CHARGES)				
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)
PROFIT BEFORE TAX		512,254,401	1,062,833,108	1,244,758,247
TAX EXPENSE	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
NET PROFIT		400,799,157	797,258,231	933,768,771
OTHER COMPREHENSIVE INCOME (LOSS)				
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
TOTAL COMPREHENSIVE INCOME		P 466,918,735	P 773,256,765	P 945,416,736
Basic and Diluted Earnings per Share	20	P 0.11	P 0.21	P 0.25

See Notes to Financial Statements.

BUREAU OF INTERNAL REVENUE
RDO 53A - LAS PIÑAS CITY
RECEIVED
APR 3 0 2025
RCO'S NAME: KRISHIA
RCO CODE: 00006

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	**P 3,750,000,002**	**P 7,209,298,114**	**P 5,254,365,433**	**P 53,067,226**	**P 16,266,730,775**
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	P 3,750,000,002	P 7,209,298,114	P 4,969,441,276	(P 13,052,352)	P 15,915,687,040
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	P 3,750,000,002	P 7,209,298,114	P 4,312,433,045	P 10,949,114	P 15,282,680,275

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
CASH FLOWS FROM OPERATING ACTIVITIES				
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
CASH FLOWS FROM INVESTING ACTIVITIES				
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)
CASH FLOWS FROM FINANCING ACTIVITIES				
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)
NET DECREASE IN CASH		(219,917,105)	(110,219,812)	(197,828,017)
CASH AT BEGINNING OF YEAR		1,577,495,156	1,687,714,968	1,885,542,985
CASH AT END OF YEAR		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 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 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:

(Amounts in PHP)	**2024**	2023 (As restated – see Note 2)
Cash in banks	**1,351,778,051**	1,569,920,156
Cash on hand	**5,800,000**	7,575,000
	1,357,578,051	1,577,495,156

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:

(Amounts in PHP)	Notes	**2024**	2023
Trade receivables	18.1	**439,451,751**	313,171,545
Non-trade receivables	18.2	**656,174,658**	398,464,548
Others	8	**1,129,315**	1,129,315
		1,096,755,724	712,765,408
Allowance for impairment losses		**(22,393,924)**	(22,393,924)
		1,074,361,800	690,371,484

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.

(Amounts in PHP)	**2024**	2023
Balance at beginning of year	**22,393,924**	23,844,458
Write-off	**-**	(1,450,534)
Balance at end of year	**22,393,924**	22,393,924

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.

(Amounts in PHP)	Notes	**2024**	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
		3,655,651,613	3,626,715,210
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
		721,000,061	673,913,285
		4,376,651,674	4,300,628,495

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.

(Amounts in PHP)	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
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	(1,309,881,206)	(1,013,896,231)	(113,973,586)	(1,938,436,158)	(2,513,871,084)	(68,015,738)	-	(6,958,074,003)
Net carrying amount	**2,550,257,947**	**1,017,811,864**	**45,445,648**	**7,049,206,621**	**1,921,308,100**	**33,454,144**	**88,043,563**	**12,705,527,887**
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	(1,088,212,398)	(748,207,026)	(100,054,750)	(1,526,638,105)	(2,192,838,514)	(31,443,335)	-	(5,687,394,128)
Net carrying amount	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
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	(184,072,305)	(210,337,246)	(13,642,815)	(395,548,507)	(455,851,873)	(139,770,928)	-	(1,399,223,674)
Net carrying amount	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

The reconciliation of the net carrying amount of property and equipment at the beginning and end of 2024, 2023 and 2022 is shown below.

(Amounts in PHP)	**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	**2,550,257,947**	**1,017,811,864**	**45,445,648**	**7,049,206,621**	**1,921,308,100**	**33,454,144**	**88,043,563**	**12,705,527,887**
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	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
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	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

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.

(Amounts in PHP)	**2024**	2023	2022
Cost	**1,290,635,536**	1,276,774,147	1,276,774,147
Accumulated depreciation and amortization	**(386,608,486)**	(316,851,475)	(247,286,983)
Net carrying amount	**904,027,050**	959,922,672	1,029,487,164

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.

(Amounts in PHP)	**2024**	2023
Beginning, net of accumulated depreciation	**959,922,672**	1,029,487,164
Additions	**13,861,389**	-
Depreciation and amortization charges for the year	**(69,757,011)**	(69,564,492)
Ending, net of accumulated depreciation	**904,027,050**	959,922,672

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:

(Amounts in PHP)	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
		960,134,016	940,299,943

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:

(Amounts in PHP)	Note	**2024**	2023
Current:			
Short-term loans	11.1	**2,463,002,730**	2,271,996,491
Current portion of long-term loans	11.2	**1,627,500,000**	1,177,500,000
		4,090,502,730	3,449,496,491
Non-current –			
Long-term loans	11.2	**2,230,150,000**	2,578,750,000
		6,320,652,730	6,028,246,491

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	**800,000,000**	-
Fixed rate at 6.63%	Unsecured	2024	Up to 2026	**478,900,000**	-
Fixed rate at 8.50%	Unsecured	2023	Up to 2028	**468,750,000**	500,000,000
Fixed rate at 8.23%	Unsecured	2023	Up to 2028	**875,000,000**	1,000,000,000
Fixed rate at 7.35%	Unsecured	2022	Up to 2026	**265,000,000**	360,000,000
Fixed rate at 5.85%	Unsecured	2021	Up to 2025	**270,000,000**	596,250,000
Fixed rate at 5.00%	Unsecured	2021	Up to 2025	**700,000,000**	1,300,000,000
			Total	**3,857,650,000**	3,756,250,000

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.

(Amounts in PHP)	Short-term Loans	Long-term Loans	Total
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	(2,271,996,491)	(1,177,500,000)	(3,449,496,491)
Balance as of December 31, 2024	**2,463,002,730**	**3,857,650,000**	**6,320,652,730**
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	(2,931,388,027)	(753,750,000)	(3,685,138,027)
Balance as of December 31, 2023	2,271,996,491	3,756,250,000	6,028,246,491
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	(2,044,418,931)	(290,000,000)	(2,334,418,931)
Balance as of December 31, 2022	2,931,388,027	3,010,000,000	5,941,388,027

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:

(Amounts in PHP)	**2024**	2023
Current	**516,222,626**	510,463,801
Non-current	**2,161,710,201**	2,803,963,351
	2,677,932,827	3,314,427,152

The movements in the lease liabilities recognized in the statements of financial position are as follows:

(Amounts in PHP)	**2024**	2023
Balance as of January 1	**3,314,427,152**	3,745,821,070
Cash flows from financing activities –		
Repayment of lease liabilities	**(704,475,439)**	(747,280,998)
Non-cash financing activities:		
Accretion of interest	**208,136,723**	243,455,414
Lease pre-termination	**(140,155,609)**	-
Additional lease liabilities	**-**	72,431,666
Balance as of December 31	**2,677,932,827**	3,314,427,152

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:

	2024		
(Amounts in PHP)	**Lease Payments**	**Finance Charges**	**Net Present Values**
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	**3,168,669,882**	**490,737,055**	**2,677,932,827**

	2023		
	Lease Payments	Finance Charges	Net Present Values
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	4,037,497,319	723,070,167	3,314,427,152

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:

(Amounts in PHP)	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
		871,493,529	1,045,557,152	1,193,562,608

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.

(Amounts in PHP)	Note	**Point in time**	**Over time**	**Total**
2024:				
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
		9,895,130,712	**155,545,018**	**10,050,675,730**
2023:				
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
		12,076,000,530	195,852,763	12,271,853,293
2022:				
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
		12,588,999,389	212,329,545	12,801,328,934

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.

(Amounts in PHP)	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)
		6,140,495,764	7,486,478,117	7,940,627,825

14.2 Other Operating Expenses

The details of selling, general and administrative expenses by nature are shown below.

(Amounts in PHP)	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
		2,902,428,255	3,282,876,532	3,059,854,091

These expenses are classified as follows:

(Amounts in PHP)	**2024**	2023	2022
Selling	**1,873,112,825**	1,989,105,721	1,844,664,177
General and administrative	**1,029,315,430**	1,293,770,811	1,215,189,914
	2,902,428,255	3,282,876,532	3,059,854,091

15. OTHER INCOME (CHARGES)

15.1 Finance Costs

Finance costs include the following:

(Amounts in PHP)	Notes	**2024**	2023	2022
Interest expense from:				
Loans payable	11	**313,626,759**	207,872,049	124,401,148
Lease liabilities	12.3	**208,136,723**	243,455,414	280,456,937
Retirement benefit obligation	16.2	**7,620,687**	5,505,063	3,505,329
Others		**-**	-	3,500
		529,384,169	456,832,526	408,366,914

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.

(Amounts in PHP)	Notes	**2024**	2023	2022
Salaries and wages		**293,421,244**	340,282,961	331,564,980
Post-employment benefit	16.2	**19,776,377**	24,410,090	10,920,698
Others employee benefits		**38,173,558**	48,615,200	41,942,502
	14.2	**351,371,179**	413,308,251	384,428,180

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:

(Amounts in PHP)	**2024**	2023
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	**62,384,938**	127,398,117

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):

(Amounts in PHP)	**2024**	2023	2022
Reported in profit or loss:			
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	-
	27,397,064	29,915,153	14,426,027

(Amounts in PHP)	**2024**	2023	2022
Reported in other comprehensive loss (income):			
Actuarial losses (gains) arising from:			
Changes in demographic assumptions	**(46,250,294)**	-	-
Experience adjustments	**(42,177,198)**	11,532,946	(16,266,837)
Changes in financial assumptions	**268,054**	20,469,009	736,217
	(88,159,438)	32,001,955	(15,530,620)

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:

	2024	2023
Discount rates	**6.11%**	6.14%
Expected rate of salary increase	**10.00%**	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:

	Impact on Post-employment Defined Benefit Obligation		
(Amounts in PHP)	**Change in Assumption**	**Increase in Assumption**	**Decrease in Assumption**
2024:			
Discount rate	**+/- 1%**	**(6,445,395)**	**7,539,623**
Salary growth	**+/- 1%**	**7,477,834**	**(6,522,105)**
2023:			
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:

(Amounts in PHP)	**2024**	2023
Within five years	**13,086,079**	17,590,806
More than five years to 10 years	**39,575,823**	60,454,890
More than 10 years	**335,756,789**	1,521,735,003
	388,418,691	1,599,780,699

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:

(Amounts in PHP)	**2024**	2023	2022
Reported in profit or loss:			
Current tax expense:			
Minimum corporate income tax (MCIT) at 2%	**78,454,884**	-	-
Final tax at 20%	**440,679**	174,646	170,590
Regular corporate income tax (RCIT) at 25%	**-**	106,603,301	177,510,740
	78,895,563	106,777,947	177,681,330
Deferred tax expense arising from origination and reversal of temporary differences	**32,559,681**	158,796,930	133,308,146
	111,455,244	265,574,877	310,989,476
Reported in other comprehensive income (loss) –			
Deferred tax income (expense) arising from origination and reversal of temporary differences	**(22,039,860)**	8,000,489	(3,882,655)

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

(Amounts in PHP)	**2024**	2023	2022
Tax on pretax profit at 25%	**128,063,600**	265,708,277	311,189,562
Adjustment for income subject to lower tax rate	**(110,170)**	(210,412)	(200,086)
Tax effect of non-deductible expenses	**(16,498,186)**	77,012	-
Tax expense	**111,455,244**	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:

			Statements of Comprehensive Income					
(Amounts in PHP)	**Statements of Financial Position**		**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)	**-**	-	-
	286,605,679	232,585,942	**(76,059,597)**	(13,528,673)	(5,459,135)	**22,039,860**	(8,000,489)	3,882,655
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)	**-**	-	-
	(939,995,463)	(831,376,185)	**108,619,278**	172,325,603	138,767,281	**-**	-	-
Deferred liabilities - net	**(653,389,784)**	(598,790,243)						
Deferred tax expense (income)			**32,559,681**	158,796,930	133,308,146	**22,039,860**	(8,000,489)	3,882,665

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.

		Amount of Transactions			**Outstanding Balances Receivables (Payables)**	
(Amounts in PHP)	Notes	**2024**	2023	2022	**2024**	2023
Related Parties Under Common Ownership:						
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**	-
Key Management Personnel Compensation	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.

(Amounts in PHP)	**2024**	2023	2022
Short-term benefits	**38,818,440**	52,389,440	44,938,320
Post-employment defined benefits	**4,123,026**	4,365,787	3,907,680
	42,941,466	56,755,227	48,846,000

19. EQUITY

19.1 Capital Stock

Details of this account for years 2024, 2023 and 2022 are shown below.

(Amounts in PHP)	**Shares**	**Amount**
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:

(Amounts in PHP)	**2024**	2023	2022
Net profit	**400,799,157**	797,258,231	933,768,771
Divided by weighted average number of outstanding common shares	**3,750,000,002**	3,750,000,002	3,750,000,002
Basic and diluted EPS	**0.11**	0.21	0.25

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.

(Amounts in PHP)	Notes	**2024**	2023
Cash in banks	4	**1,351,778,051**	1,569,920,156
Trade and other receivables - net	6	**1,074,361,800**	690,371,484
Security deposits	8, 12	**240,749,237**	231,598,008
Short-term placements	8	**80,000,000**	80,000,000
		2,746,889,088	2,571,889,648

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
2024:					
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**
2023:					
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.

		Current		**Non-current**	
(Amounts in PHP)	Notes	**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
		4,600,136,627	**1,434,090,371**	**2,962,043,020**	**2,167,008,135**

This compares to the contractual maturities of the Company's financial liabilities as of December 31, 2023 as follows:

		Current		Non-current	
(Amounts in PHP)	Notes	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
		4,437,588,042	841,336,394	2,737,507,856	3,499,033,175

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
December 31, 2024				
Financial assets:				
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
	1,437,578,051	**-**	**1,261,853,590**	**2,699,431,641**
Financial liabilities:				
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
	-	**-**	**9,489,224,855**	**9,489,224,855**
December 31, 2023				
Financial assets:				
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
	1,657,495,156	-	851,721,443	2,509,216,599
Financial liabilities:				
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 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:

(Amounts in PHP)	**2024**	2023	2022
Total liabilities	**10,688,744,880**	11,048,654,430	11,451,738,066
Total equity	**16,266,730,775**	15,915,687,040	15,282,680,275
Debt-to-equity ratio	**0.66 : 1.00**	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:

(Amounts in PHP)	**Tax Base**	**Output VAT**
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
	10,063,078,349	**1,207,569,401**

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.

(Amounts in PHP)	**Tax Base**
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
	99,710,603

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
	118,813,769

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.

P&A Grant Thornton

Report of Independent Auditors to Accompany Supplementary Information Required by the Securities and Exchange Commission Filed Separately from the Basic Financial Statements

Punongbayan & Araullo
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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

Schedule	Content	Page No.
Schedules Required under Annex 68-J of the Revised Securities Regulation Code Rule 68		
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
Others Required Information		
	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 1,627,500,000	P 2,230,150,000

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	5,900,000,000	3,750,000,002	-	2,540,108,000	502	1,209,891,500
Preferred Shares at P0.10 par value	1,000,000,000	-	-	-	-	-

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

Unappropriated Retained Earnings at Beginning of Year			P 5,170,302,649
Add: **Category A: Items that are directly credited to Unappropriated Retained Earnings**			
Reversal of Retained Earning Appropriation/s	P	-	
Effect of restatements or prior-period adjustments		-	
Others		-	-
Less: **Category B: Items that are directly debited to Unappropriated Retained Earnings**			
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)
Unappropriated Retained Earnings at Beginning of Year, as adjusted			5,054,427,649
Add/Less: Net Income (Loss) for the Current Year			400,799,157
Less: **Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)**			
Equity in net income of associate/joint venture, net of dividends declared		-	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents		-	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)		-	
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			-
Add: **Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)**			
Realized foreign exchange gain, except those attributable to cash and cash equivalents		-	
Realized fair value adjustment (mark-to-market gains) of financial instruments at 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			-
Add: **Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)**			
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents		-	
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial 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			-
Balance carried forward			
Adjusted Net Income/Loss			P 400,799,157

Balance brought forward

Adjusted Net Income/Loss			P 400,799,157
Add:	**Category D: Non-actual lossess 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)

	2024	2023
Total Audit Fees	**P 1,875,000**	P 1,700,000
Non-audit service fees:		
Other assurance service	**155,000**	-
Tax service	**-**	-
All other service	**-**	-
Total Non-Audit Fees	**155,000**	-
Total Audit and Non-audit Fees	**P 2,030,000**	P 1,700,000

ALLHOME CORP.

Annex A: Sustainability Report

CONTEXTUAL INFORMATION

Company Details	
Name of Organization	AllHome Corp.
Location of Headquarters	Lower Ground Floor, Building B, Evia Lifestyle Center, Vista City, Daanghari, Almanza II, Las Piñas City
Location of Operations	Philippines
Report Boundary: Legal entities (e.g., subsidiaries) included in this report	AllHome Corp. and its stores in Mega Manila, Luzon, Visayas, and Mindanao
Business Model, including Primary Activities, Brands, Products, and Services	AllHome Corp. (the "Company") is a pioneering "one-stop shop" home store in the Philippines. AllHome started with just four stores and a little over 23,000 sqm of net retail space in Mega Manila and Pampanga in 2013. By year end of 2024, the Company owns 72 stores with an aggregate net selling space of approximately 282,412 sqm. The Company's product offering spans seven (7) key categories from over 800 local and international Brands. These product categories are furniture, hardware, appliances, tiles and sanitary wares, homewares, linens, and construction materials. **Store Formats** The Company has three (3) store formats in operation in Mega Manila, Luzon, Visayas, and Mindanao: 1. Large mall-based store, with an average store size of 7,000 to 8,000 sqm in net selling space with a total net selling space of over 149,567 sqm for 20 stores; 2. Large free-standing store, with an average store size of 7,000 sqm in net selling space with a total net selling space of over 123,538 sqm for 18 stores; and 3. (3) Small specialty store, ranging from 250 sqm to 400 sqm in net selling space with a total net selling space of about 9,307 sqm for 34 stores. All large stores are under the "AllHome" name. Small specialty stores include Quick Fix, AllDigital, and Pet Buddy stores.
Reporting Period	January 1 to December 31, 2024
Highest Ranking Person responsible for this report	**Robirose M. Abbot** Chief Financial Officer, Chief Risk Officer, and Head of Investor Relations

MATERIALITY PROCESS

At AllHome, sustainability is central to our operations and our interactions with stakeholders. Each year, we assess the material topics from our previous reports to ensure they continue to align with our long-term goals. These topics inform our strategies and address our economic, environmental, social, and governance (EESG) impacts. To refine our approach, we work closely with AllHome's management and a diverse team of experts who represent various stakeholder perspectives. This collaboration enables us to effectively identify and prioritize critical issues.

As a member of the Villar Group of Companies, AllHome adheres to the Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) frameworks in executing its materiality process. The procedure encompasses three essential steps:

- **Pre-Identification of Topics:** Relevant issues and topics are compiled from sources such as GRI and SASB standards for Multiline and Specialty Retailers & Distributors, as well as from industry peers. To streamline the process, topics from the latest SEC Annex report are categorized to ensure comprehensive coverage of all Environmental, Economic, Social, and Governance (EESG) aspects.

- **Identification of Material Topics**: The gathered topics are revisited to evaluate their significance to the company's operations and stakeholders. A standardized form is used to determine the material relevance of each topic, marking them as "Yes" or "No".

- **Materiality Assessment:** The identified material topics undergo further analysis through an online survey, where their impact is rated on a five-point scale (1 = low to no impact, 5 = highest impact).

The results of our 2024 employee survey highlighted the importance of sustainability to AllHome's success, with insights from the survey affirming that employees appreciate its critical role in the company's operations. It also reflects the shared corporate values and the organization's commitment to its ethical responsibility to employees, customers, suppliers, communities, and other retail stakeholders.

As AllHome continues to expand nationwide, sustainability remains at the core of its mission to create meaningful and positive impacts.

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

2024 MATERIAL TOPIC	
1	Ethical Business Practices
2	Customer Satisfaction
3	Regulatory Compliance

4	Governance
5	Data Protection and CyberSecurity Responsible Supply Chain
6	Marketing Promotion Training and Development
7	Procurement Practices
8	Occupational Health and Safety
9	Economic Performance Community
10	Well-being
11	Tax Management
12	Local Employment
13	Energy Management
14	Diversity and Inclusion
15	Eco Products
16	Waste Management
17	Water Use

The nation's leading one-stop home store focused all its efforts on initiatives aimed at maximizing each store's revenue potential, rationalizing energy usage, optimizing manpower, and improving in-store warehouses to reduce rental costs for external warehouses, among other strategies.

Although AllHome's stakeholders have determined its operations to have minimal environmental impact, the Company continues to uphold its energy-saving practices and other environmentally friendly initiatives.

As part of its commitment to transparency, accountability, and continuous improvement, AllHome performs an annual materiality assessment to identify and prioritize the most relevant sustainability topics. This process ensures that the Company remains aligned with stakeholder expectations while proactively responding to emerging sustainability trends.

The 2024 materiality assessment identified Ethical Business Practices as the top priority, emphasizing AllHome's firm commitment to integrity and responsible governance. Customer Satisfaction was ranked as the second most important concern, reaffirming the Company's customer-first philosophy across all operations.

Rounding out the top three priorities is Regulatory Compliance, which underscores AllHome's adherence to legal standards and regulatory frameworks as a cornerstone of sustainable business practices.

These findings serve as a strategic compass for AllHome, guiding its sustainability efforts and shaping its long-term goals in building a resilient and responsible organization.

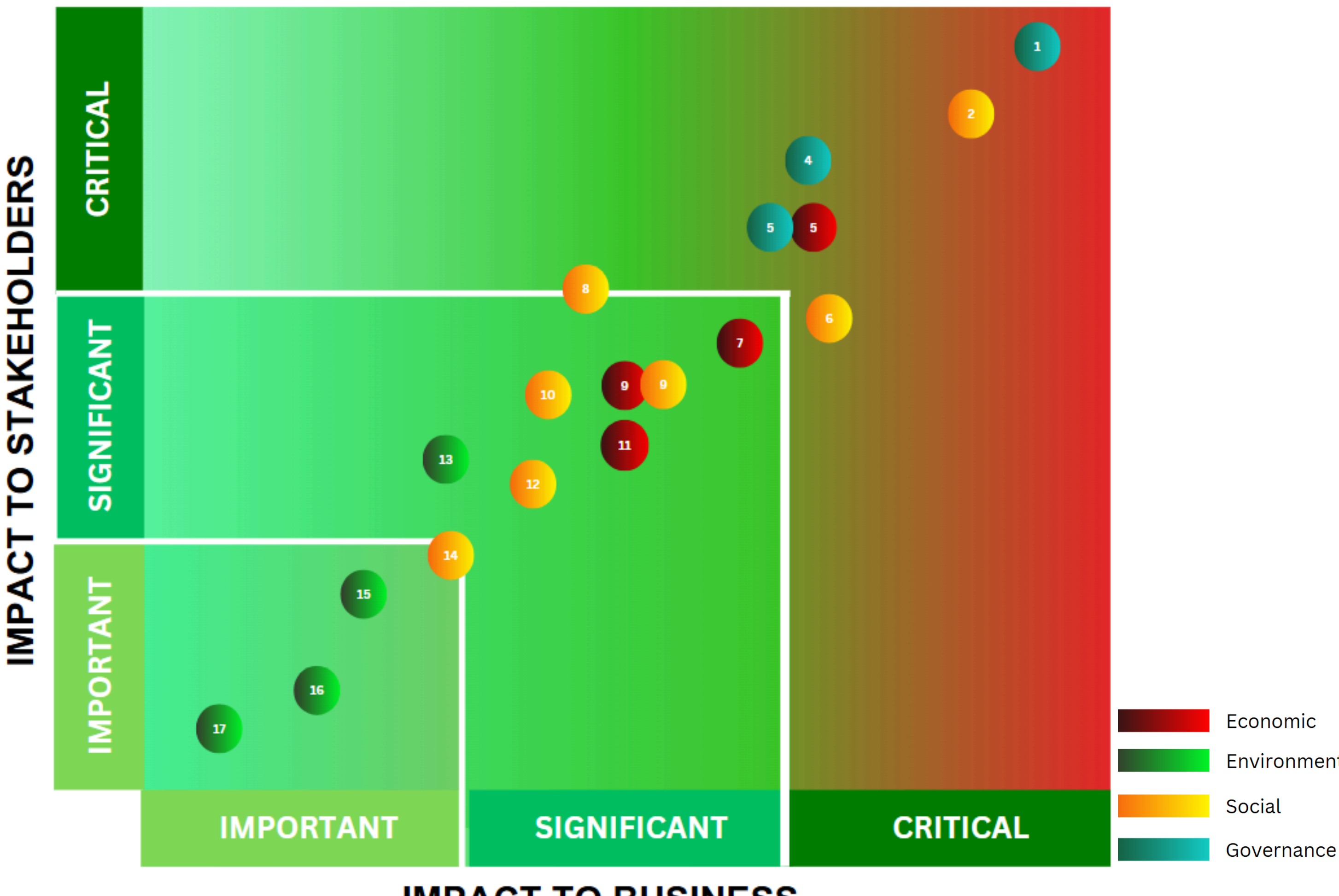

Figure 1. AllHome 2024 Materiality Matrix

ECONOMIC & GOVERNANCE DISCLOSURES

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	Amount (in million PhP)		
	2024	2023	2022
Direct economic value generated (revenue)	9,890.5	12,065.43	12,564.76
Direct economic value distributed:			
a. Operating costs	2,884.34	3,282.88	3,059.85
b. Employee wages and benefits	351.37	413.31	384.43
c. Payments to suppliers, other operating costs	9,027.83	9,601.3	9,850.33
d. Dividends given to stockholders and interest payments to loan providers	115.90	140.25	288.75
e. Taxes given to government	411.99	437.87	508.78
f. Investments to community (e.g., donations, CSR)	1.37	2.01	1.08

AllHome's Impact	Stakeholders Affected
Significant economic challenges brought about by shifting market dynamics, inflationary pressures, and delays in residential project completions were faced by the Company this reporting year. Accordingly, annual revenues declined from ₱12.07 billion in 2023 to ₱9.89 billion in 2024, primarily due to the softening of demand in key segments such as construction and finishing materials. These segments, typically resilient pillars of AllHome's portfolio, felt the	Employees, Investors, Business Partners, and Customers

impact of delayed residential project completions and a more cautious consumer outlook brought about by inflationary pressures. Despite these setbacks, AllHome remained grounded in financial discipline and operational prudence. The Company actively pursued cost containment strategies, sharpened inventory controls, and streamlined processes across its business units to protect margins and preserve value. In the face of contraction, AllHome prioritized agility, realigning product offerings, rethinking customer engagement, and ensuring the Company's products and services remained attuned to the evolving needs of Filipino families. More than a numbers game, the Company's performance in 2024 reflects the growing importance of responsible and adaptive retailing. Looking ahead, AllHome is strengthening its commitment to sustainability as a growth enabler, ensuring that business resilience goes hand-in-hand with environmental stewardship and social responsibility. The Company's vision remains unchanged: to be the leading one-stop home retail destination in the Philippines, empowering households to build better homes while upholding values that sustain communities and the planet.	

Management Approach to Impacts
The Company addresses economic impacts by aligning strategic priorities with market responsiveness, operational resilience, and sustainable growth. In light of evolving consumer behaviors and macroeconomic pressures, the company strengthens its business continuity planning and risk management frameworks to mitigate revenue volatility and supply chain disruptions. Emphasis is placed on data-driven inventory management, vendor negotiations, and cost control to maintain financial viability. Simultaneously, AllHome explores opportunities in emerging product lines and digital channels to diversify revenue streams and future-proof operations. Regular reviews of financial and operational performance guide resource allocation and strategic decision-making, ensuring that business objectives remain aligned with long-term value creation and inclusive economic development.

Risks Identified to AllHome	Stakeholders Affected
Cognizant of the circumstances in the evolving market, AllHome identifies and manages key risk areas that could affect its business operations. By implementing strategic risk mitigation measures, the Company aims to ensure business continuity, financial stability, and	Employees, Investors, Business Partners, and Customers

sustainable growth. The identified risks include the following:

Financial Risks

- Market Risk – The Company diligently monitors market price fluctuations and ensures that financial management activities are consistent with the risk tolerance established by the Board of Directors. A portfolio approach is employed to manage earnings volatility effectively.
  Interest Rate Risk – The Company mitigates interest rate exposure by obtaining long-term borrowings at fixed rates.
- Credit Risk – Transactions are conducted exclusively with reputable third parties, and customer defaults are continuously monitored. Financial controls safeguard cash and trade receivables.
- Liquidity Risk – Regular assessments are made of cash flow, debt maturity profiles, and liquidity positions. Adequate cash reserves and accessible credit facilities are maintained to ensure operational funding.
- Foreign Exchange Risk – The Company consistently monitors transactions involving foreign currencies and performs sensitivity analyses to mitigate the risk of currency fluctuations.

Operational and Strategic Risks

- Competition Risk – AllHome performs regular market research and business intelligence updates to respond to industry changes.
- Target Market Risk – The Company diversifies its product offerings and closely monitors factors affecting key markets.
- Operational Risk – Compliance self-tests, internal audits, and risk-focused training for personnel address operational risks. Insurance coverage is also utilized to compensate for potential losses.
- Natural Catastrophe Risk – The Company uses insurance policies to reduce financial exposure from natural disasters.
- Reputational Risk – AllHome's corporate communications team maintains a consistent brand image, while its legal team oversees intellectual property concerns.

By applying these risk management strategies, AllHome enhances its resilience and supports its long-term sustainability.

Management Approach to Risks

AllHome fully recognizes that every business activity entails a degree of risk. To achieve corporate objectives and ensure operational continuity, the Company has implemented a comprehensive risk management framework designed to identify, evaluate, and mitigate potential risks. This proactive strategy enables AllHome to capitalize on opportunities while minimizing adverse impacts on its operations. Risk management is integrated into AllHome's corporate decision-making and planning processes, with responsibility for risk management shared across all levels of the organization. Structured oversight and accountability measures are in place, overseen by the Board Risk Oversight Committee, the Chief Risk Officer (CRO), and all employees, who play crucial roles in risk mitigation and adherence to established protocols.

Opportunities	Stakeholders Affected
In 2024, AllHome continue to move forward with agility and adaptability in order to address evolving customer demands effectively. The Company employed innovative marketing strategies to enhance customer experience, consistently aligning with its mission as a comprehensive home retail destination. AllHome achieved financial growth, increased revenue streams, and bolstered market competitiveness through robust business strategies and effective risk management. This financial stability enabled the company to offer competitive employee benefits, maintain timely supplier payments, meet tax obligations, expand its investment portfolio, and support community initiatives, thereby underscoring its commitment to long-term sustainability.	Employees, Investors, Business Partners, Customers, and Local Communities

Management Approach to Opportunities
AllHome's financial success allows the company to provide competitive compensation and benefits to its employees, demonstrating its commitment to their well-being. This financial stability also allows AllHome to expand its Corporate Social Responsibility initiatives, positively impacting local communities and increasing the company's presence in various regions.

Climate-related risks and opportunities[1]

Governance

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

Disclose the organization's governance around climate-related risks and opportunities.	
a) Describe the board's oversight of climate-related risks and opportunities	AllHome relies on its climate governance policies to accurately determine climate-related risks and opportunities and develop effective solutions for managing such environmental issues. The AllHome Enterprise Risk Management (ERM) framework provides the Company's Board of Directors (BOD or the Board) with improved oversight for effectively identifying, monitoring, assessing, and managing key business risks. The ERM also assists the Board in identifying relevant business units and their risk exposures and in directing the deployment of effective risk management and mitigation strategies to ensure the Company's business objectives are met. It operates under the ERM Policy to identify key risk areas, designate key performance indicators, and monitor these diligently. This enables the Company to better anticipate and prepare for potential threats to its operational and financial viability. The Board also discusses and collaborates on necessary adjustments or expansions of policies. This includes adopting best practices from within and outside the Company and industry to enhance its mechanisms and strategies for addressing climate-related risks and opportunities.
b) Describe management's role in assessing and managing climate-related risks and opportunities	Under the direction of the Chief Operating Officer (COO), Management ensures the provision of accurate reports for insurance claims and develops comprehensive assessment reports for shareholders, detailing any identified climate-related risks and opportunities within the operations.
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	The Company categorizes climate-related risks under the clause "Risks relating to natural catastrophes" in its ERM Policy. Specifically, AllHome identifies typhoons, earthquakes, flooding, and fire as potential natural disasters that may affect its operations. Since AllHome is a tenant of Vistamalls, any structural damage is managed by Vistamalls, while AllHome is responsible for managing damage to the stores, such as incidents of flooding.

	A short-term climate-related risk identified is power outages, which would necessitate the increased use of generators. The medium- and long-term climate-related risks identified include high-intensity typhoons and flooding, which can impact the supply chain and disrupt store operations.
b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	Risks associated with natural catastrophes include high-intensity typhoons and floods, which can disrupt operations by delaying the delivery and restocking of supplies. These events may lead to a series of complications such as supply shortages, damage to facilities and products, and reduced customer traffic. Additionally, they may cause property damage and loss of potential income for stores that are forced to close early or open late.
c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios including a 2^{0}C or lower scenario	The AllHome ERM framework categorizes climate-related risks under "Risks related to natural catastrophes." The Company has provided work instructions and emergency response protocols to mitigate these identified risks. Additionally, plans are underway to implement more comprehensive measures to enhance current mechanisms for risk mitigation. One option being considered is the procurement of insurance plans and other strategies to compensate for potential losses.
Risk Management Disclose how the organization identifies, assesses, and manages climate-related risks.	
a) Describe the organization's processes for identifying and assessing climate-related risks	AllHome conducts consultations involving employees and other relevant stakeholders to examine the business and its operations. These are based on governance/management structure, products, physical environment, service dependencies, and competitors. The AllHome Board, along with management personnel and technical experts, organizes discussions to identify potential climate-related events and the associated risks for the Company. These consultation sessions enable Management to pinpoint suitable risk-mitigation measures to ensure the Company continues to meet its strategic business objectives. More information on AllHome's ERM Policy is available here. .
b) Describe the organization's processes for managing climate-related risks	AllHome considers all climate-related risks as high risk due to their impact on business operations.

	Similarly, other risks not caused by natural calamities are assessed based on the likelihood of failure and the severity of the consequences. These incidents are then referenced to develop controls and measures to eliminate, minimize, transfer, and/or manage the risks. The ERM framework includes control mechanisms for effective responses to natural disasters. It also allows Management to create and implement appropriate risk-mitigation measures to ensure minimal impact on the Company.
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management	Climate-related risks are carefully evaluated and included in all risk events identified within the Company’s Enterprise Risk Management (ERM) framework. AllHome pays special attention to these risks through the clause “Risks related to natural catastrophes.” These risks are also part of the Business Continuity Plan, ensuring the organization is prepared for disruptions caused by events like typhoons, earthquakes, and other natural disasters.
Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	
a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	Following the Company's strategies and risk management process for climate-related risks, AllHome tracks the total hours of generator use during power outages. The Company monitors the effects of typhoons and potential flooding threats to its stores and their locations by observing rainfall and flooding alerts from relevant government agencies such as PAGASA-DOST. Additionally, AllHome records repair costs, lost operating hours, and sales opportunities to evaluate climate-related risks.
b) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	As the leading home improvement retailer in the Philippines, AllHome is committed to addressing climate-related risks that could impact its products and services. Every AllHome store and facility is thoughtfully designed to withstand challenges from typhoons and flooding. In line with the ERM Policy, AllHome actively mitigates these climate-related risks by securing insurance coverage for potential losses. AllHome secures and maintains adequate insurance coverage on properties, assets, and operations in amounts and for risks comparable to companies with similar businesses and properties in

	the same regions. The Company holds comprehensive general liability insurance and policies covering risks such as fire and lightning, earthquakes, typhoons, riots/strikes, malicious damage, robbery, and burglary. Its insurance providers are major domestic insurers.

Procurement Practices

Proportion of spending on local suppliers

Disclosure	2024	2023	2022
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	100	100	100

AllHome's Impact	Stakeholders Affected
AllHome is the first "one-stop-shop" home improvement retailer in the Philippines, serving Filipino homeowners and builders. The Company procures its products from local suppliers specializing in construction, interior design, and home improvement materials, thereby reinforcing its support for domestic industries. AllHome is dedicated to transparency and sustainability, ensuring that suppliers meet stringent standards in service quality, ethics, and environmental responsibility. Through a rigorous accreditation process and regular audits, the Company upholds fair labor practices and sustainable supply chain management.	Suppliers, Customers, Competitors

Management Approach to Impacts
AllHome values local craftsmanship and prioritizes stocking shelves with products made in the Philippines. However, the Company understands that some items might not be available through local manufacturers. In such cases, AllHome partners with local importers and consolidators to bring in quality imports while still supporting Philippine-based suppliers whenever possible.

Impacts to Risks	Stakeholders Affected

AllHome identifies several risk areas that may impact its operations: delivery delays, product security during transport, and supply availability from Philippine suppliers. Additionally, the Company recognizes potential shortages of suppliers to meet the required quantity, quality, and novelty standards. AllHome also acknowledges the risk of product redundancy due to competitors potentially offering similar products. At the same time, any disruption in the supply chain could have a potentially adverse impact.	Suppliers of furniture, appliances, homewares, linens, construction materials, hardware, tiles, and sanitary wares; Customers; Competitors

Management Approach to Impacts and Risks
AllHome mitigates risks by sourcing inventory from a diverse range of suppliers within each product category, incorporating both international and local manufacturers when feasible. The company sources its imported products via local importers and consolidators. Moreover, AllHome develops proprietary in-house brands to foster brand loyalty and ensure distinctive product offerings compared to its competitors.

Opportunities	Stakeholders Affected
AllHome, as the Philippines' first and only "one-stop shop" home-improvement retailer, is focused on ongoing improvements and expansion plans to maintain its position in the competitive market. The Company is proud of its distinctive value proposition, which allows customers to meet all their home furnishing and improvement needs in one convenient location. By offering a wide range of brands and cost-effective products, the Company ensures comprehensive solutions for its customers. It also consistently reviews inventory and conducts tests to meet the evolving needs and preferences within the Philippine home-improvement market.	Customers, Suppliers of furniture, appliances, homewares, linens, Construction materials, hardware, tiles and sanitary wares

Management Approach to Opportunities
AllHome is built on a foundation of innovation and competitiveness. The company is committed to its mission-vision to become “the top choice for Architects, Builders, Contractors, Designers, and Engineers (ABCDE) by providing ALL the products and ALL the services they require, ALL in one

convenient location.” AllHome aspires to be the definitive one-stop-shop home improvement center for both home buyers and home builders. To achieve this, the AllHome Merchandising team, in collaboration with Product Category Heads and a network of local importers and consolidators, consistently seeks out new and innovative home improvement products and designs available both locally and internationally.

Anti-corruption

Training on Anti-corruption Policies and Procedures

Disclosure	2024	2023	2021
Percentage of employees trained on the organization’s anti-corruption policies and procedures	100	100	100
Percentage of business partners trained on the organization’s anti-corruption policies and procedures	0	0	0
Percentage of directors and management who received anti-corruption training	100	100	100
Percentage of employees who received anti-corruption training	100	100	100

Incidents of Corruption

Disclosure	2024	2023	2021
Number of incidents of corruption wherein directors were removed or disciplined	0	0	0
Number of incidents of corruption wherein employees were dismissed or disciplined	0	0	0
Number of incidents of corruption wherein contracts with business partners were terminated	0	0	0

AllHome’s Impact	Stakeholders Affected
Honesty is a fundamental corporate value of the organization, while transparency serves as the cornerstone of its corporate governance.	Employees, Business Partners, Investors

AllHome Management is dedicated to fostering a transparent workplace by implementing proactive measures to ensure that relevant stakeholders, including employees, have access to comprehensive and up-to-date communication channels and training on the company's anti-corruption policies and procedures. The Company conducts annual sessions on corporate values, along with refresher courses on the Code of Discipline, other Company Guidelines, and third-party seminars on related topics to reinforce compliance with core values. These programs are also integrated into the onboarding orientation for newly hired employees. AllHome regularly audits its communication procedures to ensure that all employees, including management, carry out appropriate disclosures and accounting practices. The Company guarantees due process following labor laws when handling reports of potential incidents of corruption. Employees are required to submit disclosure forms for any tokens or giveaways received, regardless of the amount. Any employee found violating this policy will be dealt with accordingly. Additionally, the Company has established a feedback system through its whistle-blowing policy, which encourages employees to report any wrongdoings they observe within the company.	

Management Approach to Impacts

The Management believes that establishing a robust culture of Transparency within the Company's internal operations will prevent mismanagement and asset misappropriation. This approach is aligned with the Company's corporate governance policies, particularly those concerning Disclosure and Transparency.

The transparency and anti-corruption policies codified within our Code of Business Conduct & Ethics:

- **Conflict of Interest Policy:** Directors and employees must avoid potential conflicts.
- **Insider Trading and Related Party Transactions Policy:** Disclose all material information publicly for transparency.
- **Health, Safety, and Welfare Policy:** Employees cannot accept or offer bribes to government entities, political parties, or business partners. Company-sponsored training included.
- **Whistle-blowing Policy:** Members can report potential policy violations in writing.

Risks to AllHome	Stakeholders Affected
Following the AllHome ERM framework, the Company has identified several risk events, including data corruption, breaches of confidentiality, erosion of trust and relationships with investors, employees, and the public, increased costs due to resource manipulation, delays, and disruptions in operations, as well as other regulatory threats. AllHome is primarily involved in the wholesale and retail buying, selling, distributing, and marketing of a wide range of goods, commodities, wares, and merchandise within the home-construction and home-improvement markets. Consequently, the Company's operations are heavily focused on procurement and sales transactions, which have typically been prone to corruption issues. Furthermore, cost/credit term agreements with suppliers are considered at risk of corruption, potentially leading to non-optimal benefits for the Company.	Employees, Suppliers, Business Partners, Investors, Customers, Management

Management Approach to Risks
AllHome has established a Code of Business Conduct & Ethics to promote Transparency within its corporate governance. The Internal Audit Department conducts compliance self-tests and internal audits to manage operational risks and ensure adherence to internal control policies. Additionally, the Audit Committee, along with the Controller and Compliance Officer, oversees the implementation of updated processes and procedures to ensure that the Company's activities comply with statutory laws and regulations. AllHome ensures Transparency, Confidentiality, Trust, and Security by training all new hires on anti-corruption policies and the Company's Code of Business Conduct and Ethics during orientation. Reminders are given during assemblies. Long-time employees must complete refresher training on company policies annually, while senior employees receive specialized training per regulatory requirements. For policy violations, any employee can report concerns in writing without fear of retaliation, as stated in the AllHome Whistle-blower Policy.

Opportunities	Stakeholders Affected
AllHome regularly reviews and updates its policies to ensure the inclusion of appropriate clauses that cover confidentiality and security	Employees, Suppliers, Business Partners, Investors, Customers,

of information, transparency in the Company's internal operations, and the effective management of operations and company assets. Additional efforts are being made to enhance the processes for detecting, preventing, and deterring corruption within the organization and in its business negotiations.	Management

Management Approach to Opportunities
AllHome adheres to its Code of Business Conduct & Ethics. The company informs its anti-corruption policies to all relevant stakeholders, including suppliers and business partners, before contracts are signed and during deal finalizations. These procedures are integral to the supplier accreditation process, guaranteeing comprehension and adherence to these guidelines.

ENVIRONMENT DISCLOSURES

Resource Management

Energy consumption within the organization

Energy Type	2024	2023	2022
Diesel L)	54,965	33,651	21,750
Electricity (MWh)	38,074	30,801	31,966[2]

Energy Intensity

By Region 2024	Normalizing Factor (sqm)	Fuel & Electricity (GJ)	Energy Intensity (GJ/sqm)
Luzon	309,030.55	109,120.35	0.35
Visayas	456,76.04	14,815.07	0.32
Mindanao	409,16.96	15,145.36	0.37
TOTAL	395,623.55	139,080.78	0.35

Conversion Factor	
Electrical Grid	0.0036 GJ/kWh
Electricity	Luzon and Visayas 0.6935 t-CO_2/MWh Mindanao 0.8522 t-CO_2/MWh
Fuel Energy Conversion	Diesel 0.0366 GJ/L
Fuel Emission Conversion	Diesel 2.910 kg CO_2/L

AllHome's Impact	Stakeholders Affected
AllHome's business model extensively uses electricity and fuels like gasoline. As a network of stores in various locations and sizes across the Philippines, AllHome uses energy to operate and maintain its generator sets, vehicles, and electricity-powered installations within its stores.	Employees, Service Providers, and Customers

[2] Electricity in 2023 has increased due to economic reopening, a better shopping experience, and the opening of new stores. Before, there were fewer operating hours, also to improve the shopping experience of our customers in terms of comfortable temperatures in our malls. The number of new stores opened in 2023 is greater than it was before the pandemic.

In 2024, the Company reported a total diesel fuel consumption of 54,965.00 liters. This marked an increase from previous years, primarily due to the expansion in data reporting coverage. More branches have been included in the monitoring system, resulting in a more accurate and comprehensive overview of fuel usage across the country. Breakdown of diesel consumption by region: ● **Luzon**: 33,372.00 liters ● **Visayas**: 3,000.00 liters ● **Mindanao**: 18,593.00 liters This data was gathered from **17 AllHome stores nationwide**, reflecting the company's operational activities in the three main regions of the Philippines. In addition to fuel, the Company also consumed a total of 38,074.74 MWh of electricity in 2024 to support its operations. The electricity usage per region is as follows: ● **Luzon**: 29,971.93 MWh ● **Visayas**: 4,084.80 MWh ● **Mindanao**: 4,018.02 MWh This electricity data covers a wider operational scope, with **53 AllHome stores** included in the report. The rise in total energy consumption aligns with the continued growth of store locations and improved accuracy in energy monitoring and reporting.	

Management Approach to Impacts
AllHome is dedicated to enhancing energy efficiency across its operations. By carefully scheduling and balancing the daily use of equipment and fixtures, the company aims to achieve optimal energy utilization. To monitor these efforts, AllHome tracks each store's energy consumption, noting any fluctuations compared to previous periods. Concurrently, routine maintenance checks on equipment are conducted to maintain peak efficiency. While AllHome has restored store lighting to premium levels to create an enhanced shopping experience by showcasing products attractively and providing improved air-conditioned environments, this approach is balanced with smart energy-related investments. For example, AllHome considers energy-related factors in its property investment decisions, such as the installation of solar panels. Currently, 15 stores are equipped with solar panel installations, resulting in

an estimated 8% to 10% reduction in energy consumption across the stores. This transition to renewable energy sources not only leads to substantial energy savings but also supports a sustainable future. In 2024, the Company generated **4,867,255.92 kWh** of electricity from renewable sources, further highlighting its progress in embracing clean energy solutions.

Risks to AllHome	Stakeholders Affected
The Enterprise Risk Management framework identifies power interruptions as a significant risk event. During extended power outages caused by natural disasters such as severe typhoons and heavy flooding, AllHome's fuel consumption may increase due to the higher use of generator sets needed to maintain and support business operations.	Employees, Service Providers, and Customers

Management Approach to Risks
AllHome's safety protocols are designed to ensure the seamless functionality of its operations, including a robust preventive maintenance schedule for its generator sets. Preventive maintenance is paramount to the longevity and efficiency of any equipment, ensuring generators operate at peak performance, thereby mitigating the risks associated with power outages. This strategic focus on equipment reliability underscores AllHome's commitment to safeguarding its employees, service providers, and customers, ensuring that business operations continue smoothly under all circumstances.

Opportunities	Stakeholders Affected
AllHome adheres to the latest best practices in the use and optimization of natural lighting during daytime, aiming to reduce its electricity consumption.	Employees, Service Providers, and Customers

Management Approach to Opportunities
AllHome’s depot-type store branches are designed to allow natural lighting through the ceiling, reducing the need for artificial lights during the day. Additionally, all AllHome facilities use energy-efficient lighting fixtures and equipment, such as energy-saving light bulbs and LED store signage.

Air Emissions

Greenhouse Gases (GHG) (in Tonnes CO_2)

Disclosure	2024	2023	2022
Direct (Scope 1) GHG Emissions	159.95	56.68	58.56[3]
Indirect (Scope 2) GHG Emissions	27,042	22,457	22,766
Emissions of ozone-depleting substances (ODS)	N/A	N/A	N/A

GHG Intensity

By Region 2024	Normalizing Factor (sqm)	Fuel & Electricity (tCO_2)	GHG Intensity (tCO_2/sqm)
Luzon	309,030.55	20,882.64	0.07
Visayas	45,676.04	2,841.54	0.06
Mindanao	40,916.96	3,478.26	0.09
TOTAL	395,623.55	27,202.44	0.07

Air Pollutants

As of 2024, monitoring of air pollutants such as nitrous oxides (NOx), sulfur oxides (SOx), and particulate matter (PM) is not available. Even so, AllHome continues to track its energy use and manage it accordingly.

AllHome's Impact, Risks, and Opportunities	Stakeholders Affected
The AllHome business model relies on electricity and fuels such as diesel to sustain its operations. The energy consumption of its store network comes from activities supported through generator sets, vehicles, and electricity-powered installations. This results in emissions being limited to those generated by these vehicles, generator sets, and electricity usage.	Employees, Service Providers, and Customers

[3]The computation of scope 1 and 2 GHG emissions is aligned with SEC guidelines.

The Company produced a total of 27,202.44 metric tons of CO_2 in 2024, primarily resulting from fuel combustion in power generation and electricity consumption across operations. Both Scope 1 and Scope 2 emissions increased during the year. Scope 1 emissions, which refer to direct emissions from fuel combustion, rose as a result of more complete data reporting. This data was gathered from 17 AllHome stores nationwide, representing operational activities across Luzon, Visayas, and Mindanao. Meanwhile, Scope 2 emissions, which represent indirect emissions from electricity consumption, were based on a broader data set covering 53 AllHome stores. The overall increase in greenhouse gas emissions aligns with the Company's expansion of store locations and enhanced accuracy in energy monitoring and reporting systems.	

Management Approach to Impact, Risks, and Opportunities
AllHome monitors emissions from generator sets on an annual and monthly basis through load testing. This is part of the process of renewing the Company's Permit to Operate (PTO). Company-owned vehicles undergo emission testing to comply with DENR requirements. For leased stores, the administrative team of Vistamalls conducts in-house physical checks monthly to monitor emissions for the entire mall. AllHome contributes to emission reduction by implementing energy-saving measures such as using energy-efficient lighting and equipment and turning off devices and equipment when not in use.

Water consumption within the organization

Disclosure	2024	2023	2022
Water consumption	137,185	63,694	63,449[4]
Water recycled and reused	N/A	N/A	N/A

[4] The amount of water increased due to the normal store hours compared to the shortened operating hours of 2021 and 2020, and the addition of two stores: Mintal (Davao) and Agro.

Management Approach to Impact, Risks, and Opportunities
The Company has no full control of its water because small specialty and large mall-based stores are leased with Vistamalls. However, AllHome has determined that its water usage, which is mainly for domestic purposes, has a minimal impact on the environment. The Company monitors the water consumption of each store and checks for any fluctuations contrary to the norm as compared with previous periods' water consumption. In 2024, the Company withdrew 137,185 m^3 of water for its operations sourced from third-party suppliers, an increase primarily due to the expansion in data reporting coverage. AllHome does not measure the volume of water discharge. AllHome has also set long-term water management goals. It intends to improve water quality by reducing pollution, minimizing use, eliminating the dumping of hazardous materials, and halving the portion of untreated wastewater. The Company follows government agency standards in setting internal water discharge settings as well as in monitoring the quality of effluent discharge such as the policies implemented by the Laguna Lake Development Authority. AllHome understands the critical value of water as a natural resource and the current threat posed by low watershed levels as well as the business importance of water footprints across the economic chain.

Materials used by the organization

		2024	2023	2022
Material used	Plastic (pcs)	-	5,400	6,000
	Carton (kl)	243847.00	15,300	16,000

AllHome's Impact, Risks, and Opportunities	Stakeholders Affected
AllHome stores are committed to reusing cartons for packaging customers' purchased merchandise. Furthermore, the sale of other cartons and used papers to recyclers generates additional revenue for the Company. The Company also encourages the regular dissemination of information on waste and materials management practices. This initiative not only raises staff awareness but also enhances material	Employees, Customers, Recyclers

use efficiency, enabling the Company to divert its generated waste materials more effectively. AllHome's recycling record includes repurposing 243,847 kilos of cartons for packaging purchases and other items, as well as utilizing plastic materials for wrapping donations or items for sale. It is important to note that reused materials may not possess the same qualities as new materials, potentially affecting their reliability.	

Management Approach to Impact, Risks, and Opportunities
AllHome recycles cartons for packaging to reduce the need for new materials. The stores also use paper bags and cartons, and the Company encourages everyone to bring their reusable bags to help cut down on packaging waste. We are committed to these practices to keep waste levels low and support environmental conservation.

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

Management Approach to Impact, Risks, and Opportunities
Although this topic is not considered material to the business and its stakeholders, AllHome remains committed to managing its energy, water, and waste resources to mitigate any potential environmental impacts.

Solid and Hazardous Wastes

Solid Waste

Disclosure	2024	2023	2022
Recyclable wastes generated (in tonnes)	243.85	16.4	17.6

Hazardous Waste

Disclosure	2024	2023	2022

Total weight of hazardous waste generated[5] (pcs.)	1,285	7,973	15,425[6]

AllHome's Impacts and Opportunities	Stakeholders Affected
As a leading one-stop destination for home improvement, AllHome specializes in the procurement, distribution, and marketing, both wholesale and retail, of a comprehensive range of goods, commodities, wares, and merchandise related to home construction and renovation projects. The Company recognizes that the use of plastics, particularly in packaging, poses a significant environmental concern. While current systems may not yet have the full capacity to track the total volume of plastic used, it is estimated that packaging materials can generate up to 243 tons of carton waste annually, based on data from 54 AllHome stores. As part of its business practices, AllHome is actively implementing waste reduction measures, particularly in minimizing plastic usage. These initiatives include the reuse of packaging materials, such as cartons, to reduce waste generation and prevent the clogging of drainage systems and waterways. In 2024, the Company generated a total of 1,285 pieces of hazardous waste, including used bulbs and batteries. This data was collected from 28 AllHome stores across Luzon, Visayas, and Mindanao. All hazardous waste was properly segregated and transported by a certified hauler, in accordance with environmental regulations. Moving forward, the Company remains committed to strengthening its waste management efforts through recycling, reusing materials, and ensuring responsible disposal practices, in support of a cleaner and more sustainable environment.	AllHome, Customers, Local Communities

[5] The data covers busted bulbs and batteries generated by all stores

[6] The increase in hazardous waste generated is because of two new stores and the replacement or upgrading of busted light bulbs. There were many busted light bulbs in previous years that were not replaced since the stores are either closed for in-store purchases or not fully operational. These bulbs were replaced only in 2022, when the alert levels were relaxed. In line with the economic recovery, Allhome upgraded many light bulbs from 40 watts to 80 watts.

Management Approach to Impacts and Opportunities
AllHome is committed to integrating sustainability into its operations, recognising that environmental protection is vital for the longevity of its business. As a major player in the Philippines with significant carton usage, AllHome has put in place a waste segregation policy and program. Employees are trained on proper waste segregation and the importance of managing waste to minimise environmental impact. The company separates recyclable materials for sale or reuse and contracts third-party hauler services for additional waste collection, distinct from those used by Vistamalls. The repair and maintenance team for each store consistently oversees waste management and associated activities. Customers are encouraged to dispose of waste correctly through signage and to bring their own utensils or reuse disposable items like shopping bags. Security personnel ensure customer compliance. Furthermore, AllHome supports local government bans on single-use plastics by promoting the use of reusable bags among customers. These efforts reflect AllHome's dedication to sustainability within its industry and community.

Environmental Compliance

Non-compliance with Environmental Laws and Regulations

Disclosure	2024	2023	2022
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	0	0	0
Number of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	0	0
Number of cases resolved through dispute resolution mechanism	0	0	0

Management Approach to Impacts and Opportunities
Certain AllHome free-standing stores operate independently of the mall. For other large stores that are tenants of Vistamall, AllHome is not obligated to monitor compliance with environmental regulations. Nevertheless, the Company implements energy-saving initiatives and progressive waste segregation

policies in all stores. At the same time, it ensures adherence to the environmental policies and house rules imposed by the owners of the mall where AllHome stores are situated.

For the reporting year 2024, the Company has reported no instances of material non-compliance. AllHome regularly conducts departmental updates on permit and license requirements to prevent incidents of non-compliance.

SOCIAL DISCLOSURES

Employee Management

Employee Count

Disclosure	2024	2023	2022
Total number of employees[7]	345	563	514
a. Number of female employees	190	299	269
b. Number of male employees	155	264	245
New Hires	263	144	83
Turnover (voluntary and involuntary)	263	145	189
Attrition rate[8]	(0.4714)	(0.0009)	(0.1380)
Ratio of lowest paid employee against minimum wage	Confidential	Confidential	Confidential
Number of employees from indigenous communities and/or vulnerable sector[9]	N/A	N/A	N/A

Employee Benefits

Benefits	Provided	women who availed	men who availed
SSS	Yes	10%	12%
PhilHealth	Yes	3%	1%
Pag-IBIG	Yes	6%	1%
Parental Leave	Yes	5%	1%
Vacation leaves	Yes	68%	81%
Sick leaves	Yes	48%	56%

[7] The data includes regular and probationary employees assigned in the head office and stores.
[8] Attrition are = (no. of new hires - no. of turnover) / (average of total no. of employees of previous year and total no. of employees of current year)
[9] Vulnerable sectors include, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).

Medical benefits (exc. PhilHealth)	Yes	52%	41%
Annual Physical Exam	Yes	63%	58%

AllHome's Impact
The Company provides learning and development opportunities, along with competitive compensation and benefits packages, to all employees nationwide in line with its mission of delivering exceptional service to all stakeholders. This initiative has effectively sustained employee engagement and retention. In 2024, the company experienced a significant reduction in its total number of employees. This decision was part of a broader strategy to address the declining market demand. To maintain long-term sustainability and operational efficiency, management implemented cost rationalization measures, which included optimizing manpower resources. Despite these changes, the company remains focused on the well-being of its workforce, ensuring that the remaining employees receive support in a dynamic business environment. AllHome is proud of its reputation as an employer that actively promotes equal employment opportunities. In 2024, the Company's manpower resource data revealed an almost equal ratio of female and male employees, demonstrating its commitment to equality for all who wish to work at AllHome. Regarding Board composition, AllHome values diversity of views and opinions in the decision-making process. As of 2024, there are 28.57% female members on the Board and 2.0% female employees in management positions.

Management Approach to Impacts
AllHome aims to be recognized as an "Employer of Choice" in the Philippine home improvement industry by offering competitive salaries and benefits packages. The company strictly adheres to the policies of the Department of Labor and Employment (DOLE). The entry-level salary is set at the minimum wage level for Mega Manila, with higher rates for Luzon, Visayas, and Mindanao. In addition to government-mandated benefits, AllHome provides extra leave entitlements for regular employees, medical programs, and communication allowances. The company also offers shuttle services for onsite workers, ensuring safe and convenient transportation. AllHome partners with an HMO provider to help employees monitor their health and address medical concerns. Upon regularization, employees and their dependents are automatically enrolled in an HMO plan. Regular employees also receive paid sick leave as part of their employment benefits. The company has improved medical plans for all employees, enhanced online consultations with healthcare providers, and designated an affiliate clinic for RT-PCR testing. Beyond these benefits, AllHome offers a 13th-month pay, travel opportunities as part of its incentive program, and additional leave entitlements. Just as important, the Company fosters a culture where every voice is heard and valued, promoting diversity and inclusion. AllHome has successfully built a

multigenerational workforce, ensuring a rich talent pool.

AllHome's Non-discrimination Policy ensures fair recruitment and hiring practices, with no preference or discrimination based on gender, age, disability, educational attainment, race, or religion. Gender equality is evident in the company's employee composition, where all employees, regardless of rank or position, are included, valued, and empowered to perform at their best. Every employee can bring their unique self to work, with all talents utilized and ideas heard.

Risks to AllHome

Attrition is generally considered an operational risk for the company. Notably, AllHome has identified no significant risks related to discrimination. There have been no reports of discrimination against employees, suppliers, or applicants based on gender, age, disability, educational attainment, race, or religion.

Management Approach to Risks

Having a competitive spirit is highly valued in the AllHome culture. The Company acknowledges the valuable contribution of its employees and strives to ensure that all team members are high-performing and motivated to remain with the company through various career longevity programs and retention policies, including but not limited to:

- Competitive salary and compensation packages
- A positive, comfortable, and proper work environment and culture
- Quarterly bonding activities for each department
- Annual team-building sessions
- Equal and fair opportunities and performance evaluations
- Training and development sessions

To mitigate workforce-related risks, audits and educational training for personnel are conducted across the company's stores, ensuring that every member understands and adheres to its policies. AllHome also provides training to prepare employees for future roles and responsibilities as part of its succession planning. Additionally, replacement planning is undertaken to proactively identify key personnel in operational functions.

Opportunities

AllHome's continued growth and rising revenue have allowed the company to continuously seek new ways to reward and incentivize its employees. By 2024, AllHome's network will have expanded to 72 stores across Mega Manila, Luzon, Visayas, and Mindanao. This expansion not only boosts the company's presence but also creates numerous employment opportunities for local communities surrounding its branches.

Management Approach to Opportunities
AllHome's commitment to career longevity and employee retention is showcased through its comprehensive rewards and incentives program. This initiative celebrates deserving employees, both individually and as a team, with notable rewards such as free local and international travel as well as competitive salary increases tied to performance evaluations. A highlight of this program is the quarterly engagement event known as Jumpstart. During Jumpstart, outstanding individual and team performances are recognized, with rewards and recognitions announced in a celebratory atmosphere. Despite the challenges posed by the pandemic, AllHome successfully launched its first-ever virtual Jumpstart via Zoom. By 2024, Jumpstart has evolved into the Leader's Assembly, returning to in-person sessions and continuing the tradition of acknowledging excellence. Further enhancing its recognition efforts, AllHome introduced the PreMium Awards program, which honors stores and individuals who have achieved or exceeded their monthly or yearly targets. AllHome is dedicated to fostering fair and equal employment opportunities. The Company strictly adheres to directives from the Department of Labor and Employment and its corporate policies. To ensure a diverse and inclusive workforce, AllHome offers various application channels, including online, on-ground, and on-site submissions. The Company prioritizes applicants from local communities near its stores, promoting a workforce rich in cultural, religious, ethnic, and socioeconomic diversity. Through these initiatives, AllHome not only boosts employee morale and performance but also strengthens its commitment to creating an inclusive and dynamic working environment.

Employee Training and Development

Disclosure	2024	2023	2022
Total training hours	4,292	11,392	16,084
a. Female employees	2,241	6,235	9,040
b. Male employees	2,051	5,190	7,044
Average training hours[10]	12.44	20.23	31.29

[10] The average is measured as training hours per employee.

a. Female employees	11.79	20.85	33.61
b. Male employees	13.23	19.66	28.75

Programs for upgrading employee skills and transition assistance programs

Disclosure	2024
Total employees provided transition assistance programs	210
a. Female employees	102
b. Male employees	108

AllHome's Impact

All AllHome training programs were created with the clear objectives of increasing productivity and elevating performance. The idea is that productive team members will lead to higher sales and overall employee efficiency. This also helps in preparing for future talent needs due to the expansion of store networks.

Webinars have played a significant role in AllHome's learning and development initiatives. In 2024, AllHome prioritized employee growth and sustainability through targeted training programs. These initiatives covered essential store operations, sales management, specialized external training, personal development, industry engagement, and regulatory compliance. By equipping our workforce with vital skills and knowledge, we aim to drive operational excellence, enhance customer satisfaction, and contribute to our sustainability goals.

However, there was a decline in the number of training sessions due to a growing preference for in-person workshops. Company records show that 41 internal and 16 external training sessions on technical and behavioral programs were provided.

Management Approach to Impacts

Training is developed by the AllHome Training Academy, which designs modules based on thorough in-house audits, customer feedback, and comprehensive store assessments. These evaluations help identify specific areas for improvement and ensure that the training is tailored and effective in addressing the unique needs of the workforce. Additionally, training prepares employees for career advancement within the company, blending immediate performance enhancement with long-term growth.

Risks to AllHome
Connectivity remained a significant challenge for training. This barrier limited the learning absorption of team members on products with high technical specifications, potentially having an impact on the Company's capacity to maintain a highly skilled workforce essential for its target clientele of discerning shoppers. In 2024, AllHome continued its hybrid training approach. However, this exposed personnel in areas with poor internet service to connectivity issues. For face-to-face training and large meetings involving immune-compromised participants, swab testing was required to ensure negative results and the safety of all participants.

Management Approach to Risks
AllHome prioritized the implementation of uniform training programs to maintain a consistent skill set across its workforce. The company determined that this approach was the most effective in creating efficient staff while minimizing operational disruptions due to variations in skill levels. In 2024, AllHome continued its training efforts through webinars and explored the eLearning capabilities provided by the company's SAP system.

Opportunities and Management Approach
AllHome's journey to success is closely linked with its dedicated workforce. Each employee in its stores and operations brings unique skills and knowledge, forming the foundation of the company's achievements. Recognizing this, AllHome remains committed to providing good training and development programs for all team members. To ensure continuous improvement, AllHome conducts annual evaluations that focus on enhancing skills, boosting work performance, and upholding corporate values. These assessments cover various areas, including overall performance, sales effectiveness, and customer service quality. The company believes in nurturing its employees for future roles, offering ongoing training to equip them with the tools needed for upcoming responsibilities. Moreover, AllHome engages in proactive replacement planning to identify key talent within operational functions. Through succession planning, the company prepares multiple individuals to step into important roles, ensuring a smooth transition and continued success.

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	2024	2023	2022
Safe Man-Hours	498,100[11]	812,268	913,536
No. of work-related injuries	18	17	19
No. of work-related fatalities	0	0	0
No. of work-related ill-health	0	0	0
Safety drills (fire and earthquake)	annually	annually	annually

AllHome's Impact

AllHome's operations require employees to assist in the transportation and installation of home improvement fixtures within both customer premises and company facilities. In 2024, there were reported incidents in stores such as being hit by objects, wounds, slips, trips and falls, cuts and lacerations, injuries from falling objects, and muscle strains. Consequently, the Company conducted a review of its Occupational Health and Safety Management (OHSM) and ensured that its personnel received proper training following OHSM protocols.

Management Approach to Impacts

AllHome is committed to maintaining a safe and healthy work environment by adhering to R.A. 11058 and D.O. 198-18, which ensure that employees work in conditions free of hazards. The company's comprehensive policy includes employee orientation, risk assessment programs, and safety training for officers and first aiders. These guidelines are communicated through emails, signage, and regular safety inspections.

In 2024, AllHome took part in safety drills organized by the national government across all its stores and offices such as fire and earthquake drills. The company continues to offer Basic Occupational Safety and Health (BOSH) and First Aid training at no cost to selected employees, who receive certificates upon completion, along with meals and transportation allowances for off-site sessions.

Trained safety personnel, certified by the Department of Labor and Employment (DOLE), are responsible for the nationwide implementation and enforcement of workplace safety programs.

11 Safeman hours are for employees only and do not include worker hours.

AllHome also follows DOLE guidelines for the prevention and control of tuberculosis, Hepatitis B, and HIV, providing a referral system for medical assistance and effective case management.

Other initiatives to ensure workplace health include:

- Non-discrimination policies
- Reasonable working arrangements
- Educational and awareness campaigns
- Improved workplace conditions with proper ventilation and sanitation
- Annual medical examinations for early disease detection and assessment

AllHome teams up with VistaMall and building administrators to conduct periodic earthquake and disaster response drills, ensuring that employees and personnel are equipped with the necessary preparedness and response skills. In the event of a disaster, the company prioritizes the safety of employees and clients by implementing evacuation and risk mitigation protocols following the local government, NDRRMC, and regulatory guidelines.

Risks And Management Approach

AllHome takes employee safety and well-being seriously, ensuring that everyone is well-informed about safety procedures and merchandising safety standards through mandatory training sessions. Comprehensive safety guides are provided, detailing potential health risks, preventive measures, and emergency response protocols.

Each department is equipped with a first aid kit and has a designated emergency response officer, trained and certified by the Philippine Red Cross in disaster preparedness, occupational safety, and first aid. Offices are stocked with essential medical supplies, including sanitizers, thermometers, and medicine kits.

To enforce safety policies and monitor health measures, AllHome assigns Safety Officers. These officers ensure compliance and oversee the submission of Daily Health Symptoms Forms by employees, who also monitor their temperatures, practice hygiene protocols, and limit face-to-face interactions. Should an employee show signs of illness, a case management guideline is in place to advise self-isolation and consultation with a medical professional.

AllHome promotes employee well-being through on-site annual physical examinations, HMO plans, and health care coverage for dependents upon regularization. Employees benefit from paid sick leaves and are encouraged to maintain an active lifestyle through wellness programs.

Designated Safety Officers ensure adherence to health and safety regulations, address worker concerns, and conduct Basic Occupational Safety and Health (BOSH) Training. Regular site inspections, audits, and assessments help identify workplace hazards, ensuring that any safety concerns are promptly addressed by the Facilities Management Department.

By integrating these safety and health initiatives, AllHome fosters a secure and proactive work environment for all employees.

Opportunities
AllHome adheres to established business safety protocols, implementing comprehensive safety measures to safeguard both staff and customers throughout their shopping experiences at AllHome.

Management Approach to Opportunities
AllHome encourages its employees to actively engage in the training and development of health and safety programs. Collaboration is promoted through feedback and surveys conducted via Zoom, Viber, and emails, aimed at gathering ideas and suggestions. Safety training is maintained as a continuous requirement to ensure workplace safety and the well-being of employees. By incorporating these safety and health initiatives, AllHome creates a work environment that prioritizes security and employee well-being.

Labor Laws and Human Rights

Disclosure	2024	2023	2022
Number of legal actions or employee grievances involving forced or child labor	0	0	0

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

Topic	Y/N	If Yes, cite reference in The Company policy
Forced labor	N	N/A
Child labor	N	N/A
Human Rights	Y	AllHome based its human rights policy against sexual harassment on the definition of sexual harassment set forth in Section 3 of R.A. 7877 or the Anti-Sexual Harassment Act of 1995.

Labor-Management Relations

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements	N/A	%
Number of consultations conducted with employees concerning employee-related policies	0	#

Impacts, Risks, and Opportunities
AllHome provides a safe and transparent grievance mechanism to promote a collaborative work environment. The company conducts due diligence to identify and address potential human rights risks in its operations and services. This approach enhances visibility in operational processes, reduces attrition, improves hiring and training, and strengthens reputation and credibility. AllHome enforces policies that protect employees' rights and prevent discrimination through its Whistle-blowing and Open-Door policies. In 2024, the company recorded zero cases of forced or child labor and ensured due process in all policy violation cases. AllHome does not have collective bargaining agreements or unionized employees but remains committed to fair labor practices and compliance with legal requirements. Non-compliance with labor laws and human rights can expose the company to legal and reputational risks. To mitigate these risks, AllHome educates employees on policies and procedures aligned with national labor laws, ensuring a responsible and ethical workplace.

Management Approach to Impacts, Risks, and Opportunities
AllHome is dedicated to ensuring a workplace free from discrimination and harassment, promoting fair treatment, equal opportunities, and safety for all employees and stakeholders. This commitment is part of the Company's Code of Discipline and is reinforced through orientation programs. Employees are regularly reminded about the Company's core values, personal boundaries, and labor law compliance. New hires receive detailed instructions on workplace policies during their orientation. If there are operational changes, AllHome provides a one-week notice. The Company has a clear process for handling complaints: ● Designated channels for reporting grievances. ● Quick response and investigation by the Committee on Decorum and Investigation or Employee Relations (HR).

- Following due process for employment termination. AllHome encourages open communication through a two-way approach: Senior Management sets the tone, and Department Heads address concerns before they become formal grievances. Regular training ensures leaders maintain effective communication. AllHome collects employment-related data, including turnover and attrition rates, through various reports and surveys. Employees are encouraged to participate in surveys and suggest improvements. Retaliation against employees who voice concerns is strictly prohibited. AllHome holds an Annual Values Session where employee concerns and recommendations help shape management decisions. The "It's Time to K.I.S.S." program invites employees to suggest process improvements, with top ideas rewarded by the Chairman. Suppliers can raise concerns via email or directly to the Purchasing or Merchandising Group Head. Issues are also discussed during quarterly supplier performance reviews. AllHome is committed to ongoing improvements in stakeholder awareness, workplace diversity, and fair handling of complaints according to company policies.

Supply Chain Management

AllHome has a supplier accreditation policy that considers the following sustainability topics:

Topic	Reference in The Company Policy
Environmental performance	As stipulated under the **Conduct of Business and Fair Dealings policy**, AllHome requires suppliers to provide information on their environmental performance such as safe operations in its facilities and offices. Verification is done through site inspections
Forced labor	AllHome requires suppliers to provide information on its manpower that are verified through background checks. This is in accordance with the Company's provision on the Conduct of Business and Fair Dealings policy.
Child labor	
Human Rights	
Bribery and corruption	

Impacts and Risks
AllHome has grown its network to over 700 partners, including suppliers and concessionaires. The Company works with third-party distributors and service providers to handle inventory, store displays,

and logistics. Disruptions in these relationships or changes in the supply chain could affect product availability and impact financial performance.

As a retail company, AllHome carefully selects suppliers to ensure high product quality and uphold its brand reputation. In 2024, the Company proudly reported zero significant negative environmental and social impacts in its supply chain. However, it remains vigilant about risks like delivery delays, product security during transport, and supply availability, as outlined in the Enterprise Risk Management framework.

Power interruptions, especially from natural disasters like typhoons and flooding, pose operational risks. Using generators during outages increases fuel consumption and reduces efficiency. To address these issues, AllHome builds strong relationships with stakeholders, enhances supply chain flexibility, and takes advantage of its expanding store network.

In addition, the Company analyzes sales data proactively, so it is able to adjust product offerings to better meet customer preferences, ensuring smooth business operations and sustainable growth.

Management Approach to Impacts and Risks

AllHome maintains high product quality by rigorously selecting suppliers based on reputation, reliability, pricing, and industry standards. The selection process also considers customer preferences, product quality, profit margins, after-sales service, marketing support, and incentives.

There is a rigorous auditing process for all suppliers, and new suppliers undergo thorough evaluations before their products are considered for inclusion in the stores. They must adhere to contractual standards, ensuring timely and reliable deliveries, compliance with required specifications, and adherence to relevant laws, including DTI regulations on trademarks and authenticity. Quality control teams inspect samples before product display to ensure high standards.

AllHome diversifies its supplier base to mitigate risks associated with dependence on a single source. By consistently sourcing new products and monitoring market trends, the company ensures product relevance. Additionally, bulk inventory orders help mitigate supply chain disruptions while maximizing volume discounts.

Opportunities

AllHome advances business and environmental sustainability by advocating for suppliers to implement responsible procurement and sustainability practices. The company also integrates best practices for sustainable operations, including optimizing natural lighting during daytime to minimize electricity usage. This initiative not only improves energy efficiency but also underscores AllHome’s dedication to environmental responsibility.

Management Approach to Opportunities

AllHome adheres to rigorous accreditation standards as specified in its Code of Business Conduct and Ethics, evaluating financial, operational, social, and environmental metrics. To maintain transparency, the Merchandising Group conducts quarterly reviews of supplier performance to inform contract renewal decisions.

Supplier contracts generally have a duration of one year, while short-term agreements are reviewed monthly. Key performance indicators such as Delivery Fill Rate and On-Time Delivery are closely monitored, with necessary corrective actions taken when required

Under the **Conduct of Business and Fair Dealings** policy, AllHome requests that suppliers disclose environmental performance data, including safe operations, verified through site inspections. Suppliers are expected to meet contractual standards for timely deliveries, product specifications, and regulatory compliance.

Sustainability and Transparency Initiatives

AllHome encourages suppliers to enhance sustainability throughout their contract period by:

- Deploying promoters to monitor sales and inventory levels at each store
- Conducting regular business reviews
- Providing reports on non-moving inventory to support promotional efforts
- Sending monthly updates on sales performance

Business Review Process

AllHome's supplier business reviews typically include:

- Sales Analysis: Yearly comparison by store, sub-category, and brand
- Sales Targets & Incentives: Projections and performance incentives
- Manpower & Incentives: Workforce status and support
- Promotion & Marketing Support: Store openings and campaigns
- Distribution Charge Support: Cost assessments
- Fill Rate Monitoring: Supply chain efficiency
- Inventory Review: Fast-moving and non-moving items analysis
- Payment Terms: Financial arrangement negotiations
- Commission Rates: Supplier commission structures
- New Item Offerings: Introduction of new products

These measures ensure that suppliers adhere to AllHome's standards, promoting sustainable and transparent partnerships.

Relationship with Community

Significant Impacts on Local Communities
AllHome has always been mindful of the impact of its operations on local communities. With 72 stores nationwide, the company prioritizes sourcing and hiring talent from within the vicinity of each store, ensuring that communities benefit from its presence. Each local store is encouraged to support and engage in community projects that align with AllHome's corporate values. Proposals for these projects undergo thorough evaluation to ensure they have a beneficial impact on the community. AllHome strategically builds stores closer to residential areas rather than commercial districts. This approach makes shopping more convenient for customers, who prefer to shop near their homes, especially given the increasing traffic congestion. With an AllHome QuickFix store nearby, customers can quickly access everything they need for their daily activities and household projects. Additionally, AllHome stores are designed to provide a secure and convenient shopping experience. By locating stores near residential areas, customers can minimize their exposure to external elements, enhancing their safety. AllHome's commitment to community welfare extends to its corporate social responsibility (CSR) activities through the AllHome Builds program. This initiative promotes a sustainable lifestyle among stakeholders by offering product discounts and organizing promotions. Employee volunteerism is highly encouraged, with staff participating in activities such as clean-up drives to foster a sense of community and responsibility. As part of the Villar Group, AllHome also collaborates with the Villar Social Institute for Poverty Alleviation and Governance (SIPAG) Foundation, participating in various programs and activities aimed at supporting and uplifting communities. In 2024, AllHome supported various communities including the following initiatives: ● Donation of essential building materials to the Philippine Army at Camp O'Donnell in Capas, Tarlac. The donation included items for the construction of a conference hall and comfort rooms within the camp to help enhance the facilities vital for the Philippine Army's operations and personnel. ● In a partnership with Las Pinas National High School, AllHome embarked on a project to renovate and enhance the Science & Technology Engineering & Mathematics (STEM) Room and Science Faculty Room, contributing to the school's efforts to provide quality education in the new learning setup.

Customer Management

Customer Satisfaction

Disclosure	2024	2023	2022
Customer Satisfaction Score	4.2	4.4	4.2[12]
Conducted by third party?	Yes	Yes	Yes

AllHome's Impact
In 2024, AllHome received a rating of 4.2 out of 5 stars from an online customer satisfaction survey that collected reviews from customers for each AllHome branch. The Market Research Team consolidated, processed, and analyzed the data and reported the findings to management and key teams. These teams then used the insights to develop business strategies aimed at improving service to AllHome's clients.

Management Approach Impacts
AllHome is transforming the home improvement shopping experience in the Philippines as the nation's first one-stop home improvement retailer. With a strong dedication to innovation and seamless service, AllHome combines a wide range of products, personalized services, and a multi-channel retail strategy that boosts customer engagement and satisfaction. AllHome meets the needs of both professionals and homeowners with its large selection of home improvement products. The company's omnichannel approach ensures that shopping is easy and accessible through physical stores, its website (www.allhome.com.ph), the SHOP4U personal shopper service, and Viber communities. Customers can also enjoy flexible payment options, click-and-collect services, and fast delivery, making shopping more convenient. AllHome uses advanced digital tools such as a 360˚ virtual store tour, self-service kiosks, and QR code payments to enhance the buying experience. Its loyalty programs, AllRewards and Business Loyalty, provide personalized incentives that help retain customers and keep them happy. In 2024, AllHome launched a one-stop-solutions team, offering services like air-conditioning installation, furniture assembly, paint mixing, and move-in packages in partnership with real estate developers. The Park-and-Shop concept, with designated parking access, adds an extra layer of convenience.

[12] Customer Satisfaction Score of 2023 is 4.4 for 31 AllHome stores in the Philippines

AllHome's varied portfolio includes hardware, construction materials, appliances, and home furnishings. To ensure a hassle-free experience, the company provides additional services such as home-styling consultations, personal shopping assistance, and assembly services. Flexible payment plans, including 0% installment options, offer further value to customer transactions.

Located alongside other AllValue group establishments, AllHome offers a comprehensive shopping experience that caters to various consumer needs. By continually updating its retail formats and service innovations, AllHome ensures that customer satisfaction remains at the core of its operations, making every shopping experience outstanding.

Risks to AllHome

Customer satisfaction at AllHome relies on effective customer service, particularly in addressing requests, inquiries, and complaints promptly. Poor or slow responses can negatively impact customer satisfaction and loyalty.

Consumer demand for AllHome products is influenced by consumer preferences. The Company's performance relies on its ability to identify social, style, and other trends affecting customer preferences and to source and sell products that meet AllHome's quality standards while responding to changing customer preferences. Inadequate sourcing and marketing of products or inaccurate forecasting of changes in customer preferences could adversely affect customer satisfaction levels, relationships with customers, and demand for products and services.

Management Approach to Risks

AllHome uses experience, data, and established methods to forecast and manage demand fluctuations. These methods involve conducting internal and customer surveys, reviewing industry reports, attending trade shows, and performing industry benchmarking to evaluate changes in consumer preferences.

AllHome values feedback, comments, and suggestions from its customers. Aside from the physical customer service desks, customers can reach out through the store hotlines, emails, and social media accounts to communicate customer needs and concerns.

The Online Customer Feedback and Suggestion Form is accessible by scanning the QR code located near the checkout counters. This initiative was launched in May 2021 and continued in 2024 to promptly capture and address concerns at each store level. These forms are available for customers to use at any time for feedback, complaints, or suggestions. The response rate for the QR code is nearly half of the total responses received from online Google reviews and manual surveys. Sales Specialists introduce this option to customers as part of their closing pitch.

Opportunities and Management Approach
With the rise of "revenge retail" as a customer behavior trend, AllHome Vice Chairman Camille Villar expressed confidence in the chain's ability to adapt to market shifts and emerging customer preferences. Additionally, continuous feedback and improvement are essential to AllHome. Through customer satisfaction surveys, the Company has implemented new value-added services, such as furniture assembly and water heater installation, based on customer demand. It will continue to conduct surveys to identify opportunities to enhance customer experience and optimize all product and service offerings. AllHome has a comprehensive customer service program that covers various modules, including the basic standards and culture of service, and ongoing education on technical/product proficiency series, to support frontliners in selling effectively and confidently alongside retail salesmanship. The program includes an internal customer service compliance audit tied to the store's performance objectives to ensure consistency in execution.

Health and Safety

Disclosure	2024	2023	2022
No. of substantiated complaints[13] on product or service health and safety	0	0	0
No. of complaints addressed	N/A	N/A	N/A

AllHome's Impact, Risks, and Opportunities
AllHome stores fully comply with safety protocols set by the Department of Health and other government agencies. With the increased use of AllHome's digital platforms, there were no health and safety complaints in 2024. Digitization remained a key strategy as stores served higher foot traffic.

Management Approach to Impact, Risks, and Opportunities
AllHome is dedicated to maintaining a secure shopping environment for customers and a safe workplace for employees. The "Park and Shop" concept implemented by AllHome has encouraged more customers to utilize the direct access to parking spaces, particularly in stores located within Vistamalls. This initiative not only enhances convenience but also alleviates shopper traffic congestion within the shopping areas.

[13] Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies. This applies to disclosures under Marketing and Labeling and Customer Privacy

Additionally, the Company has strengthened its online presence through various initiatives that leverage the organization's leadership via an omnichannel approach. For further details on the digital channels available, please refer to the Customer Satisfaction section.

The Company's product offerings include labels from the respective brands indicating safe use. Sales personnel demonstrate the correct operation and usage of the products. Furniture assembly services are provided to avoid the risk of improper assembly by customers, which could result in accidents.

AllHome maintains sanitation practices. Bathrooms, elevator buttons, and escalator handrails are disinfected regularly. All AllHome stores undergo regular disinfection by ShieldTec or EnviroNet. Queuing stickers are placed in areas where lines form. Posters promoting social distancing, hand sanitization, and other precautionary measures are displayed throughout the stores to remind customers and employees.

Marketing and Labelling

Disclosure	2024	2023	2022
No. of substantiated complaints on marketing and labeling	2	4	13
No. of complaints addressed	2	4	13

AllHome's Impact

AllHome stays informed about advancements in the retail industry and emerging business trends. This enables the company to enhance its competitiveness among its counterparts.

Any issues related to marketing and labeling are promptly addressed at the store level. Efficiency information is prominently displayed within the store. Additionally, AllHome educates consumers through social media posts regarding the energy and efficiency performance of appliances available at AllHome. The company also actively promotes energy-saving products within its stores.

Management Approach to Impacts

AllHome employs a variety of marketing strategies, including social media, influencer partnerships, banners, billboards, flyers, print ads, LED walls, radio, online ads, and in-store promotions.

The Company has digitized its marketing strategies to continue to engage with its target market.

- Relationship Marketing: AllHome cultivates customer relationships by ensuring easy access to store staff and customer service. Customers were able to address their needs through SMS, phone calls, Messenger, and Viber (Shop Online at AllHome and AllHome Builders Centre Shopping Community).

- Content and Influencer Marketing: AllHome uses aspirational images to engage its audience and collaborates with local celebrities to promote its products and services online.
- Loyalty Programs: AllHome extends its loyalty program to include architects, contractors, builders, and other professionals.
- Digital Marketing: AllHome leverages the digital landscape through its e-commerce platform and diligent search engine optimization (SEO) strategies. The company also engages with social media platforms such as Facebook, Instagram, TikTok, and YouTube to increase brand awareness and promote its products. In 2024, the website garnered 5.5 million views.
- Local Store Promotions: Regularly scheduled sales promotions to attract consumers and encourage purchases.
- In-store Display: key products highlighted at store entrances

These strategies are implemented to advertise AllHome's seasonal catalogue, sale events, exhibits, and store demonstrations. All promotions are subject to approval by the Department of Trade and Industry for the required permits, and a third-party agency is engaged in the production, delivery, and installation of marketing materials.

Risks to AllHome

AllHome believes customers prefer shopping in physical stores to try and test products. Incorrect pricing may affect customer loyalty to the brands offered by the Company.

Management Approach to Risk

AllHome establishes consistent retail prices for products across all its stores. The Company determines these prices based on the supplier's suggested retail price, competitive benchmarking of similar products, and several other considerations such as market conditions, historical and projected sales performance of specific products, and current inventory levels. Selling supervisors are tasked with verifying that product tags reflect accurate pricing.

Opportunities

AllHome sustained its local marketing campaigns, which included flyer distribution, SMS and email blasts, out-of-home advertisements (billboards, lamp post banners), and above-the-line advertisements on local radio, particularly for provincial stores.

The Company updates its Facebook, Viber, and Instagram to promote stores and products. It uses online sales channels like Lazada and Hubware for select products, highlighting promotions to engage customers. These include quarterly and annual raffles on social media with prizes such as gift certificates, cinema tickets, and a house and lot in partnership with Vista Land. Local designers, celebrities, influencers, and bloggers also help promote the stores and merchandise.

Management Approach to Opportunities

Home improvement products are generally less affected by short-term fashion and style trends, but AllHome experiences seasonal influences. The Company's sales typically peak in the fourth quarter due to the Christmas and New Year holidays.

Catalogues are published twice a year, during the summer season and the Christmas season, showcasing the latest products, design ideas, and inspirations while offering seasonal promotions and discounts. Product catalogues from suppliers are also available for customers' reference at the stores. Print materials are provided free of charge at stores and uploaded to the e-commerce website for instant viewing.

As a company engaged in the buying, selling, distribution, and marketing of various goods, AllHome strives to develop marketing strategies that establish the business as an all-inclusive provider for every home and renovation needs.

Customer privacy

Disclosure	2024	2023	2022
No. of substantiated complaints on customer privacy	0	0	0
No. of complaints addressed	N/A	N/A	N/A
No. of customers, users, and account holders whose information is used for secondary purposes	0	0	0

Data Security

Disclosure	2024	2023	2022
No. of data breaches, including leaks, thefts and losses of data	0	0	0

AllHome's Impact

AllHome adheres strictly to data and information security protocols as mandated by the Data Privacy Act (DPA). The Company implements comprehensive controls and measures to safeguard customer data during its collection, handling, utilization, sharing, processing, disposal, or storage, with particular attention to sensitive and critical information. As a result of these stringent processes, AllHome reported zero substantiated complaints regarding customer privacy and no instances of data breaches in 2024.

Management Approach to Impacts

AllHome enforces a rigorous Code of Conduct and Business Ethics policy that prohibits intentional disclosures of sensitive information. Any violations will be addressed with due diligence following the Company's disciplinary procedures.

More information on the Company's Privacy Policy is available here.

The Company adheres to the procedures and regulations established by the Government, including compliance with the guidelines set forth by the Department of Trade and Industry and the Data Privacy Act (DPA). The Company ensures its processes align with the DPA. Data Privacy Officers (DPOs) regularly attend training and seminars that are accredited and organized by the National Privacy Commission (NPC).

Since 2020, the Company has implemented multi-layer security technologies, ranging from anti-virus software to intrusion prevention systems/intrusion detection systems (IPS/IDS) within its data centers.

Risks to AllHome

AllHome recognizes the risk exposure of customer information associated with its AllHome e-commerce site, AllRewards Loyalty Program, and Builders Loyalty Program. Additionally, the Company has identified potential data security risks, including data breaches, data losses, thefts, and data recovery issues.

Management Approach to Risks

In response to the increasing demand for online and non-contact transactions, the Company has enhanced its data protection measures. Since 2020, QR codes have been introduced at store entrances. Secure Socket Layer/Transport Layer Security (SSL/TLS) protocols are integrated into COVID-19 Contact Tracing applications and other external-facing applications of AllHome. For internal systems, the IT department has established a VPN facility for employees' laptops and desktops.

To address data security challenges, AllHome has subscribed to Zero Trust Network access for remote users in compliance with its data security policy. Notably, no data breach incidents were reported in 2024.

AllHome ensures that all its forms, especially those requiring sensitive information from customers, include a Data Privacy Act (DPA) consent clause. This clause states that the gathered information will be used solely for the purposes indicated in the form and protected according to existing Data Privacy and Cybersecurity laws. Additionally, upon accessing the company's website, customers are asked to consent to share their cookies to enable the presentation of products that align with their preferences.

In addition to strictly adhering to and complying with existing Data Privacy and Cybersecurity laws, AllHome conducts regular inspections covering policy forms, physical and electronic data storage, as well as data processing and disposal.

Opportunities
Customer information is managed with the highest level of confidentiality. AllHome adopts a proactive approach towards data security and privacy. The company will continue to implement measures to ensure that data security controls are properly established and current in anticipation of potential security threats. Furthermore, AllHome will ensure that its operations comply with the Data Privacy Act (DPA).

Management Approach Opportunities
AllHome acknowledges the potential for damage, loss, or corruption of Information Technology to cause business disruption within its Business Continuity Plan (BCP). Scenarios are rigorously tested to identify any gaps or weaknesses in existing mitigation controls, to continuously improve these controls regardless of the impact's magnitude.

CONTRIBUTION TO THE UN SDGS

AllHome product and service offerings primarily contribute to the following global goals:

Key Products and Services	Construction Materials Hardware Tiles and Sanitary Wares Furniture Appliances Homeware Linens
Societal Value / Contribution to UN SDGs	**SDG 4: Quality Education** ● In partnership with Las Pinas National High School, AllHome embarked on a project to renovate and enhance rooms and contribute to the school's efforts to provide quality education in the new learning setup. **SDG 5: Gender Equality** ● Ensures that all employees, regardless of gender, receive fair and humane treatment, equal employment opportunities, and protection from harm and discrimination. In addition to implementing sound and transparent company policies, rules, and regulations, its practices are designed to comply with due process requirements. **SDG 8: Decent Work and Economic Growth** ● Retail trade contributes to economic growth by providing a diverse range of inventories from various local suppliers and creating an extensive retail network nationwide. This, in turn, leads to job creation and employment opportunities for individuals residing in communities surrounding AllHome stores. **SDG 9: Industry, Innovation, and Infrastructure**

	- Construction materials, hardware, tiles, and sanitary wares are key products for infrastructure development. AllHome supplies these needs for Filipinos' structural improvement. - The industries of furniture, appliances, homewares, and linens are continually advancing. There is an increasing demand for innovative products that can enhance people's lives, even through small improvements. **SDG 11: Sustainable Cities and Communities** - AllHome, a home improvement company, aims to support sustainable cities and communities by offering affordable and accessible home improvement materials and products. This approach can help make housing more affordable and accessible for more Filipinos. **SDG 12: Responsible Consumption and Production** - AllHome has advanced its sustainability efforts in operations. The switch to renewable energy sources has resulted in an estimated 8% to 10% reduction in the stores' energy consumption, indicating that the installation and usage have been advantageous for the company.
Potential Negative Impact of Contribution and	The impact of AllHome's sales and distribution operations is overseen by the Company and has been addressed in preceding sections. The products offered are essential for home construction and furnishing and thus do not have significant negative impacts.
Management Approach	AllHome maintains a proactive approach in conducting its business responsibly and sustainably to benefit all stakeholders.

END