P W 0 0 0 0 0 8 3 4

ROXAS AND COMPANY, INC.
(FORMERLY CADP GROUP
CORPORATION)

(Company's Full Name)

7TH FLOOR CG BUILDING
101 AGUIRRE STREET LEGASPI
VILLAGE MAKATI CITY

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

ATTY. MELCHOR J. MANALO

8810-8901

SEC Form 20-IS
Definitive Information Statement 2024

December	31	SEC Form 20-IS Definitive Information Statement 2024	May	last Wednesday
Month	*Day*	Form Type	*Month*	*Day*
Fiscal Year			Annual Meeting	

Secondary License Type, If Applicable

Department Requiring this Document

Amended Articles Number/Section

Total Amount of Borrowings

3,281

Total No. of Stockholders

Domestic

Foreign

TO BE ACCOMPLISHED BY SEC PERSONNEL CONCERNED

File Number

LCU

Document I.D.

Cashier

S T A M P S

Remarks = pls. Use black ink for scanning purposes

SEC Reg. No. PW-00000834

ROXAS AND COMPANY, INC.
(formerly, "CADP Group Corporation")
7/F CG Building, 101 Aguirre St.
Legaspi Village, Makati City 1229

8810-8901
Telephone Number

31 December 2023
Calendar Year

Notice of Annual Meeting of Stockholders

- and -

SEC FORM 20 - IS
Information Statement
Pursuant to Rule 20 of the
Securities Regulation Code

ROXAS AND COMPANY, INC.

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

Notice is hereby given that the Annual Meeting of Stockholders of ROXAS AND COMPANY, INC. (formerly, "CADP Group Corporation") will be held by video conference/online or conducted virtually on **29 May 2024 at 10:00 in the morning**. The live webcast of the meeting shall be accessible through the following link, and shall be subject to validation procedures:

Join Zoom Meeting
https://zoom.us/j/92377052577?pwd=Z0ZzUkVnYWZjVWp2cXpRbVJ4d0k4QT09
Meeting ID: 923 7705 2577
Passcode: 917793

The agenda of the Meeting are as follows:

1. Certification of Notice and Quorum
2. Approval of the Minutes of the Annual Stockholders' Meeting held on 30 August 2023
3. Presentation of the Annual Report to Stockholders
4. Ratification of all Acts and Proceedings of the Board of Directors and Management
5. Election of the Board Directors
6. Election of External Auditors
7. Other Matters
8. Adjournment

Only stockholders of record at the close of business on 06 May 2024 are entitled to notice of, and to vote at, the Annual Meeting of Stockholders. Registration for the meeting shall start at 9:00 in the morning.

There will be no physical meeting. Stockholders may participate in the meeting by remote communication or by voting through the Chairman of the meeting as proxy. Pre-registration to attend the virtual meeting is required. Only stockholders who pre-registered will be given access to the virtual meeting.

IF YOU CANNOT ATTEND THE MEETING, PLEASE EXECUTE AND RETURN THE ATTACHED PROXY FORM TO THE OFFICE OF THE ASSISTANT CORPORATE SECRETARY C/O 7F CACHO-GONZALES BUILDING, 101 AGUIRRE STREET, LEGASPI VILLAGE, 1229 MAKATI CITY OR BY ELECTRONIC MAIL TO ask@roxascompany.com.ph (with the subject of the email having the following format: PROXY2024_[name of shareholder]) **ON OR BEFORE close of business on 23 May 2024**.

Validation of proxies is set on 23 May 2024 at the Office of the Assistant Corporate Secretary.

Stockholders may vote in absentia in accordance with the procedure posted in the website of the Company – www.roxascompany.com.ph.

Shareholders who intend to attend by remote communication shall inform the Company by email to ask@roxascompany.com.ph on or before 23 May 2024.

By Order of the Board of Directors.

MELCHOR J. MANALO
Assistant Corporate Secretary

____
Number of Shares Represented

P R O X Y

KNOW ALL MEN BY THESE PRESENTS:

That I, the undersigned, a stockholder of Roxas and Company, Inc. (formerly, “CADP Group Corporation” and referred to as the “Company”), a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, do hereby name, constitute and appoint ______________________________, or in his absence, the Chairman of the Meeting, as my continuing proxy, with right of substitution and revocation, to represent me and vote all shares registered in my name in the books of the Company or owned by me, at the Annual Meeting of Stockholders to be held on 29 May 2024, and any adjournment/s thereof, upon the following:

ITEM IN THE AGENDA	YES	NO	ABSTAIN
1. Certification of Quorum			
2. Approval of the Minutes of the Annual Meeting held on 30 August 2023			
3. Approval of the Annual Report and the Audited Financial Statements			
4. Ratification of all acts and proceedings of the Board of Directors and Management			
5. Election of the Board of Directors			
a. Gerardo C. Ablaza Jr. (independent director)			
b. Edgar P. Arcos			
c. Corazon de la Paz-Bernardo (independent director)			
d. Francisco Jose R. Elizalde			
e. Santiago R. Elizalde			
f. Aurelio R. Montinola III			
g. Pedro O. Roxas			
6. Election of External Auditors – SGV &Co.			
7. Other Matters			

as fully to all intents and purposes as I might do if present and acting in person, with this proxy being suspended in every instance where I personally attend and formally register my presence at the meeting. This proxy revokes any and all proxies which I may have previously executed in favor of a person or persons other than that named above. This proxy shall remain in full force and effect until specifically revoked by me through notice in writing lodged with the Corporate Secretary of the Company before the scheduled time of the meeting.

IN WITNESS WHEREOF, I have hereto set my hand this ___ day of _________ 2024 in _________________.

____
Signature Over Printed Name

____
Address of Stockholder

(N.B. If this Proxy is issued by a corporation, it shall be in the form of a board resolution certified by the Corporate Secretary or, in lieu thereof, please attach the Secretary's Certificate quoting the board resolution authorizing the corporate officer to execute this Proxy.)

{For proxies to be submitted by electronic mail, please indicate the following as subject of the email:

PROXY2024_name of shareholder

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20 - IS

INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

   ______ Preliminary Information Statement
   ___X___ Definitive Information Statement

2. Name of Registrant as specified in its charter : **ROXAS AND COMPANY, INC. (formerly, “CADP GROUP CORPORATION”)**

3. Province, country or other jurisdiction of incorporation or organization : Philippines

4. SEC Identification Number : PW-00000834

5. BIR Tax Identification Code : 000-269-435

6. Address of Principal Office : 7/F CG Building, 101 Aguirre St. Legaspi Village, Makati City 1229

7. Registrant’s telephone number including area code : (632) 8810-8901 to 06

8. Date, time and place of meeting of security holders: 29 May 2024 at 10:00 a.m.

   To be held by video conference through the following link:

   Join Zoom Meeting
   https://zoom.us/j/92377052577?pwd=Z0ZzUkVnYWZjVWp2cXpRbVJ4d0k4QT09

   Meeting ID: 923 7705 2577
   Passcode: 917793

9. Approximate date on which the Information Statement is first to be sent or given to security holders : 08 May 2024

10. Securities registered pursuant to Sections 8 and 12 of the Code as of 31 December 2023:

Title of Each Class	Number of Shares of Stock Outstanding And Amount of Debt Outstanding
Common	2,284,990,996
Preferred	200,000,000[1]
Debt	PhP4,027,565,026

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

[1] At present, only 200,000,000 preferred shares remain outstanding as the Corporation redeemed 300,000,000 preferred shares on 24 March 2021, as approved by the Board of Directors on 12 March 2021.

Yes ___√__   No _____

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

ROXAS AND COMPANY, INC.
(formerly, "CADP GROUP CORPORATION")

INFORMATION STATEMENT

A. GENERAL INFORMATION

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

Item 1. DATE, TIME AND PLACE OF MEETING OF SECURITY HOLDERS

Date	:	29 May 2024
Time	:	10:00 a.m.
Place	:	To be held by video conference through the following link:

Join Zoom Meeting
https://zoom.us/j/92377052577?pwd=Z0ZzUkVnYWZjVWp2cXpRbVJ4d0k4QT09
Meeting ID: 923 7705 2577
Passcode: 917793

Address of Principal Office of the Registrant	:	7/F CG Building, 101 Aguirre St. Legaspi Village, Makati City 1229, M.M.
Approximate date on which the Information Statement is first to be sent or given to security holders	:	08 May 2024

Item 2. DISSENTER'S RIGHT OF APPRAISAL

A dissenting stockholder shall have the right of appraisal in the instances authorized under Section 81 of the Corporation Code, to be exercised in accordance with the procedure set out in Section 82 of the same Code.

Item 3. INTEREST OF CERTAIN PERSONS IN OR OPPOSITION TO MATTERS TO BE ACTED UPON

The incumbent directors or officers of the Company, since the beginning of the last calendar year, do not have substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon other than election to office.

None of the incumbent directors informed the Company in writing that he/she intends to oppose any action to be taken during the annual meeting of shareholders.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

a) The number of shares outstanding and entitled to vote in the stockholders' meeting is 2,801,412,693 common shares.

b) The record date for the purpose of determining the stockholders entitled to vote is 06 May 2024.

c) Holders of common shares are entitled to cumulative voting in the election of directors. Section 24 of the Corporation Code provides that every stockholder entitled to vote shall have the right to vote in person or by proxy the number of shares of stock standing, at the time fixed in the by-laws, in his own name in the stock books of the corporation, or where the by-laws are silent, at the time of the election; and said stockholder may vote such number of shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit.

For all other matters to be acted upon, each common share is entitled to one (1) vote.

d) Security ownership of certain record and beneficial owners and management.

(1) Security ownership of certain record and beneficial owners of more than 5% of the Company's securities, both listed and not listed, as of 31 March 2024:

Title of Class	*Name and Address of Owner/Relationship with Issuer*	*Name of Beneficial Ownership and Relationship with Record Owner*	*Citizenship*	*Number and Nature of Ownership*	*Percent of Class*[2]
Common	SPCI Holdings, Inc. 4F New Solid Bldg. 357 Sen Gil Puyat Ave. Makati City Authorized Representative: Francisco R. Elizalde	SPCI Holdings, Inc.[3]	Philippine National	710,350,473 (direct & indirect)	28.39%
Common	Pedro O. Roxas 7/F CG Bldg., 101 Aguirre St., Legaspi Village, Makati City Chairman of the Board	Pedro O. Roxas/ Pesan Holdings, Inc.	Filipino/ Philippine National	555,046,846 (direct & indirect)	22.18%
Common	PCD Nominee Corporation (Filipino)	PCD Nominee Corporation	Other Alien	401,078,627	16.03%

[2] The percentage of shareholdings was arrived at by dividing the number of shares owned, directly and indirectly, by the shareholders over 2,501,929,996 common shares, which is the total outstanding shares as of 31 March 2024.

[3] Messrs. Francisco Jose R. Elizalde and Santiago R. Elizalde, directors of the Company, each owns 24.99% of the total outstanding shares of SPCI Holdings, Inc. (SPCI). Collectively, the Board of Directors of SPCI consisting of its 6 shareholders has the power to decide on how the shareholdings of SPCI in the Company shall be voted.

Common	PCD Nominee Corporation (Non-Filipino)	PCD Nominee Corporation	Philippine National	354,559,425	14.17%
TOTAL				**2,021,035,371**	**80.77%**
Preferred[4]	Amalgamated Investment Bancorporation	Amalgamated Investment Bancorporation	Philippine National	200,000,000[5]	100.00%

Except as stated above and in the related footnotes, the Board of Directors and the Management of the Company have no knowledge of any person who, as of 31 March 2024, was directly or indirectly the beneficial owner of, or who has voting power or investment power with respect to, shares comprising more than five percent (5%) of the Company's outstanding stock.

(2) Security Ownership of Management as of 31 March 2024.

The following table sets forth the number of shares, listed and not listed, owned of record and/or beneficially owned by the directors, independent directors, the Chief Executive Officer and the key officers of the Company, and the percentage of shareholdings of each as of 31 March 2024:

Title of Class	*Name of Beneficial Owner*	*Citizenship*	*Number and Nature Of Ownership*	*Percent of Class*
Common	*Pedro O. Roxas Chairman*	*Filipino*	*555,046,846 (direct & indirect)*	*22.18%*
Common	*Francisco Jose R. Elizalde[6] Director*	*Filipino*	*2,323,626 (direct & indirect)*	*0.09%*
Common	*Santiago R. Elizalde Director*	*Filipino*	*2,024,378 (direct & indirect)*	*0.08%*
Common	*Corazon S. Dela Paz-Bernardo Independent Director*	*Filipino*	*789,057 (direct & indirect)*	*0.03%*
Common	*Gerardo C. Ablaza, Jr. Independent Director*	*Filipino*	*349,141 (direct & indirect)*	*0.01%*
Common	*Edgar P. Arcos Director*	*Filipino*	*241,437 (direct & indirect)*	*0.01%*

[4] Preferred Shares are non-voting shares as per Article VIII of the Amended Articles of Incorporation of RCI approved by the SEC on 05 December 2018.
[5] RCI redeemed 300,000,000 preferred shares on 24 March 2021 which was approved by the Board of Directors on 12 March 2021.
[6] See footnote no. 3.

Common	*Aurelio Montinola III* *Independent Director*	*Filipino*	*582,161* *(direct & indirect)*	*0.02%*
Common	*Peter D. A. Barot* *Corporate Secretary*	*Filipino*	*0*	*0.00%*
Common	*Melchor J. Manalo* *Assistant Corporate Secretary*	*Filipino*	*0*	*0.00%*
Common	*Rosswell C. Delos Reyes*	*Filipino*	*0*	*0.00%*
Common	*Directors and Officers As a Group*		*561,356,346*	*22.42%*

(3) Voting Trust Holders of 5% or More.

The Company is not aware of any voting trust or similar arrangement among persons holding more than 5% of the shares.

e) Change in Control

There has been no change in control since the beginning of the last calendar year. The Company is also not aware of the existence of any change in control agreements.

Item 5. DIRECTORS AND EXECUTIVE OFFICERS

a) Nominees for election to the Board

The following have been nominated for election to the Board of Directors for the Calendar Year 2024 until the next Annual Meeting of the Shareholders:

Pedro O. Roxas
Francisco Jose R. Elizalde
Edgar P. Arcos
Santiago R. Elizalde
Corazon S. de la Paz-Bernardo (Independent Director)
Aurelio R. Montinola III
Gerardo C. Ablaza, Jr. (Independent Director)

Of the nominees, Mr. Gerardo C. Ablaza, Jr., and Ms. Corazon S. de la Paz-Bernardo, as at 2024, are eligible for re-election as independent directors of the Company in accordance with Rule 38.1 of the Implementing Rules and Regulations of the revised Securities Regulation Code. On the other hand, Ms. de la Paz-Bernardo's nomination and extension of term as an independent director has been justified, based on meritorious grounds, by the Board of Directors of the Company, and will be presented to the shareholders for confirmation and under the Rules and Regulations of the Securities Regulation Code.

In extending her term as an independent director, the Board considered Ms. de la Paz-Bernardo's financial and management profile as well as her considerable knowledge in the industry and Company history. The Board firmly believes that Ms. de la Paz's expertise will ensure the continuity and success of the undergoing transition and turnover program towards the Company's recovery.

In general, they are not officers or employees of the Company or any of its subsidiaries and are free from any business or relationships with the Company or any of its subsidiaries which could, or could reasonably be perceived to, materially interfere with the exercise of their independent judgment in carrying out their responsibilities as independent directors. Each of them has submitted a Certificate of Qualification as an Independent Director to the Securities and Exchange Commission. Their respective Certifications of Independence are attached hereto as Annex "A" and series.

Mr. Pedro O. Roxas nominated Ms. Corazon S. de la Paz-Bernardo and Mr. Gerardo C. Ablaza, Jr. as Independent Directors. To the knowledge of the Company, Mr. Pedro O. Roxas is not related to any of the nominees.

b) The following is the procedure for nomination and election of directors:

Article II of the Amended By-Laws of the Company provides:

"Section 2. Qualifications and Disqualifications of Directors. – Any stockholder having at least one thousand (1,000) shares registered in his or her name may be nominated and/or elected as a Director of the Corporation; Provided that any stockholder who possesses any of the disqualifications enumerated in the Manual on Corporate Governance which was approved and adopted by the Board of Directors of the Corporation on 26 September 2002, including any amendments thereto, shall be disqualified from being elected as a Director of the Corporation.

Section 3. Nominations for Directors. – In addition to the right of the Board of Directors of the Corporation to make nominations for the election of Directors, nominations for the election of Directors may be made by any shareholder entitled to vote for the election of Directors if that shareholder complies with all the provisions of this article.

3.1 Nominations shall be received by the Chairman of the Board (which nominations may be sent to such Chairman in care of the Secretary of the Corporation), at least 15 working days prior to any meeting of the shareholders called for the election of Directors.

3.2 Each nomination under Section 3.1, shall set forth (i) the name, age, business address and, if known, residence address of each nominee, (ii) the principal occupation or employment of each nominee, (iii) the number of shares of stock of the corporation which are beneficially owned by such nominee, and (iv) the interests and positions held by each nominee in other corporations. In addition, the shareholder making such nomination shall promptly provide any other information reasonably requested by the corporation.

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

On the other hand, the Revised Manual on Corporate Governance of the Company provides:

“3.7. Board Committees

The Board shall maintain the following committees to assist it in good corporate governance:

x x x

3.7.2. **Nomination, Election and Governance Committee.**

The Nomination, Election and Governance Committee shall be composed of at least three (3) voting Directors, one of whom must be an independent director. The committee shall have the following functions:

3.7.2.1. It shall review and evaluate the qualifications of, and shortlist, all persons nominated to the Board and other appointments that require Board approval.

3.7.2.2. It shall assess the effectiveness of the Board’s processes and procedures in the election or replacement of directors.

3.7.2.3. It shall consider the following guidelines in the determination of the capability of a director to serve as such:

i. The nature of the business of the corporation of which he is a director;
ii. Age of the director;
iii. Number of directorships/active memberships and officers in other corporations or organizations; and
iv. Possible conflict of interest.

Any optimum number of directorships shall be related to the capacity of a director to perform his duties diligently in general.

The CEO and other executive directors shall submit themselves to a low indicative limit on membership in other corporate boards. The same low limit shall apply to independent, non-executive directors who serve as full-time executives in other corporations. In any case, the capacity of directors to serve diligently shall not be compromised.

3.7.2.4. Develop and review the Company’s policies and practices on corporate governance and make recommendations to the Board;

c.7.2.9. Review and monitor the training and continuous professional development of directors and senior management;

3.7.2.6. Review and monitor the Company’s policies and practices on compliance with legal and regulatory requirements;

3.7.2.7. Develop, review and monitor the code of conduct or compliance manual applicable to the directors and employees of the Company;

3.7.2.8. Review the Company's compliance with the Revised Code of Corporate Governance and disclosure requirements in the Corporate Governance Report.

c.7.2.9. The findings and recommendations of the Nomination, Election and Governance Committee shall be submitted to the Board for approval; Provided that a director whose qualifications are in issue shall not have the right to vote when the Board considers his case.

xxx

The seven (7) nominees for election to the Board of Directors of the Company have been screened and evaluated by the Nomination, Election and Governance Committee and were determined to possess all the qualifications and none of the disqualifications of a director of the Company in accordance with applicable laws, rules, regulations, the Company's By-Laws and Revised Manual on Corporate Governance.

c) Board of Directors and Corporate Officers

The following are the credentials of the individuals nominated for re-election or election to the Board of Directors:

Pedro O. Roxas, 68 years old, Filipino, is the Chairman of the Board of Directors. Mr. Roxas is the Chairman of the Executive Committee and is a member of the Compensation Committee and Nomination, Election & Governance Committee. He has been a Director of the Company since 18 October 1995. He is currently the Executive Chairman of the Board and held the position of President and Chief Executive Officer of the Company until 16 December 2016. He is the Chairman of Roxas Holdings, Inc. and other subsidiaries of RHI, Club Punta Fuego, Inc., Roxaco Land Corporation. He is an Independent Director of Meralco, CEMEX Holdings, Inc., MGen Global Power, OONA Insular Corporation and Independent Advisor for Metro Pacific Investment Corporation. Mr. Roxas was educated at Portsmouth Abbey School, USA and at the University of Notre Dame, USA where he obtained his degree in Business Administration. Mr. Roxas is married to Regina Tambunting and they have three (3) children.

Edgar P. Arcos, 56 years old, Filipino, is the President and Chief Executive Officer. He was previously Chief Financial Officer, Treasurer, and Risk Management Officer of RCI. He held senior roles in Oil & Gas, Construction, and FMCG entities in the Philippines, Singapore, South Africa, and Ghana. Prior to joining RCI, he was the COO of the Jospong Group of Companies (Ghana), VP Finance of Citadel Pacific Ltd., Supply Chain Finance Manager of Coca Cola Bottlers Philippines, Supply and Retail Finance Manager of Shell for East Asia and Africa, Finance Manager of Otis Elevator Company (Philippines), Inc., and FP&A Manager for Otis Asia Pacific. He earned his BS Business Administration and Accounting degree from the University of the Philippines and Certificate with Distinction Strategic Business Economics from University of Asia and the Pacific and Certificate HRMD at the University of Salford.

Corazon S. de la Paz-Bernardo, 83 years old, Filipino. is Honorary President of the Swiss-based International Social Security Association (ISSA), where she served as President from 2004 to 2010. She served as the first woman President of the Social Security System of the Philippines and Vice-Chairman of the Social Security Commission from 2001 to 2008. She is also the first woman partner of Price Waterhouse International and was Chairman and Senior Partner of Joaquin Cunanan & Co. (PricewaterhouseCoopers, Philippines) from 1981 to 2001. She was in the World Board of Price Waterhouse World Firm from 1992 to 1995. Mrs. de la Paz-Bernardo was Chairperson of Equitable PCI Bank from 2006 until its merger with Banco de Oro in 2007. She had served as a member of the board of The Philippine Health Insurance Corporation, the Home

Development Mutual Fund (PAGIBIG), San Miguel Corp., PLDT, Ayala Land, Ionics Inc., Phinma Energy Inc., Phinma Petroleum & Geothermal Inc. and Philex Mining and was Chairman of NAMFREL for the 2013 elections. She is a member of the boards of directors of Del Monte Philippines, Inc., Republic Glass Holdings, Inc., D&L Industries, Inc., Roxas & Co., Inc. and Phinma Education Holdings Inc. She is an advisor to the board and audit committee of BDO Unibank, Inc. and advisor to the board audit committee of PLDT. She is Vice-Chairman of Jaime V. Ongpin Foundation and Chairman of Jaime V. Ongpin Microfinance Foundation. She is also a life member of the Cornell University Council, a member of the boards of trustees of the University of the East, the UE Ramon Magsaysay Memorial Medical Center, the Philippine Business for Education and MFI Polytechnic Institute, among others. She had served as National President of the Philippine Institute of CPAs (PICPA), the Management Association of the Philippines, the Financial Executives Institute of the Philippines, Cornell Club of the Philippines, The Outstanding Women in the Nation's Service (TOWNS), the Rizal High School Alumni Association and the Philippine Fulbright Scholars Association. She had been a trustee of the Makati Business Club, the Philippine Business for the Environment, the Philippine Business for Social Progress and Children's Hour. She is an awardee of The Outstanding Filipino (TOFIL) in Public Accounting, The Outstanding Women in the Nation's Service (TOWNS), the Outstanding Professional in Public Accounting by the Professional Regulatory Commission, and the Philippine Fulbright Program and PICPA's highest award Parangal San Mateo. A Certified Public Accountant, she graduated from the University of the East with a Bachelor of Business Administration degree in 1960, Magna Cum Laude, and obtained first place in the same year's CPA board examination. She obtained her MBA in 1965 from Cornell University in New York as a Fulbright grantee and UE CPA topnotcher scholar. She was awarded a Doctor of Humanities degree (Honoris Causa) by the University of the Cordilleras in 2017.
On March 17, 2023, Mrs. de la Paz-Bernardo was one of the recipients of the Accountancy Centenary Award of Excellence by the Board of Accountancy (BOA) and other professional accounting organizations. According to the BOA, these were given to the 100 Filipino CPAs who demonstrated unquestionable integrity, contributed immensely to the advancement of the accountancy profession and participated remarkably in national development.

Francisco Jose R. Elizalde, 57 years old, Filipino, was elected as member of the Board of Directors on 25 June 2009. Mr. Elizalde is the President and CEO of Elro Retail Corporation, President of FastMove Logistics Corporation, Vice President/Managing Director of ELRO Corporation. He is Chairman of ASpace Corporation, a Director in SPCI Holdings, Inc., ELRO Land, Inc., Roxaco Land Corporation, and Hoppler Corporation. Mr. Elizalde was educated at Portsmouth Abbey School, USA and at the University of Vermont, USA where he obtained a degree as Bachelor of Science.

Aurelio R. Montinola III, 72 years old, Filipino, is Chairman of the Board of Trustee of Far Eastern University, Inc. (FEU). Chairman of Amon Trading, Inc., East Asia Computer Center, Inc., Roosevelt College, Inc.. Vice Chairman of the Philippine Business for Education (PBED). Independent Director of AIA Philippines Life and General Insurance Company, Inc. He served as the President of Bank of the Philippine Islands from 2005 – 2013, and was a former President of the Bankers Association of the Philippines and Management Association of the Philippines (MAP). He is currently a Director of the Bank of the Philippine Islands, and Independent Director of Roxas and Company, Inc., both a listed corporations. He graduated with a BS Management Engineering degree at the Ateneo de Manila University in 1973, and received his MBA at Harvard Business School in 1977. He was awarded the 2005 and 2010 Asian Banker Leadership Award for the Philippines and the MAP Management Man of the Year Awas in 2012.

Santiago R. Elizalde, 59 years old, Filipino, is the President/CEO of the Company's wholly-owned subsidiary, Roxaco Land Corporation. Mr. Elizalde is likewise the President and Chief Operating Officer of Roxaco-Asia Hospitality Corporation. He also serves as the Chairman of the 24 Hour

Vendo Machine Corporation, Vice-Chairman and member of the Executive Committee of ELRO Corporation and Club Punta Fuego, Inc., President of CGB Condominium Corporation, Chairman of Roxas Foundation, Inc., and Director of ELRO Land Corporation, Punta Fuego Village Homeowners Association, Inc., Punta Fuego Village Foundation and Terrazas de Punta Fuego Village Homeowners, Inc. and Fundacion Santiago. Mr. Elizalde obtained his Bachelor of Arts in Economics from Denison University in Ohio, USA.

Gerardo C. Ablaza, 70 years old, Filipino, was elected as Independent Director of company 16 June 2021. Mr. Ablaza holds Directorship with A.C.S.T Business Holdings Inc., Liveit Investment Limited, Asiacom Philippines, Inc., Ayala Foundation, Inc., AC Infrastructure Holding Corporation (formerly Liveit Solutions, Inc.) , AC Energy and Infastructure Corporation (formerly AC Energy, Inc.), Purefoods International Limited, Ayala Healthcare Holdings, Inc. (formerly Ayala Company Inc.), Ayala Retirement Fund Holdings, Inc., iPeople, Inc., BPI Asset Management and Trust Corporation, and BPI Direct BanKo, Inc. He is also an Independent Director for Advanced Info Services, PLC (Thailand). He is a Chairman of Board of Trustee of The Bank of the Philippine Islands Foundations, Inc. and a Board of Trustee of Gawad Kalinga Foundation, Inc. and Ayala Foundation, Inc. He is currently a consultant for Ayala Corporation. In 2004, Mr. Ablaza was recognized by CNBC as the Asia Business Leader of the Year, making him the first Filipino CEO to win the award. In the same year, he was awarded by Telecom Asia as the Best Asian Telecom CEO. In 2013, he was recognized for his consistent leadership and innovation across the banking, investment, telecommunications and utility service industries through the Citi Distinguished Alumni Award for Leadership and Ingenuity. He graduated from De La Salle University with a degree in Libera lArts, major in Mathematics Summa Cum Laude, Department Honors in Mathematics, Jose Rizal Honor Society, Jose Rizal Scholarship, Dean's list. He obtained his MBA in the University of the Philippines, College of Business Administration.

The directors hold office for a term of one (1) year until their successors are elected and qualified. None of the Directors work in or hold positions in the government of the Republic of the Philippines. Certifications attesting to this fact are attached hereto as Annex "A" and series.

Corporate Officers

The following are the credentials of the Corporate Officers of the Company who are up for re-appointment:

Rosswell C. Delos Reyes, 49 years old, Filipino, is the Chief Finance Officer of the Company. He obtained his degree in Accountancy at the University of the East. He finished his MBA and is also a Certified Public Accountant, Certified Management Accountant and a Certified Financial Consultant. He has over 27 years of finance and accounting experience gained from various industries. His expertise includes controllership, advanced financial modelling and analysis, budget management and strategic planning, among others.

Peter D. A. Barot, 62 years old, Filipino, is the Corporate Secretary of the Company. He obtained his Bachelor of Arts (Economics) and Bachelor of Laws from the University of the Philippines, and his Master of Laws from the University of Chicago. He is a Partner at the Picazo Buyco Tan Fider & Santos Law Offices.

Melchor J. Manalo, 41 years old, Filipino, is the Assistant Corporate Secretary, Compliance Officer, Corporate Information Officer, Investment Relations Officer, and Head of the Legal and Compliance Department of the Company. He is also the Corporate Secretary of Roxaco Land Corporation. Prior to joining the Company, he worked as a Senior Associate Lawyer in the De Guzman San Diego Mejia & Hernandez Law Offices and served as Director and Corporate Secretary for several domestic corporations, including different condominium associations. He has vast experience in real estate developments, estate settlement and management, civil and criminal litigation, labor cases and corporate-in-house matters. He obtained his Bachelor's Degree in Political Science from the University of Makati and thereafter obtained his Bachelor of laws from the Polytechnic University of the Philippines. He became a member of the Philippine Bar in April 2013.

None of the foregoing officers work in or hold positions in the government of the Republic of the Philippines. Copies of Certifications to this effect are attached hereto as Annex "B" series.

d) Significant Employees

While the Company is not highly dependent on the services of an employee who is not an Executive Officer, the Company values its human resources and expects them to do their share in achieving its objectives.

e) Family Relationships

Messrs. Pedro O. Roxas, Santiago R. Elizalde, and Francisco Jose R. Elizalde are related to each other within the fourth degree of consanguinity.

Messrs. Francisco Jose R. Elizalde and Santiago R. Elizalde are brothers.

f) Legal Proceedings

No director, independent director, executive officer or senior officer of the company, during the past five (5) years, has been subject to:

(a) any bankruptcy petition filed by or against any business of which a director/independent director, officer or person nominated for election as director/independent director was a general partner or executive officer either at the time of bankruptcy or within two years prior to that time;

(b) any conviction by final judgment in a criminal proceeding, domestic or foreign;

(c) any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any director/independent director, officer or persons nominated for election as director/independent director in any type of business, securities, commodities or banking activities; and

(d) any final finding by a domestic or foreign court, the Securities and Exchange Commission or comparable foreign body, or any quasi-judicial or regulatory body, that any director / independent director, officer or any person nominated for election as director / independent director, has violated a securities or commodities law or regulation.

g) Certain Relationships and Related Transactions

There is no transaction or proposed transaction during the last two (2) years to which the Company was or is to be a party in relation to any director, any nominee for election as director, any security holder of certain record or beneficial owner or management or any member of the immediate families of the directors.

h) Parent Company

As of 31 December 2023, the Company directly owns 100% of the issued and outstanding shares of Roxaco Land Corporation (RLC), Nasugbu Feeds Corporation, United Ventures Corporation and Roxas Green Energy Corporation, 94.98% of the issued and outstanding shares of Roxas Sigma Agriventures, Inc. and 23.05% of the total issued and outstanding shares of Roxas Holdings. Inc. (RHI).

As of 31 December 2023, RLC owns 100% of the total and outstanding shares of SAMG Memorial Management and Services, Inc. It has interests in Fuego Development Corporation (30%), Fuego Land Corporation (30%), Roxaco-ACM Development Corporation (50%), Club Punta Fuego, Inc. (25%), Roxaco-Asia Hospitality Corporation (51%) and Brightnote Assets Corporation (10%).

RHI, a publicly-listed company, owns 100% of the issued and outstanding shares of Central Azucarera Don Pedro, Inc. (CADPI). It also has interests in San Carlos Bioenergy, Inc. (93.35%) and Roxas Power Corporation (50%).

i) Disagreement with the Company

No director has resigned or declined to stand for re-election to the Board of Directors since the date of the last meeting of shareholders because of a disagreement with the Company on any matter relating to its operations, policies and practices.

ITEM 6. COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

a) Section 7 of Art. 3 of the Amended By-Laws of the Company provides that the members of the Board of Directors and the Executive Committee shall be given a per diem for every meeting attended in such amount as may be determined by the Board of Directors but in no case shall said remuneration exceed two percent (2%) of the net income of the Company before tax. Presently, the members of the Board of Directors receive Php50,000 for every regular meeting attended, broken down as follows: Php25,000.00 in cash and shares in such numbers equivalent to the Php25,000 balance. For special meetings of the Board, a director will be given a per diem of Php25,000.00 cash. A director of the Company who attends all meetings receives a total of roughly Php200,000.00 annually. Each of the members of the four committees--(i) Audit and Risk; (ii) Nomination, Election and Governance; (iii) Compensation; and (iv) Related Party Transactions--also receive a per diem of Php20,000.00 per meeting. No warrants and options have been granted to the directors and officers within the past three (3) years. Total compensation given to each director for the year 2023 are as follows:

DIRECTORS COMPENSATION

FOR THE YEAR 2023	COMMITTEE MEETING					
DIRECTORS NAME	**AUDIT**	**BOD**	**EXCOM**	**NOMELEC**	**ORGANIZATIONAL**	**Grand Total**
AURELIO R. MONTINOLA III	80,000.00	200,000.00	80,000.00	20,000.00	25,000.00	405,000.00
CORAZON DE LA PAZ - BERNARDO	80,000.00	100,000.00		20,000.00	25,000.00	225,000.00
CORAZON DE LA PAZ-BERNARDO		100,000.00				100,000.00
FRANCISCO R. ELIZALDE	60,000.00	200,000.00	100,000.00		25,000.00	385,000.00
GERARDO C. ABLAZA JR		100,000.00		20,000.00	25,000.00	145,000.00
GERARDO C. ABLAZA, JR.		100,000.00				100,000.00
PEDRO O. ROXAS		200,000.00	100,000.00		25,000.00	325,000.00
SANTIAGO R, ELIZALDE		50,000.00			25,000.00	75,000.00
SANTIAGO R. ELIZALDE		50,000.00				50,000.00
Grand Total	**220,000.00**	**1,100,000.00**	**280,000.00**	**60,000.00**	**150,000.00**	**1,810,000.00**

b) Compensation of Executive Officers

	Name and Principal Position	Year	Salary	Bonus	Other Annual Compensation*
		FY 2022			
A	Pedro O. Roxas – Executive Chairman		₱ -	₱ -	₱410,000
B	Edgar P. Arcos - President and CEO		₱ -	₱ -	-
C	Earlene R. Turano – Senior Manager – Head of Legal and Compliance		₱ -	₱ -	-
D	CEO and Top Four Executives		₱ 23,927,078	₱ 2,406,863	-
E.	All officers & directors as group unnamed		₱28,956,273	₱2,824,363	₱2,225,000
		FY 2023			
A	Pedro O. Roxas – Executive Chairman		₱ -	₱ -	₱325,000
B	Edgar P. Arcos - President and CEO				
C	Melchor J. Manalo – Senior Manager – Head of Legal and Compliance		₱ -	₱ -	-
D	CEO and Top Four Executives		₱23,927,078	₱2,406,863	
E	All officers & directors as group unnamed		₱28,956,273	₱2,824,363	₱2,225,000

*Director's fees.
The Company discloses remuneration and benefits of its executives on a consolidated basis for security reasons and in order to comply with their right to privacy under the Data Privacy Act of 2021 and the Bill of Rights.

c) Estimated Compensation and Bonus for CY 2024

The estimated compensation and bonus of the directors and present officers of the Company for the calendar year 2024 are as follows:

	Salary	Bonus	Other Annual Compensation
CEO and Top Four Executives	₱24,000,000	₱2,400,000	410,000.00
All officers & directors as group unnamed	₱29,000,000	₱2,800,000	₱2,200,000

The Company's accounting period has changed already from fiscal year to calendar year beginning 2018.

The Company discloses remuneration and benefits of its executives on a consolidated basis to comply with their right to privacy under the Data Privacy Act of 2021 and the Bill of Rights.

Item 7. INDEPENDENT PUBLIC ACCOUNTANTS

SyCip Gorres Velayo and Co. is recommended for election as external auditor for the calendar year 2023. Representatives of the firm are expected to be present at the annual meeting of stockholders on 29 May 202443 and they will have the opportunity to make a statement, if they so desire, and are expected to be available to respond to appropriate questions.

Kristopher S. Catalan, is the lead partner assigned to handle the account of the Company since 01 October 2016. Mr. Catalan and other representatives from SGV and Co. were present at the 2023 Annual Stockholders' Meeting.

Under Rule 68(3)(b)(iv) of the IRR of the revised SRC and SEC Memorandum Circular No. 2, series of 2002, the external auditors of the Company should be rotated every five (5) years or earlier or the handling partner shall be changed.

External Audit Fees and Services

The aggregate fees billed for each of the last two (2) calendar years for professional services rendered by the external auditor are as follows:

	Dec. 31, 2023 (1 year)	Dec. 31, 2022 (1 year)
1. Audit of registrant's annual financial statements:	₱850,000	₱685,000
2. Aggregate fees billed for professional services for tax accounting, compliance and other tax services	none	none
3. All other fees	none	none

Policies and Procedures

The Company's Audit and Risk Committee (ARC) meets with the external auditors at the beginning of every calendar year to discuss the Company's audit plans and programs for the year. After the audit plans and programs are approved, the ARC then determines the reasonableness of the fees proposed by the external auditors for audit and other related services. The ARC also meets to approve the quarterly financial statements of the Company before they are presented to the Board for approval and thereafter submitted to the Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE) as part of the Company's compliance with the requirements of SEC Memorandum Circular No. 6, Series of 2009 and the Company's revised Manual on Corporate Governance. The ARC also meets with the external auditors to consider and approve the yearly audited financial statements of the Company before they are submitted for the consideration and approval of the Board of Directors and, thereafter, submitted to the Bureau of Internal Revenue, the SEC and the PSE as part of the Company's compliance with the requirements of the Revised Securities Regulation Code.

Additionally, the ARC is also tasked under its Charter to (a) review the internal audit plan to ensure conformity with the objectives of the Company; (b) organize an internal audit department and consider the appointment of an independent internal auditor and the terms and conditions of its engagement and removal; (c) review the reports of the internal auditors; and (d) establish and identify the reporting line of the internal auditor to enable him to properly perform his duties and responsibilities.

There had been no disagreements with the external auditors on accounting or financial disclosures during the last five (5) years.

Item 8. COMPENSATION PLANS

No action will be taken with respect to any plan pursuant to which cash or non-cash compensation may be paid or distributed.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. AUTHORIZATION OR ISSUANCE OF SECURITIES OTHER THAN FOR EXCHANGE

No action will be taken with respect to the authorization or issuance of any securities otherwise than for exchange for outstanding securities of the registrant.

Item 10. MODIFICATION OR EXCHANGE OF SECURITIES

No action will be taken with respect to the modification of any class of securities of the registrant, or the issuance or authorization for issuance of one class of securities of the registrant in exchange for outstanding securities of another class.

Item 11. FINANCIAL STATEMENTS AND OTHER INFORMATION

The Financial Statements and Other Financial Disclosures are contained in the 2023 Audited Consolidated Financial Statements and the Financial Schedules and the Unaudited Interim Consolidated Financial Statements for the period ending 31 March 2024 is attached as **Annex "C" & "D",** Management's Discussion and Analysis or Plan of Operations are found in **Annex "E"** the Market Information as **Annex "F"**. The Sustainability Report for the Calendar Year ended 31 December 2023 is attached as **Annex "G".** The Minutes of Stockholders Meeting held on 30 August 2023 is attached as **Annex "H"** and the Tabulation of Votes of the 30 August 2023 Annual Stockholders' Meeting as **Annex "I".** The Certification of Attendance of the Board of Directors for Year 2023 is attached as **Annex "J"**.

Representatives of the external auditor for the current year and for the most recently completed fiscal year:

i. are expected to be present at the security holders' meeting;

ii. will have the opportunity to make a statement if they desire to do so; and

iii. are expected to be available to respond to appropriate questions.

Item 12. MERGERS, CONSOLIDATIONS, ACQUISITIONS AND SIMILAR MATTERS

No action will be taken with respect to any merger, consolidation, acquisition and similar events.

Item 13. ACQUISITION OR DISPOSITION OF PROPERTY

No action will be taken with respect to the acquisition or disposition of property.

Item 14. RESTATEMENT OF ACCOUNTS

No action will be taken with respect to the restatement of any asset, capital, or surplus account of the registrant.

D. OTHER MATTERS

Item 15. ACTION WITH RESPECT TO REPORTS

The following reports/minutes of meetings was submitted for ratification/approval by the stockholders in the Annual Stockholders' Meeting scheduled on 29 May 2024:

a) Chairman's Report and the Consolidated Audited Financial Statements for the calendar year ended 31 December 2023.

b) Minutes of the Annual Meeting of Stockholders held on 30 August 2023.

The minutes of meeting of the30 August 2023 annual meeting of shareholders will be made available to all shareholders on the day of the annual meeting but have also been published in the company website immediately after the annual meeting. Essentially, the minutes of the annual meeting contains the following:

(i) reading and approval of the minutes of the 29 June 2022 annual meeting of shareholders;

(ii) presentation and approval of the Annual Report of Management for the year ended 31 December 2022;

(iii) approval and ratification of all acts and resolution of the Board of Directors since the annual meeting of shareholders on 29 June 2022;

(iv) the elected members of the Board of Directors for calendar year 2023;

(v) the election of external auditor for calendar year 2023.

c) Acts/Resolutions of the Board of Directors since the 30 August 2023 annual meeting of shareholders, which include the following:

1. Acts/resolutions approved during the 16 May 2023 regular meeting of the Board of Directors:
    a. Approval of the Minutes of the Meeting held on 21 April 2023;
    b. Financial Report for the Period Ended 31 March 2023;
    c. Approval of the 1st Quarter Report 17-Q;

2. Acts/resolution approved during the 11 August 2023 regular meeting of the Board of Directors:
    a. Approval of the Minutes of the Meeting held on 16 May 2023;
    b. Approval of the 2nd Quarter Report 17Q;

3. Acts/resolution approved during the 10 November 2023 regular meeting of the Board of Directors:
    a. Approval of the Minutes of the Meeting held on 11 August 2023;
    b. Approval of the 3rd Quarter Report 17Q.

4. Acts/resolution approved during the 12 January 2024 special meeting of the Board of Director:
    a. Approval of the 2024 Budget and Business Plan of the company.

5. Acts/resolution approved during the 12 April 2024 regular meeting of the Board of Directors:
    a. Approval of Consolidated Audited Financial Statement for the year ending 31 December 2023/SEC 17A.
    b. Extension of the term of Ms. Corazon De La Paz-Bernardo as Independent Director of the Company.

6. Acts/resolution approved during the 15 April 2024 special meeting of the Board of Directors:
    a. Authorizing the Corporation to mortgage in favor of BDO Unibank, Inc. ("BDO") real properties covered under Transfer Certificate of Title Nos. T- 60023, T-60024, T-60025, T-60027 and T-60029, or other properties of equivalent value based on the appraisal of BDO, at RCI's option but with BDO consent which consent shall not be unreasonably withheld, as collateral for all obligations arising from or in connection with all credit accommodations extended and may be extended in the future to Roxaco Land Corporation by said bank.
    b. Authorizing the Corporation to sell 250 million of treasury shares at Php2.00 per share, pursuant to its 24 September 2014 resolution for the purpose of fund-raising initiatives for working capital, expansion of projects, payment of loans, and to be able to meet its plan commitments.

7. Acts/resolution approved during the 16 April 2024 special meeting of the Board of Directors:
    a. Authorizing the Corporation to open an account with AB Capital Securities, Inc.

Item 16. MATTERS NOT REQUIRED TO BE SUBMITTED

No action will be taken with respect to any matter which is not required to be submitted to vote of the security holders.

Item 17. AMENDMENT OF CHARTER, BY-LAWS OR OTHER DOCUMENTS

No action is to be taken with respect to any amendment of the registrant's charter, by-laws or other documents as to which information is not required above.

Item 18. OTHER PROPOSED ACTION

a) Election of the Members of the Board of Directors, including the independent directors, for the ensuing calendar year 2024.

b) Election of External Auditors and Fixing their Remuneration

c) Ratification of all acts of Management and the Board of Directors for the CY 2023 until the annual meeting will likewise be submitted to the security holders for appropriate action. The details of these acts are as follows:

    1. Acts/resolutions approved during the 16 May 2023 regular meeting of the Board of Directors:
        a. Approval of the Minutes of the Meeting held on 21 April 2023;
        b. Financial Report for the Period Ended 31 March 2023;
        c. Approval of the 1st Quarter Report 17-Q;

2. Acts/resolution approved during the 11 August 2023 regular meeting of the Board of Directors:
    a. Approval of the Minutes of the Meeting held on 16 May 2023;
    b. Approval of the 2nd Quarter Report 17Q;

3. Acts/resolution approved during the 10 November 2023 regular meeting of the Board of Directors:
    a. Approval of the Minutes of the Meeting held on 11 August 2023;
    b. Approval of the 3rd Quarter Report 17Q.

4. Acts/resolution approved during the 12 January 2024 special meeting of the Board of Director:
    a. Approval of the 2024 Budget and Business Plan of the company.

5. Acts/resolution approved during the 12 April 2024 regular meeting of the Board of Directors:
    a. Approval of Consolidated Audited Financial Statement for the year ending 31 December 2023/SEC 17A.
    b. Extension of the term of Ms. Corazon De La Paz-Bernardo as Independent Director of the Company.

6. Acts/resolution approved during the 15 April 2024 special meeting of the Board of Directors:
    a. Authorizing the Corporation to mortgage in favor of BDO Unibank, Inc. ("BDO") real properties covered under Transfer Certificate of Title Nos. T- 60023, T-60024, T-60025, T-60027 and T-60029, or other properties of equivalent value based on the appraisal of BDO, at RCI's option but with BDO consent which consent shall not be unreasonably withheld, as collateral for all obligations arising from or in connection with all credit accommodations extended and may be extended in the future to Roxaco Land Corporation by said bank.
    b. Authorizing the Corporation to sell 250 million of treasury shares at Php2.00 per share, pursuant to its 24 September 2014 resolution for the purpose of fund-raising initiatives for working capital, expansion of projects, payment of loans, and to be able to meet its plan commitments.

7. Acts/resolution approved during the 16 April 2024 special meeting of the Board of Directors:
    a. Authorizing the Corporation to open an account with AB Capital Securities, Inc.

Item 19. VOTING PROCEDURES

(a) The vote required for the:

(1) Approval of the Minutes of Previous Stockholders' Meeting - majority of the shares represented at the meeting
(2) Approval of the Chairman's and President's Report - majority of the shares represented at the meeting
(3) Approval of the Audited Financial Statements - majority of the shares represented at the meeting

(4) Approval of All Acts and Resolutions of the Board of Directors and Management - majority of the shares represented at the meeting
(5) Election of Directors - plurality of vote of the stockholders owning or representing a majority of the outstanding shares
(6) Election of External Auditors - plurality of the shares represented at the meeting

(b) The method by which votes will be counted - Subject to cumulative voting in the election of directors, each stockholder shall have one vote for each share of stock entitled to vote and registered in his name at record date. Counting of votes will be done by representatives of Banco de Oro as the Company's stock transfer agent, representatives of SyCip Gorres Velayo & Co., and the Assistant Corporate Secretary, all of whom shall serve as members of the election committee. Voting shall be done through voting in absentia.

In compliance with the requirements of Section 49 of the Revised Corporation Code, please be informed of the following:

1. Voting and Vote Tabulation Procedures used in the Previous Meeting - Subject to cumulative voting, each stockholder had one (1) vote for each share of stock entitled to vote and registered in his name at record date. Voting was done through online and counting of votes was done by representatives of Banco de Oro as the Company's stock transfer agent, representatives of SyCip Gorres Velayo & Co., and the Assistant Corporate Secretary. Pease see Annex "I" hereof.

2. Description of opportunity given to stockholders to ask questions and the record of questions asked and answers given - After each item in the Agenda, the Chairman asked the stockholders if they had any questions and opened the floor for discussion. It is reflected in the Minutes of the annual meeting held on 30 August 2023 that as provided in the procedure published for the conduct of the virtual meeting, all shareholders were requested to send their queries or comments to the Company's Investor Relations Officer on or before 9:00 a.m. of 16 June 2023. When the Chairman asked the Investor Relations Officer, Atty. Melchor J. Manalo, to read out any questions sent by the shareholders, Atty. Manalo confirmed that he did not receive any questions from shareholders for discussion in the annual meeting. Since there were no questions, the Chairman advised the stockholders that a link to the recorded webcast of the ASM will be posted on the Company's website after the Meeting. Stockholders shall have two weeks from posting to raise to the Company any issues, clarifications and concerns on the Meeting conducted. For any clarifications, shareholders may contact the Investor Relations Officer, Atty. Manalo. However, Atty. Manalo did not receive any questions or clarifications after the ASM in relation to the matters discussed during the ASM.

3. Matters discussed and resolutions reached at the last annual meeting held on 30 August 2023:

   a) On motion made and seconded, the stockholders dispensed with the reading of the minutes of 29 June 2022 unanimously approved and ratified the same.
   b) Upon motion made and seconded, the stockholders approved the Annual Report for the year ended 31 December 2022.
   c) There being no comments or objections on the acts and resolutions adopted by the Board of Directors and Management since the last annual stockholders' meeting held 29 June 2022, as set forth and discussed in the Information Statements on SEC Form 20 IS that was sent to all shareholders of record, upon motion made and seconded, stockholders' meeting held on 29 June 2022.
   d) The following were unanimously elected as members of the Board of Directors:

      i. MR. GERARDO C. ABLAZA, JR. (Independent)

ii. MR. EDGAR P. ARCOS
iii. MS. CORAZON DE LA PAZ-BERNARDO (Independent)
iv. MR. FRANCISCO JOSE R. ELIZALDE
v. MR. SANTIAGO R. ELIZALDE
vi. MR. AURELIO R. MONTINOLA III (Independent)
vii. MR. PEDRO O. ROXAS

e) Upon motion made and seconded, the stockholders unanimously approved the election of Sycip Gorres Velayo & Co., as external auditors of the Company for the calendar year 2023.

4. Voting results for each Agenda Item: 100% of the shareholders present or represented by proxy voted in favor of the approval of the Agenda items discussed above. A copy of the tabulation of votes for each Agenda item is attached hereto as **Annex "H".**

5. A list of directors or trustees, officers, stockholders who attended the meeting:

	DIRECTORS
1	Mr. Pedro O. Roxas
2	Mr. Edgar P. Arcos
3	Mr. Francisco R. Elizalde
4	Mr. Santiago R. Elizalde
5	Ms. Corazon de la Paz-Bernardo
6	Mr. Aurelio R. Montinola III
7	Mr. Gerardo C. Ablaza, Jr.
	OFFICERS
1	Atty. Peter D.A. Barot
2	Atty. Melchor J. Manalo
3	Mr. Rosswell Delos Reyes

	NUMBER OF SHARES	PERCENTAGE
Total Number of Shareholders by Proxy and in Person	1,725,553,109	77.35%
Total Issued and Outstanding Shares	2,230,711,002	100.00%

A Certification on the attendance of each Director for meetings held for 2023 is attached hereto as **Annex "J".**

6. Material Information on the current stockholders and their voting rights as of 31 March 2023:

	STOCKHOLDERS	NATIONALITY	TOTAL SHARES	%
1	SPCI Holdings, Inc.	Philippine National	710,350,473	28.39%
2	Pesan Holdings, Inc.	Philippine National	542,266,292	21.67%
3	PCD Nominee Corporation	Philippine National	401,078,627	16.03%

4	PCD Nominee Corporation	Other Alien	354,559,425	14.17%
5	Cisco Holdings, Inc.	Philippine National	112,500,000	4.50%
6	CRE Holdings, Inc.	Philippine National	112,500,000	4.50%
7	IÑIGO Holdings, Inc.	Philippine National	112,500,000	4.50%
8	SRE Holdings, Inc.	Philippine National	112,500,000	4.50%
9	Pedro O. Roxas	Filipino	12,780,554	0.51%
10	Rizal Commercial Banking Corporation	Philippine National	3,048,61	0.12%
11	Antonio Roxas Chua	Filipino	2,379,610	0.10%
12	Francisco R. Elizalde	Filipino	2,301,626	0.09%
13	Santiago R. Elizalde	Filipino	2,005,367	0.08%
14	Mari Carmen R. Elizalde	Filipino	1,361,241	0.05%
15	Carlos Antionio R. Elizalde	Filipino	1,358,517	0.05%
16	Central Azucarera dela Carlota Retirement Trust Fund	Philippine National	1,178,400	0.05%
17	Equitable Securities FAO Inigo Elizalde	Filipino	933,810	0.04%
18	Severo A. Tuazon & Company, Inc.	Filipino	537,000	0.02%
19	Dolores Teus De M. Vara Rey	Filipino	488,020	0.02%
20	Concepcion Teus Vda. De M. De Rey	Filipino	445,650	0.02%
	SUBTOTAL		**2,487,072,773**	**99.41%**
	OTHER STOCKHOLDERS		**14,857,223**	**0.66%**
	GRAND TOTAL		**2,230,193,502**	**100.00%**

7. Directors' disclosures on self-dealing and related party transactions - There are no self-dealing or related party transactions related to any of the Directors.

THE COMPANY UNDERTAKES TO PROVIDE WITHOUT CHARGE A COPY OF THE COMPANY'S ANNUAL REPORT ON SEC FORM 17-A UPON WRITTEN REQUEST ADDRESSED TO THE OFFICE OF THE ASSISTANT CORPORATE SECRETARY, 7/F CG BULDING, 101 AGUIRRE ST., LEGASPI VILLAGE, MAKATI CITY 1229. AT THE DISCRETION OF MANAGEMENT, A CHARGE MAY BE MADE FOR EXHIBITS, PROVIDED SUCH CHARGE IS LIMITED TO REASONABLE EXPENSES INCURRED BY THE REGISTRANT FURNISHING SUCH EXHIBITS.

SIGNATURE

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

ROXAS AND COMPANY, INC.
(formerly, "**CADP GROUP CORPORATION"**)

By:

MELCHOR J. MANALO
Assistant Corporate Secretary

08 May 2024

Roxas & Company, Inc.

SUMMARY OF ANNEXES

Annex A- Certification of Independent Directors and Certificate of Directors' Qualifications

Annex B - Certificates of Officers' qualifications

Annex C - 2023 Statement of Management's Responsibility and Audited Consolidated Financial Statements

Annex D - Unaudited Interim Consolidated Financial Statements for the period ending 31 March 2024

Annex E - Management's Discussion and Analysis or Plan of Operations

Annex F - Market Information

Annex G - Sustainability Report for the period ending December 2023

Annex H - Minutes of Stockholders' Meeting held on 30 August 2023

Annex I - Tabulation of votes of the 30 August 2023 Annual Stockholders' Meeting

Annex J - Certificate of Attendance of the Board of Directors for the Year 2023

Roxas & Company, Inc.

A N N E X "A"

CERTIFICATION OF INDEPENDENT DIRECTORS

AND

CERTIFICATES OF DIRECTORS QUALIFICATIONS

CERTIFICATE OF INDEPENDENT DIRECTOR

I, **GERARDO C. ABLAZA, JR.**, Filipino, of legal age and with office address at 154 San Enrique St., Ayala Alabang Village, Muntinlupa City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am an independent director nominee of **Roxas and Company, Inc.** (formerly CADP Group Corporation) for the calendar year 2024 and have been its Independent Director since 2021.

2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship
Advanced Info Services, PLC (Thailand)	Independent Director
iPeople, Inc.	Director
Ayala Foundation , Inc.	Trustee
Ayala Retirement Fund Holdings, Inc.	Director
Ayala Healthcare Holdings, Inc.	Director
AC Energy and Infrastructure Corporation (formerly AC Energy, Inc.)	Director
AC Infrastructure Holding Corp.	Director
BPI Asset Management and Trust Company (AMTC)	Director
BPI Direct BanKo Microfinance Bank	Director
BPI Foundation, Inc.	Trustee
Gawad Kalinga Foundation, Inc.	Trustee
Holcim Philippines, Inc.	Independent Director
Ayala Corporation	Consultant

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

4. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code.

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

6. I shall inform the Corporate Secretary of Roxas and Company, Inc. of any changes in the abovementioned information within five days from its occurrence.

Signed on this __ day of APR 23 2024 __________ 2024 in Makati City.

GERARDO C. ABLAZA, JR.
Affiant

SUBSCRIBED AND SWORN to before me this ____ day of APR 23 2024 2024 in Makati City Affiant personally appeared before me and exhibited to me his Philippine Passport No. P5889232A issued on 03 February 2018 and valid until 02 February 2028.

Doc. No. 374
Page No. 16
Book No. 23
Series of 2024.

SHERLUCK JUN C. VILLEGAS
NOTARY PUBLIC
ROLL NO 70942
MAKATI CITY, PHILIPPINES

ATTY. SHERLUCK JUN C. VILLEGAS
Notary Public for Makati City
Appt. No. M-274 until Dec. 31, 2024
Unit 3C LTA Building, 118 Perea St.
Legaspi Village, Makati City
Roll No. 70942
IBP No. 323340 / 11-30-2023 / Pasig City
PTR No. 10074513 / 01-02-2024 / Makati City
MCLE Compliance No. VII-0020869/April 14, 2025

CERTIFICATE OF INDEPENDENT DIRECTOR

I, **CORAZON S. DE LA PAZ-BERNARDO**, Filipino, of legal age and with office address at Unit 24A Lorraine Tower, Proscenium, Rockwell Center, Makati City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am an independent director nominee of **Roxas and Company, Inc.** and have been its Independent Director since year 2013.

2. I am affiliated with the following companies or organizations:

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
MFI Polytechnic Institute, Inc.	Trustee/Treasurer	1989 to present
Jaime V. Ongpin Foundation, Inc.	Vice Chairperson	1991 to present/2013 to present
Jaime V. Ongpin Microfinance Foundation	Chairman	2017 to present
PLDT, Inc. *	Advisor to the Audit Committee	2004 to present
BDO Unibank, Inc. *	Advisor to the Board & Audit Committee	2012 to present
University of the East	Independent Trustee	2007 to present
UE Ramon Magsaysay Memorial Medical Center	Independent Trustee	2007 to present
Philippine Business for Education	Trustee	2015 to present
Del Monte Philippines, Inc.	Independent Director	2018 to present
Phinma Education Holdings, Inc.	Independent Director	2020 to present
Republic Glass Holdings Corporation *	Independent Director	2012 To Present
D&L Industries, Inc.*	Independent Director	April 2017 to present
Institute of Corporate Directors	Honorary Fellow	2023 to Present

* Publicly Listed Company

3. I possess all the required qualifications and my extension of term to serve as an Independent Director of Roxas and Company, Inc., as recommended by its Board of

Directors, will be presented to the stockholders for approval during the company's Annual Stockholders' Meeting.

4. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code.

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

6. I shall inform the Corporate Secretary of Roxas and Company, Inc. of any changes in the above mentioned information within five (5) days from its occurrence.

Signed on this ___ day of MAY 08 2024 2024 in Makati City.

CORAZON S. DE LA PAZ-BERNARDO
Affiant

SUBSCRIBED AND SWORN to before me this ______ day of MAY 08 2024 2024 in Makati City Affiant personally appeared before me and exhibited to me her Philippine Passport No. P9344474B issued on 25 March 2022 and valid until 24 March 2032.

Doc. No. 49;
Page No. 11;
Book No. I;
Series of 2024.

MARIE MELANIE O. BUENAVENTURA
Appointment No. M-309
Notary Public for Makati City
Until December 31,2025
7th floor, Cacho-Gonzales Building,
101 Aguirre St., Legaspi Village, Makati City 1229
Roll of Attorneys No. 79761
IBP No. : 416254/01-11-2024/ Cavite Chapter
PTR No.: 2494298/01-15-2024/Imus City, Cavite

CERTIFICATION

I, **GERARDO C. ABLAZA, JR.**, of legal age, Filipino, and a resident of 154 San Enrique St., Ayala Alabang Village, Muntinlupa City, under oath, hereby depose and state that:

1. I am a nominee for Independent Director of ROXAS AND COMPANY, INC. (RCI) and have been its director since 16 June 2021.

2. I am not currently connected or employed by any government agency or instrumentality of the Republic of the Philippines.

3. I shall promptly notify the Corporate Secretary of RCI should there be any change on the above-mentioned information within five (5) days therefrom.

IN WITNESS WHEREOF, this Certification is signed this APR 23 2024 day of April 2024 in Makati City.

GERARDO C. ABLAZA, JR.
Independent Director

SUBSCRIBED AND SWORN TO before me this ______ day of APR 23 2024 2023, the affiant having exhibited his Philippine Passport No. P58889232A issued on 03 February 2018 and valid until 02 February 2028.

Notary Public

ATTY. SHERLUCK JUN C. VILLEGAS
Notary Public for Makati City
Appt. No. M-274 until Dec 31, 2024
Unit 30 LTA Building, 118 Perea St.
Legaspi Village, Makati City
Roll No. 70942
IBP No. 323340 / 11-30-2023 / Pasig City
PTR No. 10074513 / 01-02-2024 / Makati City
MCLE Compliance No. VII-0020869/April 14, 2025

SHERLUCK JUN C. VILLEGAS
NOTARY PUBLIC
ROLL NO. 70942
MAKATI CITY, PHILIPPINES

Doc. No.: 342;
Page No.: 71;
Book No.: 23;
Series of 2024.

CERTIFICATION

I, **AURELIO R. MONTINOLA III**, of legal age, Filipino, and a resident of 29 Pili Avenue, South Forbes Park, Makati City, under oath, hereby depose and state that:

1. I am a nominee for Independent Director of ROXAS AND COMPANY, INC. (RCI) and have been its director since 16 December 2016.

2. I am not currently connected or employed by any government agency or instrumentality of the Republic of the Philippines.

3. I shall promptly notify the Corporate Secretary of RCI should there be any change on the above-mentioned information within five (5) days therefrom.

APR 23 2024

IN WITNESS WHEREOF, this Certification is signed this ____ day of April 2024 in Makati City.

AURELIO R. MONTINOLA III
Independent Director

APR 23 2024

SUBSCRIBED AND SWORN TO before me this ______ day of __________ 2024, the affiant having exhibited her Philippine Passport No. P7535452B issued on 07 September 2021 and valid until 06 September 2031.

Doc. No.: 341;
Page No.: 70;
Book No.: 23;
Series of 2024.

SHERLUCK JUN C. VILLEGAS
NOTARY PUBLIC
ROLL NO 70942
MAKATI CITY, PHILIPPINES

Notary Public
ATTY. SHERLUCK JUN C. VILLEGAS
Notary Public for Makati City
Appt. No. A-274 until Dec 31 2024
Unit 30 LPA Building, 118 Perea St.
Legaspi Village, Makati City
Roll No. 70942
IBP No. 323340 / 11-30-2023 / Pasig City
PTR No. 10074513 / 01-02-2024 / Makati City
MCLE Compliance No. VII-0020830/April 14, 2025

CERTIFICATION

I, **EDGAR P. ARCOS**, of legal age, Filipino, and a resident of 42 Sampaguita St., Tahanan Village, Parañaque City, under oath, hereby depose and state that:

1. I am a nominee for Director of ROXAS AND COMPANY, INC. (RCI) and have been its director since 16 June 2021.

2. I am not currently connected or employed by any government agency or instrumentality of the Republic of the Philippines.

3. I shall promptly notify the Corporate Secretary of RCI should there be any change on the above-mentioned information within five (5) days therefrom.

IN WITNESS WHEREOF, this Certification is signed this 23rd day of April 2024 in Makati City.

EDGAR P. ARCOS
Director

SUBSCRIBED AND SWORN TO before me this ______ day of APR 23 2024 2024, the affiant having exhibited his Philippine Passport No. P7030824A valid until 02 May 2028.

Doc. No.: 340;
Page No.: 69;
Book No.: 23;
Series of 2024.

SHERLOCK JUN C. VILLEGAS
NOTARY PUBLIC
ROLL NO 70942
MAKATI CITY, PHILIPPINES

Notary Public

ATTY. SHERLOCK JUN C. VILLEGAS
Notary Public for Makati City
Appt. No. M-274 until Dec 31, 2024
Unit 2C LTA Building, 118 Perea St.
Legaspi Village, Makati City
Roll No. 70942
IBP No. 323349 / 11-30-2023 / Pasig City
PTR No. 10074513 / 01-02-2024 / Makati City
MCLE Compliance No. VII-0020869/April 14, 2025

CERTIFICATION

I, **FRANCISCO JOSE R. ELIZALDE**, of legal age, Filipino, and a resident of 2429 Bougainvilla Place, Dasmariñas Village, Makati City, under oath, hereby depose and state that:

1. I am a nominee for Director of ROXAS AND COMPANY, INC. (RCI) and have been its director since 25 June 2009.

2. I am not currently connected or employed by any government agency or instrumentality of the Republic of the Philippines.

3. I shall promptly notify the Corporate Secretary of RCI should there be any change on the above-mentioned information within five (5) days therefrom.

IN WITNESS WHEREOF, this Certification is signed this 23rd day of April 2024 in Makati City.

FRANCISCO JOSE R. ELIZALDE
Director

SUBSCRIBED AND SWORN TO before me this ______ day of APR 23 2024 2024, the affiant having exhibited his Philippine Passport No. P5290491B valid until 02 July 2030.

Doc. No. : 339;
Page No. : 69;
Book No.: 23;
Series of 2024.

SHERLUCK JUN C. VILLEGAS
NOTARY PUBLIC
ROLL NO 70942
MAKATI CITY, PHILIPPINES

Notary Public

ATTY. SHERLUCK JUN C. VILLEGAS
Notary Public for Makati City
Appt. No. M-274 until Dec 31 2024
Unit 3C LTA Building, 118 Perea St.
Legaspi Village, Makati City
Roll No 70942
IBP No 323047 / 11-30-2023 / Pasig City
PTR No 10074513 / 01-02-2024 / Makati City
MCLE Compliance No. VII-0020869/April 14, 2025

CERTIFICATION

I, **SANTIAGO R. ELIZALDE,** of legal age, Filipino, and a resident of 1666 Dasmariñas Ave., Dasmariñas Village, Makati City, under oath, hereby depose and state that:

1. I am a nominee for Director of ROXAS AND COMPANY, INC. (RCI) and have been its director since 12 August 2020.

2. I am not currently connected or employed by any government agency or instrumentality of the Republic of the Philippines.

3. I shall promptly notify the Corporate Secretary of RCI should there be any change on the above-mentioned information within five (5) days therefrom.

IN WITNESS WHEREOF, this Certification is signed this 23rd day of April 2024 in Makati City.

SANTIAGO R. ELIZALDE
Director

SUBSCRIBED AND SWORN TO before me this ______ day of APR 23 2024 ______ 2024, the affiant having exhibited his Philippine Passport No. P9236209A valid until 18 October 2028.

Doc. No. : 338 ;
Page No. : 69 ;
Book No.: 23 ;
Series of 2024.

SHERLUCK JUN C. VILLEGAS
NOTARY PUBLIC
ROLL NO 70942
MAKATI CITY PHILIPPINES

Notary Public

ATTY. SHERLUCK JUN C. VILLEGAS
Notary Public for Makati City
Appt. No. M-274 until Dec 31, 2024
Unit 3C LTA Building, 118 Perea St.
Legaspi Village, Makati City
Roll No. 70942
IBP No. 323310 / 11-30-2023 / Pasig City
PTR No. 10074513 / 01-02-2024 / Makati City
MCLE Compliance No. VII-0020869/April 14, 2025

CERTIFICATION

I, **PEDRO O. ROXAS**, of legal age, Filipino, and a resident of No. 6 Ipil Road, South Forbes, Makati City, under oath, hereby depose and state that:

1. I am a nominee for Director of ROXAS AND COMPANY, INC. (RCI) and have been its director since 2009.

2. I am not currently connected or employed by any government agency or instrumentality of the Republic of the Philippines.

3. I shall promptly notify the Corporate Secretary of RCI should there be any change on the above-mentioned information within five (5) days therefrom.

IN WITNESS WHEREOF, this Certification is signed this 23rd of April 2024 in Makati City.

PEDRO O. ROXAS
Director

SUBSCRIBED AND SWORN TO before me this APR 23 2024 day of ______ 2024, the affiant having exhibited his Philippine Passport No. P0388893B valid until 23 June 2029.

Notary Public

ATTY. SHERLUCK JUN C. VILLEGAS
Notary Public for Makati City
Appt. No. M-274 until Dec 31, 2024
Unit 2C LTA Building, 118 Perea St.
Legaspi Village Makati City
Roll No. 70942
IBP No. 323340 / 11-30-2023 / Pasig City
PTR No. 10074513 / 01-02-2024 / Makati City
MCLE Compliance No. VII-0023889/April 14, 2025

SHERLUCK JUN C. VILLEGAS
NOTARY PUBLIC
ROLL NO. 70942
MAKATI CITY, PHILIPPINES

Doc. No.: 337;
Page No.: 69;
Book No.: 23;
Series of 2024.

Roxas & Company, Inc.

A N N E X "B"

Officers' Certifications

CERTIFICATION

I, **EDGAR P. ARCOS**, of legal age, Filipino, and a resident of No. 42 Sampaguita Street, Tahanan Village, Parañaque City, under oath, hereby depose and state that:

1. I am the President-Chief Executive Officer of ROXAS AND COMPANY, INC. (RCI).

2. I am not currently connected or employed by any government agency or instrumentality of the Republic of the Philippines.

3. I shall promptly notify the Corporate Secretary of RCI should there be any change on the above-mentioned information within five (5) days therefrom.

IN WITNESS WHEREOF, this Certification is signed this 23rd day of April 2024 in Makati City.

EDGAR P. ARCOS
President-CEO

SUBSCRIBED AND SWORN TO before me this APR 23 2024 day of April 2024, the affiant having exhibited his Philippine Passport No. P7030824A valid until 02 May 2028 at DFA NCR South.

Notary Public

ATTY. SHERLOCK JUN C. VILLEGAS
Notary Public for Makati City
Appt. No. M-274 until Dec. 31, 2024
Unit 3C LTA Building, 118 Perea St.
Legaspi Village, Makati City
Roll No. 70942
IBP No. 323340 / 11-30-2023 / Pasig City
PTR No. 10074513 / 01-02-2024 / Makati City
MCLE Compliance No. VII-0020869/April 14, 2025

Doc. No.: 336;
Page No.: 49;
Book No.: 23;
Series of 2024.

SHERLOCK JUN C. VILLEGAS
NOTARY PUBLIC
ROLL NO. 70942
MAKATI CITY, PHILIPPINES

CERTIFICATION

I, **ROSSWELL C. DELOS REYES**, of legal age, Filipino, and a resident of 9216 Dita St., San Antonio Village, Makati City, under oath, hereby depose and state that:

1. I am the Group Chief Financial Officer of ROXAS AND COMPANY, INC. (RCI).

2. I am not currently connected or employed by any government agency or instrumentality of the Republic of the Philippines.

3. I shall promptly notify the Corporate Secretary of RCI should there be any change on the above-mentioned information within five (5) days therefrom.

IN WITNESS WHEREOF, this Certification is signed this APR 23 2024 day of April 2024 in Makati City.

ROSSWELL C. DELOS REYES
Group Chief Financial Officer

SUBSCRIBED AND SWORN TO before me this APR 23 2024 day of April 2024, the affiant having exhibited his identification LTO ID No. N04-05-000742 issued on 01 July 2019 and valid until 06 August 2024.

Doc. No. : 335 ;
Page No. : 68 ;
Book No. : 23 ;
Series of 2024.

SHERLUCK JUN C. VILLEGAS
NOTARY PUBLIC
ROLL NO. 70942
MAKATI CITY, PHILIPPINES

Notary Public

ATTY. SHERLUCK JUN C. VILLEGAS
Notary Public for Makati City
Appt. No. M-274 until Dec. 31, 2024
Unit 3C LTA Building, 118 Perea St.
Legaspi Village, Makati City
Roll No. 70942
IBP No. 323340 / 11-30-2023 / Pasig City
PTR No. 10074513 / 01-02-2024 / Makati City
MCLE Compliance No. VII-0020839/April 14, 2025

CERTIFICATION

I, **PETER DONNELY A. BAROT**, of legal age, Filipino, and with address at Picazo Buyco Tan Fider & Santos Law Offices, Penthouse, Liberty Center-icazo Law, 104 H.V. Dela Costa St., Salcedo Village, Makati City, under oath, hereby depose and state that:

1. I am the Corporate Secretary of ROXAS AND COMPANY, INC. (RCI).
2. I am not currently connected or employed by any government agency or instrumentality of the Republic of the Philippines.
3. I shall promptly notify the Corporate Secretary of RCI should there be any change on the above-mentioned information within five (5) days therefrom.

IN WITNESS WHEREOF, this Certification is signed this 23rd day of April 2024 in Makati City.

PETER DONNELY A. BAROT
Corporate Secretary

APR 23 2024

SUBSCRIBED AND SWORN TO before me this ______ day of April 2024, the affiant having exhibited his Philippine Passport No. P0746669B valid until 19 February 2029 issued at DFA NCR Northeast.

Doc. No.: 332;
Page No.: 68;
Book No.: 23;
Series of 2024.

SHERLOCK JUN C. VILLEGAS
NOTARY PUBLIC
ROLL NO 70942
MAKATI CITY, PHILIPPINES

Notary Public

ATTY. SHERLOCK JUN C. VILLEGAS
Notary Public for Makati City
Appt. No. M-274 until Dec 31 2024
Unit 3C LTA Building, 118 Perea St.
Legaspi Village, Makati City
Roll No. 70942
IBP No. 323340 / 11-30-2023 / Pasig City
PTR No. 10074513 / 01-02-2024 / Makati City
MCLE Compliance No. VII-0020669/April 14, 2025

CERTIFICATION

I, **MELCHOR J. MANALO**, of legal age, Filipino, and a resident of Unit 402 Flores Bldg., Ivorywood, Acacia Estates, Taguig City, under oath, hereby depose and state that:

1. I am the Assistant Corporate Secretary and Compliance Officer of ROXAS AND COMPANY, INC. (RCI).

2. I am not currently connected or employed by any government agency or instrumentality of the Republic of the Philippines.

3. I shall promptly notify the Corporate Secretary of RCI should there be any change on the above-mentioned information within five (5) days therefrom.

IN WITNESS WHEREOF, this Certification is signed this 23rd of April 2024 in Makati City.

MELCHOR J. MANALO
Assistant Corporate Secretary/
Compliance Officer

SUBSCRIBED AND SWORN TO before me this APR 23 2024 day of ______ 2024, the affiant having exhibited his identification IBP ID Roll of Attorneys no. 62499 issued in Makati City.

Notary Public

ATTY. SHERLOCK JUN C. VILLEGAS
Notary Public for Makati City
Appt No. M-271 until Dec 31 2024
Unit 3C LTA Building, 118 Perea St.
Legaspi Village, Makati City
Roll No. 70942
IBP No. 323340 / 11-30-2023 / Pasig City
PTR No. 10074513 / 01-02-2024 / Makati City
MCLE Compliance No. VII 0020669/April 14, 2025

SHERLOCK JUN C. VILLEGAS
NOTARY PUBLIC
ROLL NO. 70942
MAKATI CITY, PHILIPPINES

Doc. No.: 331;
Page No.: 68;
Book No.: 23;
Series of 2024.

Roxas & Company, Inc.

A N N E X "C"

Statement of Management's Responsibility
and
2023 Audited Consolidated Financial Statements

Roxas & Company, Inc.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **Roxas and Company, Inc. and Subsidiaries** (the Group) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended **December 31, 2023 and 2022**, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

PEDRO O. ROXAS
Chairman

EDGAR P. ARCOS
President and CEO

ROSSWELL C. DELOS REYES
Group CFO

Signed this **12th day of April 2024.**

Roxas & Company, Inc.

SUBSCRIBED AND SWORN to before me this APR 15 2024 in Makati City, affiants exhibiting to me their respective competent ID as follows:

Names	Competent ID	Date of Issue/Expiry	Place of Issue
Pedro O. Roxas	Passport No. P0388893B	24 Jan. 2019 - 23 Jan. 2029	DFA Manila
Edgar P. Arcos	Passport No. P7030824A	03 May 2018 – 02 May 2028	DFA NCR South
Rosswell C. Delos Reyes	Professional Driver's License No. N04-05-000742	01 July 2019 – 06 August 2024	DOT-LTO

Doc. No. 17
Page No. 5
Book No. I
Series of 2024

MARIE MELANIE O. BUENAVENTURA
Appointment No. M-309
Notary Public for Makati City
Until December 31,2025
7th floor, Cacho-Gonzales Building,
101 Aguirre St., Legaspi Village, Makati City 1229
Roll of Attorneys No. 79761
IBP No. : 416254/01-11-2024/ Cavite Chapter
PTR No.: 2494298/01-15-2024/Imus City, Cavite

SEC Registration Number

PW-00000834

Company Name

ROXAS AND COMPANY, INC. AND SUBSIDIARIES

Principal Office (No./Street/Barangay/City/Town) Province)

7th Floor, Cacho-Gonzales Building, 101 Aguirre Street, Legaspi Village, Makati City

Form Type	Department requiring the report	Secondary License Type, If Applicable
SEC Form 17-A	**CRMD**	**Not Applicable**

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
rci@roxascompany.com.ph	**(02) 8810-8901 to 06**	**–**

No. of Stockholders	Annual Meeting Month/Day	Calendar Year Month/Day
3,281	**Last Wednesday of May**	**December 31**

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Atty. Melchor J. Manalo	**melchor.manalo @roxascompany.com.ph**	**(632) 8751-9537**	**–**

Contact Person's Address

7th Floor, Cacho-Gonzales Building, 101 Aguirre Street, Legaspi Village, Makati City

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

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-A
ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES

1. As of and for the year ended: **31 December 2023**

2. SEC Identification Number: **PW- 00000834**

3. BIR Tax Identification No. : **000-269-435-000**

4. Exact name of issuer as specified in its charter: **ROXAS AND COMPANY, INC.**

5. **Philippines**
   Province, Country or other jurisdiction of
   Incorporation or Organization

6. (SEC Use Only)
   Industry Classification Code

7. **7th Floor Cacho-Gonzales Building, 101 Aguirre Street**
   Legaspi Village, Makati City 1229
   Address of Principal Office

8. **(632) 8810-89-01 to 06**
   Registrant's telephone number, including area code

9. CADP GROUP CORPORATION
   6th Floor Cacho-Gonzales Building, 101 Aguirre Street
   Legaspi Village, Makati City 1229
   Former name and former address.

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

Title of Each Class and Amount of Debt Outstanding	Number of Shares of Stock Outstanding
Authorized Capital Stock	
Common	**P4,375,000,000**
Preferred	**1,000,000,000**
No. of shares subscribed & outstanding:	
Common-Issued	**2,911,885,870**
Common-Outstanding	**2,284,990,996**
Preferred	
Amount of loans outstanding as of December 31, 2023	**P4,027,565,026**

Of the 2,284,990,996 outstanding shares, 626,894,874 common shares and 200,000,000 preferred shares were exempt securities under Section 10.1 of the SRC.

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

Yes [√] No [ ]

2,911,885,870 common shares are listed with the Philippine Stock Exchange (PSE).

12. Check whether the issuer:

(a) Has filed all reports required to be filed by Section 17 of the Securities Regulation Code (SRC) and Rule 17 (a)-1 thereunder and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding 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 90 days.

Yes [√] No []

13. State the aggregate market value of the voting stock held by non-affiliates of the issuer. 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 specified date within 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.

Assuming that the number of stockholdings of non-affiliates as of 31 December 2023 is 2,284,990,996 common shares and assuming further that the market bid price of the shares as of same date is P0.48 then the aggregate market value of the voting stocks held by non-affiliates as of said date is P1.1 Billion.

14. Documents incorporated by reference. (Briefly describe them and identify the part where they are incorporated).

(a) Incorporated by reference in Part III on Financial Information is the Consolidated Financial Statements of Roxas and Company, Inc. and subsidiaries as at and for the year ended 31 December 2023.

PART I – BUSINESS

1. Business Development

Roxas And Company, Inc. ("RCI") is the holding company for a group of companies with interests in (i) the real estate and hotel development, operations, and property management through its subsidiary, Roxaco Land Corporation ("RLC"), (ii) a minority stake in the sugar milling and ethanol manufacturing businesses of Roxas Holdings, Inc. ("RHI"), (iii) in coconut processing and exports through its subsidiary, Roxas Sigma Agriventures, Inc. ("RSAI") and in (iv) renewable energy development. In addition to its various business interest, RCI holds approximately 2,494 hectares of investment property landholdings located in Nasugbu, Batangas with significant areas under negotiation for exemption under the Comprehensive Agrarian Reform Program ("CARP").

In November, 2013, RCI sold 31% of its equity interest in RHI to First Pacific Company, Ltd., a Hongkong based company but remained its biggest shareholder with 36% equity interest. RCI's equity interest was diluted to 23% as of December 2019 when it did not exercise its Stock Rights Option in 2016 and in the conversion of RHI's debt securities into common shares in 2017.

In December 2018, the SEC approved the corporate reorganization of RLC. The reorganization included the merger of RLC and Anya Hotels and Resorts Corporation with RLC as the surviving corporation. As part of the reorganization, RCI increased its equity in RLC by P60 million via conversion of its outstanding advances to common shares. In February 2019, Anya Hospitality Corp. ("AHC"), RLC's hotel management company was also merged with RLC. After the reorganization was completed, Anya Hotel and Resort Tagaytay and Anya Hospitality Corp operated as business units within RLC. Anya Hotel and Resort Tagaytay opened in 2017 with 80 hotel suites and a hotel core that operates its high-end facilities which include premium restaurants, heated pools, wellness center, a library, function rooms, and lounges.

In December 2013, RLC and Singapore based VH Select Investments (Phil) Pte. Ltd. (VH Select) formed the joint venture company, Roxaco-Vanguard Hotel Corporation ("RVHC") to build a minimum of five budget hotels under the "Go Hotels" brand through a franchise agreement with Robinsons Land Corporation. By 2017, five (5) Go Hotel sites located in Manila Airport Road, Cubao, Ermita, North EDSA and Timog were completed. In April 2018, VH Select sold its shareholdings to Asia Hospitality Private Capital Ltd., Singapore with RLC still maintaining 51% control of the JV Company. Consequently, the corporate name was changed to Roxaco-Asia Hospitality Corporation ("RAHC") and was approved by the SEC in October 2018. In December 2019, RAHC signed an agreement to sell its Go Hotel Cubao site for P411 million in order to reduce debt and improve profitability. The property was sold in February 2020.

RLC also has investments in Fuego Development Corporation ("FDC"), Fuego Land Corporation ("FLC"), Club Punta Fuego, Inc. ("CPFI"), Roxaco-ACM Development Corporation ("RADC"), and SAMG Memorial Management and Services, Inc. ("SMMSI").

RLC manages all its Go Hotel sites, Anya Hotel and Resort Tagaytay, and Club Punta Fuego as well as third party hotels and resorts under various management agreements.

After completing most of its real property projects, RLC in 2016 started the development of Montana Residences, an 8.2 hectare housing project located in Palico, Nasugbu, Batangas.

In May 14, 2015, RCI established Roxas Green Energy Corporation ("RGEC"), a wholly owned subsidiary to venture in renewable power generation. RGEC planned to develop solar power plants using the real properties owned by RCI in Nasugbu, Batangas. However, after completing the initial predevelopment requirements, permits and land preparations, RGEC deferred full development of the project and shifted to look for possible joint venture arrangements with major power firms. The pre-development cost was written down in 2021.

In October 8, 2015, RCI entered into a Shareholders Agreement with Sigma Xynergies Corporation (SXC), a Filipino-owned company and formed Roxas Sigma Agriventures, Inc. (RSAI) for the development of a 300 tons-per-day coconut processing plant in Tupi, South Cotabato. The plant is an advanced processing facility to produce coconut cream/milk, virgin coconut oil, and coconut water concentrate primarily for export. In 2016, RCI initially invested P215.0 Million in RSAI for 81.13% control of the company. RCI infused P21.5 Million additional capital in 2017 and another P200 Million in 2018, increasing its total equity to P436.5 million or 88.81% control of the company. Plant testing and commissioning started on the 3rd quarter of 2017. Commercial operations began in January 2018. By March 2019, RSAI secured all key major international production, food, and safety certifications required in the European, North and South American markets that will enable it to fully market its products.

In December 2018, SEC approved RCI's application to increase its authorized capital from 3.375 Billion to 4.375 Billion shares. The increase in capital stock reflected the creation of 1 Billion preferred shares with a par value of P1.00 per share.

In December 2018, RCI raised P500 million new equity through the issuance of preferred shares with a par value of P1.00 per share. The shares are redeemable after 2 years, with an option to extend by another 2 years. Dividend rate for the 1st years is at 8.5%. Proceeds from the equity raised were used to reduce bank debts and fund the group's operating requirements.

The BOD, in its Special Meeting held on March 12, 2021, resolved to redeem 300 million redeemable preferred shares, which are not listed with the PSE, issued to Amalgamated Investment Bancorporation pursuant to the Re-structuring and Financing Agreement entered into between the parties. The Board further resolved to redeem the said preferred shares at a redemption price of P1.00 per share. The Articles of Incorporation of the Parent Company provides that the preferred shares are redeemable after two (2) years from issuance and are re-issuable upon terms and conditions determined by its BOD. The BOD has yet to determine the terms of re-issuance of the said preferred shares.

In August 2021 and October 2021, RCI converted its advances to RSAI amounting to P354 million and P53 million, respectively, that increased the equity interest in RSAI from 88.81% to 94.98%.

Distribution Methods of the Products or Services

RLC offers its various properties to potential buyers through its authorized sales agents and brokers.

RAHC through its hotel management, Anya Hospitality Group, uses online digital channels, corporate and government direct selling, enrollment in online and local travel agencies and marketing direct to walk-in customers to generate hotel bookings.

RSAI, as a bulk producer, markets its products by initially positioning itself as a major ingredient supplier to branded manufacturers, international brokers for its products, and food service companies. It will evaluate options for its own brand and toll manufacturing when volumes have been developed and expanded for retail sale.

Competition

For RLC

RLC's real estate projects are located in Nasugbu, Batangas using its land bank to develop commercial,residential and memorial lot projects for the local area market. Anya Resort and Residences project in Tagaytay is its entry into the high-end residential and luxury hotel market outside Batangas.

The local property competitors in the area are Ayala Land, Robinsons Land, SM Investments, and Sta. Lucia Realty and Development, Inc.

For RAHC

All four (4) Go Hotels are classified in the hotel and tourism industry as Economy or Budget Hotels. Major competitors considered in this category are the likes of Red Planet,Hop Inn International chains, Hotel 101, local established chains such as Eurotel and other location – centric hotels with similar price points.

For RSAI

RSAI was established in 2015 to process 300 Metric Tons per day of raw coconuts to produce three major products for export: Coconut Water Concentrate; Virgin Coconut Oil, and Coconut Milk/Cream. Major competitors within the region include Franklin Baker Inc., Peter Paul Philippines, Inc., Century Pacific Agri Ventures., Primex Foods, Inc., Celebes Foods, Inc., and Axelum (Fiesta Foods).

Sources and Availability of Raw Materials and Names of Principal Suppliers

For its hotel operations, RAHC and Anya use accredited third-party service providers for its laundry service requirements, security, and housekeeping.

RSAI's main raw materials of dehusked coconuts, are sourced from farmers, buying stations or consolidators within the area of South Cotabato, Saranggani, North Cotabato, and Lanao del Sur. Packaging materials such as drums and corrugated boxes are purchased locally, while aseptic bags are secured overseas.

Patents, Trademarks and Copyrights

RLC secured registration of its trademark project "Anya Resort and Residences" and has a pending trademark application for its mark "NIYAMA" with the Intellectual Property Office of the Philippines.

RLC also owns the trademarks for all the logos of "Anya" and "Fuego" brands.

For RAHC, the use of "Go Hotels" Trademark/Logo is covered by the terms and conditions of the Franchise Agreement with Robinsons Land Corporation.

Need for Government Approvals of Principal Products or Services

As part of the normal course of business, RLC secures all the necessary permits such as but not limited to development permits from the local government, Certificate of Registration and License to Sell from the Department of Human Settleents and Urban Development (fomerly, Housing and Land Use Regulatory Board) ("DHSUD"), and the Environmental Compliance Certificate from the Department of Environment and Natural Resources.

RSAI secured approval from Food and Drug Administration in order to operate and sell products legally. It has likewise secured various international certifications as required by foreign buyers such as USFDA, Halal, HACCP, Kosher, Organic, GMP, Food Safety System Certification ("FSSC"), and BRC Certification.

RGEC secured a service contract with Department of Energy to have the exclusive right to explore, develop or utilize a particular renewable energy (i.e. solar energy) contract area in Nasugbu, Batangas. It has likewise secured BOI registration to qualify for tax incentives for the project.

Effect of Existing or Probable Governmental Regulations

For RLC

The real estate business is subject to a number of laws including the Civil Code of the Philippines, Presidential Decree Nos. 957 and 1216, the Maceda Law, and certain provisions of the Local Government Code. The industry is primarily regulated by the policies and rules and regulations issued by the DHSUD.

Value Added Tax System

The present value-added tax (VAT) system imposes a 12% VAT on Sale of Real Properties. Section 4.106-3 of Revenue Regulations No. 16-2005 – Sale of real properties held primarily for sale to customers or held for lease in the ordinary course of trade or business of the seller shall be subject to VAT.

For RGEC

RGEC, being in the Renewable Energy (RE) industry, is covered by the *Renewable Energy act of 2008* (Republic Act No.9513) which provides substantial incentives and privileges such as VAT zero-rated sales and income tax holiday for a period of 7 years from the start of commercial operations.

For RSAI

RSAI, being a BOI-registered company, is entitled to import duty exemption of its capital equipment and income tax holiday for six (6) years from the start of commercial operations or January 2018, whichever is earlier. RSAI is also entitled to zero-rated VAT on export sales.

For the Group

The CREATE Law will affect the taxes due from the whole Group for the calendar year 2022. This includes corporate income tax, minimum corporate income tax, and income tax holiday.

Costs and Effects of Compliance with Environmental Laws

RLC secures the required Environmental Compliance Certificates for all of its real property developments.

RGEC, RAHC, and RSAI also secured the required Environmental Compliance Certificates before commencement of commercial operations.

Total Number of Employees and Number of Full-Time Employees

As of 31 December 2023, RCI, the Holding Company has three (3) executives and fourteen (14) employees.

RLC, on the other hand, has two (2) executives and fourty four (44) employees, including the real estate and Anya Hospitality Group while Anya Resort Hotel Tagaytay has 1 executive and 98 employees.

RAHC has 65 employees. RSAI has 3 executives and 140 employees.

RGEC has no full-time employees yet as it is still at the pre-operating stage.

Property

The Company's investment property landholding located in Nasugbu, Batangas has an approximate land area of more or less 2,494 hectares with total appraised value of P11,204 Billion as of December 2023 and P9.285 Billion as of December 2022. About 2,300 hectares of these properties were covered by the Comprehensive Agrarian Reform Program (CARP) with a significant portion currently under an application for exemption with the Department of Agrarian Reform.

The Company is likewise the registered owner of a 1,030 sqm office condominium unit located at the 7th Floor of Cacho-Gonzales Building, 101 Aguirre Street, Legaspi Village, Makati City. It has a carrying value of P526,872.90 while fair market value is at P88.58 million as of December 31, 2023. The property is currently used as collateral for the long-term loan of its subsidiary, RLC.

Real Estate
As of December 31, 2023, RLC's real estate for sale and development, consisting of real estate properties for sale, raw land and land improvements, amounted to P348.31 Million. Certain properties are also used as collateral to secure the loan obligations of the Company.

RAHC
RAHC's four (4) Go Hotels have a total land area of 4,105.6 sqm located in Parañaque, Malate, North EDSA, and Timog, Quezon City. The four Go Hotels are situated on these sites and have total appraised values P2,249 billion as at December 31, 2023 These properties were used as collateral for the long-term borrowings of the Company.

RSAI
RSAI is the owner of the 21,945 sqm property, plant and equipment with appraised value of P790 million as of November 2023 located in Purok 10, Poblacion, Tupi, South Cotabato wherein the Coconut Processing Plant is situated and used as collateral for the long-term borrowings of the Company.

Legal Proceedings

RCI is a party to various legal proceedings mostly involving the coverage of its properties in Nasugbu, Batangas under the CARP.

Sometime in 1993, the Company filed a case questioning the Department of Agrarian Reform's (DAR) acquisition of its landholdings and asking for the cancellation of the Certificates of Land Ownership Awards (CLOAs) issued by the DAR in favor of the farmer-beneficiaries. On 17 December 1999, the Supreme Court promulgated its Decision in GR No. 127876 nullifying the DAR acquisition proceedings over haciendas Palico, Banilad and Caylaway/Carmen. The High Tribunal ruled that the Company's right to due process was violated by the DAR. However, the Supreme Court did not nullify the CLOAs that were issued by the DAR despite its declaration that the acquisition proceedings were null and void.

In May 2000, the Company filed with the DAR an application for CARP exemption of its three Haciendas in Nasugbu based on Presidential Proclamation No. 1520 which declared the entire municipality of Nasugbu as a tourist zone. RCI likewise filed exemption applications for smaller areas based on the 1982 Zoning Ordinance of Nasugbu, Batangas.

In December 2009, the Supreme Court ruled that PP No. 1520 did not automatically reclassify the agricultural lands in Nasugbu, Batangas to non-agricultural lands[1]. However, the Court noted that RCI "can only look to the provisions of the Tourism Act and not to PP No. 1520, for possible exemption".

On February 08, 2011, the Supreme Court denied the Company's Second Motion for Reconsideration and affirmed with finality its December 2009 Decision.

Consistent with the 2009 Supreme Court Decision that "Roxas and Co. can only look to the provisions of the Tourism Act, and not to PP 1520, for possible exemption", RCI filed in April 2010 with the Tourism Infrastructure and Enterprise Zone Authority ("TIEZA") an application to declare fourteen (14) Specific Geographic Areas located in the RCI landholdings as Tourism Enterprise Zones ("TEZs"). This application was based on the Tourism Act of 2009.

To date, the said application has not been acted upon, primarily because it took the DOT some time to promulgate the Implementing Rules and Regulations ("IRR"). However, in July 2011, the IRR was published in newspapers of general circulation and the same took effect on 01 August 2011. At present, RCI's application is still pending with the TIEZA.

On 20 September 2011, RCI received from the Supreme Court a Decision dated 05 September 2011[2] affirming the exemption of a 21.1236-hectare property from CARP. The exempt property consists of 27 parcels of land located in Barangay Aga, Nasugbu, Batangas.

There are three[3] other CARP-related cases that are pending with the Provincial Adjudicator (PARAD) of Western Batangas and the Department of Agrarian Reform (DAR).

On 22 October 2012, the DAR published a Notice of Coverage over approximately 2,514.76 hectares of the Company's properties. The Company has filed its Protest with the DAR against this wrongful coverage (failure to observe the proper rules before publishing the said Notice of Coverage) and the applicable law (RA No. 6657 vs. RA No. 9700). On June 17, 2014, the DAR issued a revised NOC covering RCI properties aggregating 2,300.60 hectares.

On October 16, 2013, the DAR ordered the denial of the Protest. On December 9, 2013, the Company filed a Motion for Reconsideration (MR) with the DAR. On April 15, 2014, the DAR denied the MR of RCI.

---

[1]The 04 December 2009 Decision in SC GRN 149548, 165450, 167453, 179650, 167845 AND 169163 may be accessed at http://sc.judiciary.gov.ph/jurisprudence/2009/december2009/149548.htm.

[2]Agapito Rom, et. al. vs. Roxas and Company, Inc., G.R. No. 169331.

[3] These cases are: (i) DAR Adm. Case No. A-9999-100-97, which is an application for exemption from CARP coverage of a 45.97 hectare property in Brgy. Aga on the ground that the said property has a slope of at least 18%. The DAR granted RCI's application. However, the farmer-beneficiaries filed a Motion for Reconsideration, to which RCI filed an opposition. This case is now final and executory but the DAMBA filed a Petition for Relief from Judgment which is still pending resolution of the Office of the Secretary of DAR; (ii) Petitions for the cancellation of CLOA No. 6646 covering a 21-hectare property. These cases stemmed from a Certificate of Finality issued by DAR exempting the subject property from CARP coverage. The Provincial Adjudicator of Batangas (PARAD) decided in favor of the Company and cancelled the CLOA. The farmers' Motion for Reconsideration was subsequently denied by the PARAD. The cases are now with the Department of Agrarian Reform Adjudication Board (DARAB) in view of the appeal filed by the farmers; and (iii) DAR Case Nos. R-0401-0021 to 0058-2009 stems from a final and executory Supreme Court ruling exempting from CARP coverage a 30.1685-hectare property in Barangay Banilad, Batangas. As such, the Company filed with the PARAD Petitions for cancellation of CLOA 5189 insofar as the exempted area is concerned.

On June 27, 2014, RCI filed a Petition for Certiorari with the Court of Appeals (CA). On 25 October 2017, the CA rendered a Decision on the Petition for Certiorari filed by RCI. In its Decision, the Court of Appeals partially granted RCI's Petition. In particular, the CA nullified and set aside the Order and Resolution dated 16 October 2013 and 15 April 2014, respectively, of the Department of Agrarian Reform. It also nullified the Notice of Coverage published by the DAR on 22 October 2012. The CA further remanded the case back to the DAR for purposes of issuing a new Notice of Coverage after determining specific portions of the haciendas that should be covered by the Agrarian Reform Law. However, the CA did not order the cancellation of the existing CLOAs over the properties of RCI that were issued pursuant to the nullified Notice of Coverage. Thus, RCI filed a partial Motion for Reconsideration of the Decision of the CA on 22 November 2017. In its MR, RCI prayed that: (i) the CA cancel all the CLOAs covering the properties covered by the 1999 Roxas case; (ii) To order the DAR to act on the pending applications for exemption/exclusion/conversion; and (iii) For Respondents to cease and desist from committing any act that involves the coverage of the subject properties pending the final resolution of the applications of RCI with the DAR.

On 05 June 2017, the DAR dismissed the application of RCI for exemption/exclusion of a total of 685 h.a. from CARP coverage. The DAR dismissed the application on purely technical grounds. Thus, RCI filed a Motion for Reconsideration on 14 August 2017. This MR has not been resolved by the DAR to date.

On 29 November 2017, the DAR denied RCI's Motion for Reconsideration of the denial of an application for exemption over a total of 285 h.a. for being agricultural in nature. The DAR found that there was no reversible error that would justify a reconsideration of the denial of exemption. Consequently, RCI filed an Appeal with the Office of the President on 22 January 2018. On May 21, 2022, the Office of the Prsident denied RCI'a appeal explaining that the findings of facts of the Administrative Agencies should be respected. RCI timely filed its Motion for Reconsideration which remains pending as of this date

The DAR approved the conversion application filed by RCI and RLC over sixteen (16) parcels of land located in Barangay Banilad, Nasugbu, Batangas totaling approximately 52 hectares on July 2020. A Motion for Reconsideration was filed by the oppositors but the MR was denied and the order of conversion was affirmed by the DAR in November 2020. On November 2021, the Office of the President issued an Order denying the appeal filed by the oppositors and affiriming the DAR Decision. A Motion for Reconsideration ("MR") was thereafter filed by the oppositors on December 2021. RCI filed its Comment on the said MR On April 29, 2022 the Office of the President issued a resolution denying the oppositor's MR.

On August 8, 2023, the Department of Agrarian Reform ("DAR") issued Summons against RCI and the agrarian reform beneficiaries, through their respective counsels, directing the Parties to appear before the Office of the Undersecretary for Legal Affairs Office ("ULAO") on August 11, 2023 to discuss the possible resolution of all cases relating to the properties of RCI.

In the said conference, in light of the parties' willingness to submit to the jurisdiction of DAR and/or amicably settle the cases, both parties were directed to submit a Manifestation or Motion to Withdraw all pending cases involving the RCI properties in all forums, and the DAR to assume full jurisdiction thereto; and submit respective verified position papers and additional evidentiary documents.

Accordingly, the interested parties submitted to the DAR their respective Motions to Withdraw filed with the Supreme Court, Court of Appeals, and Office of the President. Thereafter, the parties also filed their respective Position Paper with the DAR-ULAO.

On December 29, 2023, a copy of which was received by RCI on January 11, 2024, the DAR Secretary issued a Consolidated Order[4] directing, among others, the consolidation of the total aggregate area of 2,941.4571 hectares covering the three (3) haciendas into one (1) Title in the name of the Republic of the Philippines; and to segregate the consolidated Title into two (2) equal shares after deduction of some portions already resolved with finality rendered in favor of RCI, reflecting a 50-50 sharing or segregation in accordance with the survey plan, thus: (a) 297 HAs already resolved in favor of RCI with finality; (b) 1,322.22855 HAs to be retained by RCI; and (c) 1,322.22855 HAs to be distributed to the ARBs.

The same Consolidated Order directed the relevant government agencies to earmark and appropriate the payment of just compensation for RCI for those expropriated/awarded half portion of its landholdings (1,322.22855 HAs), as may be judicially or administratively determined.

Under Section 7 of R.A. 6799, which amended R.A. 6657, the just compensation is determined by a 70% zonal – 30% current value of like properties formula, to wit:

“Section. 17. Determination of Just Compensation. – In determining just compensation, the cost of acquisition of the land, the value of the standing crop, the current value of like properties, its nature, actual use and income, the sworn valuation by the owner, the tax declarations, the assessment made by government assessors, and seventy percent (70%) of the zonal valuation of the Bureau of Internal Revenue (BIR), translated into a basic formula by the DAR shall be considered, subject to the final decision of the proper court. The social and economic benefits contributed by the farmers and the farmworkers and by the Government to the property as well as the non-payment of taxes or loans secured from any government financing institution on the said land shall be considered as additional factors to determine its valuation.”

The said Consolidated Order became final and executory on January 27, 2024.[5]

There are other pending legal cases as of December 31, 2023. None of these contingencies are material and discussed in detail so as not to seriously prejudice the Group’s position in the related disputes.

<u>Real Estate</u>

In the ordinary course of its business, RLC is engaged in litigation either as complainant or defendant. RLC believes that these cases do not have any material adverse effect on it.

[4] Roxas & Company, Inc. vs. KAMAHARI, DAMBA-NFSW; ADM Case No. A-9999-04-MS-0556-2023 (Consolidation of all cases involving three (3) haciendas: Palico, Banilad, Caylaway (Briefly referred as to “The Roxas Landholdings”)); December 29, 2023.
[5] Certificate of Finality dated January 30, 2024.

Submission of Matters to a Vote of Security Holders

There were no matters submitted to a vote of security holders at the last annual meeting.

PART II – SECURITIES OF THE REGISTRANT

Market Price of and Dividends on Common Equity and Related Stockholder Matters

1. Market Information.

The Company has 2,911,885,870 common shares listed and traded in the Philippine Stock Exchange under the trading symbol "RCI". Out of the total common shares listed, 626,894,874 are treasury shares. The Company also had 500,000,000 preferred shares subscribed and fully paid-up, which has since been reduced to 200,000,000 preferred shares because of the redemption made in March 2021. The preferred shares are not listed with the PSE.

(a) High and low share prices for the year ended December 31, 2023.

	High	Low
January 2021 – March 2021	1.35	1.00
April 2021 – June 2021	1.12	1.00
July 2021 – September 2021	1.09	0.72
October 2021– December 2021	0.86	0.62
January 2022 – March 2022	0.78	0.48
April 2022 – June 2022	0.68	0.49
July 2022 – September 2022	0.64	0.51
October 2022– December 2022	0.58	0.45
January 2023 – March 2023	0.50	0.48
April 2023 – June 2023	0.47	0.46
July 2023 – September 2023	0.47	0.45
October 2023– December 2023	0.51	0.49

(b) Holders. There are 3,281 holders of the Company's listed shares as of 31 December 2023. The top twenty (20) holders of the Company's common shares as of said date are:

	STOCKHOLDERS	NATIONALITY	TOTAL SHARES	%
1	SPCI Holdings, Inc.	Philippine National	710,350,473	31.09%
2	Pesan Holdings, Inc.	Philippine National	542,266,292	23.73%
3	PCD Nominee Corporation (Non-Filipino)	Other Alien	276,636,498	12.11%
4	PCD Nominee Corporation	Philippine National	262,062,554	11.47%
5	Cisco Holdings, Inc.	Philippine National	112,500,000	4.92%
6	CRE Holdings, Inc.	Philippine National	112,500,000	4.92%
7	IÑIGO Holdings, Inc.	Philippine National	112,500,000	4.92%

8	SRE Holdings, Inc.	Philippine National	112,500,000	4.92%
9	Pedro O. Roxas	Filipino	12,780,554	0.56%
10	Rizal Commercial Banking Corporation	Philippine National	3,048,161	0.13%
11	Antonio Roxas Chua	Filipino	2,379,610	0.10%
12	Francisco R. Elizalde	Filipino	2,301,626	0.10%
13	Santiago R. Elizalde	Filipino	2,005,367	0.09%
14	Mari Carmen R. Elizalde	Filipino	1,361,241	0.06%
15	Carlos Antonio R. Elizalde	Filipino	1,358,517	0.06%
16	Central Azucarera dela Carlota Retirement Trust Fund	Philippine National	1,178,400	0.05%
17	Equitable Securities FAO Inigo Elizalde	Filipino	933,810	0.04%
18	Severo A. Tuazon & Company, Inc.	Filipino	537,000	0.02%
19	Dolores Teus De M. Vara Rey	Filipino	488,020	0.02%
20	Concepcion Teus Vda. De M. Vara De Reu	Filipino	445,650	0.02%
	SUBTOTAL		**2,270,133,773**	**99.35%**
	OTHER STOCKHOLDERS		14,857,223	0.66%
	GRAND TOTAL		**2,284,990,996**	**100.00%**

2. Dividends.

The ability of the Company to declare and pay dividends on its common shares is generally governed by the pertinent provisions of the Corporation Code of the Philippines, i.e. prohibition on capital impairment and the limitation on the discretion of the Board of Directors, among others. In the recent past, the Company declared and paid dividends as follows:

Declaration Date	*Dividend Per Share*	*Record Date*	*Payment Date*
29 June 2006	P0.06	14 July 2006	31 July 2006
5 October 2006	0.06	19 October 2006	10 November 2006
21 June 2007	0.06	13 July 2007	31 July 2007
20 September 2007	0.04	15 October 2007	8 November 2007
26 June 2008	0.06	15 July 2008	31 July 2008
2 October 2008	0.06	15 October 2008	30 October 2008
13 December 2013	0.02	06 January 2014	30 January 2014
12 December 2014	0.02	15 January 2015	30 January 2015
18 December 2015	0.01	15 January 2016	05 February 2016

The Company has not declared dividends to common shares in the recent years. However, it did declare dividends to the preferred shares as follows:

Declaration Date	*Dividend Per Share*	*Record Date*	*Payment Date*
10 May 2019	P0.04	28 May 2019	31 May 2019
10 May 2019	0.02	08 August 2019	13 August 2019
10 May 2019	0.02	06 November 2019	13 November 2019
	0.02	06 February 2020	13 February 2020
	0.02	07 May 2020	13 May 2020
	0.02	06 August 2020	13 August 2020
	0.02	06 November 2020	13 November 2020

12 August 2020	0.02	03 March 2021	Not yet determined
	0.04	03 September 2021	Not yet determined

3. Recent Sales of Securities.

In December 2018, Amalgamated Investments Bancorporation subscribed to Five Hundred Million (500,000,000) preferred shares of stock of the Company for P500,000,000.00. In March 2021, RCI redeemed 300,000,000 preferred shares pursuant to its agreement with AIB, leaving only 200,000,000 preferred shares outstanding.

RCI reissued and sold to the stock market 145,201,026 treasury shares at an average price of P1.42 per share for P206.5 Million for the calendar year 2020. Out of this total, 51,093,000 shares were sold pursuant to the Put Option Agreement with LDA Capital.[6] The proceeds were used for the group's working capital and debt servicing. There were no put options exercised in 2021 and 2022.

In 2021, the Parent Company issued 26,041,161 treasury shares based on the average market rate of P1.00 per share aggregating P26.0 million, resulting to a decrease in additional paid-in capital amounting to P18.0 million, net of transaction costs of P0.3 million.

In 2022, the Company issued 16,510,657 treasury shares based on the average market rate of P0.58 per share aggregating P9.6 million, resulting to a decrease in additional paid-in capital amounting to P18.5 million, net of transaction costs of P0.0 million.

In 2023, the Company issued 46,425,837 treasury shares based on the average market rate of P0.50 per share aggregating P23.1 million, resulting to a decrease in additional paid-in capital amounting to P55.9 million, net of transaction costs of P0.0 million.

4. Description of Registrant's Securities.

The authorized capital stock of the company is P4,375,000,000 divided into 3,375,000,000 common shares with P1.00 par value a share and 1,000,000,000 preferred shares with par value of P1.00 per share.

Preferred shares are non-voting, redeemable at the option of the Board of Directors, with preference over dividends and are re-issuable.

Shareholders have no pre-emptive rights to any issue of shares, of whatever class by the corporation unless otherwise decided by the Board of Directors for the best interest of the corporation (Art. VIII, CADPGC Amended Articles of Incorporation). There is no provision in its charter or by-laws which would delay, defer or prevent a change in control of the Company.

Calendar Year 2023
Corporate Updates

The Group continues to reset its businesses in 2023 and generate cash amidst volatile international and local macroeconomic conditions. The overall operating performance in 2023 has further declined as compared to 2022 due to to the deferred selling of Anya Phase 3, slower house and lot sales, and

RSAI's coconut export declined because of low working capital

Anya Resort Tagaytay (ART) has been awarded as the Philippines' Leading Boutique Resort in the 2023 World Travel Awards. Additional rooms from a completed villas were turned-over in December 2023.

RSAI prospects for long term growth as a non-dairy alternatives is strong despite the slowdown in cocounut cream global demand, partly offset by a surge in coconut water concentrate requirements. RSA maintained its list price in the year after increasing it in April 2022.

RLC progress completion for its key projects were 99% for Montana Phase 1, 24% for Montana 2&3, 97% for Anya Block 12, and 98% for Landing Townhomes. Anya Block 12 was 100% completed and was turned-over in January 15, 2024.

P882.5m major loans were restructured to 7 years term including 2 years grace period for AIB (P700 million) and AUB (P182.5 million). In 2024, the Group intends to continue discussions with other banks to restructure the related loans.

Investment properties market value increased from P9 billion in 2022 to P11.2 billion in 2023.

Results of Operation

Consolidated revenues for the year amounted to P732 million from real estate sales of P81 million, hotel revenues from Go Hotels and Anya Resort of P450 million, and RSAI's exports of P201 million.

Actual revenues declined 7% against 2022 because of RAHC's lower occupancy and competitive pricing pressure arising from extended recovery of the budget travel sector, RLC's delayed sale of raw lands and lower selling prices, and RSAI's extended shutdown from low working capital and plant reliability challenges.

Gross profit for the year amounted to P134.4 million or 18% of revenues.

Operating expenses of P445 million versus last year aligned to lower revenue and impairment on the property, plant and equipment of RSAI, and loss on loan modifications.

The fair value of RHI's shares of stock listed in the PSE is equal to its carrying amount as of December 31, 2023 and 2022. RCI's share in RHI's losses as of September 30, 2023 was higher than the book value of the investment. In addition, the closure of CADPI's operations and termination of its employees was approved on February 28, 2024.

The Group determined that the recoverable amount is based on the investment's fair value less cost to sell. The carrying value of the Group's investment in RHI is lower to its recoverable amount as of December 31, 2023, thus Management made a full provision.

Financing cost for the year is at P249 million lower than 2022 of P258m.

Others - net of P47 million includes collection of nomination fee from FDC.

Consolidated net income for the year amounted to P1.323 million. It included the unrealized fair value gain of Investment Property amounting to P2.2 billion due to the infrastructure push of several conglomerates towards the Group's landholdings in Nasugbu.

Financial Position

Consolidated total assets amounting to P15,563 million as at December 31, 2023 is 13% higher than P13,815 million as at December 31, 2022.

Comparative debt to equity (D/E) ratio as of December 2023 versus December 2022 decreased from 0.59:1 to 0.60:1 and continues to be within the allowable 0.75:1 DE ratio required by banks for term loans.

Book value per share is at P4.33 as at December 31, 2023.

Consolidated long and short term debts increased by P736.3 million due to the restructuring of AIB loan.

Total equity amounting to P9,807.1 million as at December 31, 2023 increased mainly due to the net income for the year.

Other than the matters discussed above, there are no significant elements of income or loss that arose from continuing operations and seasonal aspects that had a material effect on the financial condition or results of operations.

Top Five Performance Indicators

The Group's financial performance is determined to a large extent by the following key results:

Gross profit. This is recognized in full when the collection of the total contract price reached 10% on real estate sales. At this stage, it is reasonably assured that the risks and benefits over the developed assets have been transferred to the lot buyer. In manufacturing and hotel industry, this is the margin on the revenue net of cost of sales.

Export Sales and lots sold. Export sales represent revenues from products sold by its Coconut processing business while lot sold and the terms of the sale will determine when income would be recognized and how much is the potential income to the Group.

Hotel occupancy and average daily room rate (ADR). These represent the key factors that determines the average rental income per paid occupied room in a given time period. ADR along with the property's occupancy are the foundations for the property's financial performance.

Earnings before interest, taxes and depreciation (EBITDA) - This is the measure of cash income from operations and company's liquidity.

Return on Equity - denotes the capability of the Group to generate returns for the shareholders.

The table below presents the top five performance indicators of the Group:

Performance Indicator	For the Period Ended December 31, 2023 (One Year)	December 31, 2022 (One Year)	December 31, 2021 (One Year)
Gross profit	P134.4 million	P273.7 million	P436.5 million
Export sales of coconut products	P84.6 million	P88.0 million	P184.9 million
Hotel occupancy and average daily room rate			
- *Anya Hotel*	61% / P3,427	60% / P4,354	36% / P5,755
- *Go Hotels*	50% / P1,394	43% / P1,429	55% / P1,572
EBITDA	P1,661.3 million	P1,006.7 million	P683.8 million
Return on equity	13.49%	7.22%	3.08%

Key Variable and Other Qualitative and Quantitative Factors

- The Group is not aware of any known trends, events or uncertainties that will result in or that are reasonably likely to result in any material cash flow or liquidity problem.
- The Group is not aware of any events that will trigger direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation.
- The Group is not aware of any material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Group with unconsolidated entities or other persons created during the reporting period.
- The Group is not aware of any known trend, events or uncertainties that will have material impact on sales.
- Other than matters previously discussed, the Group is not aware of causes for any material changes from period to period in the financial statements.

Plan of Operations

To establish the property operation’s continued growth and to ensure its viability, management intends to push raw land sales and development in Nasugbu, Batangas, footprint expansion and luxury offers in Tagaytay, and to secure new customers and increase export and local sales of coconut exports to maximize plant capacity.

The budget hotels will implement aggressive marketing strategies to offset slower industry recovery and manage pricing pressure from competitors. It will also explore strategic asset plays to optimize brand strength and location advantage.

PART III – MANAGEMENT AND SECURITY HOLDERS

1. Incumbent Directors and Officers of the Issuer

Board of Directors

Pedro O. Roxas, Filipino, is the Chairman of the Board of Directors. Mr. Roxas is the Chairman of the Executive Committee and is a member of the Compensation Committee and Nomination, Election & Governance Committee. He has been a Director of the Company since 18 October 1995. He is currently the Executive Chairman of the Board and held the position of President and Chief Executive Officer of the Company until 16 December 2016. He is the Chairman of Roxas Holdings, Inc. and other subsidiaries of RHI, Club Punta Fuego, Inc., Roxaco Land Corporation. He is an Independent Director of Meralco, CEMEX Holdings, Inc., MGen Global Power, OONA Insular Corporation and Independent Advisor for Metro Pacific Investment Corporation. Mr. Roxas was educated at Portsmouth Abbey School, USA and at the University of Notre Dame, USA where he obtained his degree in Business Administration. Mr. Roxas is married to Regina Tambunting and they have three (3) children.

Edgar P. Arcos, Filipino, is the President and Chief Executive Officer. He was previously Chief Financial Officer, Treasurer, and Risk Management Officer of RCI. He held senior roles in Oil & Gas, Construction, and FMCG entities in the Philippines, Singapore, South Africa, and Ghana. Prior to joining RCI, he was the COO of the Jospong Group of Companies (Ghana), VP Finance of Citadel Pacific Ltd., Supply Chain Finance Manager of Coca Cola Bottlers Philippines, Supply and Retail Finance Manager of Shell for East Asia and Africa, Finance Manager of Otis Elevator Company (Philippines), Inc., and FP&A Manager for Otis Asia Pacific. He earned his BS Business Administration and Accounting degree from the University of the Philippines and Certificate with Distinction Strategic Business Economics from University of Asia and the Pacific and Certificate HRMD at the University of Salford.

Corazon S. de la Paz-Bernardo is Honorary President of the Swiss-based International Social Security Association (ISSA), where she served as President from 2004 to 2010. She served as the first woman President of the Social Security System of the Philippines and Vice-Chairman of the Social Security Commission from 2001 to 2008. She is also the first woman partner of Price Waterhouse International and was Chairman and Senior Partner of Joaquin Cunanan & Co. (PricewaterhouseCoopers, Philippines) from 1981 to 2001. She was in the World Board of Price Waterhouse World Firm from 1992 to 1995. Mrs. de la Paz-Bernardo was Chairperson of Equitable PCI Bank from 2006 until its merger with Banco de Oro in 2007. She had served as a member of the board of The Philippine Health Insurance Corporation, the Home Development Mutual Fund (PAGIBIG), San Miguel Corp., PLDT, Ayala Land, Ionics Inc., Phinma Energy Inc., Phinma Petroleum & Geothermal Inc. and Philex Mining and was Chairman of NAMFREL for the 2013 elections. She is a member of the boards of directors of Del Monte Philippines, Inc., Republic Glass Holdings, Inc., D&L Industries, Inc., Roxas & Co., Inc. and Phinma Education Holdings Inc. She is an advisor to the board and audit committee of BDO Unibank, Inc. and advisor to the board audit committee of PLDT. She is Vice-Chairman of Jaime V. Ongpin Foundation and Chairman of Jaime V. Ongpin Microfinance Foundation. She is also a life member of the Cornell University Council, a member of the boards of trustees of the University of the East, the UE Ramon Magsaysay Memorial Medical Center, the Philippine Business for Education and MFI Polytechnic Institute, among others. She had served as National President of the Philippine Institute of CPAs (PICPA), the Management Association of the Philippines, the Financial Executives Institute of the Philippines, Cornell Club of the Philippines, The Outstanding Women in the Nation's Service (TOWNS), the Rizal High School Alumni Association and the Philippine Fulbright Scholars

Association. She had been a trustee of the Makati Business Club, the Philippine Business for the Environment, the Philippine Business for Social Progress and Children's Hour. She is an awardee of The Outstanding Filipino (TOFIL) in Public Accounting, The Outstanding Women in the Nation's Service (TOWNS), the Outstanding Professional in Public Accounting by the Professional Regulatory Commission, and the Philippine Fulbright Program and PICPA's highest award Parangal San Mateo. A Certified Public Accountant, she graduated from the University of the East with a Bachelor of Business Administration degree in 1960, Magna Cum Laude, and obtained first place in the same year's CPA board examination. She obtained her MBA in 1965 from Cornell University in New York as a Fulbright grantee and UE CPA topnotcher scholar. She was awarded a Doctor of Humanities degree (Honoris Causa) by the University of the Cordilleras in 2017.
On March 17, 2023, Mrs. de la Paz-Bernardo was one of the recipients of the Accountancy Centenary Award of Excellence by the Board of Accountancy (BOA) and other professional accounting organizations. According to the BOA, these were given to the 100 Filipino CPAs who demonstrated unquestionable integrity, contributed immensely to the advancement of the accountancy profession and participated remarkably in national development.

Francisco Jose R. Elizalde, Filipino, was elected as member of the Board of Directors on 25 June 2009. Mr. Elizalde is the President and CEO of Elro Retail Corporation, President of FastMove Logistics Corporation, Vice President/Managing Director of ELRO Corporation. He is Chairman of ASpace Corporation, a Director in SPCI Holdings, Inc., ELRO Land, Inc., Roxaco Land Corporation, and Hoppler Corporation. Mr. Elizalde was educated at Portsmouth Abbey School, USA and at the University of Vermont, USA where he obtained a degree as Bachelor of Science.

Aurelio R. Montinola III, Filipino, is Chairman of the Board of Trustee of Far Eastern University, Inc. (FEU). Chairman of Amon Trading, Inc., East Asia Computer Center, Inc., Roosevelt College, Inc.. Vice Chairman of the Philippine Business for Education (PBED). Independent Director of AIA Philippines Life and General Insurance Company, Inc. He served as the President of Bank of the Philippine Islands from 2005 - 2013, and was a former President of the Bankers Association of the Philippines and Management Association of the Philippines (MAP). He is currently a Director of the Bank of the Philippine Islans, and Independent Director of Roxas and Company, Inc. , both a listed corporations. He graduated with a BS Management Engineering degree at the Ateneo de Manila University in 1973, and received his MBA at Harvard Business School in 1977. H ewas awarded the 2005 and 2010 Asian Banker Leadership Award for the Philippines and the MAP Management Man of the Year Awas in 2012.

Santiago R. Elizalde, Filipino, is the President/CEO of the Company's wholly-owned subsidiary, Roxaco Land Corporation. Mr. Elizalde is likewise the President and Chief Operating Officer of Roxaco-Asia Hospitality Corporation. He also serves as the Chairman of the 24 Hour Vendo Machine Corporation, Vice-Chairman and member of the Executive Committee of ELRO Corporation and Club Punta Fuego, Inc., President of CGB Condominium Corporation, Chairman of Roxas Foundation, Inc., and Director of ELRO Land Corporation, Punta Fuego Village Homeowners Association, Inc., Punta Fuego Village Foundation and Terrazas de Punta Fuego Village Homeowners, Inc. and Fundacion Santiago. Mr. Elizalde obtained his Bachelor of Arts in Economics from Denison University in Ohio, USA.

Gerardo C. Ablaza, Filipino, was elected as Independent Director of company 16 June 2021. Mr. Ablaza holds Directorship with A.C.S.T Business Holdings Inc., Liveit Investment Limited, Asiacom Philippines, Inc., Ayala Foundation, Inc., AC Infrastructure Holding Corporation (formerly Liveit Solutions, Inc.) , AC Energy and Infastructure Corporation (formerly AC Energy, Inc.), Purefoods International Limited, Ayala Healthcare Holdings, Inc. (formerly Ayala Company Inc.), Ayala Retirement Fund Holdings, Inc., iPeople, Inc., BPI Asset Management and Trust Corporation, and

BPI Direct BanKo, Inc. He is also an Independent Director for Advanced Info Services, PLC (Thailand). He is a Chairman of Board of Trustee of The Bank of the Philippine Islands Foundations, Inc. and a Board of Trustee of Gawad Kalinga Foundation, Inc. and Ayala Foundation, Inc. He is currently a consultant for Ayala Corporation. In 2004, Mr. Ablaza was recognized by CNBC as the Asia Business Leader of the Year, making him the first Filipino CEO to win the award. In the same year, he was awarded by Telecom Asia as the Best Asian Telecom CEO. In 2013, he was recognized for his consistent leadership and innovation across the banking, investment, telecommunications and utility service industries through the Citi Distinguished Alumni Award for Leadership and Ingenuity. He graduated from De La Salle University with a degree in LiberalArts, major in Mathematics Summa Cum Laude, Department Honors in Mathematics, Jose Rizal Honor Society, Jose Rizal Scholarship, Dean's list. He obtained his MBA in the University of the Philippines, College of Business Administration.

The directors hold office for a term of one (1) year until their successors are elected and qualified.

Corporate Officers

Roswell Delos Reyes, Filipino, is the Chief Finance Officer of the Company. He obtained his degree in Accountancy at the University of the East. He finished his MBA and is also a Certified Public Accountant, Certified Management Accountant, and a Certified Financial Consultant. He has over 27 years of finance and accounting experience gained from various industries. His expertise includes controllership, advanced financial modelling and analysis, budget management and strategic planning, among others.

Peter D. A. Barot, Filipino, is the Corporate Secretary of the Company. He obtained his Bachelor of Arts (Economics) and Bachelor of Laws from the University of the Philippines, and his Master of Laws from the University of Chicago. He is a Partner at the Picazo Buyco Tan Fider & Santos Law Offices.

Mechor J. Manalo, Filipino, is the Assistant Corporate Secretary, Compliance Officer, Corporate Information Officer, Investment Relations Officer, and Head of the Legal and Compliance Department of the Company. He is also the Corporate Secretary of Roxaco Land Corporation. Prior to joining the Company, he worked as a Senior Associate Lawyer in the De Guzman San Diego Mejia & Hernandez Law Offices and served as Director and Corporate Secretary for several domestic corporations, including different condominium associations. He has vast experience in real estate developments, estate settlement and management, civil and criminal litigation, labor cases and corporate-in-house matters. He obtained his Bachelor's Degree in Political Science from the University of Makati and thereafter obtained his Bachelor of laws from the Polytechnic University of the Philippines. He became a member of the Philippine Bar in April 2013.

Significant Employees

While the Company is not highly dependent on the services of an employee who is not an Executive Officer, the Company values its human resources and expects them to do their share in achieving its objectives.

Family Relationships

Messrs. Pedro O. Roxas, Carlos R. Elizalde, and Francisco Jose R. Elizalde are related to each other within the fourth degree of consanguinity.

Messrs. Santiago R. Elizalde (President of RLC), Francisco Jose R. Elizalde and Carlos R. Elizalde are brothers.

Legal Proceedings

No director, independent director, executive officer or senior officer of the company, during the past five (5) years, has been subject to:

(a) any bankruptcy petition filed by or against any business of which a director/independent director, officer or person nominated for election as director/independent director was a general partner or executive officer either at the time of bankruptcy or within two years prior to that time;

(b) any conviction by final judgment in a criminal proceeding, domestic or foreign;

(c) any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any director/independent director, officer or persons nominated for election as director/independent director in any type of business, securities, commodities or banking activities; and

(d) any final finding by a domestic or foreign court, the Securities and Exchange Commission or comparable foreign body, or any quasi-judicial or regulatory body, that any director / independent director, officer or any person nominated for election as director / independent director, has violated a securities or commodities law or regulation.

Certain Relationships and Related Transactions

As part of the corporate reorganization of the Roxas Group, the Company's stockholders approved the following in 2008: (i) the sale to Roxas Holdings, Inc. (RHI) of sugar-related assets, liabilities and all interests of CADPGC in sugar-related operating subsidiaries and associate; and (ii) the merger of RCI and CADPGC.

Messrs. Pedro O. Roxas and Francisco Jose R. Elizalde, who are incumbent directors of the Company, were also directors of the absorbed company, RCI. They, together with director Carlos R. Elizalde, are members of the Roxas family which owned RCI prior to its merger with CADPGC.

Messrs. Pedro O. Roxas is also a director of RHI. As of 31 December 2022, the Company owns 23.05% of the total issued and outstanding capital of RHI.

The Parent Company settles director's remuneration through cash compensation and issuance of treasury shares for each regular board meeting attended by a director amounting to P25,000 cash and P25,000 worth of treasury shares. As directors of the Parent Company, Messrs. Pedro O. Roxas, Francisco Jose R. Elizalde, and Santiago R. Elizalde were paid directors fees as above-stated.

Parent Company

As of 31 December 2023, the Company directly owns 100% of the issued and outstanding shares of Roxaco Land Corporation (RLC), Nasugbu Feeds Corporation, United Ventures Corporation and Roxas Green Energy Corporation, 94.98% of the issued and outstanding shares of Roxas Sigma

Agriventures, Inc. and 23.05% of the total issued and outstanding shares of Roxas Holdings. Inc. (RHI).

As of 31 December 2023, RLC owns 100% of the total and outstanding shares of SAMG Memorial Management and Services, Inc. It has interests in Fuego Development Corporation (30%), Fuego Land Corporation (30%), Roxaco-ACM Development Corporation (50%), Club Punta Fuego, Inc. (25%), Roxaco-Asia Hospitality Corporation (51%) and Brightnote Assets Corporation (10%).

RHI, a publicly-listed company, owns 100% of the issued and outstanding shares of Central Azucarera Don Pedro, Inc. (CADPI). It also has interests in San Carlos Bioenergy, Inc. (93.35%) and Roxas Power Corporation (50%).

Disagreement with the Company

No director has resigned or declined to stand for re-election to the Board of Directors since the date of the last meeting of shareholders because of a disagreement with the Company on any matter relating to its operations, policies and practices.

2. Executive Compensation

COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

a) Section 7 of Art. 3 of the Amended By-Laws of the Company provides that the members of the Board of Directors and the Executive Committee shall be given a per diem for every meeting attended in such amount as may be determined by the Board of Directors but in no case shall said remuneration exceed two (2%) of the net income of the Company before tax. Presently, the members of the Board of Directors receive P50,000 for every regular meeting attended, broken down as follows: P25,000 in cash and shares in such numbers equivalent to the P25,000 balance. For special meetings of the Board, a director will be given a per diem of P25,000 cash. A director of the Company who attends all meetings receives a total of roughly P200,000 annually. Each of the members of the four committees--(i) Audit and Risk; (ii) Nomination, Election and Governance; (iii) Compensation; and (iv) Related Party Transactions--also receive a per diem of P20,000 per meeting. No warrants and options have been granted to the directors and officers within the past three (3) years.

b) Compensation of Executive Officers

	Name and Principal Position	Year	Salary	Bonus	Other Annual Compensation*
		FY 2023			
A	Pedro O. Roxas – Executive Chairman		P -	P -	P325,000
E	CEO and Top Four Executives		P23,927,078	P2,406,863	
F	All officers & directors as group unnamed		P28,956,273	P2,824,363	P2,225,000

*Director's fees

c) Estimated Compensation and Bonus for CY 2024

The estimated compensation and bonus of the directors and present officers of the Company for calendar year 2024done are as follows:

		Salary	Bonus	Other Annual Compensation
A	Pedro O. Roxas – Executive Chairman	P -	P-	P410,000
D	CEO and Top Four Executives	P24,000,000	P2,400,000	
E	All officers & directors as group unnamed	P29,000,000	P2,800,000	P2,200,000

3. Security Ownership of Certain Record and Beneficial Owners and Management

(a) Security ownership of certain record and beneficial owners of more than 5% of the Company's securities, both listed and not listed, as of December 31, 2023:

Title of Class	*Name and Address of Owner/Relationship with Issuer*	*Name of Beneficial Ownership and Relationship with Record Owner*	*Citizenship*	*Number and Nature of Ownership*	*Percent of Class*[7]
Common	SPCI Holdings, Inc. 4F New Solid Bldg. 357 Sen Gil Puyat Ave. Makati City	SPCI Holdings, Inc.[8]	Philippine National	710,350,473 (direct & indirect)	31.09%
Common	Pedro O. Roxas 7/F CG Bldg., 101 Aguirre St., Legaspi Village, Makati City Executive Chairman	Pedro O. Roxas/ Pesan Holdings, Inc.	Filipino/ Philippine National	555,046,846 (direct & indirect)	24.29%
Common	PCD Nominee (Non-Filipino)		Other Alien	276,636,498	12.11%
Common	PCD Nominee Corporation (Filipino)		Philippine National	262,062,554	11.47%
TOTAL				**1,804,096,371**	**78.96%**

Except as stated above and in the related footnotes, the Board of Directors and the Management of the Company have no knowledge of any person who, as of 31 December 2023, was directly or indirectly the beneficial owner of, or who has voting power or investment power with respect to, shares comprising more than five percent (5%) of the Company's outstanding common stock.

(b)Security Ownership of Management as of 31 December 2023.

[7]The percentages of shareholding were arrived at by dividing the number of shares owned, directly and indirectly, by the shareholders over 2,284,990,996common shares, the total outstanding shares as of 31 December 2023.

[8]Messrs. Francisco Jose R. Elizalde and Carlos R. Elizalde, directors of the Company, and their brothers Inigo Elizalde and Santiago Elizalde, each owns 24.99% of the total outstanding shares of SPCI Holdings, Inc. (SPCI). Collectively, the Board of Directors of SPCI has the power to decide on how the shareholdings of SPCI in the Company shall be voted.

The following table sets forth the number of shares, listed and not listed, owned of record and/or beneficially owned by the directors, independent directors, the Chief Executive Officer and the key officers of the Company, and the percentage of shareholdings of each as of December 31, 2023:

Title of Class	*Name of Beneficial Owner*	*Citizenship*	*Number and Nature Of Ownership*	*Percent of Class*
Common	*Pedro O. Roxas* *Executive Chairman*	*Filipino*	555,046,846 (*direct & indirect)*	*24.29%*
Common	*Santiago R. Elizalde*	*Filipino*	*1,212,170* *(direct)* *793,197* *717,688,124* *(indirect)*	*0.05%* *0.03%* *31.41%*
Common	*Francisco Jose R. Elizalde*[9] *Director*	*Filipino*	*1,978,765* *(direct)* *1,098,613* *717,688,124* *(indirect)*	*0.09%* *0.05%* *31.41%*
Common	*Corazon S. De la Paz-Bernardo* *Independent Director*	*Filipino*	*789,057* *(direct & indirect)*	*0.03%*
Common	*Gerardo C. Ablaza* *Independent Director*	*Filipino*	*349,141(indirect)*	*0.02%*
Common	*Edgar P. Arcos* *Director* *President & CEO*	*Filipino*	*241,437(indirect)*	*0.01%*
Common	*Aurelio R. Montinola, III* *Independent Director*[10]	*Filipino*	*582,161(indirect)*	*0.03%*
Common	*Peter D. A. Barot* *Corporate Secretary*	*Filipino*	*0*	*0.00%*
Common	*Melchor J. Manalo* *Asst. Corp. Secretary*	*Filipino*	*0*	*0.00%*

[9]Please see footnote no. 10.

[10] Mr. Aurelio Montinola III was appointed as Independent Director on 16 December 2016.

Common	*Directors and Officers As a Group*		*1,279,779,511*	*56.00%*

(c) Voting Trust Holders of 5% or More.

The Company is not aware of any voting trust or similar arrangement among persons holding more than 5% of the shares.

d) Change in Control

There has been no change in control since the beginning of the last fiscal year. The Company is also not aware of the existence of any change in control agreements.

PART IV-CORPORATE GOVERNANCE

The Board approved the Company's Revised Manual on Corporate Governance on 08 December 2009 in conformity with Memorandum Circular No. 6, Series of 2009 issued by the Securities and Exchange Commission (SEC). Since the effectivity of the Company's original Manual on Corporate Governance on 01 January 2003, the Company has complied with the principles contained in the Manual, both the original and the revised, insofar as they may be relevant to the Company's business. The Company likewise established an evaluation system to measure or determine the level of compliance of its Board of Directors and top-level management with the Manual. The evaluation system consists of determining the Company's compliance with certain best practices, such as the observance of the basic rights of shareholders, equitable treatment of shareholders, recognizing the shareholders' role in corporate governance, timely disclosure and transparency and Board responsibility. Measures are also being undertaken by the Company to ensure full compliance with the leading practices it has adopted in the Manual such as the constitution of the Audit & Risk Committee, Compensation Committee, and Governance, Nomination and Election Committee, the election of the required number of independent directors to its Board of Directors, the amendment of Section 2 of Article II of its By-Laws dealing on the qualifications and disqualifications of its directors in order to adopt the provisions of the Manual which deal on the qualifications and disqualifications of directors.

On 07 August 2014, upon the directives of the SEC through Memorandum Circular No. 9, Series of 2014, the Board approved the revised Manual on Corporate Governance.

On 12 May 2017, the Board approved the Revised Manual on Corporate Governance. The revisions in the updated Manual included revisions recommended for Publicly Listed Companies as provided in SEC MC No. 19, Series of 2016.

The Company has not deviated from nor violated the provisions of the Manual. The Company undertakes to improve its corporate governance practices as may be required by law or the exigency of the business.

PART V - EXHIBITS AND SCHEDULES

Exhibits and Reports on SEC Form 17-C.

(a) Exhibits

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

b) Reports on SEC Form 17-C.

1. The following were filed in the last 6-month period covered by this report, to wit:On 13 June 2023, the Company informed the PSEi and SEC that Roxas and Company, Inc.'s ("RCI") Hotel and Coconut units post strong Q1 2023 growth.

   Anya Resort Tagaytay (ART), the luxury hotel of Roxas and Company, Inc. (RCI) grew Q1 revenue by 91% to P66 million compared to the same period last year on better than pre-pandemic occupancy and a 40% increase in corporate and social events. Roxaco-Asia Hospitality Corporation's (RAHC) Go Hotels sales of P51 million was lower by 2% due to longer holidays and preference for destination resorts. Roxas Sigma Agriventures, Inc. (RSAI) exported P67 million of coconut products, up 19% vs. first quarter 2022 on high coconut water concentrate orders. Roxaco Land Corporation (RLC) sales at P22 million was 90% below last year due to timing of 2023 raw land sales.

   RLC, RCI's realty company, is set to launch Anya Phase 3 after its sold-out Phase 1 and 2. The new development offers an exclusive community of villas at the existing Anya enclave. Set in a lush, tropical, park-like setting with the understated elegance reminiscent of old Baguio, Anya villas target primary homes for end-users, family vacation retreats, and investment property assets.

   Q1 2023 Group consolidated revenues at P212 million was 42% lower than 2022 mostly from the delayed sale of real estate. The resulting P64 million gross profit was lower compared to last year but operating expense decreased by 24% during the same period due to prudent spending. Net Income was -P189 million which includes P87 million share in equity loss from its Roxas Holdings, Inc. (RHI) investment.

   Extended recovery in 2022

   In a regulatory filing, RCI's consolidated full year top line dipped 18% to P786 million vs. 2021 due to the transition of Go Hotels from quarantine to regular guests and fewer arrival of Chinese clients. Anya Tagaytay's revenue rose 167% to P225 million on revenge travel after the lifting of travel and health restrictions. RSAI's production and export sales were slowed by additional equipment repair and account rationalization, resulting to P298 million in asset impairment.

   Realty sold P237 million of raw land and restarted its house and lot projects after limited progress completion in 2020 and 2021. RCI's partner banks approved P1.6 billion of debt restructuring in support of the Group's post-Covid recovery plan. Anya Tagaytay received the 2022 World Luxury Resort Award and achieved its highest occupancy in December 2022.

   RCI booked P2.1 billion of unrealized fair value gains as the value of its Nasugbu, Batangas land bank continues to appreciate, driven largely by tollway and power infrastructure developments in the area. This offset the P184 million equity loss from its 23% interest in RHI. 2022 consolidated net income rose by 162% to P623 million compared to last year.

   RCI is staying the course on its strategy of diversifying sales and driving operational excellence while deleveraging to manage debt.

2. On 22 June 2023, the Company announced to the public that the Board of Directors of Roxas and Company, Inc. ("RCI"), in its Special Board Meeting held today, has approved the cancellation of RCI's Annual Stockholder's Meeting ("ASM") scheduled on 28 June 2023. The postponement was approved by the Board in consideration of the declaration of said date as a regular holiday in observance of Eid'l Adha (Feast of Sacrifice). The re-setting of the ASM will be announced on another date.

3. On 11 August 2023, the Board of Directors of RCI, in its Regular Board meeting held today, 11 August 2023 approved the RCI's Consolidated Financial Report for the second quarter of CY 2023, quarter ended 30 June 2023 and the SEC Form 17-Q.

4. On 30 August 2023, theshareholders of Roxas and Company, Inc. ("RCI"), representing 77.17% of its total outstanding capital stock (77.02% represented by proxies and 0.15% attended in person) attended the annual shareholders meeting held today, 30 August 2023. All votes were taken in absentia through the voting portal sent to registered shareholders entitled to vote. Based on the tally of votes, the shareholders present and represented by proxy, unanimously elected the following persons to the Board of Directors of RCI to serve as such until their successors are elected:

   Mr. Gerardo C. Ablaza, Jr. (Independent Director)
   Mr. Edgar P. Arcos
   Ms. Corazon S. De La Paz-Bernardo (Independent Director)
   Mr. Francisco Jose R. Elizalde
   Mr. Santiago R. Elizalde
   Mr. Aurelio R. Montinola III (Independent Director)
   Mr. Pedro O. Roxas

   The shareholders present unanimously approved the Minutes of the Annual Shareholders Meeting held on 29 June 2022.

   Further, the shareholders present unanimously elected the auditing firm of Sycip Gorres Velayo & Co. (SGV & Co.) as external auditors of RCI for the calendar year 2023.

   Furthermore, the shareholders approved the Consolidated Annual Report and consolidated financial statements of RCI for the calendar year ended 31 December 2022. Moreover, the shareholders ratified and approved all the acts and resolutions of the board of directors and of management from June 29, 2022 to present (August 30, 2023). The table below shows how the shareholders voted their shares in today's annual meeting:

Item in the Agenda	YES	NO	Abstaining
Approval of the Minutes of the Annual Stockholders' Meeting held on 29 June 2022	**1,727,415,983** Shares	0	0

Approval of the Annual Report and Financial Statement for the year ending 31 December 2022	**1,727,415,983** Shares	0	0
Ratification of all the acts and resolutions of the Board of Directors and Management from June 29, 2022 up to present.	**1,727,415,983** Shares	0	0

Immediately after the stockholders' meeting, the newly-elected members of the Board of Directors held an organizational meeting where they elected the following officers:

Pedro O. Roxas	-	Chairman
Edgar P. Arcos	-	President & CEO
Corazon S. de La Paz-Bernardo	-	Lead Independent Director
Mr. Rosswell C. Delos Reyes	-	Vice President & Group Chief Finance Officer-Treasurer and Chief Risk Officer
Atty. Peter D.A. Barot	-	Corporate Secretary
Atty. Melchor J. Manalo	-	Assistant Corporate Secretary Compliance Officer/ Corporate Information Officer and Investment Relations Officer

They also elected the following Directors to the (a) Audit & Risk, (b) Compensation, (c) Nomination, Election & Governance (d) Related Party Transaction and (e) Executive Committees:

Audit & Risk Committee:

Corazon S. de La Paz-Bernardo	-	Chairperson (Lead Independent Director)
Aurelio R. Montinola III	-	Member (Independent Director)
Francisco Jose R. Elizalde	-	Member

Compensation Committee:

Gerardo C. Ablaza, Jr.	-	Chairman (Independent Director)
Corazon S. De La Paz-Bernardo	-	Member (Lead Independent Director)
Pedro O. Roxas	-	Member

Nomination, Election & Governance Committee:

Pedro O. Roxas	-	Chairman
Aurelio R. Montinola III	-	Member (Independent Director)
Santiago R. Elizalde	-	Member
Corazon S. de La Paz-Bernardo	-	Member (Lead Independent Director)
Gerardo C. Ablaza, Jr.	-	Member (Independent Director)

Related Party Transaction Committee:

Aurelio R. Montinola III	-	Chairman (Independent Director)
Corazon S. de La Paz-Bernardo	-	Member (Lead Independent Director)
Gerardo C. Ablaza, Jr.	-	Member (Independent Director)

Executive Committee:

Pedro O. Roxas	-	Chairman
Francisco Jose R. Elizalde	-	Member
Aurelio R. Montinola III	-	Member (Independent Director)

5. On 10 November 2023, the Board of Directors of Roxas and Company, Inc. (RCI), in its Regular Board meeting today, 10 November 2023 approved the RCI's Consolidated Financial Report for the third quarter of CY 2023, quarter ended 30 September 2023 and the SEC Form 17-Q.

6. On 12 January 2024, the Board of Directors of Roxas and Company, Inc. ("RCI"), in its Special Board Meeting today, approved the proposed 2024 Budget and Business Plan of the company, as presented.

7. On 31 January, informed the public that that on January 30, 2024, after the lapse of the fifteen (15) day mandatory period, without any party filing any Motion for Reconsideration, the Department of Agrarian Reform (DAR) issued the Certificate of Finality of even date. In the said Certification, the DAR attested that the Consolidated Order it issued on December 29, 2023 (hereafter, the "Consolidated Order"), by operation of law, had become final and executory on January 27, 2024. Accordingly, the DAR-Bureau of Agrarian Legal Assistance (DAR-BALA) was directed to immediately transmit the entire case folder to the DAR Regional Office for execution avoiding any unnecessary delay, citing DAR Administrative Order No. 5, Series of 2017 in relation to Section 16 of Republic Act No. 6657, there being no legal impediment for its execution.

   The final and executory nature of the Consolidated Order, as thoroughly explained by the DAR Secretary, ended the almost four (4) decades of judicial hostilities that have been alternatively instigated and endured by Roxas & Company, Inc. (RCI), on one hand, and the Agrarian Reform Beneficiaries (ARBs), on the other. More importantly, the elusive justice, despite the Supreme Court's final disposition in G.R. No. 127876 issued on December 17, 1999 and in the consolidated Decision on December 4, 2009 in G.R. Nos. 149548, 167505, 167540, 167543, 167845 and 179650 nullifying the DAR proceedings that led to the issuance of the Certificate of Land Ownership Award (CLOA), have now been achieved and secured.

   Verily, RCI can now fully enjoy its ownership rights over its 1,619.22855-HA (297HA with finality + 1,322.22855HA) property it will retain and receive the equitable just compensation over the properties to be awarded by DAR to the ARBs. The ARBs, on the other hand, can now fully enjoy the benefits of the Comprehensive Agrarian Reform Law, as enunciated in the Consolidated Order.

   To explain further, on January 11, 2024, both RCI and ARBs, through their respective counsels, personally received a copy of the Consolidated Order DAR issued in the case entitled, "RCI (landowner) vs. KAMAHARI, DAMBA-NFSW (ARBs)" and docketed as ADM Case No. A-9999-

04-MS-0556-2023 (Consolidation of all cases involving 3 Haciendas: Palico, Banilad, and Caylaway).

Salient provisions of the Consolidated Order are as follows:

1. The PARPO II and the Registry of Deeds (RoD) shall consolidate the total aggregate area of 2,941.4571 hectares covering the three haciendas, Palico, Banilad and Caylaway into one (1) Title in the name of the Republic of the Philippines;

2. The PARPO II and the RoD shall segregate the consolidated Title into two (2) equal shares or hectares after deduction of some portions already resolved with finality rendered in favor of RCI, reflecting a fifty-fifty (50-50) sharing or segregation in accordance with the survey plan indicated and forming part of the said Consolidated Order, thus:

i. 297 hectares - finally resolved for RCI;
ii. 1,322.22855 hectares - representing the ½ for the ARBs; and
iii. 1,322.22855 hectares - representing the ½ for RCI.

3. The PARPO II and RoD shall cause the cancellation of all priorly issued CLOAs, pursuant to the Supreme Court's voided coverage in G.R. No. 127876, without prejudice to the issuance or re-issuance or generation of CLOAs;

4. The PARPO II and the RoD shall strictly follow and adhere to the technical descriptions appearing on the survey plan;

5. RCI shall no longer be required to pay disturbance compensation on the ½ portion to be awarded to ARBs because they will simply be transferred to the areas awarded to them pursuant to this Consolidated Order;

6. The ARBs shall vacate the areas outside the ½ portion awarded to them and are enjoined to peacefully turnover physical possession of the same to RCI, the latter shall also vacate the ½ portion given to ARBs; failing which or failure by either of them showing resistance or refusal despite the disposition, the PARPO II is authorized to enlist the assistance of police or any law enforcer, including the military, to maintain peace and enforce this Consolidated Order;

7. The PARC-ExCom shall convene and make recommendation to the PARC for the earmarking of the appropriate payment of just compensation for RCI for those expropriated / awarded half portion of its landholding (1,322.22855 HAs), the DBM shall issue corresponding SARO/NCA, the National Treasury and the Landbank of the Philippines shall process and/or pay just compensation as may be judicially or administratively determined;

8. PARPO II shall execute the Order after it attains finality, to execute, implement all indicated dispositions without delay, especially on the segregation of the three (3) haciendas into two (2) after deduction of all those cited areas covered by final and executory judgment/order – and the individual parcelization – and the issuance, generation of individual CLOAs on the ordered expropriated half-portion in favor of the ARBs, with the simultaneous order, directive to the RoD to eventually issue, record, generate the individual CLOAs for the farmers once the DENR's approved technical descriptions/survey plan are submitted, presented to its office by the
PARPO II without delay;

9. PARPO II shall render its continuing report, return on the execution and implementation to the DAR Secretary to ensure full monitoring in the execution and implementation of the Consolidated Order;

10. All owner's duplicate copies of RCI Titles and CLOAs previously issued, shall surrender to the RoDs those duplicate copies – if, however, for any reason, said duplicate copies are not surrendered or retrieved, the same are rendered void, of no force and effect and the RoD shall cancel those titles and issue new titles/CLOAs as herein indicated and directed.

In arriving with the said order, the DAR took into consideration the Decision rendered by the Supreme Court in 1999 (i) declaring null and void the DAR proceedings that led to the issuance of the CLOAs; (ii) declaring the ARBs as mere holders in trust of the properties for the rightful owners of the same; and (iii) giving the DAR the chance to correct itself.

As regards the sharing arrangement between RCI andn the ARBs, the DAR explained that the 50-50 sharing after deducting the areas declared to be exempted, as fair, logical and in consonance with social justice which merits a greater consideration in dispensation.

Moreover, the DAR ordered PARPO and MARO of Nasugbu to coordinate closely with the LGU and to conduct an inventory of the government-owned lands, with the objective of their subsequent distribution among the concerned ARBs in order to full the variance or deficit of the maximum 3 HAs grant. Any excess shall be distributed among the intended priority beneficiaries.

OTHER MATTERS

The following reports/minutes of meetings will be submitted for ratification/approval by the stockholders in the next Annual Stockholders' Meeting, which is scheduled on the last Wednesday of May:

a) Chairman's Report and the Consolidated Audited Financial Statements for the calendar year ended 31 December 2023.

b) Minutes of the Annual Meeting of Stockholders held on 11 August 2023.

   The minutes of meeting of the 11 August 2023 annual meeting of shareholders will be made available to all shareholders on the day of the annual meeting but have also been published in the company website immediately after the annual meeting. Essentially, the minutes of the annual meeting contains the following:

   (i) reading and approval of the minutes of the 29 June 2022 annual meeting of shareholders;

   (ii) presentation and approval of the Annual Report of Management for the year ended 31 December 2022;

   (iii) approval and ratification of all acts and resolution of the Board of Directors since the annual meeting of shareholders on 29 June 2022;

   (iv) the elected members of the Board of Directors for calendar year 2023;

(v) the election of external auditor for calendar year 2023.

c) Acts/Resolutions of the Board of Directors since the 11 August 2023 annual meeting of shareholders, which include the following:

1. Acts/resolutions approved during the 16 May 2023 regular meeting of the Board of Directors:
    a. Approval of the Minutes of the Meeting held on 21 April 2023;
    b. Financial Report for the Period Ended 31 March 2023;
    c. Approval of the 1st Quarter Report 17-Q;

2. Acts/resolution approved during the 11 August 2023 regular meeting of the Board of Directors:
    a. Approval of the Minutes of the Meeting held on 16 May 2023;
    b. Approval of the 2nd Quarter Report 17Q;

3. **Acts/resolution approved during the 10 November 2023 regular meeting of the Board of Directors:**
    a. Approval of the Minutes of the Meeting held on 11 August 2023;
    b. Approval of the 3rd Quarter Report 17Q.

4. Acts/resolution approved during the 12 January 2024 special meeting of the Board of Director:
    a. Approval of the 2024 Budget and Business Plan of the company.

VOTING PROCEDURES

(a) The vote required for the:

(1) Approval of the Minutes of Previous Stockholders' Meeting - majority of the shares represented at the meeting
(2) Approval of the Chairman's and President's Report - majority of the shares represented at the meeting
(3) Approval of the Audited Financial Statements - majority of the shares represented at the meeting
(4) Approval of All Acts and Resolutions of the Board of Directors and Management - majority of the shares represented at the meeting
(5) Election of Directors - plurality of vote of the stockholders owning or representing a majority of the outstanding shares
(6) Election of External Auditors - plurality of the shares represented at the meeting
(7) Extension of corporate term - at least 2/3 of the outstanding capital stock

(b) The method by which votes will be counted - Subject to cumulative voting in the election of directors, each stockholder shall have one vote for each share of stock entitled to vote and registered in his name at record date. Counting of votes will be done by representatives of Banco de Oro as the Company's stock transfer agent, representatives of SGV& Co., and the Assistant Corporate Secretary, all of whom shall serve as members of the election committee. Voting shall be done through raising of hands.

THE COMPANY UNDERTAKES TO PROVIDE WITHOUT CHARGE A COPY OF THE COMPANY'S ANNUAL REPORT ON SEC FORM 17-A UPON WRITTEN REQUEST ADDRESSED TO THE OFFICE OF THE ASSISTANT CORPORATE SECRETARY, 7/F CG BULDING, 101 AGUIRRE ST., LEGASPI VILLAGE, MAKATI CITY 1229.

SIGNATURE

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

ROXAS AND COMPANY, INC.
(formerly **CADP GROUP CORPORATION)**

By:

ATTY. MELCHOR J. MANALO
Assistant Corporate Secretary

Issuer

ROXAS AND COMPANY, INC.

Pursuant to the requirements of Section 17 of Revised Securities Act, this annual report has been signed by the following persons in the capacities and on the dates indicated.

By:

PEDRO O. ROXAS
Chairman

EDGAR P. ARCOS
President and CEO

MELCHOR J. MANALO
Assistant Corporate Secretary

SUBSCRIBED AND SWORN to before me this APR 15 2024 in Makati City affiants exhibiting to me their respective competent ID's as follows:

Names	Competent ID	Date of Issue/Expiry	Place of Issue
Pedro O. Roxas	Passport No. P0388893B	24 Jan. 2019 - 23 Jan. 2029	DFA Manila
Edgar P. Arcos	Passport No. P7030824A	03 May 2018 - 02 May 2028	DFA NCR South
Melchor J. Manalo	IBP ID No. 62499		

Doc. No. 20
Page No. 5
Book No. I
Series of 2024.

MARIE MELANIE O. BUENAVENTURA
Appointment No. M-309
Notary Public for Makati City
Until December 31,2025
7th floor, Cacho-Gonzales Building,
101 Aguirre St., Legaspi Village, Makati City 1229
Roll of Attorneys No. 79761
IBP No. : 416254/01-11-2024/ Cavite Chapter
PTR No.: 2494298/01-15-2024/Imus City, Cavite

ANNEX "A"

AUDIT COMMITTEE REPORT

Audit and Risk Committee Report

12 April 2024

The Board of Directors
ROXAS AND COMPANY, INC.

Further to our compliance with applicable corporate governance laws and rules, we confirm that for the period of 01 January to 31 December 2023:

- The Chairman of the Audit and Risk Committee is an independent director as determined by the Board of Directors;

- We had four (4) regular meetings during the said period;

- We have discussed with RCI's internal audit group and Sycip Gorres Velayo & Co. ("SGV & Co."), RCI's external auditor, the overall scope and plans for their respective audits, and the results of examinations, their evaluations of the internal controls and the overall quality of the financial reporting of Roxas and Company, Inc. and its subsidiaries (the "Roxas Group");

- We have reviewed and approved all audit services rendered by SGV & Co. to the Roxas Group, the related fees for such services, and concluded that the fees are not significant to impair their independence;

- We have discussed with SGV & Co. the matters required to be discussed by the prevailing applicable Auditing Standards, and we have received written disclosures and the letter from SGV & Co. as required by the prevailing applicable Independence Standards (Statements as to Independence) and have discussed with SGV & Co. its independence from the Roxas Group and Roxas Group's management;

- In the performance of our oversight responsibilities, we have reviewed and discussed the audited financial statements of the Roxas Group as of and for the year ended 31 December 2023 with the Roxas Group's management, which has the primary responsibility for the financial statements, and with SGV & Co., the Roxas Group's independent auditor, who is responsible for expressing an opinion on the conformity of the Roxas Group's audited financial statements with Philippine Financial Reporting Standards ("PFRS");

- Based on the reviews and discussions referred to above, in reliance on the Roxas Group's management and SGV & Co. and subject to the limitations of our role, we recommended to the Board of Directors and the Board has approved, the inclusion of the Roxas Group's audited financial statements as of and for the year ended 31 December 2023 in the Roxas Group's Annual Report to the Stockholders and to the Philippines Securities and Exchange Commission (SEC) on Form 17-A; and

- Based on a review of SGV & Co.'s performance and qualifications, including consideration of management's recommendation, we approved the appointment of SGV & Co. as the Roxas Group's independent auditor.

CORAZON DE LA PAZ-BERNARDO
Chairperson

FRANCISCO R. ELIZALDE
Member

AURELIO R. MONTINOLA III
Member

ANNEX "B"

Statement of Management Responsibility for Consolidated Financial Statements

Report of Independent Auditors

Consolidated Statements of Financial Position

Consolidated Statements of Income

Consolidated Statements of Comprehensive Income

Consolidated Statements of Changes in Equity

Consolidated Statements of Cash Flows

Notes to Consolidated Financial Statements

Retained Earnings Available for Dividend Declaration

Index to Consolidated Financial Statements

Organizational Structure

C O V E R   S H E E T
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

P	W	-	0	0	0	0	0	8	3	4

C O M P A N Y   N A M E

ROXAS AND COMPANY, INC. AND SUBSIDIARIES

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

7th Floor, Cacho-Gonzales Building, 101 Aguirre Street, Legaspi Village, Makati City

Form Type	Department requiring the report	Secondary License Type, If Applicable
AACFS	CRMD	N/A

C O M P A N Y   I N F O R M A T I O N

Company's Email Address	Company's Telephone Number	Mobile Number
rci@roxascompany.com.ph	8810-8901 to 06	N/A

No. of Stockholders	Annual Meeting (Month / Day)	Calendar Year (Month / Day)
3,281	Last Wednesday of May	12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Atty. Melchor J. Manalo	melchor.manalo@roxascompany.com.ph	8751-9537	N/A

CONTACT PERSON's ADDRESS

7th Floor, Cacho-Gonzales Building, 101 Aguirre Street, Legaspi Village, Makati City

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

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

SGV
Building a better working world

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

Tel: (632) 8891 0307
Fax: (632) 8819 0872
ey.com/ph

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and the Stockholders
Roxas and Company, Inc.
7th Floor, Cacho-Gonzales Building, 101 Aguirre Street
Legaspi Village, Makati City

Report on the Audit of the Consolidated Financial Statements

Opinion

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

In our opinion, the accompanying consolidated financial statements of the Group as at December 31, 2023 and 2022, and for each of the three years in the period ended December 31, 2023 are prepared in all material respects, in accordance with Philippine Financial Reporting Standards (PFRSs), as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission (SEC), as described in Note 2 to the consolidated financial statements.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 2 to the consolidated financial statements, which indicates that the consolidated financial statements have been prepared in accordance with PFRSs, as modified by the application of the financial reporting reliefs issued and approved by the SEC in response to the COVID-19 pandemic. The impact of the application of the financial reporting reliefs, which are applicable to the Group's Real Estate Segment, on the 2023 consolidated financial statements are discussed in detail in Note 2. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

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

Going Concern Assessment

The Group's consolidated total current liabilities exceeded its consolidated total current assets by ₱1,487.6 million as of December 31, 2023. The Group's ability to generate sufficient operating cash flows and availability of sufficient funding to enable the Group to meet its currently maturing obligations are important considerations in the assessment of the appropriateness of the going concern assumption used in the preparation of the consolidated financial statements and as such, are significant to our audit. This assessment is based on management's expectations of and estimates of future cash flows of the Group. Estimated future cash flows are based on management assumptions, such as growth rate in sales of coconut products and food and beverage revenue, growth in hotel occupancy rate, coconut plant capacity utilization rate, manufacturing cost ratio and operating expenses ratio, and sale or disposal of certain raw land properties and property, plant and equipment.

Refer to Note 5 to the consolidated financial statements for the discussion of significant judgment, accounting estimates and assumptions, and Note 1 for the disclosure about the Group's status of operations and management's plans.

Audit Response

We obtained an understanding of management's going concern assessment, taking into consideration the current business environment to corroborate our review of the key assumptions used by management. We evaluated the reasonableness of the key assumptions used, such as growth rates in sales of coconut products and food and beverage revenue and growth in hotel occupancy rate, coconut plant' operating statistics, including plant utilization, manufacturing cost ratio and operating expenses ratio against the Group's historical performance, current industry outlook and other relevant external data.

We also compared the significant assumptions on the Group's planned financing activities such as sale or disposal of raw land properties and property and equipment against minutes of meetings of Board of Directors, shareholders, and audit committee, and significant agreements entered into by the Group, and other supporting documents until the date of our auditor's report. We obtained and evaluated management's sensitivity analyses to ascertain the impact of reasonably possible changes in key assumptions. We reviewed the management plans and the related financial impact of these plans in the forecasts of future cash flows. We reviewed the adequacy of the relevant disclosures in the consolidated financial statements relating to these management assessment and plans.

Impairment testing of property, plant, and equipment

The Group assesses at the end of its reporting period whether there is any indicator that its property, plant and equipment may be impaired. Management assessed that there are indicators of impairment of the coconut processing plant and the assets related to the budget hotel business, thus, the Group performed an impairment testing. For the year ended December 31, 2023, the Group recognized impairment loss on the coconut processing plant amounting to ₱129.8 million, while there was no impairment loss for the budget hotel business. As of December 31, 2023, the carrying values of the coconut processing plant and the hotel assets amounted to ₱321.8 million and ₱1,237.7 million, respectively.

We considered the impairment testing of property, plant and equipment as a key audit matter because of the materiality of the amounts involved. In addition, management's assessment process requires significant judgment in determining the discount rates and assumptions on cash flows for its coconut processing plant and hotel business. Management used significant assumptions relating to the sales growth rate, plant capacity utilization rate, gross profit ratio, operating expenses ratio, and earnings before interest and taxes over the forecast period for the coconut processing business; and growth rate, occupancy rate, food and beverage revenue, gross profit ratio, operating expenses ratio and salvage value of the cash generating unit for the hotel business.

Refer to Notes 4 and 5 to the consolidated financial statements for the relevant accounting policies and a discussion of significant judgment, accounting estimates and assumptions, and Note 12 for the disclosures relating to property, plant, and equipment.

Audit Response

We reviewed the propriety of management's assessment of the presence of indicators of impairment that would require the impairment testing of the property, plant, and equipment. With the involvement of our internal specialist, we evaluated the methodologies and key assumptions used to estimate the discounted cash flows of the cash generating units (CGUs) where these property, plant and equipment belong based on our understanding of the Group's business plans. We compared the assumptions relating to the sales growth rate, plant capacity utilization rate, gross profit ratio, operating expenses ratio, and earnings before interest and taxes over the forecast period for the coconut processing business; and growth rate, occupancy rate, food and beverage revenue, gross profit ratio, operating expenses ratio and salvage value against the historical performance of the CGUs and other relevant external data, as applicable, using different possible scenarios. We tested the parameters used in the determination of the discount rate against market data. We also reviewed the Group's disclosures about those assumptions to which the outcome of the impairment testing is most sensitive; specifically, those that have the most significant effect in the determination of the recoverable amount of property, plant and equipment.

Classification of investment properties, and valuation of investment properties and land under property, plant and equipment

The Group has significant parcels of land in Nasugbu, Batangas that are included in the Revised Notice of Coverage issued by the Department of Agrarian Reform (DAR) under the Comprehensive Agrarian Reform Program (CARP). These investment properties are the subject of claims that may impact the future use and recovery of these assets. As of December 31, 2023, the Group continues to recognize these parcels of land under CARP as part of its investment properties. As of December 31, 2023, these parcels of land have a carrying value of ₱10,468.5 million, representing 91% of the Group's total investment properties. The classification of these parcels of land as part of investment properties is significant to our audit because the assessment requires significant judgment by management based on the status and the ultimate outcome of the legal and regulatory proceedings as of December 31, 2023. The uncertainty over the ultimate outcome of the legal and regulatory proceedings is brought about by the inherent differences in the interpretation and application of the relevant regulations, laws, and rulings.

Meanwhile, the Group accounts for its investment properties at fair value and the parcels of land classified under property, plant and equipment at revalued amount. As of December 31, 2023, the fair values of the Group's investment properties, including the parcels of land under CARP, and the parcels of land classified under property, plant and equipment amounted to ₱11,450.3 million and ₱647.3 million, and represent 77.7% of the Group's consolidated total assets. This matter is significant to our audit because the determination of the fair values of these assets were performed by external appraisers whose calculations involved certain assumptions, such as sales price of similar properties and adjustments to sales price based on internal and external factors.

Refer to Notes 4 and 5 to the consolidated financial statements for the relevant accounting policies and discussion of significant judgments and estimates and Notes 12 and 14 for the disclosure about the Group's investment properties and the parcels of land under property, plant and equipment and Note 30 for the disclosures about the related fair values.

Audit Response

For the parcels of land that are covered by CARP and classified as investment properties, we inspected their corresponding titles of the parcels of land and we inquired with the Group's internal and external legal counsels and relevant Group personnel about the status of the legal and regulatory proceedings. We obtained the legal opinion from external legal counsels about the progress of the legal and regulatory proceedings, including their assessment on the likely outcome. We also inspected relevant correspondences with the regulatory bodies.

For the fair values of the investment properties and the parcels of land classified under property, plant and equipment, we evaluated the methodology and the assumptions used by the external appraisers, whose professional qualifications and independence were considered. We reviewed the documents containing the relevant information supporting the sales prices of similar properties and inquired from the external appraiser the basis of adjustments made to the sales price, including the supporting documents. We also reviewed the Group's disclosures with respect to these assets.

Other Information

Other information consists of the information included in the SEC Form 17-A for the year ended December 31, 2023, but does not include the consolidated financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the SEC Form 20-IS (Definitive Information Statement) and Annual Report for the year ended December 31, 2023, after the date of our auditor's report. Management is responsible for the other information.

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

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

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRSs, as modified by the application of financial reporting reliefs issued and approved by the SEC, as described in Note 2 to the consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Albert R. Bon.

SYCIP GORRES VELAYO & CO.

Albert R. Bon

Albert R. Bon
Partner
CPA Certificate No. 0121479
Tax Identification No. 255-491-830
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
BIR Accreditation No. 08-001998-135-2023, January 25, 2023, valid until January 24, 2026
PTR No. 10079911, January 5, 2024, Makati City

April 12, 2024

ROXAS AND COMPANY, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Amounts in Thousands

	December 31	
	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents (Note 6)	**₱75,645**	₱36,130
Trade and other receivables (Notes 7 and 20)	**223,595**	195,101
Contract assets - current portion (Note 21)	**58,706**	96,100
Real estate properties for sale and development (Note 8)	**348,305**	317,921
Inventories (Note 9)	**21,190**	31,199
Other current assets (Note 10)	**227,841**	250,057
	955,282	926,508
Assets held for sale (Notes 14 and 25)	**602,539**	634,119
Total Current Assets	**1,557,821**	1,560,627
Noncurrent Assets		
Contract assets - net of current portion (Note 21)	**41,117**	29,534
Investments in associates (Note 11)	**150,821**	425,336
Property, plant, and equipment (Note 12):		
At cost	**1,473,292**	1,651,371
At appraised values	**647,305**	620,411
Right-of-use assets (Note 13)	**1,196**	2,151
Investment properties (Note 14)	**11,450,348**	9,253,312
Deferred income tax assets - net (Note 26)	**58,720**	61,960
Other noncurrent assets (Note 10)	**182,055**	210,363
Total Noncurrent Assets	**14,004,854**	12,254,438
TOTAL ASSETS	**₱15,562,675**	₱13,815,065

LIABILITIES AND EQUITY		
Current Liabilities		
Short-term borrowings (Note 15)	**₱100,000**	₱100,000
Trade and other payables (Notes 16 and 20)	**1,398,329**	1,185,500
Contract liabilities (Note 21)	**71,735**	136,208
Current portion of:		
Long-term borrowings (Note 17)	**1,018,237**	1,190,012
Lease liabilities (Note 13)	**1,273**	2,797
	2,589,574	2,614,517
Liabilities directly associated with assets held for sale (Note 25)	**455,840**	414,270
Total Current Liabilities	**3,045,414**	3,028,787
Noncurrent Liabilities		
Noncurrent portion of:		
Long-term borrowings (Note 17)	**2,536,947**	2,013,458
Lease liabilities (Note 13)	**310**	–
Deferred income tax liabilities - net (Note 26)	**111,090**	98,060
Retirement liabilities (Note 18)	**61,845**	42,817
Total Noncurrent Liabilities	**2,710,192**	2,154,335
Total Liabilities	**5,755,606**	5,183,122

(Forward)

	December 31	
	2023	2022
Equity attributable to the equity holders of the Parent Company (Note 19)		
Capital stock	**₱2,911,886**	₱3,111,886
Additional paid-in capital	**1,496,807**	1,589,603
Treasury stock	**(1,065,721)**	(1,144,645)
Other equity reserves	**795,311**	738,062
Retained earnings	**5,555,533**	4,173,317
	9,693,816	8,468,223
Non-controlling interests (Note 11)	**113,256**	163,720
Total Equity	**9,807,072**	8,631,943
TOTAL LIABILITIES AND EQUITY	**₱15,562,675**	₱13,815,065

See accompanying Notes to Consolidated Financial Statements.

ROXAS AND COMPANY, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

Amounts in Thousands, Except Basic/Diluted Loss Per Share

	Years Ended December 31		
	2023	2022	2021
REVENUE FROM (Note 21):			
Hotel sales and services	**₱450,315**	₱409,475	₱352,857
Real estate sales	**81,360**	288,643	407,730
Sale of goods	**200,539**	88,021	184,923
	732,214	786,139	945,510
COST OF SALES AND SERVICES			
Cost of goods sold (Note 22)	**(283,048)**	(193,193)	(294,017)
Cost of hotel sales and services (Note 22)	**(276,867)**	(214,529)	(129,774)
Cost of real estate sales (Note 8)	**(37,872)**	(104,669)	(109,353)
	(597,787)	(512,391)	(533,144)
GROSS INCOME	**134,427**	273,748	412,366
OPERATING EXPENSES (Note 22)	**(445,016)**	(703,519)	(508,395)
OTHER INCOME (CHARGES)			
Unrealized fair value gains on investment properties (Note 14)	**2,164,062**	2,120,019	766,480
Interest expense (Notes 13, 15 and 17)	**(249,351)**	(258,422)	(211,649)
Interest income (Notes 6 and 7)	**34,262**	12,005	7,235
Equity in net loss of associates (Note 11)	**(320,029)**	(184,243)	(183,212)
Others - net (Note 24)	**45,427**	(582,740)	34,508
	1,674,371	1,106,619	413,362
INCOME BEFORE INCOME TAX	**1,363,782**	676,848	317,333
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 26)			
Current	**7,161**	8,070	5,721
Deferred	**2,143**	5,450	48,169
	9,304	13,520	53,890
NET INCOME FROM CONTINUING OPERATIONS	**1,354,478**	663,328	263,443
NET LOSS FROM DISCONTINUED OPERATIONS (Note 25)	**(31,162)**	(39,846)	(25,848)
NET INCOME (LOSS)	**₱1,323,316**	₱623,482	₱237,595
Net Income (Loss) Attributable to:			
Equity holders of the Parent Company	**₱1,382,216**	₱692,675	₱292,195
Non-controlling interests	**(58,900)**	(69,193)	(54,599)
	₱1,323,316	₱623,482	₱237,595
BASIC/DILUTED EARNINGS (LOSS) PER SHARE (EPS) ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY (Notes 4 and 27)	**₱0.61**	₱0.31	₱0.12
BASIC/DILUTED EPS FOR CONTINUING OPERATIONS ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	**₱0.60**	₱0.32	₱0.13

See accompanying Notes to Consolidated Financial Statements.

ROXAS AND COMPANY, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Amounts in Thousands

	Years Ended December 31		
	2023	2022	2021
NET INCOME	**₱1,323,316**	₱623,482	₱237,596
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss			
Appraisal increase on land - net of tax (Note 12)	**20,171**	46,541	10,941
Share in appraisal increase on land of an associate, net of tax (Note 11)	**57,518**	199,617	42,206
Share in remeasurement gain (loss) on liability of an associate, net of tax (Note 11)	**(12,004)**	4,243	14,381
Remeasurement gain on retirement liabilities, net of tax (Note 18)	**–**	46,215	–
TOTAL OTHER COMPREHENSIVE INCOME	**65,685**	296,616	67,528
TOTAL COMPREHENSIVE INCOME	**₱1,389,001**	₱920,098	₱305,124
Total comprehensive income (loss) attributable to:			
Equity holders of the Parent Company	**₱1,439,465**	₱969,874	₱356,080
Non-controlling interests	**(50,464)**	(49,776)	(50,956)
	₱1,389,001	₱920,098	₱305,124

See accompanying Notes to Consolidated Financial Statements.

ROXAS AND COMPANY, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021

Amounts in Thousands

	Equity Attributable to Equity Holders of the Parent Company (Note 19)									
	Capital Stock			Additional		Other Equity	Retained		Non-controlling	
	Common Stock	Preferred Stock	Total	Paid-in Capital	Treasury Stock	Reserves	Earnings	Total	Interests (Note 11)	Total Equity
Balances as at December 31, 2020	**₱2,911,886**	**₱500,000**	**₱3,411,886**	**₱1,627,069**	**(₱1,216,983)**	**₱396,978**	**₱3,209,166**	**₱7,428,116**	**₱264,452**	**₱7,692,568**
Net income	–	–	–	–	–	–	292,195	292,195	(54,599)	237,596
Other comprehensive income	–	–	–	–	–	63,885	–	63,885	3,643	67,528
Total comprehensive income	–	–	–	–	–	63,885	292,195	356,080	(50,956)	305,124
Redemption of preferred shares	–	(300,000)	(300,000)	–	–	–	–	(300,000)	–	(300,000)
Issuance of treasury shares	–	–	–	(18,968)	44,270	–	–	25,302	–	25,302
Cash dividends declared	–	–	–	–	–	–	(20,719)	(20,719)	–	(20,719)
Balances as at December 31, 2021	**2,911,886**	**200,000**	**3,111,886**	**1,608,101**	**(1,172,713)**	**460,863**	**3,480,642**	**7,488,779**	**213,496**	**7,702,275**
Net income	–	–	–	–	–	–	692,675	692,675	(69,193)	623,482
Other comprehensive income	–	–	–	–	–	277,199	–	277,199	19,417	296,616
Total comprehensive income	–	–	–	–	–	277,199	692,675	969,874	(49,776)	920,098
Issuance of treasury shares	–	–	–	(18,498)	28,068	–	–	9,570	–	9,570
Balances as at December 31, 2022	**2,911,886**	**200,000**	**3,111,886**	**1,589,603**	**(1,144,645)**	**738,062**	**4,173,317**	**8,468,223**	**163,720**	**8,631,943**
Net income (loss)	–	–	–	–	–	–	1,382,216	1,382,216	(58,900)	1,323,316
Other comprehensive income	–	–	–	–	–	57,249	–	57,249	8,436	65,685
Total comprehensive income (loss)	–	–	–	–	–	57,249	1,382,216	1,439,465	(50,464)	1,389,001
Redemption of preferred shares	–	(200,000)	(200,000)	(36,924)	–	–	–	(236,924)	–	(236,924)
Issuance of treasury shares	–	–	–	(55,872)	78,924	–	–	23,052	–	23,052
Balances as at December 31, 2023	**₱2,911,886**	**₱–**	**₱2,911,886**	**₱1,496,807**	**(₱1,065,721)**	**₱795,311**	**₱5,555,533**	**₱9,693,816**	**₱113,256**	**₱9,807,072**

See accompanying Notes to Consolidated Financial Statements.

ROXAS AND COMPANY, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

Amounts in Thousands

	Years Ended December 31		
	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax from continuing operations	**₱1,363,782**	₱676,848	₱317,333
Loss before income tax from discontinued operations (Note 25)	**(30,974)**	(39,779)	(25,715)
Income before income tax	**1,332,808**	637,069	291,618
Adjustments for:			
Unrealized fair value gains on investment properties (Note 14)	**(2,164,062)**	(2,120,019)	(766,480)
Impairment loss on property, plant and equipment (Note 12)	**129,814**	298,000	66,000
Interest expense (Notes 13, 15 and 17)	**249,351**	258,442	211,649
Depreciation and amortization (Notes 12 and 13)	**79,179**	111,184	151,848
Equity in net loss of associates (Note 11)	**320,029**	184,243	183,212
Gain on sale of investment properties (Note 14)	**–**	(30,080)	(3,226)
Impairment loss on investment in an associate (Note 11)	**–**	616,985	–
Interest income (Notes 6 and 7)	**(34,262)**	(12,005)	(7,235)
Net movements in retirement benefits (Note 18)	**19,028**	16,004	15,842
Operating income (loss) before working capital changes	**(68,115)**	(40,177)	143,228
Decrease (increase) in:			
Trade and other receivables	**(21,695)**	(32,568)	82,940
Contract assets	**25,811**	(16,403)	(10,408)
Real estate properties for sale and development	**(30,384)**	76,516	107,051
Inventories	**10,009**	46,042	(5,661)
Other current assets	**33,691**	(13,494)	(85,325)
Other noncurrent assets	**28,308**	23,951	79,154
Increase in trade and other payables	**125,565**	130,482	214,988
Cash generated from operations	**103,190**	174,349	527,154
Interest received	**27,463**	12,005	6,048
Income taxes, paid including creditable withholding taxes	**(18,636)**	(24,369)	(44,243)
Net cash from operating activities	**112,017**	161,985	488,959
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant, and equipment (Note 12)	**(27,118)**	(20,280)	(25,125)
Proceeds from sale of:			
Investment properties (Note 14)	**–**	43,881	3,848
Property and equipment	**–**	182	–
Net cash from (used in) investing activities	**(27,118)**	23,783	(21,277)

(Forward)

	Years Ended December 31		
	2023	2022	2021
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from:			
Issuance of treasury shares (Note 19)	**₱23,052**	₱9,570	₱25,302
Availments of long-term borrowings (Note 16)	**11,700**	6,737	99,816
Redemption of preferred shares (Note 19)	**–**	–	(300,000)
Payments of:			
Interest (Note 17)	**(76,976)**	(191,492)	(168,694)
Lease liabilities (Note 13)	**(1,372)**	(38,025)	(50,438)
Long-term borrowings (Note 16)	**(1,788)**	–	(41,165)
Net cash used in financing activities	**(45,384)**	(213,210)	(435,179)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS FOR THE YEAR	**39,515**	(27,442)	32,503
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**36,130**	63,572	31,069
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 6)	**₱75,645**	₱36,130	₱63,572

See accompanying Notes to Consolidated Financial Statements.

1. Corporate Information

Roxas and Company, Inc. (the Parent Company or RCI) was organized in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on October 7, 1918.

On November 29, 1948, the shares of stock of the Parent Company were listed in the Philippine Stock Exchange (PSE) with a stock symbol RCI.

The purpose of RCI is to purchase, hold, pledge, transfer, sell or otherwise dispose of or deal in the shares of the capital stock, bonds, debentures, notes or other securities and evidence of indebtedness of any such securities. RCI is owned by various individual shareholders and domestic corporations, namely: SPCI Holdings, Inc. and Pesan Holdings, Inc., among others.

RCI and its subsidiaries (collectively referred to as the Group) are engaged in the real estate and hotel development and management, property management and coconut processing and exports.

The principal and registered office of RCI is at 7th Floor, Cacho-Gonzales Building, 101 Aguirre Street, Legaspi Village, Makati City.

Status of Operations and Management Plans
The Group's consolidated total current liabilities exceeded its consolidated total current assets by ₱1,487.6 million and ₱1,468.2 million as of December 31, 2023 and 2022, respectively.

The Group continues to reset its businesses in 2023 and generate cash amidst volatile international and local macroeconomic conditions. The overall operating performance in 2023 has further declined as compared to 2022. This is due to the deferred selling of Anya Phase 3, slower house and lot sales, and RSAI's coconut export decline because of low working capital. Raw land sales were lower in 2023 after successive sales in 2022 and 2021. The unfavorable results in 2023 were partly offset by the improvement in occupancy of the hotel business, increase in capacity due to additional rooms that were completed and included in the rental pool, and higher client base in the hospitality management unit.

The Group has a good expectation for the long-term growth in non-dairy alternatives of the coconut business. The effect of the slowdown in the global demand of coconut cream was partly mitigated by the increase in the coconut water concentrate requirements. RSAI maintained its export list price in 2023 after increasing it in April 2022.

The Group restructured loans to certain banks in 2023 totaling to ₱882.2 million. The extended payment period and renegotiated interest rates are expected to ease out the liquidity requirement of the Group in the next 12 months. In 2024, the Group intends to continue discussions with other banks to restructure the other loans (see Note 17).

The Group has ongoing negotiations for the sale of some properties, which will generate cash for working capital and liquidity needs of its businesses (see Notes 14 and 25). Moreover, the fair value of the Group's investment properties increased to ₱11,450.3 million as of December 31, 2023, from ₱9,253.3 million as of December 31, 2022.

On January 11, 2024, RCI received from the Department of Agrarian Reform (DAR) the Consolidated Order dated December 29, 2023, which resolves the long-outstanding legal cases and claims over RCI's land properties (see Note 32). The said Consolidated Order became final and executory on January 27, 2024, which provided for a 50-50 sharing of the covered land properties totaling to 2,644 hectares between RCI and the Agrarian Reform Beneficiaries (ARBs), net of the 297 hectares which were already resolved in favor of RCI with finality. As such, RCI retained the 1,322 hectares, while the other half to be distributed to the Agrarian Reform Beneficiaries (ARBs). The Consolidated Order also directed the relevant government agencies to earmark and appropriate the payment of just compensation to RCI for the land properties that it will give up to the ARBs.

With the development, management is optimistic that the Group can now monetize its ownership rights and maximize the overall real estate value of its strategic landholdings in Nasugbu, Batangas by coming up with a masterplan. This allows the Group access to fresh financing, opens new development plans for internal projects as well as support the existing business units, and diversify the long-term revenue streams of the Group.

The Group plans to fund growth, care and maintenance, and asset integrity spending from a combination of internally generated funds and external financing. Furthermore, the Group will embark on transactional and functional centralization for speed and efficiency gains.

Approval of the Consolidated Financial Statements
The consolidated financial statements of the Group as at December 31, 2023 and 2022 and for each of the three years in the period then ended December 31, 2023, have been approved and authorized for issue by the Board of Directors (BOD) on April 12, 2024.

2. Basis of Preparation and Statement of Compliance

The consolidated financial statements of the Group have been prepared on a historical cost basis, except for the parcels of land classified under property, plant and equipment and investment properties that are stated at revalued amount and at fair value, respectively. The consolidated financial statements are presented in Philippine Peso (₱), which is the functional and presentation currency of the Group. All balances and transactions are rounded to the nearest thousands, unless otherwise indicated.

Statement of Compliance
The accompanying consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs), as modified by the application of the following financial reporting reliefs issued and approved by the SEC in response to the COVID-19 pandemic:

In December 2020, the SEC issued MC No. 34-2020, allowing the further deferral of the adoption of provisions of *PIC Q&A 2018-12* and the IFRIC Agenda Decision on Borrowing Cost, for another three (3) years or until December 31, 2023.

The details and the impact of the adoption of the above financial reporting reliefs are discussed in the *Future Changes in Accounting Policy* section.

3. Changes in Accounting Policies and Disclosures

Adoption of New or Revised Standards, Amendments to Standards and Interpretations
The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new accounting pronouncements starting January 1, 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these pronouncements did not have any significant impact on the consolidated financial statements of the Group.

- Amendments to PAS 1, *Presentation of Financial Statements*, and PFRS Practice Statement 2, *Disclosure of Accounting Policies*

  The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:
  - Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies, and
  - Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

  The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items, in the consolidated financial statements.

- Amendments to PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors, Definition of Accounting Estimates*

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

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

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

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

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

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

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

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

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

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

Effective beginning on or after January 1, 2024

- Deferral of Certain Provisions of PIC Q&A 2018-12, *PFRS 15 Implementation Issues Affecting the Real Estate Industry (as amended by PIC Q&As 2020-04*)

  On February 14, 2018, the PIC issued PIC Q&A 2018-12 which provides guidance on some implementation issues of PFRS 15 affecting the real estate industry. On October 25, 2018, and February 8, 2019, the Philippine SEC issued SEC Memorandum Circular No. 14, Series of 2018, and SEC Memorandum Circular No. 3, Series of 2019, respectively, providing relief to the real estate industry by deferring the application of the following provisions of the above PIC Q&A for a period of 3 years until December 31, 2020. On December 15, 2020, the Philippine SEC issued SEC Memorandum Circular No. 34, Series of 2020, which further extended the deferral of certain provisions of this PIC Q&A until December 31, 2023.

  A summary of the PIC Q&A provisions covered by the SEC deferral follows:

		Deferral Period
1.	Assessing if the transaction price includes a significant financing component as discussed in PIC Q&A 2018-12-D (as amended by PIC Q&A 2020-04)	Until December 31, 2023
2.	Treatment of land in the determination of the POC discussed in PIC Q&A 2018-12-E	Until December 31, 2023

  In November 2020, the PIC issued the following Q&As which provide additional guidance on the real estate industry issues covered by the above SEC deferrals:

  - PIC Q&A 2020-04 on determining whether the transaction price includes a significant financing component.
  - PIC Q&A 2020-02 on determining which uninstalled materials should not be included in calculating the POC.

  On July 8, 2021, the SEC issued SEC MC No. 8, series of 2021 amending the transition provision of the above PIC Q&A providing real estate companies the accounting policy option of applying either the full retrospective approach or modified retrospective approach. With this, real estate companies are finally able to fully comply with PFRS 15 and revert to full PFRS financial reporting for the calendar year 2021.

  After the deferral period, real estate companies have an accounting policy option of applying either the full retrospective approach or modified retrospective approach as provided under SEC MC No. 8-2021.

  The Group availed of the SEC relief to defer the above specific provision of PIC Q&A No. 2018-12-D (as amended by PIC Q&A 2020-04) in determining whether the transaction price includes a significant financing component. Had this provision been adopted, the mismatch between the POC of the real estate projects and right to an amount of consideration based on the schedule of payments provided for in the contract to sell might constitute a significant financing component. In case of the presence of significant financing component, the guidance should have been applied retrospectively and would have resulted in restatement of prior year financial statements in case a full retrospective approach is applied. Depending on the approach of adoption, the adoption of this guidance would have impacted interest income, interest expense, revenue from real estate sales, contract assets, provision for deferred income tax, deferred tax asset or liability for all years presented (full retrospective approach), and the opening balance of retained earnings (full retrospective approach and modified retrospective approach). The Group's assessment is ongoing whether to adopt a full retrospective or modified retrospective approach. The above would have impacted the cash flows from operations and cash flows from financing activities for all years presented in case of a full retrospective approach.

Effective beginning on or after January 1, 2024

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
- Amendments to PFRS 16, *Leases*, *Lease Liability in a Sale and Leaseback*
- Amendments to PAS 7, *Statement of Cash Flows*, and PFRS 7, *Financial Instruments: Disclosures*, *Disclosures: Supplier Finance Arrangements*

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*
- Amendments to PAS 21, *The Effects of Changes in Foreign Exchange Rates*, *Lack of exchangeability*

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Investments in Associates and Joint Ventures*, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

4. Material Accounting Policies

The material accounting and financial reporting policies that have been used in the preparation of the consolidated financial statements are summarized below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of Consolidation

The consolidated financial statements of the Group include the financial statements of the Parent Company and the following subsidiaries (all incorporated and domiciled in the Philippines) as of December 31, 2023 and 2022:

	Percentage of Ownership	Noncontrolling Interests	Description of Business
Roxaco Land Corporation (RLC)	100.00	–	Real estate
Roxaco-Asia Hospitality Corporation (RAHC)	51.00	49.00	Hotel and leisure
SAMG Memorial Management & Services Inc. (SMMSI)	100.00	–	Funeral and related services
Roxas Sigma Agriventures, Inc. (RSAI)	94.98	5.02	Manufacturing
Roxas Green Energy Corporation (RGEC)	100.00	–	Generation and distribution of energy
United Ventures Corporation (UVC)*	100.00	–	Warehouse leasing

**The application for dissolution is still pending with the SEC and BIR as at December 31, 2022.*

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company. All intra-group balances, transactions, unrealized gains and losses, resulting from intra-group transactions and dividends are eliminated in full.

Financial Instruments

Initial recognition and measurement of financial assets

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through OCI (FVTOCI), and fair value through profit or loss (FVTPL).

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

Financial assets at amortized cost

The Group's financial assets at amortized cost includes cash and cash equivalents, trade and other receivables and refundable deposits. The Group measures these financial assets at amortized cost because the following conditions are met:

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

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment.

Impairment of financial assets

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix for trade receivables and a vintage analysis for sales contract receivables and contract assets that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities measured at amortized cost

The Group's financial liabilities include trade and other payables, lease liabilities and short-term and long-term borrowings. These financial liabilities are classified as measured at amortized cost.

After initial recognition, these financial liabilities are carried at amortized cost, taking into account the impact of applying the effective interest method of amortization (or accretion) for any related premium, discount and any directly attributable transaction costs.

Derecognition of financial assets and liabilities

Financial assets. A financial asset is generally derecognized when the rights to receive cash flows from the asset have expired.

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

Exchange or modification of financial liabilities
When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the fair value of the new liability is recognized in profit or loss. The terms are considered substantially different if the present value of the cash flows under the new terms, discounted using the original effective interest rate, is at least 10% different from the present value of the remaining cash flows of the original financial liability.

When the exchange or modification of the existing financial liability is not considered as substantial, the Group recalculates the gross carrying amount of the financial liability as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR and recognizes a modification gain or loss in profit or loss.

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Real Estate Properties for Sale and Development
Real estate properties for sale and development consists of developed real estate properties for sale, raw land and land improvements. These are properties acquired or being constructed for sale in the ordinary course of business rather than to be held for rental or capital appreciation.

Developed real estate properties for sale, raw land and land improvements are carried at the lower of aggregate cost and net realizable value (NRV). NRV is the estimated selling price in the ordinary course of business, based on market prices at the reporting date, less estimated costs of completion and estimated costs necessary to make the sale.

The cost of inventory recognized in profit or loss on disposal is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs. The total costs are allocated pro-rate based on the relative size of the property sold.

Repossessed Inventories
Repossessed inventories represent the acquisition costs of real estate properties sold but subsequently reacquired by the Group due to buyer's default on payment of monthly amortization. These are measured at fair value at the time of repossession.

Inventories
Inventories are valued at the lower of cost or net realizable value.

Costs incurred are accounted for as follows:

a. Raw materials - Purchase cost and directly attributable costs determined using the moving average method.

b. Finished Goods and Work in Process - Cost includes raw materials, direct labor, other direct costs, and related manufacturing overhead using the weighted average method.
c. Packaging Materials and Other Supplies - Purchase cost and directly attributable costs determined using the moving average method.

Investments in Associates
Investments in associates are recognized initially at cost and subsequently accounted for using the equity method.

The Group determines, at the end of each reporting year, whether there is any evidence that the investment is impaired. If this is the case, the amount of impairment is calculated as the difference between the carrying amount of the investment and recoverable amount.

Property, Plant and Equipment
Property, plant and equipment are carried at historical cost less accumulated depreciation, amortization and any impairment in value, except for land, which is stated at revalued amount less any impairment.

The net appraisal increment resulting from the revaluation of land is presented as "Revaluation increment on land" under "other equity reserves account" in the consolidated statement of financial position and consolidated statement of changes in equity.

The portion of appraisal increase on land, net of related deferred tax effect, realized upon disposal of the property is transferred to unrestricted retained earnings.

Depreciation and amortization on depreciable property, plant and equipment are calculated using the straight-line method to allocate their cost over their estimated useful lives as follows:

Asset Category	Number of Years
Buildings*	40
Land improvements	10
Building improvements	5
Machinery and equipment	5 to 25
Transportation equipment	3 to 6
Office furniture, fixtures, and equipment	3 to 10

**Including the coconut processing plant*

Investment Properties
Investment properties comprise land that are held either to earn rentals or for capital appreciation or both and that are not occupied by the entities in the Group.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is stated at fair value. Gains or losses arising from changes in fair value of investment property are included in profit or loss in the year in which these arise.

Impairment of Nonfinancial Assets
The carrying amounts of investments in associates, property, plant, and equipment carried at cost, right-of-use assets and other nonfinancial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an assets or cash generating unit's (CGU) fair value less costs to sell and value-in-use. For purposes of assessing impairment, assets are grouped at the lowest levels

for which there are separately identifiable cash flows (cash-generating units). Nonfinancial assets, other than goodwill, that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Treasury stock
Where any entity of the Group purchases the Parent Company's capital (treasury stock), the consideration paid, including any directly attributable incremental costs (net of related taxes), is deducted from equity until the shares are cancelled, reissued, or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transactions costs and the related income tax effect, is included in equity attributable to the Parent Company's equity holders.

Revenue and Cost Recognition
Real estate sales
The Group derives its real estate revenue from sale of lots, house and lot and condominium units. Revenue from the sale of these real estate projects under pre-completion stage are recognized over time during the construction period (or percentage of completion).

The Group uses input method in measuring the progress of its performance obligation over time. Progress is measured based on actual resources consumed such as materials, labor hours expended and actual overhead incurred relative to the total expected inputs to the satisfaction of that performance obligation, or the total estimated development costs of the real estate project.
Any excess of progress of work over the right to an amount of consideration that is unconditional, recognized as installment contract receivables, under trade receivables, is included in the "contract asset" account in the asset section of the consolidated statement of financial position.

Any excess of collections over the total of recognized installment contract receivables is included in the "contract liabilities" account in the liabilities section of the consolidated statement of financial position.

Cost recognition on real estate contracts
The Group recognizes costs relating to satisfied performance obligations as these are incurred. These costs are allocated to the saleable area, with the portion allocable to the sold area being recognized as costs of sales while the portion allocable to the unsold area being recognized as part of real estate inventories.

Expected losses on contracts are recognized immediately when it is probable that the total contract costs will exceed total contract revenue.

Revenue and cost from hotel and resorts
The Group recognizes revenue from hotel operations at a point in time (i.e., when the related service and goods are rendered or served). Revenue from banquets and other special events are recognized when the events take place.

Cost of hotel operations pertains to expenses incurred in relation to sale of goods and rendering of services.

Revenue and cost from sale of goods
Revenue and cost from sale of goods are recognized when goods are delivered to and accepted by the customers.

Management fees
Revenue from management services is recognized over time. The Group uses the input method to measure the progress, which is a time-based measure that results in a straight-line recognition of revenue.

Contract balances
Contract assets. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

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

Costs to obtain contract
The Group has determined that commissions paid to brokers and marketing agents on the sale of pre-completed real estate units are deferred when recovery is reasonably expected and are charged to expense in the period in which the related revenue is recognized as earned. Commission expense is included in the "Real estate costs and expenses" account in profit or loss.

Retirement benefits
The defined benefit asset or liability is the aggregate of the present value of the defined benefit obligation and the fair value of plan assets on which the obligations are to be settled directly.

The present value of the defined benefit obligation is determined using the projected unit credit method. The estimated future cash outflows are discounted using interest rate on government bonds that have terms to maturity approximating the terms of the related retirement liability.

The Group recognizes service costs, comprising of current service costs, past service costs, gains and losses on curtailments and non-routine settlements, and net interest expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling are recognized immediately in other comprehensive income in the year in which these arise and are not reclassified to profit or loss in subsequent years.

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

Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases of commercial space (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the leases of low-value assets recognition exemption, where applicable, to leased assets that are considered of low value (i.e., below ₱250,000). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Deferred Income Tax
Deferred tax is provided on all temporary differences at the end of the reporting year between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, including asset revaluations.

Deferred tax assets are recognized for all deductible temporary differences, carry forward benefits of unused tax credits (excess of minimum corporate income taxes or MCIT over regular corporate income taxes or RCIT) and unused tax losses (net operating loss carryover or NOLCO), to the extent that it is probable that sufficient future taxable profit will be available against which the deductible temporary differences and carryforward benefits of unused tax credits and unused tax losses can be utilized.

Discontinued Operations and Assets Held for Sale

Noncurrent assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated statement of income.

Contingencies

Contingent liabilities are not recognized in the consolidated financial statements. These are disclosed in the notes to consolidated financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed in the notes to consolidated financial statements when an inflow of economic benefits is probable.

5. **Significant Judgments, Accounting Estimates and Assumptions**

Judgments

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

Use of going concern assumption

The use of the going concern assumption involves management making significant judgments, at a particular point in time, about the future outcome of events or conditions that are inherently uncertain. Management takes into account a whole range of factors which include, but are not limited to, the forecasted revenue and operating cost, profitability and cash flows, and the other potential sources of financing. Key assumptions used in the forecasted cashflows include growth rate in sales of coconut products and food and beverage revenue, growth in hotel occupancy rate, coconut plant capacity utilization rate, manufacturing cost ratio and operating expenses ratio, and sale or disposal of raw land properties and property, plant and equipment.

Management believes that with the implementation of strategies and action plans discussed in Note 1, the Group will be able to address the events or conditions identified that may cast significant doubt on its ability to continue as a going concern and achieve positive results on their financial performance, financial position and cash flows. Accordingly, the consolidated financial statements have been prepared based on the going concern basis of accounting.

Revenue recognition method and measure of progress for real estate sales

The Group concluded that revenue for real estate sales is to be recognized over time because: (a) the Group's performance does not create an asset with an alternative use and (b) the Group has an enforceable right for performance completed to date. In addition, the Group requires a certain percentage of buyer's payments of total selling price (buyer's equity), to be collected as one of the criteria in order to initiate revenue recognition. The Group considers that the initial and continuing investments by the buyer of about 10% would demonstrate the buyer's commitment to pay.

Classification of investment properties
Management determines the classification of a property depending on its eventual realization of the asset. The significant portion of the Group's parcels of land have been subjected to the revised Notice of Coverage (NOC) issued by Department of Agrarian Reform (DAR) under the Comprehensive Agrarian Reform Law (CARP).

The Group has determined that they still have the legal title over the land properties under CARP because there is no decision yet by the courts and/or the DAR that is final and executory as of December 31, 2023, whether the land properties should be covered by CARP or not. As such, the Group assessed that the land properties can still be classified under investment properties as of December 31, 2023 (see Note 28).

Determining the classification of assets held for sale and discontinued operations
On December 9, 2022, the BOD announced its decision to sell certain hotel and land properties in 2023. Operations of the said site are classified as assets held for sale. The Board considered the site to meet the criteria to be classified as held for sale at that date as the site is available for immediate sale in its current condition and the sale is expected to be completed within one year from the date of initial classification.

As at December 31, 2023 and 2022, assets held for sale amounted to ₱602.5 million and ₱634.1 million, respectively (see Note 25).

Determination of arrangements containing a lease - yield guarantee to real estate buyers
At inception of a contract, an entity shall assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. In 2014, the Group entered into a leaseback program agreement with various buyers of Anya Resort Suites. The said buyers will be entitled to a guaranteed yield along with the usage allowance for the first five years upon full opening of the resort, equivalent to 31% to 37% of the purchase price, inclusive of fixtures, furniture and equipment and VAT, or a variable yield which is computed based on the proportion of the Unit Owners' Group share of gross rental revenue that the size of the unit (in sq. m.) bears to the total size of the units.

The guaranteed funds will be distributed each quarter and will start from the date of full opening and operations of the resort. These yield guarantees qualify as leases under PFRS 16, *Leases,* and are considered as leases of hotel suites (see Note 13). Variable yield guarantees are not considered in the recognition of right-of-use assets and lease liabilities for leases of hotel suites as these are treated as variable lease payments under PFRS 16. Variable yield guarantees are recognized as expense in the period these are incurred.

Estimates and Assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the end of reporting date that have a significant risk of causing a material adjustment to the carrying amounts of rate assets and liabilities within the next fiscal years are discussed below.

Revenue and cost recognition for real estate sales
The Group's revenue recognition and cost policies require management to make use of estimates and assumptions that may affect the reported amount of revenue and cost.

The Group's real estate sales is recognized over time and the percentage-of-completion is determined using input method measured principally based on total actual cost of resources consumed such as materials, labor hours expended, and actual overhead incurred over the total expected project development cost. Sales of real estate properties amounted to ₱81.4 million, ₱288.6 million and ₱407.7 million for the years ended December 31, 2023, 2022 and 2021, respectively (see Note 21).

Cost of real estate sales amounted to ₱37.9 million, ₱104.7 million and ₱109.4 million for the years ended December 31, 2023, 2022 and 2021, respectively (see Note 8).

Determination of fair value of the investment properties and land under property, plant and equipment
The fair value of the investment properties and land under property, plant and equipment were determined by professional qualified independent appraisers. Investment properties are valued using generally acceptable valuation techniques and methods and estimates based on local market conditions. The fair value was arrived at using the Sales Comparison Approach for land using gathered available market evidence. This considers the sales of similar or substitute properties and related market data and establishes a value estimate by processes involving comparison and adjustments to sales price which pertain to factors affecting value such size, location, time and shape.

Investment properties, including land properties that are subjected to the CARP, are stated at fair value amounting to ₱11,450.3 million and ₱9,253.3 million as at December 31, 2023 and 2022, respectively (see Notes 14 and 28). Land carried at revalued amounts as at December 31, 2023 and 2022 amounted to ₱647.3 million and ₱620.4 million, respectively (see Note 12).

Estimation of allowance for ECL
The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance). The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information.

As at December 31, 2023 and 2022, the carrying amount of the trade and other receivables (including noncurrent portion of contract assets) amounted to ₱323.4 million and ₱320.7 million, net of allowance for ECL amounting to ₱34.3 million and ₱53.2 million, respectively (see Note 7).

Assessment of impairment of property, plant and equipment
The Group assesses at the end of its reporting period whether there is any indicator that its property, plant and equipment may be impaired. Management assessed that there are indicators of impairment of the coconut processing plant and the assets related to the budget hotel business, thus, the Group performed an impairment testing. The Group recognized impairment loss on the coconut processing plant amounting to ₱129.8 million in 2023, ₱298.0 million in 2022 and ₱66.0 million in 2021, while there was no impairment loss for the budget hotel business. The carrying values of the coconut processing plant and the hotel assets totaled to ₱321.8 million and ₱1,237.7 million as of December 31, 2023 and ₱478.2 million and ₱1,189.9 million as of December 31, 2022, respectively (see Note 12).

Assessment of impairment of investment in an associate
The Group has a 23.05% ownership interest in RHI that is accounted for under the equity method. The Group's share in the net losses of RHI totaled to ₱320.0 million in 2023 and ₱184.2 million in 2022. The Group's management assessed that the investment in RHI may be impaired since RHI has continued to incur net operating losses. Accordingly, the Group recognized impairment loss amounting to ₱617.0 million in 2022 (nil in 2023). The carrying value of investment in an associate as of December 31, 2023 and 2022 amounted to nil and ₱274.5 million, respectively (see Note 11).

Measurement of retirement liability
The determination of the obligation and cost for retirement benefits is dependent on the selection of certain assumptions determined by management and used by the actuary in calculating such amounts. Those assumptions are described in Note 18 and include, among others, discount rates and rates of future salary increase.

Retirement liability as at December 31, 2023 and 2022 amounted to ₱61.8 million and ₱42.8 million, respectively. Retirement benefits amounted to ₱19.0 million, ₱12.6 million and ₱15.8 million for the years ended December 31, 2023, 2022 and 2021, respectively (see Note 18).

Assessment of realizability of deferred tax assets
Gross deferred tax assets were not recognized on deductible temporary differences and carryforward benefits of NOLCO and excess MCIT over RCIT with income tax effect amounting to ₱82.8 million and ₱89.1 million as of December 31, 2023 and 2022, respectively (see Note 26). Management believes that it may not be probable that taxable profit will be sufficiently available in the future against which these deductible temporary difference and carryforward benefits may be utilized.

Determination of provisions and evaluation of contingencies
The Group is involved in various labor disputes, litigations, claims and tax assessments that are normal to its business. Based on the opinion of the Group's legal counsels on the progress and legal grounds of certain claims and assessments, the Group has recognized provision for probable losses amounting to ₱2.9 million in 2021 (nil in 2023 and 2022) (see Notes 22 and 28).

A contingent asset is not recognized in the consolidated financial statements but disclosed in the notes to consolidated financial statements when an inflow of economic benefits is probable (see Note 28).

6. Cash and Cash Equivalents

This account consists of:

	2023	2022
Cash on hand	**₱4,004**	₱3,031
Cash in banks	**71,641**	33,099
	₱75,645	₱36,130

Cash in banks earn an average interest of 0.04% to 0.35% in 2023, 2022 and 2021. Total interest income earned from cash in banks and cash equivalents amounted to ₱0.03 million in 2023, ₱0.8 million in 2022 and nil in 2021.

7. Trade and Other Receivables

This account consists of:

	2023	2022
Trade	**₱96,212**	₱111,298
Due from:		
Related parties (Note 20)	**97,073**	35,849
Employees	**11,646**	11,387
Contractors and suppliers	**4,147**	30,780
Other nontrade receivables	**48,861**	58,981
	257,939	248,295
Allowance for impairment losses	**(34,344)**	(53,194)
	₱223,595	₱195,101

Trade receivable represents the following:

- Customers' accounts arising from the sale of real estate properties amounting to ₱4.7 million and ₱24.7 million as of December 31, 2023 and 2022, respectively.

- Outstanding individual, corporate and travel agency accounts earned from hotel operations amounting to ₱70.5 million and ₱68.2 million as of December 31, 2023 and 2022, respectively, generally have a 30-day term.

Total interest income on trade and other receivables amounted to ₱6.8 million in 2023, ₱9.9 million in 2022 and ₱7.2 million in 2021.

Due from officers and employees pertains to noninterest-bearing salary and educational loans that are collected through salary deduction and advances subject to liquidation.

Movements of allowance for impairment losses of receivables follow:

	Trade	Due from Related Parties	Total
Balance as at December 31, 2021	**₱22,766**	**₱12,141**	**₱34,907**
Provision	18,287	–	18,287
Balance as at December 31, 2022	**41,053**	**12,141**	**53,194**
Reversal	(3,826)	–	(3,826)
Write-off	(15,024)	–	(15,024)
Balance as at December 31, 2023	**₱22,203**	**₱12,141**	**₱34,344**

8. Real Estate Properties for Sale and Development

This account consists of:

	2023	2022
Real estate properties for sale	**₱271,515**	₱259,144
Raw land and land improvements for development	**76,790**	58,777
	₱348,305	₱317,921

The movements in real estate properties for sale follows:

	2023	2022
Balances at beginning of year	**₱259,144**	₱306,947
Disposals (cost of real estate sales)	**(46,872)**	(53,021)
Construction/development costs incurred	**59,243**	5,218
Balances at end of the year	**₱271,515**	₱259,144

The Group sold its raw land to a third party with a cost of ₱46.8 million in 2023, ₱51.7 million in 2022 and ₱103.5 million. Total cost of real estate sales amounted to ₱37.9 million in 2023, ₱104.7 million in 2022 and ₱109.4 million in 2021.

Certain real estate properties for sale and development owned by the Group were used as collateral (see Note 16).

9. Inventories

Inventories account consists of:

	2023	2022
At cost:		
Finished goods	**₱19,766**	₱24,704
Packaging materials and supplies	**1,424**	6,495
	₱21,190	₱31,199

The cost of inventories carried at NRV, which consist of packaging materials and supplies, amounted to ₱10.3 million and ₱32.1 million as of December 31, 2023 and 2022, respectively. The NRV of these inventories is nil as of December 31, 2023 and 2022.

The cost of inventories charged to cost of goods sold amounted to ₱284.8 million in 2023, ₱60.3 million in 2022 and ₱98.0 million in 2021.

Rollforward of allowance for inventory write-down as of December 31, 2023 and 2022 are as follows:

	2023	2022
Beginning balance	**₱32,086**	₱58,718
Write-off against allowance	**(21,769)**	(26,632)
Ending balance	**₱10,317**	₱32,086

10. Other Current and Noncurrent Assets

Other current assets account consists of:

	2023	2022
Creditable withholding taxes	**₱180,048**	₱168,573
Input VAT - current portion	**10,751**	43,441
Prepaid expenses and others	**33,265**	34,203
Refundable deposits	**3,777**	3,840
	₱227,841	₱250,057

Prepaid expenses pertain to prepaid rent, insurance, and taxes.

Other noncurrent assets account consists of:

	2023	2022
Input VAT - noncurrent portion	**₱168,121**	₱195,771
Deferred input VAT - noncurrent portion	**6,497**	6,285
Franchise fee	**4,201**	5,071
Utility deposits	**3,236**	3,236
	₱182,055	₱210,363

Franchise fee pertains to Go Hotels' franchise agreement with a third-party hotel chain company, which is valid for 10 years beginning on the opening day of the hotels. Amortization expense amounted to ₱0.9 million for each year.

11. **Interests in Other Entities**

a. Investments in Associates

The following Philippine-incorporated and domiciled companies are the associates of the Group:

	Description of Business	Percentage of Ownership
RHI and subsidiaries**	Production and selling of sugar and related products	23.05
Roxaco-ACM Development Corporation (RADC)*	Real estate	50.00
Fuego Land Corporation (FLC)*	Real estate	30.00
Fuego Development Corporation (FDC)*	Real estate	30.00
Club Punta Fuego, Inc. (CPFI)*	Social recreational and athletic activities	25.00

** Effective ownership through RLC.*
***Accounting period ends September 30 of every year due to seasonality of its business. For purposes of the Group's consolidation, RHI and subsidiaries report their financial statements from January 1 to December 31. RCI has 318.3 million shares in RHI. The traded price of RHI is ₱0.77 per share as of December 31, 2023 and 2022. On February 19, 2024, PSE suspended the trading of RHI's shares.*

Movements in investments in associates follow:

	2023	2022
Acquisition cost:		
Balance at beginning and end of year	**₱2,167,054**	₱2,167,054
Accumulated equity in net losses:		
Balance at beginning of year	**(1,572,501)**	(1,388,258)
Equity in net losses	**(320,029)**	(184,243)
Balance at end of year	**(1,892,530)**	(1,572,501)
Unrealized loss on transfer of land -		
Balance at beginning and end of year	**(59,030)**	(59,030)
Other comprehensive income:		
Balance at beginning of year	**522,031**	318,171
Share in appraisal increase in land, net of tax	**57,518**	199,617
Share in remeasurement gain (loss) on retirement liability, net of tax	**(12,004)**	4,243
Balance at end of year	**567,545**	522,031
	783,039	1,057,554
Allowance for impairment loss		
Balance at beginning of year	**(632,218)**	(15,233)
Impairment loss	**–**	(616,985)
Balance at end of year	**(632,218)**	(632,218)
	₱150,821	₱425,336

RHI and Subsidiaries

Reconciliation of proportionate share in net assets of RHI and subsidiaries and investment carried at equity method:

	2023	2022
Proportionate share on the net assets of the associate	**₱645,608**	₱1,167,951
Adjustments*	**(28,623)**	(276,450)
Carrying value of investment at equity method	**616,985**	891,501
Impairment loss	**(616,985)**	(616,985)
Net book value	**₱–**	₱274,516

**Difference in proportionate share on net assets of the associate versus fair value upon deconsolidation and deemed disposal; investment in RHI was adjusted to reflect its fair value at the time of deconsolidation and deemed disposal, and unrecognized share in net loss in 2023.*

Due to history of losses of RHI, the Group recognized impairment loss on investment in an associate amounting to ₱617.0 million in 2022 because the recoverable amount of RHI is less than the carrying value of the Group's investment in RHI at equity method as of December 31, 2022. The recoverable amount is determined based on the market price of the traded shares of RHI as of December 31, 2022.

In 2023, RHI continued to report a net loss of ₱2.7 billion, from a net loss of ₱799.3 million in 2022. The Group recognized its share in net loss of RHI in 2023 to the extent of the remaining carrying value of the investment, resulting to a nil carrying value of the investment in RHI as of December 31, 2023. The unrecognized share in net loss of RHI amounted to ₱247.8 million as of December 31, 2023.

In May 2023, the BOD of RHI approved the sale of its bioethanol plant after its operation has been put on hold. In February 2024, following the indefinite shutdown of its sugar refinery processing plant, the BOD likewise approved the permanent closure of RHI's refinery business effective February 28, 2024, because its sugar refining business is already extremely difficult to maintain, and it is no longer viable. RHI is currently coordinating the divestment of certain assets, including idle assets, principally to pay its obligations.

Summarized financial information of material associate are as follows:

	RHI and Subsidiaries*	
	2023	2022
Current assets	**₱3,995,820**	₱2,477,397
Noncurrent assets	**9,296,118**	12,216,092
Current liabilities	**8,756,249**	3,291,778
Noncurrent liabilities	**1,734,786**	6,334,677
Net assets	**2,800,903**	5,067,034
Revenue	**2,287,269**	10,533,032
Net losses	**(2,463,587)**	(799,319)
Other comprehensive income	**197,457**	85,107
Total comprehensive losses	**(2,266,130)**	(714,212)

Summarized information of individually immaterial associates are as follows:

	CPFI, FLC and FDC	
	2023	2022
Net income	**₱10,868**	₱2,059
Other comprehensive income (loss)	**(1,282)**	11,342
Total comprehensive income	**9,586**	13,401

No allowance for impairment loss were provided for investments in CPFI, RADC and FLC in 2023, 2022 and 2021.

There are no significant restrictions on the ability of the associates to transfer funds to the Parent Company in the form of cash dividends and repayment of loans, among others.

b. Subsidiary with Material Non-controlling Interest

The non-controlling interest in RAHC was measured based on proportionate fair value of net assets of RAHC as at the date of acquisition in 2016.

The financial information of RAHC is not required to be disclosed as indicated in PFRS 12, *Disclosure of Interests in Other Entities* considering that the portion of RAHC is classified as asset held for sale in accordance with PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations.*

In December 2022, the BOD approved the plan to sell properties of a certain GoHotel site in which the proceeds from the sale will be used to reduce the overall financial liability and debt of the Group (see Note 25).

12. Property, Plant and Equipment

Details and movements of the property, plant and equipment carried at cost follows:

	December 31, 2023						
	Buildings and Improvements	**Machinery and Equipment**	**Land Improvement**	**Transportation Equipment**	**Office Furniture, Fixtures and Equipment**	**Construction in Progress**	**Total**
Cost							
Balance at beginning of year	**₱1,663,166**	**₱708,680**	**₱49,824**	**₱22,645**	**₱158,208**	**₱21,554**	**₱2,624,077**
Additions	**19,139**	**–**	**–**	**–**	**7,979**	**–**	**27,118**
Disposals / adjustments	**–**	**–**	**–**	**–**	**–**	**(4,808)**	**(4,808)**
Reclassification and others	**11,950**	**2,157**	**–**	**8**	**(882)**	**–**	**13,234**
Balance at end of year	**1,694,256**	**710,837**	**49,824**	**22,653**	**165,305**	**16,746**	**2,659,621**
Accumulated Depreciation and Amortization							
Balance at beginning of year	**238,473**	**176,019**	**15,392**	**18,935**	**118,950**	**–**	**567,769**
Depreciation and amortization	**34,614**	**14,507**	**3,970**	**1,550**	**23,582**	**–**	**78,222**
Reclassification and others	**5,961**	**2,855**	**–**	**368**	**(3,598)**	**–**	**5,586**
Balance at end of year	**279,048**	**193,381**	**19,362**	**20,853**	**138,935**	**–**	**651,578**
Accumulated Impairment Loss							
Balance at beginning of year	**131,542**	**273,395**	**–**	**–**	**–**	**–**	**404,937**
Impairment loss (Note 22)	**42,159**	**87,655**	**–**	**–**	**–**	**–**	**129,814**
Balance at end of year	**173,701**	**361,050**	**–**	**–**	**–**	**–**	**534,751**
Net Book Value	**₱1,241,508**	**₱156,406**	**₱30,462**	**₱1,800**	**₱26,371**	**₱16,746**	**₱1,473,292**

	December 31, 2022						
	Buildings and Improvements	Machinery and Equipment	Land Improvement	Transportation Equipment	Office Furniture, Fixtures and Equipment	Construction in Progress	Total
Cost							
Balance at beginning of year	₱1,950,950	₱708,503	₱49,824	₱21,050	₱154,769	₱21,554	₱2,906,650
Additions	4,902	7,900	–	1,595	5,883	–	20,280
Disposals	–	(182)	–	–	–	–	(182)
Reclassification to assets held for sale (Note 25)	(292,686)	(7,541)	–	–	(2,444)	–	(302,671)
Balance at end of year	1,663,166	708,680	49,824	22,645	158,208	21,554	2,624,077
Accumulated Depreciation and Amortization							
Balance at beginning of year	202,887	154,040	11,418	16,932	106,990	–	492,267
Depreciation and amortization	41,901	26,204	3,974	2,003	13,860	–	87,942
Reclassification to assets held for sale (Note 22)	(6,315)	(4,225)	–	–	(1,900)	–	(12,440)
Balance at end of year	238,473	176,019	15,392	18,935	118,950	–	567,769

	December 31, 2022						
	Buildings and Improvements	Machinery and Equipment	Land Improvement	Transportation Equipment	Office Furniture, Fixtures and Equipment	Construction in Progress	Total
Accumulated Impairment Loss							
Balance at beginning of year	₱34,738	₱72,199	₱–	₱–	₱–	₱–	₱106,937
Impairment loss (Note 22)	96,804	201,196	–	–	–	–	298,000
Balance at end of year	131,542	273,395	–	–	–	–	404,937
Net Book Value	₱1,293,151	₱259,266	₱34,432	₱3,710	₱39,258	₱21,554	₱1,651,371

Land at appraised values and had it been carried at cost are as follows:

	2023	2022
At appraised values (see Note 30):		
Balance at beginning of year	**₱620,411**	₱871,662
Appraisal increase	**26,894**	60,882
Balance at end of year	**647,305**	932,544
Land under assets held for sale (Note 25)	**–**	(312,133)
	₱647,305	₱620,411
At cost		
Balance at beginning of year	**₱199,080**	₱450,143
Reclassification to assets held for sale (Note 25)	**–**	(251,063)
Balance at end of year	**₱199,080**	₱199,080

Impairment

The Group recognized impairment loss amounting to ₱129.8 million in 2023 and ₱298.0 million in 2022 on the property, plant and equipment used in the coconut processing plant, while the Group did not recognize impairment loss for the hotel assets. The carrying amounts of the property, plant and equipment of the coconut processing plant after impairment amounted to ₱321.8 million and ₱478.2 million, while the carrying amounts of the hotel assets amounted to ₱1,237.7 million and ₱1,189.9 million as of December 31, 2023 and 2022, respectively (see Notes 5 and 22).

Coconut processing plant

As at December 31, 2023 and 2022, the Group's coconut processing plant remained underutilized. Management assessed this as an indicator of impairment and evaluated the recoverable amount of the property, plant and equipment based on its value-in-use.

The CGU is composed of working capital and property, plant and equipment used in the operations of RSAI.

The key assumptions used in determining the recoverable amount as of December 31, 2023 and 2022 are as follows:

Discount rate (13% both in 2023 and 2022) - The pretax discount rate applied to the cash flows is based on the risk-free rate for 10-year bonds issued by the government in the respective market, adjusted for a risk premium to reflect both the increased risk of investing in equities and the systematic risk of the specific CGU.

Growth rate in sales (average of 12% year on year) - The growth rate applied is based on the impact of estimated future utilization rate. The annual projected growth rate is used in the computation of future earnings before interest and taxes (EBIT) over the forecast period.

Plant capacity utilization rate (average of 66% to 74% year on year) - The utilization rate applied is based on the assumption that the Group is operating in its target capacity.

Gross profit ratio (averaging at 24% and 26% over the forecast period in 2023 and 2022, respectively) - Management based the ratio of gross profit over revenue on its normal capacity.

Operating expenses ratio (averaging at 11% and 27% over the forecast period in 2023 and 2022, respectively) - Management based the ratio of operating expenses over revenue on its historical experience.

EBIT over the forecast period - EBIT forecast after 2028 until the CGU's end of useful life is highly dependent on the forecasted terminal value at 2028.

Sensitivity to changes in assumptions
Other than as disclosed above, management believes that any reasonably possible change in any of the above key assumptions would not cause the carrying amount of property, plant and equipment of the coconut processing plant to exceed its recoverable amount.

Based on management's assessment, an impairment loss was recognized.

Go Hotel (Budget Hotel Business)
In 2023 and 2022, management determined that there were indicators of impairment of the assets related to the Budget Hotel Business (Budget Hotel Business Assets) and consequently, the Group estimated the recoverable amount. The CGU is composed of property and equipment, and other operating assets used in the Budget Hotel Business. Each hotel property is considered as a separate CGU in assessing recoverable amount.

The recoverable amount has been determined based on fair value less cost of disposal. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing the asset.

The fair value of the land was estimated by using the Market Approach. The Market Approach provides an indication of value by comparing the subject asset with identical or similar assets for which price information is available.

The fair value of the improvements was arrived at by using the Cost Approach. The Cost Approach provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction.

The recoverable amount quoted above is a Level 3 valuation under the PFRS 13 hierarchy.

Sensitivity to changes in assumptions
Other than as disclosed above, management believes that any reasonably possible change in any of the above key assumptions would not cause the carrying amount of the Budget Hotel Business to exceed its recoverable amount.

Management determined that the recoverable amount of the Budget Hotel Business is higher than the carrying value, thus no impairment loss was recognized.

13. **Right-of-Use Assets and Lease Liabilities**

The Group as a lessee
The Group has lease contracts for sales office, herb garden and hotel suites used in its operations. Leases of sales office generally have lease terms between 1 and 3 years, while herb garden and hotel suites generally have lease terms of 5 and 25 years, respectively. Payments of yield guarantees under the leaseback program agreement of the Group with various buyers of Anya Resort Suites qualify as leases under PFRS 16 and are considered as leases of hotel suites.

The Group also has certain leases of office space for hospitality group with lease terms of 12 months or less and leases of dishwashing machine and house for an expatriate with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases. The rollforward analysis of this account follows:

	Hotel Suites	**Sales Office and Herb Garden**	Total
Cost			
At December 31, 2023 and 2022	**₱161,454**	**₱721**	**₱162,176**
Accumulated Depreciation and Amortization			
At January 1, 2022	127,059	646	127,706
Depreciation and amortization (Note 22)	32,243	75	32,318
At December 31, 2022	159,302	721	160,024
Depreciation and amortization (Note 22)	957	–	957
At December 31, 2023	**160,259**	**721**	**160,980**
Net Book Values:			
December 31, 2023	**₱1,196**	**₱–**	**₱1,196**
December 31, 2022	₱2,152	₱–	₱2,152

The following are the amounts recognized in the consolidated statements of income:

	2023	2022	2021
Depreciation expense of right-of-use assets (included in cost and expenses) (Note 22)	**₱957**	₱32,318	₱45,924
Interest expense on lease liabilities	**158**	1,485	4,717
Yield guarantee (included in cost of services)	**25,313**	8,351	4,907
Expenses relating to short-term leases (included in cost of goods sold) (Note 22)	**1,140**	22,263	1,493
Expenses relating to short-term and low-value asset leases (included in operating expenses) (Note 22)	**2,651**	2,424	1,427
	₱30,219	₱66,841	₱58,468

The rollforward analysis of lease liabilities follows:

	2023	2022
At January 1	**₱2,797**	₱40,822
Interest expense	**158**	1,485
Payments	**(1,372)**	(39,510)
At December 31	**₱1,583**	₱2,797

Shown below is the maturity analysis of the undiscounted lease payments:

	2023	2022
Within 1 year	**₱1,347**	₱1,182
More than 1 year to 2 years	**315**	1,273
More than 2 years	–	310

14. **Investment Properties**

Rollforward of investment properties:

	2023	2022
Balance at beginning of year	**₱9,285,067**	₱7,178,849
Changes in fair value (Note 19)	**2,164,062**	2,120,019
Disposals/adjustments (Note 9)	**1,219**	(13,801)
Balance at end of year	**11,450,348**	9,285,067
Reclassification to asset held for sale	–	(31,755)
	₱11,450,348	₱9,253,312

a. This account consists of land properties of the Parent Company and RSAI located in Nasugbu, Batangas, which are held either to earn rentals and/or for capital appreciation.

   The Parent Company's investment properties include land properties that are subjected to the CARP (see Note 28). As of December 31, 2023 and 2022, these parcels of land have a carrying value of ₱10,468.5 million and ₱8,490.9 million, representing 91% and 94% of the total investment properties, respectively.

b. The Parent Company sold its investment properties costing ₱13.8 million for ₱43.9 million resulting to a gain of ₱30.0 million in 2022 (nil in 2023) (see Note 24). In February 2021, the Group sold its land classified as investment property with a carrying amount of ₱102.0 million to a third party for ₱392.8 million resulting to a gain of ₱290.8 million.

   On December 9, 2022, the BOD approved to sell parcels of land classified as investment property with carrying value of ₱31.8 million. As of December 31, 2022, the Group presented this as asset held for sale. As of December 31, 2023, the Group ceased to classify these parcels of land as asset held for sale (see Note 25).

c. As at December 31, 2023 and 2022, the fair values of investment properties, including land properties subjected to CARP, are based on the appraised values of the properties as at December 31, 2023, as determined by a professional qualified independent and SEC-accredited appraiser. The fair value measurement for investment properties has been categorized under Level 3, which was determined by using the Sales Comparison Approach that disregards all existing liens and encumbrances and appraises the properties as though free and with clean titles (see Note 30).

d. The Philippine SEC, in its letter dated January 26, 2011, to the Parent Company, approved the change in the accounting measurement of investment properties of the Parent Company, including land properties subjected to the CARP, from cost to fair value method and the transfer of the debit balance in the "Other equity reserve" to deficit. The debit balance in the "Other equity reserve" amounting to ₱4.0 billion in 2009 resulted from the excess of the considerations received over the net assets acquired arising from the previous merger transaction (see Note 19). The Philippine SEC approved the foregoing accounting treatment on the basis of the facts and circumstances provided by the Parent Company.

e. Certain investment properties with carrying value of ₱1,203.0 million as of December 31, 2023 and ₱956.5 million as of December 31, 2022, were mortgaged and used as collateral to secure the loan obligations of RCI and RLC with the local banks (see Note 16).

15. Short-term Borrowings

The Group has a secured short-term loan from a local bank for the working capital requirements amounting to ₱100.0 million as of December 31, 2023 and 2022. This loan bears an annual interest of 9.0% and is payable within 30 to 180 days.

The loan is secured by a parcel of land with an appraised value of ₱52.0 million and purchase orders of customers.

16. Trade and Other Payables

This account consists of:

	2023	2022
Trade	**₱355,266**	₱317,893
Accrued expenses	**318,703**	242,092
Accrued interest (Note 17)	**241,370**	151,524
Due to related parties (Note 20)	**213,754**	187,386
Statutory payables	**124,238**	113,091
Retention payable	**67,674**	67,529
Payroll and other employee benefits	**26,882**	25,465
Payables to contractors	**9,098**	17,655
Dividends (Note 19)	**1,202**	21,921
Others	**40,142**	40,944
	₱1,398,329	₱1,185,500

Trade payables are noninterest-bearing and are generally settled within 30 days.

Accrued expenses consist principally of accruals for purchase of goods and services such as utilities, freight and handling and repairs and maintenance.

Statutory payables and other payables are noninterest-bearing and are normally settled throughout the year.

Retention payable pertains to amounts withheld on payments made to contractor's equivalent to 10% of the amount billed. The amounts withheld will be remitted to the contractors upon successful completion of the related projects and acceptance by the Group.

Others pertain to titling payable, rental of office, utilities, sales commission payable which are noninterest-bearing and are normally settled within one year.

17. **Long-term Borrowings**

Details of long-term borrowings are as follows:

	2023	2022
Bank of the Philippine Islands (BPI)	**₱1,308,901**	₱1,324,744
Robinsons Bank Corporation (RBC)	**778,201**	752,887
Amalgamated Investment Bancorporation	**699,731**	370,000
Landbank	**683,000**	683,000
China Bank Corporation (China Bank)	**185,714**	194,781
Asia United Bank (AUB)	**182,500**	182,500
BDO Unibank, Inc.	**64,000**	64,000
Others	**25,518**	1,497
Total long-term borrowings	**3,927,565**	3,573,409
Current portion	**(1,018,237)**	(1,190,012)
Noncurrent portion	**2,909,328**	2,383,397
Long-term borrowings attributable to asset disposal group	**(372,381)**	(369,939)
Noncurrent portion - net of liabilities from discontinued operations	**₱2,536,947**	₱2,013,458

BPI

In September 2016, RAHC converted its short-term loan facility from BPI amounting to ₱628.0 million to a 7-year term loan for the construction of Go Hotel North EDSA and Cubao. The principal of the loan is payable quarterly after 2-year grace period and has a variable interest rate for the first two years and fixed interest rate for the succeeding years. In December 2021, BPI and RAHC signed an amendment to terms and condition of the loan agreement for the ₱610.0 million loan balance in December 2021. The agreement amended the quarterly amortization of principal to bullet payment at the maturity of the loan. Interest payment was likewise amended from quarterly to semi-annually. The outstanding balance of the loan amounted to ₱235.4 million as of December 31, 2023 and 2022.

In May 2017, RAHC converted another short-term loan facility from BPI amounting to ₱460.0 million into a 7-year term loan facility for the development of GoHotel Timog. The principal of the loan is payable quarterly after two-year grace period and has a variable interest rate for the first two years and fixed interest rate for the succeeding years. The outstanding balance of the loan amounted to ₱372.4 million as of December 31, 2023 and 2022.

In September 2016, RLC obtained a 7-year term loan from BPI, with RCI as the co-mortgagor, amounting to ₱500.0 million. The principal of the loan is payable quarterly after 2-year grace period and has a variable interest rate subject to quarterly repricing. The loan is secured by the real estate properties for sale and development of RLC and certain properties of the Parent Company. In February 2021, RLC paid ₱255.6 million from sale of properties. In 2022, the principal payment of the loan amounting to ₱329.2 million, inclusive of unpaid interest, was changed from quarterly payment to bullet payment at maturity in July 2023. The loan was fully paid as of December 31, 2022.

In 2020, RLC converted its short-term loan amounting to ₱228.0 million to medium term loan. The principal payment of the loan will be due at maturity in August 2023. Interest increased from 6.25% to 7.5% and is payable semi-annually. The outstanding balance of the loan amounted to ₱225.6 million as of December 31, 2023 and 2022.

In September 2020, the Parent Company converted its short-term loan facility from BPI amounting to ₱474.5 million into a 3-year medium-term loan. The principal is due on maturity in the year 2023 and has a variable interest rate. The loan is secured by (via Cross Collateral Agreement) real estate mortgages and pledge over RHI shares of stock owned by the Parent Company and any additional collateral as may be agreed upon. As of December 31, 2023, the principal of the loan remains outstanding.

<u>RBC</u>
In November 2022, RAHC restructured the Term Loan 1 and 2 with balances of ₱450.0 million and ₱288.8 million, respectively, into a new Term Loan 3, for a total amount of ₱778.2 million including capitalized interest of ₱39.4 million. The restructured loan has tenor of 81 months, maturing on September 30, 2029. The principal payment and interest are payable quarterly with two years grace period on principal payment starting in September 2025. Interest rate is at prevailing market rate and subject to annual repricing.

RAHC originally availed the term loans amounting to ₱330.0 million (Term Loan 1) and ₱450.0 million (Term Loan 2) in September 2017 and September 2019 to finance the construction of Go Hotel Airport and Go Hotel Ermita, respectively, and for working capital purposes. The principal of the loans has interest rate of 3.75% for the 1st two years and an indicative interest rate of 6% for the succeeding years until maturity. The loans were first restructured in June 2020 whereby RBC granted RAHC additional grace period and the total amount of the deferred loan amortization during the grace period will be due via bullet payment at maturity. Interest rates were revised to prevailing lending rate.

<u>LBP</u>
In November 2022, RSAI restructured the term loan with LBP by converting the original loan to a 7-year term loan. The restructured loan amounted to ₱683.0 million, inclusive of the ₱60.8 million capitalized interest and other charges. The principal of the loan is payable semi-annually and has an 8% interest rate subject to quarterly repricing. The loan is secured by RSAI's coconut processing plant.

The term loan, prior to restructuring, was payable quarterly for seven years with 2-year grace period until 2024.

<u>AIB</u>
In November 2023, AIB agreed to restructure the loan amount of ₱687.3 million arising from the original loan agreement to a 7-year term loan (Tranche 1) and the unpaid dividends from preferred shares of ₱12.4 million to a 3-year term loan (Tranche 2). The loans shall bear interest rate of 6-month BVAL + 325 basis points; provided, the interest shall be subject to floor rate of 8% per annum. The restructured amount of ₱687.3 million was comprised of the following: (a) ₱370.0 million principal balance of the original loan; (b) ₱72.1 million unpaid interest; (c) ₱200.0 million that was used to redeem the remaining 200.0 million shares issued to AIB (see Note 19); and (d) ₱45.2 million cumulative dividends.

Prior to the above restructuring, in March 2021, RCI restructured the subscription and short-term loan with AIB under the Restructuring and Financing Agreement. The restructuring provided RCI to secure a loan from AIB in the total amount of ₱370.0 million, with bullet payment at the end five years, and the proceeds of which was used by RCI to redeem the 300 million preferred shares and fully pay the ₱70.0 million short-term loan. The restructured loan bears an interest rate equivalent to the (a) higher of 7% per annum or (b) one-year Base Rate plus 2.5% spread to be determined annually.

CBC
In November 2022, RLC restructured the medium-term loan with CBC. The restructured loan has a term of 9 years, payable after 3 years grace period and bears fixed interest of 7% commencing February 2023 and subject to yearly repricing.

The loan, prior to restructuring, has a term of 5 years from September 2019 with one and half year's grace period and payable quarterly until 2024.

AUB
In September 2023, RLC restructured the loan with AUB with principal amount of ₱182.5 million to a 5-year term. The principal of the loan is payable quarterly after 2-year grace period and has a fixed interest rate of 7% to be paid monthly starting September 2023.

The loan, prior to restructuring, has a 3-year term maturing in July 2023 and has an interest rate of 7%.

BDO
In 2021, the Parent Company converted its short-term loan amounting to ₱80.0 million to 3-year term loan maturing in May 2024 with interest rate of 5.5%.

Collateral
Details of collateral as of December 31 are as follows:

	2023	2022
Investment properties of RCI	**₱600,875**	₱596,156
Real estate properties for sale and development of RLC (Note 8)	**752,482**	606,848
Hotel assets of RAHC	**2,248,786**	2,248,786
Land of coconut manufacturing plant	**52,668**	48,279
Shares of stock of RHI (356.5 million shares as at 2023 and 2022)*	–	274,515
RCI treasury shares (120.0 million shares as at 2023 and 2022)	**153,000**	78,000
Purchase orders	**188,580**	188,580
	₱3,996,391	₱4,041,164

**As discussed in Note 11, the carrying value of RHI in 2023 has been reduced to nil due to recognition of the Group additional share in RHI's total comprehensive loss.*

Interest expense
Details of interest expense for the years ended December 31 follow:

	2023	2022	2021
Long-term borrowings	**₱240,193**	₱255,439	₱205,334
Short-term borrowings (Note 15)	**9,000**	1,498	1,598
	₱249,193	₱256,937	₱206,932

Loan covenants
RLC
The long-term borrowings of the Parent Company and RLC are subject to certain covenants, such as but not limited to maintenance of debt service coverage ratio (DSCR) of at least 1.0:1.0 and debt-to-equity ratio of not more than 0.75:1.00.

RLC is required to maintain the maximum debt-to-equity ratio of 3.0 for BPI loans. As of December 31, 2023 and 2022, RLC has not met the debt-to-equity ratio requirement on its term loan and the loans were classified to current liability amounting to ₱225.6 million as of December 31, 2023 and 2022.

RAHC

RAHC is required to maintain a debt service coverage ratio (DSCR) of at least 1.0:1.0 and debt-to-equity ratio of not more than 3.00:1.00.

As of December 31, 2023 and 2022, RAHC did not meet the required debt to equity ratio, thus, the outstanding loan amounting to ₱610.2 million was classified as current liability.

Debt restructuring

Based on the Group's assessment, these modifications in the contractual cash flows are not substantial and therefore did not result in the derecognition of the affected financial liabilities. Total modification loss recognized amounted to ₱8.3 million in 2022 (nil in 2023 and 2021).

Maturities

The maturities of long-term borrowings are presented in Note 29.

Change in liabilities arising from financing activities

	2023				
	Lease liabilities (Note 13)	**Short-term borrowings (Note 15)**	**Long-term borrowings**	**Accrued Interest**	**Total**
Balance at beginning of year	**₱2,797**	**₱100,000**	**₱3,203,470**	**₱151,524**	**₱3,457,791**
Availment	**–**	**–**	**11,700**	**–**	**11,700**
Interest expense on accretion of lease liability	**158**	**–**	**–**	**–**	**158**
Interest incurred on borrowings	**–**	**–**	**10,283**	**238,910**	**249,193**
Payment of interest on borrowings	**–**	**–**	**–**	**(76,976)**	**(76,976)**
Principal payments	**(1,372)**	**–**	**–**	**–**	**(1,372)**
Effect of loan restructuring	**–**	**–**	**329,731**	**(72,088)**	**257,643**
Balance at end of year	**₱1,583**	**₱100,000**	**₱3,555,184**	**₱241,370**	**₱3,898,137**

	2022				
	Lease liabilities (Note 13)	Short-term borrowings (Note 15)	Long-term borrowings	Accrued Interest	Total
Balance at beginning of year	₱40,822	₱249,816	₱3,416,856	₱118,233	₱3,825,727
Availment	–	–	6,737	–	6,737
Interest expense on accretion of lease liability	1,485	–	–	–	1,485
Interest incurred on borrowings	–	–	–	256,937	256,937
Payment of interest on borrowings	–	–	–	(223,646)	(223,646)
Principal payments	(39,510)	–	–	–	(39,510)
Reclassification from short-term to long-term	–	(149,816)	149,816	–	–
Transferred to liabilities directly associated with the asset held for sale	–	–	(369,939)	–	(369,939)
Balance at end of year	₱2,797	₱100,000	₱3,203,470	₱151,524	₱3,457,791

18. Retirement Benefits

The Group has an unfunded, noncontributory defined benefit retirement plan based on the minimum amount required by law, covering its permanent employees. Retirement benefits costs and contributions are determined in accordance with an actuarial study and are based on years of service and the employee's final covered compensation.

Under the existing regulatory framework, Republic Act 7641, *The Retirement Pay Law*, requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employees' retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

Retirement Benefits

The amounts recognized as retirement benefits in the consolidated statements of income are as follows:

	2023	2022	2021
Current service cost	**₱15,868**	₱9,136	₱11,502
Net interest cost	**3,160**	3,510	4,340
	₱19,028	₱12,646	₱15,842

Retirement Liability

Retirement liability recognized in the consolidated statements of financial position follows:

	2023	2022
Present value of obligation	**₱65,559**	₱46,528
Fair value of plan assets	**(3,714)**	(3,711)
	₱61,845	₱42,817

	2023	2022
Balance at beginning of year	**₱46,528**	₱95,540
Current service cost	**15,868**	9,136
Interest cost	**3,416**	3,510
Actuarial loss (gain) on DBO due to:		
Experience adjustments	**(72)**	(44,113)
Changes in financial assumptions	**(181)**	(17,545)
Balance at end of year	**₱65,559**	₱46,528

Movements in the fair value of plan assets for the years ended December 31, 2023 and 2022 follow:

	2023	2022
Balance at beginning of year	**₱3,711**	₱7,107
Interest income	**256**	220
Return on plan assets, excluding amounts included in interest income	**(253)**	(3,616)
Balance at end of year	**₱3,714**	₱3,711

Plan assets of the Group as at both December 31, 2023 and 2022 consist of:

	2023	2022
Cash in banks and cash equivalents	**7%**	7%
Government securities and other assets	**93%**	93%
	100%	100%

The Group does not expect to contribute to the respective plans in 2024.

The latest available actuarial valuation of the plan for the Group is as of December 31, 2023.

The principal actuarial assumptions used in determining retirement benefits and gratuities cost as at beginning of each period follows:

	2023	2022
Discount rate	**7.00% to 7.50%**	3.60% to 7.80%
Future salary increases	**3.00%**	3.00%

The discount rate is ranging from 6.10% to 6.20% and future salary increases rate 3.00% as of December 31, 2023.

The sensitivity analysis based on reasonably possible changes of the assumptions as at both December 31, 2023 and 2022 are as follows:

		2023	2022
Discount Rate	+100 bps	**(₱3,391)**	(₱2,358)
	-100 bps	**4,619**	2,706
Salary Rate	+100 bps	**4,622**	2,792
	-100 bps	**(1,438)**	(2,467)

The Group does not currently employ any asset-liability matching.

The maturity analysis of the undiscounted payments as of both December 31, 2023 and 2022 are as follows:

	2023	2022
One year and less	**₱35,987**	₱5,918
More than one year to five years	**21,019**	43,626
More than five years to 10 years	**20,556**	15,468
More than 10 years	**283,710**	221,203

Weighted average duration of the defined benefit liability is 14.6 and 14.2 years as of December 31, 2023 and 2022, respectively.

19. **Equity**

a. Capital Stock

	December 31, 2023		December 31, 2022	
	Number of Shares	**Amount**	Number of Shares	Amount
"Class A" common stock - ₱1 par value				
Authorized	**3,375,000,000**	**₱3,375,000**	3,375,000,000	₱3,375,000
Balance at beginning and end of year	**2,911,885,870**	**2,911,886**	2,911,885,870	2,911,886
Treasury stock:				
Balance at beginning of year	**(673,320,711)**	**(1,144,645)**	(689,831,368)	(1,172,713)
Issuances	**46,425,837**	**78,924**	16,510,657	28,068
Balance at end of year	**(626,894,874)**	**(1,065,721)**	(673,320,711)	(1,144,645)
Issued and outstanding	**2,284,990,996**	**₱1,846,165**	2,238,565,159	₱1,767,241
Preferred stock - ₱1 par value				
Authorized, 1,000,000,000				
Issued and outstanding	–	**₱–**	200,000,000	₱200,000

The Parent Company issued treasury shares of 46,425,837 in 2023, 16,510,657 in 2022 and 26,041,161 in 2021 based on the average market prices of ₱0.48, ₱0.58 and ₱1.00 per share, respectively. The aggregate issue price from the transaction amounted to ₱23.1 million, ₱9.6 million and ₱19.0 million, while the decrease in additional paid-in capital amounted to ₱55.9 million, ₱18.5 million and ₱19.0 million, respectively.

On November 13, 2018, the Parent Company issued 500.0 million preferred shares (500,000,000 preferred shares offered at par value of ₱1 per share) with a fixed dividend rate of 8.5%, with a corresponding reduction to additional paid-in capital stock pertaining to transaction costs of ₱5.0 million. The preferred shares are cumulative, non-participating, non-voting, and redeemable at the option of the Parent Company, as determined by the BOD. Dividend in arrears on preferred shares amounted to ₱57.6 million and ₱25.7 million as at December 31, 2022 and 2021, respectively.

The BOD, in its Special Meeting held on March 12, 2021, resolved to redeem 300 million redeemable preferred shares, which are not listed with the PSE, issued to Amalgamated Investment Bancorporation (AIB) pursuant to the Re-structuring and Financing Agreement entered into between the parties (see Note 17). The BOD further resolved to redeem the said preferred shares at a redemption price of ₱1.00 per share.

The BOD, in its Special Meeting held on August 23, 2023, resolved to redeem the remaining 200 million preferred shares issued to AIB at ₱1.00 per share. The redemption price to be paid by RCI was included in the restructured loan with AIB totaling to ₱687.3 million plus the ₱12.4 million unpaid accrued dividends for the preferred shares (see Note 17).

b. Track Record of Registration

Date	Number of Shares Licensed/Listed	Issue/ Offer Price
October 7, 1918	15,000	₱100.00
February 15, 1963	2,500,000	10.00
September 30, 1969	3,000,000	10.00
January 13, 1977	5,000,000	10.00
May 21, 1990	12,500,000	10.00*
December 3, 1996	200,000,000	1.00
October 26, 1999	400,000,000	1.00
April 2, 2002	2,000,000,000	1.00
February 7, 2005	1,962,500,000	1.00
June 23, 2009	3,375,000,000	1.00

** Par value was reduced to ₱1.00 starting (month/year)*

c. Other equity reserves

Details of other equity reserves follow:

	2023	2022	2021
Share in Other Comprehensive Income of Associates			
Balance at beginning of year	**₱530,484**	₱330,867	₱288,661
Share in revaluation increment on land, net of tax	**57,518**	199,617	42,206
Balance at end of year	**588,002**	530,484	330,867

	2023	2022	2021
Cumulative Share in Fair Value Reserve of an Associate			
Balance at beginning and end of year	**₱5,129**	₱5,129	₱5,129
Revaluation Increment on Land			
Balance at beginning of year	**163,771**	136,416	129,118
Appraisal increase, net of tax	**11,735**	27,355	7,298
Balance at end of year	**175,506**	163,771	136,416
Cumulative Remeasurement Gain (Loss) on Retirement Liability			
Share in remeasurement gain on retirement liabilities			
Balance at beginning of year	**52,260**	6,276	6,276
Remeasurement gain, net of tax	**–**	45,984	–
Balance at end of year	**52,260**	52,260	6,276
Share in remeasurement loss on an associate			
Balance at beginning of year	**(13,582)**	(17,825)	(32,206)
Share in remeasurement loss, net of tax	**(12,004)**	4,243	14,381
Balance at end of year	**(25,586)**	(13,582)	(17,825)
	₱795,311	₱738,062	₱460,863

d. Retained Earnings

Retained earnings that are not available for dividend declaration are as follows:

	2023	2022	2021
Restricted for treasury stock	**₱1,065,721**	₱1,144,645	₱1,172,713
Gain on change in fair value of investment properties, net of debit balance of Other Equity Reserves closed to retained earnings	**296,967**	296,967	296,967
Fair value gains on investment properties included in retained earnings	**7,204,771**	5,040,709	2,920,690
Deferred income tax assets	**82,791**	89,076	123,145
	₱8,650,250	₱6,571,397	₱4,513,515

Dividend declaration

Dividends payable amounted to ₱1.2 million and ₱29.1 million as at December 31, 2023 and 2022, respectively, arising from dividend declaration from previous years.

The BOD approved and authorized the declaration of dividends to the preferred shareholder for the year 2021 as follows:

Description	November 13, 2020 to March 3, 2021	March 3, 2021 to September 3, 2021
Declaration date	November 13, 2020	March 3, 2021
Record date	March 3, 2021	September 3, 2021
Payment date	Not yet determined	Not yet determined
Total dividends	₱12.4 million	₱8.3 million

In 2023, the Group redeemed the preferred shares and restructured the loan including the above unpaid dividends as of December 31, 2022 and 2021 (see Note 17).

20. **Related Party Transactions and Balances**

The transactions and related balances of the Group with other related parties are as follows:

Related Party	Nature of Transaction	Period	Transactions during the Period	Trade and Other Receivables (see Note 7)	Amount Due to Related Parties (See Note 17)
Associates					
FDC	Dividends receivable	**2023**	**₱–**	**₱71,389**	**₱13,211**
		2022	–	31,054	13,211
FLC	Dividends receivable	**2023**	**–**	**–**	**–**
		2022	–	3,369	–
RADC	Noninterest-bearing advances	**2023**	–	**–**	**11,461**
		2022	–	–	10,966
Joint Ventures VJ Properties, Inc. (VJPI)	Noninterest-bearing advances	**2023**	**46,542**	**116**	**218**
		2022	–	116	182
Marilo Realty Development Corporation	Noninterest-bearing advances	**2023**	**–**	**1,201**	**288**
		2022	–	1,310	156
Landco Pacific Corporation (LPC)	Defrayment of cost and expenses for restructuring	**2023**	**–**	**193**	**23,994**
		2022	–	–	23,729
Entities under common control	Interest-bearing advances	**2023**	**9,248**	**24,174**	**–**
		2022	5,567	–	139,142
		2023		**₱97,073**	**₱49,172**
		2022		35,849	187,386

a. Outstanding balances at year end are unsecured and settlement normally occurs in cash, unless otherwise indicated above. No guarantees have been provided or received for these balances. Advances to and from related parties are noninterest-bearing and have no fixed repayment terms unless otherwise indicated above. Impairment review is undertaken each reporting date. As of December 31, 2023 and 2022, the allowance for impairment loss amounting to ₱3.1 million pertains to due from LPC.

b. In the normal course of business, the Parent Company extends/avails of advances to/from its related parties under common control, with definite repayment terms. The advances to and from related parties are interest-bearing.

c. In 2004, RLC and LPC by way of a Deed of Assignment of Rights, assigned to Punta Fuego Holdings Corporation (PFHC) the rights and privileges to their 105 and 245 club shares in CPFI, respectively. In consideration of the assignment of rights and privileges, PFHC pays RLC and LPC an amount equivalent to their percentage share of the net income earned from the club shares. The respective shares of RLC and LPC were computed in proportion to the number of clubs share they have each assigned. In 2005, PFHC and FDC merged with FDC, as the surviving entity. As a result, FDC assumed the said liability of PFHC to RLC.

d. In 2009, RLC and VJPI entered into a joint venture agreement for the development of Anya Resorts and Residences Phase 1 (the Project) in Tagaytay, Cavite.

e. The following are the intercompany transactions and balances among related parties which are eliminated in the consolidated financial statements:

Revenue and income by	Expense by	Nature	**2023**	2022	2021
RCI	RLC	Management fee	**₱18,000**	₱18,000	₱18,000
RCI	RSAI	Management fee	**6,000**	6,000	6,000

f. Compensation of key management personnel is as follows:

	2023	2022	2021
Salaries and short-term benefits	**₱49,754**	₱44,180	₱42,468
Retirement benefits	**4,742**	9,281	3,471
	₱54,496	₱53,461	₱45,939

g. The Parent Company settled director's remuneration through issuance of treasury shares and cash payment for the regular board meetings held as follows:

	No. of shares	Average Market Value per Share	Compensation Shares	Compensation Cash	Total
2023	1,144,737	₱0.48	₱625,000	₱625,000	₱1,250,000
2022	1,023,991	0.52	525,000	525,000	1,050,000
2021	726,449	0.91	650,000	650,000	1,300,000

The expense recognized on the foregoing is presented as part of "Salaries and employee benefits" account in the consolidated statements of comprehensive income.

21. Revenue from Contracts with Customers

a. Disaggregated revenue information

The disaggregation of the Group's revenue from contracts with customers is presented in the consolidated statement of income and disclosed in the operating segment information (see Note 31). This presentation best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

Except for the revenues earned for the sale of real estate, all revenues were earned at a point in time.

b. Contract balances

The Group's contract balances as at December 31, 2023 and 2022 are as follows:

	2023	2022
Contract assets	**₱99,823**	₱125,634
Contract liabilities	**71,735**	136,208

Contract assets
Contract assets represent the right to consideration that was already delivered by the Group in excess of the amount recognized as trade receivable, collectible in monthly installments over a period of 18 to 84 months and bear annual interest ranging from 14% to 18% depending on the terms of the sales contract. This is reclassified to trade receivable when the monthly amortization of the customer is already due for collection.

Contract liabilities

a. Deferred income amounting to ₱30.9 million and ₱50.8 million in 2023 and 2022, respectively, pertains to collections from buyers exceeding the recognized sale of real estate based on percentage-of-completion.

b. Customers' deposits amounting to ₱39.5 million and ₱85.4 million as of December 31, 2023 and 2022, respectively, represent noninterest-bearing cash received from the sale of real estate properties, which did not meet the revenue recognition criteria as set out in Note 4. Deposits from sale of real estate properties will be applied against the receivable from the customers upon recognition of revenue.

c. Guests' deposits pertain to the advance payments of guests for room reservations in the hotels amounting to ₱1.3 million and ₱1.5 million as of December 31, 2023 and 2022, respectively.

Contract liabilities amounting to ₱55.8 million and ₱23.1 million as at December 31, 2022 and 2021 were recognized as revenue in 2023 and 2022, respectively.

22. Cost and Expenses

Costs of hotel sales and services consist of:

	2023	2022	2021
Food and beverage cost	**₱42,916**	₱46,990	₱30,934
Outside services	**50,028**	38,355	6,871
Salaries, wages, and other employee benefits (Note 23)	**46,215**	38,107	14,292
Communication, light, and water	**40,243**	28,226	16,912
Depreciation and amortization (Notes and 13)	**39,597**	28,077	42,817
Yield guarantee (Note 13)	**25,313**	8,351	4,900
Supplies	**18,337**	14,710	8,791
Repairs and maintenance	**4,164**	4,779	2,645
Travel and transportation	**2,333**	2,212	338
Others	**7,721**	4,722	1,274
	₱276,867	₱214,529	₱129,774

Other costs of hotel sales and services are expensed as incurred upon generation of revenue from ancillary services like resort fees and laundry.

Cost of goods sold (RSAI) consist of:

	2023	2022	2021
Materials used and changes in inventory (Note 9)	**₱159,834**	₱46,256	₱97,987
Indirect labor (Note 23)	**40,221**	44,418	42,574
Depreciation (Notes 12 and 13)	**24,419**	27,343	20,602
Communication, light and water	**16,724**	12,735	20,304
Direct labor (Note 23)	**13,969**	3,963	23,152
Taxes and licenses	**8,857**	19,279	12,801
Packaging materials	**8,799**	4,955	35,561
Factory supplies	**4,727**	6,746	16,976
Repairs and maintenance	**1,470**	2,773	6,860
Short-term lease	**1,140**	22,263	1,493
Provision for inventory write-down (Note 9)	**69**	–	2,321
Others	**2,819**	2,462	13,386
	₱283,048	₱193,193	₱294,017

Operating expenses consist of:

	2023	2022	2021
General and administrative	**₱431,987**	₱658,006	₱409,929
Selling	**13,029**	45,513	98,466
	₱445,016	₱703,519	₱508,395

General and administrative expenses consist of:

	2023	2022	2021
Salaries, wages, and other employee benefits (Note 23)	**₱140,529**	₱122,725	₱125,534
Impairment loss on and write-off of property, plant, and equipment (Note 12)	**129,814**	298,000	63,370
Taxes and licenses	**53,091**	31,605	35,495
Depreciation and amortization	**15,163**	49,392	75,767
Outside services	**36,360**	44,905	39,820
Entertainment, amusement and recreation	**8,047**	9,431	6,788
Communication, light and water	**7,305**	24,427	16,063
Travel and transportation	**6,590**	4,487	2,594
Repairs and maintenance	**6,090**	6,840	3,362
Short-term and low-value asset lease	**2,651**	2,424	1,427
Materials and consumables	**2,146**	3,818	2,229
Insurance	**911**	2,296	3,627
Provision for impairment of receivables (Note 7)	**530**	17,494	10,012
Provision for impairment on investment	–	–	2,824
Commitment fee	–	20,172	–
Others	**22,760**	19,990	21,017
	₱431,987	₱658,006	₱409,929

Others include professional fees, training and development and other miscellaneous charges that are individually immaterial in amounts.

Selling Expenses

This account mainly pertains to marketing, commission on real estate sales and advertising and promotion expenses.

23. Personnel Costs

The components of employee benefits from continuing operations presented under "Cost of sales and services" and "General and administrative expenses" account in the consolidated statements of income are as follows.

	2023	2022	2021
Salaries and wages and other employee benefits (Note 22)	**₱221,906**	₱196,567	₱189,710
Retirement benefits (Note 18)	**19,028**	12,646	15,842
	₱240,934	₱209,213	₱205,552

24. **Other Income (Charges)**

Other income (charges) consists of:

	2023	2022	2021
Sale of scrap	**₱150**	₱6,028	₱20,908
Gain on sale of investment properties (Note 14)	–	30,080	3,226
Impairment loss of investment in an associate (Note 11)	–	(616,986)	–
Loss on loan modification (Notes 15 and 16)	–	(8,328)	–
Dividend income	–	–	1,320
Property management services	–	–	178
Others	**45,277**	6,466	8,876
	₱45,427	(₱582,740)	₱34,508

Sale of scrap pertains to the sale of pare and coco shells, among others.

Others include earnings from club shares based on the sharing arrangement between RLC and FDC amounting to₱46.5 million (see Note 20) and other hotel charges such shuttle services, laundry services, among others, that are individually material in amount.

25. **Assets Held for Sale and Discontinued Operations**

Certain GoHotel properties
In December 2022, the BOD approved the plan to sell RAHC’s certain GoHotel properties, in which the proceeds from the sale will be used to reduce the overall financial liability and debt of the group (see Note 25).

The major classes of asset and liabilities of RAHC’s certain GoHotel properties of RAHC classified as held for sale as of December 31, 2023 and 2022 are as follows:

	2023	2022
Assets		
Property and equipment (Note 12)	**₱602,539**	₱602,364
Liabilities		
Trade and other payables	**51,228**	29,064
Deferred tax liability	**32,231**	15,267
Borrowings (Note 17)	**372,381**	369,939
Liabilities directly associated with assets held for sale	**455,840**	414,270
Net assets directly associated with disposal group	**₱146,699**	₱188,094

The performance of GoHotel Timog throughout the years ended are presented below:

	2023	2022	2021
Revenue	**₱40,608**	₱35,354	₱52,945
Cost of Services	**(20,093)**	(31,574)	(28,851)
Gross Profit	**20,515**	3,780	24,094
Operating expenses	**(26,282)**	(16,915)	(21,097)
Finance costs	**(27,689)**	(26,697)	(28,712)
Other income	**2,482**	53	–
Loss Before Tax from a Discontinued Operation	**(30,974)**	(39,779)	(25,715)
Tax expense	**(188)**	(67)	(132)
Loss From Discontinued Operation	**(₱31,162)**	(₱39,846)	(₱25,847)

Sale of parcels of land
On December 9, 2022, the BOD announced its decision to sell parcels of land with a carrying value of ₱31.7 million. As of December 31, 2022, the Group classified this investment property as asset held for sale (see Note 14).

The Group ceased to classify the above assets as held for sale because the sale did not materialize in 2023.

26. **Income Taxes**

a. Provision for income taxes comprise the following:

	2023	2022	2021
Current	**₱7,349**	₱8,137	₱5,853
Deferred	**2,143**	5,450	48,169
	₱9,492	₱13,587	₱54,022
Provision for income tax attributable to:			
Continuing operations	**₱9,304**	₱13,520	₱53,890
Discontinued operations (Note 25)	**188**	67	132
	₱9,492	₱13,587	₱54,022

b. The components of the recognized deferred tax assets and liabilities represent the tax effects of the following temporary differences:

	December 31, 2023		December 31, 2022	
	Net Deferred Income Tax Assets	**Net Deferred Income Tax Liabilities**	Net Deferred Income Tax Assets	Net Deferred Income Tax Liabilities
Deferred tax assets on:				
Customers' deposit	**₱28,088**	**₱–**	₱29,832	₱–
Retirement liability	**24,781**	**–**	20,554	–
Deferred income	**18,881**	**–**	16,498	–
Excess MCIT over RCIT	**5,559**	**–**	7,330	–
Allowance for impairment losses on receivables	**4,266**	**–**	4,295	–
Lease liabilities	**396**	**–**	692	–
NOLCO	**–**	**–**	9,241	–
Various accruals	**820**	**–**	634	–
	82,791	**–**	89,076	–
Deferred tax liabilities on:				
Taxable temporary difference arising from use of installment method of revenue recognition for tax reporting	**(3,400)**	**–**	(6,296)	–
Revaluation increment on land	**(3,646)**	**(111,090)**	(2,549)	(98,060)
Right-of-use assets	**(299)**	**–**	(538)	–
Actuarial gain	**(15,478)**	**–**	(15,478)	–
Rent receivable	**(1,248)**	**–**	(2,255)	–
	(24,071)	**(111,090)**	(27,116)	(98,060)
Net deferred tax assets (liabilities)	**₱58,720**	**(₱111,090)**	₱61,960	(₱98,060)

Following is the movement of deferred income tax expense recognized through profit or loss and through other comprehensive income.

	2023	2022	2021
Through profit or loss	**₱2,143**	₱5,450	₱48,169
Through other comprehensive income	**14,127**	10,894	(305)
	₱16,270	₱16,344	₱47,864

Following are the deductible temporary differences, carryforward benefits of NOLCO and excess MCIT over RCIT for which no deferred income tax assets were recognized:

	2023	2022
NOLCO	**₱592,542**	₱159,284
Excess MCIT over RCIT	**9,240**	6,063
Accrued rent	**7,514**	7,514

Management believes that it may not be probable that taxable profit will be sufficiently available in the future against which the deferred tax assets may be utilized.

c. Details of NOLCO as of December 31, 2023 are as follows:

Year Incurred	Available Until	Available NOLCO	Tax Effect
2020	2025*	₱78,088	₱19,521
2021	2026*	37,114	9,278
2022	2025	174,307	43,577
2023	2026	433,258	108,315
Total		722,767	180,691

**Based on the BIR Revenue Regulation (RR) No. 25-2020 implementing Section 4(b) of "Bayanihan to Recover As One Act" which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.*

d. Details of excess of MCIT over RCIT as of December 31, 2023 are as follows:

Period Incurred	Balance at December 31, 2022	Additions	Expired	Balance at December 31, 2023	Available Until
2020	₱3,520	₱–	(₱3,520)	₱–	2023
2021	5,403	–	–	5,403	2024
2022	3,637	–	–	3,637	2025
2023	–	5,759	–	5,759	2026
	₱12,560	₱5,759	(₱3,520)	₱14,799	

On June 20, 2023, the Bureau of Internal Revenue issued Revenue Memorandum Circular (RMC) No. 69-2023 reverting the Minimum Corporate Income Tax (MCIT) rate to 2% of gross income effective July 1, 2023 pursuant to Republic Act (RA) No. 11534, otherwise known as the "Corporate Recovery and Tax Incentives for Enterprises (CREATE)" Act. MCIT rate was previously reduced from 2% to 1% effective July 1, 2020 to June 30, 2023 upon the effectivity of CREATE Act in 2021.

Consequently, the Group recognized MCIT using the effective rate of 1.5% in 2023 in accordance with RMC 69-2023.

e. The reconciliation between the income tax expense computed at the applicable statutory tax rate and provision for income tax presented in the consolidated statements of income follows:

	2023	2022	2021
Income tax expense at statutory rate	**₱321,878**	₱168,890	₱72,904
Adjustments resulting from the tax effects of:			
Equity in net losses of associates	**80,007**	46,061	45,803
Loss covered by ITH	–	47,307	68,104
Impairment of investment in associate	–	154,247	–
Nontaxable gain on change in fair value of investment properties	**(541,015)**	(524,555)	(191,620)
Nontaxable gain on sale of investment properties	–	(7,520)	–
Changes in unrecognized deferred income tax assets	**142,383**	118,636	35,190
Effect of change in tax rate	–	–	20,942
Others	**6,239**	10,521	2,699
Provision for income tax	**₱9,492**	₱13,587	₱54,022

27. **Earnings (Loss) Per Share**

Basic/diluted EPS are computed as follows:

	2023	2022	2021
	(In Thousands, except weighted average number of shares and basic/diluted EPS)		
Net income attributable to the equity holders of the Parent Company	**₱1,382,216**	₱692,675	₱292,195
Less: dividends on preferred shares	–	25,710	20,719
	1,382,216	666,965	271,476
Net income attributable to the equity holders of the Parent Company from continuing operations	**1,354,478**	663,328	292,195
Net income (loss) attributable to the equity holders of the Parent Company from discontinued operations	**(31,162)**	(39,846)	(13,182)
Weighted average number of shares issued and outstanding (after considering the issuance during the year)	**2,248,565,159**	2,236,940,843	2,220,430,186
Basic/diluted EPS	**₱0.61**	₱0.31	₱0.12
Basic/diluted EPS from continuing operations	**₱0.60**	₱0.32	₱0.13
Basic/diluted EPS from discontinued operations	**(₱0.01)**	(₱0.01)	(₱0.01)

There are no potential dilutive common shares as at both December 31, 2023 and 2022.

28. **Contingencies and Commitments**

Contingencies

Land Properties Subjected to the CARP

The CARP provides, among others, the redistribution of all private and agricultural lands regardless of tenurial arrangements and commodity produced, subject to certain terms and conditions.

Prior to the effectivity of the CARP, the Parent Company was the registered owner of around 2,900 hectares of land located in Nasugbu, Batangas. In 1993, the DAR issued Notices of Coverage, and subsequently, CLOA covering 2,676 hectares of the Parent Company's three *haciendas*, namely: Palico, Banilad and Carmen/Caylaway.

Sometime in 1993, the Parent Company filed a case questioning the DAR's acquisition proceedings and asking for the cancellation of the CLOA. On December 17, 1999, the Supreme Court promulgated its decision in GR No. 127876 nullifying the DAR acquisition proceedings over the three haciendas. The High Tribunal ruled that the Parent Company's right to due process was violated by the DAR. However, the Supreme Court did not nullify the CLOA that were issued by the DAR despite its declaration that the acquisition proceedings were null and void.

In May 2000, the Parent Company filed with the DAR an application for the exemption with the CARP of its three haciendas in Nasugbu, Batangas. The application for exemption was based on Presidential Proclamation (PP) No. 1520, which declared the entire municipality of Nasugbu, Batangas as a Tourist Zone. The Parent Company likewise filed applications for exemption for certain smaller land areas based on the 1982 Zoning Ordinance of Nasugbu, Batangas.

In December 2009, the Supreme Court ruled that the PP No. 1520 did not automatically reclassify the agricultural land in Nasugbu, Batangas to non-agricultural land. However, the Supreme Court noted that the Parent Company "can only look to the provisions of the Tourism Act and not to the PP No. 1520, for possible exemption."

On February 8, 2011, the Supreme Court denied the Parent Company's Second Motion for Reconsideration (MR) and affirmed with finality its December 2009 decision.

Consequently, in April 2010, the Parent Company filed with the Tourism Infrastructure and Enterprise Zone Authority (TIEZA) an application to declare 14 specific geographical areas within the landholdings of the Parent Company as tourism zones. To date, this application has remained unacted upon by the TIEZA.

In September 2011, the Supreme Court affirmed the exemption of the 21.1236-hectare property from the coverage of the Comprehensive Agrarian Reform Program (CARP).

In October 2012, the Parent Company disclosed that the DAR published the NOC on several RCI properties aggregating 2,514.76 hectares. The Parent Company filed a protest in the office of the DAR against the wrongful coverage (failure to observe the proper rules before publishing the said Notice of Coverage and the applicable law (Republic Act - RA No. 6657 vs. RA No. 9700). On June 17, 2014, the DAR issued a revised NOC covering RCI properties aggregating 2,300.60 hectares.

On October 16, 2013, the DAR ordered the denial of the Protest. On December 9, 2013, the Parent Company filed a MR with the DAR. On April 15, 2014, the DAR denied the MR of the Parent Company. On June 27, 2014, the Parent Company filed a Petition for Certiorari to the CA.

The Parent Company shall account for any legal and financial liabilities arising from the land properties subject to the CARP upon the resolution of ownership by the Court. In total, there are about 222 hectares of land that were declared by the courts, or the DAR as exempt from the coverage of the CARP, including the 21-hectare property declared exempt by the Supreme Court in its Decision dated September 5, 2011, in GR No. 169331.

On May 14, 2013, the BOD approved to authorize management to begin negotiations with the DAR for possible voluntary offer to sell (VOS) of 76 hectares in Hacienda Palico and 26 hectares in Hacienda Caylaway. However, the said negotiations have not yet commenced as the possible VOS is merely an option that the Parent Company will consider after exhausting all means possible. The intention by management of whether to push through with the VOS is dependent on the outcome of the applications for exemption, exclusion or conversion of land covered by the CARP.

On December 13, 2013, the BOD of the Parent Company approved management's request for reconfirmation of management's plan to explore the government's VOS program using 76 hectares in Hacienda Palico and 26 hectares in Hacienda Caylaway under certain conditions. This supersedes all previous proposals relating to the government's VOS program. As at the date of the report, there is no agreement yet with the DAR on the properties approved for possible VOS.

On May 7, 2016, the DAR denied the application for exemption filed by the Parent Company for the 285.9 hectares of land located in Nasugbu, Batangas. On June 27, 2016, the Parent Company filed an MR for the 285.9 hectares application, which the DAR denied. The Parent Company then filed an appeal with the Office of the President.

On May 21, 2022, the Office of the President denied Parent Company's appeal explaining that the findings of facts of the Administrative Agencies should be respected. The Parent Company then timely filed its Motion for Reconsideration which remains pending as of this date.

On October 25, 2017, CA has partially granted the Group's Petition for Certiorari pertaining to the NOC. Subsequently, the Group filed a MR over the issuance of CLOAs by DAR in favor of the farmer-beneficiaries.

On August 13, 2018, the Parent Company received the Court of Appeals Resolution, which dismissed the Parent Company and DAR's Motions for Partial Reconsideration. The Parent Company subsequently filed a Petition for Review on Certiorari under Rule 45 of the Rules of Court to assail the Court of Appeals' Decision and Resolution before the Supreme Court. In the meantime, DAR, through Office of the Solicitor General (OSG), filed its own Petition for Review on Certiorari.

On November 19, 2018, the Parent Company filed a Comment/Opposition *Ad Cautelam* to DAR's said petition. The petitions filed by the Parent Company and DAR were consolidated and are now pending before the Supreme Court (see Note 5).

The DAR approved the conversion application filed by the Parent Company and RLC over sixteen (16) parcels of land located in Barangay Banilad, Nasugbu, Batangas totaling approximately 52 hectares on July 2020. A Motion for Reconsideration was filed by the oppositors, but the MR was denied, and the order of conversion was affirmed by the DAR in November 2020. An appeal was filed by the oppositors with the Office of the President, where the case is now pending.

On November 2021, the Office of the President issued an Order denying the appeal filed by the oppositors and affirming the DAR Decision. A Motion for Reconsideration was thereafter filed by the oppositors. On April 29, 2022, the Office of the President issued a Resolution denying the oppositors' MR.

In the opinion of management and legal counsel, there are no other pending labor or other legal cases and claims in the ordinary course of business that will have a material effect on the financial position and performance of the Parent Company.

On January 30, 2024, RCI received the Certificate of Finality issued by DAR. In the said Certification, the DAR attested that the Consolidated Order it issued on December 29, 2023 (hereafter, the "Consolidated Order"), by operation of law, had become final and executory on January 27, 2024. Accordingly, the DAR-Bureau of Agrarian Legal Assistance (DAR-BALA) was directed to immediately transmit the entire case folder to the DAR Regional Office for execution avoiding any unnecessary delay, citing DAR Administrative Order No. 5, Series of 2017 in relation to Section 16 of Republic Act No. 6657, there being no legal impediment for its execution.

Other Contingencies
The Group has several pending claims and assessments, the expected ultimate outcome of which is based on management's judgment in consultation with its legal counsel. Disclosure of additional details beyond the present disclosures may seriously prejudice the Group's position. Thus, as allowed by PAS 37, only general disclosures were provided.

Provision for probable losses amounted to ₱2.9 million in 2021 (nil in 2023 and 2022) (see Note 22).

Equity Placement Commitment
In June 2020, the Parent Company entered equity placement commitment with LDA Capital, LLC (LDA), a global investment group. Under this equity placement commitment, the Parent Company has the right, but not the obligation, to sell shares to LDA subject to the conditions of the Put Option Agreement (the Agreement). The Company may sell up to ₱800 million worth of RCI treasury shares during the 36-month period from the signing of the Agreement. In addition, LDA is given a Call Option to purchase up to 99 million common shares of RCI at an exercise price of ₱2.38 per share, exercisable any time during the term of the Agreement. The equity agreement with LDA expired in June 2023.

Unused Credit Lines
As at December 31, 2023 and 2022, the Group has no outstanding unused lines of credit with local banks (see Notes 15 and 16).

29. Financial Instruments

Risk Management, Objectives and Polices
The principal financial instruments comprise of cash in banks and cash equivalents, receivables and payables, which arise directly from its operations, and short and long-term borrowings.

The main risks arising from the financial instruments are liquidity risk, interest rate risk and credit risk. Risk management is carried out by senior management under the guidance and direction of the BOD of the Parent Company.

Liquidity risk
Liquidity risk arises from the possibility that the Group may encounter difficulties in raising funds to meet maturing obligations.

The Group's objective is to maintain sufficient cash and cash equivalents and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the business, the Group aims to maintain flexibility in funding by keeping track of daily cash flows and maintaining committed credit lines available. In addition, the Group, renegotiates the terms of its existing loan agreements with bank creditors and lenders as the need arises.

The tables below summarize maturity profile of the financial liabilities based on contractual undiscounted payments and the related financial assets and contract assets used for liquidity management as at December 31, 2023 and 2022:

	December 31, 2023					
	On Demand	Up to One Year	More than One Year	More than Two Years to Five Years	More than Five Years	Total
Short-term borrowings	₱–	₱100,000	₱–	₱–	₱–	₱100,000
Trade and other payables*	477,684	796,407	–	–	–	1,274,091
Due to related parties	213,754	–	–	–	–	213,754
Long-term borrowings	–	1,018,237	825,876	1,105,174	605,897	3,555,184
Lease liabilities	–	1,583	–	–	–	1,583
	₱691,438	₱1,916,227	₱825,876	₱1,105,174	₱605,897	₱5,144,612
Cash and cash equivalents	₱75,645	₱–	₱–	₱–	₱–	₱75,645
Trade and other receivables						
- third parties	74,009	75,211	–	–	–	149,220
Contract assets	–	58,706	–	–	–	58,706
Due from related parties	97,073	–	–	–	–	97,073
	₱246,727	₱133,917	₱–	₱–	₱–	₱380,644

**Excludes payable to government agencies amounting to ₱124.2 million.*

	December 31, 2022					
	On Demand	Up to One Year	More than One Year	More than Two Years to Five Years	More than Five Years	Total
Short-term borrowings	₱–	₱100,000	₱–	₱–	₱–	₱100,000
Trade and other payables*	330,153	779,470	–	–	–	1,109,623
Due to related parties	40,645	–	–	–	–	40,645
Long-term borrowings	–	1,190,012	30,000	1,130,572	852,886	3,203,470
Lease liabilities	–	2,797	–	–	–	2,797
	₱370,798	₱2,072,279	₱30,000	₱1,130,572	₱852,886	₱4,456,535
Cash and cash equivalents	₱36,130	₱–	₱–	₱–	₱–	₱36,130
Trade and other receivables						
- third parties	69,030	132,029	–	–	–	201,059
Contract assets	–	96,100	–	–	–	96,100
Due from related parties	35,849	–	–	–	–	35,849
	₱141,009	₱228,129	₱–	₱–	₱–	₱369,138

**Excludes payable to government agencies amounting to ₱113.1 million.*

Credit risk
The Group has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions.

Maximum exposure to credit risk without taking account of any collateral and other credit enhancements
The following table shows the maximum exposure to credit risk of the Group shown at gross before the effect of mitigation through collateral agreements.

	December 31, 2023	December 31, 2022
Cash in banks and cash equivalents	**₱75,645**	₱36,130
Trade and other receivables*	**223,595**	195,101
	₱299,240	₱231,231

* *Net of allowance for impairment losses totaling ₱34.3 million and ₱53.2 million as of December 31, 2023 and 2022, respectively.*

Collaterals and other credit enhancements
The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of types of collateral and valuation parameters.

Credit quality per class of financial assets
The credit quality of receivables is managed by the Group.

High grade accounts are those receivables from counterparties with whom collections are made without much collection effort. Standard grade accounts consist of receivables from its customers with good financial condition and with relatively low defaults.

The following tables below show the credit quality of "neither past due nor impaired" financial instruments as well as the amounts of "past due but not impaired" and "impaired" financial instruments:

	December 31, 2023				December 31, 2022			
	Neither past due nor impaired				Neither past due nor impaired			
	High Grade	**Standard Grade**	**Past due and impaired**	**Total**	High Grade	Standard Grade	Past due and impaired	Total
Financial assets at amortized cost:								
Cash in bank	**₱71,641**	**₱–**	**₱–**	**₱71,641**	₱33,099	₱–	₱–	₱33,039
Receivables:								
Trade	**–**	**74,009**	**22,203**	**96,212**	–	70,245	41,053	111,298
Others	**–**	**53,008**	**–**	**53,008**	–	89,761	–	89,761
Due from related parties	**–**	**84,932**	**12,141**	**97,073**	–	23,708	12,141	35,849
Refundable deposits	**–**	**3,777**	**–**	**3,777**	–	3,840	–	3,840
	₱71,641	**₱215,726**	**₱34,344**	**₱321,711**	₱33,099	₱187,554	₱53,194	₱273,787

Impairment assessment
The main consideration for impairment assessment includes whether there are known difficulties in the cash flow of the counterparties. The Group assesses impairment in two ways: individually and collectively.

The table below shows the credit quality per class of financial assets (gross of allowance for credit losses) as of December 31, 2023 and 2022:

	December 31, 2023				December 31, 2022			
	12-month ECL (Stage 1)	**Lifetime ECL not credit-impaired (Stage 2)**	**Lifetime ECL credit-impaired (Stage 3)**	**Total**	12-month ECL (Stage 1)	Lifetime ECL not credit-impaired (Stage 2)	Lifetime ECL credit-impaired (Stage 3)	Total
Financial assets at amortized cost:								
Cash in bank	**₱71,641**	**₱–**	**₱–**	**₱71,641**	₱33,099	₱–	₱–	₱33,099
Receivables:								
Trade	**–**	**74,009**	**22,203**	**96,212**	–	70,245	41,053	111,298
Others	**53,008**	**–**	**–**	**53,008**	89,761	–	–	89,761
Due from related parties	**85,087**	**–**	**11,986**	**97,073**	–	23,708	12,141	35,849
Refundable deposits	**3,777**	**–**	**–**	**3,777**	3,840	–	–	3,840
	₱213,513	**₱74,009**	**₱34,189**	**₱321,711**	₱126,700	₱93,953	₱53,194	₱273,847

Set out below is the information about the credit risk exposure on the Group's trade receivables and contract assets based on its aging analysis as of December 31, 2023 and 2022:

		Trade receivables						
			Days past due					
	Contract Assets	**Current**	**<30 days**	**30-60 days**	**61-90 days**	**>90 days**	**Impaired Financial Assets**	**Totals**
December 31, 2023	**₱99,823**	**₱24,695**	**₱6,726**	**₱17,124**	**₱12,219**	**₱13,245**	**₱22,203**	**₱96,212**
December 31, 2022	125,634	54,696	4,615	11,749	8,384	9,088	22,766	111,298

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows on a financial instrument will fluctuate because of changes in market interest rates.

The Group has interest-bearing loans which bear floating interest rate and expose the Group to interest rate risk.

The following table demonstrates the sensitivity analysis to a reasonably possible change in interest rates, with all other variables held constant, of the Group's income before income tax (through the impact of floating rate borrowings) and equity for the years ended December 31, 2023 and 2022.

	Change in Basis Points (bps)	Effect on Income before Income Tax
December 31, 2023	+/-50 bps	+/-₱17,326
December 31, 2022	+/-50 bps	+/-₱17,326

The estimates are based on the outstanding interest-bearing liabilities of the Group with floating interest rate. Various floating interest rates are based on PHP BVAL reference rate plus spread from 1.5% to 3.25% as of December 31, 2023 and 2022.

Interest on financial liabilities with fixed interest rate is fixed until the maturity of the instrument (see Notes 15 and 16).

Capital Management

The primary objective of the capital management is to ensure that it maintains strong credit and healthy capital ratios in order to support its business and maximize shareholder value.

The dividend declaration is dependent on availability of retained earnings and operating requirements. The Group manages its capital structure and makes adjustment to it, in light of changes in economic conditions. To maintain or adjust capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes in 2023, 2022 and 2021.

Management considers the total consolidated equity reflected in the consolidated statements of financial position as its capital. The Group monitors its use of capital using leverage ratios, specifically, debt-to-equity ratio.

The Group is required to maintain a maximum debt-to-equity ratio of 3:1. The Group has debt-to-equity ratio of 0.59:1.0 as of December 31, 2023 and 0.60:1.0 as of December 31. 2022.

30. Fair Values

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

Cash in banks, trade and other receivables, short-term borrowings, trades and other payables and dividends payable

The carrying amounts of these instruments approximate their fair values due to their short-term maturities.

Long-term borrowings

The carrying value of long-term borrowings as at December 31, 2023 and 2022 approximates its fair value as they carry interest rates of comparable instruments in the market.

Investment properties and land under property, plant and equipment

The valuation technique used for the investment properties and land under property, plant and equipment is Sales Comparison Approach which is a process to value based on sales of similar or substitute properties and related market data and establishes a value estimated by processes involving comparison.

The table below summarizes the significant unobservable input valuation for investment properties and land under property, plant and equipment held by the Group.

Asset measured at fair value (Level 3)	**Significant unobservable inputs**	**Interrelationship between key unobservable input and fair value measurement**
Investment properties		
December 31, 2023	Price per square meter. Estimates range from is about ₱350 per sqm to ₱3,000 per sqm	The estimated fair value would increase (decrease) if the price per square meter increase (decrease)
December 31, 2022	Price per square meter. Estimates range from is about ₱288 per sqm to ₱2,500 per sqm	The estimated fair value would increase (decrease) if the price per square meter increase (decrease)
Land under property, plant, and equipment		
December 31, 2023	Price per square meter. Estimates range from is about ₱149,000 per sqm to ₱280,000 per sqm	The estimated fair value would increase (decrease) if the price per square meter increase (decrease)
December 31, 2022	Price per square meter. Estimates range from is about ₱150,000 per sqm to ₱250,000 per sqm	The estimated fair value would increase (decrease) if the price per square meter increase (decrease)

There are no transfers to Level 1 and Level 2 fair value measurement.

31. Segment Reporting

The Group's identified operating segments, which are consistent with the segments reported to the BOD, are as follows:

a. Real Estate
RLC is the real estate arm of the Group. RLC acquires, develops, improves, subdivides, leases and sells agricultural, industrial, commercial, residential and other real properties.

b. Hotel
- RAHC, a subsidiary of RLC, owns and operates four GoHotels in Metro Manila.
- ART, a business segment of RLC, operates a luxury hotel in Tagaytay City.
- Anya Hospitality Group, a business segment of RLC, provides hotel management services to Budget Hotel Business, ART, and other hotel properties in Batangas.

c. Manufacturing
RSAI is the manufacturing arm of the Group and primarily engaged in the manufacturing of coconut products for export and domestic consumption.

d. Others
Other segments of the Group include the Parent Company, which owns various tracts of lands in Nasugbu, Batangas and RGEC, an entity established primarily for renewable energy.

The Group operates and derives principally all of its revenue from domestic operations. Thus, geographical business information is not required.

The presentation and classification of segment revenues and segment expenses are consistent with the consolidated statements of income.

Financing costs (including interest expense) and income taxes are managed on a per company basis and are not allocated to operating segments.

a. Segment revenue and expenses

The Group's main revenue stream comes from the real estate, hotel operations and export of coconut-based products. The real estate and hotel operations segment's customers are mainly direct. Further, there were no revenue transactions with a single customer that accounts for 10.0% or more of total revenues.

b. Segment assets and liabilities

Segment assets include all operating assets used by a segment. Segments assets and liabilities do not include deferred income taxes.

c. Inter-segment transfers

Segment revenue, expenses and results include transfers between business segments. Such transfers are accounted for at competitive market prices charged to unrelated customers or by suppliers for similar goods or services.

The following tables present information about the Group's operating segments:

	December 31, 2023					
	Real estate	Hotel	Manufacturing	Others	Eliminations/ Adjustments	Consolidated Balance
External customers	**₱82,397**	**₱449,278**	**₱200,539**	**₱–**	**₱–**	**₱732,214**
Intersegment revenue	**–**	**3,938**	**–**	**24,000**	**(27,938)**	**–**
Revenues from contracts with customers	**₱82,397**	**₱453,216**	**₱200,539**	**₱24,000**	**(₱27,938)**	**₱732,214**
Income (Loss) before income tax from continuing operations	**₱19,042**	**(₱35,974)**	**(₱308,357)**	**₱1,700,042**	**(₱10,971)**	**₱1,363,782**
Provision for income tax	**(4,687)**	**(4,617)**	**–**	**–**	**–**	**(9,304)**
Segment income (loss) from continuing operations	**₱14,355**	**(₱40,591)**	**(₱308,357)**	**₱1,700,042**	**(₱10,971)**	**₱1,354,478**
Segment assets	**₱1,399,183**	**₱2,307,396**	**₱693,116**	**₱13,003,184**	**(₱1,840,204)**	**₱15,562,675**
Segment liabilities	**₱688,764**	**₱2,516,792**	**₱1,274,544**	**₱2,113,542**	**(₱838,036)**	**₱5,755,606**
Other Information:						
Equity in net losses in associates	**₱–**	**₱–**	**₱–**	**(₱320,029)**	**₱–**	**(₱320,029)**

	December 31, 2022					
	Real estate	Hotel	Manufacturing	Others	Eliminations/ Adjustments	Consolidated Balance
External customers	₱288,637	₱409,481	₱88,021	₱–	₱–	₱786,139
Intersegment revenue	–	23,528	–	24,000	(47,528)	–
Revenues from contracts with customers	₱288,637	₱433,009	₱88,021	₱24,000	(₱47,528)	₱786,139
Income (Loss) before income tax from continuing operations	₱44,048	(₱76,084)	(₱497,788)	₱1,388,149	(₱181,477)	₱676,848
Provision for income tax	(6,239)	(1,831)	(5,450)	–	–	(13,520)
Segment income (loss) from continuing operations	₱37,809	(₱77,915)	(₱503,238)	₱1,388,149	(₱181,477)	₱663,328
Segment assets	₱1,734,278	₱2,687,194	₱849,164	₱12,667,605	(₱4,123,176)	₱13,815,065
Segment liabilities	₱1,109,106	₱2,337,608	₱1,132,463	₱1,692,241	(₱1,088,296)	₱5,183,122
Other Information:						
Equity in net losses in associates	₱–	₱–	₱–	(₱184,243)	₱–	(₱184,243)

Reconciliation of segment income (loss) and net income (loss) reported in the consolidated statements of income follows:

	2023	2022
Segment income	**₱1,354,478**	₱663,328
Net loss from discontinued operations	**(31,162)**	(39,846)
Net income (loss)	**₱1,323,316**	₱623,482

32. Events After the Reporting Period

On August 8, 2023, the Department of Agrarian Reform ("DAR") issued Summons against RCI and the Agrarian Reform Beneficiaries (ARBs), through their respective counsels, directing the Parties to appear before the Office of the Undersecretary for Legal Affairs Office ("ULAO") on August 11, 2023 to discuss the possible resolution of all cases relating to the properties of RCI.

In the said conference, in light of the parties' willingness to submit to the jurisdiction of DAR and/or amicably settle the cases, both parties were directed to submit a Manifestation or Motion to Withdraw all pending cases involving the RCI properties in all forums, and the DAR to assume full jurisdiction thereto; and submit respective verified position papers and additional evidentiary documents.

Accordingly, the interested parties submitted their respective Motions to Withdraw before the Supreme Court, Court of Appeals, and Office of the President. Thereafter, the parties also filed their respective Position Paper before the DAR-ULAO.

On January 11, 2024, RCI received a copy of the Consolidated Order dated December 29, 2023 that was issued by the DAR Secretary. The Consolidated Order is directing, among others, the consolidation of the total aggregate area of 2,941.46 hectares covering the three (3) haciendas into one (1) Title in the name of the Republic of the Philippines; and to segregate the consolidated Title into two (2) equal shares after deduction of some portions already resolved with finality rendered in favor of RCI, reflecting a 50-50 sharing or segregation in accordance with the survey plan, thus: (a) 297.0 hectares already resolved in favor of RCI with finality; (b) 1,322.23 hectares to be retained by RCI; and (c) 1,322.23 hectares to be distributed to the ARBs.

The same Consolidated Order directed the relevant government agencies to earmark and appropriate the payment of just compensation for RCI for those expropriated/awarded half portion of its landholdings (1,322.23 hectares) as may be judicially or administratively determined.

Under Section 7 of R.A. 6799, which amended R.A. 6657, the just compensation is determined by following a 70% zonal value and 30% current value of similar properties.

The said Consolidated Order became final and executory on January 27, 2024.

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

Tel: (632) 8891 0307
Fax: (632) 8819 0872
ey.com/ph

INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULES

The Board of Directors and Stockholders
Roxas and Company, Inc.
7th Floor, Cacho-Gonzales Building
101 Aguirre Street, Legazpi Village, Makati City

We have audited in accordance with Philippine Standards on Auditing the consolidated financial statements of Roxas and Company, Inc., and subsidiaries (the Group) as of December 31, 2023 and 2022, and for each of the three years in the period ended December 31, 2023, included in this Form 17-A, and have issued our report thereon dated April 12, 2024. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Consolidated Financial Statements and Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68 and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, in all material respects, the information required to be set forth therein in relation to the basic financial statements taken as a whole, are prepared in all material respects, in accordance with Philippine Financial Reporting Standards, as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission, as described in Note 2 to the consolidated financial statements.

SYCIP GORRES VELAYO & CO.

Albert R. Bon

Albert R. Bon
Partner
CPA Certificate No. 0121479
Tax Identification No. 255-491-830
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
BIR Accreditation No. 08-001998-135-2023, January 25, 2023, valid until January 24, 2026
PTR No. 10079911, January 5, 2024, Makati City

April 12, 2024

ROXAS AND COMPANY, INC. AND SUBSIDIARIES
Index to Consolidated Financial Statements
As at and For the Year Ended December 31, 2023

		Description	Page
Schedule I			
	A	Financial Assets	N/A
	B	Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)	1
	C	Intangible Assets - Other Assets	N/A
	D	Guarantees of Securities of Other Issuers	N/A
	E	Capital Stock	2
Schedule II		Financial Soundness Indicators	3
Schedule III		Corporate Structure	4
Schedule IV		Reconciliation of Retained Earnings Available for Dividend Declaration (Part 1, 4C, Annex 68-C)	5

SCHEDULE B
ROXAS AND COMPANY, INC. AND SUBSIDIARIES

AMOUNTS RECEIVABLE FROM DIRECTORS, RELATED PARTIES, OFFICERS, EMPLOYEES, AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)
DECEMBER 31, 2023
AMOUNTS IN THOUSANDS

	Balance at beginning of year	Additions	Amounts collected	Amounts written off	Current	Noncurrent	Balance at end of year
Various employees (educational loans/ advances)	₱8,550	₱3,096	₱–	₱–	₱11,646	₱–	₱11,646

SCHEDULE E

ROXAS AND COMPANY, INC. AND SUBSIDIARIES

CAPITAL STOCK

DECEMBER 31, 2023

AMOUNTS IN THOUSANDS

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related consolidated statement of financial position caption	Number of shares reserved for options, warrants, conversion, and other rights	Number of shares held by related parties	Directors and officers	Others
Common stock - "Class A" at ₱1 par value	3,375,000,000	2,284,990,996	-	-	1,278,963	943,091
Preferred stock at ₱1 par value	1,000,000,000	-	-	-	-	-

SGV
Building a better working world

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

Tel: (632) 8891 0307
Fax: (632) 8819 0872
ey.com/ph

**INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULE OF
FINANCIAL SOUNDNESS INDICATORS**

The Board of Directors and Stockholders
Roxas and Company, Inc.
7th Floor, Cacho-Gonzales Building
101 Aguirre Street, Legazpi Village, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Roxas and Company, Inc., and subsidiaries (the Group) as of December 31, 2023 and 2022, and for each of the three years in the period ended December 31, 2023, and have issued our report thereon dated April 12, 2024. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplementary Schedule of Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRSs), as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission (SEC), as described in Note 2 to the consolidated financial statements and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the SEC and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS, as modified by the application of the financial reporting reliefs issued and approved by the SEC, as described in Note 2 to the consolidated financial statements. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as of December 31, 2023 and 2022, and for each of the three years in the period ended December 31, 2023, and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Albert R. Bon

Albert R. Bon
Partner
CPA Certificate No. 0121479
Tax Identification No. 255-491-830
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
BIR Accreditation No. 08-001998-135-2023, January 25, 2023, valid until January 24, 2026
PTR No. 10079911, January 5, 2024, Makati City

April 12, 2024

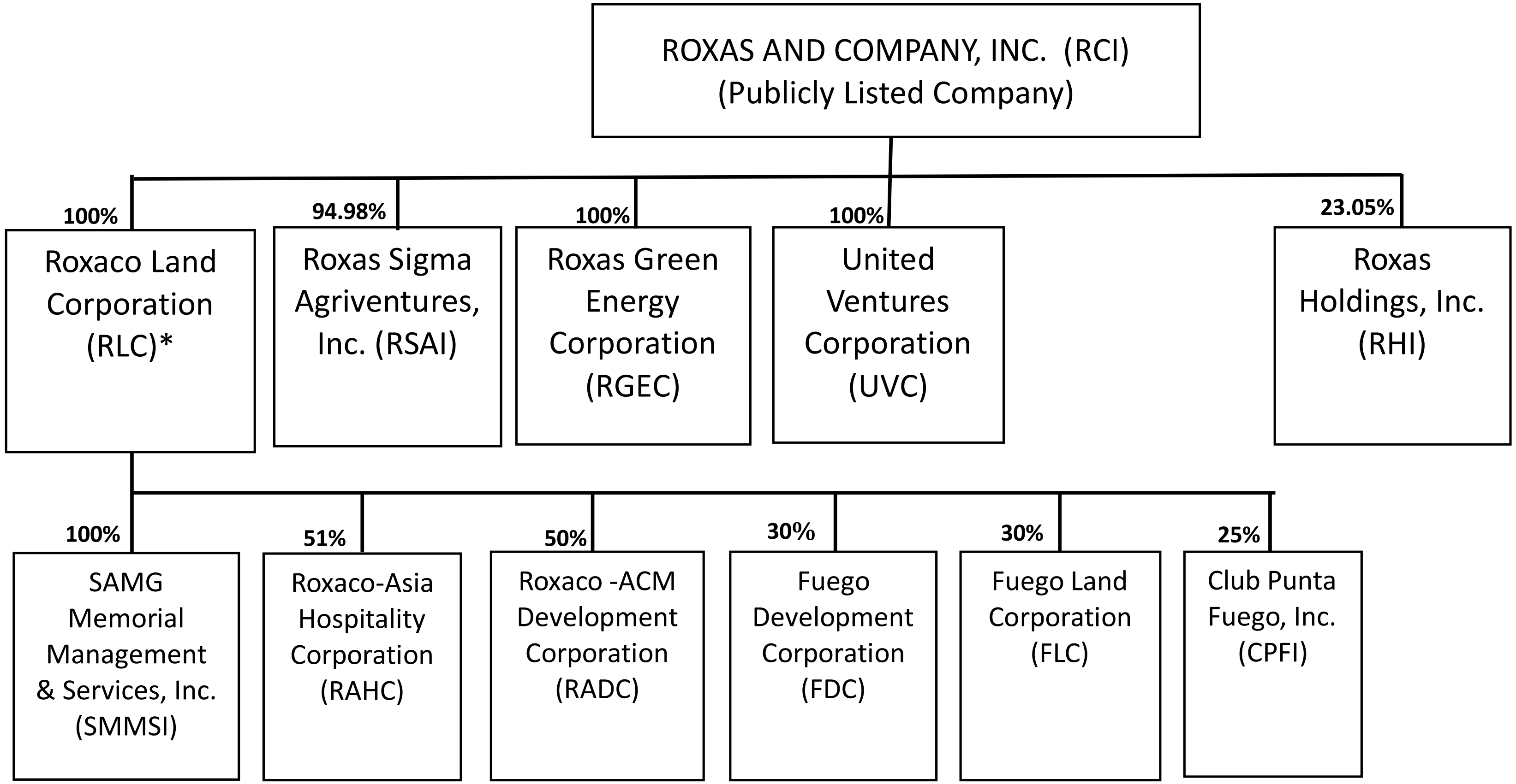
SCHEDULE II
ROXAS AND COMPANY, INC. AND SUBSIDIARIES

FINANCIAL SOUNDNESS INDICATORS

DECEMBER 31, 2023

Ratio	Formula	**December 31, 2023**	December 31,2022
Current ratio	$\frac{\text{Total current assets}}{\text{Total current liabilities}}$	**0.51:1**	0.52:1
Solvency ratio			
Debt to equity ratio	$\frac{\text{Total liabilities}}{\text{Total equity}}$	**0.52:1**	0.60:1
Asset to Equity ratio	$\frac{\text{Total assets}}{\text{Total equity}}$	**1.59:1**	1.60:1
Interest Rate Coverage ratio	$\frac{\text{Net income (loss)} + \text{depreciation expense} + \text{Interest expense}}{\text{Interest expense}}$	**6.08:1**	3.69:1
Profitability ratios			
Return on Assets	$\frac{\text{Net income (loss)}}{\text{Total assets}}$	**8.50%**	4.51%
Return on Equity	$\frac{\text{Net income (loss)}}{\text{Total equity}}$	**13.49%**	7.22%

SCHEDULE III
ROXAS AND COMPANY, INC., AND SUBSIDIARIES
CORPORATE STRUCTURE
DECEMBER 31, 2023



** On April 16, 2018, its BOD and stockholders authorized RLC to merge with Anya Hotels and Resorts and Corporation (AHRC), with RLC as surviving entity. On December 6, 2018, the Philippines SEC approved the merger of RLC and AHRC.*
***On July 23, 2018, RLC's BOD and stockholders authorized RLC to merge with Anya Hospitality Corporation (AHC), with RLC as the surviving entity. On February 18, 2019, the Philippine SEC approved the merger of AHC into RLC with RLC being the surviving corporation*

SCHEDULE IV
ROXAS AND COMPANY, INC. AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF UNAPPROPRIATED RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
FOR THE YEAR ENDED DECEMBER 31, 2023
IN THOUSANDS

Unappropriated Retained earnings (deficit), beginning of reporting period				**₱5,598,935**
Add:	**Category A:**	**Items that are directly credited to Unappropriated Retained Earnings**		
		Reversal of Retained Earnings Appropriation/s	–	
		Effect of restatements or prior-year adjustments	–	
		Others (describe nature)	–	–
Less:	**Category B:**	**Items that are directly debited to Unappropriated Retained Earnings**		
		Dividend declaration during the reporting period	–	
		Retained Earnings appropriated during the reporting period	–	
		Effect of restatements or prior-year adjustments	–	
		Others - Cumulative gain on changes in fair value of properties	5,018,910	
		Others - treasury shares	1,444,645	6,463,555
Unappropriated Retained Earnings, as adjusted				**(864,620)**
Add/Less: Net Income (Loss) for the current year				**1,607,245**
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	2,098,221	
		Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	–	
		Sub-total		2,098,221
Add:	**Category C.2:**	**Unrealized income recognized in the profit or loss in prior reporting periods but realized in the curret reporting period (net of tax)**		
		Realized foreign exchange gain, except those attributable to cash and cash equivalends	–	
		Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	–	
		Realized fair value gain of Investment Property	–	
		Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	–	
		Sub-total		–
Add:	**Category C.3:**	**Unrealized income recognized in the profit or loss in prior periods but reversed in the curret reporting period (net of tax)**		
		Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalends	–	
		Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	–	
		Reversal of previously recorded fair value gain of Investment Property	–	

		Reversal of previously recorded other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	–	
		Sub-total		–
Adjusted Net Income (Loss)				**(1,355,596)**
Add:	**Category D:**	**Non-actual losses recognized in profit or loss during the reporting period (net of tax)**		
		Depreciation on revaluation increment (after tax)	–	
		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 (describe nature)	–	
		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)	78,923	
		Net movement of deferred tax asset not considered in the reconciling items under the previous categories	–	
		Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g. set up of right of use asset and lease liability, set up of asset and asset retirement obligation, and set up of service cencession asset and concession payable	–	
		Adjustment due to deviation from PFRS/GAAP - gain (loss)	–	
		Others (describe nature)	–	
		Sub-total		78,923
Total Retained Earnings, end of reporting period available for dividend				**(₱1,276,673)**

ANNEX "C"

SUSTAINABILITY REPORT

Roxas and Company, Inc.

Company Details	
Name of Organization	Roxas and Company, Inc. (RCI)
Location of Headquarters	7th Floor, Cacho-Gonzales Building, 101 Aguirre Street, Legaspi Village, Makati City
Location of Operations	Makati City, Quezon City, Manila City, Nasugbu, Batangas; Tagaytay; and Tupi, South Cotabato
Report Boundary: Legal entities (e.g. subsidiaries, affiliates, associates) included in this report*	Covered in this Sustainability Report is Roxas and Company, Inc. (RCI, hereinafter referred to as the "Group") and its subsidiaries and affiliates: Roxaco Land Corporation (RLC) Roxaco-Asia Hospitality Corporation (RAHC) Roxas Sigma Agriventures, Inc. (RSAI) Roxas Green Energy Corporation (RGEC)
Business Model, including Primary Activities, Brands, Products, and Services `	RLC is the property development arm of RCI which acquires real estate for investment, development, and/or sale. The Corporation is the registered owner of hectares of land in Nasugbu, Batangas. Subsumed in the Real Estate Corporation are Anya Hospitality Group (Hospitality Solutions), Anya Resort Tagaytay (Leisure & Lodging), and Roxaco-Asia Hospitality Corporation (Hotel & Development Management, 49% share). RSAI is a wholesale producer and exporter of high-quality coconut-based products. Their portfolio is 100% natural processed coconuts, comprised of Aseptic Coconut Cream and Milk, wetVirgin Coconut Oil, and Coconut Water Concentrate. RSAI promotes organic agriculture, maintaining certified coconut farms for their product orders. RGEC is the energy arm of the Corporation in Nasugbu, Batangas. Disclosures under the Environmental and Social sections are not inclusive of RGEC data as the firm has not begun commercial operations.
Reporting Period	January 1 to December 31, 2023
Highest Ranking Person responsible for this report	Atty. Melchor J. Manalo

Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics.
The material topics were identified through a review of the sustainability-related topics recommended by SEC and determined which of those are deemed relevant by the Group's stakeholders and those which the Group has impact to. These were done through consultations with the Group's business units and its concerned departments.

NOTE: The discussion of impacts, risks, and opportunities are made per topic, instead of per metric, since the risks and opportunities apply to the topic rather than the individual metrics under one topic. This allows the Group to disclose more streamlined and focused narratives on each material topic, which would also apply to the metrics that correspond under the stated material topic.

ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	Amount	Units
Direct economic value generated (revenue)	248,952,172.15	PhP Million
Direct economic value distributed:		
a. Operating costs (payments to suppliers)	102,587,179.69	PhP Million
b. Employee wages and benefits	21,517,694.94	PhP Million
c. Dividends given to stockholders and interest payments to loan providers	128,154.92	PhP Million
d. Taxes given to government	2,921,716.66	PhP Million
e. Investments to community (e.g. donations, CSR)	0.03	PhP Million

Procurement Practices

Proportion of spending on local suppliers

Disclosure	Amount	Unit
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	90	%

Impacts & Risk; Stakeholders Affected

The economic value generated by RCI flows towards its stakeholders—employees, suppliers and service providers, shareholders, government, and host communities—who drive the success of the corporation. Through this, the Group enables its stakeholders to facilitate respective contributions to the local economy.

The main risks arising from the financial instruments are liquidity risk, interest rate risk, and credit risk. Liquidity risk arises from the possibility that the Group may encounter difficulties in raising funds to meet maturing obligations. Credit risk is the risk that the Group will incur financial loss through default by counterparties in performing their obligations. Lastly, interest rate risk is the risk that the fair value or future cash flows on a financial instrument will fluctuate because of changes in market interest rates.

Incidences of corruption pose risks that could affect the flow of capital within the Group, depriving the rightful stakeholders. Additionally, while RCI invests in the preparedness for health-related and natural calamities, damages that may exceed the coverage of insurance or investment allocations may materially affect the financial health and operational condition. For example, the Group sustained significant losses and is still recovering from the effects of the COVID-19 pandemic in 2020.

Management Approach to Identified Impacts and Risks

RCI is able to generate economic value through its subsidiaries' capability to attract and retain locators and tenants in its properties (RLC) as well as customers for its hotel and resorts operations (RAHC, AHG, & ART). Additionally, sales of its finished goods (RSAI) also generate revenue in the form of coconut-based products. These revenue streams are boosted by maintaining amiable business relationships within the stakeholder ecosystem, namely product distributors, suppliers, and service providers. In addition, RCI commits to fulfilling vendor accreditation criteria and ensuring on-time release of payment tranches.

The Group benchmarks itself against best practices of similar industries—ensuring that its customers receive the best value for their money. Meanwhile, the compensation packages of RCI employees are benchmarked against industry and national standards to ensure that the workforce are provided with livable wages. For suppliers and service providers, the Corporation ensures that service agreements are diligently followed by all involved parties.

Risk management is carried out by senior management under the guidance and direction of the Board of Directors of the Parent Corporation. RCI ascertains that the Board and employees are made aware of and are compliant with all related national regulations and stipulations stated in the Group's Corporate Governance Manual and Code of Business Conduct and Ethics.

Opportunities and Management Approach

RCI seeks to continuously innovate its products and services to further establish its brand in the market. The Group intends to explore new investment and growth opportunities as well as identify potential strategic joint venture partners to secure financing strategies for future projects. Moreover, the Group also aims to enhance overall operational efficiency by improving synergies across RCI's subsidiaries.

Following the new effects and risks brought by the COVID-19, RCI reviewed its risk management for infectious diseases and disrupted supply chains. Budgets were reallocated to prepare for this risk and continuously reassessed in anticipation of adverse impact to the business as well as newly created opportunities in new operating models.

Climate-related risks and opportunities

RCI is in the process of understanding, identifying, and evaluating the climate-related risks and opportunities intrinsic to its businesses. RCI aims to determine how to effectively measure climate change's impact to its operations and core services.

Anti-corruption

Training on Anti-corruption Policies and Procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of directors and management that have received anti-corruption training	0	%
Percentage of employees that have received anti-corruption training	0	%

Incidents of Corruption

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	0	#
Number of incidents in which employees were dismissed or disciplined for corruption	0	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	#

Impacts & Risk; Stakeholders Affected

Any form of corruption significantly affects RCI's means to equitably deliver economic value to all its stakeholders. Corruption incidents would have an adverse impact to the Group's brand equity, its relationship with customers, and Corporation culture.

Management Approach to Identified Impacts and Risks

All newly-hired employees of RCI are presented with a Corporation Policy and Procedure pertaining to Employee Conduct & Work Expectations - Conflict of Interest Policy, which states that: "The appearance of impropriety must also be avoided. Employees should not appear to be unduly influenced or corrupted by personal favors from a customer or supplier." This policy is then acknowledged, and signed by every employee during the onboarding process.

Opportunities and Management Approach

RCI shall take measures to effectively evaluate its anti-corruption policies as well as benchmark and adopt local and international best practices on anti-corruption to strengthen our existing processes in preventing such occurrences.

ENVIRONMENT

Resource Management

Energy consumption within the organization

Disclosure	Quantity	Units
Energy consumption (biomass)	1,644	MT
Energy consumption (gasoline)	197.04	GJ
Energy consumption (LPG)	23,770	GJ
Energy consumption (diesel)	17,524.30	Liters
Energy consumption (electricity)	5,144,785.72	kWh

Impacts & Risks; Stakeholders Affected

RLC

The Corporation's main source of energy comes from electricity consumption, mainly through a local electricity provider. The firm relies on gasoline for the vehicles used in official business and diesel for its generator sets, aimed to offset power interruptions that affect the operations of commercial establishments. However, the Corporation consumes minimal amounts of LPG for several of its kitchen, laundry, and water feature operations.

The Company's overall impact on energy consumption largely depends on the degree of energy consumption of guests, tenants, customers, and employees within its operational establishments.

RSAI

The Firm consumes energy primarily for the sustenance of its operations and facilities. Its main source of energy is electricity, followed by diesel fuel and biomass energy respectively. Energy is integral in ensuring the Company's production year-round.

RAHC

Electricity comprises the majority of the Company's energy consumption. This is sourced mainly through a local electricity provider. Additionally, the Company consumes a minimal amount of diesel for its usage of generator sets during cases of power outages.

Management Approach to Identified Impacts and Risks

RLC

RLC has various energy efficiency practices across its business units, namely: RLC Realty, ART, RAHC, and AHG.

RLC Realty ensures that the use of the vehicles for official business is efficient. It invests in energy efficient equipment to decrease electric consumption for its facilities.

ART is able to effectively monitor the performance and efficiency of its facilities through its maintenance department. The Company has an existing policy to eliminate unnecessary usage of energy by strictly mandating that lights and equipment be turned off when not in use. ART also reduces its energy consumption through the replacement of old light bulbs with more energy efficient LED lights.

AHG practices proper turning off of facilities and equipment when not in use.

RSAI
As an alternative to fuel, the Company utilizes biomass to fuel the operations of its boiler units. Its biomass power is derived from the coconut shells generated through its operations. In 2023, the firm was able to generate biomass energy from 1,664 metric tons of coconut shells.

RAHC
RAHC has designated its engineering officers to implement Enercon Programs to optimize electricity usage across its different properties. These programs aim to streamline responsible usage of energy consuming appliances and facilities.

Water consumption within the organization

Disclosure	Quantity	Units
Water consumption	183,031.24	Cubic Meters
Water recycled and reused	11,813	Cubic Meters

Impacts & Risks; Stakeholders Affected

RLC
Water is consumed for commercial use across the corporation's properties, offices, and facilities. Its tenants and employees regularly consume water for domestic activities and facility maintenance. Its water supply predominantly comes from water district utilities. The Company also sources minimal amounts of water from a deep-well for its resort operations in Tagaytay. As such, water shortages from these sources may pose substantial risks to the Company, because such disruptions could potentially impede ongoing operations.

RSAI
The Company considers water as a vital resource as it is used for the processing plant's steam generation and maintenance activities. Ensuring a stable water supply is crucial in maintaining the firm's plant operations.

RAHC
Water is consumed by its tenants, guests, and employees.

Management Approach to Identified Impacts and Risks

RCI has been regularly monitoring its water impacts (consumption and discharges) while ensuring that water use is maximized across its owned establishments and commercial properties.

Opportunities

RSAI

The Corporation has identified water efficiency opportunities to be implemented in the near future. These opportunities consist of processes such as recycling coconut water condensate and reusing water for comfort room use and sanitary activities. It is preparing a robust water recycling program to streamline its identified opportunities to implement water efficiency initiatives.

Materials used by the organization

Disclosure	Quantity	Units
Materials used by weight or volume	3,459,828.00	MT
● Renewable	795,760.44	MT
● non-renewable	-	kg/liters
Percentage of recycled input materials used to manufacture the organization's primary products and services.	23	%

***NOTE**: Unable to acquire quantitative data as procurement of construction materials is outsourced through a third party*

Impacts & Risks; Stakeholders Affected

RLC

Being the property development arm of RCI, it is responsible for managing real estate development projects across the Philippines. In 2020, RLC managed construction projects (Orchards, Landing Townhomes and Montana) wherein the contractors used materials, which primarily are steel and cement. However, materials consumed by RLC for its own operations are mainly composed of office and kitchen supplies.

RSAI

As a coconut processing company, RSAI regularly sources agricultural items for its daily production needs. Aside from its raw materials, the Corporation's top procured items are principally paper-based and polyethylene-based, used for packaging purposes.

RAHC

As an operator of hotels, RAHC does not have materials intensive processes in its operations. Its materials procurement is mainly composed of domestic and office items used for its daily hotel operations.

Ecosystems and Biodiversity

***NOTE**: Due to the nature of RCI's operations, this topic is not considered as material for the Group as it currently does not operate within the vicinity of locations with substantial biological diversity.*

Environmental Impact Management

GHG emissions

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions	NA	Tonnes CO2e

Energy indirect (Scope 2) GHG Emissions	NA	Tonnes CO2e
Emissions of ozone-depleting substances (ODS)	Not Applicable	Tonnes

Air pollutants

Disclosure	Quantity	Units
NOx	Not Applicable	Kg
Sox	Not Applicable	Kg
Persistent organic pollutants (POPs)	Not Applicable	Kg
Volatile organic compounds (VOCs)	Not Applicable	Kg
Hazardous air pollutants (HAPs)	Not Applicable	Kg
Particulate matter (PM)	Not Applicable	Kg

Impacts & Risks; Stakeholders Affected

RLC

The Corporation's primary sources of Scope 1 emissions come from its use of LPG, diesel, and gasoline fuel. It also consumes electricity across its different properties and facilities which contribute to Scope 2 emissions. The extent of RLC's air emissions is directly correlated to the scale of its energy consumption, predominantly from electricity generation and fuel consumption.

RSAI

The Company's primary sources of Scope 1 emissions are from its 18 TPH Biomass (Coconut shell fired) Boiler and its 1.5MVA diesel power generator. For its Scope 2 emissions, it generally consumes electricity to power its facilities.

RAHC

Scope 2 emissions comprise the vast majority of RAHC's GHG emissions as its daily operations rely heavily on electricity. Its scope 1 emissions are very minimal since the Corporation's fuel use is limited to its generator sets for emergency situations.

Solid and Hazardous Wastes

Solid waste

Disclosure	Quantity	Units
Total solid waste generated	131,877	Kg
Reusable	695	Kg
Recyclable	12,375	Kg
Composted	25,488	Kg
Incinerated	0	Kg
Residuals/Landfilled	10,342	Kg

Hazardous waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	349.02	Kg
Total weight of hazardous waste transported	2,488.07	Kg

Effluents

Disclosure	Quantity	Units
Average water discharge rate	320.79	Cubic meters/day
Total volume water discharge	214,691.90	cubic meters
Percent of wastewater recycled	0	%

**Scope is limited to RSAI's operations*

Impacts & Risks; Stakeholders Affected

RLC

Solid waste production occurs as a byproduct of the operations of the RLC's various establishments. Generated waste within the Company's scope mainly consists of domestic waste from the guest houses, canteens, and office spaces. For ART, there was no discharge for the year 2023 due to the reconstruction of its Sewage Treatment Plant (STP) system where manual dislodging is being conducted every 15 days, and with an estimated 80-200 cubic meters of waster water.

RSAI

In 2023, RSAI generated a monthly average of 2.99 metric tons of solid waste resulting from its manufacturing activities.

RAHC

The Company's generated waste is primarily domestic waste from tenants, guests, and employees' activities across its different properties.

Management Approach to Identified Impacts and Risks

ART

The Company operates a Materials Recovery Facility to responsibly store its solid waste before handing them over to certified waste disposal haulers for proper segregation. Furthermore, ART manages a Hazardous Waste Storage Facility where all hazardous wastes are properly labeled and temporarily stored. The resort has a schedule for proper disposal of hazardous waste, which is conducted by a DENR Certified Transporter and Treater.

To ensure that the Company's activities on handling, storing, and disposing of waste is documented and compliant with pertinent laws, the Pollution Control Officer prepares quarterly Self Monitoring Reports (SMR) and semi-annual Compliance Monitoring Reports (CMR) which are submitted to the Department of Environment and Natural Resources (DENR).

RAHC

Proper segregation is aligned with city ordinances on waste collection. Hazardous waste is also properly stored before being turned over to certified waste disposal haulers.

AHG
Proper segregation is aligned with city ordinances on waste collection.

Environmental compliance

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	19,000	PhP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	#
No. of cases resolved through dispute resolution mechanism	0	#

Impacts & Risks; Stakeholders Affected

The Group's business units are subject to local and national regulations and policies pertaining to environmental protection. It recognizes the compliance requirements which LGUs and DENR-EMB have on the respective parts of its business. The Group also acknowledges the risks that non-compliance of regulations pose to the continuity of its operations.

Management Approach to Identified Impacts and Risks

The Group has set in place governance measures and working teams who are responsible for ensuring that each of its operating assets are in full compliance with all relevant local and national environmental regulations.

RSAI

Management has engaged a third party laboratory provider, duly accredited by the DENR, to ensure continuous compliance with the required standards of the DENR for WWTP operations.

SOCIAL

Employee Management

Employee Hiring and Benefits

Employee data

Disclosure	Quantity	Units
Total number of employees	364	#
a. Number of female employees	155	#
b. Number of male employees	209	#
Attrition rate	24.97%	rate
Ratio of lowest paid employee against minimum wage	9:91	ratio

Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce	43%	%
% of male workers in the workforce	57%	%
Number of employees from indigenous communities and/or vulnerable sectors*	12	#

** Inclusive of PWDs, people of retirement age, and solo parents.*

Impacts & Risk; Stakeholders Affected

RCI offers competitive compensation and benefits packages, which attract a diverse range of talents, both experienced professionals and fresh graduates, from various industries. The Company ensures compliance with minimum wage regulations across the regions where it operates, demonstrating a commitment to fair labor practices.

In terms of local impact, RCI's operations play a significant role in creating opportunities for communities surrounding its businesses. In the reporting period, the Company contributed to the creation of 93 new jobs through its core businesses, thus contributing to the economic growth and development in these areas.

Furthermore, RCI maintains a healthy male-to-female workforce ratio, with 57% male and 43% female representation in its social portfolio. Importantly, the Company is non-discriminatory in its hiring practices, embracing diversity and inclusivity by considering candidates regardless of age, gender, or physical disabilities.

Ensuring continued compliance with labor regulations and promoting diversity and inclusion remain critical aspects of RCI's risk management strategy. Additionally, the Company should monitor market trends and economic conditions closely to mitigate any potential impact on its workforce and local communities. By proactively addressing these factors, RCI can strengthen its position as a responsible corporate citizen and enhance its long-term sustainability.

Management Approach to Identified Impacts and Risks

To remain competitive, RCI has implemented support programs to improve engagement. These include a Financial Assistance Plan designed to provide timely support to employees facing financial challenges, and a performance recognition and rewards system that incentivizes and acknowledges outstanding contributions, thus motivating employees to strive for excellence.

Furthermore, recognizing the evolving needs of its workforce, RCI offers early retirement benefits to eligible employees, facilitating smooth transitions and optimizing workforce planning strategies.

By proactively addressing employee needs and providing tailored support programs, RCI not only strengthens its resilience to potential risks but also cultivates a culture of engagement and loyalty among its workforce. This approach not only enhances business performance but also fosters a sustainable and thriving organizational ecosystem poised for long-term success.

Opportunities and Management Approach

As RCI navigates evolving conditions, management must adopt an agile approach to crafting strategies that safeguard both employees and operations from potential economic and social impacts. The strategic planning team needs to develop short, mid, and long-term plans to address industry shifts and fluctuations effectively.

Embracing agility in strategic planning enables management to respond promptly to changing circumstances, capitalize on emerging opportunities, and mitigate potential risks. By incorporating diverse timeframes into their planning, organizations can balance immediate needs with long-term sustainability goals effectively.

Furthermore, fostering collaboration and communication within the organization facilitates alignment towards common objectives, enhancing resilience and adaptability in the face of uncertainties.

Employee training and development

Disclosure	Quantity	Units
Total training hours provided to employees	6.463	hours
a. Female employees	3,233	hours
b. Male employees	3,230	hours
Average training hours provided to employees	18.21	hours
a. Female employees	20.86	hours/employee
b. Male employees	16.15	hours/employee

Impacts & Risk; Stakeholders Affected

Acknowledging the pivotal role of capability building in driving individual and organizational success, RCI places a strong emphasis on empowering its employees to deliver exceptional services to customers. In alignment with this commitment, the Company dedicates significant resources to training and development initiatives aimed at enhancing customer service, branding, and leadership skills.

In the past fiscal year, RCI allocated an average of 18.21 working hours per employee specifically for training and development endeavors. This strategic investment underscores the Company's proactive approach to nurturing talent and fostering continuous growth.

Led by the Human Resources department, a total of 6,463 hours were dedicated to upskilling the organization's human capital. This concerted effort reflects RCI's unwavering commitment to cultivating a skilled and competent workforce capable of delivering excellence across all facets of its operations.

Management Approach to Identified Impacts and Risks

Given the speed with which things are changing, the workforce needs specialized training to apply new knowledge and best practices. Aside from providing in-house training to empower its employees, RCI has been in constant coordination with different government offices and entities like the Department of Tourism to avail of relevant training for its employees. Examples of learning sessions attended and held last 2023 were The Filipino Brand of Service, Objectives and Measures Writing, Effective Performance Coaching, 11 Pillars of Servant Leadership, Basic Leadership Skills, and seminars on the products of the Social Security System and PAG-IBIG Fund.

Furthermore, RCI proactively conducts regular alignment on training needs to assess current skills inventory and identify existing skills gaps. These are then mapped against functional requirements and customer demands. Thereafter, programs are formed and executed either solely by an internal team or in partnership with external experts who specialize in those pre-determined competencies.

These avenues allow for growth both professionally and personally as employees contribute more substantially to the Company's business objectives while giving each a degree of personal satisfaction.

Opportunities and Management Approach

Amidst the ever-evolving global business landscape, RCI recognizes an opportunity to strategically reinvest resources in training and development initiatives. This proactive approach aims to future-proof the Company's social capital, aligning it with the emerging trends and dynamics reshaping the tourism, agriculture, and real estate industries.

Understanding the imminent shifts in value chains within these sectors is paramount. For instance, traditional agricultural value chains may give way to more direct models like farm-to-table, driven by increasing market demand for transparency and sustainability. Similarly, the real estate sector is witnessing transformation, with evolving preferences in property development and management reshaping the market landscape.

Furthermore, ongoing innovations in lifestyle, particularly within the tourism industry, underscore the need for adaptability and foresight. Given the multifaceted impacts across various sectors, a thorough review and evaluation of strategy and forecasts are warranted. RCI is well-positioned to capitalize on these changes by integrating training and performance enhancement at the core of its operations.

However, the implementation team needs to exercise caution in defining appropriate performance indicators to ensure the effective application of acquired skills. By aligning training initiatives with evolving industry dynamics, RCI can not only stay ahead of the curve but also foster a culture of agility and innovation within the organization.

Labor-management relations

***NOTE**: This topic is not considered material for the Group as it currently does not have labor unions across its subsidiaries.*

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours	849,455	Man-hours
No. of work-related injuries	14	#
No. of work-related fatalities	0	#
No. of work-related ill-health	0	#
No. of safety drills	15	#

**Note: The No. of work-related injuries are minor injuries that does not cause lost manhours.*

Impacts & Risk; Stakeholders Affected

The employees of RCI's business units are exposed to various health and safety risks due to the nature of their operations. For RAHC, RSAI, and RLC, the majority of the headcount comes from the local labor force, which poses an evident risk in the form of a large dependency on the general health and wellness of the areas in which these employees occupy. This was proven true by the recent COVID-19 pandemic, which caused the cessation of tourism and hospitality-related operations due to the threat of the virus to public health. Over 50 percent of RCI's workforce were directly affected.

Management Approach to Identified Impacts and Risks

RCI prioritizes the recognition and identification of hazards and risks to ensure employee safety and well-being in the workplace. Through adherence to Occupational Safety and Health (OSH) standards and stringent compliance with government regulations, RCI maintains a proactive approach to risk management.

For instance, within RSAI, AHG, and ART, employees undergo comprehensive 8-hour OSH training during onboarding, led by our experienced in-house Safety and Security Manager. This training equips employees with essential knowledge and skills to navigate potential workplace hazards effectively.

Furthermore, RCI places a premium on preventive healthcare by providing employees with comprehensive Annual Physical Exams and access to Health Maintenance Organizations (HMOs). This initiative ensures that employees can consult health professionals without financial worry, promoting early detection and timely intervention.

Moreover, RCI actively engages with local government initiatives on health and safety, participating in community-led fire and earthquake drills to bolster preparedness and resilience.

Through these proactive measures and ongoing commitment to employee well-being, RCI fosters a culture of safety, health, and resilience across all sectors of its operations.

Opportunities and Management Approach

RCI recognizes the evolving landscape of occupational health and safety (OHS) standards as a prime opportunity for continuous improvement and proactive management. Building upon its existing framework, RCI is poised to implement more frequent periodic assessments of its readiness to ensure compliance with OHS standards.

In light of the heightened awareness surrounding health and safety prompted by recent events, such as the COVID-19 pandemic, RCI acknowledges the increased scrutiny from regulators, employees, and customers regarding the health and safety of its premises. Consequently, RCI is committed to reevaluating its current OHS systems to uphold its commitment to excellence in product and service delivery.

Additionally, RCI recognizes the importance of addressing mental health concerns in the workplace. In response, the Group is exploring initiatives to support employee well-being by providing training on stress management and mental health awareness. By equipping employees with the necessary tools and resources, RCI aims to foster a supportive work environment conducive to optimal performance and resilience.

Through these strategic initiatives, RCI aims to not only meet but exceed the expectations of its stakeholders by prioritizing the health, safety, and well-being of its workforce and customers. This proactive approach not only ensures regulatory compliance but also reinforces the RCI's reputation as a responsible and caring employer committed to excellence in all aspects of its operations.

Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	0	#

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

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	N	
Child labor	N	
Human Rights	Y	From RCI’s Code of Business Ethics (COBE): Section on Harassment and Bullying under Rules and Regulations of Code of Conduct

Impacts & Risk; Stakeholders Affected

Incidents of forced labor and child labor and violations of human rights violate labor-related laws and policies provided by the government. Allegations of abuse of human rights can escalate and develop into negative public perception, which impacts brand equity and customer loyalty. This is applicable across all RCI subsidiaries and, if present, must therefore be handled diligently.

Management Approach to Identified Impacts and Risks

RCI ensures that its businesses are compliant with and operate only within the boundaries and standards stipulated in regulations provided by both the national and local governments. RCI has a Code of Business Ethics which is communicated to employees during onboarding to make them aware of their rights as an employee. This process aims to prevent RCI's operations from incidences of labor law violations and abuse of human rights.

Opportunities and Management Approach

The Group will be benchmarking best business practices in disallowing forced labor, child labor, and protecting human rights to further strengthen RCI's labor-related policies. RCI will review its operations and assess where these violations are prone to happen, and identify how to mitigate occurrences of the same.

Supply Chain Management

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance	Y	This topic is explicitly stated in Section 4 of FM-PUR-02 – Supplier's Pre-Qualification Form
Forced labor	Y	This topic is explicitly stated in Section 4 of FM-PUR-02 – Supplier's Pre-Qualification Form
Child labor	Y	This topic is explicitly stated in Section 4 of FM-PUR-02 – Supplier's Pre-Qualification Form
Human rights	Y	This topic is explicitly stated in Section 4 of FM-PUR-02 – Supplier's Pre-Qualification Form
Bribery and corruption	Y	This topic is explicitly stated in Section 4 of FM-PUR-02 – Supplier's Pre-Qualification Form

Impacts & Risk; Stakeholders Affected

The Group ensures that they will not be involved or exposed to various human rights risks and environmental risks within its supply chain giving importance on the sustainability topics when accreditating and screening suppliers and by documenting these criteria in the Purchasing Policy and

Guidelines to ensure consistent implementation.

Management Approach to Identified Impacts and Risks

RCI conducts regular assessments of suppliers' performance—ensuring their compliance with all labor-related laws and regulations. Suppliers are flagged should any notable actions be discovered during the review.

Opportunities and Management Approach

RCI is considering these ESG criteria (e.g. suppliers' social and governance performance) in its supplier accreditation process. A revision of the existing Purchasing Policy will be done, if needed to document any change or inclusion for consistent implementation.

Relationship with Community

Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable)	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community
RLC - Residential/housing projects 1. Landing Townhomes and Shophouses 2. Montana @ Hacienda Palico 3. Orchards @ Balayan	Nasugbu and Balayan, Batangas	Not Applicable	N	Right to Housing; Local employment
RLC - Memorial Project (San Antonio Memorial Gardens)	Nasugbu, Batangas	Not Applicable	N	Right to Burial
RSAI - Coconut harvesting and Processing plant operations	Tupi, Cotabato	Not Applicable	N	Pleasant smell and minimal noise within plant proximity; Local employment

Impacts & Risk; Stakeholders Affected

Through RLC's housing projects, the developer is able to provide a nurturing community to families that could help elevate their lifestyles and boost the local economy. Furthermore, they are able to provide decent jobs for the local community through construction and maintenance of these projects.

For its memorial park, it gives families a serene space where loved ones are always remembered in an atmosphere of togetherness.

Meanwhile, RSAI's business operations that are tied with the communities are coconut harvesting, technical support to organic coconuts farming, and its processing plant. The business relies heavily on the produce of local farms for the procurement of its raw materials. As such, they are strategically placed within the vicinity of numerous coconut farms, which it can potentially partner with. Additionally, the Company's operations are mostly carried out by local workers, enabling them to provide livelihood opportunities for its provincial location as well.

Furthermore, the processing plant's processes may generate loud noise and pungent smells in the surrounding areas, resulting in disruption of BAUs of other adjacent establishments.

Management Approach to Identified Impacts and Risks

The business operations of RCI's subsidiaries are placed across Makati City, Quezon City, Manila City, Tagaytay City, Batangas and South Cotabato. The Group ensures that it employs people from the host community to provide decent work and improve the local economy.

To prevent adverse social and environmental impacts to the host communities, the Group ensures that periodic consultations are done with the concerned LGUs and civil society organizations before and during project operations. This helps in identifying the pain points as well as finding ways on how to address them. Through this, the Group aims to establish good relationships at all times with the local community.

For RCI's construction projects, the pool of partners consists of a select set of contractors who are proven reliable to complete projects' within the expected period of time.

Meanwhile RSAI, through its Trade Fair and Organic Certification arrangements with its partner farmers, ensures equitable and transparent business partnerships with them. RSAI assists those farmers to increase coconut yield and improve their land fertility through employing organic, environment-friendly practices and new technologies and conducting training programs. In addition, the Company also partners with nearby schools for its immersion and OJT programs, which provides students with insights on the work opportunities in the food sector.

Opportunities and Management Approach

RCI is continually exploring opportunities in partnering with the local organizations and private companies which would help in community capacity building and improving social welfare of the host communities. As an example, RLC is exploring joint venture projects with other developers and/or contractors. Through this, more housing units will be made available in the locality. RAHC and RSAI will be working closely with the LGUs in identifying key opportunity areas where these business units may contribute the most.

Customer Management

Customer Satisfaction

Disclosure	Company	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction	RAHC ***	**(Overall) – 77%**	**N**
		(GO Hotel North Edsa) – 79%	N
		(GO Hotel Timog) – 79%	N
		(GO Hotel Ermita) – 77%	N
		(GO Hotel Manila Airport Rd.) – 74%	N
	ART	93.10%	N
	AHG *	Not Applicable	N/A
	RLC **	Not Applicable	N/A
	RSAI	Not Applicable	N/A

***NOTES**:*

** Currently, there is no feedback system yet for AHG. As a hospitality consultancy and management group, AHG rarely receives feedback in writings or score ratings. AHG performance is currently based on the profitability and efficiency of managed properties. Concerns / comments are raised verbally. In the event that hotel owners are not satisfied with AHG's service, management contracts may not be renewed.*

*** The need for a third party to conduct customer satisfaction in the realty business is not yet being considered. Internally, customer satisfaction is gauged primarily through feedback, sales performance, and reorders.*

**** Due to the pandemic, Go Hotels have operated mainly as quarantine facilities. Because of this, there has been no online reviews for the majority of the year except for a handful that were posted prior to the declaration of ECQ. These handful reviews do not reflect the overall operations as it is just a small percentage of the total number of guests accommodated in 2020.*

Guest surveys were also not collected directly from the guests to comply with the IATF ruling of minimal contact. These would also not be able to reflect the service of the hotels as the guests would have minimal to zero contact with the staff during their quarantine.

Impacts & Risk; Stakeholders Affected

Customer feedback serves as the gauge by which RCI determines how effective the group's products and services are in terms of delivering a premier customer experience (CX). Scores can be viewed as a representation of customer sentiment and leveraged on as a key channel to draw out insights from. Utilized well, the scores safeguards the company from failure to engage with its customers effectively.

At present, two hospitality developments (RAHC and ART) have existing mechanisms to measure CX, the former subscribing to a net promoter score (0-10) system and the latter ascribing to a the more conventional Customer Satisfaction Score (0-100%). In addition, other engagement channels like emails, phone numbers (mobile or landline), social media, sms, were communicated to the customers should they have any concerns

Both scores are essential to monitor as negligence risks loss of customer trust and bad public reviews, which negatively impacts brand equity.

Management Approach to Identified Impacts and Risks

The Customer Care Department, guided by its policy on Handling Customer Feedbacks, endeavors to ensure that all feedbacks are addressed properly in consultation with the management. The aggregated feedback is then integrated into training and employee development plans. Guest experiences, in the form of reviews, are used as references in workshops to address and improve experience.

Also, regular reviews of policies and procedures are conducted periodically and these are amended as necessary.

Opportunities and Management Approach

Opportunities present themselves in two fronts. The first is in furthering customer personalization. The prominent consumer behavior of the rising generation is authenticity. This entails that it would be essential for both RAHC and ART to craft their brands and customer journeys towards a highly personal experience. Secondly, reinforcing the first, the opportunity to digitize will drive growth and improvement in marketing and core services with the implementation of digital solutions to strengthen RCI's position. Such programs could range from developing an omni-channel approach to adapting a cloud-based Customer Relationship Management platform

Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety*	0	#
No. of complaints addressed	0	#

Impacts & Risk; Stakeholders Affected

As a business who provides tangible assets as a form of product and service delivery, RCI aims for its customers to have an enjoyable experience when availing its products and services.

When receiving customer complaints regarding health and safety, it is essential that these are handled properly due to the large impact on customer loyalty. Mishandling of complaints also pose reputational risk—dissatisfied customers may share their unfortunate experience with their networks, resulting in less patrons and repeat customers.

Management Approach to Identified Impacts and Risks

RCI upholds its products and services' safety of use in the highest regard. The Group established proper quality assurance protocols which seek to communicate its standards on health and safety from inbound logistics to product and service delivery. Furthermore, RCI ensures that its communication channels are open for complaints on products or services' health and safety. All filed complaints are coursed through the proper channel and delegated to their concerned departments.

Opportunities and Management Approach

Due to the COVID-19 pandemic, RCI anticipates that customers will now place an even higher regard for the cleanliness and safety of products and services. With this, the Company is exploring how to re-skill its employees in order to keep up with the higher standards brought by the pandemic. Moving forward, this also provides RCI an opportunity to update its health and safety management systems through third-party audits and certifications.

Marketing and labelling

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labelling	0	#
No. of complaints addressed	0	#

Impacts & Risk; Stakeholders Affected

The Group exposes itself to brand and reputational risk should there be proven misrepresentation on RCI's products and services. Mislabeled communication materials to RCI's customers may result in their disappointment when expectations on the brand are not met. Given the current digital age, there is ease also in spreading misinformation to people's networks. Hence, RCI shall be wary of all the advertisements and promotional materials that are being communicated to its customers.

Management Approach to Identified Impacts and Risks

It is RCI's due diligence to provide true and accurate information at all times. To support this, there are dedicated Marketing units who have been tasked to ensure that only correct marketing media will be used for the promotion of the projects through authentic RCI channels. This is done through regular conduct of reviews on RCI's product and service portfolio.

Furthermore, relationship managers are tasked to be transparent to potential clients on the Group's products and services to avoid setting unsuitable expectations from them.

Opportunities and Management Approach

The Group considers all feedback as an opportunity for improvement. Should the need arise, the Group shall engage the services of marketing and product design consultants to boost its marketing and advertising strategies.

Customer privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy	0	#
No. of complaints addressed	0	#
No. of customers, users and account holders whose information is used for secondary purposes	0	#

Data Security

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts and losses of data	0	#

Impacts & Risk; Stakeholders Affected

As part of ensuring operational excellence to deliver customer delight, collection of Personal Identity Information (PII) is fundamental. RCI primarily collects PII values such as names, dates of birth, addresses, ID information, contact numbers, credit card numbers, corporate Tax Identification Number (TIN), personal food preferences for Food & Beverage (F&B) services, and other health-related information among others. The PII information allows the operations team to consider and assess customer needs and preferences to give a top-of-class experience and provide relevant services and products.

Management Approach to Identified Impacts and Risks

In consideration of the synergy between customer PII data and organizational proprietary data, the Corporation decided to protect privacy by storing data in a password encrypted property management system. The system is sourced from an external provider, where RCI has entered into a user data agreement with affiliates such as Review Pro, SABA, Global Payments, INFOR, and Rate Gain to build layers of protection.

Furthermore, RCI complies with the Data Privacy Act of 2012 by gathering the consent of customers at the point of data collection and augments their protection by having a social media and data handling agreement signed by employees which clearly stipulates the scope of what they can and cannot do with data that customers and guests entrusted RCI with. Moreover, cybersecurity measures comprising equipment and processes have been set in place to tighten security, some of which are dual firewalls for work tools and routers; network isolation for guests and employees; and cctv and telephone lines using VLAN. The company strictly implements policy on internet usage and other applications, to reduce risks and prevent breaches while providing the appropriate training of responsible usage.

Other noteworthy actions are as follows: (1) for credit card information handling, only the last 4 digits are kept visible in the system and the rest are masked to secure the data; (2) for proprietary information handling, most USB ports have been disengaged - especially at the Front Desk so as to keep any virus from being transferred and to protect the unauthorized sharing of confidential information; (3) Firewall licenses are being monitored regularly; (4) CCTV cameras are installed; and (5) internet access restrictions are found on most of the working tools of RCI employees.

Opportunities and Management Approach

As narrated in the Management Approach, RCI already holds a competent and comprehensive structure in data handling and management. Opportunities present themselves in the form of augmenting cybersecurity by the installation of firewalls and a data on-site/ cloud-based data servers for file and data protection; more data-related training across the employees of different subsidiaries on responsible use of work tools and the corporate network; and a regular process review to ensure modernization, reducing legacy systems, which are more prone to hacks and numerous malicious attempts.

UN SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to UN SDGs

Key products and services and its contribution to sustainable development.

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
All Subsidiaries - Human capital plays an integral role in delivering the RCI's key products and services. Thus, acquiring and retaining its talent pool goes hand in hand with the Group's ability to sustain and grow its businesses.	**SDG Contribution:** Goal 5 - Gender Equality The Group currently employs almost 50-50 male to female ratio for its workforce. RCI does not show discrimination against women and vulnerable groups in its hiring process as well as in the workplace. Goal 8 - Decent Work and Economic Growth The Group's ability to provide employment opportunities through its different business units contributes to local economic development. The Group currently employs 381 workers across its subsidiaries, providing decent work in the local regions where it operates.	Unequal pay and poor labor conditions; unheard employee grievances	Complaints are managed by the manager-in-charge and then to the HR. The HR Team then delegates the complaint to the right department to address the issue.
RSAI - Coconut-based products	**SDG Contribution:** Goal 2- Zero Hunger. Leveraging on its modern coconut processing technologies and the region's abundant supply of coconuts, RSAI was able to produce 2,600 tons of coconut-based products in 2021. These products provide nutritious, high-quality food options to the market.		

	Furthermore, RSAI's business is involved in fair-trade agreements with local farmers, augmenting livelihoods in the process. Through these fair-trade agreements, local farmers are also provided access to training and technologies to help boost their productivity. <u>Relevant SDG 2 Targets:</u> *SDG 2.1* - By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round. *SDG 2.3* - By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment.		

Roxas & Company, Inc.

A N N E X "D"

Unaudited Interim Consolidated Financial Statements for the period ending 31 March 2024

SEC Registration Number

PW-00000834

Company Name

ROXAS AND COMPANY, INC. AND SUBSIDIARIES

Principal Office (No./Street/Barangay/City/Town) Province)

7th Floor, Cacho-Gonzales Building, 101 Aguirre Street, Legaspi Village, Makati City

Form Type	Department requiring the report	Secondary License Type, If Applicable
SEC Form 17-Q	**CRMD**	**Not Applicable**

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
www.roxascompany.com.ph	**(02) 8810-8901**	**-**

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
3,281	**Last Wednesday of May**	**December 31**

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Atty. Melchor J. Manalo	**melchor.manalo @roxascompany.com.ph**	**(632) 8751-9537**	**-**

Contact Person's Address

7th Floor, Cacho-Gonzales Building, 101 Aguirre Street, Legaspi Village, Makati City

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

12. Check whether the issuer:

(a) Has filed all reports required to be filed by Section 17 of the Securities Regulation Code (SRC) and Rule 17 (a)-1 thereunder and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding 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 90 days.

Yes [√]   No [ ]

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

Please see Annex "A".

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Please see Annex "B".

PART II – OTHER INFORMATION

1. New Projects or Investments in Another Project, Line of Business or Corporation
None for the period.

2. Composition of the Board of Directors:

PEDRO O. ROXAS	-	Chairman
EDGAR P. ARCOS	-	President & CEO
FRANCISCO JOSE R. ELIZALDE	-	Director
SANTIAGO R. ELIZALDE	-	Director
AURELIO R. MONTINOLA III	-	Independent Director
CORAZON S. DE LA PAZ-BERNARDO		Independent Director
GERARDO C. ABLAZA, JR.	-	Independent Director

3. Performance of the Corporation or result or progress of operations:
Required information is contained in Annexes "A" and "B".

4. Suspension of operations:
None for the period.

5. Declaration of dividends:
None for the period.

6. Contracts of merger, consolidation or joint venture; contract of management, licensing, marketing, distributorship, technical assistance or similar agreements:
None for the period.

7. Financing through loans:

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-Q
QUARTERLY REPORT PURSUANT TO SECTION 17 OF
THE SECURITIES REGULATION CODE AND SRC RULE 17(2) (b) THEREUNDER

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

2. SEC Identification Number: **PW- 00000834**.

3. BIR Tax Identification No. : **000-269-435-000**.

4. Exact name of issuer as specified in its charter: **ROXAS AND COMPANY, INC.**

5. **Philippines**
   Province, Country or other jurisdiction of
   Incorporation or Organization

6. (SEC Use Only)
   Industry Classification Code

7. **7th Floor Cacho-Gonzales Building, 101 Aguirre Street**
   Legaspi Village, Makati City 1229
   Address of Principal Office

8. **(632) 8810-89-01 to 06**
   Registrant's telephone number, including area code

9. Former name, former address and former fiscal year, if changed since last report
   Not Applicable

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

Title of Each Class	Number of Shares of Stock Outstanding and Amount of Debt Outstanding
Authorized Capital Stock	
Common	**₱3,375,000,000**
Preferred	**1,000,000,000**
No. of shares subscribed & outstanding:	
Common	**2,911,885,870**
Preferred	-
Amount of loans outstanding as of 31 March 2024	**₱4,027,052,749**

Of the 2,501,929,996 outstanding common shares, 626,894,874 Common shares and 200,000,000 preferred shares were exempt securities under Section 10.1 of the SRC.

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

    Yes [√]   No [ ]

    2,911,885,870 common shares are listed with the Philippine Stock Exchange (PSE).

Outstanding short-term and long-term loans amounting to ₱250.0 million and ₱3,417.6 million, respectively, were used for the working capital requirements and real estate, hotel, and coconut projects of the Group.

8. Offering of rights, granting of Stock Options and corresponding plans therefor:
None for the period.

9. Acquisition of other capital assets or patents, formula or real estates:
None for the period.

10. Any other information, event or happening that may affect the market price of the Company's shares:
None for the period.

11. Transferring of assets, except in the normal course of business:
None for the period.

SIGNATURE

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

ROXAS AND COMPANY, INC.
Issuer

By:

Atty. Melchor J. Manalo
Assistant Corporate Secretary

Date: 15 May 2024

Roxas & Company, Inc.

ANNEX "A"

UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1st Quarter Ended March 31, 2024 and 2023

**ROXAS AND COMPANY, INC.
AND SUBSIDIARIES**

Unaudited Interim Condensed
Consolidated Financial Statements
As of and for the three months ended
March 31, 2024 and 2023

ROXAS AND COMPANY, INC. AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Amounts in Thousands

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
ASSETS		
Current Assets		
Cash (Note 5)	**₱84,488**	₱75,645
Trade and other receivables (Notes 6 and 19)	**225,824**	223,595
Contract assets - current portion (Note 20)	**55,750**	58,706
Real estate for sale and development (Note 7)	**350,220**	348,305
Inventories (Note 8)	**23,091**	21,190
Other current assets (Note 9)	**243,072**	227,841
	982,445	955,282
Assets held for sale	**602,539**	602,539
Total Current Assets	**1,584,983**	1,557,821
Noncurrent Assets		
Contract assets - net of current portion (Note 20)	**37,078**	41,117
Investments in associates (Note 10)	**150,821**	150,821
Property and equipment (Note 11):		
At cost model	**1,456,388**	1,473,292
At revaluation model	**647,305**	647,305
Right-of-use assets (Note 12)	**957**	1,196
Investment properties (Note 13)	**11,450,348**	11,450,348
Deferred income tax assets - net (Note 24)	**57,583**	58,720
Other noncurrent assets (Note 9)	**185,809**	182,055
Total Noncurrent Assets	**13,986,289**	14,004,854
TOTAL ASSETS	**₱15,571,272**	₱15,562,675
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables (Notes 16 and 19)	**₱1,365,838**	₱1,398,329
Short-term borrowings (Note 14)	**100,000**	100,000
Current portion of long-term borrowings (Note 15)	**1,017,725**	1,018,237
Contract liabilities (Note 20)	**77,478**	71,735
Current portion of lease liability (Note 12)	**1,266**	1,273
	2,562,307	2,589,574
Liabilities directly associated with the assets held for sale	**467,848**	455,840
Total Current Liabilities	**3,030,154**	3,045,414
Noncurrent Liabilities		
Long-term borrowings - net of current portion (Note 15)	**2,536,947**	2,536,947
Deferred income tax liabilities - net (Note 24)	**104,644**	111,090
Retirement liability (Note 17)	**62,407**	61,845
Lease liability (Note 12)	–	310
Total Noncurrent Liabilities	**2,703,998**	2,710,192
Total Liabilities	**5,734,152**	5,755,606

(*Forward*)

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Equity attributable to the Equity Holders of the Parent Company (Note 18)		
Capital stock	**₱2,911,886**	₱2,911,886
Additional paid-in capital	**1,257,964**	1,496,807
Other equity reserves	**795,311**	795,311
Retained earnings	**5,466,546**	5,555,533
Treasury stock	**(696,925)**	(1,065,721)
	9,734,781	9,693,816
Non-controlling Interests (Note 4)	**102,339**	113,526
Total Equity	**9,837,120**	9,807,072
TOTAL LIABILITIES AND EQUITY	**₱15,571,272**	₱15,562.675

See accompanying Notes to Interim Condensed Consolidated Financial Statements.

Certified true and correct:

ROSSWELL C. DELOS REYES
Group CFO

ROXAS AND COMPANY, INC. AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF INCOME

Amounts in Thousands, except Basic/Diluted Earnings (Loss) per Share Data

FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

	2024 (Unaudited)	2023 (Unaudited)
REVENUES (Note 20)		
Hotel	**₱121,521**	₱112,086
Real estate	**12,614**	20,639
Sale of goods	**17**	66,932
	134,152	199,658
COST OF SALES AND SERVICES		
Cost of real estate sales (Note 7)	**(7,640)**	(10,247)
Cost of hotel sales and services (Note 21)	**(72,382)**	(63,503)
Cost of goods sold (Note 21)	**(14,588)**	(84,367)
	(94,610)	(158,117)
GROSS INCOME	**39,542**	41,540
OPERATING EXPENSES (Note 21)	**(60,404)**	(70,912)
OTHER INCOME (CHARGES)		
Equity in net earnings of associates (Note 10)	**–**	(87,000)
Interest expense (Notes 14 and 15)	**(71,443)**	(61,845)
Interest income (Notes 5 and 6)	**1,659**	1,217
Loss on discontinued operations	**(7,818)**	(8,826)
Others - net (Note 23)	**(517)**	(59)
	(78,119)	(156,513)
LOSS BEFORE INCOME TAX	**(97,947)**	(185,885)
INCOME TAX EXPENSE (Note 24)		
Current	**923**	821
Deferred	**–**	–
	923	821
NET LOSS	**(₱99,904)**	(₱186,706)
Net Loss attributable to:		
Equity holders of the Parent Company	**(₱88,987)**	(₱172,462)
Non-controlling interests	**(10,917)**	(14,244)
	(₱99,904)	(₱186,706)
BASIC/DILUTED LOSS PER SHARE ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT COMPANY (Note 25)	**(₱0.04)**	(₱0.08)

Certified true and correct:

ROSSWELL C. DELOS REYES
Group CFO

ROXAS AND COMPANY, INC. AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Amounts in Thousands, except Basic/Diluted Earnings (Loss) per Share Data

FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

	2024 (Unaudited)	2023 (Unaudited)
NET LOSS	**(₱99,904)**	(₱186,706)
OTHER COMPREHENSIVE INCOME	**–**	–
TOTAL COMPREHENSIVE LOSS	**(₱99,904)**	(₱186,706)
Total Comprehensive Loss attributable to:		
Equity holders of the Parent Company	**(₱88,987)**	(₱172,462)
Non-controlling interests	**(10,917)**	(14,244)
	(₱99,904)	(₱186,706)

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

Certified true and correct:

ROSSWELL C. DELOS REYES
Group CFO

ROXAS AND COMPANY, INC. AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Amounts in Thousands

FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

	2024 (Unaudited)	2023 (Unaudited)
CAPITAL STOCK (Note 18)	**₱2,911,886**	₱3,111,886
ADDITIONAL PAID-IN CAPITAL (Note 18)	**1,257,964**	1,589,603
TREASURY STOCK (Note 18)	**(696,925)**	(1,144,645)
OTHER EQUITY RESERVES (Note 18)	**795,311**	738,062
RETAINED EARNINGS (Note 18)		
Unappropriated		
Balance at beginning of period	**3,924,268**	2,542,052
Net loss	**(88,987)**	(172,463)
Reversal for treasury stock	**–**	–
Balance at end of period	**3,835,281**	2,369,589
Appropriated		
Balance at beginning of period	**1,631,265**	1,631,265
Adjustment (reversal) for treasury stock	**–**	–
Balance at end of period	**1,631,265**	1,631,265
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	**9,734,781**	8,295,760
NON-CONTROLLING INTERESTS		
Balance at beginning of period	**113,256**	163,720
Net loss	**(10,917)**	(14,244)
Balance at end of period	**102,339**	149,475
	₱9,837,120	₱8,445,235

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

Certified true and correct:

ROSSWELL C. DELOS REYES
Group CFO

ROXAS AND COMPANY, INC. AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(*Amounts in Thousands*)

FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

	2024 (Unaudited)	2023 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax:	**(₱98,896)**	(₱185,886)
Adjustments for:		
Equity in net loss of associates (Note 10)	**–**	87,000
Interest expense (Notes 14 and 15)	**78,032**	61,845
Interest income (Notes 5, 6 and 19)	**(1,659)**	(1,217)
Depreciation and amortization (Notes 11 and 21)	**19,907**	24,501
Loss from discontinued operations	**7,818**	8,826
Operating income (loss) before working capital changes	**5,203**	(4,930)
Decrease (increase) in:		
Trade and other receivables	**(2,229)**	(34,719)
Inventories	**(1,901)**	(12,492)
Real estate for sale and development	**(1,915)**	792
Other current assets	**(12,275)**	23,488
Other noncurrent assets	**(3,754)**	221
Increase in trade and other payables	**(4,547)**	47,457
Net cash generated from (used in) operations	**(21,418)**	19,777
Interest received	**1,659**	1,217
Income taxes paid including creditable withholding taxes	**(1,009)**	(821)
Net cash generated from (used in) operating activities	**(20,768)**	20,173
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property and equipment	**(1,183)**	(8,626)
Net cash provided by investing activities	**(20,280)**	(8,626)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of interest (Note 15)	**(68,475)**	(14,900)
Payments of long-term borrowings (Note 15)	**(513)**	–
Lease liability	**–**	31
Proceeds from issuances of treasury shares (Note 18)	**99,783**	–
Net cash used in financing activities	**30,974**	(14,869)
NET INCREASE (DECREASE) IN CASH FOR THE PERIOD	**8,843**	(3,323)
CASH AT BEGINNING OF THE PERIOD	**75,645**	36,130
CASH AT END OF THE PERIOD	**₱84,488**	32,807

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

Certified true and correct:

ROSSWELL C. DELOS REYES
Group CFO

ROXAS AND COMPANY, INC. AND SUBSIDIARIES

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in Thousands, Except When Otherwise Indicated)

1. Corporate Information

Roxas and Company, Inc. (the Parent Company or RCI), formerly CADP Group Corporation (CADPGC), was organized in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on October 7, 1918.

On November 29, 1948, the shares of stock of the Parent Company were listed in the Philippine Stock Exchange (PSE) with a stock symbol RCI.

RCI is the holding company for a group of companies with interests in (i) the real estate, hotels and resorts development and management business thru its wholly-owned subsidiary, Roxaco Land Corporation (RLC), (ii) sugar milling and ethanol manufacturing businesses of Roxas Holdings, Inc (RHI), (iii) coconut processing and exports thru its subsidiary, Roxas Sigma Agriventures, Inc. (RSAI) and (iv) renewable energy development. RCI is owned by various individual shareholders and domestic corporations, namely: SPCI Holdings, Inc. and Pesan Holdings, Inc., among others. As at both March 31, 2024 and 2023, RCI has 3,281 and 3,288 shareholders, respectively.

The principal and registered office of RCI is located at 7th Floor, Cacho-Gonzales Building, 101 Aguirre Street, Legaspi Village, Makati City.

2. Basis of Preparation and Statement of Compliance

The unaudited interim condensed consolidated financial statements of the Group have been prepared on a historical cost basis, except for land properties under property and equipment and investment properties that are stated at fair value and assets held for sale that are stated at lower of cost and fair value less cost to sell. The unaudited interim consolidated financial statements are presented in Philippine Peso, which is the functional and presentation currency of the Group. All amounts are rounded to the nearest thousands, unless otherwise indicated.

The unaudited interim consolidated financial statements of the Group have been prepared in compliance with Philippine Accounting Standards (PAS) 34, *Interim Financial Reporting*.

The unaudited interim consolidated financial statements, which have been prepared by the Group to be filed with the SEC for its quarterly reporting to comply with the amended Securities Regulation Code Rule 68, do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at and for the year ended December 31, 2023.

3. Summary of Changes in Material Accounting Policy Information

<u>Changes in Material Accounting Policy Information</u>
The material accounting policy information adopted are consistent with those of the previous financial periods. The adoption of the following new and revised Philippine Financial Reporting Standards (PFRS) did not have any material effect on the unaudited interim condensed consolidated financial statements of the Group, unless otherwise indicated. Additional disclosures have been included in the notes to unaudited interim consolidated financial statements, as applicable.

Effective beginning on or after January 1, 2024

- Deferral of Certain Provisions of PIC Q&A 2018-12, *PFRS 15 Implementation Issues Affecting the Real Estate Industry (as amended by PIC Q&As 2020-04)*
- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
- Amendments to PFRS 16: *Lease Liability in a Sale and Leaseback*
- Amendments to PAS 7, *Statement of Cash Flows*, and PFRS 7, *Financial Instruments: Disclosures, Disclosures: Supplier Finance Arrangements*

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*
- *Amendments to PAS 21, The Effects of Changes in Foreign Exchange Rates, Lack of exchangeability*

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

4. Basis of Consolidation

The unaudited interim consolidated financial statements of the Group include the financial statements of the Parent Company and following subsidiaries (all incorporated and domiciled in the Philippines) as at March 31, 2024 and December 31, 2023:

	Percentage of Ownership	Noncontrolling Interests	Description of Business
RLC*	100.00	–	Real estate
Roxaco-Asia Hospitality Corporation (RAHC)**	51.00	49.00	Hotel and leisure
SAMG Memorial Management & Services Inc. (SMMSI)	100.00	–	Funeral and related services
Roxas Green Energy Corporation (RGEC)	100.00	–	Generation and distribution of energy
Roxas Sigma Agriventures, Inc. (RSAI)***	94.98	5.02	Coconut processing
United Ventures Corporation (UVC)****	100.00	–	Warehouse leasing

** On April 16, 2018, its BOD and stockholders authorized the Company to merge with Anya Hotels and Resorts Corporation (AHRC), with RLC as the surviving entity. On December 6, 2018, the Philippines SEC approved the merger of RLC and AHRC.*
On July 23, 2018, the Company's BOD and stockholders authorized RLC to merge with Anya Hospitality Corporation (AHC), with RLC as the surviving entity. On February 18, 2019, the Philippine SEC approved the merger of AHC into RLC with RLC being the surviving corporation.
*** On May 21, 2018, its BOD approved to change its corporate name from Roxaco-Vanguard Hotels Corporation (RVHC) to Roxaco-Asia Hospitality Corporation (RAHC) and amended the Articles of Incorporation. The Philippine SEC approved the amendment on October 19, 2018.*
****In September 2021, RSAI amended its Articles of Incorporation increasing its authorized capital stock by ₱600 million.*

***** The application for dissolution is still pending with the SEC and BIR as at March 31, 2023.*

5. **Cash**

This account consists of:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Cash on hand	**₱3,282**	₱4,004
Cash in banks	**81,206**	71,641
	₱84,4878	₱75,645

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

Total interest income earned from cash in banks amounted to ₱0.01 million and ₱0.15 million for the three months ended March 31, 2024 and 2023, respectively.

6. **Trade and Other Receivables**

This account consists of:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Trade	**₱98,000**	₱96,212
Due from:		
Related parties (Note 19)	**96,076**	97,073
Employees	**13,327**	11,646
Contractors and suppliers	**4,261**	4,147
Others	**48,504**	48,861
	260,168	257,939
Allowance for impairment losses	**(34,344)**	(34,344)
	₱225,824	₱223,595

Trade receivables represent the following:

a. Customers' accounts arising from the sale of real estate properties amounting to ₱3.4 million and ₱4.7 million as of both March 31, 2024 and December 31, 2023, respectively.

b. Outstanding individual, corporate and travel agency accounts earned from the hotel operation amounting to ₱91.8 million and ₱70.5 million as of as of March 31, 2024 and December 31, 2023, respectively, which generally have a 30-day term.

Total interest income on trade and other receivables amounted to ₱1.3 million and ₱6.8 million for the three months ended March 31, 2024 and 2023 respectively.

Due from employees pertains to the salary, housing and educational loans that are collected from the employees through salary deduction, and advances for business purposes subject to liquidation.

Other receivables, which are normally settled within one year, pertains to nontrade receivables.

7. Real Estate for Sale and Development

This account consists of:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Real estate properties for sale	**₱266,060**	₱271,515
Raw land and land improvements for development	**84,160**	76,790
	₱350,220	₱348,305

Cost of real estate sales amounted to ₱7.6 million and ₱10.2 million for the three months ended March 31, 2024 and 2023, respectively.

Certain real estate properties for sale and development owned by RLC amounting to ₱359.5 million as at both March 31, 2024 and December 31, 2023 were used as collateral for the loans availed by the Parent Company and RLC (see Note 15).

8. Inventories

Inventories account consists of:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
At cost:		
Finished goods	**₱3,149**	₱19,766
Packaging materials	**2,050**	1,424
Supplies	**17,892**	–
	₱23,091	₱21,190

Cost of inventories carried at NRV amounted to ₱8.3 million and ₱10.3 million as of March 31, 2024 and December 31, 2023, respectively.

Cost of inventories charged to cost of goods sold amounted to ₱14.6 million and ₱84.4 million for the three months ended March 31, 2024 and 2023, respectively (Note 21).

Rollforward of provision for inventory write-down as of March 31, 2024 and December 31, 2022 are as follows:

	2024 (Unaudited)	2023 (Audited)
Beginning balance	**₱10,317**	₱32,086
Write-off against allowance	**(1,990)**	(21,769)
	₱8,326	₱10,317

9. **Other Current and Noncurrent Assets**

Other current assets account consists of:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Creditable withholding taxes	**₱181,823**	₱180,048
Input VAT - current portion	**5,214**	10,751
Prepaid expenses and others	**50,731**	33,265
Others	**5,274**	3,777
	₱243,042	₱227,841

Current input VAT mainly arises from construction of real estate for sale, construction of the hotel and plant buildings and purchases of goods and services for operations. Deferred input VAT pertains to input VAT on outstanding payable on purchase of services.

Prepaid expenses pertain to prepaid rent, insurance, and taxes.

Others consist of advance payments for outside services and other expenses which are normally utilized within one year.

Other noncurrent assets account consists of:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Input VAT - noncurrent portion	**172,092**	₱168,121
Deferred input VAT - noncurrent portion	**6,497**	6,497
Franchise fee	**3,984**	4,201
Utility deposits	**3,236**	3,236
	₱185,809	₱182,055

Deferred input VAT includes unamortized input VAT from purchases or importation of capital goods, which are depreciable assets for income tax purposes, whose aggregate acquisition in a calendar month exceeds ₱1.0 million and input VAT on unpaid purchase of services.

Franchise fee pertains to RAHC's franchise fee to a third-party hotel chain company for the non-exclusive, non-assignable right to use the proprietary marks and system in connection with the establishment and operation of GoHotels. The agreement is for 10 years beginning the opening day of the hotels. Amortization expense amounted to ₱0.02 million and ₱0.03 million for the three months ended March 31, 2024 and 2023.

10. **Investments in Associates**

Movements in investment in associates follow:

	March 31, 2023 (Unaudited)	December 31, 2023 (Audited)
Associates		
Acquisition cost:		
Balance at beginning of period	**₱2,167,054**	₱2,167,054
Accumulated equity in net earnings (loss):		
Balance at beginning of period	**(1,892,530)**	(1,572,501)
Equity in net loss	**–**	(320,029)
Balance at end of period	**(1,892,530)**	(1,892,530)
Unrealized loss on transfer of land -		
Balance at beginning and end of period	**(59,030)**	(₱59,030)
Other comprehensive income:		
Balance at beginning of period	**567,446**	522,031
Share in appraisal increase in land, net of tax	**–**	57,518
Share in remeasurement loss on retirement liability, net of tax	**–**	(12,004)
Balance at end of period	**567,446**	567,446
	782,940	782,940
Allowance for impairment loss	**(632,119)**	(632,119)
	₱150,821	₱150,821

The accumulated equity in net loss of associates amounting to ₱1,892.5 million as at both March 31, 2024 and December 31, 2023, is not available for dividend distribution to shareholders, unless received as cash dividends from the associates.

11. **Property and Equipment**

Details and movements of the property and equipment carried at cost follows:

	March 31, 2024 (Three months, Unaudited)						
	Buildings and Improvements	**Machinery and Equipment**	**Land Improvement**	**Transportation Equipment**	**Office Furniture, Fixtures and Equipment**	**Construction in Progress**	**Total**
Cost							
Balance at beginning of period	**₱1,694,256**	**₱710,837**	**₱49,824**	**₱22,653**	**₱165,305**	**₱16,746**	**₱2,659,620**
Additions	**65**				**1,118**		**1,183**
Disposals / Adjustments	–	–	–	–	–	–	–
Reclassification to asset held for sale	–	–	–	–	–	–	–
Balance at end of period	**1,694,321**	**710,837**	**49,824**	**22,653**	**166,423**	**16,746**	**2,660,804**
Accumulated Depreciation and Amortization							
Balance at beginning of period	**279,048**	**193,381**	**19,362**	**20,853**	**138,935**	–	**651,578**
Depreciation and amortization	**8,211**	**5,230**	**1,558**	**2,726**	**2,181**	–	**19,907**
Disposals / Adjustments	–	**709**	–	–	–	–	**709**
Reclassification to asset held for sale	**(2,362)**	**(89)**	–	–	**(77)**	–	**(2,529)**
Balance at end of period	**284,896**	**199,231**	**20,920**	**23,579**	**141,038**	–	**669,665**
Accumulated Impairment Loss							
Balance at beginning of year	**173,701**	**361,050**	–	–	–	–	**534,751**
Impairment loss	–	–	–	–	–	–	–
Balance at end of year	**173,701**	**361,050**	–	–	–	–	**534,751**
Net Book Value	**₱1,235,725**	**₱150,556**	**₱28,903**	**₱(926)**	**₱25,385**	**₱16,746**	**₱1,456,388**

	December 31, 2023						
	Buildings and Improvements	Machinery and Equipment	Land Improvement	Transportation Equipment	Office Furniture, Fixtures and Equipment	Construction in Progress	Total
Cost							
Balance at beginning of year	**₱1,663,166**	**₱708,680**	**₱49,824**	**₱22,645**	**₱158,208**	**₱21,554**	**₱2,624,077**
Additions	**19,139**	**–**	**–**	**–**	**7,979**	**–**	**27,118**
Disposals / adjustments	**–**	**–**	**–**	**–**	**–**	**(4,808)**	**(4,808)**
Reclassification and others	**11,950**	**2,157**	**–**	**8**	**(882)**	**–**	**13,234**
Balance at end of year	**1,694,256**	**710,837**	**49,824**	**22,653**	**165,305**	**16,746**	**2,659,621**
Accumulated Depreciation and Amortization							
Balance at beginning of year	**238,473**	**176,019**	**15,392**	**18,935**	**118,950**	**–**	**567,769**
Depreciation and amortization	**34,614**	**14,507**	**3,970**	**1,550**	**23,582**	**–**	**78,222**
Reclassification and others	**5,961**	**2,855**	**–**	**368**	**(3,598)**	**–**	**5,586**
Balance at end of year	**279,048**	**193,381**	**19,362**	**20,853**	**138,935**	**–**	**651,578**
Accumulated Impairment Loss							
Balance at beginning of year	**131,542**	**273,395**	**–**	**–**	**–**	**–**	**404,937**
Impairment loss (Note 22)	**42,159**	**87,655**	**–**	**–**	**–**	**–**	**129,814**
Balance at end of year	**173,701**	**361,050**	**–**	**–**	**–**	**–**	**534,751**
Net Book Value	**₱1,241,508**	**₱156,406**	**₱30,462**	**₱1,800**	**₱26,371**	**₱16,746**	**₱1,473,292**

Certain assets were mortgaged and used as collateral, totaling ₱3,035.7 million as of both March 31, 2024 and December 31, 2023, to secure the loan obligations of RSAI and RAHC with the local banks (see Note 15).

12. Right-of-use Assets and Lease Liabilities

The Group as a lessee

The Group has lease contracts for sales office, herb garden and hotel suites used in its operations. Leases of sales office generally have lease terms between 1 and 3 years, while herb garden and hotel suites generally have lease terms of 5 and 25 years, respectively. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets and some contracts require the Group to maintain certain financial ratios. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The Group also has certain leases of office space for hospitality group with lease terms of 12 months or less and leases of dishwashing machine and house for an expatriate with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

The rollforward analysis of this right-of-use assets account follows:

	March 31, 2024			
	Hotel Suites	**Sales Office**	**Herb Garden**	**Total**
Cost				
At December 31, 2023	₱161,454	₱337	₱384	₱162,175
At March 31, 2024	161,454	337	384	162,175
Accumulated Depreciation and Amortization				
At December 31, 2023	160,259	337	384	160,024
At March 31, 2024	160,497	337	384	160,024
Net Book Values at March 31, 2024	₱957	₱–	₱–	₱957
Net Book Values at December 31, 2023	₱957	₱–	₱–	₱957

The rollforward analysis of lease liabilities follows:

	2024	2023
Balance at beginning of period	**₱1,583**	₱2,797
Interest expense	**27**	158
Payments	**(344)**	(1,372)
Balance at end of period	**₱1,266**	₱1,583

The following are the amounts recognized in consolidated statement of income:

	2024	2023
Depreciation expense of right-of-use assets included in property and equipment and investment properties	**₱239**	₱957
Interest expense on lease liabilities	**27**	158
Yield guarantee (inclusive in cost of services)	**344**	1.341
Expenses relating to short-term leases (included in operating expenses) (Note 21)	**–**	–
	₱610	₱2,455

The breakdown of lease liabilities as at as at March 31, 2024 and December 31, 2023 follows:

	2024	2022
Lease liabilities	**₱1,266**	₱1,583
Less: noncurrent portion of lease liabilities	**–**	310
Current portion of lease liabilities	**₱1,266**	₱1,273

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgment in determining whether these extension and termination options are reasonably certain to be exercised.

13. **Investment Properties**

The Parent Company

This account consists of land properties of the Parent Company located in Nasugbu, Batangas, which are held either to earn rentals and/or for capital appreciation amounting to ₱11,450 million as of both March 31, 2024 and December 31, 2023.

The Parent Company's investment properties include land properties that are subjected to CARP with total land area of 2,493.6 hectares. Unrealized fair value gain recognized on these investment properties amounted to nil for both three months ended March 31, 2024 and 2023.

14. **Short-term Borrowings**

This account represents unsecured and secured short-term loans obtained from various local banks for the Group's working capital requirements amounting to ₱100.0 million and ₱100.0 million as of March 31, 2024 and December 31, 2023, respectively, payable within 30 to 180 days. These loans bears an annual interest of 9% for the three months ended March 31, 2024 and 2023.

The loan is secured by a parcel of land with an appraised value of ₱52.0 million and purchase orders of customers.

15. **Long-term Borrowings**

Long-term borrowings consist of loans from:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Bank of the Philippine Islands (BPI)	**₱1,308,901**	₱1,308,901
Robinsons Bank Corporation (RBC)	**778,201**	778,201
Landbank	**683,000**	683,000
Amalgamated Investment Bancorporation	**699,731**	699,731
China Bank Corporation (China Bank)	**185,714**	185,714
Asia United Bank (AUB)	**182,500**	182,500
BDO Unibank, Inc.	**64,000**	64,000
Others	**25,006**	25,518
	3,927,053	3,927,565
Current portion	**(1,017,725)**	(1,018,237)
Noncurrent portion	**₱2,909,328**	2,911,328
Long-term borrowings attributable to asset disposal group	**(372,381)**	(372,381)
Noncurrent portion - net of liabilities from discontinued operations	**₱2,536,947**	₱2,536,947

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
RAHC	**₱1,395,617**	₱1,395,617
RCI	**1,176,268**	1,176,483
RLC	**672,168**	672,465
RSAI	**683,000**	683,000
	₱3,927,053	₱3,927,565

Loan of RLC

The bank loan is classified as follows:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Current portion	**₱297,199**	₱297,496
Noncurrent portion	**374,968**	374,968
	₱672,167	₱672,465

On September 30, 2016, RLC obtained a new loan from BPI, with RCI as the co-mortgagor, amounting to ₱500.0 million. The loan bears variable interest rate and is repriced every quarter. Principal amount is payable quarterly for five years until 2023 with the first payment payable after two years from the release of the loan. As at March 31, 2024 and December 31, 2023, the loan from BPI is secured by RLC’s real estate properties for sale and development amounting to ₱359.5 million and certain properties of the Parent Company (see Note 7).

In September 2019, RLC converted its short-term loan facility with China Bank amounting to ₱200.0 million into a 5-year term loan including a 1 ½ year grace period. The loan bears variable interest rate and repriced quarterly. Principal amount is payable quarterly until 2024.

As at March 31, 2024 and December 31, 2023, RLC loans are secured by real estate mortgages, RCI treasury shares, and pledge over RHI shares of stock owned by the Parent Company (*amounts in thousands*) as follows:

	2024	2023
Shares of stock of RHI (356.5 million in both 2023 and 2022)	**₱274,515**	₱274,515
Real estate properties for sale and development of RLC (Note 7)	**196,000**	196,000
RCI treasury shares (120.0 million in both 2023 and 2022)	**78,000**	78,000
	₱548,515	₱548,515

Loans of RAHC

The bank loans are classified as follows:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Current portion	**₱607,796**	₱607,796
Noncurrent portion	**787,821**	787,821
	₱1,395,617	₱1,395,617

In September 2016, RAHC converted its short-term loan facility from BPI amounting to ₱628.0 million into term loan facility for GoHotel North EDSA and Cubao. The loan bears variable interest rate for the first two years and fixed interest rate for the succeeding five years until maturity. Principal amount is payable quarterly after the two-year grace period for seven years until 2023.

In February 2020, loan pertaining to GoHotel Cubao was fully paid amounting to ₱295.0 million.

In May 2017, RAHC converted its short-term loan facility from BPI amounting to ₱460.0 million into a term loan for GoHotel Timog. The loan bears variable interest rate for the first two years and fixed interest rate for the succeeding five years until maturity. Principal amount is payable quarterly after the two-year grace period for seven years until 2024.

In September 2017, RAHC entered into a ten-year term loan facility with RBC amounting to ₱330.0 million to take out existing loan with BDO which funded the development of GoHotel Manila Airport Road and for general working capital purposes. The loan bears minimum interest rate of 3.75% for the first two years and indicative interest of 6% for the succeeding years until maturity. Principal amount is payable quarterly after the two-year grace period for eight years until 2027.

In September 2019, RAHC obtained a ten-year term loan from RBC amounting to ₱450.0 million to take out the BDO loan which funded the development of GoHotel Ermita and for general working capital purposes. Principal amount is payable quarterly after the two-year grace period for eight years until 2029.

As of December 31, 2019, ₱200.0 million outstanding loans of GoHotel Cubao has been transferred to the net balance of the liabilities held for sale. The loan was paid in 2020 upon sale of Go Hotel Cubao.

The loan facilities are secured by RAHC’s properties amounting to ₱1,900.6 million and ₱1,900.6 million as at March 31, 2024 and December 31, 2023, respectively.

Loans of RSAI
The bank loans are classified as follows:

	2024	2023
Current portion	**₱6,000**	₱6,000
Noncurrent portion	**677,000**	677,000
	₱683,000	₱683,000

On June 1, 2017, RSAI converted its short-term loan facility from UCPB amounting to ₱500.0 million into a term loan. Principal amounts are payable quarterly after the two-year grace period for seven years until 2024.

The loan facility is secured by RSAI's coconut processing plant amounting to ₱321.2 million and ₱321.2 million as at March 31, 2024 and December 31, 2023, respectively (see Note 11).

Loan of RCI
The bank loans are classified as follows:

	2024	2023
Current portion	**₱479,110**	₱479,325
Noncurrent portion	**697,158**	697,158
	₱1,176,268	₱1,176,483

In September 2020, the Parent Company converted its short-term loan facility from BPI amounting to ₱474.5 million into a three-year medium term loan which bears variable interest rate. Principal repayments bullet on maturity in the year 2023. This loan facility is secured (via Cross Collateral Agreement) by real estate mortgages and pledge over RHI shares of stock owned by the Parent Company and additional collateral as may be agreed upon.

In March 2021, RCI entered into a Restructuring and Financing Agreement with Amalgamated Investment Bancorporation (AIB) whereas the parties have agreed to restructure the subscription and the short term loan as follows: a) RCI as the Borrower shall secure a loan from AIB as Lender in the total amount of ₱370.0 million (the Loan); and b) the proceeds of the Loan shall be used by RCI to redeem 300 million preferred shares and fully paid the short term loan. The loan bears an interest rate equivalent to the a) higher of 7% per annum or b) one-year Base Rate plus an interest spread of 2.5% to be determined annually on each Interest Rate Setting Date.

Loan restructuring in 2023:

RCI
AIB
In November 2023, AIB agreed to restructure the loan amount of ₱687.3 million arising from the original loan agreement to a 7-year term loan (Tranche 1) and the unpaid dividends from preferred shares of ₱12.4 million to a 3-year term loan (Tranche 2). The loans shall bear interest rate of 6-month BVAL + 325 basis points; provided, the interest shall be subject to floor rate of 8% per annum. The restructured amount of ₱687.3 million was comprised of the following: (a) ₱370.0 million principal balance of the original loan; (b) ₱72.1 million unpaid interest; (c) ₱200.0 million that was used to redeem the remaining 200.0 million shares issued to AIB (see Note 19); and (d) ₱ 45.2 million cumulative dividends.

Prior to the above restructuring, in March 2021, RCI restructured the subscription and short-term loan with AIB under the Restructuring and Financing Agreement. The restructuring provided RCI to secure a loan from AIB in the total amount of ₱370.0 million, with bullet payment at the end five years, and the proceeds of which was used by RCI to redeem the 300 million preferred shares and fully pay the ₱70.0 million short-term loan. The restructured loan bears an interest rate equivalent to the (a) higher of 7% per annum or (b) one-year Base Rate plus 2.5% spread to be determined annually.

Loan restructuring in 2022:

<u>RLC</u>
China Bank
In November 2022, RLC restructured the medium-term loan with China Bank with the balance of ₱185.7 million for 9 years with one year grace period on the payment of interest and about 3 years on the payment of principal at 7% interest per annum, subject to yearly repricing. Payment of interest commenced in February 2023.

<u>RAHC</u>
Robinsons Bank
In November 2022, RAHC restructured Term Loan 1 and 2 with the balances of ₱450.0 million and ₱288.8 million, respectively, into a new Term Loan 3, for a total amount of ₱778.2 million including capitalized interest of ₱39.4 million. The loan has tenor of 81 months, maturing on September 30, 2020. Interest rate is at prevailing market rate, repriceable annually.

<u>RSAI</u>
Land Bank (formerly with UCPB)
In November 2022, RSAI restructured ₱683.0 million loans with Land Bank, inclusive of the ₱60.8 million capitalized interest and other charges. The tenor of loan is 7 years inclusive of six months grace period at 8% interest per annum fixed for one year and subject to semi-annual repricing.

Loan Restructuring in 2020:

<u>RCI</u>
BPI Loan
BPI and RCI signed a Medium Term Loan Agreement and converted the short term loan to medium term loan ₱474.5 million which will mature in August 2023. The principal payment of the loan will be due at maturity. Interest payment will be due annually.

<u>RLC</u>
BPI Loan
Short term loan amounting to ₱228.0 million was converted to medium term loan with a corresponding increase in interest rate from 6.25% to 7.5%. The principal payment of the loan will be due at maturity. Interest payment will be due semi-annually. The loan is due in August 2023.

For the outstanding long term loan amounting to ₱329.2 million, the principal payment was changed from quarterly payment to bullet payment and is due in July 2023. A payment of ₱280.0 million was made in February 2021 from sale of properties. Total unpaid borrowings to BPI amounted to ₱276.8 million and ₱556.2 million as at March 31, 2023 and December 31, 2022, respectively.

AUB
Short term loan amounting to ₱188.5 million is converted to 3-year term loan maturing in July 2023. Interest rate is reduced from 7.5% to 6.0%.

BDO
Short term loan amounting to ₱80.0 million is converted to 3-year term loan maturing in June 2024. Interest rate is at 5.5%.

RAHC

BPI Loan

BPI and RAHC signed an amendment to terms and condition of the Loan Agreement for the ₱610.0 million loan balance. The agreement amended the quarterly amortization of principal to bullet payment at the maturity of the loan. Interest payment was likewise amended from quarterly to semi-annually. The bank waived the DSCR requirement but maintained the DE ratio to 3.0.

RBCs Loan

a) Term Loan 1

In June 2020, the bank granted additional grace period for the loan payment amortization, to begin March 2023. The deferred loan amortization due to additional grace period will be due at maturity via bullet payment. Interest will be based on the prevailing mandated lending rate, subject to repricing. The interest will be payable semi-annually.

b) Term Loan 2

In June 2020, the bank granted additional grace period from the last amortization. The original loan maturity was retained. The deferred loan amortization due to additional grace period will be due at maturity via bullet payment. Interest will be based on the prevailing mandated lending rate, subject to repricing. The interest will be payable semi-annually.

Based on the Group's assessment, these modifications in the contractual cash flows are not substantial and therefore do not result in the derecognition of the affected financial liabilities. Total modification gain/loss recognized in the consolidated statements of income as a result of these modifications amounted to ₱35.7 million.

Interest Expense

Total interest expense recognized from short-term and long-term loans amounted to ₱66.3 million and ₱66.3 million for the three months ended March 31, 2023 and 2022, respectively.

Maturities

The maturities of the long-term borrowings are as follow:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Less than one year	**₱938,223**	₱938,736
Between one and two years	**825,876**	825,876
Between two and five years	**1,559,057**	1,559,057
Over five years	**603,897**	603,897
	₱3,927,053	₱3,927,566

Change in Liabilities Arising from Financing Activities

	Short-term borrowings (Note 14)		Long-term borrowings	
	2024	2023	**2024**	2023
Balance at the beginning of the period	**₱100,000**	₱100,000	**₱3,927,565**	₱3,203,470
Availments	**–**	–	**–**	11,700
Payments and reclassification from short-term to long-term	**–**	–	**(512)**	–
Adjustments	–	–	–	329,731
Transferred to assets held for sale	**–**	–	**(372,681)**	–
Balance at the end of the year	**₱100,000**	₱100,000	**₱3,554,672**	₱3,544,901

16. **Trade and Other Payables**

This account consists of:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Trade	**₱323,565**	₱355,266
Accrued expenses	**298,283**	318,703
Accrued interest	**255,209**	241,370
Due to related parties (Note 19)	**257,385**	213,754
Statutory payables	**123,380**	124,238
Retention payable	**67,525**	67,674
Payroll and other employee benefits	**25,694**	26,882
Dividends (Note 18)	**1,202**	1,202
Payables to contractors	**5,729**	9,098
Others	**7,866**	40,142
	₱1,365,838	₱1,398,329

17. **Retirement Benefits**

Retirement Benefits

The amounts recognized as retirement benefits in the consolidated statements of income are as follows:

	2024 (Three months)	2023 (Three months)
Net interest cost	**₱-**	₱-
Current service cost	**1,507**	764
	₱1,507	₱764

The cumulative remeasurement gain on retirement liability (shown as part of other equity reserve) recognized as other comprehensive income amounted to 3.3 million and 3.4 million (net of tax), respectively as of March 31, 2024 and December 31, 2023.

Retirement Liability

Retirement liability recognized in the consolidated statements of financial position follows:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Present value of obligation	**₱66,121**	₱65,559
Fair value of plan assets	**(3,714)**	(3,714)
Retirement liability	**₱62,407**	₱61,845

Movements in the defined benefit obligation follow:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Balance at beginning of period	**₱65,559**	₱46,528
Interest cost	**–**	3,416
Current service cost	**562**	15,868
Actuarial loss (gain) on DBO due to:		
Experience adjustments	**–**	(72)
Changes in financial assumptions	**–**	(181)
Balance at end of period	**₱66,121**	₱65,559

Movements in the fair value of plan assets for the three months ended March 31, 2024 and year ended December 31, 2023 follow:

	2024	2023
Balance at beginning of the year	**₱3,714**	₱3.711
Interest income	**–**	256
Return on plan assets, excluding amounts included in interest income	**–**	(253)
Balance at end of the year	**₱3,714**	₱3,714

Plan assets of the Group as at March 31, 2024 and December 31, 2023 consist of:

Cash in banks and cash equivalents	**7%**
Government securities and other assets	**93%**
	100%

The Group does not expect to contribute to the respective plans in 2024.

The latest available actuarial valuation of the plan for the Group is as of December 31, 2023.

The principal actuarial assumptions used in determining retirement benefits and gratuities cost as at beginning of each period follows:

	March 31, 2024	December 31, 2023
Discount rate	7.00% to 7.50%	7.00% to 7.50%
Future salary increases	3.00%	3.00%

The sensitivity analysis based on reasonably possible changes of the assumptions as at both March 31, 2024 and December 31, 2023 are as follows:

Discount Rate	+100 bps	**(3,391)**
	-100 bps	**4,619**
Salary Rate	+100 bps	**4,622**
	-100 bps	**(1,438)**

Each sensitivity analysis on the significant actuarial assumptions was prepared by remeasuring the retirement liability at the end of each reporting date after adjusting one of the current assumptions according to the applicable sensitivity increment or decrement (based on changes in the relevant assumption that were reasonably possible at the valuation date) while all other assumptions remained unchanged. The corresponding change in the retirement liability was expressed as a percentage change from the base retirement liability. There were no changes from the previous period in the methods and assumptions used in preparing the sensitivity analyses.

The Group does not currently employ any asset-liability matching.

The maturity analysis of the undiscounted payments as of both March 31, 2024 and December 31, 2023 are as follows:

One year and less	**₱35,987**
More than one year to five years	**21,019**
More than five years to 10 years	**20,556**
More than 10 years to 15 years	**283,710**

Weighted average duration of the defined benefit liability is 14.6 years as of both March 31, 2024 and December 31, 2023.

18. **Equity**

a. Capital Stock

	March 31, 2024 (Unaudited)		December 31, 2023 (Audited)	
	Number of Shares	**Amount**	Number of Shares	Amount
"Class A" common stock - ₱1 par value				
Authorized	**3,375,000,000**	**₱3,375,000**	3,375,000,000	₱3,375,000
Issued -				
Balance at beginning and end of period	**2,911,885,870**	**2,911,886**	2,911,885,870	2,911,886
Treasury stock:				
Balance at beginning of period	**(626,894,874)**	**(1,065,721)**	(673,320,711)	(1,144,645)
Issuances	**216,939,000**	**368,796**	46,425,837	78,924
Balance at end of period	**(409,955,874)**	**(696,925)**	(626,894,874)	(1,065,721)
Issued and outstanding	**2,501,929,996**	**₱2,214,961**	2,284,990,996	₱1,846,165
Preferred stock - ₱1 par value				
Authorized, 1,000,000,000				
Issued and outstanding	**–**	**₱–**	–	₱–

On November 13, 2018, the Parent Company issued 500.0 million preferred shares (500,000,000 preferred shares offered at par value of 1 per share) with a fixed dividend rate of 8.5%, with a corresponding reduction to additional paid-in capital stock pertaining to transaction costs of ₱5.0 million. The preferred shares are cumulative, non-participating, non-voting, and redeemable at the option of the Parent Company, as determined by the BOD.

The BOD, in its Special Meeting held on 12 March 2021, resolved to redeem 300 million redeemable preferred shares, which are not listed with the PSE, issued to Amalgamated Investment Bancorporation pursuant to the Re-structuring and Financing Agreement entered into between the parties. The Board further resolved to redeem the said preferred shares at a redemption price of ₱1.00 per share. The Articles of Incorporation of Roxas and Company, Inc. provides that the preferred shares of the Corporation are redeemable after two (2) years from issuance and are re-issuable upon terms and conditions determined by its BOD. The Board has yet to determine the terms of re-issuance of the said preferred shares.

On August 12, 2021, the BOD approved and authorized the declaration of dividends to the preferred shareholders for the year 2021 as follows:

Description	November 2020 to March 3, 2021	March 4, 2021 to September 3, 2021
Declaration date	November 13, 2020	March 3, 2021
Record date	March 3, 2021	September 3, 2021
Payment date	Not yet determined	Not yet determined
Total dividend	₱12.4 million	₱8.3 million

The BOD, in its Special Meeting held on August 23, 2023, resolved to redeem the remaining 200 million preferred shares issued to AIB at ₱1.00 per share. The redemption price to be paid by RCI was included in the restructured loan with AIB totaling to ₱687.3 million plus the ₱12.4 million unpaid accrued dividends for the preferred shares.

In 2023, the Parent Company issued 46,425,837 treasury shares based on the average market rate of ₱0.50 per share aggregating ₱12.1 million, resulting to a decrease in additional paid-in capital amounting to ₱55.9 million, net of transaction costs of ₱0.0 million.

As of March 31, 2024, the Parent Company issued 216,939,000 treasury shares based on the average market rate ₱0.60 per share aggregating ₱130.0 million, resulting to a decrease in additional paid-in capital amounting to ₱238.8 million, net of transaction costs of ₱0.0 million.

b. Track Record of Registration

Date	Number of Shares Licensed	Issue/Offer Price
October 7, 1918	15,000	₱100.00
February 15, 1963	2,500,000	10.00
March 31, 1969	3,000,000	10.00
January 13, 1977	5,000,000	10.00
May 21, 1990	12,500,000	10.00*
December 3, 1996	200,000,000	1.00
October 26, 1999	400,000,000	1.00
April 2, 2002	2,000,000,000	1.00
February 7, 2005	1,962,500,000	1.00
June 23, 2009	3,375,000,000	1.00

** Par value was subsequently reduced to ₱1.00*

c. Other equity reserves

Details of other equity reserves follow:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Share in Other Comprehensive Income of Associates		
Share in Revaluation Increment on Land of an Associate		
Balance at beginning of period	**₱530,484**	₱530,484
Share in revaluation increment on land, net of tax	**57,518**	57,518
Balance at end of period	**588,002**	588,002

(Forward)

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Cumulative Share in Changes in Fair Value of AFS Financial Assets of an Associate		
Balance at beginning and end of period	**5,129**	5,129
Revaluation Increment on Land of a Subsidiary		
Balance at beginning of period	**163,771**	163,771
Share in appraisal increase, net of tax	**11,735**	11,735
Balance at end of period	**175,506**	175,506
Cumulative Remeasurement Gain (Loss) on Retirement Liability		
Balance at beginning of period	**52,260**	52,260
Remeasurement gain, net of tax	**–**	–
Balance at end of period	**52,260**	52,260
Cumulative Share in Remeasurement Loss on Retirement Liability of Associates		
Balance at beginning of period	**(13,582)**	(13,582)
Share in remeasurement loss, net of tax	**(12,004)**	(12,004)
Balance at end of period	**(25,586)**	(25,586)
	₱795,310	₱795,310

d. Retained Earnings

Details of retained earnings follow:

Retained earnings that are not available for dividend declaration are as follows:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Restricted for treasury stock	**₱696,925**	₱1,065,721
Gain on change in fair value of investment properties, net of debit balance of Other Equity Reserves closed to retained earnings	**296,967**	296,967
Fair value gains on investment properties included in the retained earnings	**7,204,771**	7,204,771
Deferred income tax assets	**82,791**	82,791
	₱8,281,454	₱8,650,250

e. Share Prices

The principal market for the Parent Company's share of stock is the PSE. The high and low trading prices of the Parent Company's share for each quarter within the last three periods are as follows:

Quarter	High	Low
January 2024 through March 2024	₱1.85	₱1.71
January through December 2023		
First	₱0.50	₱0.48
Second	0.47	0.46
Third	0.47	0.45
Fourth	0.51	0.49

(Forward)

Quarter	High	Low
January through December 2022		
First	₱0.78	₱0.48
Second	0.68	0.49
Third	0.64	0.51
Fourth	0.58	0.45

19. **Related Party Transactions and Balances**

The transactions and related balances of the Group with other related parties are as follows:

Related Party	Nature of Transaction	Period	Transactions during the Period*	Trade and Other Receivables (see Note 6)	Amount Due to Related Parties (see Note 15)
Associates					
FDC	Dividends receivable	**March 31, 2024**	**₱–**	**₱71,389**	**₱13,211**
		December 31, 2023	–	₱71,389	₱13,211
FLC	Dividends receivable	**March 31, 2024**	**–**	**–**	**–**
		December 31, 2023	–	–	–
RADC	Noninterest-bearing advances	**March 31, 2024**	**–**	**–**	**11,461**
		December 31, 2023	–	–	11,461
Joint Ventures					
VJPI	Noninterest-bearing advances	**March 31, 2024**	**–**	116	**218**
		December 31, 2023	46,542	116	218
Marilo Realty Development Corporation	Noninterest-bearing advances	**March 31, 2024**	**–**	**1,201**	**288**
		December 31, 2023	–	1,201	288
LPC	Defrayment of cost and expenses for restructuring	**March 31, 2024**	**–**	**193**	**23,994**
		December 31, 2023	–	193	23,994
Entities under common control	Interest-bearing advances	**March 31, 2024**	**42,634**	**23,177**	**208,213**
		December 31, 2023	9,248	24,174	164,582
		March 31, 2024		**₱96,076**	**₱257,385**
		December 31, 2023		₱97,073	₱213,754

**Amounts represent transactions for the three months ended March 31, 2023 and year ended December 31, 2022.*

a. In the normal course of business, the Parent Company extends/avails of advances to/from its related parties under common control, with definite repayment terms. The advances to and from related parties are interest-bearing.

b. In 2004, RLC and LPC by way of a Deed of Assignment of Rights, assigned to Punta Fuego Holdings Corporation (PFHC) the rights and privileges to their 105 and 245 club shares in CPFI, respectively. In consideration of the assignment of rights and privileges, PFHC pays RLC and LPC an amount equivalent to 85% of the net income earned from the club shares to be remitted on or before May 5 of each year beginning 2005. The respective shares of RLC and LPC were computed in proportion to the number of club shares they have each assigned. In 2005, PFHC and FDC merged with FDC, as the surviving entity. As a result, FDC assumed the said liability of PFHC to RLC.

Outstanding balances at year end are unsecured and settlement normally occurs in cash, unless otherwise indicated above. No guarantees have been provided or received for these balances. Advances to and from related parties are noninterest-bearing and have no fixed repayment terms unless otherwise indicated above. Impairment review is undertaken each reporting date. As at March 31, 2024 and December 31, 2023, allowance for impairment loss amounting to ₱3.1 million pertains to due from LPC.

c. Compensation of key management personnel is as follows:

	March 31, 2023 (Three months, Unaudited)	March 31, 2023 (Three months, Unaudited)
Salaries and short-term benefits	**₱13,463**	₱10,617
Retirement benefits	**1,186**	1,031
	₱14,649	₱11,648

Directors' Remuneration
The Parent Company settled director's remuneration through cash and issuance of treasury shares for the regular board meetings held as follows:

Date of Meeting	No. of shares	Market Value per Share	Share-Based	Cash Compensation	Total Compensation
May 02, 2022	336,538	0.52	175,000	175,000	350,000
August 11, 2022	307,018	0.57	175,000	175,000	350,000
November 10, 2022	380,435	0.46	175,000	175,000	350,000
April 21, 2023	318,421	0.48	175,000	175,000	350,000
May 16, 2023	271,053	0.48	150,000	150,000	300,000
August 11, 2023	284,210	0.48	150,000	150,000	300,000
November 10, 2023	271,053	0.48	150,000	150,000	300,000

The expense recognized on the foregoing amounted to nil for both three months ended March 31, 2024 and 2023; and presented as part of "Salaries and employee benefits" account in the unaudited interim consolidated statements of comprehensive income.

20. Revenue from Contracts with Customers

a. Disaggregated revenue information

The disaggregation of the Group's revenue from contracts with customers is presented in the interim consolidated statements of income and disclosed in the operating segment information (see Note 30). This presentation best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

Except for the revenues earned for the sale of real estate, all revenues were earned at a point in time.

b. Contract balances

The Company's contract balances as at March 31, 2024 and December 31, 2023 are as follows:

	March 31, 2024	December 31, 2023
Contract asset	**₱92,828**	₱99,823
Contract liabilities	**77,478**	76,929

Receivables
A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract assets
Cash received from the sale of real estate properties that does not meet the revenue recognition criteria are recognized in “Customers’ deposits” account which is presented as part of “Contract liabilities and customer’s deposits” account in the consolidated statements of financial position.

Breakdown as to current and noncurrent portion of the amount recorded under “Contract assets” account follows:

	2024	2023
Contract assets - current	**₱55,750**	₱58,706
Contract assets - noncurrent	**37,078**	41,117
	₱92,828	₱99,823

Contract liabilities

a. Deferred income amounting to ₱30.2 million and ₱30.9 as of March 31, 2024 and December 31, 2023, respectively pertains to collections from buyers exceeding the recognized sale of real estate based on percentage-of-completion.

b. Customers’ deposits amounting to ₱44.7 million and ₱39.9 million in 2024 and 2023 respectively, represent noninterest-bearing cash received from the sale of real estate properties, which did not meet the revenue recognition criteria as set out in Note 4. Deposits from sale of real estate properties will be applied against the receivable from the customers upon recognition of revenue

c. Guests’ deposits pertain to the advance payments of guests for room reservations in the hotels and advance consultancy fees amounting to ₱2.5 million and ₱0.9 million as at period ended March 31, 2024 and year ended December 31, 2023, respectively.

21. Cost and Expenses

Cost of hotel sales and services consist of:

	March 31, 2024 (Three months, Unaudited)	March 31, 2023 (Three months, Unaudited)
Salaries, wages and other employee benefits	**₱12,748**	₱14,969
Communication, light and water	**10,843**	5,113
Food and beverage cost	**10,821**	12,436
Supplies	**9,180**	–
Depreciation and amortization	**7,696**	14,121
Outside services	**7,593**	12,761
Yield guarantee (Note 26)	**5,950**	–
Others	**5,898**	3,969
Repairs and Maintenance	**1,538**	–
Travel and transportation	**115**	134
	₱72,382	₱63,503

Other cost of hotel sales and services are expensed as incurred which are incurred for the generation of revenue from ancillary services like laundry.

Cost of goods sold consist of:

	March 31, 2024 (Three months, Unaudited)	March 31, 2023 (Three months, Unaudited)
Depreciation (see Note 11)	**₱5,846**	₱4,520
Direct labor	**5,463**	3,705
Packaging materials	**5,231**	1,301
Communication, light and water	**1,180**	8,521
Taxes and Licenses	**1,139**	–
Others	**517**	5,628
Rent expense	**373**	170
Indirect labor	**176**	6,602
Repairs and maintenance	**143**	173
Factory supplies	**112**	5,926
Materials used and changes in inventory	**13**	47,821
	₱68,005	₱84,367

Operating expenses consist of:

	March 31, 2024 (Three months, Unaudited)	March 31, 2023 (Three months, Unaudited)
General and administrative expenses	**₱53,506**	₱60,389
Selling expenses	**6,898**	10,523
	60,404	₱70,912

General and administrative expenses from consist of:

	March 31, 2024 (Three months, Unaudited)	March 31, 2023 (Three months, Unaudited)
Salaries, wages and other employee benefits (Notes 17 and 22)	**₱25,572**	₱23,212
Taxes and licenses	**5,928**	8,758
Outside services	**6,685**	6,470
Depreciation and amortization (Note 11)	**5,395**	6,066
Repairs and maintenance	**1,679**	1,426
Communication, light and water	**1,406**	7,427
Representation and entertainment	**1,358**	251
Travel and transportation	**1,248**	1,870
Insurance	**321**	451
Materials and consumables	**459**	867
Rent	**658**	1,306
Others	**2,797**	2,751
	₱53,506	₱60,855

Others include professional fees, training and development and other miscellaneous charges.

Selling Expenses

This account mainly pertains to marketing, commission on real estate sales and advertising and promotion expenses.

22. **Personnel Costs**

The components of employee benefits from continuing operations presented under "General and administrative expenses" account (see Note 22) in the consolidated statements of income are as follows:

	March 31, 2024 (Three months, Unaudited)	March 31, 2023 (Three months, Unaudited)
Salaries and wages	**₱21,396**	₱23,212
Allowances and other employee benefits	–	–
Retirement benefits (Note 17)	–	–
	₱21,396	₱23,212

23. **Other Income**

Other income consists of:

	March 31, 2023 (Three months, Unaudited)	March 31, 2023 (Three months, Unaudited)
Sale of scrap	**₱52**	₱–
Penalty for late payment	**312**	–
Rent income	**30**	–
Others	**(7)**	(59)
	₱386	₱(59)

Others include other hotel charges such as shuttle services, laundry services, early and late checkout fees, realty fees, forfeited reservation deposits, and realized FOREX gain(loss).

24. **Income Taxes**

a. Provision for (benefit from) income taxes comprise the following:

	March 31, 2024 (Three months, Unaudited)	March 31, 2023 (Three months, Unaudited)
Current	**₱923**	₱821
Deferred	**–**	–
	923	₱821

b. The components of the recognized deferred tax assets and liabilities represent the tax effects of the following temporary differences:

	March 31, 2023 (Unaudited)		December 31, 2023 (Audited)	
	Net Deferred Income Tax Assets	**Net Deferred Income Tax Liabilities**	Net Deferred Income Tax Assets	Net Deferred Income Tax Liabilities
Deferred tax assets on:				
Customers' deposit	**₱26,951**	**₱–**	₱28,088	₱–
Lease liabilities	**396**	**–**	396	–
Retirement liability	**24,781**	**–**	24,781	–
NOLCO	**–**	**–**	–	–
Excess MCIT over RCIT	**5,559**	**–**	5,559	–
Deferred income	**18,881**	**–**	18,881	–
Allowance for:				
Impairment losses of receivables	**4,266**	**–**	4,266	–
Impairment losses on investments in associates	**–**	**–**	–	–
Net discount on loans payable	**–**	–	–	
Various accruals	**820**	**–**	820	–
Unrealized foreign exchange loss	**–**	**–**	–	–
	81,654	**–**	82,791	–
Deferred tax liabilities on:				
Taxable temporary difference arising from use of installment method of revenue recognition for tax reporting	**(3,400)**	–	(3,400)	–
Revaluation increment on land	**(3,646)**	**(104,644)**	(3,646)	(111,090)
Prepaid commissions	**–**	**–**	–	–
Right-of-use assets	**(299)**	**–**	(299)	–
Actuarial gain	**(15,478)**	**–**	(15,478)	–
Rent receivable	**(1,248)**	**–**	(1,248)	–
	(24,071)	**(104,644)**	(24,071)	(111,090)
Net deferred tax assets (liabilities)	**₱57,583**	**(₱104,644)**	₱58,720	(₱109,452)

25. **Earnings (Loss) Per Share**

Basic/diluted earnings (loss) per share are computed as follows:

	March 31, 2024 (Three months, Unaudited)	March 31, 2023 (Three months, Unaudited)
Net loss attributable to the equity holders of the Parent Company: (Note 17)	**(₱88,987)**	(₱172,462)
Weighted average number of shares issued and outstanding:		
Issued and outstanding ordinary shares	**2,501,929,996**	2,238,454,159
Basic/diluted loss per share:	**(₱0.04)**	(₱0.08)

There are no potential dilutive common shares as at March 31, 2024 and 2023.

26. **Contingencies and Commitments**

Yield Guarantee to Real Estate Buyers

During the year ended March 31, 2014, RLC entered into a yield guarantee agreement with buyers of Anya Resort Suites. The said buyers will be entitled to a yield guaranteed along with the usage allowance for the first five years inclusive of fixtures, furniture and equipment and VAT.

Unused Credit Lines
As at March 31, 2024, the Group has unused lines of credit with local banks amounting to nil (see Notes 14 and 15).

28. **Financial Instruments**

Risk Management, Objectives and Polices
The principal financial instruments comprise of cash in banks, receivables and payables, which arise directly from its operations, and short and long-term borrowings. The Group has other financial instruments such as restricted cash and dividends payable.

The main risks arising from the financial instruments are liquidity risk, interest rate risk and credit risk. Risk management is carried out by senior management under the guidance and direction of the BOD of the Parent Company.

Liquidity risk
Liquidity risk arises from the possibility that the Group may encounter difficulties in raising funds to meet maturing obligations.

The Group's objective is to maintain sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the business, the Group aims to maintain flexibility in funding by keeping track of daily cash flows and maintaining committed credit lines available. In addition, the Group, renegotiates the terms of its existing loan agreements with bank creditors and lenders as the need arises (see Notes 14 and 15).

Credit risk
Credit risk is the risk that the Group will incur financial loss through default by counterparties in performing their obligations.

Concentration of credit risk with respect to trade receivables is limited due to the large number of customers comprising the Group's customer base and their dispersion across different geographic areas. It has policies in place to ensure that sales of goods are made to customers with an appropriate credit history. There is no concentration of credit risk with respect to receivables relating to real estate sales.

Credit risks for contract receivables is mitigated as the Group has the right to cancel the sales contract without risk for any court action and can take possession of the subject property in case of refusal by the buyer to pay on time the contracts receivables due. This risk is further mitigated because of the corresponding title to the party sold under this arrangement is transferred to the buyers only upon full payment of the contract price.

The Group has established a credit quality review process to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions.

Counterparty limits are established by the use of a credit risk classification system, which assigns each counterparty a qualitative risk rating. Risk ratings are subject to regular revision. The credit quality review process allows the Group to assess the potential loss as a result of the risks to which it is exposed and take corrective action.

Collaterals and other credit enhancements
The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented regarding the acceptability of types of collateral and valuation parameters.

Credit quality per class of financial assets
The credit quality of receivables is managed by the Group through its Marketing Department.

High grade accounts are those receivables from counterparties with whom collections are made without much collection effort. Standard grade accounts consist of receivables from its distributors with good financial condition and with relatively low defaults. Substandard grade accounts on the other hand, are receivables from other counterparties with history of defaulted payments.

Impairment assessment
The main consideration for impairment assessment includes whether there are known difficulties in the cash flow of the counterparties. The Group assesses impairment in two ways: individually and collectively.

First, the Group determines allowance for each significant receivable on an individual basis. Among the items that the Group considers in assessing impairment is the inability to collect from the counterparty based on the contractual terms of the receivables. Receivables included in the specific assessment are the accounts that have been endorsed to the legal department, non-moving accounts receivable and other accounts of defaulted counterparties.

For collective assessment, allowances are assessed for receivables that are not individually significant and for individually significant receivables where there is no objective evidence of individual impairment. Impairment losses are estimated by taking into consideration the age of the receivables, past collection experience and other factors that may affect their collectability.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows on a financial instrument will fluctuate because of changes in market interest rates.

The Group has interest-bearing loans which bear floating interest rate and expose the Group to interest rate risk.

The quantitative disclosures on risks associated with the Group's financial instruments and the related risk management processes and procedures are disclosed in the annual consolidated financial statements as at and for the year ended December 31, 2023.

Capital Management
The primary objective of the capital management is to ensure that it maintains strong credit and healthy capital ratios in order to support its business and maximize shareholder value.

The dividend declaration is dependent on availability of retained earnings and operating requirements. The Group manages its capital structure and makes adjustment to it, in light of changes in economic conditions. To maintain or adjust capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for the three months ended March 31, 2024 and 2023.
Management considers the total consolidated equity reflected in the consolidated statements of financial position as its capital. The Group monitors its use of capital using leverage ratios, specifically, debt-to-equity ratio.

The Group is required to maintain a maximum debt-to-equity ratio of 3:1. The Group has the following debt-to-equity ratio:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Total liabilities	**₱5,734,152**	₱5,755,603
Total equity	**9,837,120**	9,807,072
Total liabilities and equity	**₱15,571,272**	₱15,562,675
Debt-to-equity ratio	**0.58:1.0**	0.59:1.0

29. **Fair Value Measurement**

The Group has assets and liabilities that are measured at fair value on a recurring and non-recurring basis in the consolidated statements of financial position after initial recognition. Recurring fair value measurements are those that another PFRS requires or permits to be recognized in the consolidated statements of financial position at the end of each reporting period. These include AFS financial assets. Non-recurring fair value measurements are those that another PFRS requires or permits to be recognized in the consolidated statements of financial position in particular circumstance. These include investment properties and land under property and equipment at revalued amount.

The Group's management determines the policies and procedures for both recurring and non-recurring fair value measurement.

External valuers are involved for valuation of significant assets which are investment properties and land under property and equipment. Involvement of external valuers is decided upon annually by management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Management decides, after discussion with the Group's external valuers, which valuation techniques and inputs to use for each case.

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

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

Cash in banks and short-term placements, receivables, short-term borrowings, current portion of long-term borrowings, accounts payable and accrued expenses, dividends payable and due to related parties
The carrying amounts of these instruments approximate their fair values due to their short-term maturities.

Long-term borrowings
Fair values of long-term borrowings as at March 31, 2024 and December 31, 2023 were determined based on Level 2 in which the inputs are based on the discounted interest rate of the prevailing comparable instrument in the market.

The Group has no financial instruments carried at fair value in the consolidated financial statements as at March 31, 2024 and December 31, 2023.

Investment Properties
The valuation technique used for the investment properties and land under property and equipment is Sales Comparison Approach which is a process to value based on sales of similar or substitute properties and related market data and establishes a value estimated by processes involving comparison.

There are no transfers to Level 1 and Level 2 fair value measurement.

---

30. **Segment Reporting**

The Group's identified operating segments, which are consistent with the segments reported to the BOD, are as follows:

a. Real Estate
   RLC is the real estate arm of the Group. RLC acquires, develops, improves, subdivides, leases and sells agricultural, industrial, commercial, residential and other real properties. The Group, through RLC, has subsidiaries namely SMMSI and RAHC.

b. Hotel
   RAHC, a subsidiary of RLC, owns and operates four GoHotels in Metro Manila.
   Anya Resort Tagaytay, a business segment of RLC, operates the Anya Hotel and Resort in Tagaytay City.

c. Anya Hospitality Group, a business segment of RLC, provides hotel management services to RAHC 4 GoHotels, Anya Resort Tagaytay, and other hotel properties in Batangas.

d. Manufacturing
   RSAI, a subsidiary of the Parent Company based in Tupi, South Cotabato, operates a plant primarily to process coconut based products for export.

e. Others
   Other segments of the Group include the Parent Company, which owns various tracts of lands in Nasugbu, Batangas and RGEC, an entity established primarily for renewable energy.

The Group has one geographical segment with all assets located in the Philippines. The Group operates and derives all revenues from domestic operations. Thus, geographical business information is not required.

The Parent Company's BOD regularly reviews the operating results of the business units to make decisions on resource allocation and to assess performance. Segment revenue and expenses are measured in accordance with PFRS. The presentation and classification of segment revenues and expenses are consistent with the consolidated statements of income.

Financing costs (including interest expense) and income taxes are managed on a per company basis and are not allocated to operating segments. Further, the measurement of the segments is the same as those described in the summary of significant accounting and financial reporting policies.

a. Segment revenue and expenses
   The Group's main revenue stream comes from real estate sales, hotel revenues and export of coconut based products. The real estate and hotel operations segment's customers are mainly direct. Further, there were no revenue transactions with a single customer that accounts for 10.0% or more of total revenues.

b. Segment assets and liabilities

Segment assets include all operating assets used by a segment and consist principally of operating cash, receivables, real estate for sale and development, inventories, prepaid expenses and property, plant and equipment, net of related accumulated depreciation. Segment liabilities include all operating liabilities and consist principally of trade payables, accruals and customers' deposits, and bank loans. Segments assets and liabilities do not include deferred income taxes.

c. Inter-segment transfers

Segment revenue, expenses and results include transfers between business segments. Such transfers are accounted for at competitive market prices charged to unrelated customers or by suppliers for similar goods or services.

The following tables present information about the Group's operating segments:

	March 31, 2024 (Unaudited)					
	Real Estate	Hotel	Manufacturing	Others	Eliminations	Consolidated Balances
Sales	₱12,614	₱131,692	₱17	₱–	₱–	₱144,322
Cost of sales and services	(7,640)	(78,108)	(14,588)	–	–	(100,336)
Interest income	1,654	1,129	–	2,732	(3,856)	1,659
Interest expense	(11,949)	(25,740)	(16,684)	(27,515)	3,856	(78,032)
Others	(13,677)	(39,013)	(12,241)	(15,859)	(14,282	(66,509)
Income (loss) before income tax	(23,745)	(5,285)	(43,496)	(26,361)	–	(98,887)
Income tax expense	(42)	(966)	–	(1)	–	(1,009)
Segment Income (loss)	(19,039)	(11,007)	(43,496)	(26,362)	–	(99,904)
Equity in net earnings of associates and a joint venture	–	–	–	–	–	–
Consolidated Net Income (Loss)	₱(19,039)	(₱11,007)	(₱43,496)	(₱26,362)	₱–	(₱99,904)
Assets and Liabilities						
Current assets	₱676,742	₱419,754	₱129,575	₱383,798	(₱627,425)	₱982,445
Noncurrent assets	643,728	2,308,310	562,473	12,704,099	(1,629,783)	14,588,827
Total Assets	1,320,470	2,728,064	692,049	13,087,897	(2,257,208)	15,571,272
Current liabilities	178,372	1,321,024	619,318	489,084	382,413	2,990,211
Noncurrent liabilities	415,486	1,264,155	701,262	1,602,618	(1,239,582)	2,743,941
Total Liabilities	₱593,858	₱2,585,179	₱1,320,581	₱2,091,703	(₱857,169)	₱5,734,152

	March 31, 2023 (Unaudited)					
	Real Estate	Hotel	Manufacturing	Others	Eliminations	Consolidated Balances
Sales	₱20,683	₱112,086	₱66,932	₱–	–	₱199,658
Cost of sales and services	(10,247)	(63,503)	(84,367)	–	–	(158,117)
Interest income	2,130	1,090	–	1,111	(3,114)	1,217
Interest expense	(12,733)	(27,655)	(15,846)	(16,461)	3,114	(69,592)
Others	(17,215)	(44,026)	(13,085)	(9,167)	–	(83,497)
Income (loss) before income tax	(17,430)	(14,965)	(46,366)	(24,517)	–	(98,885)
Loss on discontinued Operations				(8,826)		(8,826)
Income tax expense	(652)	(169)	–	–	–	(821)
Segment Income (loss)	(18,082)	(15,134)	(46,366)	(24,517)	(4,393)	(99,706)
Equity in net earnings of associates and a joint venture	–	–	–	(87,000)	–	(87,000)
Consolidated Net Income (Loss)	(₱18,082)	(₱15,134)	(₱46,366)	(₱111,517)	(₱4,393)	(₱186,706)
Assets and Liabilities						
Current assets	₱673,748	₱349,893	₱202,405	₱221,441	(₱297,969)	₱1,149,517
Noncurrent assets	629,232	2,272,026	689,774	10,837,377	(1,852,229)	12,576,180
Total Assets	1,302,979	2,621,919	892,178	11,058,818	(2,150,197)	13,725,697
Current liabilities	61,163	1,623,463	519,532	442,412	622,355	3,146,599
Noncurrent liabilities	726,523	792,405	702,310	1,273,928	(1,294,509)	2,200,658
Total Liabilities	₱665,360	₱2,415,868	₱1,221,842	₱1,716,340	(₱672,153)	₱5,347,257

31. **The Nature and Amount of Items Affecting Assets, Liabilities, Equity, Net Income, or Cash Flows that are Unusual Because of their Nature, Size or Incidence**

Other than those disclosed in the notes to the unaudited interim consolidated financial statements, there are no assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidents.

32. **The Nature and Amount of Changes in Estimates of Amounts Reported in Prior Interim Period of the Current Year or Changes in Estimates of Amounts Reported in Prior Years, if those Changes Have a Material Effect in the Current Interim Period**

There are no significant changes in estimates reported in prior interim periods of the current year or changes in estimates reported in prior years, which are considered to have material effect on the unaudited interim consolidated financial statements.

ANNEX "B"

MANAGEMENT DISCUSSION AND ANALYSIS AND PLAN OF OPERATIONS

1st Quarter Ended March 31, 2024 and 2023

MANAGEMENT DISCUSSION AND ANALYSIS AND PLAN OF OPERATIONS

INTERIM RESULTS (UNAUDITED) – 1st Quarter ending March 31, 2024

Results of Operation

Consolidated revenues amounted to ₱134 million, a decrease of 33% against Q1 2023's ₱200 million. The Hotel services contributed ₱122 million, 8% higher compared last year, while Realty sales at ₱13 million.

Gross income amounted to ₱40 million. Operating expenses decreased by 15% to ₱60 million from last year's ₱71 million mainly due to lower revenues and the Group's cost reduction programs across business units.

No share in equity net loss from the group's 23.05% investment in Roxas Holdings Inc. (RHI) recorded this year compared to last year's ₱87 million. The carrying value of investment in an associate as of December 31, 2023 and 2022 amounted to nil and P274.5 million, respectively.

Interest cost of ₱71 million was ₱9 million or 16% higher than same period of last year due to restructuring of AIB loan effective November 30, 2023.

Consolidated net loss for the three months ended March 31, 2024 of ₱98 million was lower than last year's loss of ₱186 million. This was mainly due no recorded share in RHI equity loss and overall cost reduction measures being implemented.

Financial Position

Consolidated total assets amounting to ₱15,571 million as at March 31, 2024 is slightly higher than ₱15,562 million as at December 31, 2023 mainly due to sale of treasury shares and no share in equity loss of investments in RHI anymore.

Current ratio is at 0.52:1 and 0.51:1 as of March 31, 2024 and December 31, 2023, respectively.

Debt to equity (D/E) ratio of 0.58:1 and 0.59:1 as of March 31, 2024 and December 31, 2023, respectively. It is still within the 0.75:1 ratio limit required by some banks for the Group's term loans.

Book value per share is at ₱3.93 as at March 31, 2024.

Trade and other receivables of ₱226 million no material increase from December 31, 2023 balance of ₱224 million.

Total liabilities at ₱5,755 million as of March 2024.

Total equity amounting to ₱9,837 million as at March 31, 2024 increased by 0.3% from December 31, 2023 balance of ₱9,807 due to the sale of treasury shares and net loss for this quarter.

On January 11, 2024, RCI received from the Department of Agrarian Reform (DAR) the Consolidated Order dated December 29, 2023, which resolves the long-outstanding legal cases and claims over RCI's land properties. The said Consolidated Order became final and executory on January 27, 2024, which provided for a 50-50 sharing of the covered land properties totaling to 2,644 hectares between RCI and the Agrarian Reform Beneficiaries (ARBs), net of the 297 hectares which were already resolved in favor of RCI with finality. As such, RCI retained 1,322 hectares, while the other half to be distributed to the ARBs. The consolidated Order also directed the relevant government agencies to earmark and appropriate the payment of just compensation to RCI for the land properties that will be given to ARBs.

The Group can now monetize its ownership rights and maximize the overall real estate value of its strategic landholdings in Nasugbu, Batangas by coming up with masterplan.

Other than the matters discussed above, there are no:
- Significant elements of income or loss that arose from continuing operations; and
- Seasonal aspects that had a material effect on the financial condition or results of operations.

Top Five Performance Indicators

The Group's financial performance is determined to a large extent by the following key results:

1. *Gross profit.* This is recognized in full when the collection of the total contract price reached 10% on real estate sales. At this stage, it is reasonably assured that the risks and benefits over the developed assets have been transferred to the lot buyer. In manufacturing and hotel industry, this is the margin on the revenue net of cost of sales.

2. *Export sales*. Export sales represent revenues from products sold by the coconut processing business.

3. *Hotel occupancy and average daily room rate (ADR)*. The number represents the average rental income per paid occupied room in a given time period. ADR along with the property's occupancy are the foundations for the property's financial performance.

4. *Earnings before interest, taxes and depreciation (EBITDA)* - This is the measure of cash income from operations.

5. *Return on Equity* - denotes the capability of the Group to generate returns for the shareholders.

The table below presents the top five performance indicators of the Group:

Performance Indicator	For the Period Ended March 31, 2024 (Three Months)	December 31, 2023 (One Year)	December 31, 2022 (One Year)
Gross profit	₱40.0 million	₱134.4 million	₱273.7 million
Export sale of coconut products	₱0.0 million	₱84.6 million	₱88.0 million
Hotel occupancy and average daily room rate			
- *Anya Hotel*	63% / ₱3,325	61% / ₱3,427	60% / ₱4,354
- *Go Hotels*	57% / ₱1,317	50% / ₱1,394	43% / ₱1,429
EBITDA	(₱0.96) million	₱1,661.3 million	₱1,006.7 million
Return on equity	(1.02%)	13.49%	7.22%

Key Variable and Other Qualitative and Quantitative Factors

- The Group is not aware of any known trends, events or uncertainties that will result in or that are reasonably likely to result in any material cash flow or liquidity problem.
- The Group is not aware of any events that will trigger direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation.
- The Group is not aware of any material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Group with unconsolidated entities or other persons created during the reporting period.
- The Group is not aware of any known trend, events or uncertainties that will have material impact on sales.
- Other than matters previously discussed, the Group is not aware of causes for any material changes from period to period in the financial statements.

Plan of Operations

In 2024, the group is scheduled to renovate 11 of its existing villas, enter into a supply agreement in coconut export, launch of Anya Phase 3, and systems upgrade and automation.

RCI also contracted a top property consultant to define the Highest and Best Use of the Roxas Estate after the DAR final ruling. The Master Plan for the mixed-use development is estimated to be finalized by Q4 of 2024.

The budget hotels will implement aggressive marketing strategies to offset slower industry recovery and manage pricing pressure from competitors. It will also explore strategic asset plays to optimize brand strength and location advantage.

All properties to review and implement stricter control to align expenses to the level of their operations.

The Group's ₱882.2 million of loans to certain banks were restructured in 2023. In 2024, the Group intends to continue discussions with other banks to restructure remaining loans.

Roxas & Company, Inc.

A N N E X “E”

MANAGEMENT DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS

Roxas and Company, Inc.

MANAGEMENT DISCUSSION AND ANAYSIS OR PLAN OF OPERATION

INTERIM RESULTS (UNAUDITED) – 1st Quarter ending March 31, 2024

Results of Operation

Consolidated revenues amounted to ₱134 million, a decrease of 33% against Q1 2023's ₱200 million. The Hotel services contributed ₱122 million, 8% higher compared last year, while Realty sales at ₱13 million.

Gross income amounted to ₱40 million. Operating expenses decreased by 15% to ₱60 million from last year's ₱71 million mainly due to lower revenues and the Group's cost reduction programs across business units.

No share in equity net loss from the group's 23.05% investment in Roxas Holdings Inc. (RHI) recorded this year compared to last year's ₱87 million. The carrying value of investment in an associate as of December 31, 2023 and 2022 amounted to nil and P274.5 million, respectively.

Interest cost of ₱71 million was ₱9 million or 16% higher than same period of last year due to restructuring of AIB loan effective November 30, 2023.

Consolidated net loss for the three months ended March 31, 2024 of ₱98 million was lower than last year's loss of ₱186 million. This was mainly due no recorded share in RHI equity loss and overall cost reduction measures being implemented.

Financial Position

Consolidated total assets amounting to ₱15,571 million as at March 31, 2024 is slightly higher than ₱15,562 million as at December 31, 2023 mainly due to sale of treasury shares and no share in equity loss of investments in RHI anymore.

Current ratio is at 0.52:1 and 0.51:1 as of March 31, 2024 and December 31, 2023, respectively.

Debt to equity (D/E) ratio of 0.58:1 and 0.59:1 as of March 31, 2024 and December 31, 2023, respectively. It is still within the 0.75:1 ratio limit required by some banks for the Group's term loans.

Book value per share is at ₱3.93 as at March 31, 2024.

Trade and other receivables of ₱226 million no material increase from December 31, 2023 balance of ₱224 million.

Total liabilities at ₱5,755 million as of March 2024.

Total equity amounting to ₱9,837 million as at March 31, 2024 increased by 0.3% from December 31, 2023 balance of ₱9,807 due to the sale of treasury shares and net loss for this quarter.

On January 11, 2024, RCI received from the Department of Agrarian Reform (DAR) the Consolidated Order dated December 29, 2023, which resolves the long-outstanding legal cases and claims over RCI's land properties. The said Consolidated Order became final and executory on January 27, 2024, which provided for a 50-50 sharing of the covered land properties totaling to 2,644 hectares between RCI and the Agrarian Reform Beneficiaries (ARBs), net of the 297 hectares which were already resolved in favor of RCI with finality. As such, RCI retained 1,322 hectares, while the other half to be distributed to the ARBs. The consolidated Order also directed the relevant government agencies to earmark and appropriate the payment of just compensation to RCI for the land properties that will be given to ARBs.

The Group can now monetize its ownership rights and maximize the overall real estate value of its strategic landholdings in Nasugbu, Batangas by coming up with masterplan.

Other than the matters discussed above, there are no:
- Significant elements of income or loss that arose from continuing operations; and
- Seasonal aspects that had a material effect on the financial condition or results of operations.

Top Five Performance Indicators

The Group's financial performance is determined to a large extent by the following key results:

1. *Gross profit.* This is recognized in full when the collection of the total contract price reached 10% on real estate sales. At this stage, it is reasonably assured that the risks and benefits over the developed assets have been transferred to the lot buyer. In manufacturing and hotel industry, this is the margin on the revenue net of cost of sales.

2. *Export sales*. Export sales represent revenues from products sold by the coconut processing business.

3. *Hotel occupancy and average daily room rate (ADR)*. The number represents the average rental income per paid occupied room in a given time period. ADR along with the property's occupancy are the foundations for the property's financial performance.

4. *Earnings before interest, taxes and depreciation (EBITDA)* - This is the measure of cash income from operations.

5. *Return on Equity* - denotes the capability of the Group to generate returns for the shareholders.

The table below presents the top five performance indicators of the Group:

Performance Indicator	For the Period Ended March 31, 2024 (Three Months)	December 31, 2023 (One Year)	December 31, 2022 (One Year)
Gross profit	₱40.0 million	₱134.4 million	₱273.7 million
Export sale of coconut products	₱0.0 million	₱84.6 million	₱88.0 million
Hotel occupancy and average daily room rate			
- *Anya Hotel*	63% / ₱3,325	61% / ₱3,427	60% / ₱4,354
- *Go Hotels*	57% / ₱1,317	50% / ₱1,394	43% / ₱1,429
EBITDA	(₱0.96) million	₱1,661.3 million	₱1,006.7 million
Return on equity	(1.02%)	13.49%	7.22%

Key Variable and Other Qualitative and Quantitative Factors

- The Group is not aware of any known trends, events or uncertainties that will result in or that are reasonably likely to result in any material cash flow or liquidity problem.
- The Group is not aware of any events that will trigger direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation.
- The Group is not aware of any material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Group with unconsolidated entities or other persons created during the reporting period.
- The Group is not aware of any known trend, events or uncertainties that will have material impact on sales.
- Other than matters previously discussed, the Group is not aware of causes for any material changes from period to period in the financial statements.

Plan of Operations

In 2024, the group is scheduled to renovate 11 of its existing villas, enter into a supply agreement in coconut export, launch of Anya Phase 3, and systems upgrade and automation.

RCI also contracted a top property consultant to define the Highest and Best Use of the Roxas Estate after the DAR final ruling. The Master Plan for the mixed-use development is estimated to be finalized by Q4 of 2024.

The budget hotels will implement aggressive marketing strategies to offset slower industry recovery and manage pricing pressure from competitors. It will also explore strategic asset plays to optimize brand strength and location advantage.

All properties to review and implement stricter control to align expenses to the level of their operations.

The Group's ₱882.2 million of loans to certain banks were restructured in 2023. In 2024, the Group intends to continue discussions with other banks to restructure remaining loans.

Calendar Year 2023
Corporate Updates

The Group continues to reset its businesses in 2023 and generate cash amidst volatile international and local macroeconomic conditions. The overall operating performance in 2023 has further declined as compared to 2022 due to the deferred selling of Anya Phase 3, slower house and lot sales, and RSAI's coconut export declined because of low working capital

Anya Resort Tagaytay (ART) has been awarded as the Philippines' Leading Boutique Resort in the 2023 World Travel Awards. Additional rooms from a completed villas were turned-over in December 2023.

RSAI prospects for long term growth as a non-dairy alternatives is strong despite the slowdown in coconut cream global demand, partly offset by a surge in coconut water concentrate requirements. RSA maintained its list price in the year after increasing it in April 2022.

RLC progress completion for its key projects were 99% for Montana Phase 1, 24% for Montana 2&3, 97% for Anya Block 12, and 98% for Landing Townhomes. Anya Block 12 was 100% completed and was turned-over in January 15, 2024.

P882.5m major loans were restructured to 7 years term including 2 years grace period for AIB (P700 million) and AUB (P182.5 million). In 2024, the Group intends to continue discussions with other banks to restructure the related loans.

Investment properties market value increased from P9 billion in 2022 to P11.2 billion in 2023.

Results of Operation

Consolidated revenues for the year amounted to P732 million from real estate sales of P81 million, hotel revenues from Go Hotels and Anya Resort of P450 million, and RSAI's exports of P201 million.

Actual revenues declined 7% against 2022 because of RAHC's lower occupancy and competitive pricing pressure arising from extended recovery of the budget travel sector, RLC's delayed sale of raw lands and lower selling prices, and RSAI's extended shutdown from low working capital and plant reliability challenges.

Gross profit for the year amounted to P134.4 million or 18% of revenues.

Operating expenses of P445 million versus last year aligned to lower revenue and impairment on the property, plant and equipment of RSAI, and loss on loan modifications.

The fair value of RHI's shares of stock listed in the PSE is equal to its carrying amount as of December 31, 2023 and 2022. RCI's share in RHI's losses as of September 30, 2023 was higher than the book value of the investment. In addition, the closure of CADPI's operations and termination of its employees was approved on February 28, 2024.

The Group determined that the recoverable amount is based on the investment's fair value less cost to sell. The carrying value of the Group's investment in RHI is lower to its recoverable amount as of December 31, 2023, thus Management made a full provision.

Financing cost for the year is at P249 million lower than 2022 of P258m.

Others - net of P47 million includes collection of nomination fee from FDC.

Consolidated net income for the year amounted to P1.323 million. It included the unrealized fair value gain of Investment Property amounting to P2.2 billion due to the infrastructure push of several conglomerates towards the Group's landholdings in Nasugbu.

Financial Position

Consolidated total assets amounting to P15,563 million as at December 31, 2023 is 13% higher than P13,815 million as at December 31, 2022.

Comparative debt to equity (D/E) ratio as of December 2023 versus December 2022 decreased from 0.59:1 to 0.60:1 and continues to be within the allowable 0.75:1 DE ratio required by banks for term loans.

Book value per share is at P4.33 as at December 31, 2023.

Consolidated long and short-term debts increased by P736.3 million due to the restructuring of AIB loan.

Total equity amounting to P9,807.1 million as at December 31, 2023 increased mainly due to the net income for the year.

Other than the matters discussed above, there are no significant elements of income or loss that arose from continuing operations and seasonal aspects that had a material effect on the financial condition or results of operations.

Top Five Performance Indicators

The Group's financial performance is determined to a large extent by the following key results:

Gross profit. This is recognized in full when the collection of the total contract price reached 10% on real estate sales. At this stage, it is reasonably assured that the risks and benefits over the developed assets have been transferred to the lot buyer. In manufacturing and hotel industry, this is the margin on the revenue net of cost of sales.

Export Sales and lots sold. Export sales represent revenues from products sold by its Coconut processing business while lot sold and the terms of the sale will determine when income would be recognized and how much is the potential income to the Group.

Hotel occupancy and average daily room rate (ADR). These represent the key factors that determines the average rental income per paid occupied room in a given time period. ADR along with the property's occupancy are the foundations for the property's financial performance.

Earnings before interest, taxes and depreciation (EBITDA) - This is the measure of cash income from operations and company's liquidity.

Return on Equity - denotes the capability of the Group to generate returns for the shareholders.

The table below presents the top five performance indicators of the Group:

Performance Indicator	For the Period Ended December 31, 2023 (One Year)	December 31, 2022 (One Year)	December 31, 2021 (One Year)
Gross profit	P134.4 million	P273.7 million	P436.5 million
Export sales of coconut products	P84.6 million	P88.0 million	P184.9 million
Hotel occupancy and average daily room rate			
- *Anya Hotel*	61% / P3,427	60% / P4,354	36% / P5,755
- *Go Hotels*	50% / P1,394	43% / P1,429	55% / P1,572
EBITDA	P1,661.3 million	P1,006.7 million	P683.8 million
Return on equity	13.49%	7.22%	3.08%

Key Variable and Other Qualitative and Quantitative Factors

- The Group is not aware of any known trends, events or uncertainties that will result in or that are reasonably likely to result in any material cash flow or liquidity problem.
- The Group is not aware of any events that will trigger direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation.
- The Group is not aware of any material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Group with unconsolidated entities or other persons created during the reporting period.
- The Group is not aware of any known trend, events or uncertainties that will have material impact on sales.
- Other than matters previously discussed, the Group is not aware of causes for any material changes from period to period in the financial statements.

Plan of Operations

To establish the property operation's continued growth and to ensure its viability, management intends to push raw land sales and development in Nasugbu, Batangas, footprint expansion and luxury offers in Tagaytay, and to secure new customers and increase export and local sales of coconut exports to maximize plant capacity.

The budget hotels will implement aggressive marketing strategies to offset slower industry recovery and manage pricing pressure from competitors. It will also explore strategic asset plays to optimize brand strength and location advantage.

Calendar year 2022

Corporate Updates

The RCI Group continues to reset its businesses in 2022 and generate cash amidst volatile international and local macroeconomic conditions. The overall operating performance decreased vs. 2021 due to deferred sale of Anya Phase 3, slower house and lot sales, and RAHC's earlier than expected transition from quarantine to regular guests. Coconut export growth decreased because of the low working capital, and extended repairs to address equipment failures. This was offset favorably by 266 corporate and social events, staycation rebound, and strong dining and wellness offers of Anya Hotel.

Anya Resort Tagaytay (ART) received the 2022 World Luxury Hotel Awards in the following categories: Luxury Resort Restaurant Global Winner, Regional Award for Luxury Hideaway Resort in Southern Asia, and Luxury Sustainable Spa Global Winner. ART registered its highest occupancy in December 2022 and is expanding with additional villas in the existing area as well as opening a new Phase adjacent to the core resort.

RSAI prospects for long term growth in non-dairy alternatives is sustained as demand for soy, oat, and coconut registered double digit CAGR. Nut prices went down to P6.50/kg, the lowest in three years. RSAI adjusted its list price in April 2022, the first since the start of commercial operations and reflects post-Ukraine pricing dynamics.

RLC sold for P237 million its 14.4-hectare raw land and repaid the BPI loan of P73 million. The progress completion for its key projects were 41% for Montana Phase 2 and 3, 23% for Anya Block 12, and 97% for Landing Townhomes 12, improving after limited activity during 2020-2021 pandemic lockdowns.

P1.6 billion major loans were restructured to 7 years term including 2 years grace period for ChinaBank (P186 million), Land Bank (P672 million), and Robinsons Bank (P778 million). Phase 2 discussions with banks and deleveraging will continue in 2023. AUB approved the P100 million credit line for CTS and end-user financing.

Investment properties market value increased from P7 billion in 2021 to P9 billion in 2022.

Results of Operation

Consolidated revenues for the year amounted to P786 million from real estate sales of P289 million, hotel revenues from Go Hotels and Anya Resort of P409 million, and RSAI's exports of P88 million.

Actual revenues declined 18% against 2021 because of RAHC's lower occupancy and competitive pricing pressure arising from extended recovery of the budget travel sector, RLC's delayed sale of raw lands and lower selling prices, and RSAI's extended shutdown from low working capital and plant reliability challenges.

Gross profit for the year amounted to P274 million or 35% of revenues.

Operating expenses of P704 million versus last year increased due to higher inflation, impairment on the property, plant and equipment of RSAI, and loss on loan modifications.

Equity in net loss of P184 million represents the 23.05% share in the net loss of RHI of P799 million.

Financing cost for the year of P258 million exceeded 2021 due to the higher interest rates on debt to fund working capital and capital assets.

Net other loss of P583 million included the impairment loss in RHI investment, offset by gain from sale of investment property, property management services, and RSAI sale of coconut by-products.

Consolidated net income for the year amounted to P623 million. It included the unrealized fair value gain of Investment Property amounting to P2.1 billion due to the infrastructure push of several conglomerates towards the Group’s landholdings in Nasugbu.

Financial Position

Consolidated total assets amounting to P13,815 million as at December 31, 2022 is 8% higher than P12,766 million as at December 31, 2021.

Comparative debt to equity (D/E) ratio as of December 2022 versus December 2021 decreased from 0.66:1 to 0.60:1 and continues to be within the allowable 0.75:1 DE ratio required by banks for term loans.

Book value per share is at P3.77 as at December 31, 2022.

Consolidated long and short term debts slightly decreased to P3.6 billion due to the repayment of long term loans sourced from the sale of real property.

Total equity amounting to P8,632 million as at December 31, 2022 increased mainly due to the net income for the year.

Other than the matters discussed above, there are no significant elements of income or loss that arose from continuing operations and seasonal aspects that had a material effect on the financial condition or results of operations.

Top Five Performance Indicators

The Group’s financial performance is determined to a large extent by the following key results:

Gross profit. This is recognized in full when the collection of the total contract price reached 10% on real estate sales. At this stage, it is reasonably assured that the risks and benefits over the developed assets have been transferred to the lot buyer. In manufacturing and hotel industry, this is the margin on the revenue net of cost of sales.

Export Sales and lots sold. Export sales represent revenues from products sold by its Coconut processing business while lot sold and the terms of the sale will determine when income would be recognized and how much is the potential income to the Group.

Hotel occupancy and average daily room rate (ADR). These represent the key factors that determines the average rental income per paid occupied room in a given time period. ADR along with the property's occupancy are the foundations for the property's financial performance.

Earnings before interest, taxes and depreciation (EBITDA) - This is the measure of cash income from operations and company’s liquidity.

Return on Equity - denotes the capability of the Group to generate returns for the shareholders.

The table below presents the top five performance indicators of the Group:

Performance Indicator	For the Period Ended December 31, 2022 (One Year)	December 31, 2021 (One Year)	December 31, 2020 (One Year)
Gross profit	P273.7 million	P436.5 million	P57.1 million
Export sales of coconut products	P88.0 million	P184.9 million	P193.3 million
Hotel occupancy and average daily room rate			
- *Anya Hotel*	60% / P4,354	36% / P5,755	15% / P5,626
- *Go Hotels*	43% / P1,429	55% / P1,572	51% / P1,587
EBITDA	P1,006.7 million	P683.8 million	(P765.2 million)
Return on equity	7.22%	3.08%	(14.95%)

Key Variable and Other Qualitative and Quantitative Factors

- The Group is not aware of any known trends, events or uncertainties that will result in or that are reasonably likely to result in any material cash flow or liquidity problem.
- The Group is not aware of any events that will trigger direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation.
- The Group is not aware of any material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Group with unconsolidated entities or other persons created during the reporting period.
- The Group is not aware of any known trend, events or uncertainties that will have material impact on sales.
- Other than matters previously discussed, the Group is not aware of causes for any material changes from period to period in the financial statements.

Plan of Operations

To establish the property operation's continued growth and to ensure its viability, management intends to push raw land sales and development in Nasugbu, Batangas, footprint expansion and luxury offers in Tagaytay, and to secure new customers and increase export and local sales of coconut exports to maximize plant capacity.

The budget hotels will implement aggressive marketing strategies to offset slower industry recovery and manage pricing pressure from competitors. It will also explore strategic asset plays to optimize brand strength and location advantage.

Calendar year 2021

Corporate Updates

The Group continues to reset its businesses in 2021 and preserve cash amidst the extended impact of Covid-19, demand destruction, and supply chain disruption. The overall operating performance improved vs. 2020 due to a significant raw land sale, occupancy rebound in high-end hospitality, strong take up of quarantine rooms for budget hotels, and lower equity loss on investment in associate. Coconut export growth was flat while margins and manufacturing efficiency were impacted by high nut purchase price and delayed plant repairs and equipment upgrade.

The real estate market is recovering, resulting to new inquiries for land purchase and property development joint ventures during the second half of 2021. The Group finalized the terms for the completion of a new block in Anya Tagaytay. Project feasibility is under way for Phase 3 of the boutique hotel.

Intra-city and provincial travel is slowly rising as a result of improving vaccination from LGU and corporate programs. The Group's budget hotel guest profile is shifting to more regular clientele. Various dormant or quarantine-converted hotels are being refurbished or converted back to private accounts, indicating positive prospects as hotel operators recoup market share in the price-sensitive travel segment.

The Group's Hotel Management and Consultancy unit's 2021 performance was below 2020 and budget from activity slowdown and accounts that opted not to renew. Projects that have been put on hold in 2020-2021 started to revive and are forecast to recover to pre-Covid levels by 2024.

The coconut manufacturing facility added 16 new accounts in 2021 and improved its average throughput year-on-year despite lower production days. Funds were earmarked to increase tonnage and reduce backlog plant maintenance that contributed to product quality incidents. Plant shipments were delayed by the global container disruption and resulted to freight cost escalation. Prospects for long term growth in non-dairy alternatives continue to rise as demand for soy, oat, and coconut register double digit CAGR.

Results of Operation

Consolidated revenues for the year amounted to PhP998 million from real estate sales of PhP408 million, hotel revenues from Go Hotels and Anya Resort of PhP406 million and RSAI's exports of PhP185 million. Actual revenues grew 100% against last year because of RLC sales of Sagbat & Palico to Sta. Lucia for PhP392m and higher hotel revenue with higher room nights and higher room rates from Go Hotels and Anya Resort.

Gross profit for the year amounted to PhP436 million or 44% of sales.

Operating expenses of PhP529 million versus last year increased due to the impairment loss on the property, plant and equipment of RSAI.

Equity in net loss of PhP183 million represents the 23.05% share in the net loss of RHI of PhP206 million and equity gain from RLC associates of PhP23 million.

Financing cost for the year of PhP240 million was due to higher interest rates on debts to fund working capital and capital assets.

Net other income of PhP35 million included the gain from sale of investment property, RLC penalty from late payment of customers, and RSAI sale of coconut by-products.

Consolidated net income for the year amounted to PhP238 million. It includes the unrealized fair value gain for the year amount to PhP766m – P591m from appraisal increase and P175m due to the transfer of property to a subsidiary.

Financial Position

Consolidated total assets amounting to PhP12,766 million as at December 31, 2021 is 2% higher than PhP12,459 million as at December 31, 2020.

Comparative debt to equity (D/E) ratio as of December 2021 versus December 2020 increased from 0.62:1 to 0.66:1 and continues to be within the allowable 0.75:1 DE ratio required by banks for term loans.

Book value per share is at PhP3.38 as at December 31, 2021.

Trade and installment receivables decreased to PhP184 million due to collection on sales of realty and investment property assets and RAHC collection of government receivables.

Consolidated long and short term debts slightly increased to PhP3.7 billion due to the availment of PhP370 million medium term loan partly offset by the repayment of PhP280 million long term loans from sale of real properties.

Total equity amounting to PhP7,702 million as at December 31, 2021 increased by PhP10 million from December 31, 2020, mainly due to the net income for the year.

Other than the matters discussed above, there are no significant elements of income or loss that arose from continuing operations and seasonal aspects that had a material effect on the financial condition or results of operations.

Top Five Performance Indicators

The Group’s financial performance is determined to a large extent by the following key results:

Gross profit. This is recognized in full when the collection of the total contract price reached 10% on real estate sales. At this stage, it is reasonably assured that the risks and benefits over the developed assets have been transferred to the lot buyer. In manufacturing and hotel industry, this is the margin on the revenue net of cost of sales.

Export Sales and lots sold. Export sales represent revenues from products sold by its Coconut processing business while lot sold and the terms of the sale will determine when income would be recognized and how much is the potential income to the Group.

Hotel occupancy and average daily room rate (ADR). These represent the key factors that determines the average rental income per paid occupied room in a given time period. ADR along with the property's occupancy are the foundations for the property's financial performance.

Earnings before interest, taxes and depreciation (EBITDA) - This is the measure of cash income from operations and company's liquidity.

Return on Equity - denotes the capability of the Group to generate returns for the shareholders.

The table below presents the top five performance indicators of the Group:

Performance Indicator	For the Period Ended December 31, 2021 (One Year)	December 31, 2020 (One Year)	December 31, 2019 (One Year)
Gross profit	PhP436.5 million	PhP57.1 million	PhP328.2 million
Export Sales of coconut products	PhP184.9 million	PhP193.3 million	PhP136.9 million
Hotel occupancy and average daily room rate			
- *Anya Hotel*	36% / PhP5,755	15% / PhP5,626	45% / PhP5,693
- *Go Hotels*	55% / PhP1,572	51% / PhP1,587	59% / PhP1,505
EBITDA	PhP683.8 million	(PhP765.2 million)	PhP229.0 million
Return on equity	3.08%	(14.95%)	2.07%

Key Variable and Other Qualitative and Quantitative Factors

- The Group is not aware of any known trends, events or uncertainties that will result in or that are reasonably likely to result in any material cash flow or liquidity problem.
- The Group is not aware of any events that will trigger direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation.
- The Group is not aware of any material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Group with unconsolidated entities or other persons created during the reporting period.
- The Group is not aware of any known trend, events or uncertainties that will have material impact on sales.
- Other than matters previously discussed, the Group is not aware of causes for any material changes from period to period in the financial statements.

The Group is actively managing COVID-19, extended impact of Taal volcano activity, and the impact of an extended Ukraine-Russia conflict on global commodity prices. The latter is being managed through price escalation clauses and logistics coordination with shippers.

Plan of Operations

To establish the property operation's continued growth and to ensure its viability, management intends to push through with the following plans and projects continue the land development in Nasugbu, Batangas and to develop new customers and increase export and local sales of RSAI to maximize plant capacity.

Roxas & Company, Inc.

A N N E X "F"

MAKET INFORMATION

Market of and Dividends on Common Equity

1. Market Information.

The Company has 2,911,885,870 common shares listed and traded in the Philippine Stock Exchange under the trading symbol "RCI". Out of the total common shares listed, 626,894,874 are treasury shares. The Company also had 500,000,000 preferred shares subscribed and fully paid-up, which has since been reduced to 200,000,000 preferred shares because of the redemption made in March 2021. The preferred shares are not listed with the PSE.

(a) High and low share prices for the year ended December 31, 2023.

	High	**Low**
January 2021 – March 2021	1.35	1.00
April 2021 – June 2021	1.12	1.00
July 2021 – September 2021	1.09	0.72
October 2021– December 2021	0.86	0.62
January 2022 – March 2022	0.78	0.48
April 2022 – June 2022	0.68	0.49
July 2022 – September 2022	0.64	0.51
October 2022– December 2022	0.58	0.45
January 2023 – March 2023	0.50	0.48
April 2023 – June 2023	0.47	0.46
July 2023 – September 2023	0.47	0.45
October 2023– December 2023	0.51	0.49
January 2024- March 2024	0.82	0.71
31 March 2024	1.45	1.17

Closing Market Price as of 27 March 2024 is at P1.71 per share.

2. Dividends.

The ability of the Company to declare and pay dividends on its common shares is generally governed by the pertinent provisions of the Corporation Code of the Philippines, i.e. prohibition on capital impairment and the limitation on the discretion of the Board of Directors, among others. In the recent past, the Company declared and paid dividends as follows:

Declaration Date	*Dividend Per Share*	*Record Date*	*Payment Date*
29 June 2006	P0.06	14 July 2006	31 July 2006
5 October 2006	0.06	19 October 2006	10 November 2006
21 June 2007	0.06	13 July 2007	31 July 2007
20 September 2007	0.04	15 October 2007	8 November 2007
26 June 2008	0.06	15 July 2008	31 July 2008
2 October 2008	0.06	15 October 2008	30 October 2008
13 December 2013	0.02	06 January 2014	30 January 2014
12 December 2014	0.02	15 January 2015	30 January 2015

18 December 2015	0.01	15 January 2016	05 February 2016

The Company has not declared dividends to common shares in the recent years. However, it did declare dividends to the preferred shares as follows:

Declaration Date	*Dividend Per Share*	*Record Date*	*Payment Date*
10 May 2019	P0.04	28 May 2019	31 May 2019
10 May 2019	0.02	08 August 2019	13 August 2019
10 May 2019	0.02	06 November 2019	13 November 2019
	0.02	06 February 2020	13 February 2020
	0.02	07 May 2020	13 May 2020
	0.02	06 August 2020	13 August 2020
	0.02	06 November 2020	13 November 2020
12 August 2020	0.02	03 March 2021	Not yet determined
	0.04	03 September 2021	Not yet determined

3. Recent Sales of Securities.

In December 2018, Amalgamated Investments Bancorporation subscribed to Five Hundred Million (500,000,000) preferred shares of stock of the Company for P500,000,000.00. In March 2021, RCI redeemed 300,000,000 preferred shares pursuant to its agreement with AIB, leaving only 200,000,000 preferred shares outstanding.

RCI reissued and sold to the stock market 145,201,026 treasury shares at an average price of P1.42 per share for P206.5 Million for the calendar year 2020. Out of this total, 51,093,000 shares were sold pursuant to the Put Option Agreement with LDA Capital.[1] The proceeds were used for the group's working capital and debt servicing. There were no put options exercised in 2021 and 2022.

In 2021, the Parent Company issued 26,041,161 treasury shares based on the average market rate of P1.00 per share aggregating P26.0 million, resulting to a decrease in additional paid-in capital amounting to P18.0 million, net of transaction costs of P0.3 million.

In 2022, the Company issued 16,510,657 treasury shares based on the average market rate of P0.58 per share aggregating P9.6 million, resulting to a decrease in additional paid-in capital amounting to P18.5 million, net of transaction costs of P0.0 million.

In 2023, the Company issued 46,425,837 treasury shares based on the average market rate of P0.50 per share aggregating P23.1 million, resulting to a decrease in additional paid-in capital amounting to P55.9 million, net of transaction costs of P0.0 million.

4. Description of Registrant's Securities.

The authorized capital stock of the company is P4,375,000,000 divided into 3,375,000,000 common shares with P1.00 par value a share and 1,000,000,000 preferred shares with par value of P1.00 per share.

Preferred shares are non-voting, redeemable at the option of the Board of Directors, with preference over dividends and are re-issuable.

Shareholders have no pre-emptive rights to any issue of shares, of whatever class by the corporation unless otherwise decided by the Board of Directors for the best interest of the corporation (Art. VIII, CADPGC Amended Articles of Incorporation). There is no provision in its charter or by-laws which would delay, defer or prevent a change in control of the Company.

Roxas & Company, Inc.

A N N E X "G"

SUSTAINABILITY REPORT

Roxas and Company, Inc.

Company Details	
Name of Organization	Roxas and Company, Inc. (RCI)
Location of Headquarters	7th Floor, Cacho-Gonzales Building, 101 Aguirre Street, Legaspi Village, Makati City
Location of Operations	Makati City, Quezon City, Manila City, Nasugbu, Batangas; Tagaytay; and Tupi, South Cotabato
Report Boundary: Legal entities (e.g. subsidiaries, affiliates, associates) included in this report*	Covered in this Sustainability Report is Roxas and Company, Inc. (RCI, hereinafter referred to as the "Group") and its subsidiaries and affiliates: Roxaco Land Corporation (RLC) Roxaco-Asia Hospitality Corporation (RAHC) Roxas Sigma Agriventures, Inc. (RSAI) Roxas Green Energy Corporation (RGEC)
Business Model, including Primary Activities, Brands, Products, and Services `	RLC is the property development arm of RCI which acquires real estate for investment, development, and/or sale. The Corporation is the registered owner of hectares of land in Nasugbu, Batangas. Subsumed in the Real Estate Corporation are Anya Hospitality Group (Hospitality Solutions), Anya Resort Tagaytay (Leisure & Lodging), and Roxaco-Asia Hospitality Corporation (Hotel & Development Management, 49% share). RSAI is a wholesale producer and exporter of high-quality coconut-based products. Their portfolio is 100% natural processed coconuts, comprised of Aseptic Coconut Cream and Milk, wetVirgin Coconut Oil, and Coconut Water Concentrate. RSAI promotes organic agriculture, maintaining certified coconut farms for their product orders. RGEC is the energy arm of the Corporation in Nasugbu, Batangas. Disclosures under the Environmental and Social sections are not inclusive of RGEC data as the firm has not begun commercial operations.
Reporting Period	January 1 to December 31, 2023
Highest Ranking Person responsible for this report	Atty. Melchor J. Manalo

Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics.
The material topics were identified through a review of the sustainability-related topics recommended by SEC and determined which of those are deemed relevant by the Group's stakeholders and those which the Group has impact to. These were done through consultations with the Group's business units and its concerned departments.

NOTE: The discussion of impacts, risks, and opportunities are made per topic, instead of per metric, since the risks and opportunities apply to the topic rather than the individual metrics under one topic. This allows the Group to disclose more streamlined and focused narratives on each material topic, which would also apply to the metrics that correspond under the stated material topic.

ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	Amount	Units
Direct economic value generated (revenue)	248,952,172.15	PhP Million
Direct economic value distributed:		
a. Operating costs (payments to suppliers)	102,587,179.69	PhP Million
b. Employee wages and benefits	21,517,694.94	PhP Million
c. Dividends given to stockholders and interest payments to loan providers	128,154.92	PhP Million
d. Taxes given to government	2,921,716.66	PhP Million
e. Investments to community (e.g. donations, CSR)	0.03	PhP Million

Procurement Practices

Proportion of spending on local suppliers

Disclosure	Amount	Unit
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	90	%

Impacts & Risk; Stakeholders Affected

The economic value generated by RCI flows towards its stakeholders—employees, suppliers and service providers, shareholders, government, and host communities—who drive the success of the corporation. Through this, the Group enables its stakeholders to facilitate respective contributions to the local economy.

The main risks arising from the financial instruments are liquidity risk, interest rate risk, and credit risk. Liquidity risk arises from the possibility that the Group may encounter difficulties in raising funds to meet maturing obligations. Credit risk is the risk that the Group will incur financial loss through default by counterparties in performing their obligations. Lastly, interest rate risk is the risk that the fair value or future cash flows on a financial instrument will fluctuate because of changes in market interest rates.

Incidences of corruption pose risks that could affect the flow of capital within the Group, depriving the rightful stakeholders. Additionally, while RCI invests in the preparedness for health-related and natural calamities, damages that may exceed the coverage of insurance or investment allocations may materially affect the financial health and operational condition. For example, the Group sustained significant losses and is still recovering from the effects of the COVID-19 pandemic in 2020.

Management Approach to Identified Impacts and Risks

RCI is able to generate economic value through its subsidiaries' capability to attract and retain locators and tenants in its properties (RLC) as well as customers for its hotel and resorts operations (RAHC, AHG, & ART). Additionally, sales of its finished goods (RSAI) also generate revenue in the form of coconut-based products. These revenue streams are boosted by maintaining amiable business relationships within the stakeholder ecosystem, namely product distributors, suppliers, and service providers. In addition, RCI commits to fulfilling vendor accreditation criteria and ensuring on-time release of payment tranches.

The Group benchmarks itself against best practices of similar industries—ensuring that its customers receive the best value for their money. Meanwhile, the compensation packages of RCI employees are benchmarked against industry and national standards to ensure that the workforce are provided with livable wages. For suppliers and service providers, the Corporation ensures that service agreements are diligently followed by all involved parties.

Risk management is carried out by senior management under the guidance and direction of the Board of Directors of the Parent Corporation. RCI ascertains that the Board and employees are made aware of and are compliant with all related national regulations and stipulations stated in the Group's Corporate Governance Manual and Code of Business Conduct and Ethics.

Opportunities and Management Approach

RCI seeks to continuously innovate its products and services to further establish its brand in the market. The Group intends to explore new investment and growth opportunities as well as identify potential strategic joint venture partners to secure financing strategies for future projects. Moreover, the Group also aims to enhance overall operational efficiency by improving synergies across RCI's subsidiaries.

Following the new effects and risks brought by the COVID-19, RCI reviewed its risk management for infectious diseases and disrupted supply chains. Budgets were reallocated to prepare for this risk and continuously reassessed in anticipation of adverse impact to the business as well as newly created opportunities in new operating models.

Climate-related risks and opportunities

RCI is in the process of understanding, identifying, and evaluating the climate-related risks and opportunities intrinsic to its businesses. RCI aims to determine how to effectively measure climate change's impact to its operations and core services.

Anti-corruption

Training on Anti-corruption Policies and Procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of directors and management that have received anti-corruption training	0	%
Percentage of employees that have received anti-corruption training	0	%

Incidents of Corruption

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	0	#
Number of incidents in which employees were dismissed or disciplined for corruption	0	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	#

Impacts & Risk; Stakeholders Affected

Any form of corruption significantly affects RCI's means to equitably deliver economic value to all its stakeholders. Corruption incidents would have an adverse impact to the Group's brand equity, its relationship with customers, and Corporation culture.

Management Approach to Identified Impacts and Risks

All newly-hired employees of RCI are presented with a Corporation Policy and Procedure pertaining to Employee Conduct & Work Expectations - Conflict of Interest Policy, which states that: "The appearance of impropriety must also be avoided. Employees should not appear to be unduly influenced or corrupted by personal favors from a customer or supplier." This policy is then acknowledged, and signed by every employee during the onboarding process.

Opportunities and Management Approach

RCI shall take measures to effectively evaluate its anti-corruption policies as well as benchmark and adopt local and international best practices on anti-corruption to strengthen our existing processes in preventing such occurrences.

Resource Management

Energy consumption within the organization

Disclosure	Quantity	Units
Energy consumption (biomass)	1,644	MT
Energy consumption (gasoline)	197.04	GJ
Energy consumption (LPG)	23,770	GJ
Energy consumption (diesel)	17,524.30	Liters
Energy consumption (electricity)	5,144,785.72	kWh

Impacts & Risks; Stakeholders Affected

RLC

The Corporation's main source of energy comes from electricity consumption, mainly through a local electricity provider. The firm relies on gasoline for the vehicles used in official business and diesel for its generator sets, aimed to offset power interruptions that affect the operations of commercial establishments. However, the Corporation consumes minimal amounts of LPG for several of its kitchen, laundry, and water feature operations.

The Company's overall impact on energy consumption largely depends on the degree of energy consumption of guests, tenants, customers, and employees within its operational establishments.

RSAI

The Firm consumes energy primarily for the sustenance of its operations and facilities. Its main source of energy is electricity, followed by diesel fuel and biomass energy respectively. Energy is integral in ensuring the Company's production year-round.

RAHC

Electricity comprises the majority of the Company's energy consumption. This is sourced mainly through a local electricity provider. Additionally, the Company consumes a minimal amount of diesel for its usage of generator sets during cases of power outages.

Management Approach to Identified Impacts and Risks

RLC

RLC has various energy efficiency practices across its business units, namely: RLC Realty, ART, RAHC, and AHG.

RLC Realty ensures that the use of the vehicles for official business is efficient. It invests in energy efficient equipment to decrease electric consumption for its facilities.

ART is able to effectively monitor the performance and efficiency of its facilities through its maintenance department. The Company has an existing policy to eliminate unnecessary usage of energy by strictly mandating that lights and equipment be turned off when not in use. ART also reduces its energy consumption through the replacement of old light bulbs with more energy efficient LED lights.

AHG practices proper turning off of facilities and equipment when not in use.

RSAI
As an alternative to fuel, the Company utilizes biomass to fuel the operations of its boiler units. Its biomass power is derived from the coconut shells generated through its operations. In 2023, the firm was able to generate biomass energy from 1,664 metric tons of coconut shells.

RAHC
RAHC has designated its engineering officers to implement Enercon Programs to optimize electricity usage across its different properties. These programs aim to streamline responsible usage of energy consuming appliances and facilities.

Water consumption within the organization

Disclosure	Quantity	Units
Water consumption	183,031.24	Cubic Meters
Water recycled and reused	11,813	Cubic Meters

Impacts & Risks; Stakeholders Affected

RLC
Water is consumed for commercial use across the corporation's properties, offices, and facilities. Its tenants and employees regularly consume water for domestic activities and facility maintenance. Its water supply predominantly comes from water district utilities. The Company also sources minimal amounts of water from a deep-well for its resort operations in Tagaytay. As such, water shortages from these sources may pose substantial risks to the Company, because such disruptions could potentially impede ongoing operations.

RSAI
The Company considers water as a vital resource as it is used for the processing plant's steam generation and maintenance activities. Ensuring a stable water supply is crucial in maintaining the firm's plant operations.

RAHC
Water is consumed by its tenants, guests, and employees.

Management Approach to Identified Impacts and Risks

RCI has been regularly monitoring its water impacts (consumption and discharges) while ensuring that water use is maximized across its owned establishments and commercial properties.

Opportunities

RSAI

The Corporation has identified water efficiency opportunities to be implemented in the near future. These opportunities consist of processes such as recycling coconut water condensate and reusing water for comfort room use and sanitary activities. It is preparing a robust water recycling program to streamline its identified opportunities to implement water efficiency initiatives.

Materials used by the organization

Disclosure	Quantity	Units
Materials used by weight or volume	3,459,828.00	MT
• Renewable	795,760.44	MT
• non-renewable	-	kg/liters
Percentage of recycled input materials used to manufacture the organization's primary products and services.	23	%

***NOTE**: Unable to acquire quantitative data as procurement of construction materials is outsourced through a third party*

Impacts & Risks; Stakeholders Affected

RLC

Being the property development arm of RCI, it is responsible for managing real estate development projects across the Philippines. In 2020, RLC managed construction projects (Orchards, Landing Townhomes and Montana) wherein the contractors used materials, which primarily are steel and cement. However, materials consumed by RLC for its own operations are mainly composed of office and kitchen supplies.

RSAI

As a coconut processing company, RSAI regularly sources agricultural items for its daily production needs. Aside from its raw materials, the Corporation's top procured items are principally paper-based and polyethylene-based, used for packaging purposes.

RAHC

As an operator of hotels, RAHC does not have materials intensive processes in its operations. Its materials procurement is mainly composed of domestic and office items used for its daily hotel operations.

Ecosystems and Biodiversity

***NOTE**: Due to the nature of RCI's operations, this topic is not considered as material for the Group as it currently does not operate within the vicinity of locations with substantial biological diversity.*

Environmental Impact Management

GHG emissions

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions	NA	Tonnes CO_2e

Energy indirect (Scope 2) GHG Emissions	NA	Tonnes CO2e
Emissions of ozone-depleting substances (ODS)	Not Applicable	Tonnes

Air pollutants

Disclosure	Quantity	Units
NOx	Not Applicable	Kg
Sox	Not Applicable	Kg
Persistent organic pollutants (POPs)	Not Applicable	Kg
Volatile organic compounds (VOCs)	Not Applicable	Kg
Hazardous air pollutants (HAPs)	Not Applicable	Kg
Particulate matter (PM)	Not Applicable	Kg

Impacts & Risks; Stakeholders Affected

RLC

The Corporation's primary sources of Scope 1 emissions come from its use of LPG, diesel, and gasoline fuel. It also consumes electricity across its different properties and facilities which contribute to Scope 2 emissions. The extent of RLC's air emissions is directly correlated to the scale of its energy consumption, predominantly from electricity generation and fuel consumption.

RSAI

The Company's primary sources of Scope 1 emissions are from its 18 TPH Biomass (Coconut shell fired) Boiler and its 1.5MVA diesel power generator. For its Scope 2 emissions, it generally consumes electricity to power its facilities.

RAHC

Scope 2 emissions comprise the vast majority of RAHC's GHG emissions as its daily operations rely heavily on electricity. Its scope 1 emissions are very minimal since the Corporation's fuel use is limited to its generator sets for emergency situations.

Solid and Hazardous Wastes

Solid waste

Disclosure	Quantity	Units
Total solid waste generated	131,877	Kg
Reusable	695	Kg
Recyclable	12,375	Kg
Composted	25,488	Kg
Incinerated	0	Kg
Residuals/Landfilled	10,342	Kg

Hazardous waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	349.02	Kg
Total weight of hazardous waste transported	2,488.07	Kg

Effluents

Disclosure	Quantity	Units
Average water discharge rate	320.79	Cubic meters/day
Total volume water discharge	214,691.90	cubic meters
Percent of wastewater recycled	0	%

**Scope is limited to RSAI's operations*

Impacts & Risks; Stakeholders Affected

RLC

Solid waste production occurs as a byproduct of the operations of the RLC's various establishments. Generated waste within the Company's scope mainly consists of domestic waste from the guest houses, canteens, and office spaces. For ART, there was no discharge for the year 2023 due to the reconstruction of its Sewage Treatment Plant (STP) system where manual dislodging is being conducted every 15 days, and with an estimated 80-200 cubic meters of waster water.

RSAI

In 2023, RSAI generated a monthly average of 2.99 metric tons of solid waste resulting from its manufacturing activities.

RAHC

The Company's generated waste is primarily domestic waste from tenants, guests, and employees' activities across its different properties.

Management Approach to Identified Impacts and Risks

ART

The Company operates a Materials Recovery Facility to responsibly store its solid waste before handing them over to certified waste disposal haulers for proper segregation. Furthermore, ART manages a Hazardous Waste Storage Facility where all hazardous wastes are properly labeled and temporarily stored. The resort has a schedule for proper disposal of hazardous waste, which is conducted by a DENR Certified Transporter and Treater.

To ensure that the Company's activities on handling, storing, and disposing of waste is documented and compliant with pertinent laws, the Pollution Control Officer prepares quarterly Self Monitoring Reports (SMR) and semi-annual Compliance Monitoring Reports (CMR) which are submitted to the Department of Environment and Natural Resources (DENR).

RAHC

Proper segregation is aligned with city ordinances on waste collection. Hazardous waste is also properly stored before being turned over to certified waste disposal haulers.

AHG
Proper segregation is aligned with city ordinances on waste collection.

Environmental compliance

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	19,000	PhP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	#
No. of cases resolved through dispute resolution mechanism	0	#

Impacts & Risks; Stakeholders Affected

The Group's business units are subject to local and national regulations and policies pertaining to environmental protection. It recognizes the compliance requirements which LGUs and DENR-EMB have on the respective parts of its business. The Group also acknowledges the risks that non-compliance of regulations pose to the continuity of its operations.

Management Approach to Identified Impacts and Risks

The Group has set in place governance measures and working teams who are responsible for ensuring that each of its operating assets are in full compliance with all relevant local and national environmental regulations.

RSAI

Management has engaged a third party laboratory provider, duly accredited by the DENR, to ensure continuous compliance with the required standards of the DENR for WWTP operations.

SOCIAL

Employee Management

Employee Hiring and Benefits

Employee data

Disclosure	Quantity	Units
Total number of employees	364	#
a. Number of female employees	155	#
b. Number of male employees	209	#
Attrition rate	24.97%	rate
Ratio of lowest paid employee against minimum wage	9:91	ratio

Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce	43%	%
% of male workers in the workforce	57%	%
Number of employees from indigenous communities and/or vulnerable sectors*	12	#

** Inclusive of PWDs, people of retirement age, and solo parents.*

Impacts & Risk; Stakeholders Affected

RCI offers competitive compensation and benefits packages, which attract a diverse range of talents, both experienced professionals and fresh graduates, from various industries. The Company ensures compliance with minimum wage regulations across the regions where it operates, demonstrating a commitment to fair labor practices.

In terms of local impact, RCI's operations play a significant role in creating opportunities for communities surrounding its businesses. In the reporting period, the Company contributed to the creation of 93 new jobs through its core businesses, thus contributing to the economic growth and development in these areas.

Furthermore, RCI maintains a healthy male-to-female workforce ratio, with 57% male and 43% female representation in its social portfolio. Importantly, the Company is non-discriminatory in its hiring practices, embracing diversity and inclusivity by considering candidates regardless of age, gender, or physical disabilities.

Ensuring continued compliance with labor regulations and promoting diversity and inclusion remain critical aspects of RCI's risk management strategy. Additionally, the Company should monitor market trends and economic conditions closely to mitigate any potential impact on its workforce and local communities. By proactively addressing these factors, RCI can strengthen its position as a responsible corporate citizen and enhance its long-term sustainability.

Management Approach to Identified Impacts and Risks

To remain competitive, RCI has implemented support programs to improve engagement. These include a Financial Assistance Plan designed to provide timely support to employees facing financial challenges, and a performance recognition and rewards system that incentivizes and acknowledges outstanding contributions, thus motivating employees to strive for excellence.

Furthermore, recognizing the evolving needs of its workforce, RCI offers early retirement benefits to eligible employees, facilitating smooth transitions and optimizing workforce planning strategies.

By proactively addressing employee needs and providing tailored support programs, RCI not only strengthens its resilience to potential risks but also cultivates a culture of engagement and loyalty among its workforce. This approach not only enhances business performance but also fosters a sustainable and thriving organizational ecosystem poised for long-term success.

Opportunities and Management Approach

As RCI navigates evolving conditions, management must adopt an agile approach to crafting strategies that safeguard both employees and operations from potential economic and social impacts. The strategic planning team needs to develop short, mid, and long-term plans to address industry shifts and fluctuations effectively.

Embracing agility in strategic planning enables management to respond promptly to changing circumstances, capitalize on emerging opportunities, and mitigate potential risks. By incorporating diverse timeframes into their planning, organizations can balance immediate needs with long-term sustainability goals effectively.

Furthermore, fostering collaboration and communication within the organization facilitates alignment towards common objectives, enhancing resilience and adaptability in the face of uncertainties.

Employee training and development

Disclosure	Quantity	Units
Total training hours provided to employees	6.463	hours
a. Female employees	3,233	hours
b. Male employees	3,230	hours
Average training hours provided to employees	18.21	hours
a. Female employees	20.86	hours/employee
b. Male employees	16.15	hours/employee

Impacts & Risk; Stakeholders Affected

Acknowledging the pivotal role of capability building in driving individual and organizational success, RCI places a strong emphasis on empowering its employees to deliver exceptional services to customers. In alignment with this commitment, the Company dedicates significant resources to training and development initiatives aimed at enhancing customer service, branding, and leadership skills.

In the past fiscal year, RCI allocated an average of 18.21 working hours per employee specifically for training and development endeavors. This strategic investment underscores the Company's proactive approach to nurturing talent and fostering continuous growth.

Led by the Human Resources department, a total of 6,463 hours were dedicated to upskilling the organization's human capital. This concerted effort reflects RCI's unwavering commitment to cultivating a skilled and competent workforce capable of delivering excellence across all facets of its operations.

Management Approach to Identified Impacts and Risks

Given the speed with which things are changing, the workforce needs specialized training to apply new knowledge and best practices. Aside from providing in-house training to empower its employees, RCI has been in constant coordination with different government offices and entities like the Department of Tourism to avail of relevant training for its employees. Examples of learning sessions attended and held last 2023 were The Filipino Brand of Service, Objectives and Measures Writing, Effective Performance Coaching, 11 Pillars of Servant Leadership, Basic Leadership Skills, and seminars on the products of the Social Security System and PAG-IBIG Fund.

Furthermore, RCI proactively conducts regular alignment on training needs to assess current skills inventory and identify existing skills gaps. These are then mapped against functional requirements and customer demands. Thereafter, programs are formed and executed either solely by an internal team or in partnership with external experts who specialize in those pre-determined competencies.

These avenues allow for growth both professionally and personally as employees contribute more substantially to the Company’s business objectives while giving each a degree of personal satisfaction.

Opportunities and Management Approach

Amidst the ever-evolving global business landscape, RCI recognizes an opportunity to strategically reinvest resources in training and development initiatives. This proactive approach aims to future-proof the Company's social capital, aligning it with the emerging trends and dynamics reshaping the tourism, agriculture, and real estate industries.

Understanding the imminent shifts in value chains within these sectors is paramount. For instance, traditional agricultural value chains may give way to more direct models like farm-to-table, driven by increasing market demand for transparency and sustainability. Similarly, the real estate sector is witnessing transformation, with evolving preferences in property development and management reshaping the market landscape.

Furthermore, ongoing innovations in lifestyle, particularly within the tourism industry, underscore the need for adaptability and foresight. Given the multifaceted impacts across various sectors, a thorough review and evaluation of strategy and forecasts are warranted. RCI is well-positioned to capitalize on these changes by integrating training and performance enhancement at the core of its operations.

However, the implementation team needs to exercise caution in defining appropriate performance indicators to ensure the effective application of acquired skills. By aligning training initiatives with evolving industry dynamics, RCI can not only stay ahead of the curve but also foster a culture of agility and innovation within the organization.

Labor-management relations

***NOTE**: This topic is not considered material for the Group as it currently does not have labor unions across its subsidiaries.*

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours	849,455	Man-hours
No. of work-related injuries	14	#
No. of work-related fatalities	0	#
No. of work-related ill-health	0	#
No. of safety drills	15	#

**Note: The No. of work-related injuries are minor injuries that does not cause lost manhours.*

Impacts & Risk; Stakeholders Affected

The employees of RCI's business units are exposed to various health and safety risks due to the nature of their operations. For RAHC, RSAI, and RLC, the majority of the headcount comes from the local labor force, which poses an evident risk in the form of a large dependency on the general health and wellness of the areas in which these employees occupy. This was proven true by the recent COVID-19 pandemic, which caused the cessation of tourism and hospitality-related operations due to the threat of the virus to public health. Over 50 percent of RCI's workforce were directly affected.

Management Approach to Identified Impacts and Risks

RCI prioritizes the recognition and identification of hazards and risks to ensure employee safety and well-being in the workplace. Through adherence to Occupational Safety and Health (OSH) standards and stringent compliance with government regulations, RCI maintains a proactive approach to risk management.

For instance, within RSAI, AHG, and ART, employees undergo comprehensive 8-hour OSH training during onboarding, led by our experienced in-house Safety and Security Manager. This training equips employees with essential knowledge and skills to navigate potential workplace hazards effectively.

Furthermore, RCI places a premium on preventive healthcare by providing employees with comprehensive Annual Physical Exams and access to Health Maintenance Organizations (HMOs). This initiative ensures that employees can consult health professionals without financial worry, promoting early detection and timely intervention.

Moreover, RCI actively engages with local government initiatives on health and safety, participating in community-led fire and earthquake drills to bolster preparedness and resilience.

Through these proactive measures and ongoing commitment to employee well-being, RCI fosters a culture of safety, health, and resilience across all sectors of its operations.

Opportunities and Management Approach

RCI recognizes the evolving landscape of occupational health and safety (OHS) standards as a prime opportunity for continuous improvement and proactive management. Building upon its existing framework, RCI is poised to implement more frequent periodic assessments of its readiness to ensure compliance with OHS standards.

In light of the heightened awareness surrounding health and safety prompted by recent events, such as the COVID-19 pandemic, RCI acknowledges the increased scrutiny from regulators, employees, and customers regarding the health and safety of its premises. Consequently, RCI is committed to reevaluating its current OHS systems to uphold its commitment to excellence in product and service delivery.

Additionally, RCI recognizes the importance of addressing mental health concerns in the workplace. In response, the Group is exploring initiatives to support employee well-being by providing training on stress management and mental health awareness. By equipping employees with the necessary tools and resources, RCI aims to foster a supportive work environment conducive to optimal performance and resilience.

Through these strategic initiatives, RCI aims to not only meet but exceed the expectations of its stakeholders by prioritizing the health, safety, and well-being of its workforce and customers. This proactive approach not only ensures regulatory compliance but also reinforces the RCI's reputation as a responsible and caring employer committed to excellence in all aspects of its operations.

Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	0	#

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

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	N	
Child labor	N	
Human Rights	Y	From RCI’s Code of Business Ethics (COBE): Section on Harassment and Bullying under Rules and Regulations of Code of Conduct

Impacts & Risk; Stakeholders Affected

Incidents of forced labor and child labor and violations of human rights violate labor-related laws and policies provided by the government. Allegations of abuse of human rights can escalate and develop into negative public perception, which impacts brand equity and customer loyalty. This is applicable across all RCI subsidiaries and, if present, must therefore be handled diligently.

Management Approach to Identified Impacts and Risks

RCI ensures that its businesses are compliant with and operate only within the boundaries and standards stipulated in regulations provided by both the national and local governments. RCI has a Code of Business Ethics which is communicated to employees during onboarding to make them aware of their rights as an employee. This process aims to prevent RCI's operations from incidences of labor law violations and abuse of human rights.

Opportunities and Management Approach

The Group will be benchmarking best business practices in disallowing forced labor, child labor, and protecting human rights to further strengthen RCI's labor-related policies. RCI will review its operations and assess where these violations are prone to happen, and identify how to mitigate occurrences of the same.

Supply Chain Management

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance	Y	This topic is explicitly stated in Section 4 of FM-PUR-02 – Supplier's Pre-Qualification Form
Forced labor	Y	This topic is explicitly stated in Section 4 of FM-PUR-02 – Supplier's Pre-Qualification Form
Child labor	Y	This topic is explicitly stated in Section 4 of FM-PUR-02 – Supplier's Pre-Qualification Form
Human rights	Y	This topic is explicitly stated in Section 4 of FM-PUR-02 – Supplier's Pre-Qualification Form
Bribery and corruption	Y	This topic is explicitly stated in Section 4 of FM-PUR-02 – Supplier's Pre-Qualification Form

Impacts & Risk; Stakeholders Affected

The Group ensures that they will not be involved or exposed to various human rights risks and environmental risks within its supply chain giving importance on the sustainability topics when accreditating and screening suppliers and by documenting these criteria in the Purchasing Policy and

Guidelines to ensure consistent implementation.

Management Approach to Identified Impacts and Risks

RCI conducts regular assessments of suppliers' performance—ensuring their compliance with all labor-related laws and regulations. Suppliers are flagged should any notable actions be discovered during the review.

Opportunities and Management Approach

RCI is considering these ESG criteria (e.g. suppliers' social and governance performance) in its supplier accreditation process. A revision of the existing Purchasing Policy will be done, if needed to document any change or inclusion for consistent implementation.

Relationship with Community

Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable)	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community
RLC - Residential/housing projects 1. Landing Townhomes and Shophouses 2. Montana @ Hacienda Palico 3. Orchards @ Balayan	Nasugbu and Balayan, Batangas	Not Applicable	N	Right to Housing; Local employment
RLC - Memorial Project (San Antonio Memorial Gardens)	Nasugbu, Batangas	Not Applicable	N	Right to Burial
RSAI - Coconut harvesting and Processing plant operations	Tupi, Cotabato	Not Applicable	N	Pleasant smell and minimal noise within plant proximity; Local employment

Impacts & Risk; Stakeholders Affected

Through RLC's housing projects, the developer is able to provide a nurturing community to families that could help elevate their lifestyles and boost the local economy. Furthermore, they are able to provide decent jobs for the local community through construction and maintenance of these projects.

For its memorial park, it gives families a serene space where loved ones are always remembered in an atmosphere of togetherness.

Meanwhile, RSAI's business operations that are tied with the communities are coconut harvesting, technical support to organic coconuts farming, and its processing plant. The business relies heavily on the produce of local farms for the procurement of its raw materials. As such, they are strategically placed within the vicinity of numerous coconut farms, which it can potentially partner with. Additionally, the Company's operations are mostly carried out by local workers, enabling them to provide livelihood opportunities for its provincial location as well.

Furthermore, the processing plant's processes may generate loud noise and pungent smells in the surrounding areas, resulting in disruption of BAUs of other adjacent establishments.

Management Approach to Identified Impacts and Risks

The business operations of RCI's subsidiaries are placed across Makati City, Quezon City, Manila City, Tagaytay City, Batangas and South Cotabato. The Group ensures that it employs people from the host community to provide decent work and improve the local economy.

To prevent adverse social and environmental impacts to the host communities, the Group ensures that periodic consultations are done with the concerned LGUs and civil society organizations before and during project operations. This helps in identifying the pain points as well as finding ways on how to address them. Through this, the Group aims to establish good relationships at all times with the local community.

For RCI's construction projects, the pool of partners consists of a select set of contractors who are proven reliable to complete projects' within the expected period of time.

Meanwhile RSAI, through its Trade Fair and Organic Certification arrangements with its partner farmers, ensures equitable and transparent business partnerships with them. RSAI assists those farmers to increase coconut yield and improve their land fertility through employing organic, environment-friendly practices and new technologies and conducting training programs. In addition, the Company also partners with nearby schools for its immersion and OJT programs, which provides students with insights on the work opportunities in the food sector.

Opportunities and Management Approach

RCI is continually exploring opportunities in partnering with the local organizations and private companies which would help in community capacity building and improving social welfare of the host communities. As an example, RLC is exploring joint venture projects with other developers and/or contractors. Through this, more housing units will be made available in the locality. RAHC and RSAI will be working closely with the LGUs in identifying key opportunity areas where these business units may contribute the most.

Customer Management

Customer Satisfaction

Disclosure	Company	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction	RAHC ***	**(Overall) – 77%**	**N**
		(GO Hotel North Edsa) – 79%	N
		(GO Hotel Timog) – 79%	N
		(GO Hotel Ermita) – 77%	N
		(GO Hotel Manila Airport Rd.) – 74%	N
	ART	93.10%	N
	AHG *	Not Applicable	N/A
	RLC **	Not Applicable	N/A
	RSAI	Not Applicable	N/A

NOTES:

** Currently, there is no feedback system yet for AHG. As a hospitality consultancy and management group, AHG rarely receives feedback in writings or score ratings. AHG performance is currently based on the profitability and efficiency of managed properties. Concerns / comments are raised verbally. In the event that hotel owners are not satisfied with AHG's service, management contracts may not be renewed.*

*** The need for a third party to conduct customer satisfaction in the realty business is not yet being considered. Internally, customer satisfaction is gauged primarily through feedback, sales performance, and reorders.*

**** Due to the pandemic, Go Hotels have operated mainly as quarantine facilities. Because of this, there has been no online reviews for the majority of the year except for a handful that were posted prior to the declaration of ECQ. These handful reviews do not reflect the overall operations as it is just a small percentage of the total number of guests accommodated in 2020.*

Guest surveys were also not collected directly from the guests to comply with the IATF ruling of minimal contact. These would also not be able to reflect the service of the hotels as the guests would have minimal to zero contact with the staff during their quarantine.

Impacts & Risk; Stakeholders Affected

Customer feedback serves as the gauge by which RCI determines how effective the group's products and services are in terms of delivering a premier customer experience (CX). Scores can be viewed as a representation of customer sentiment and leveraged on as a key channel to draw out insights from. Utilized well, the scores safeguards the company from failure to engage with its customers effectively.

At present, two hospitality developments (RAHC and ART) have existing mechanisms to measure CX, the former subscribing to a net promoter score (0-10) system and the latter ascribing to a the more conventional Customer Satisfaction Score (0-100%). In addition, other engagement channels like emails, phone numbers (mobile or landline), social media, sms, were communicated to the customers should they have any concerns

Both scores are essential to monitor as negligence risks loss of customer trust and bad public reviews, which negatively impacts brand equity.

Management Approach to Identified Impacts and Risks

The Customer Care Department, guided by its policy on Handling Customer Feedbacks, endeavors to ensure that all feedbacks are addressed properly in consultation with the management. The aggregated feedback is then integrated into training and employee development plans. Guest experiences, in the form of reviews, are used as references in workshops to address and improve experience.

Also, regular reviews of policies and procedures are conducted periodically and these are amended as necessary.

Opportunities and Management Approach

Opportunities present themselves in two fronts. The first is in furthering customer personalization. The prominent consumer behavior of the rising generation is authenticity. This entails that it would be essential for both RAHC and ART to craft their brands and customer journeys towards a highly personal experience. Secondly, reinforcing the first, the opportunity to digitize will drive growth and improvement in marketing and core services with the implementation of digital solutions to strengthen RCI's position. Such programs could range from developing an omni-channel approach to adapting a cloud-based Customer Relationship Management platform

Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety*	0	#
No. of complaints addressed	0	#

Impacts & Risk; Stakeholders Affected

As a business who provides tangible assets as a form of product and service delivery, RCI aims for its customers to have an enjoyable experience when availing its products and services.

When receiving customer complaints regarding health and safety, it is essential that these are handled properly due to the large impact on customer loyalty. Mishandling of complaints also pose reputational risk—dissatisfied customers may share their unfortunate experience with their networks, resulting in less patrons and repeat customers.

Management Approach to Identified Impacts and Risks

RCI upholds its products and services' safety of use in the highest regard. The Group established proper quality assurance protocols which seek to communicate its standards on health and safety from inbound logistics to product and service delivery. Furthermore, RCI ensures that its communication channels are open for complaints on products or services' health and safety. All filed complaints are coursed through the proper channel and delegated to their concerned departments.

Opportunities and Management Approach

Due to the COVID-19 pandemic, RCI anticipates that customers will now place an even higher regard for the cleanliness and safety of products and services. With this, the Company is exploring how to re-skill its employees in order to keep up with the higher standards brought by the pandemic. Moving forward, this also provides RCI an opportunity to update its health and safety management systems through third-party audits and certifications.

Marketing and labelling

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labelling	0	#
No. of complaints addressed	0	#

Impacts & Risk; Stakeholders Affected

The Group exposes itself to brand and reputational risk should there be proven misrepresentation on RCI's products and services. Mislabeled communication materials to RCI's customers may result in their disappointment when expectations on the brand are not met. Given the current digital age, there is ease also in spreading misinformation to people's networks. Hence, RCI shall be wary of all the advertisements and promotional materials that are being communicated to its customers.

Management Approach to Identified Impacts and Risks

It is RCI's due diligence to provide true and accurate information at all times. To support this, there are dedicated Marketing units who have been tasked to ensure that only correct marketing media will be used for the promotion of the projects through authentic RCI channels. This is done through regular conduct of reviews on RCI's product and service portfolio.

Furthermore, relationship managers are tasked to be transparent to potential clients on the Group's products and services to avoid setting unsuitable expectations from them.

Opportunities and Management Approach

The Group considers all feedback as an opportunity for improvement. Should the need arise, the Group shall engage the services of marketing and product design consultants to boost its marketing and advertising strategies.

Customer privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy	0	#
No. of complaints addressed	0	#
No. of customers, users and account holders whose information is used for secondary purposes	0	#

Data Security

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts and losses of data	0	#

Impacts & Risk; Stakeholders Affected

As part of ensuring operational excellence to deliver customer delight, collection of Personal Identity Information (PII) is fundamental. RCI primarily collects PII values such as names, dates of birth, addresses, ID information, contact numbers, credit card numbers, corporate Tax Identification Number (TIN), personal food preferences for Food & Beverage (F&B) services, and other health-related information among others. The PII information allows the operations team to consider and assess customer needs and preferences to give a top-of-class experience and provide relevant services and products.

Management Approach to Identified Impacts and Risks

In consideration of the synergy between customer PII data and organizational proprietary data, the Corporation decided to protect privacy by storing data in a password encrypted property management system. The system is sourced from an external provider, where RCI has entered into a user data agreement with affiliates such as Review Pro, SABA, Global Payments, INFOR, and Rate Gain to build layers of protection.

Furthermore, RCI complies with the Data Privacy Act of 2012 by gathering the consent of customers at the point of data collection and augments their protection by having a social media and data handling agreement signed by employees which clearly stipulates the scope of what they can and cannot do with data that customers and guests entrusted RCI with. Moreover, cybersecurity measures comprising equipment and processes have been set in place to tighten security, some of which are dual firewalls for work tools and routers; network isolation for guests and employees; and cctv and telephone lines using VLAN. The company strictly implements policy on internet usage and other applications, to reduce risks and prevent breaches while providing the appropriate training of responsible usage.

Other noteworthy actions are as follows: (1) for credit card information handling, only the last 4 digits are kept visible in the system and the rest are masked to secure the data; (2) for proprietary information handling, most USB ports have been disengaged - especially at the Front Desk so as to keep any virus from being transferred and to protect the unauthorized sharing of confidential information; (3) Firewall licenses are being monitored regularly; (4) CCTV cameras are installed; and (5) internet access restrictions are found on most of the working tools of RCI employees.

Opportunities and Management Approach

As narrated in the Management Approach, RCI already holds a competent and comprehensive structure in data handling and management. Opportunities present themselves in the form of augmenting cybersecurity by the installation of firewalls and a data on-site/ cloud-based data servers for file and data protection; more data-related training across the employees of different subsidiaries on responsible use of work tools and the corporate network; and a regular process review to ensure modernization, reducing legacy systems, which are more prone to hacks and numerous malicious attempts.

UN SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to UN SDGs

Key products and services and its contribution to sustainable development.

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
All Subsidiaries - Human capital plays an integral role in delivering the RCI's key products and services. Thus, acquiring and retaining its talent pool goes hand in hand with the Group's ability to sustain and grow its businesses.	**SDG Contribution:** Goal 5 - Gender Equality The Group currently employs almost 50-50 male to female ratio for its workforce. RCI does not show discrimination against women and vulnerable groups in its hiring process as well as in the workplace. Goal 8 - Decent Work and Economic Growth The Group's ability to provide employment opportunities through its different business units contributes to local economic development. The Group currently employs 381 workers across its subsidiaries, providing decent work in the local regions where it operates.	Unequal pay and poor labor conditions; unheard employee grievances	Complaints are managed by the manager-in-charge and then to the HR. The HR Team then delegates the complaint to the right department to address the issue.
RSAI - Coconut-based products	**SDG Contribution:** Goal 2- Zero Hunger. Leveraging on its modern coconut processing technologies and the region's abundant supply of coconuts, RSAI was able to produce 2,600 tons of coconut-based products in 2021. These products provide nutritious, high-quality food options to the market.		

	Furthermore, RSAI's business is involved in fair-trade agreements with local farmers, augmenting livelihoods in the process. Through these fair-trade agreements, local farmers are also provided access to training and technologies to help boost their productivity. <u>Relevant SDG 2 Targets:</u> *SDG 2.1* - By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round. *SDG 2.3* - By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment.		

Roxas & Company, Inc.

A N N E X "H"

MINUTES OF ANNUAL STOCKHOLDERS' MEETING DATED 30 August 2023

ROXAS AND COMPANY, INC.
MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING
30 August 2023, 10:00 A.M.
Via Video Conference

	NUMBER OF SHARES	PERCENTAGE
Total Number of Shareholders by Proxy and in Person	**1,727,415,983**	**77.17%**
Total Issued and Outstanding Shares	**2,238,565,159**	**100.00%**

PROCEEDINGS

I.
CLOSURE OF REGISTRATION

Registration started at 9:00 a.m. and ended at 10:00 a.m. The Corporate Secretary, Atty. Peter D.A. Barot, then declared that the registration for the Annual Stockholders' Meeting of Roxas and Company, Inc. officially closed.

II.
CALL TO ORDER

The Chairman, Mr. Pedro O. Roxas, called the meeting to order and welcomed the attendees to the meeting. The Assistant Corporate Secretary, Atty. Melchor J. Manalo, recorded the minutes of the meeting.

III.
CERTIFICATION OF NOTICE AND QUORUM

Atty. Peter D.A. Barot certified that the Notices, Agenda, Information Statement (SEC Form 20-IS), and the Annual Report were sent to all stockholders in accordance with the Securities Regulations Code, SEC Notice dated March 16, 2021, and Memorandum Circular No. 6, Series of 2020. He also certified, that there were present, in person or by proxy, stockholders representing 77.17% or 1,727,415,983 shares of the total issued and outstanding shares of the Company, and that a quorum exists for the valid transaction of business in the meeting.

IV.
READING AND APPROVAL OF MINUTES OF THE PREVIOUS ANNUAL MEETING OF THE STOCKHOLDERS HELD ON 29 JUNE 2022

The Chairman proceeded to the next item in the agenda which is the reading and approval of the Minutes of the Annual Stockholders' Meeting held on 29 June 2022. Copies of the Minutes were distributed to the stockholders upon registration and by posting the same on the company's website since 4 July 2022.

The Chairman stated that a vote was taken in absentia for the approval of the Minutes of the Annual Stockholder's Meeting held on 29 June 2022 and asked the Corporate Secretary to tally votes. The Corporate Secretary reported that based on the votes taken and cast in absentia, 100% of the shareholders present in person or by proxy voted to approve the Minutes of the Meeting held on 29 June 2022.

V.
PRESENTATION AND APPROVAL OF THE ANNUAL REPORT OF MANAGEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

The Chairman presented the Annual Report for the calendar year 31 December 2022 to the shareholders. Copies of the Annual Report were furnished to the stockholders prior to the meeting and published in the Company's website.

<u>The Chairman's Message</u>

Mr. Pedro O. Roxas delivered his message to the stockholders. He mentioned that Roxas and Company, Inc. is on track with its recovery programs and the management continues to strive, be resilient and innovative in order to push the Company towards its goals.

He reported that the Roxaco-Asia Hospitality Corporation has shifted from quarantine to regular facilities and adjusted its price in order to be more competitive. Anya Resorts Tagaytay, on the other hand, has performed well in 2022 and has been recognized internationally by different prestigious award bodies. In fact, its gross profit grew significantly as compared to 2021. Roxaco Land Corporation had a steady performance in 2022 and has continued to develop its land bank and has partnered with other Class A contractors in order to maximize the development of its project's potential and revenues. Roxas-Sigma Agriventures, Inc. has sustained a bigger loss in 2022 because of the persistent plant reliability and working capital issues. This resulted in a huge setback for the Company. However, management still has a positive mindset and continues to innovate ideas and formulate catch-up plans, including emergency repairs and maintenance, and has maintained and attracted new clients while waiting for the necessary operating funds. Anya Hotel Group (AHG) has continued its steady phase and has secured its first non-affiliate client in 2022, and continues to strive to build its consultancy and operating management portfolios in order to secure more clients, particularly in high-end luxury resorts. Lastly, the Chairman stated that Roxas Holdings, Inc. has booked loses in 2022 and has decided to close its milling business in order to focus on its refinery business.

Mr. Roxas then mentioned that RCI continues to strive and recover from the challenges brought by the COVID-19 pandemic.

He concluded his speech by thanking the stockholders for their continued faith and trust. He also thanked the members of the Board and all RCI group employees and stakeholders for their support, passion, and resilience in delivering results and meeting targets throughout these trying times.

The Chairman then turned over the floor to the President and CEO, Mr. Edgar P. Arcos, for his report.

President and CEO's Message

Mr. Edgar P. Arcos, President and CEO of RCI, delivered the President's Report as follows:

"In 2022, Roxas and Company, Inc. continue to operationalize its strategies to push our group recovery programs that started in 2021. Despite the 2-week spike in January 2022, COVID-19 was more under control last year.

Revenues of almost Php800M declined 17% versus 2021 while gross profit at around Php300M was at 35% of sales. Operating results are lower than the 2021 due to the mixed performance across businesses. Higher operating expenses and interest expenses were offset by property fair value gain resulting in an overall net income after tax of Php623M.

In P Million	2022	2021	Inc(Dec)
SALES	786	946	*-17%*
COST OF SALES	(512)	(533)	
GROSS PROFIT	**274**	**412**	*-34%*
GP MARGIN	35%	44%	
OPERATING EXPENSES	(704)	(508)	
OPERATING INCOME	**(430)**	**(96)**	
OTHER INCOME	(571)	42	
EBIT	**(1,001)**	**(54)**	*-1743%*
FAIR VALUE GAIN	2,120	766	
EQUITY LOSS - RHI	(184)	(183)	
INTEREST EXPENSES	(258)	(212)	
LOSS -DISCONTD. OPS.	(40)	(26)	
INC. TAX EXP(BENEFIT)	(14)	(54)	
NIAT	**623**	**238**	*162%*
EBITDA	**1,007**	**684**	

Roxaco-Asia Hospitality Corporation reconverted its 4 hotels from quarantine to regular facilities in quarter 1 of 2022 following the relaxation of pandemic protocols. Full-year occupancy rates fell from 55% in 2021 to 43% in 2022 as Overseas Filipino Workers, frontliners, Chinese clients, and seafarer departures declined. Hotels had to cut rates to attract guests. Costs rose as higher inflation pushed, spending above budgets. RAHC resorted to block booking of floors to manage personnel and power usage. It also launched marketing programs, repaired rooms, and enhanced selected lobbies. Guest walk-ins as well as online travel agent bookings rose versus 2021. The erratic occupancy, competitive pricing, and heavy interest burden increased the overall loss in RAHC in 2022 compared to 2021.

On the other hand, Anya Resort Tagaytay revenues and gross profit grew 150% resulting to net loss being cut in half versus 2021. Despite the closure from the Omicron variant early in the year, Anya registered a 15-point improvement in occupancy to 60% for the year. Posting record food and beverages, rooms, spa, and miscellaneous sales, the hotel hosted no less than 255 corporate and social events throughout the year. A recovery year indeed. The property was not spared though from rising food and supplies costs but the hotel offset this impact by adjusting menu prices and streamlining operations. To cap a strong year, Anya Resort Tagaytay also won the prestigious World Luxury Hotel Award recognized as a top global restaurant, Samira, and spa, Niyama. The hotel celebrated its 6th (sic) anniversary and held a much-deserved service award and recognition night.

Roxaco Land Corporation, the realty unit, sold raw land in Nasugbu. It resumed construction of previously low-activity house and lot projects in Montana, Landing Townhomes, and Palm Strip. It also signed an agreement with a third party for the 1-billion-peso Anya Phase 3 project to commence and pre-sell in 2023. It continues to receive many proposals for joint ventures, sale, and rental of land holdings in Nasugbu.

Roxas Sigma Agriventures, Inc. registered a larger loss in 2022 compared to 2021 due to fewer production days caused by reliability and working capital issues. The plant shutdowns delayed order fulfillment and resulted to cancelled purchase orders. Product write-offs from quality rejects however were reduced as finished goods volume declined and fixes the previous issues were delivered. RSAI's Sales and Marketing Team released higher list prices for 2022, the first update since commercial activity started in 2018. Dehusked coconut prices in the area increased in the first half of 2022 following the Russia invasion of Ukraine but the annual average cost of the nuts declined by 6% versus 2021. RSAI's search for new equity or debt is still in progress. The investment will be used for capacity expansion, product development, and quality equipment upgrades. Most of the emergency repairs were completed. Maintenance needs more focus, funding as well and technical resources. Finally, for RSAI, it impaired its asset in 2022 to match carrying to recoverable values. This impairment is reversible once capacity utilization is achieved foreseen sometime in 2024.

Anya Hotel Group secured new clients in 2022 and strengthening the pipeline of potential contracts for hotels, spas, and restaurants. It also reinforced its sales unit to prepare for the impending tourism rebuilding of the Philippines and a push to attract higher tourism revenues from 2023 onwards.

The Group's Nasugbu land holdings value appreciated by more than 2 billion in 2022, continuing a 5-year streak of sustained investment property demand. We continue to work towards resolving our cases so that we can monetize our portfolio of land holdings. The consolidation of San Miguel and the Metro Pacific tollways project and the power infrastructure investments in Nasugbu are strategically important to our mid to long-term plans.

Roxas Holdings, Inc. booked a loss in 2022 that is almost equal to 2021. RHI closed its milling unit to concentrate on the refinery business in 2022.

The Finance Team concluded the restructuring of loans from several banks to match the new cash flow forecasts following COVID and post-pandemic recovery prospects and challenges. The remaining loan agreements will be finalized in 2023.

The Roxas Companies continue to finetune its performance management process. It also hosted 3 well-attended and well-regarded town hall sessions in the year to deepen engagement and share financial and operational results. There were many question-and-answer sessions that were the source of direct feedback from all of the employees in the 3 events hosted last year. "

Mr. Arcos thanked the companies' Shareholders, Board of Directors, industry associates, suppliers, partner banks, media partners, and all employees for their strong support in a still challenging 2022, and mentioned that he looks forward to generating together with the whole team stronger results in 2023 and beyond.

After the President's message and report, the Chairman stated that a vote was taken in absentia for the approval of the Annual Report for the period ended 31 December 2022. The Corporate Secretary then reported that based on the votes taken and cast in absentia, 100% of the shareholders present in person or by proxy voted to approve the Annual Report.

VI
RATIFICATION OF ALL ACTS AND PROCEEDINGS OF THE BOARD OF DIRECTORS AND MANAGEMENT

The next item on the agenda was the ratification of all acts of management and of the Board from 29 June 2022 up to the present. The Chairman added that these acts and resolutions were disclosed in the Information Statement on SEC Form 20-IS which was published on PSE Edge and posted on the Company's website.

The Chairman reported that a vote was taken in absentia for the ratification of all acts, proceedings, and resolutions adopted by the Board of Directors and Management since the Annual Stockholders' Meeting on 29 June 2022. Atty. Barot then confirmed that based on the votes taken and cast in absentia, 100% of the shareholders present in person or by proxy voted to approve and ratify the acts of the Board and Management.

VII
ELECTION OF THE BOARD OF DIRECTORS

The next item on the agenda was the election of the Board of Directors. The Chairman reported that pursuant to Sec. 3, Article III of the By-Laws of the company, nominations for the election of members of the Board of Directors should be submitted to the Chairman of the

Board of Directors at least 15 working days prior to any meeting of the shareholders called for the election of the Directors. The following persons, whose qualifications were set forth in the Information Statement provided to shareholders, have been nominated and endorsed by the Nominations Committee for election to the Board of Directors of the Corporation:

1. Mr. Gerardo C. Ablaza Jr. (Independent)
2. Mr. Edgar P. Arcos
3. Ms. Corazon S. de la Paz-Bernardo (Independent)
4. Mr. Francisco Jose R. Elizalde
5. Mr. Santiago R. Elizalde
6. Mr. Aurelio R. Montinola III (Independent)
7. Mr. Pedro O. Roxas

The Chairman reported that a vote was taken in absentia for the election of the following nominees to the Board of Directors of the Company.

Atty. Barot then confirmed that based on the votes taken and cast in absentia, 100% of the shareholders present in person or by proxy voted to elect the above-named nominees to the Board of Directors of the company to serve as such until the next annual meeting of the shareholders.

VIII.
ELECTION OF EXTERNAL AUDITORS

The next item on the Agenda is the election of the external auditor of the Company. At this point, the Chairperson of the Audit and Risk Committee, Dir. Corazaon de la Paz-Bernardo, was recognized. Director de la Paz-Bernardo, stated that in accordance with the Company's Manual on Corporate Governance, the Board of Directors, after consultation with the Audit and Risk Committee, recommends the election of the auditing firm of Sycip Gorres Velayo and Co., otherwise known as SGV & Co., as external auditors of the company for the calendar year 2023.

The Chairman reported that a vote was taken in absentia for the election of SGV & Co. as the company's external auditor for the calendar year 2023. Atty. Barot then confirmed that based on the votes taken and cast in absentia, 100% of the shareholders present in person or by proxy voted to elect SGV & Co. as the Company's external auditor for the calendar year 2023.

IX.
OTHER MATTERS

For the next item on the Agenda, the Chairman stated that as provided for in the procedure published for the conduct of the virtual meetings, all shareholders were requested to send their queries or comments to the Company's Investor Relations Officer on or before

9:00 a.m. of 30 August 2023. He then asked the Investor Relations Officer, Atty. Mechor J. Manalo, to read out any questions sent by the shareholders.

Atty. Manalo confirmed that he did not receive any questions from shareholders for discussion in today's meeting.

Since there were no questions, the Chairman advised the stockholders that a link to the recorded webcast of the ASM will be posted on the Company's website after the Meeting. Stockholders shall have two weeks from posting to raise to the Company any issues, clarifications, and concerns on the Meeting conducted. For any clarifications, shareholders may contact the Investor Relations Officer, Atty. Manalo.

X.
ADJOURNMENT

There being no other matters left for discussion, the Chairman adjourned the Annual Stockholders' Meeting.

CERTIFIED TRUE AND CORRECT:

ATTY. MELCHOR J. MANALO
Assistant Corporate Secretary

Roxas & Company, Inc.

A N N E X "I"

TABULATION OF VOTES

ANNUAL STOCKHOLDERS' MEETING DATED 30 AUGUST 2023

Roxas & Company, Inc.

RESULTS OF VOTES TAKEN AT THE ANNUAL STOCKHOLDERS MEETING

AUGUST 30, 2023

Item in the Agenda	YES	NO	Abstaining
Approval of the Minutes of the Annual Stockholders' Meeting held on 29 June 2022	**1,727,415,983** Shares	0	0
Approval of the Annual Report and Financial Statement for the year ending 31 December 2022	**1,727,415,983** Shares	0	0
Ratification of all the acts and resolutions of the Board of Directors and Management from June 29, 2022 up to present.	**1,727,415,983** Shares	0	0
Election of the Board of Directors			
a. Gerardo C. Ablaza, Jr. (Independent Director)	**1,727,415,983** Shares	0	0
b. Edgar P. Arcos	**1,727,415,983** Shares	0	0
c. Corazon de la Paz-Bernardo (Independent Director)	**1,727,415,983** Shares	0	0
d. Francisco Jose R. Elizalde	**1,727,415,983** Shares	0	0
e. Santiago R. Elizalde	**1,727,415,983** Shares	0	0
f. Aurelio R. Montinola III (Independent director)	**1,727,415,983** Shares	0	0
g. Pedro O. Roxas	**1,727,415,983** Shares	0	0
Election of the external auditors - SGV & Co.	**1,727,415,983** Shares	0	0

Roxas & Company, Inc.

A N N E X "J"

CERTIFICATION ON THE ATTENDANCE OF BOARD OF DIRECTORS FOR YEAR 2023

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

SECRETARY'S CERTIFICATE

I, **MELCHOR J. MANALO**, of legal age, Filipino, and with office address at 7th Floor, Cacho-Gonzales Building, 101 Aguirre Street, Legaspi Village, Makati City, after having been sworn in accordance with law, hereby certify as follows:

1. I am the duly elected and incumbent Assistant Corporate Secretary of **ROXAS AND COMPANY, INC.** ("Corporation"), a corporation duly organized and existing under and by virtue of the laws of the Philippines with business address at 7th Floor, Cacho-Gonzales Building, 101 Aguirre Street, Legaspi Village, Makati City.

2. As the Assistant Corporate Secretary, I have the custody and access to the corporate records of the Corporation;

3. Based on the Corporation's records, the meetings of the Board of Directors and the Board Committees for the calendar year 2023 were attended, via videoconference, by the following:

REGULAR MEETINGS OF THE BOARD OF DIRECTORS				
Directors	**21 April**	**16 May**	**11 Aug**	**10 Nov**
Mr. Roxas, Pedro O.	✓	✓	✓	✓
Mr. Ablaza Jr., Gerardo C.	✓	✓	✓	✓
Mr. Arcos, Edgar P.	✓	✓	×	✓
Ms. De La Paz-Bernardo, Corazon S.	✓	✓	✓	✓
Mr. Elizalde, Francisco Jose R.	✓	✓	✓	✓
Mr. Elizalde, Santiago R.	✓	×	✓	×
Mr. Montinola III, Aurelio R.	✓	✓	✓	×

AUDIT AND RISK COMMITTEE MEETINGS				
Directors	**13 April**	**12 May**	**7 Aug**	**6 Nov**
Ms. De La Paz-Bernardo, Corazon S.	✓	✓	✓	✓
Mr. Elizalde, Francisco Jose R.	✓	✓	✓	×
Mr. Montinola III, Aurelio R.	✓	✓	✓	✓

ANNUAL STOCKHOLDERS' MEETING	
Directors	**30 August**
Mr. Roxas, Pedro O.	✓
Mr. Ablaza Jr., Gerardo C.	✓
Mr. Arcos, Edgar P.	✓
Ms. De La Paz-Bernardo, Corazon S.	✓
Mr. Elizalde, Francisco Jose R.	✓
Mr. Elizalde, Santiago R.	✓
Mr. Montinola III, Aurelio R.	✓

ORGANIZATIONAL MEETING	
Directors	**30 August**
Mr. Roxas, Pedro O.	✓
Mr. Ablaza Jr., Gerardo C.	✓
Mr. Arcos, Edgar P.	✓
Ms. De La Paz-Bernardo, Corazon S.	✓
Mr. Elizalde, Francisco Jose R.	✓
Mr. Elizalde, Santiago R.	✓
Mr. Montinola III, Aurelio R.	✓

NOMINATION, ELECTION & GOVERNANCE COMMITTEE MEETING	
Directors	19 May
Mr. Roxas, Pedro O.	×
Mr. Montinola III, Aurelio R.	✓
Mr. Elizalde, Santiago R.	×
Mr. Ablaza Jr., Gerardo C.	✓
Ms. De La Paz-Bernardo, Corazon S.	✓

COMPENSATION COMMITTEE MEETINGS - NONE

4. At least one (1) independent director was present in each of the Board meetings for the calendar year 2023.

5. I certify that the above listed attendance of the Board of Directors in the said Board and Committee meetings for the calendar year 2023 is true and correct based on the Corporation's records.

IN WITNESS WHEREOF, I have hereunto set my hand this MAY 03 2024 in Makati City, Philippines.

MELCHOR L. MANALO
Assistant Corporate Secretary

SUBSCRIBED AND SWORN to before me this ______ day of MAY 03 2024 2024, affiant having exhibited to me his IBP ID No. 62499.

Doc. No. 44;
Page No. 10;
Book No. I;
Series of 2024.

MARIE MELANIE O. BUENAVENTURA
Appointment No. M-309
Notary Public for Makati City
Until December 31,2025
7th floor, Cacho-Gonzales Building,
101 Aguirre St., Legaspi Village, Makati City 1229
Roll of Attorneys No. 79761
IBP No. : 416254/01-11-2024/ Cavite Chapter
PTR No.: 2494298/01-15-2024/Imus City, Cavite