COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

1	6	3	6	7	1					

COMPANY NAME

AYALA LAND LOGISTICS HOLDINGS CORP. AND SUBSIDIARIES

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

3RD LEVEL GLORIETTA 5 AYALA CENTER, MAKATI CITY

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS	SEC	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
corporate@ayalalandlogistics.com	**(632) 8884-1106**	**None**

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
734	**04/19**	**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
Francis M. Montojo	**montojo.francis@ayalaland.com.ph**	**(632) 8884-1106**	**(63) 917 8579190**

CONTACT PERSON's ADDRESS

3rd Level Glorietta 5, Ayala Center, 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.*

Independent Auditor's Report

To the Board of Directors and Stockholders of
AyalaLand Logistics Holdings Corp.
3rd Level, Glorietta 5, Ayala Center
Makati City, Philippines

Report on the Audit of the Consolidated Financial Statements

Our Opinion

In our opinion, the accompanying consolidated financial statements of AyalaLand Logistics Holdings Corp. and its subsidiaries (together, the "Group") as at and for the year ended December 31, 2023 are prepared, in all material respects, in accordance with Philippine Financial Reporting Standards (PFRS), as modified by the application of the financial reporting relief issued and approved by the Securities and Exchange Commission (SEC), as described in Note 31 to the consolidated financial statements.

What we have audited

The consolidated financial statements of the Group comprise:

- the consolidated statement of financial position as at December 31, 2023;
- the consolidated statement of income for the year ended December 31, 2023;
- the consolidated statement of comprehensive income for the year ended December 31, 2023;
- the consolidated statement of changes in equity for the year ended December 31, 2023;
- the consolidated statement of cash flows for the year ended December 31, 2023; and
- the notes to consolidated financial statements, which include a summary of material accounting policies.

Basis for Opinion

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

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

Independence

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

Emphasis of Matter

We draw attention to Note 31 to the consolidated financial statements, which describes the basis of preparation of the financial statements. The consolidated financial statements as at and for the year ended December 31, 2023 have been prepared in accordance with PFRS, as modified by the application of the financial reporting relief issued and approved by the SEC in response to the COVID-19 pandemic. The details of the financial reporting relief availed by the Group and the impact on the consolidated financial statements are discussed in detail in Note 31. Our opinion is not modified in respect of this matter.

Other Matter

The consolidated financial statements of the Group as at and for the year ended December 31, 2022 were audited by another firm of auditors whose report thereon dated February 28, 2023 expressed an unmodified opinion on those statements.

Our Audit Approach

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

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

Key Audit Matter

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

The key audit matter identified in our audit pertains to the real estate revenue recognition based on percentage of completion (PoC) as a measure of progress.

Key Audit Matter	How our Audit Addressed the Key Audit Matter
Refer to Note 24, accounting policies in Note 31 and critical accounting estimates and assumptions in Note 30 to the consolidated financial statements. The revenue from sale of real estate for the year ended December 31, 2023 amounts to P1,763 million which accounts for approximately 50% of the consolidated total revenue. It is therefore material to the consolidated financial statements. Real estate revenue from contracts with customers is recognized over time using the output method in accordance with the guidance set in PFRS 15, *Revenue from contracts with customers*, and Philippine Interpretations Committee Questions and Answers (PIC Q&A) 2016-04. Under the output method, revenue is calculated with reference to the PoC of the project. In the case of the Group, PoC is determined based on the actual physical completion of the project. Hence, real estate revenue recognition requires significant management judgment and estimation.	We addressed the matter by understanding and evaluating the process employed by the Group in estimating the PoC of the real estate development projects. In particular, we performed a combination of controls and substantive testing procedures as follows: • Evaluated the design and tested the operating effectiveness of key controls surrounding the project budgeting, project costing and project milestone measurement activities. Further, we performed reasonableness testing of key inputs and assumptions used in the project budgeting and project costing activities, through site visits and inspection of bill of quantity and other relevant supporting documents. • Agreed the milestone percentage per project by inspecting the underlying project accomplishment reports prepared by project engineers and as evaluated and approved by independent quantity surveyors. • Performed test of details on incurred project costs through corroboration with supporting documents such as contractors' progress billing statements, supplier invoices, proof of delivery and other relevant supporting documents. • Performed mathematical accuracy check of PoC applied to each project and individually sold units and verified that the PoC is accurately used in the calculation of the Group's real estate revenue.

Other Information

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

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

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

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

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

Management is responsible for the preparation of the consolidated financial statements in accordance with PFRS, as modified by the application of the financial reporting relief issued and approved by the SEC, as described in Note 31 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 ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate or to cease operations of the Group, or has no realistic alternative but to do so.

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

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

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

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

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 financial statements represent the underlying transactions and events in accordance with PFRS, as modified by the application of the financial reporting relief issued and approved by the SEC, as described in Note 31 to the consolidated financial statements.

- 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.
Independent Auditor's Report

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

The engagement partner on the audit resulting in this independent auditor's report is Zaldy D. Aguirre.

Isla Lipana & Co.

Zaldy D. Aguirre
Partner
CPA Cert No. 105660
P.T.R. No. 0024447, issued on January 12, 2024, Makati City
TIN 221-755-698
BIR A.N. 08-000745-077- 2023, issued on December 22, 2023; effective until December 21, 2026.
BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
February 29, 2024

Statement Required by Rule 68, Securities Regulation Code (SRC)

To the Board of Directors and Stockholders of
AyalaLand Logistics Holdings Corp.
3rd Level, Glorietta 5, Ayala Center
Makati City, Philippines

We have audited the consolidated financial statements of AyalaLand Logistics Holdings Corp. (the "Parent Company") and its subsidiaries (together, the "Group") , as at and for the year ended December 31, 2023, on which we have rendered the attached report dated February 29, 2024.The supplementary information shown in the *Reconciliation of Parent Company's Retained Earnings Available for Dividend Declaration, Conglomerate Map and Schedules A, B, C, D, E, F and G*, as required by the Revised SRC Rule 68, are presented for purposes of filing with the Securities and Exchange Commission and are not required parts of the basic consolidated financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements.

In our opinion, the supplementary information has been prepared in accordance with the Revised SRC Rule 68.

Isla Lipana & Co.

Zaldy D. Aguirre
Partner
CPA Cert No. 105660
P.T.R. No. 0024447, issued on January 12, 2024, Makati City
TIN 221-755-698
BIR A.N. 08-000745-077- 2023, issued on December 22, 2023; effective until December 21, 2026.
BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
February 29, 2024

Statement Required by Rule 68, Securities Regulation Code (SRC)

To the Board of Directors and Stockholders of
AyalaLand Logistics Holdings Corp.
3rd Level, Glorietta 5, Ayala Center
Makati City, Philippines

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of AyalaLand Logistics Holdings Corp. (the “Parent Company”) and its subsidiaries (together, the “Group”)“as at and for the year ended December 31, 2023, and have issued our report thereon dated February 29, 2024. Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The *Supplementary Schedule on Financial Soundness Indicators*, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised SRC Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the consolidated financial statements as at and for the year ended December 31, 2023 and no material exceptions were noted.

Isla Lipana & Co.

Zaldy D. Aguirre
Partner
CPA Cert No. 105660
P.T.R. No. 0024447, issued on January 12, 2024, Makati City
TIN 221-755-698
BIR A.N. 08-000745-077- 2023, issued on December 22, 2023; effective until December 21, 2026.
BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
February 29, 2024

AyalaLand Logistics Holdings Corp. and Subsidiaries

Consolidated Statement of Financial Position
As at December 31, 2023
(With comparative figures as at December 31, 2022)
(All amounts in thousands of Philippine Peso)

	Notes	2023	2022
Assets			
Current Assets			
Cash and cash equivalents	2	214,713	450,618
Receivables	3	1,402,707	1,810,919
Real estate held for sale and development	4	5,045,201	4,384,142
Amounts owed by related parties	16	685,542	509,777
Financial assets at fair value through profit or loss	6	4,798	4,616
Other current assets	7	2,384,049	1,757,381
Total Current Assets		9,737,010	8,917,453
Non-Current Assets			
Receivables, net of current portion	3	3,329,629	2,193,044
Financial assets at fair value through other comprehensive income	5	126,614	124,158
Investment in joint venture	8	677,773	181,145
Right-of-use of asset	25	1,066,049	1,135,820
Investment properties	9	12,113,423	11,691,549
Property and equipment	10	1,234,396	1,090,015
Net pension assets	21	4,433	10,716
Deferred tax assets, net	22	182,669	124,021
Other non-current assets	11	150,133	173,582
Total Non-Current Assets		18,885,119	16,724,050
Total Assets		28,622,129	25,641,503
Liabilities and Equity			
Current Liabilities			
Accounts payable and accrued expenses	12	1,492,998	1,930,191
Current portion of:			
Long term debt	13	21,050	-
Rental and other deposits	14	442,187	483,761
Lease liabilities	25	155,981	597,711
Deferred rent income	25	899	6,702
Amounts owed to related parties	16	6,434,862	3,675,169
Income tax payable		10,059	–
Total Current Liabilities		8,558,036	6,693,534
Non-Current Liabilities			
Rental and other deposits, net of current portion	14	434,632	298,342
Non-trade payable, net of current portion	12	788,440	977,319
Long term debt	13	2,444,014	2,463,160
Lease liabilities, net of current portion	25	1,568,998	1,134,842
Deferred rent income, net of current portion	25	4,890	6,068
Deferred income tax liabilities, net	22	260,602	244,195
Other non-current liabilities	17	655,308	602,071
Total Non-Current Liabilities		6,156,884	5,725,997
Total Liabilities		14,714,920	12,419,531

AyalaLand Logistics Holdings Corp. and Subsidiaries

Consolidated Statement of Financial Position ***(continued)***
As at December 31, 2023
(With comparative figures as at December 31, 2022)
(All amounts in thousands of Philippine Peso)

	Notes	2023	2022
Equity			
Equity attributable to equity holders of the parent			
Capital stock	15	6,209,956	6,201,777
Additional paid-in capital	15	6,020,760	6,020,123
Shares held by a subsidiary	15	(144,377)	(144,377)
Equity reserves	27	(1,693,307)	(1,693,307)
Revaluation increment	9	175,721	182,750
Unrealized loss on financial assets at fair value through other comprehensive income	5	(1,059,679)	(1,097,151)
Loss on measurement of retirement benefits	21	(44,187)	(46,045)
Retained earnings		4,171,573	3,539,322
		13,636,460	12,963,092
Non-controlling interests		270,749	258,880
Total equity		13,907,209	13,221,972
Total liabilities and equity		28,622,129	25,641,503

The notes on pages 1 to 44 are integral part of these consolidated financial statements.

AyalaLand Logistics Holdings Corp. and Subsidiaries

Consolidated Statement of Income
For the year ended December 31, 2023
(With comparative figures for the years ended December 31, 2022 and 2021)
(All amounts in thousands of Philippine Peso except earnings per share figures)

	Notes	2023	2022	2021
Revenues				
Real estate sales	24	1,763,231	2,354,266	2,052,859
Rental	9	1,252,297	1,071,145	781,557
Sale of storage services	24	169,490	115,527	47,745
Sale of electricity	24	–	274,675	1,066,185
Others	24	325,054	392,509	348,220
		3,510,072	4,208,122	4,296,566
Cost and expenses				
Cost of real estate sold	18	1,136,870	1,368,081	1,236,559
Cost of rental and storage services	18	1,187,076	1,018,779	881,126
Cost of purchased electricity		–	256,794	1,034,034
Operating expenses	19	224,389	174,089	199,846
		2,548,335	2,817,743	3,351,565
Other income (charges)				
Interest expense on lease liabilities	25	(148,740)	(150,160)	(151,409)
Loss on sale of financial asset		–	–	(56,264)
Interest expense and bank charges, net	20	(158,666)	(68,136)	(24,316)
Dividend income	6	–	–	235
Unrealized (loss) gain on financial assets at FVPL	6	(182)	(185)	60
(Provision for) reversal of provision for probable losses	26	–	(6,000)	5,135
Others, net	20	89,854	32,256	141,533
		(217,734)	(192,225)	(85,026)
Income before income tax		744,003	1,198,154	859,975
Income tax expense	22	(107,896)	(191,273)	(80,009)
Net income for the year		636,107	1,006,881	779,966
Attributable to:				
Equity holders of the Parent		625,222	1,006,579	784,114
Non-controlling interests		10,885	302	(4,148)
		636,107	1,006,881	779,966
Earnings per share	23			
Basic and diluted, for income for the year attributable to ordinary equity holders of the Parent		0.10	0.16	0.13

The notes on pages 1 to 45 are integral part of these consolidated financial statements.

AyalaLand Logistics Holdings Corp. and Subsidiaries

Consolidated Statements of Comprehensive Income
For the year ended December 31, 2023
(With comparative figures for the years ended December 31, 2022 and 2021)
(All amounts in thousands of Philippine Peso)

	Notes	2023	2022	2021
Net income for the year		636,107	1,006,881	779,966
Other comprehensive income (loss)				
Items that may not be reclassified to profit or loss in subsequent periods:				
Unrealized gain (loss) on equity financial assets at fair value through other comprehensive income	5	38,456	(9,670)	(458,540)
Gain (loss) on remeasurement of retirement benefits liability, net of tax	21	1,858	5,447	(34)
Items that may be reclassified to profit or loss in subsequent years:				
Unrealized loss on debt financial assets at fair value through other comprehensive income	5	-	-	(6,487)
Total comprehensive income		676,421	1,002,658	314,905
Attributable to:				
Equity holders of the Parent		661,884	1,004,562	321,044
Non-controlling interests		14,537	(1,904)	(6,139)
		676,421	1,002,658	314,905

The notes on pages 1 to 45 are integral part of these consolidated financial statements.

AyalaLand Logistics Holdings Corp. and Subsidiaries

Consolidated Statement of Changes in Equity
For the year ended December 31, 2023
(With comparative figures for the years ended December 31, 2022 and 2021)
(All amounts in thousands of Philippine Peso)

	Notes	Capital stock	Additional paid-in capital	Shares held by a subsidiary (Note 15)	Equity reserves (Note 27)	Revaluation increment (Note 9)	Unrealized loss on financial assets at FVOCI (Note 5)	Losses on remeasurement of retirement benefits plan, net of tax (Note 21)	Retained Earnings	Equity attributable to the Parent Company	Non-controlling interests	Total
Balances at January 1, 2021		6,184,835	6,007,133	(144,377)	(1,601,567)	196,808	(626,651)	(51,458)	1,737,718	11,702,441	138,333	11,840,774
Net income for the year		-	-	-	-	-	-	-	784,114	784,114	(4,148)	779,966
Other comprehensive income		-	-	-	-	-	(463,036)	(34)		(463,070)	(1,991)	(465,061)
Total comprehensive income		-	-	-	-	-	(463,036)	(34)	784,114	321,044	(6,139)	314,905
Transactions with owners												
Issuance of shares	15	10,483	5,138	-	-	-	-	-	-	15,621	-	15,621
Transfer of equity reserve due to ESOWN shares subscription	27	-	3,462	-	(3,462)	-	-	-	-	-	-	-
Acquisition of non-controlling interest		-	-	-	(88,278)	-	-	-	-	(88,278)	(112,230)	(200,508)
Payment of stock transaction costs	1	-	-	-	-	-	-	-	(3,147)	(3,147)	–	(3,147)
Transfer of realized valuation increment		-	-	-	-	(7,029)	-	-	7,029	-	-	-
Total transactions with owners		10,483	8,600	-	(91,740)	(7,029)	-	-	3,882	(75,804)	(112,230)	(188,034)
Balances at December 31, 2021		**6,195,318**	**6,015,733**	**(144,377)**	**(1,693,307)**	**189,779**	**(1,089,687)**	**(51,492)**	**2,525,714**	**11,947,681**	**19,964**	**11,967,645**

AyalaLand Logistics Holdings Corp. and Subsidiaries

Consolidated Statement of Changes in Equity ***(continued)***
For the year ended December 31, 2023
(With comparative figures for the years ended December 31, 2022 and 2021)
(All amounts in thousands of Philippine Peso)

	Notes	Capital stock	Additional paid-in capital	Shares held by a subsidiary (Note 15)	Equity reserves (Note 27)	Revaluation increment (Note 9)	Unrealized loss on financial assets at FVOCI (Note 5)	Losses on remeasurement of retirement benefits plan, net of tax (Note 21)	Retained Earnings	Equity attributable to the Parent Company	Non-controlling interests	Total
Balances at January 1, 2022		6,195,318	6,015,733	(144,377)	(1,693,307)	189,779	(1,089,687)	(51,492)	2,525,714	11,947,681	19,964	11,967,645
Net income for the year		-	-	-	-	-	-	-	1,006,579	1,006,579	302	1,006,881
Other comprehensive income		-	-	-	-	-	(7,464)	5,447	-	(2,017)	(2,206)	(4,223)
Total comprehensive income		-	-	-	-	-	(7,464)	5,447	1,006,579	1,004,562	(1,904)	1,002,658
Transactions with owners												
Collection of subscription receivable	15	6,459	4,390	-	-	-	-	-	-	10,849	-	10,849
Additions to NCI	1	-	-	-	-	-	-	-	-	-	240,820	240,820
Transfer of realized valuation increment		-	-	-	-	(7,029)	-	-	7,029	-	-	-
Total transactions with owners		6,459	4,390	-	-	(7,029)	-	-	7,029	10,849	240,820	251,669
Balances at December 31, 2022		6,201,777	6,020,123	(144,377)	(1,693,307)	182,750	(1,097,151)	(46,045)	3,539,322	12,963,092	258,880	13,221,972

	Notes	Capital stock	Additional paid-in capital	Shares held by a subsidiary (Note 15)	Equity reserves (Note 27)	Revaluation increment (Note 9)	Unrealized loss on financial assets at FVOCI (Note 5)	Losses on remeasurement of retirement benefits plan, net of tax (Note 21)	Retained Earnings	Equity attributable to the Parent Company	Non-controlling interests	Total
Balances at January 1, 2023		6,201,777	6,020,123	(144,377)	(1,693,307)	182,750	(1,097,151)	(46,045)	3,539,322	12,963,092	258,880	13,221,972
Net income for the year									625,222	625,222	10,885	636,107
Other comprehensive income	5,21	-	-	-	-	-	37,472	1,858	-	39,330	984	40,314
Total comprehensive income		-	-	-	-	-	37,472	1,858	625,222	664,552	11,869	676,421
Transactions with owners												
Collection of subscription receivables	15	8,179	637	-	-	-	-	-	-	8,816	-	8,816
Transfer of realized valuation increment		-	-	-	-	(7,029)	-	-	7,029	-	-	-
Total transactions with owners		8,179	637	-	-	(7,029)	-	-	7,029	8,816	-	8,816
Balances at December 31, 2023		6,209,956	6,020,760	(144,377)	(1,693,307)	175,721	(1,059,679)	(44,187)	4,171,573	13,636,460	270,749	13,907,209

The notes on pages 1 to 45 are integral part of these consolidated financial statements

AyalaLand Logistics Holdings Corp. and Subsidiaries

Consolidated Statement of Cash Flows
For the year ended December 31, 2023
(With comparative figures for the years ended December 31, 2022 and 2021)
(All amounts in thousands of Philippine Peso)

	Notes	2023	2022	2021
Cash flows from operating activities				
Income before income tax		744,003	1,198,154	859,975
Adjustments for:				
Depreciation and amortization	9,10,11,19	426,791	385,802	351,071
Discount on sale of financial asset			-	56,264
Interest expense on lease liabilities	25	148,740	150,160	151,409
Interest expense and bank charges	20	343,353	157,033	75,806
Depreciation of right-of-use assets	19,26	69,771	64,883	66,669
Provision for probable losses	30	-	6,000	-
Provision for (reversal of) impairment losses on:				
Receivables		-	-	29,137
Other current assets		-	-	6,206
Equity in net loss of joint ventures		5,837	-	-
Dividend income	5,6	-	-	(235)
Unrealized loss (gain) on financial assets at FVPL	6	(182)	185	(60)
Reversal of provision for probable losses	27	-	-	(5,135)
Interest income	20	(184,687)	(88,897)	(51,490)
Operating income before working capital changes		1,553,626	1,873,320	1,539,617
Increase (decrease) in:				
Receivables		(600,448)	(1,668,909)	(1,529,032)
Real estate held for sale and development		(661,059)	(986,125)	(160,756)
Other current assets		(626,668)	(695,978)	(93,069)
Pension assets		8,820	7,108	(262)
Other noncurrent assets		23,433	279,040	(23,071)
(Decrease) increase in:				
Accounts payable and accrued expenses		(153,845)	42,932	(289,379)
Amounts owed to related parties		161,257	368,546	(16,822)
Rental and other deposits		94,361	59,799	(18,052)
Deferred rent income		(6,981)	(2,766)	(6,597)
Net cash flows used in operations		(207,504)	(723,033)	(597,423)
Interest received		3,791	3,664	3,267
Interest paid		(83,650)	(4,650)	(7,814)
Income tax paid		(140,079)	(122,910)	(90,317)
Net cash used in operating activities		(427,442)	(846,929)	(692,287)
Cash flows from investing activities				
Additions to amounts owed by related parties		(2,093,929)	(181,162)	(631,336)
Deductions from amounts owed by related parties		1,970,456	948,532	339,792
Investment in joint venture	8	(502,465)	(181,145)	-
Dividends received	5,6	-	-	235
Acquisitions through business combination		-	-	(381,456)
Acquisitions of:				
Investment in properties	9	(1,050,308)	(1,212,322)	(473,723)
Property and equipment	10	(416,567)	(394,842)	(49,873)
Proceeds from sale of equipment		56	-	-
Proceeds from sale and maturity of Financial assets at FVOCI	5	36,000	9,500	-
Net cash used in investing activities		(2,056,757)	(1,011,439)	(1,196,361)

AyalaLand Logistics Holdings Corp. and Subsidiaries

Consolidated Statement of Cash Flows
For the year ended December 31, 2023
(With comparative figures for the years ended December 31, 2022 and 2021)
(All amounts in thousands of Philippine Peso)

	Notes	2023	2022	2021
Cash flows from financing activities				
Proceeds from loan availment		-	496,250	1,965,150
Proceeds from sale of receivables		-	-	1,254,653
Collection of subscription receivables and ESOWN subscription	16	13,752	10,849	15,621
Proceeds from amounts owed to related parties	16,31	202,644,360	1,760,835	501,160
Payment of amounts owed to related parties	16,31	(200,248,568)	(92,833)	(1,608,198)
Payment of subscription cost	1	(4,936)	-	(3,147)
Payment of principal portion of lease liabilities	27	(156,314)	(188,188)	(132,200)
Transaction with non-controlling interest	1	-	240,820	(200,508)
Net cash flows from financing activities		2,248,294	2,227,733	1,792,531
Net (decrease) increase in cash and cash equivalents		(235,905)	369,365	(96,117)
Cash and cash equivalents at beginning of year		450,618	81,253	177,370
Cash and cash equivalents at end of year	2	214,713	450,618	81,253

The notes on pages 1 to 45 are integral part of these consolidated financial statements.

AyalaLand Logistics Holdings Corp. and Subsidiaries

Notes to the Consolidated Financial Statements
As at and for the year ended December 31, 2023
(With comparative figures as at and for the years ended December 31, 2022 and 2021)
(In the notes, all amounts are shown in Philippine Peso unless otherwise stated)

1. Corporate and Group information

1.1. Corporate information

AyalaLand Logistics Holdings Corp. (ALLHC; the Parent Company) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on May 19, 1989. The Parent Company's registered office address is 3rd Level Glorietta 5, Ayala Center, Makati City. The Parent Company is a subsidiary of Ayala Land, Inc. (ALI). ALI's parent company is Ayala Corporation (AC). AC is 47.86% owned by Mermac, Inc. and the rest by the public as at December 31, 2023. Both ALI and AC are publicly-listed companies incorporated in the Philippines. The Parent Company is listed in the Philippine Stock Exchange.

ALLHC and its subsidiaries, collectively referred to as "the Group", have principal business interests in holding companies, industrial lot sales and development, warehouse and cold storage leasing, commercial leasing, and retail electricity supply. In 2022, the Group ceased its retail electricity business.

1.2. Group Information

The consolidated financial statements include the accounts of the Parent Company and the following subsidiaries of the Group:

Subsidiaries	Nature of business	Percentage of Ownership		
		2023	2022	2021
Laguna Technopark, Inc. (LTI)	Real Estate Development and Warehouse Leasing	100%	100%	100%
Ecozone Power Management, Inc. (EPMI)	Cold Storage and Purchase, Delivery of Electricity	100%	100%	100%
Unity Realty & Development Corporation (URDC)	Real Estate Development	100%	100%	100%
Orion Land, Inc. (OLI)	Real Estate, Mall Operations and Investment Holding Company	100%	100%	100%
Tutuban Properties, Inc. (TPI)	Real Estate, Mall Operations	100%	100%	100%
TPI Holdings Corporation (TPIHC)**	Investment Holding Company	100%	100%	100%
Orion Property Developments, Inc. (OPDI)	Real Estate Development	100%	100%	100%
Orion Beverage, Inc. (OBI)*	Manufacturing, Real Estate,	100%	100%	100%
LCI Commercial Ventures, Inc. (LCVI)	Warehouse Leasing Operations	100%	100%	100%
Luck Hock Venture Holdings, Inc. (LHVHI)**	Other Business Activities	60%	60%	60%
Orion Maxis, Inc. (OMI)*	Marketing and Administrative Services	100%	100%	100%
Orion I Holdings Philippines, Inc. (OIHPI)**	Financial Holding Company	100%	100%	100%
FLT Prime Insurance Corporation (FPIC)*	Non-Life Insurance Company	78.77%	78.77%	78.77%
A-FLOW Land I Corp (A-FLOW Land)	Real Estate Leasing	60.00%	60.00%	N/A
Orion Solutions, Inc. (OSI)*	Management Information Technology Consultancy Services	100%	100%	100%

** Inactive companies approved by their respective BOD for liquidation*
***SEC approved shortening of corporate term*

All of the entities in the Group are incorporated in the Philippines.

The voting rights held by the Parent Company in its investments in subsidiaries are in proportion to its ownership interest.

LTI
LTI was incorporated on November 15, 1990 and is based in Laguna. LTI develops industrial parks and leases ready-built factory units and sells industrial lots to local and company locators.

In 2022, LTI acquired a property in Padre Garcia, Batangas for the development of the future Batangas Technopark. LTI is likewise into the construction and operation of standard factory buildings located in multiple sites in Laguna, Cavite, and Pampanga.

EPMI
EPMI was incorporated on August 20, 2010, was engaged in retail electricity supply. In 2022, EPMI gradually assigned its retail electricity business to focus on the industrial real estate business. It now manages cold storage facilities with sites located in Biňan, Laguna and Mandaue, Cebu, and operations of standard factory buildings located in Santo Tomas, Batangas.

URDC
URDC was acquired from previous individual stockholders on July 19, 2019. URDC owns a property in Pampanga which is currently being developed to be Pampanga Technopark, a world-class industrial township, which caters to light and medium, non-polluting enterprises, from both global and local markets.

The Parent Company partially paid the previous individual stockholders amounting to P1,184.70 million representing 50% of the total value of the shares. In September 2020, the Parent Company paid the first installment amounting to P716.84 million. The Parent Company settled the remaining balance amounting to P477.89 million on September 16, 2021. This is accounted for as acquisition of an asset that does not constitute a business because the Group did not acquire a substantive process that significantly contribute to the ability to create outputs in order to be classified as a business.

The Group allocated the acquisition cost to inventory and investment property based on relative fair values (Notes 4 and 9).

OLI
OLI operates a commercial building composed of a 5-storey shopping center and a 6-storey business processing outsourcing office with a gross leasable area of 60,000 square meters located along National Road, Alabang, Muntinlupa City.

TPI
TPI operates the Tutuban Center, a 20-hectare commercial complex located in Manila City. The Tutuban Center will be the location of the North-South Railway Project (NSRP) Transfer Station which will interconnect with the LRT 2 West Station.

OPDI
OPDI handles property development. Its present landholdings include properties in Batangas and Calamba.

LCVI
LCVI was a top manufacturer of ceramic floor and wall tiles in the Philippines and has a manufacturing plant in Laguna. In 2012, LCVI suspended its manufacturing operations and started renting out its warehouses in July 2014.

A-FLOW Land
A-FLOW Land was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on August 12, 2022. On October 4, 2022, ALLHC entered into subscription agreement with Flow Luna | Property Pte. Ltd (FLOW) representing 60% interest in A-FLOW Land. A-FLOW Land's primary purpose is to engage in the land leasing business. The Parent Company's investment in A-FLOW Land resulted in an increase in the Group's non-controlling interest amounting to P376.99 million and P240.82 million in 2023 and 2022, respectively.

Inactive Companies

In September 2022, the stockholders of FPIC approved and authorized the dissolution and liquidation of the Company by December 31, 2023. FPIC was incorporated in 1977, and engaged in non-life insurance business. With the shift to real estate as the core business of the ALLHC Group, FPIC requested the Insurance Commission (IC) for the termination of its servicing license and the appointment of an overseer, which was approved by the IC on January 4, 2021.

In September 2016, the BOD of OMI and OSI approved and authorized the dissolution and liquidation of OMI and OSI by shortening their corporate term up to December 31, 2016.

In October 2017, the BOD of OIHPI, OBI, LHVHI and TPIHC approved and authorized the dissolution and liquidation of these companies by shortening their corporate term up to December 31, 2017.

Acquisition of Non-controlling Interest

On March 19, 2021, ALLHC purchased additional 2,013 LTI shares from non-controlling interests of Mitsubishi Corporation (MC). The transaction was accounted as an equity transaction since there was no change in control. The movements within equity are accounted for as follows:

	Consideration paid	Carrying value of Non-controlling interests	Difference recognized in Equity
5% in MC	200.51	112.23	88.28

The net income allocated to non-controlling interest in 2021 prior to the purchase amounted to P2.03 million. As of December 31 2023 and 2022, LTI is already a wholly-owned subsidiary of the Parent Company.

1.3. Approval of financial statements

The accompanying consolidated financial statements of the Group as of December 31, 2023 and 2022, and for each of the three years in the period ended December 31, 2023 were approved by the Board of Directors (BOD) in a meeting dated February 29, 2024.

2. Cash and cash equivalents

Details of the account are as follows:

	2023	2022
Cash on hand	307	288
Cash in bank	202,790	439,191
Cash equivalents	11,616	11,139
	214,713	450,618

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

Cash equivalents pertain to short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three (3) months or less from date of acquisition and subject to an insignificant risk of changes in value. Interest rates in 2023 ranges from 3.5% to 4.75% (2022 - 2.5% to 4.0%).

Interest earned from cash and cash equivalents amounted to P1.46 million in 2023 (2022 - P0.85 million; 2021 - P0.67 million) (Note 20).

3. Receivables

Details of the account are as follows:

	2023	2022
Trade debtors		
Land sales	3,790,239	3,239,104
Receivables from tenants	734,055	541,741
Retail electricity	13,865	21,333
Non-trade receivables	438,762	446,457
Insurance receivables	29,305	29,305
	5,006,226	4,277,940
Less: allowance for expected credit losses	273,890	273,977
	4,732,336	4,003,963
Less: non-current portion	3,329,629	2,193,044
Receivables, current portion	1,402,707	1,810,919

Receivables from land sales represent amounts arising from sale of industrial lots, which are collectible in monthly installments within two to ten years from the date of sale.

Movements in the unamortized discount of the Group's receivables follow:

	Note	2023	2022
Trade receivables at nominal amount		4,140,216	3,459,809
Less unearned interest:			
Beginning of year		220,705	81,331
Additions during the year		257,197	191,826
Accretion for the year	20	(127,925)	(52,452)
End of the year		349,977	220,705
Trade receivables at discounted amount		3,790,239	3,239,104

Receivables from tenants and retail electricity represent the outstanding receivables arising from the lease of warehouse units, mall and office spaces and cold storage operations and supply and delivery of electricity which are collectible within 30 days from billing date.

Non-trade receivables consist mainly of receivables from the government related to expropriation against certain properties of the Group, omnibus loan to a consolidator, and a fully provided collateralized receivable from a third party after OLI's sale of its previously owned investment in equity securities. These are noninterest-bearing and are due and demandable.

Insurance receivables consist of premium receivables from policyholders, insurance agents and reinsurance companies and reinsurance recoverable on paid and unpaid losses from facultative and treaty reinsurers. These accounts are generally on 90 days term. This is fully provided with an allowance.

The movements of allowance for expected credit losses on receivables follow:

	Trade debtors	Non-Trade debtors	Insurance receivables	Total
At December 31, 2021	101,674	165,741	29,305	296,720
Write-off	(22,743)	-	-	(22,743)
At December 31, 2022	78,931	165,741	29,305	273,977
Write-off	(87)	-	-	(87)
At December 31, 2023	78,844	165,741	29,305	273,890

4. Real estate held for sale and development

Details of the account are as follows:

	2023	2022
Land	5,085,049	4,423,990
Less: allowance for inventory write-down	39,848	39,848
	5,045,201	4,384,142

Land consists of parcels of land located in Cavite, Misamis Oriental, Laguna, Batangas, Palawan, Tarlac and Pampanga.

The composition of inventoriable costs as at December 31 follows:

	2023	2022
Land cost	4,610,981	3,858,590
Construction overhead and other related costs	474,068	565,400
	5,085,049	4,423,990

The roll forward analysis of real estate held for sale and development follows:

	Note	2023	2022
Balance at the beginning of the year		4,423,990	3,437,865
Acquisition		-	1,711,692
Development costs incurred		1,645,497	387,589
Cost of real estate sales	18	(984,438)	(1,113,156)
		5,085,049	4,423,990
Less allowance for inventory write-down		39,848	39,848
		5,045,201	4,384,142

There is no movement in allowance for inventory write-down as of December 31, 2023 and 2022.

Sale of real estates recognized in 2023 amounted to P1,763.23 million (2022 - P2,354.27 million; 2021 - P2,052.86 million), (Note 24).

Real estate inventories recognized as cost of real estate sales amounted to P984.44 million (2022 - P1,113.16 million; 2021 - P1,031.65 million) (Note 18).

There are no real estate inventories held as collateral as at December 31, 2023 and 2022.

5. Financial assets at FVOCI

Details of the account are as follows:

	Note	2023	2022
Equity securities	17	85,387	51,567
Debt securities		41,227	72,591
		126,614	124,158

Financial assets at FVOCI pertain to investments in equity securities which are not held for trading and which the Group has irrevocably designated at FVOCI, as the Group considers these investments to be strategic in nature and investments in debt securities held for collection of contractual cash flows and selling of financial assets.

Equity securities mainly pertains to quoted golf club shares and shares in Cyber Bay, a publicly-listed entity in the Philippines.

Status of operations of Cyber Bay Corporation

On April 25, 1995, Central Bay, a wholly-owned subsidiary of Cyber Bay, entered into a Joint Venture Agreement with the Philippine Reclamation Authority (PRA; formerly Public Estates Authority) for the complete and entire reclamation and horizontal development of a portion of the Manila-Cavite Coastal Road and Reclamation Project.

In 2021, the shares of Cyber Bay were suspended from trading for an indefinite period and the investment in Cyber Bay was revalued based on its net asset values as of reporting date. Based on the latest available financial information of Cyber Bay, Cyber Bay reported a capital deficiency position which resulted to unrealized loss amounting to P458.07 million for the Group. As at December 31, 2023 and 2022, the book value of Cyber Bay shares amounted to nil.

Debt instruments pertain to quoted government securities owned by the Group.

Movements of cumulative unrealized valuation losses on financial assets at FVOCI follows:

	Amount
At December 31, 2021	(1,088,787)
Fair value changes	(9,670)
At December 31, 2022	(1,098,457)
Fair value changes	38,456
At December 31, 2023	(1,060,001)

Proceeds from the maturity of financial assets at FVOCI amounted to P36 million (2022 - P9.50 million; 2021 - nil).

Interest earned from financial assets at FVOCI amounted to P2.33 million, (2022 - P2.81 million; 2021 - P2.60 million) (Note 20).

6. Financial assets at FVPL

This account pertains to investments in redeemable preferred shares and Unit Investment Trust Fund (UITF) designated as financial assets at FVPL.

Unrealized loss from financial assets at FVPL amounted to P0.18 million (2022 - P0.18 million loss; 2021 - P0.06 million gain).

There were no dividend income earned from these shares amounted in 2023 and 2022 (2021 - P0.24 million).

7. Other current assets

Details of the account are as follows:

	2023	2022
Input VAT	1,123,039	1,090,001
Advances to suppliers and contractors	794,631	175,968
Creditable withholding taxes	369,120	387,668
Prepayments	94,707	99,612
Refundable deposits	6,220	8,160
Ice and beverages	5,285	4,925
	2,393,002	1,766,334
Less allowance for impairment losses	8,953	8,953
	2,384,049	1,757,381

Input value added tax (VAT) pertains to VAT passed on from purchases of goods or services which is available for application against output VAT.

Advances to suppliers and contractors pertain to advance payment to land owners for purchases of land and service contractors for construction services of the Group's real estate held for sale and development. Creditable withholding taxes (CWTs) are available for offset against income tax payable in the future periods.

Prepayments pertain to prepaid insurance, taxes and licenses and other prepaid expenses that are to be amortized over a period of one (1) year.

Refundable deposits pertain to EPMI's utility deposit for the initial set-up of electricity supply by public utility companies

There were no provisions impairment losses for the years ended December 31, 2023 and 2022 (2021 - P6.21 million) (Note 19).

8. Investments in joint venture

On October 4, 2022, ALLHC entered into Joint Venture agreement with Flow Luna I Property Pte. Ltd (FLOW) representing 50% interest in A-FLOW Properties I Corp (AFLOW PropCo), a joint venture involved in the establishing, developing, operating, leasing, and owning digital, critical, and physical infrastructure of and for data center facilities and other digital transformative technologies, as well as to render and provide services ancillary to the foregoing. Its registered office and principal place of business is at Unit ZB Administration Building 1, Annex North Main Avenue Laguna Technopark Binan (Poblacion) Laguna.

ALLHC's capital commitments is to fund equity required for the joint venture pari passu and on a pro rata basis to their agreed ownership ratio and in accordance with the terms of the agreement, provided that if there are shareholders of the A-FLOW PropCo other than FLOW, ALLHC and where applicable, their respective affiliates, the shareholders will fund equity based on their prevailing ownership ration.

Investments in joint ventures are accounted under the equity method of accounting.

Movement in investment in joint venture follows:

	2023	2022
Beginning balance	P181,145	-
Investment including transaction costs during the year	502,465	181,775
Share in net loss during the year	(5,837)	(630)
Ending balance	677,773	181,145

Set out below is the summarized financial information for A-FLOW PropCo as at and for the year ended December 31:

	2023	2022
Cash	440,701	232,643
Current assets	440,701	232,643
Noncurrent assets	280,008	66,092
Current liabilities	(3,698)	(770)
Noncurrent liabilities	-	-
Equity	717,011	297,965

	2023	2022
Revenue during the year	145	9
Net loss during the year	(8,521)	(1,260)
Total comprehensive loss during the year	(8,521)	(1,260)

ALLHC did not receive any dividends from A-FLOW PropCo for the year ended December 31, 2023 and 2022.

ALLHC has not incurred any contingent liabilities as at December 31, 2023 and 2022 in relation to its interest in the joint ventures, nor do the joint ventures themselves have any contingent liabilities for which the ALLHC is contingently liable.

9. Investment properties

Details of the account are as follows:

December 31, 2023	Notes	Building and improvements	Land improvements	Construction in progress	Total
Cost					
Beginning of year		11,580,904	3,289,458	540,874	15,411,236
Additions during the year		283,797	347,164	173,744	804,705
Reclassifications during the year		184,701	-	(184,701)	-
End of year		12,049,402	3,636,622	529,917	16,215,941
Accumulated depreciation and amortization					
Beginning of year		3,688,591	31,096	–	3,719,687
Depreciation and amortization during the year	18,19	381,266	1,565	-	382,831
At end of year		4,069,857	32,661	-	4,102,518
Net book values		7,979,545	3,603,961	529,917	12,113,423

December 31, 2022	Notes	Building and improvements	Land improvements	Construction in progress	Total
Cost					
Beginning of year		10,779,379	1,948,321	347,940	13,075,640
Additions during the year		761,905	1,341,137	232,554	2,335,596
Reclassifications during the year		39,620	–	(39,620)	–
End of year		11,580,904	3,289,458	540,874	15,411,236
Accumulated depreciation and amortization					
Beginning of year		3,334,710	30,420	–	3,365,130
Depreciation and amortization during the year	18,19	353,881	676	–	354,557
End of year		3,688,591	31,096	–	3,719,687
Net book values		7,892,313	3,258,362	540,874	11,691,549

For the year ended December 31, 2023, depreciation and amortization expense of P363.09 million (2022 – P334.90 million; 2021 - P326.57 million) has been charged to cost of rental and storage services (Note 18) and P19.74 million (2022 – P19.66 million; 2021 -nil) to operating expenses (Note 19).

Fair Value of Investment Properties

The aggregate fair value of the Group's investment properties of buildings, land and improvements amounted to P19,040.68 million to as of December 31, 2023 (2022 -P18,829.96 million). The fair value of the buildings, land and improvements of the Group is determined by independent professionally qualified appraisers, based on the latest valuation reports. Fair value was measured using income approach method with expected rental income and expenses as inputs (except URDC where sales comparison approach method has been used with comparable selling price as inputs). The fair value of the Group's investment property falls under Level 3 of the fair value hierarchy.

The carrying amount of Construction-in-progress as at December 31, 2023 amounting to P529.92 million (2022 – P540.87 million), approximates their fair values considering that they represent the costs necessary to construct the properties at current market prices. This is a level 3 fair value measurement using cost approach, with any changes in the current prices of goods or services necessary to construct the properties directly affecting the fair values of investment properties as at reporting dates.

Consolidated rental revenue from investment properties amounted to P1,252.30 million, (2022 – P1,071.15 million; 2021 – P781.56 million). Direct operating expenses incurred for investment properties amounted to P1,187.08 million, (2022 – P1,018.78 million; 2021 – P881.13 million).

The Group has no restriction on the realizability of its investment properties and no obligation to either purchase, construct or develop or for repairs, maintenance and enhancements.

10. Property and equipment

Details of the account are as follows:

	Notes	Land	Building	Leasehold improvements	Machinery and Equipment	Transportation equipment	Furniture, fixtures and equipment	Construction in Progress	Total
2023									
Cost									
Beginning of year		354,633	690,166	10,066	61,081	30,284	59,612	23,313	1,229,155
Additions during the year		1,800	6,108	1,550	129	3,998	16,449	158,347	188,381
Disposals during the year		-	-	-	-	-	(162)	-	(162)
Reclassifications during the year		-	23,043	(6,079)	-	-	-	(16,964)	-
End of year		356,433	719,317	5,537	61,210	34,282	75,899	164,696	1,417,374
Accumulated depreciation and amortization									
Beginning of year		-	25,333	2,924	53,402	15,023	42,458	-	139,140
Depreciation and amortization during the year	18,19	-	28,745	654	4,224	4,644	5,677	-	43,944
Disposals during the year		-	-	-	-	-	(106)	-	(106)
End of year		-	54,078	3,578	57,626	19,667	48,029	-	182,978
Net book values		356,433	665,239	1,959	3,584	14,615	27,870	164,696	1,234,396

	Notes	Land	Building	Leasehold improvements	Machinery and Equipment	Transportation equipment	Furniture, fixtures and equipment	Construction in Progress	Total
2022									
Cost									
Beginning of year		193,223	492,704	10,066	60,413	26,102	42,969	5,929	831,406
Additions during the year		161,410	197,462	-	668	4,182	16,643	17,384	397,749
End of year		354,633	690,166	10,066	61,081	30,284	59,612	23,313	1,229,155
Accumulated depreciation and amortization									
Beginning of year		-	6,999	2,418	47,172	10,886	40,472	-	107,947
Depreciation and amortization during the tear	18,19	-	18,334	506	6,230	4,137	1,986	-	31,193
End of year		-	25,333	2,924	53,402	15,023	42,458	-	139,140
Net book values		354,633	664,833	7,142	7,679	15,261	17,154	23,313	1,090,015

For the year ended December 31, 2023, depreciation and amortization expense of P34.17 million (2022 – P24.55 million; 2021 - P19.88 million) has been charged to cost of rental and storage services (Note 18) and P9.77 million (2022 – P6.64 million; 2021 - P4.18 million) to operating expenses (Note 19).

11. Other non-current assets

Details of the account are as follows:

	2023	2022
Deferred input VAT	98,766	99,584
Refundable deposits	46,536	72,283
Others	4,831	1,715
	150,133	173,582

Deferred input VAT arises from the purchase of capital goods by the Group for amortization for a period of 5 years.

Refundable deposits pertain to deposits made to utility companies, other suppliers and various miscellaneous deposits.

Others include software costs with depreciation expense recognized amounting to P0.02 million, (2022 - P0.05 million; 2021 - P0.45 million) (Note 19).

12. Accounts payable and accrued expenses

Details of the account are as follows:

	Note	2023	2022
Trade payables		602,894	935,311
Non-trade payables		770,137	841,378
Accrued Expenses			
Commissions		38,317	61,731
Contracted services		12,773	6,168
Rent		7,569	7,336
Light and water		6,197	714
Others		2,297	4,619
Provisions	26	32,057	35,057
Retention payable		2,400	28,585
Others		18,357	9,292
		1,492,998	1,930,191

Accounts payable and accrued expenses are recognized in the period in which the related money, goods or services are received or when a legally enforceable claim against the Group is established. These are non-interest bearing and are normally settled on thirty (30) days' term. Accrued payables are noninterest-bearing and are normally settled on sixty (60) days' term or due and demandable. These are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Non-trade payables mainly include current portion of installment payable from the acquisition of investment properties and property, plant and equipment amounting to P284.51 million (2022 - P352.51 million and payables to different government agencies amounting to P350.65 million (2022 - P269.47 million).

The non-current portion of the installment payable related to the acquisition of investment property and property, plant and equipment as of December 31, 2023 amounting to P788.44 million (2022 – P977.32 million) were presented as a separate line item under non-current liabilities of the consolidated financial position

Movements in the unamortized discount of the Group's long-term non-trade payable follows:

	Note	2023	2022
Beginning of year		95,633	31,654
Additions during the year		-	105,493
Accretion for the year	21	(37,970)	(41,514)
End of year		57,663	95,633

Retention payable pertains to an amount deducted from the contractors' progress billing which will be released after the expiration of the project's warranty period. Total retention payable as at December 31, 2023 amounted to P176,033, of which P173,633 were considered as non-current liabilities (2022 - P148,981 total retention payable of which P120,396 were classified as non-current liabilities) (Note 17).

Other payables include outstanding interest, unpaid portion of dividend declared attributable to the non-controlling interest of LTI and claims payables pertaining to the estimated ultimate cost of incurred but not settled claims as at the reporting period.

13. Long-term Debt

The Group availed the following unsecured long-term debt with local banks:

Loan	Borrower	Date availed	Loan amount	Details
1	ALLHC	November 2021	P1,290 million	- Matures in November 2031 - Interest rate per annum is at 6.56% and 3.27% as at December 31, 2023 and 2022.
2	LTI	November 2021	P690 million	- Matures in November 2031 - Interest rate per annum is at 6.56% and 3.27% as at December 31, 2023 and 2022.
3	EPMI	September 2022	P373 million	- Matures in September 2032 - Interest rate per annum is at 6.66% and 6.80% as at December 31, 2023 and 2022.
4	EPMI	November 2022	P127 million	- Matures in November 2032 - Interest rate per annum is at 6.66% and 6.80% as at December 31, 2023 and 2022.

These interest- bearing loans have a term of 10 years subject to yearly repricing. The proceeds from the loans were used for working capital requirements.

Total transaction costs on loan availments for the year ended December 31, 2022 and 2021 amounted to P3.75 million and P14.85 million, respectively.

Movements in long-term debt for the years ended December 31 are as follows:

	Note	2023	2022
Beginning of year		2,463,160	1,965,297
Availments during the year, net of transaction costs		-	496,250
Amortization of deferred transaction costs	20	1,904	1,613
End of year		2,465,064	2,463,160
Current portion of long-term debt		21,050	-
Non-current portion of long-term debt		2,444,014	2,463,160

Total interest expense arising from bank borrowings amounted to P101.63 million and for 2023 (2022 – P66.32 million; 2021 – P6.21 million), (Note 20).

These loans require that the borrowers comply with certain covenants including, among others, a bank debt to tangible net worth ratio not exceeding 3:1. As of December 31, 2023 and 2022, this ratio was complied with by the entities.

14. Rental and other deposits

Details of the account are as follows:

	2023			2022		
	Current	Non-current	Total	Current	Non-current	Total
Security deposits	324,055	265,924	589,979	376,986	149,320	526,306
Rental deposits	70,377	163,024	233,401	69,616	144,262	213,878
Construction bond	29,337	5,684	35,021	18,588	4,760	23,348
Customer deposits	9,302	-	9,302	9,381	-	9,381
Other deposits	9,116	-	9,116	9,190	-	9,190
	442,187	434,632	876,819	483,761	298,342	782,103

Tenants are required to post security deposits, which shall be refunded, without interest, within sixty (60) days after the expiration of the lease period, deducting the amount of damages to the leased premises, if any. Interest expense from accretion of security deposits amounted to P0.35 million for 2023 (2022 - P0.35 million, 2021 - nil) (Note 20).

Security deposits also include deposits that may be refunded or applied to any outstanding account of the customers at the end of the retail electricity supply term. The duration of these deposits ranges from three to six months.

Rental deposits are equivalent to tenant's three month's current rent and shall be increased annually or as is when the rental rate increases. These are paid upon signing of the contract of lease or possession of leased premises, whichever comes first and can be applied as payment for rent due for the last three months of the lease.

Construction bond is tenants' payments as security for repairs or any damaged caused to the Group's property arising out of or in connection to any loss, damage, or destruction to the leased premises as a result of the renovation or construction. The construction bond shall be equivalent to tenant's one month's minimum rent and can be applied as payment for outstanding accounts provided that they are in compliance with the construction guidelines and requirements imposed by the Group.

Customer deposits pertain to reservation deposits of the tenants which will form part of the payment of rent upon commencement of lease.

15. Equity

Details of the common shares of the Parent Company follows:

	2023		2022	
	Number of shares	Amount	Number of shares	Amount
Authorized, P1 par value	7,500,000,000	7,500,000,000	7,500,000,000	7,500,000,000
Issued	6,158,660,192	6,158,660,192	6,158,660,192	6,158,660,192
Subscribed	142,931,795	142,931,795	142,931,795	142,931,795
Subscription receivable		(91,636,672)		(99,815,504)
Issued and outstanding	6,209,955,315	6,209,955,315	6,201,776,483	6,201,776,483
Additional paid-in capital		6,020,759,784		6,020,123,508

Capital stock and additional paid-in capital increased by P8.17 million and P0.64 million, net of stock transaction costs, respectively, following collection of subscription receivable (2022 – P6.50 million and P4.39 million, respectively).

The Parent Company's track record of capital stock follows:

	Number of shares registered	Issue/offer price	Date of approval	Number of holders at year end
January 1, 2021	6,153,452,772			784
Add:				
Additional issuance	3,584,000	1.00/share	November 10, 2015	
Additional issuance	1,277,400	1.68/share	November 10, 2015	
Additional issuance	346,000	1.00/share	May 19, 1989	
December 31, 2021	6,158,660,172			740
December 31, 2022	6,158,660,172			727
December 31, 2023	6,158,660,172			734

Shares held by a subsidiary

In 2019, OLI subscribed to 49,444,216 shares of the Parent Company for a total consideration amounting to P144.38 million. As of December 31, 2023, the listing of these shares is still pending with the Philippine Stock Exchange.

Capital Management

The primary objective of the Group's capital management is to optimize the use and earnings potential of the Group's resources and considering changes in economic conditions and the risk characteristics of the Group's activities.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the 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 as at December 31, 2023 and 2022.

As at December 31, 2023 and 2022, the Group considers its capital stock, additional paid in capital and retained earnings as its capital.

The Group is not subject to externally imposed capital requirements.

16. Related party transactions

Related party relationship exists when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationship also exists between and/or among entities, which are under common control with the reporting enterprises and its key management personnel, directors or its stockholders. In considering each related party relationship, attention is directed to the substance of the relationship, and not merely the legal form. The Group has an approval requirement and limits on the amount and extent on any related party transactions.

The Parent Company and its subsidiaries, in their normal course of business, have entered into transactions with related parties principally consisting of interest and noninterest-bearing advances with no fixed repayment terms and are due and demandable. These transactions are normally settled in cash.
The assessment of impairment is undertaken at each financial year-end by examining the financial position of the related parties and the market in which the related parties operate. As of December 31, 2023 and 2022, the Group has not recognized any impairment on its amounts owed by related parties.

Amounts owed by related parties

	Transactions for the year		Due from		Terms and condition
	2023	2022	2023	2022	
Loans to related parties					These are unsecured, unguaranteed, interest bearing and collectible in cash within 12 months. Interest rate is at 5.60% to 5.95% per annum.
Immediate Parent Company	358,400	297,744	-	6,000	
Entities under common control	1,722,295	2,357,090	565,600	384,100	
	2,080,695	2,654,834	565,600	390,100	
Interest Income (Note 20)					Interest income is due and demandable and shall be collected based on interest rates agreed between parties.
Immediate Parent Company	1,863	1,199	243	2,152	
Entities under common control	50,429	31,027	53,399	47,105	
	52,292	32,226	53,642	49,257	
Service fees					The Group entered into various service agreement including management and supervision of planning, design, construction and commissioning of real estate projects. In consideration of these services, fees are negotiated and billed equivalent to agreed prices. These are unsecured, unguaranteed, non-interest bearing and collectible in on demand.
Immediate Parent Company	-	-	23,282	29,804	
Entities under common control	-	-	13,746	17,865	
Other Related Parties	-	-	6,036	494	
	-	-	43,064	48,163	
Leases					The Group entered into commercial space short-term lease agreements as lessor with its related parties. In consideration, lease fee are negotiated and billed equivalent to agreed prices. These are unsecured, unguaranteed, non-interest bearing and collectible in on demand.
Immediate Parent Company	-	-	20,795	20,795	
Other Related Parties	33,973	32,728	2,441	1,462	
	33,973	32,728	23,236	22,257	
			685,542	509,777	

Amounts owed to related parties

	Transactions for the year		Due to		Terms and condition
	2023	2022	2023	2022	
Loans from related parties					These are unsecured, unguaranteed, interest bearing and payable in cash within 12 months. Interest rate is at 5.60% to 6.60% per annum. These loans were obtained to fund the Company's working capital requirements and business operations.
Immediate Parent Company	143,670	2,333,850	(409,470)	(652,350)	
Entities under common control	9,026,827	3,428,825	(4,535,425)	(1,396,730)	
	9,170,497	5,762,675	(4,944,895)	(2,049,080)	
Interest expense (Note 20)					
Immediate Parent Company	7,089	10,183	(26,984)	(87,040)	Interest expense is due and demandable and shall be payable based on interest rates agreed between parties.
Entities under common control	195,555	34,014	(191,590)	(88,235)	
	202,644	44,197	(218,574)	(175,275)	
Systems cost and Management fees (Note 18 and 19)					The Group entered into system cost and management fee agreement with its related parties. In consideration of these services, fees are negotiated and billed equivalent to agreed prices. These are unsecured, unguaranteed, non-interest bearing and payable in on demand.
Immediate Parent Company	178,775	272,264	(576,337)	(789,334)	
Entities under common control	-	-	(5,646)	(5,747)	
	178,775	272,264	(581,983)	(795,081)	
Construction Contracts					The Group has engaged the services of its related parties for the technical due diligence, land development and construction of facilities within its real estate properties. In consideration of these services, fees are negotiated and billed equivalent to agreed prices. These are unsecured, unguaranteed, non-interest bearing and payable in on demand.
Immediate Parent Company	-	-	(17,892)	(2,527)	
Entities under common control	5,483,170	477,240	(464,172)	(376,653)	
Other Related Parties	-	-	(668)	(6,744)	
	5,483,170	477,240	(482,732)	(385,924)	

	Transactions for the year		Due from (to)		Terms and condition
	2023	2022	2023	2022	
Service fees					The Group engaged its related parties for certain service agreements including legal and professional services. In consideration of these services, fees are negotiated and billed equivalent to agreed prices. These are unsecured, unguaranteed, non-interest bearing and collectible in on demand.
Entities under common control	-	-	(205)	(1,350)	
Leases (Note 25)					
Entities under common control	-	-	(1,304)	(423)	
Purchase of Real Property					The Group acquired from its related parties, parcel of lots intended for industrial park development at agreed price. These are unsecured, unguaranteed, non-interest bearing and payable on demand.
Ultimate Parent Company	-	-	(149,620)	(149,539)	
Entities under common control	-	-	-	(62,948)	
			(149,620)	(212,487)	
Deposit for future stock subscription					This pertain to the amount of cash received from the non-controlling interest as deposit for future stock subscription of AFlow Land. The amount is recorded as liability as it does not satisfy the requirements for it to be recognized as equity.
Non-controlling interest	-	-	(55,549)	(55,549)	
			(6,434,862)	(3,675,169)	

Compensation of key management personnel

The key management personnel of the Group are employees of ALI. As such, the compensation of the said employees is paid by ALI, the necessary disclosures required by PAS 24, Related Party Disclosure are included in the financial statements of ALI. Compensation for said employees are billed to the Group and form part of systems cost. Systems cost billed to the Group in 2023 amounted to P25.12 million (2022 - P21.79 million; 2021 - P44.12 million) (Note 19).

17. Other non-current liabilities

Details of the account are as follows:

	Note	2023	2022
Subscription payable		481,675	481,675
Retention payable, net of current portion	12	173,633	120,396
		655,308	602,071

As at December 31, 2023 and 2022, the Parent Company has outstanding subscription payable on common shares of Cyber Bay amounting to P481.68 million

18. Cost of real estate sales and rental and storage services

Cost of real estate sales

The details of this account follow:

	Note	2023	2022	2021
Land and development cost	4	984,438	1,113,156	1,031,648
Management fee	16	102,442	178,542	140,652
Commission		49,990	76,383	64,259
		1,136,870	1,368,081	1,236,559

Cost of rental and storage services

The details of this account follow:

	Note	2023	2022	2021
Depreciation and amortization	9,10,12,25	467,039	424,389	413,473
Share in CUSA related expenses		373,493	296,548	230,737
Taxes and licenses		155,873	132,293	112,892
Management fees	16	51,217	71,936	35,062
Repairs and maintenance		50,924	35,862	25,961
Rental	25	12,718	8,496	5,359
Supplies		4,540	4,453	4,894
Professional fees		4,514	6,752	2,922
Insurance		5,825	5,088	5,704
Commissions		3,226	3,178	12,740
Others		57,707	29,784	31,382
		1,187,076	1,018,779	881,126

19. Operating expenses

The details of this account follow:

	Note	2023	2022	2021
Personnel expenses				
Compensation and employee benefits		79,215	61,403	51,807
Retirement expense	21	3,236	3,504	4,136
		82,451	64,907	55,943
Depreciation and amortization	9,10,11	29,523	26,296	4,267
Professional and legal fees		29,074	19,158	15,903
Taxes and licenses		25,313	13,260	20,646
Systems costs	16	25,116	21,786	44,120
Janitorial and security services		11,025	12,191	10,983
Communication and transportation		7,826	7,365	3,172
Supplies and repairs		4,498	3,741	2,831
Provision for impairment losses		-	-	35,343
Others		9,563	5,385	6,638
		224,389	174,089	199,846

20. Interest expense and bank charges, net; Other Income,net

Interest expense and bank charges, net

The details of this account follow:

	Note	2023	2022	2021
Interest income:				
Cash and cash equivalents	2	1,456	852	671
Amounts owed by related parties	16	52,292	32,226	31,584
Retirement benefits liability, net	21	679	555	96
Interest income on financial assets at FVOCI	5	2,335	2,812	2,596
Accretion on long term receivables	3	127,925	52,452	16,543
		184,687	88,897	51,490
Interest expense and bank charges:				
Amounts owed to related parties	16	202,644	44,197	43,998
Discount amortization on long term liabilities	12	37,970	41,514	23,995
Discount amortization on security deposits	17	354	355	-
Bank loan	13	99,727	64,704	6,058
Discount amortization on bank loan	13	1,904	1,613	147
Bank charges		754	4,650	1,608
		343,353	157,033	75,806
		(158,666)	(68,136)	(24,316)

Other income

Other income mainly includes reversal of accruals amounted to P37.36 million in 2023, nil in 2022 and P13.99 million in 2021. Income from customer lounge amounted to P13.61 million, P11.65 million and P6.79 million, in 2023, 2022 and 2021, respectively.

21. Retirement benefits liability

The Parent Company and LTI has a separate, funded, non-contributory retirement plan covering all its regular employees. The plan provides for retirement, separation, disability and death benefits to its members. The normal retirement benefit is based on a percentage of the employees' final monthly salary for every year of credited service. The latest independent actuarial valuation as of December 31, 2023 was determined using the projected unit credit method in accordance with PAS 19 (R).

The following tables summarize the funded status and amounts recognized in the consolidated statements of financial position, and the components of the net retirement benefit costs recognized in the consolidated statements of income for the retirement plan:

	2023	2022
Fair value of plan assets	20,686	18,787
Present value of retirement benefit obligation	(16,253)	(8,071)
Net pension asset	4,433	10,716

	Note	2023	2022	2021
Current service cost	19	3,236	3,504	4,136
Interest income	20	(679)	(555)	(96)
		2,557	2,949	4,040

Changes in the retirement benefit obligation follows:

	2023	2022
Beginning of year	8,071	8,800
Current service cost	3,236	3,504
Interest cost	748	561
Benefits paid	(773)	(179)
Remeasurement loss (gain)	5,924	(3,401)
Benefits paid by the plan assets	(953)	(1,640)
Net acquired liability due to employee transfers	-	426
End of year	16,253	8,071

Changes in fair value of plan assets follows:

	2023	2022
Beginning of year	18,787	20,622
Interest income	1,427	1,116
Remeasurement loss	(238)	(1,311)
Contribution	1,663	-
Benefits paid by the plan assets	(953)	(1,640)
End of year	20,686	18,787

Changes in remeasurement of retirement benefit plan under other comprehensive income follows:

	2023	2022
Beginning of year	46,045	51,492
Remeasurement (gain) loss due to		
Return on plan assets	336	870
Changes in economic assumptions	(1,111)	(3,870)
Experience adjustments	(2,822)	800
Changes in demographic assumptions	1,739	(3,247)
End of year	44,187	46,045

The categories of plan assets as a percentage of fair value of the total plan assets follows:

	2023	2022
Cash	28.55%	0.46%
Debt securities	71.44%	99.54%
Others	0.01%	0.00%
	100.00%	100.00%

The plan assets are invested in different financial instruments and do not have any concentration risk. The asset allocation of the plan is set and reviewed from time to time by the Trustee taking into account the membership profile and the liquidity requirements of the plan. This also considers the expected benefit cash flows to be matched with asset durations.

Debt securities includes investments in government debt securities that are in the form of fixed rate treasury notes and retail treasury bonds issued by the Philippine government. As at December 31, 2023 and 2022, the plan assets do not include any equity instruments nor any property occupied, or other assets of the Group's related parties.

The Group expects to contribute to the retirement plan amounting to P2.96 million for the year 2024.

The principal assumptions used to determine pension for the Group are as follows:

	2023	2022	2021
Discount rates	6.12% to 6.21%	7.12% to 7.29%	4.99% to 5.12%
Salary increase rate	5.00% to 6.50%	5.00% to 6.50%	5.00 to 7.00%

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of the end of the reporting period, assuming all other assumptions were held constant:

	Impact on retirement benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
December 31, 2023			
Discount rate	+/-1%	(22,967)	27,474
Future salary increase rate	+/-1%	27,520	(22,864)
December 31, 2022			
Discount rate	+/-1%	(9,143)	11,145
Future salary increase rate	+/-1%	11,215	(9,069)

It should be noted that the changes assumed to be reasonably possible at the valuation date are open to subjectivity, and do not consider more complex scenarios in which change other than those assumed may be deemed to be more reasonable.

The following table shows the maturity profile of the Group's defined benefit obligation based on undiscounted benefit payments:

	2023	2022
Less than 1 year	6,773	158
More than 1 year to 5 years	13,748	5,301
More than 5 years to 10 years	321,007	11,511
More than 10 years to 15 years	35,362	333,805
More than 15 years to 20 years	72,434	23,788
More than 20 years	6,773	66,716

The average duration of the defined benefit obligation is 15 to 24 years in 2023 and 2022.

22. Income tax

	2023	2022	2021
Current	132,255	101,237	128,114
Deferred	(24,359)	90,036	(48,105)
	107,896	191,273	80,009

Registration with the Philippine Economic Zone Authority (PEZA) and Board of Investments (BOI) Incentives

LTI is a PEZA registrant as a non-pioneer “ecozone developer/operator” of Laguna Technopark Special Economic Zone and Cavite Technopark Special Economic Zone. LTI pays income tax at the special tax rate of 5% on its gross income earned from sources with the PEZA economic zone in lieu of paying all national and local income taxes. Income generated from sources outside of the PEZA economic zone shall be subject to regular internal revenue taxes.

LTI and URDC are BOI registrants in accordance with the existing Omnibus Investment Code. The projects located in Pampanga, Batangas and Laguindingan have been granted an Income Tax Holiday (ITH) for a period of four (4) years from the date of commercial operations.

The reconciliation of the statutory income tax rates to the effective income tax rates follows:

	2023	2022	2021
At statutory tax rates	25%	25%	25%
Additions to (reductions in) income taxes resulting from:			
Movements in unrecognized deferred income tax assets	6.1	10.5	0.6
Income subject to lower income tax and BOI registered-activities	(19.2)	(19.5)	(26.4)
Effect of change in tax rate	-	-	(2.8)
Nondeductible expenses	5.7	-	1.7
Provision for impairment losses	-	-	1.0
Other nontaxable income	(3.0)	-	(0.8)
At effective tax rates	14.6%	16.0%	(1.7)%

Deferred tax assets and deferred tax liabilities are offset on per entity level and the net amount is reported in consolidated statement of financial position as follows:

Deferred income tax liabilities, net

	2023	2022
Deferred income tax liabilities:		
Deferred profit on installment sales	(139,197)	(113,893)
Revaluation increment on property and equipment	(70,561)	(73,301)
Accrued rent income	(27,763)	(24,428)
Undepreciated capitalized interest	(6,466)	(6,466)
Discount on purchase price payable	(14,416)	(23,908)
Unrealized gain on valuation of FVOCI	(2,199)	(2,199)
	(260,602)	(244,195)

Deferred income tax assets, net

	2023	2022
Deferred income tax asset on:		
Lease liabilities	446,133	433,098
Allowance for impairment losses on receivables	10,571	10,571
Installment purchase of asset	-	29,518
NOLCO	37,531	21,659
Accrued expense	37,367	36,736
Remeasurement loss on retirement benefits liability	429	912
Unamortized discount on long term receivable	56,851	8,849
Others	17,156	11,709
	606,038	553,052
Deferred income tax liability on:		
Right-of-use asset	(280,651)	(285,427)
Recovery on insurance	(81,985)	(81,985)
Revaluation reserve on investment properties	(40,854)	(44,458)
Accrued rent income	(14,612)	(10,569)
Pension assets	(1,701)	(3,186)
Unrealized gain on foreign exchange	(886)	(742)
Others	(2,680)	(2,664)
	(423,369)	(429,031)
	182,669	124,021

Deferred income tax assets are recognized only to the extent that taxable income will be available against which the deferred income tax assets can be used. The Group reassesses the unrecognized deferred income tax assets on the following deductible temporary differences, NOLCO and MCIT and recognizes the previously unrecognized deferred income tax assets to the extent that it has become probable that future taxable income would allow the deferred income tax assets to be recovered.

Unrecognized deferred income tax assets are as follows:

	2023	2022
Allowance for impairment losses	54,033	83,793
NOLCO	37,064	10,669
MCIT	1,462	1,462

As at December 31, the details of the Group's NOLCO that can be claimed as deductions from future taxable income for the succeeding years are as follows:

Year incurred	Year of expiration	2023	2022
2019	2022	-	7,839
2020	2025	49,157	49,157
2021	2026	37,636	37,636
2022	2025	42,520	42,520
2023	2026	169,068	-
		298,381	137,152
Expired		-	(7,839)
		298,381	129,313
Tax rate		25%	25%
		74,595	32,328
Recognized DTA on NOLCO		37,531	21,659
Unrecognized DTA on NOLCO		37,064	10,669

23. Earnings per share

The following table presents information necessary to calculate basic earnings per share:

	2023	2022	2021
Net income attributable to equity holders of the Parent	625,222	1,006,579	784,114
Weighted average number of shares	6,252,148	6,252,148	6,252,148
Basic/diluted earnings per share	0.10	0.16	0.13

Impact of ESOWN plan is not material to the calculation of earnings per share.

24. Segment information

The Group's operating businesses are recognized and managed according to the nature of the products or services offered, with each segment representing a strategic business unit that serves different markets. The BOD is the chief operating decision maker of the Group. Segment assets and liabilities reported are those assets and liabilities included in measures that are used by the BOD.

Segment revenue, expenses and performance include transfers between business segments. The transfers are accounted for at competitive market prices charged to unaffiliated customers for similar products. Such transfers are eliminated in consolidation.

Revenue from Contracts with Customers

This account consists of:

	2023	2022	2021
Real estate sales	1,763,231	2,354,266	2,052,859
Rental	1,252,297	1,071,145	781,557
Sale of storage services	169,490	115,527	47,745
Sale of electricity	-	274,675	1,066,185
Others	325,054	392,509	348,220
	3,510,072	4,208,122	4,296,566

The Group derives revenue from the transfer of goods and services over time. The Group's disaggregation of each sources of revenue from contracts with customers are presented below:

Geographical Segments

The Group does not have geographical segments.

Business Segments

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

The industry segments where the Parent Company and its subsidiaries operate are as follows: (1) Holding Company; (2) Real estate and property development - commercial leasing and industrial lot sales and development; (3) Cold storage operations; (4) Retail electricity supply

The amount of segment assets and liabilities are based on measurement principles that are similar with those used in measuring assets and liabilities in the consolidated statements of financial position which is in accordance with Philippine Financial Reporting Standards (PFRSs).

Financial information about the operations of these business segments is summarized as follows:

	Holding company	Real Estate and Property Development*	Retail Electricity Supply	Cold Storage Operations	Others	Total	Elimination	Total
December 31, 2023								
Revenues	-	3,080,127		176,383	257,147	3,513,657	(3,585)	3,510,072
Cost and expenses	(25,856)	(2,247,159)	(6,893)	(105,159)	(162,049)	(2,547,116)	(1,219)	(2,548,335)
Other income (charges)	(84,632)	(123,390)	139	(17,624)	4,483	(221,024)	3,290	(217,734)
Profit (loss) before income tax	(110,488)	709,578	(6,754)	53,600	99,581	745,517	(1,514)	744,003
Income tax expense (benefit)	(15,864)	91,851	-	7,386	24,523	107,896	-	107,896
Net income	(94,624)	617,727	(6,754)	46,214	75,058	637,621	(1,514)	636,107
Segment assets	16,101,912	25,228,193	310,722	2,499,829	2,125,137	46,265,793	(17,643,664)	28,622,129
Segment liabilities	4,309,876	10,700,360	851,291	1,443,323	696,262	18,001,112	(3,286,192)	14,714,920
December 31, 2022								
Revenues	-	3,816,561	274,675	120,471	-	4,211,707	(3,585)	4,208,122
Cost and expenses	(9,152)	(2,461,151)	(260,455)	(84,024)	(1,742)	(2,816,524)	(1,219)	(2,817,743)
Other income (charges)	(36,345)	(149,660)	(8,672)	(4,604)	3,738	(195,543)	3,318	(192,225)
Profit (loss) before income tax	(45,497)	1,205,750	5,548	31,843	1,996	1,199,640	(1,486)	1,198,154
Income tax expense (benefit)	(40)	185,154	263	5,338	558	191,273	-	191,273
Net income	(45,457)	1,020,596	5,285	26,505	1,438	1,008,367	(1,486)	1,006,881
Segment assets	15,393,551	24,165,943	310,722	1,175,192	2,121,958	43,167,366	(17,525,863)	25,641,503
Segment liabilities	3,726,557	9,858,413	851,291	283,462	769,849	15,489,572	(3,070,041)	12,419,531
December 31, 2021								
Revenues	-	3,184,599	1,066,185	49,378	-	4,300,162	(3,596)	4,296,566
Cost and expenses	(10,015)	(2,229,708)	(1,039,968)	(34,561)	(36,094)	(3,350,346)	(1,219)	(3,351,565)
Other income (charges)	407,491	(35,559)	(2,849)	-	2,546	371,629	(456,655)	(85,026)
Profit (loss) before income tax	397,476	919,332	23,368	14,817	(33,548)	1,321,445	(461,470)	859,975
Income tax expense (benefit)	(28,372)	101,877	3,838	2,431	235	80,009	–	80,009
Net income	425,848	817,455	19,530	12,386	(33,783)	1,241,436	(461,470)	779,966
Segment assets	14,959,614	19,275,847	520,771	684,857	1,229,584	36,670,673	(16,285,337)	20,385,336
Segment liabilities	3,256,851	6,738,061	476,893	355,525	474,025	11,301,355	(2,883,664)	8,417,691

**includes lot sales and rental revenue amounting to P1,763.23 million and P1,252.30 million, respectively (2022 - P2,354.27 million and P1,071.14 million, respectively; 2021 - P2,052.86 million and P781.56 million, respectively)*

25. Leases

Group as Lessee

The Parent Company and its subsidiaries entered in the various long-term contracts for land used in its operations. Renewable lease contracts are subject to the mutual agreement of the parties and to compliance with the terms and conditions of the lease agreement.

TPI
In 1990, TPI, through a Deed of Assignment, entered into a lease contract for the Tutuban Terminal. The contract provided for a payment of a guaranteed minimum annual rental, 12% escalation rate every two (2) years, additional P10 million every two (2) years, plus 2% of gross revenues. The lease covers a period of twenty-five (25) years until 2014 and is automatically renewable for another twenty-five (25) years. In 2009, TPI renewed its lease contract for another twenty-five (25) years beginning September 5, 2014 until 2039.

LTI
In 2017, LTI entered into separate lease contract with ALI, Alveo Land, Corp. (Alveo) and Nuevocentro, Inc. (Nuevo) related parties, to lease parcels of land primarily for the construction, development and operation of Standard Factory Buildings (SFBs). The lease contract provided for a payment of a guaranteed minimum monthly rental with a 10% escalation rate every five (5) years. The lease contract with ALI and Alveo covers a period of twenty-five (25) years until December 31, 2041 and are renewable while the lease contract with Nuevo covers a period of thirty (30) years until October 31, 2047 and is renewable for another ten (10) years.

In 2019, LTI entered another lease contract with Nuevo still for the construction, development and operation of SFBs. The contract provided for a payment of a guaranteed minimum monthly rental with a 10% escalation rate every five (5) years. The lease covers a period of twenty-nine (29) years until October 31, 2047 and is renewable for another ten (10) years.

Parent Company
In 2020, the Parent Company entered into a Contract of Lease with ALI Commercial Center, Inc., a related party, to lease a building space located primarily for administrative use of the Parent Company. The contract provided for a payment of a guaranteed fixed monthly rental. The lease covers period covers from July 1, 2020 to December 31, 2023. The Parent Company extended the lease contract until end of 2024.

Set out below are the carrying amounts of right-of-use assets recognized and the movements as of and for the year December 31:

	Note	2023	2022
Beginning of year		1,135,820	1,200,703
Depreciation expense	19	(69,771)	(64,883)
End of year		1,066,049	1,135,820

Set out below are the carrying amounts of lease liabilities and the movements as of and for the year December 31:

	2023	2022
Beginning of year	1,732,553	1,770,581
Accretion of interest	148,740	150,160
Payments	(156,314)	(188,188)
End of year	1,724,979	1,732,553
Less: Current portion	(155,981)	(597,711)
Non-current portion	1,568,998	1,134,842

As of December 31, the maturity analysis of undiscounted lease payments follows:

	2023	2022
Within one (1) year	178,823	502,708
One (1) year to five (5) years	909,207	1,577,694
More than five (5) years	2,176,448	2,030,869
	3,264,478	4,111,271

As of December 31, the following are the amounts recognized in profit or loss:

	Note	2023	2022	2021
Depreciation expense for right-of- use assets	18	69,771	64,883	66,669
Accretion of interest on lease liabilities		148,740	150,160	151,409
Variable lease payments	18	12,718	8,496	5,359
		231,229	223,539	223,437

Group as a Lessor (Operating leases)

The Group has entered into commercial property leases on its buildings. These leases have remaining terms of one (1) year to less than five (5) years except for one (1) tenant with lease term of fifteen (15) years. Renewals are subject to the mutual consent of the lessor and the lessee.

Tenants are required to post security deposits, which shall be refunded, without interest, within sixty (60) days after the expiration of the lease period, deducting the amount of damages to the leased premises, if any. The discounted amount of noncurrent security deposits amounted to P265.92 million in 2023 (2022 - 149.32 million) (Note 14).

Accretion of interest amounted to P0.35 million in 2023 (2022 - P0.35 million; 2021 – nil).
The net present value of the Group's security deposits was determined using discount rates ranging from 1.65% to 4.82% as of December 31, 2023 and 2022.

The total other revenues of the Group for the year ended December 31, 2023 amounting to P325.05 million (2022 – P392.51 million; 2021 – P348.22 million) includes gross CUSA and air-conditioning charges amounting to P292.95 million (2022 - P334.46 million; 2021 - P299.96 million).

The Group recognized deferred rent income amounting to P5.79 million as of December 31, 2023 (2022 - P12.77 million), of which the current portion amounted to P0.90 million (2022 - P6.70 million), and noncurrent portion amounted P4.89 million (2022 - P6.07 million).

As of December 31, future minimum rentals receivable under non-cancellable operating leases of the Group follows (amounts in thousands):

	2023	2022
Less than one (1) year	709,827	502,708
One (1) year to five (5) years	3,686,481	1,577,694
More than five (5) years	4,069,220	2,030,869
	8,465,528	4,111,271

26. Provisions and Contingencies

The Group, in the ordinary course of business, is involved in various legal proceedings and assessments that are either pending decision by the courts or under on-going discussions. Management and its legal counsels believe that the eventual outcome of these lawsuits or claims will not have a material effect on the consolidated financial statements. It is possible, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the strategies relating to these proceedings.

The roll forward of the provisions follows:

	Note	2023	2022
Beginning of year		35,057	29,057
Provisions		-	6,000
Settlements		(3,000)	-
End of year	12	32,057	35,057

The information normally required under PAS 37, Provisions, Contingent Liabilities and Contingent Assets, is not disclosed as it may prejudice the outcome of the proceedings.

27. Share-based payments

In 2015, the Group introduced the ESOWN Plan (the Plan) wherein grantees (employees within ALLHC Group) may subscribe in whole or in part to the shares awarded to them based on a discounted market price, but in no case lower than the par value, that was determined at grant date. The grantees will pay for the shares subscribed through installments over a maximum period of ten (10) years.
In 2021, the Group transferred P3.46 million from equity reserve to additional paid-in capital following the ESOWN subscription.

28. Financial instruments

Fair Value Information

The following tables set forth the carrying values and estimated fair values of the Group's financial assets and liabilities recognized as of December 31:

	2023		2022	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets at FVPL	4,798	4,798	4,616	4,616
Financial assets at FVOCI				
Quoted equity securities	85,387	85,387	51,567	51,567
Quoted debt securities	41,227	41,227	72,591	72,591
Refundable deposits	46,536	46,536	72,283	72,283
Receivables, net of current portion	3,329,629	3,329,629	2,193,044	2,605,153
	3,507,577	3,507,577	2,394,101	2,806,210
Other financial liabilities				
Rental and other deposits	876,819	876,819	782,103	761,061
Long-term debt	2,465,064	2,465,064	2,463,160	1,931,820
Subscription payable	481,675	481,675	481,675	481,675
	3,823,558	3,823,558	3,726,938	3,174,556

The following method and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate such values at December 31, 2023 and 2022 are set out below:

Cash and Cash Equivalents

The carrying amount of cash and cash equivalents approximates its fair values due to the short-term maturity of this financial instrument.

Receivables, current, Accounts Payable and Accrued Expenses and Amounts owed to and by Related Parties

The carrying amounts of the current portion of receivables, accounts payable and accrued expenses and amounts owed by related parties approximate their fair values due to their short-term nature.

Refundable Deposits under Other noncurrent assets and Rental and Other Deposits

The carrying amounts of current portion of rental and other deposits approximates its fair value due to the short-term maturity of this financial instrument. The fair values of noncurrent security deposit recorded under 'Rental and other deposits" and refundable deposits recorded under 'Other noncurrent assets' are determined by discounting future cash flows using the applicable rates of similar types of instruments.

Long term debt

The fair values of long-term debt are estimated using the discounted cash flow methodology using the Group's current incremental borrowing rates and current yield rates for similar borrowings with maturities consistent with those of the liabilities being valued. The discount rates used ranged from 1.02% to 5.09%.

Financial Assets at FVOCI
Except for Investment in Cyber Bay equity securities, equity financial assets that are listed are based on their quoted prices published in markets as at December 31, 2023 and 2022. Debt financial assets that are quoted are based on published market prices as at December 31, 2023 and 2022. The fair value of investment in Cyber Bay equity securities is based on the investee's underlying Net Asset Value ("NAV") as of December 31, 2023.

Financial Assets at FVPL
Listed equity securities designated as financial assets at FVPL are based on their quoted prices as at December 31, 2023 and 2022. The fair value of the UITF has been determined based on the net asset values as of reporting date, based on the nature and level of adjustments needed to be made to the NAV and the level of trading in the money market UITF.

Fair Value Hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of the financial instruments by valuation technique:

Quoted FVOCI financial assets amounting to P126.63 million as of December 31, 2023 (2022 - P124.16 million), were classified under Level 1.

FVPL amounting to P4.80 million as of December 31, 2023 (2022 - P4.62 million) were classified under Level 1 (Note 6).

The fair value disclosure of receivables, long-term debt, rental and other deposits and refundable deposits as of December 31, 2023, and 2022, were classified under Level 3.

There have been no reclassifications from Level 1 to Level 2 categories in 2023 and 2022.

Financial Risk Management Objectives, Policies and Capital Management

The Group has various financial instruments such as cash and cash equivalents, receivables, amounts owed by/to related parties, financial assets at FVOCI, FVPL investments, deposits under other noncurrent assets, accounts payable and accrued expenses, rental and other deposits, long term debt and subscriptions payable. The main purpose of these financial instruments is to raise funds and maintain continuity of funding and financial flexibility for the Group. The Group has other financial liabilities such as accounts payable and accrued expenses and rental and other deposits, which arise directly from its operations.

The main risks from the use of financial instruments are liquidity risk, credit risk and equity price risk.

The Group's BOD reviews and approves policies for managing these risks as summarized below.

Liquidity Risk
Liquidity risk arises when there is a shortage of funds and the Group as a consequence could not meet its maturing obligations.

In the management of liquidity, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The tables below summarize the maturity profile of the Group's financial liabilities as at December 31, based on contractual undiscounted payments:

	On demand	Less than 3 months	3 to 6 months	6 to 12 months	Over 1 Year	Total
December 31, 2023						
Accounts payable and accrued expenses	1,162,694	57,098	2,400	-	-	1,222,192
Lease liabilities	-	-	-	-	3,264,478	3,264,478
Subscription payable	481,675	-	-	-	-	481,675
Rental and other deposits	442,187	-	-	-	434,632	876,819
Nontrade payable – noncurrent	-	-	-	-	853,533	853,533
Long-term debt and interest payable	10,243	36,199	36,185	74,263	3,333,159	3,490,049
Amounts owed to related parties	6,434,862	-	-	-	-	6,434,862
	8,531,661	93,297	38,585	74,263	7,885,802	16,623,608
December 31, 2022						
Accounts payable and accrued expenses	1,524,664	123,350	28,585			1,676,599
Lease liabilities	-	-	-	597,711	1,134,842	1,732,553
Subscription payable	481,675	-	-	-	-	481,675
Rental and other deposits	407,458	20,544	9,804	45,955	298,342	782,103
Nontrade payable - noncurrent					1,072,951	1,072,951
Long-term debt and interest payable	6,338	18,968	19,179	38,778	2,951,616	3,034,879
Amounts owed to related parties	3,675,169	-	-	-	-	3,675,169
	6,095,304	162,862	57,568	682,444	5,457,751	12,455,929

Equity Price Risk
The Group is exposed to equity securities price risk arising from the Group's financial asset measured at FVOCI in the consolidated statements of financial position. Components of equity would increase or decrease as a result of gains or losses on such equity securities classified as financial asset measured at FVOCI. Management, however, does not foresee exposure to price risk on its financial assets at FVOCI to be significant.

Credit Risk
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

The Group's maximum exposure to credit risk as of December 31, is equal to the carrying values of its financial assets, except for "Trade debtors" under "Receivables" in the statements of financial position. The details follow:

	Gross maximum exposure	Fair value effect of collateral credit enhancement	Net exposure	Financial effect of collateral or credit enhancement
December 31, 2023				
Cash in banks and equivalents	224,830	-	224,830	-
Trade debtors				
Land sales	3,790,239	3,790,239	-	3,790,239
Retail electricity	-	-	-	-
Receivables from tenants	734,055	-	634,659	-
Nontrade receivables	37,432	-	37,432	-
Others	380,564	-	380,564	-
Financial assets at FVOCI - quoted debt securities	126,614	-	126,614	-
	5,293,734	3,790,239	1,404,099	3,790,239
December 31, 2022				
Cash in banks and equivalents	450,330	12,254	438,076	12,254
Trade debtors				
Land sales	3,239,104	3,651,213	-	3,239,104
Retail electricity	21,333	128,493	-	21,333
Receivables from tenants	494,246	213,878	280,368	213,878
Nontrade receivables	92,758	-	92,758	-
Others	384,704	-	384,704	-
Financial assets at FVOCI - quoted debt securities	124,158	-	124,158	-
	4,806,633	4,005,838	1,320,064	3,486,569

Trade debtors - real estate receivables
For real estate receivables, exposure to credit risk is not significant given that title of the real estate property is only transferred to the customer if the consideration had been fully paid. In case of default, after enforcement activities, the Group has the right to cancel the sale and enter into another contract to sell to another customer after certain proceedings (e.g. grace period, referral to legal, cancellation process, reimbursement of previous payments) had been completed. Applying the expected credit risk model did not result in the recognition of an impairment loss for real estate receivables in 2023 and 2022.

Trade debtors - retail electricity
An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss pattern. The calculation reflects the probability-weighted outcome and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Applying the expected credit risk model did not result in the recognition of an impairment loss for trade debtors-retail electricity in 2023 and 2022.

Trade debtors - receivable from tenants
Credit risk arising from receivables from tenants of leasing properties is primarily managed through a tenant selection process. Prospective tenants are evaluated on the basis of payment track record and other credit information. In accordance with the provisions of the lease contracts, the lessees are required to deposit with the Group security deposits and advance rentals which helps reduce the Group's credit risk exposure in case of defaults by the tenants. The security deposits are considered in the calculation of impairment as recoveries. For existing tenants, the Group has put in place a monitoring and follow-up system. These are aged and analyzed on a continuous basis to minimize credit risk associated with these receivables. Regular meetings with tenants are also undertaken for further assessment of paying capacity.

Set out below is the information about the credit risk exposure of the Group's trade debtors - receivables from tenants using a provision matrix excluding rental accruals:

	Current	**More than 30 days**	**More than 60 days**	**More than 90 days**	**Total**
2023					
Expected credit loss rate	1.85%	7.54%	15.28%	38.85%	28.42%
Total gross carrying amount	97,220	76,504	37,391	447,682	658,797
Expected credit losses	1,799	5,769	5,713	173,924	187,205
2022					
Expected credit loss rate	1.50%	14.59%	30.56%	17.44%	14.54%
Total gross carrying amount	118,624	47,772	34,427	342,029	542,852
Expected credit losses	1,774	6,969	10,522	59,666	78,931

Generally, "Trade debtors" under "Receivables" receivables are written-off if past due for more than one year and are not subject to enforcement activity.

Cash in banks and cash equivalents
Cash in banks and cash equivalents are still subject to credit risk but impairment is deemed insignificant. Credit risk from balances with banks and financial institutions and related parties is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis and may be updated throughout the year subject to approval of the Group's Finance Committee. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

Financial assets at FVOCI - quoted debt securities
The Group's debt instruments at fair value through OCI comprise solely of government securities. The Group considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade' and, therefore, are considered to be low credit risk investments. It is the Group's policy to measure expected credit losses (ECLs) on such instruments on a 12-month basis. Applying the expected credit risk model did not result in the recognition of an impairment loss in 2023 and 2022.

Insurance receivables, non-trade and other receivables
Credit risk exposure in respect of all other counterparties is managed by setting standard business terms that are required to be met by all counterparties. An impairment analysis is performed at each reporting date to consider when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full. These receivables are written off when there is no reasonable expectation of recovering the contractual cash flows. There were no impairment losses recognized in 2023 and 2022 applying the expected credit risk model. Total write offs amounted to P0.87 million in 2023 (2022 - P22.74 million) (Note 3).

29. Notes to Statements of Cash Flows

Changes in the Group's liabilities arising from financing activities follow:

	Beginning of year	Cash flows	Non-cash changes	End of year
December 31, 2023				
Amounts owed to related parties	3,675,169	2,395,793	363,900	6,434,862
Long-term debt	2,463,160	-	1,904	2,465,064
Lease liabilities	1,732,553	(156,314)	148,740	1,724,979
Total liabilities from financing activities	7,870,882	2,239,479	514,544	10,624,905
December 31, 2022				
Amounts owed to related parties	1,594,424	1,668,002	412,743	3,675,169
Long-term debt	1,965,297	496,250	1,613	2,463,160
Lease liabilities	1,770,581	(188,188)	150,160	1,732,553
Total liabilities from financing activities	5,330,302	1,976,064	564,516	7,870,882
December 31, 2021				
Amounts owed to related parties	2,674,433	(1,107,038)	27,029	1,594,424
Long-term debt	-	1,965,150	147	1,965,297
Lease liabilities	1,751,372	(132,200)	151,409	1,770,581
Total liabilities from financing activities	4,425,805	725,912	178,585	5,330,302

In 2023, significant non-cash transactions of the Group pertain to:

- The Group realized revaluation increment through depreciation and transferred to retained earnings amounting to P7.03 million (Note 9).
- The Group has unpaid investment property amounting to P1,138.04 million (Note 9).
- The Group recognized day 1 loss on long term receivables amounting to P257.20 million (Note 3).

In 2022, significant non-cash transactions of the Group pertain to:

- The Group realized revaluation increment through depreciation and transferred to retained earnings amounting to P7.03 million (Note 9).
- The Group recognized day 1 loss on long term nontrade payables amounting to P105.49 million (Note 12).
- The Group has unpaid investment property and property and equipment amounting to P1,228.77 million and P68.00 million, respectively (Note 10).
- The Group recognized day 1 loss on long term receivables amounting to P191.83 million (Note 3).

30. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the consolidated financial statements in accordance with PFRS requires the Group to make judgments and estimates that affect the reported amounts of assets, liabilities, revenues and expenses and disclosures, at the end of the reporting period. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in judgments and estimates are reflected in the consolidated financial statements as they become reasonably determinable.
Judgments, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcome can differ from these estimates.

Judgments

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

Determining the lease term of contracts with renewal and termination options - Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The renewal periods for leases of land with longer non-cancellable periods (i.e., 10 to 15 years) are not included as part of the lease term since it is reasonably certain that the Group will exercise the option to renew or not exercise the option to terminate. Renewal or termination of lease is subject to mutual agreement with the lessors.

Classification of joint venture

The Group's investment in joint venture is structured in separate incorporated entity. The respective joint arrangement agreement requires unanimous consent from all parties to the agreement for the relevant activities identified. The Group and the party to the agreement only have the rights to the net assets of the joint venture through the terms of contractual arrangements.

Assessing operating lease commitments - Group as lessor

The Group has entered into commercial property leases on its investment properties portfolio. The Group has determined that it retains all the significant risks and rewards of ownership of these properties which are leased out under operating lease arrangements.

Assessing realizability of deferred income tax assets

The Group reviews the carrying amounts of deferred income tax assets at each end of the reporting period and reduces it to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred income tax assets to be utilized. Judgments and estimation are required to determine the amount of deferred income tax assets that can be recognized based upon the likely timing and level of future taxable income together with future tax planning strategies. However, there is no assurance that the Group will generate sufficient future taxable profits to allow all or part of its deferred income tax assets to be utilized.

The temporary differences, NOLCO and MCIT for which no deferred income tax assets were recognized, as the management has assessed that it is not probable that sufficient future taxable income will be available for which the benefit of the deferred income tax assets can be utilized, are disclosed in Note 22.

Estimates and assumptions

The key estimates and assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared.
Existing circumstances and assumptions about future developments, however, may change due to market changes in circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Leases - estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of—use asset in a similar economic environment.

The IBR therefore reflects what the Group ‘would have to pay’, which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Provision for expected credit losses of trade and other receivables

The Group uses a provision matrix to calculate ECLs for trade receivables except for receivables from real estate. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group’s historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information such as Gross Domestic Product growth rate and inflation rate. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The Group uses vintage analysis approach to calculate ECLs for real estate receivable. The vintage analysis accounts for expected losses by calculating the cumulative loss rates of a given loan pool. It derives the probability of default from the historical data of a homogenous portfolio that share the same origination period. The information on the number of defaults during fixed time intervals of the accounts is utilized to create the PD model. It allows the evaluation of the loan activity from its origination period until the end of the contract period.

The assessment of the correlation between historical observed default rates, forecast economic conditions (gross domestic product and inflation rate) and ECLs is also significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group’s historical credit loss experience and forecast of economic conditions may also not be representative of customer’s actual default in the future. The information about the ECLs on the Group’s trade receivables is disclosed in Notes 5 and 28.

Estimating useful lives of depreciable investment properties and property and equipment

The estimated useful lives used as bases for depreciating and amortizing the Group's investment properties and property and equipment were determined on the basis of management's assessment of the period within which the benefits of these asset items are expected to be realized taking into account actual historical information on the use of such assets as well as industry standards and averages applicable to the Group's assets. The Group estimates the useful lives of its investment properties and property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of investment properties and property and equipment are reviewed, at least, annually and are updated if expectations differ from previous estimates due to physical wear and tear and technical or commercial obsolescence on the use of these assets. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of these assets increases depreciation and amortization and decreases the carrying value of investment properties and property and equipment.

Information on the estimated useful life of investment properties and property and equipment is included in Note 38.

Determining retirement benefits liability

The cost of defined retirement obligation as well as the present value of the defined benefit obligation is determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates, future salary increases, mortality rates and future retirement increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligation are highly sensitive to changes in these assumptions. The assumptions are reviewed at each end of the reporting period.

In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. Further details about the assumptions used are provided in Note 23.

Assessing and estimating contingencies and provisions

The Group is involved in certain disputes for which the Group has recognized provisions for probable expenses, which may be incurred, and disclosed relevant information about such contingencies. There were no provision for probable loses in 2023 (2022 - P 6 million provision; (2021 - P5.14 million reversal of provision) (Note 26).

31. Summary of material accounting policies

Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- Debt and equity financial assets measured at fair value
- Certain financial instruments and lease liabilities carried at amortized cost
- Investments in joint ventures in which equity method of accounting is applied;
- Retirement benefit obligation measured at the present value of the defined benefit obligation net of the fair value of the plan assets.

The consolidated financial statements are presented in Philippine Peso, which is the Parent Company's functional currency. All amounts are rounded off to the nearest thousand, except when otherwise indicated.

The consolidated financial statements provide comparative information in respect of the previous period.

Statement of Compliance

The consolidated financial statements of the Group have been prepared in accordance with PFRSs, as modified by the application of the financial reporting relief on the accounting for significant financing components as issued and approved by the SEC in response to the COVlD-19 pandemic.

The Group has availed of the relief granted by the SEC under Memorandum Circular No. 34- 2020 which further extended the deferral of Philippine Interpretations Committee (PIC) Q&A 2018-12-D (assessment if the transaction price includes a significant financing component) until December 31, 2023.

The details and the impact of the adoption of the above financial reporting reliefs are discussed in the Adoption of New and Amended Accounting Standards and Interpretations section of Note 32.

PFRSs include Philippine Financial Reporting Standards, Philippine Accounting Standards and Interpretations issued by the PIC.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group as of December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023, 2022 and 2021.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the group ceases control over a subsidiary.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

a. power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
b. exposure, or rights, to variable returns from its involvement with the investee; and
c. the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

a. the contractual arrangement with the other vote holders of the investee;
b. rights arising from other contractual arrangements; and
c. the Group’s voting rights and potential voting rights.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

The financial statements of the subsidiaries are prepared for the same accounting period as the Parent Company using uniform accounting policies. All significant intercompany transactions and balances between and among the Group, including intercompany profits and unrealized profits, are eliminated in the consolidation.

Non-controlling interests represent the portion of profit or loss and net assets in the subsidiaries not held by the Group and are presented separately in the consolidated statement of income, consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from the equity holders of the parent.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity as “Equity reserve” and attributed to the owners of the Parent Company.

If the Group losses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interests and other components of equity, while the resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

32. Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective as at 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 new standards did not have an impact on the consolidated financial statements of the Group.

Amendments to PAS 8 - Definition of Accounting Estimates

The amendment to PAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

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

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. Following the amendments to PAS 12, an entity is required to recognize the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in PAS 12.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023, with earlier application permitted.

Amendments to PAS 1 Presentation of Financial Statements and PFRS Practice Statement 2 Making Materiality Judgements—Disclosure of Accounting Policies

The amendments change the requirements in PAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term ‘significant accounting policies’ with ‘material accounting policy information’. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in PAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The amendments are effective for annual periods January 1, 2023 which shall be applied retrospectively.

Future Changes in Accounting Policies

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

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

33. Financial Instruments

Financial assets

The Company classifies its financial assets in the following categories: (a) financial assets at amortized cost, (b) fair value through profit or loss and (c) fair value through other comprehensive income (OCI). The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

The Company's financial assets at amortized cost category comprise of cash and cash equivalents (Note 2), receivables (Note 3) and amounts owned to related parties (Note 14) refundable deposits under other current assets (Note 7).

For financial asset at fair value through OCI, the Company had designated listed equity securities and quoted debt securities as not held for trading where management consider these investments to be strategic in nature.

For financial asset at fair value through profit or loss (FVPL), the Company had designated equity investment as held for trading financial asset where management intended to hold them for the medium to long-term.
The Company's financial asset at FVPL consist of investment in redeemable preferred shares and UITF (Note 6).

Impairment of financial assets

The Group recognizes an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from other credit enhancements (e.g., lessee's deposit) that are integral to the contractual terms.

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

Vintage approach accounts for expected credit losses by calculating the cumulative loss rates of a given real estate receivable pool. It derives the probability of default from the historical data of a homogenous portfolio that share the same origination period. The information on the number of defaults during fixed time intervals of the accounts is utilized to create the probability of default model.

It allows the evaluation of the loan activity from its origination period until the end of the contract period. In addition to primary drivers like macroeconomic indicators of qualitative factors such as, but not limited to, forward-looking data on inflation rate was added to the expected loss calculation to reach a forecast supported by both quantitative and qualitative data points.

The probability of default is applied to the estimate of the loss arising on default which is based on the difference between the contractual cash flows due and those that the Group would expect to receive, including from the repossession of the subject real estate property, net of cash outflows. For purposes of calculating loss given default, accounts are segmented based on the type of facility. In calculating the recovery rates, the Group considered collections of cash and/or cash from resale of real estate properties after foreclosure, net of direct costs of obtaining and selling the real estate properties after the default event such as commission and refurbishment. As these are future cash flows, these are discounted back to the time of default using the appropriate effective interest rate, usually being the original effective interest rate (EIR) or an approximation thereof.

The Group considers a financial asset in default generally when contractual payments are 30 days past due for commercial leasing and 90 days past due for real estate and property development or when sales are cancelled supported by a notarized cancellation letter executed by the Group and customer. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

For other financial assets such as nontrade receivables, insurance receivables, amounts owed by related parties, refundable deposits and other receivables, ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12—months (a 12—month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For cash and cash equivalents and short-term investments, the Group applies the low credit risk simplification. The Group uses the ratings from Standard and Poor's (S&P), Moody's and Fitch to determine whether the debt instrument has significantly increased in credit risk (i.e., no longer low credit risk). The probability of default and loss given defaults are publicly available and are used by the Group to estimate ECLs. It is the Group's policy to measure ECLs on such instruments on a 12- month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

The Group's debt instruments at fair value through OCI comprise solely of government securities. The Group considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Financial liabilities

The Group classifies its financial liabilities in the following categories: (a) financial liabilities at fair value through profit or loss (FVPL); and (b) financial liabilities at amortized cost. Financial liabilities at fair value through profit or loss is composed of two sub-categories: financial liabilities classified as held for trading and financial liabilities designated by the Group as at fair value through profit or loss upon initial recognition.

Management determines the classification of its financial liabilities at initial recognition.

The Group has not designated any financial liability as at fair value through profit or loss.

The Group's financial liabilities at amortized cost consist of accounts payables and accrued expenses (Note 12), amounts owned to related parties (Note 16), long-term debt (Note 13), and rental and other deposits (Note 14).

34. Fair Value Measurement

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

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

The appropriate level is determined on the basis of the lowest level input that is significant to the fair value measurement.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used is the current bid price. These instruments are included in Level 1.

35. Real Estate Held for Sale and Development

Real estate held for sale and development is carried at the lower of cost and Net Realizable Value (NRV). NRV is the selling price in the ordinary course of business, less the costs of completion, marketing and distribution. Cost includes acquisition cost of the land plus development and improvement costs.

36. Investments in Joint Ventures

Investments in joint ventures are accounted under the equity method of accounting.

Under the equity method, the investments in the investee companies are carried in the consolidated statement of financial position at cost plus pose-acquisition changes in the Group's share in the net assets of the investee companies, less any impairments in values. The consolidated statement of income reflects the share of the results of the operations of the investee companies. The Group's share of post-acquisition movements in the investee's equity reserves is recognized directly in equity. Profits and losses resulting from transactions between the Group and the investee companies are eliminated to the extent of the interest in the investee companies and for unrealized losses to the extent that there is no evidence of impairment of the asset transferred. Dividends received are treated as a reduction of the carrying value of the investment.

37. Investment Properties

Investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses. Land is stated at cost less any impairment in value.

Depreciation and amortization of investment properties are computed using the straight-line method over the estimated useful lives of the investment properties as follows:

	Useful life in years
Land improvements	30
Buildings and improvements	7-40
Machineries and equipment	9-25

Leasehold improvements are amortized on a straight-line basis over the estimated useful lives or the term of the lease, whichever is shorter.

38. Property and Equipment

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

Depreciation and amortization of property and equipment are calculated on a straight-line basis over the estimated useful life of the property and equipment as follows:

	Useful life in years
Leasehold improvements	3-5
Buildings	30
Machinery and equipment	5-10
Transportation equipment	5
Furniture, fixtures and equipment	3-5

Leasehold improvements are amortized on a straight-line basis over three (3) to five (5) years or the term of the lease, whichever is shorter.

39. Combinations of Entities Under Common Control

Combinations of entities under common control are accounted for using the pooling of interest method. The pooling of interest method is generally considered to involve the following:

- The assets and liabilities of the combining entities are reflected in the consolidated financial statements at their carrying amounts as of date of acquisition. No adjustments are made to reflect fair values, or recognize any new assets or liabilities, at the date of the combination. The only adjustments that are made are those adjustments to harmonize accounting policies.
- No new goodwill is recognized as a result of the combination. The only goodwill that is recognized is any existing goodwill relating to either of the combining entities. Any difference between the consideration paid or transferred and the equity acquired is reflected within equity.

40. Revenue Recognition

Revenue from Contract with Customers

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, except for the provisioning of water, electricity, air- conditioning and common use service area in its mall retail spaces, wherein it is acting as agent.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 30.

(v) Real estate sales

The Group derives its real estate revenue from sale of industrial lots. Revenue from sale of industrial lots are recognized over time during the development period (or percentage of completion) since based on the terms and conditions of its contract with the customers, the Group’s performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

In measuring the progress of its performance obligation over time, the Group uses the output method. The Group recognizes revenue based on direct measurements of the value to customers of the goods or services transferred to date, relative to the remaining goods or services promised under the contract. Progress is measured using survey of performance completed to date.

This is based on the monthly project accomplishment report prepared by the third-party surveyor as approved by the construction manager which integrates the surveys of performance to date of the construction activities for both sub-contracted and those that are fulfilled by the developer itself.

Contract costs include all direct materials and labor costs and those indirect costs related to contract performance. Expected losses on contracts are recognized immediately when it is probable that the total contract costs will exceed total contract revenue. Changes in contract performance, contract conditions and estimated profitability are recognized in the year in which the changes are determined.

(ii) *Rental and rent concessions*

Rental income arising from operating leases on investment properties is accounted for on a straight- line basis over the lease terms.

Rental concessions are treated as reductions to the rental income granted to lessees and accounted for as variable rent.

(iii) *Cold Storage Revenue*

The Group recognizes revenue from cold storage services over time using the output method as the customer receives and consumes the benefit from the performance of the related storage service. As a practical expedient allowed under PFRS 15, the Group recognizes revenue in the amount to which the Group has a right to invoice since the Group bills a fixed and variable amount every month.

(iv) *Sale of Electricity Revenue*

The Group recognizes revenue from electricity services over time using the output method as the customer receives and consumes the benefit from the performance of the related utility service. As a practical expedient allowed under PFRS 15, the Group recognizes revenue in the amount to which the Group has a right to invoice since the Group bills a fixed amount for every kilowatt hour of electricity delivered. Electricity is billed every month according to the billing cycles of the customer.

(v) *Interest Income*

For all financial instruments measured at amortized cost and interest-bearing financial assets classified as financial assets at FVOCI and AFS financial assets, interest income is recorded using the EIR, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

(vi*)* *Dividend Income*

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

41. Income Tax

Current income tax

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

Deferred tax

Deferred tax assets are recognized only if it us probable that future taxable amounts will be available to utilize those temporary differences and losses.

42. Retirement Benefits Costs

The Group has a funded, non-contributory defined benefit retirement plan.

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method. This method reflects service rendered by employees to the date of valuation and incorporates assumptions concerning the employees' projected salaries.

Defined benefit costs comprise the following:

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

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as retirement benefits costs under "Personnel expenses" in the consolidated statement of income. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

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

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

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

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

43. Leases (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.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The Company considers the factors below as the most relevant in assessing the options:

- If there are significant penalties to terminate (or not extend), the Company is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Company is typically reasonably certain to extend (or not terminate).
- Otherwise, the Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the Incremental Borrowing Rate (IBR) at the lease commencement date if the interest rate implicit in the lease is not readily determinable. To determine the incremental borrowing rate, the group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third-party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third-party financing, and
- makes adjustments specific to the lease, e.g., term, country, currency and security.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset’s useful life.

Payments associated with short-term leases and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

AyalaLand Logistics Holdings Corp.

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Annex A: Reconciliation of Retained Earnings Available for Dividend Declaration

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- Schedule C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements
- Schedule D. Long-term Debt
- Schedule E. Indebtedness to Related Parties
- Schedule F. Guarantees of Securities of Other Issuers
- Schedule G. Capital Stock

AyalaLand Logistics Holdings Corp.

Reconciliation of Retained Earnings Available for Dividend Declaration
For the year ended December 31, 2023

Unappropriated Retained Earnings, beginning of the year		723,297,391
Add: Category A: Items that are directly credited to Unappropriated retained earnings		
Reversal of Retained earnings appropriation/s	-	
Effect of restatements or prior-period adjustments	-	
Others (describe nature)	-	-
Less: Category B: Items that are directly debited to Unappropriated retained earnings		
Dividend declaration during the reporting period	-	
Retained earnings appropriated during the reporting period	-	
Effect of restatements or prior-period adjustments	-	
Others (describe nature)	-	-
Unappropriated Retained Earnings, as adjusted		-
Add/Less: Net Income for the current year		105,020,888
Less: Category C.1: Unrealized income recognized in the profit or loss during the year/period (net of tax)		
Equity in net income of associate/joint venture, net of dividends declared	-	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	-	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Unrealized fair value gain of investment property	-	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-	-

(continued)

Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)	-	
Realized foreign exchange gain, except those attributable to Cash and cash equivalents	-	
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Realized fair value gain of Investment property	-	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-	-
Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)	-	
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-	
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Reversal of previously recorded fair value gain of investment property	-	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded (describe nature)	-	-
Adjusted net income		105,020,888
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)		-
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)	-	-

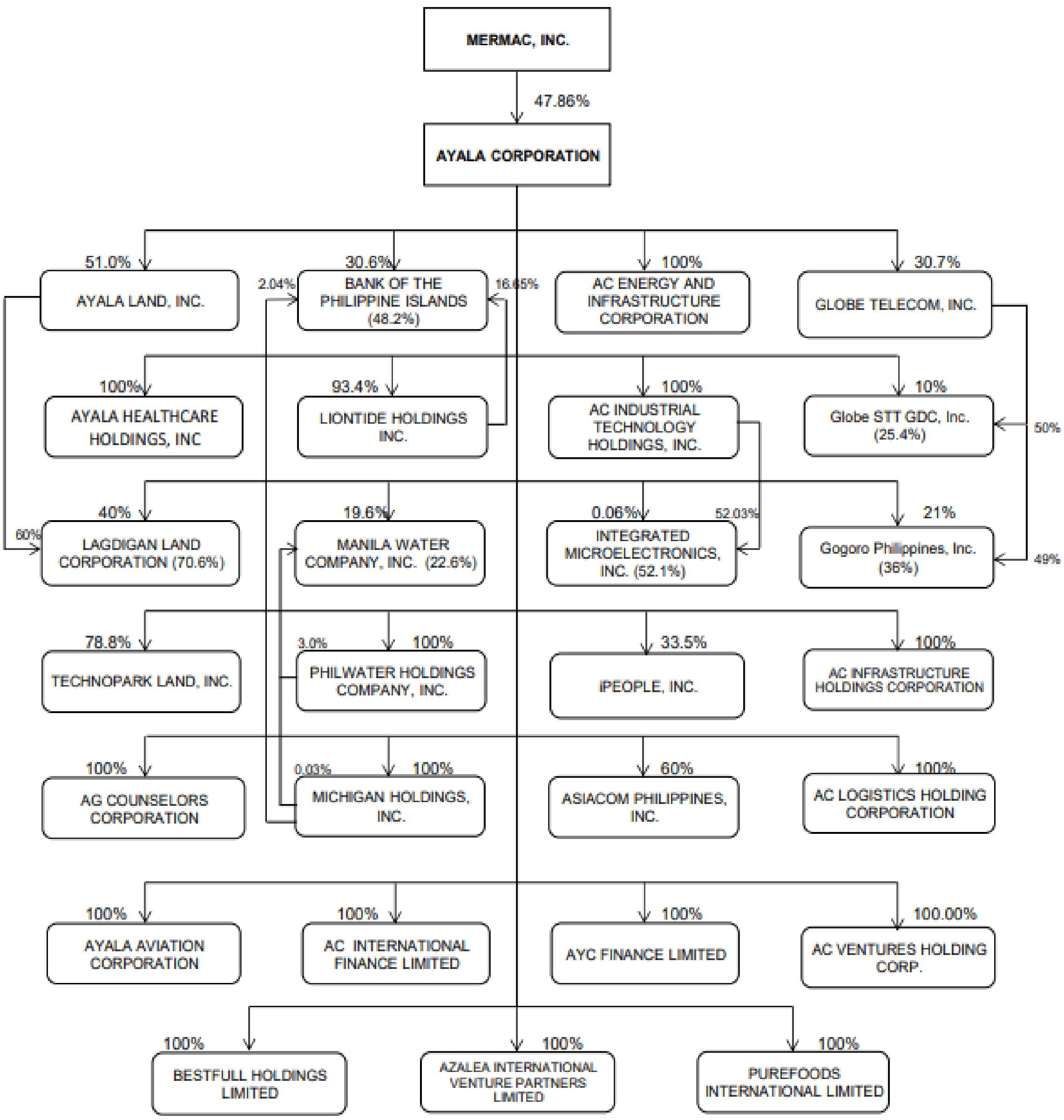
(continued)

Add/Less:	Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution		
	Net movement of treasury shares (except for reacquisition of redeemable shares)	-	
	Net movement of deferred tax asset not considered in the reconciling items under the previous categories	-	
	Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	-	
	Adjustment due to deviation from PFRS/GAAP - gain (loss)	-	
	Others (describe nature)	-	-
Total Retained Earnings, end of the year available for dividend declaration			828,318,279

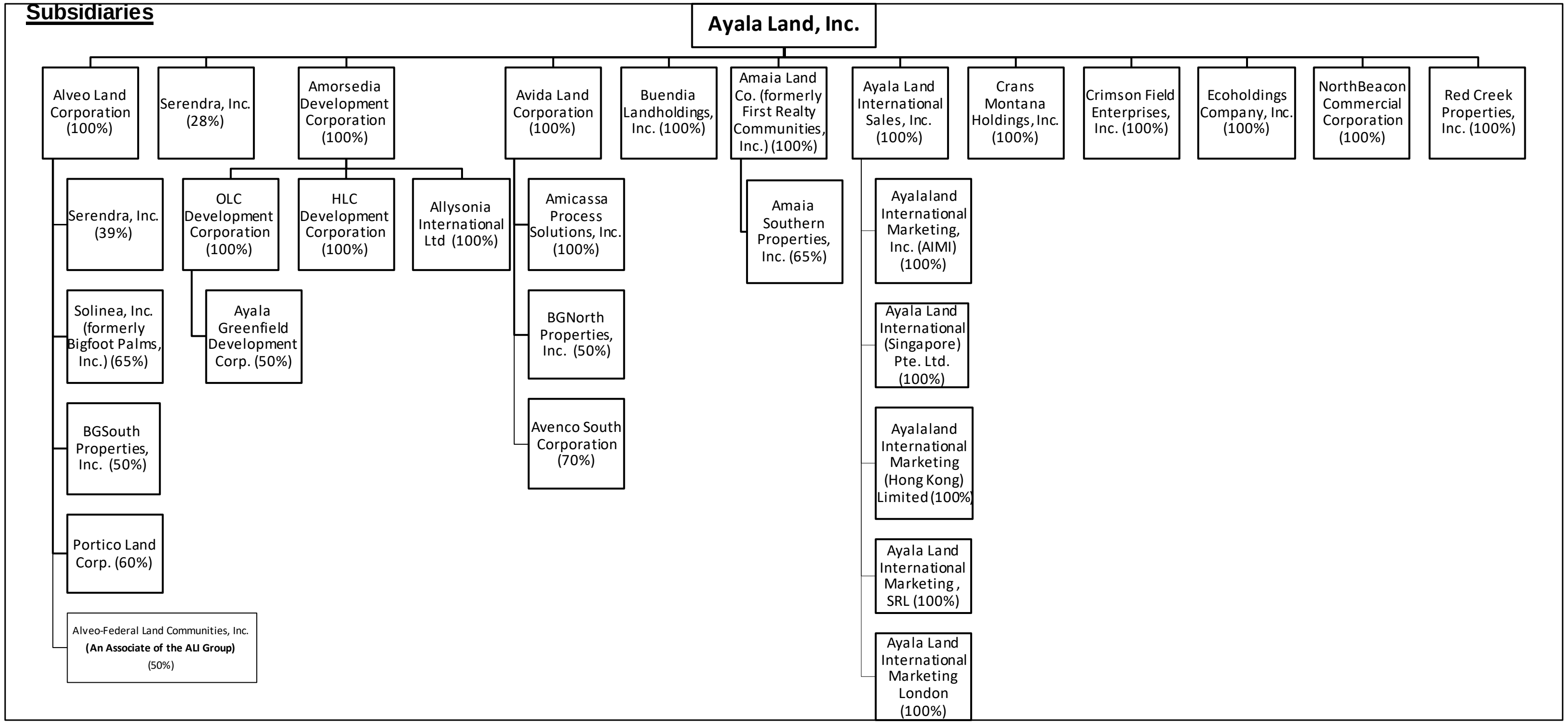
Annex B

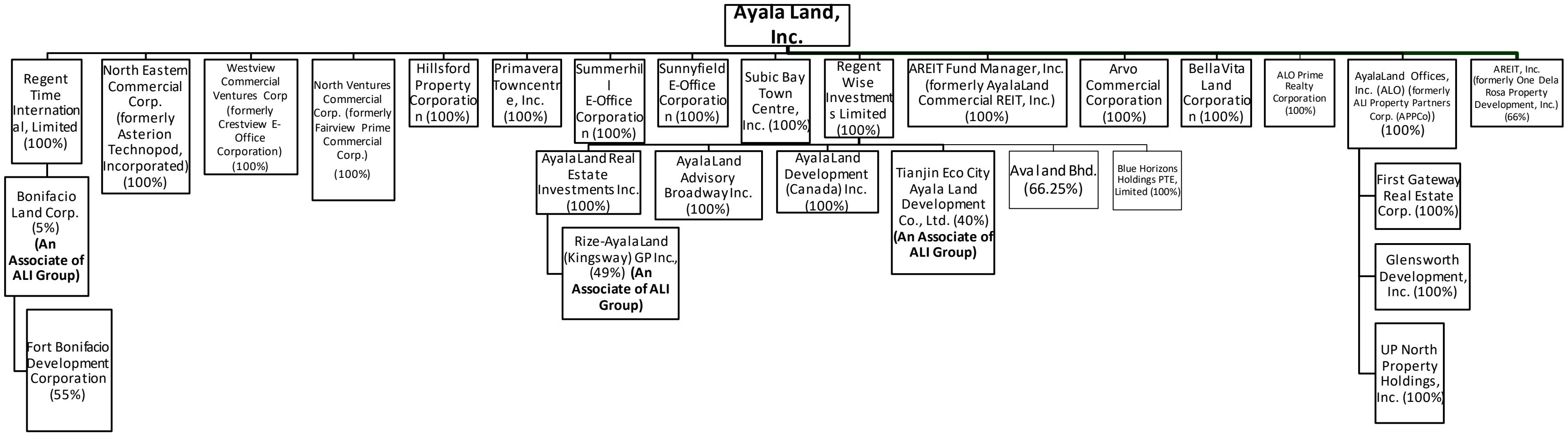
AyalaLand Logistics Holdings Corp.

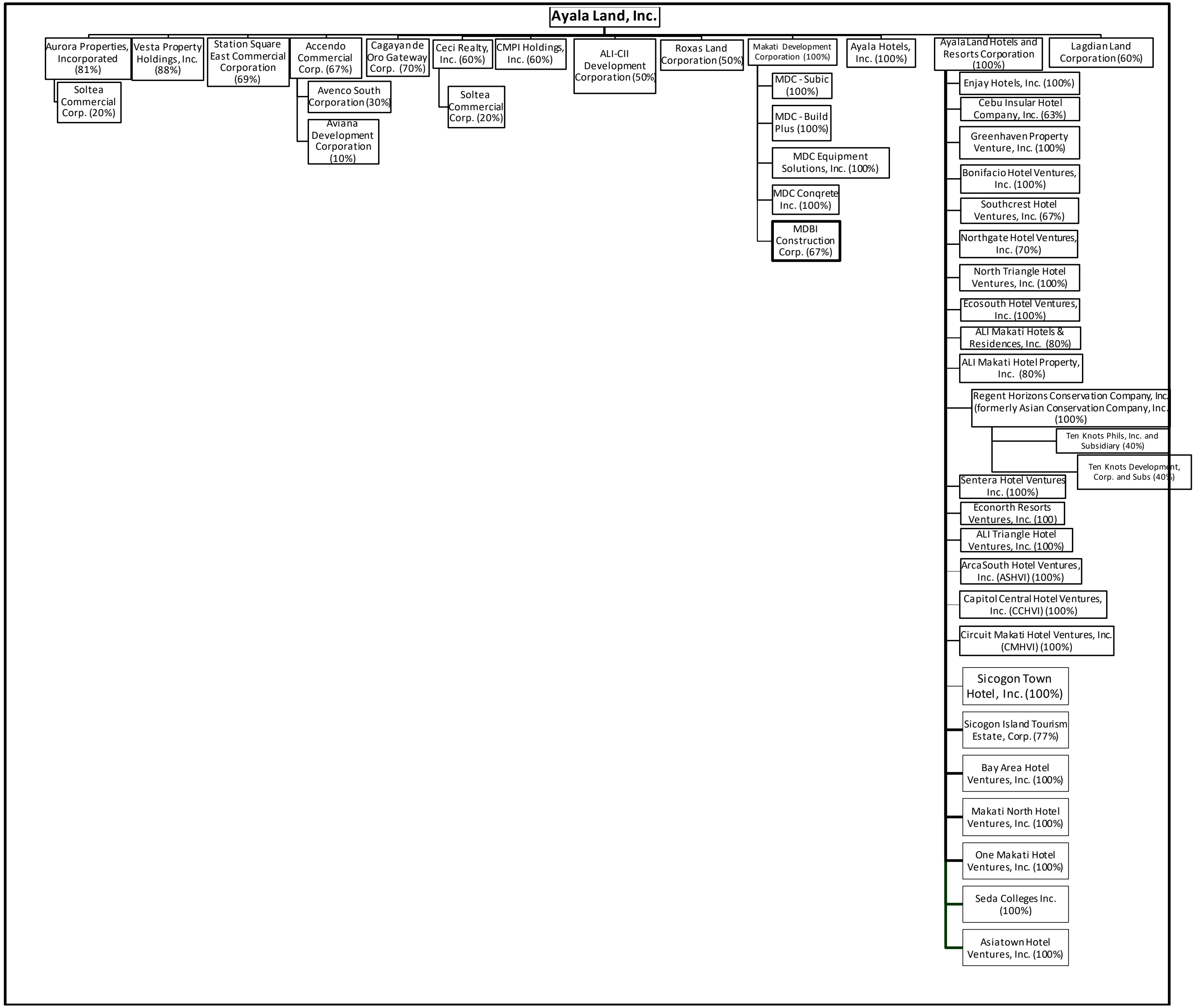
Map Showing the Relationships Between and Among the Company and its Ultimate Parent Company, Middle Parent, Subsidiaries or Co-subsidiaries, Associates, Wherever Located or Registered as of December 31, 2023

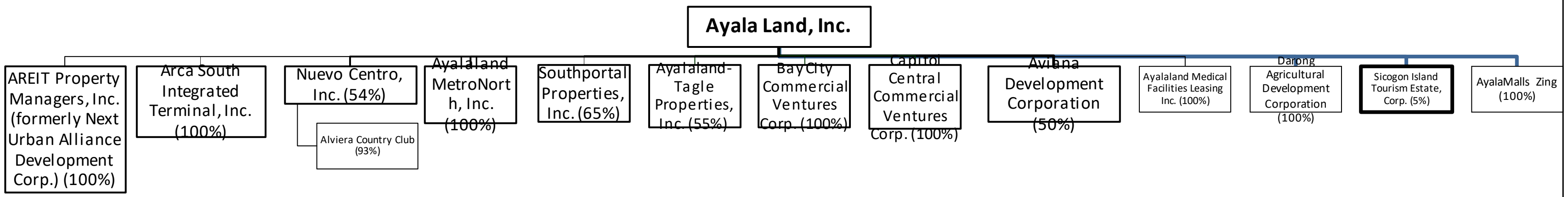


Subsidiaries

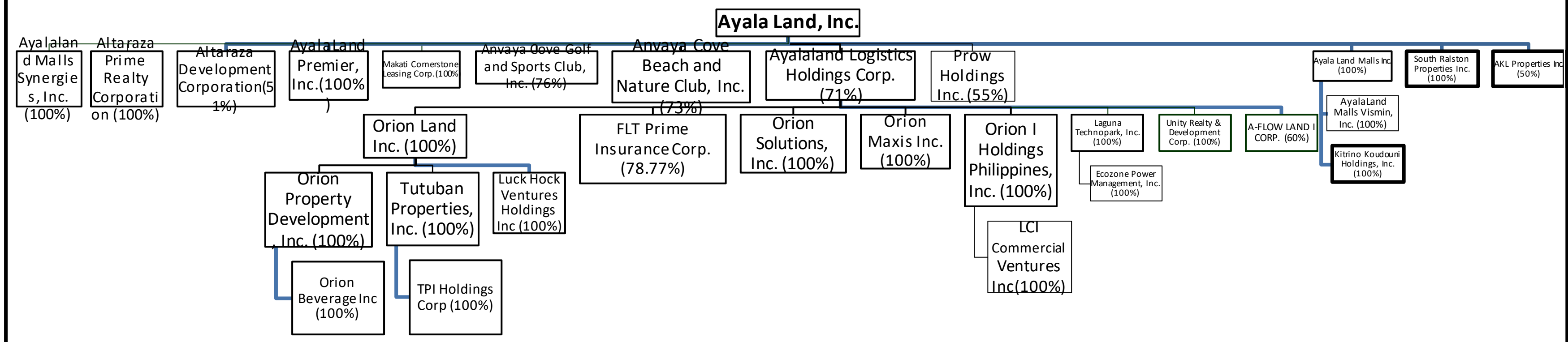



Ayala Land, Inc.
Regent Time International, Limited (100%)
Bonifacio Land Corp. (5%) (An Associate of ALI Group)
Fort Bonifacio Development Corporation (55%)
North Eastern Commercial Corp. (formerly Asterion Technopod, Incorporated) (100%)
Westview Commercial Ventures Corp (formerly Crestview E-Office Corporation) (100%)
North Ventures Commercial Corp. (formerly Fairview Prime Commercial Corp.) (100%)
Hillsford Property Corporation (100%)
Primavera Towncentre, Inc. (100%)
Summerhill E-Office Corporation (100%)
AyalaLand Real Estate Investments Inc. (100%)
Rize-AyalaLand (Kingsway) GP Inc., (49%) (An Associate of ALI Group)
Sunnyfield E-Office Corporation (100%)
AyalaLand Advisory Broadway Inc. (100%)
Subic Bay Town Centre, Inc. (100%)
AyalaLand Development (Canada) Inc. (100%)
Regent Wise Investments Limited (100%)
Tianjin Eco City Ayala Land Development Co., Ltd. (40%) (An Associate of ALI Group)
Avaland Bhd. (66.25%)
Blue Horizons Holdings PTE, Limited (100%)
AREIT Fund Manager, Inc. (formerly AyalaLand Commercial REIT, Inc.) (100%)
Arvo Commercial Corporation (100%)
BellaVita Land Corporation (100%)
ALO Prime Realty Corporation (100%)
AyalaLand Offices, Inc. (ALO) (formerly ALI Property Partners Corp. (APPCo)) (100%)
First Gateway Real Estate Corp. (100%)
Glensworth Development, Inc. (100%)
UP North Property Holdings, Inc. (100%)
AREIT, Inc. (formerly One Dela Rosa Property Development, Inc.) (66%)


Ayala Land, Inc.
Aurora Properties, Incorporated (81%)
Soltea Commercial Corp. (20%)
Vesta Property Holdings, Inc. (88%)
Station Square East Commercial Corporation (69%)
Accendo Commercial Corp. (67%)
Avenco South Corporation (30%)
Aviana Development Corporation (10%)
Cagayan de Oro Gateway Corp. (70%)
Ceci Realty, Inc. (60%)
Soltea Commercial Corp. (20%)
CMPI Holdings, Inc. (60%)
ALI-CII Development Corporation (50%)
Roxas Land Corporation (50%)
Makati Development Corporation (100%)
MDC - Subic (100%)
MDC - Build Plus (100%)
MDC Equipment Solutions, Inc. (100%)
MDC Conqrete Inc. (100%)
MDBI Construction Corp. (67%)
Ayala Hotels, Inc. (100%)
Ayala Land Hotels and Resorts Corporation (100%)
Lagdian Land Corporation (60%)
Enjay Hotels, Inc. (100%)
Cebu Insular Hotel Company, Inc. (63%)
Greenhaven Property Venture, Inc. (100%)
Bonifacio Hotel Ventures, Inc. (100%)
Southcrest Hotel Ventures, Inc. (67%)
Northgate Hotel Ventures, Inc. (70%)
North Triangle Hotel Ventures, Inc. (100%)
Ecosouth Hotel Ventures, Inc. (100%)
ALI Makati Hotels & Residences, Inc. (80%)
ALI Makati Hotel Property, Inc. (80%)
Regent Horizons Conservation Company, Inc. (formerly Asian Conservation Company, Inc.) (100%)
Ten Knots Phils, Inc. and Subsidiary (40%)
Ten Knots Development, Corp. and Subs (40%)
Sentera Hotel Ventures Inc. (100%)
Econorth Resorts Ventures, Inc. (100)
ALI Triangle Hotel Ventures, Inc. (100%)
Arca South Hotel Ventures, Inc. (ASHVI) (100%)
Capitol Central Hotel Ventures, Inc. (CCHVI) (100%)
Circuit Makati Hotel Ventures, Inc. (CMHVI) (100%)
Sicogon Town Hotel, Inc. (100%)
Sicogon Island Tourism Estate, Corp. (77%)
Bay Area Hotel Ventures, Inc. (100%)
Makati North Hotel Ventures, Inc. (100%)
One Makati Hotel Ventures, Inc. (100%)
Seda Colleges Inc. (100%)
Asiatown Hotel Ventures, Inc. (100%)

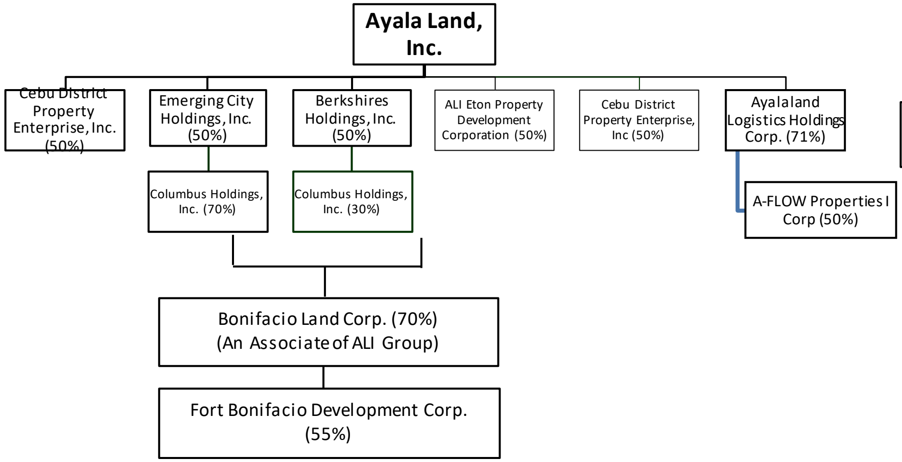


Ayala Land, Inc.
AREIT Property Managers, Inc. (formerly Next Urban Alliance Development Corp.) (100%)
Arca South Integrated Terminal, Inc. (100%)
Nuevo Centro, Inc. (54%)
Alviera Country Club (93%)
Ayalaland MetroNorth, Inc. (100%)
Southportal Properties, Inc. (65%)
Ayalaland-Tagle Properties, Inc. (55%)
BayCity Commercial Ventures Corp. (100%)
Capitol Central Commercial Ventures Corp. (100%)
Aviana Development Corporation (50%)
Ayalaland Medical Facilities Leasing Inc. (100%)
Darong Agricultural Development Corporation (100%)
Sicogon Island Tourism Estate, Corp. (5%)
AyalaMalls Zing (100%)

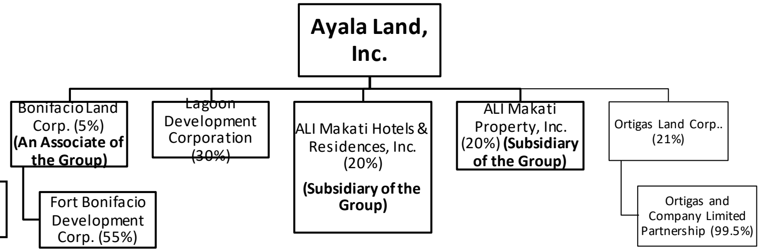


Ayala Land, Inc.
Ayalaland Malls Synergies, Inc. (100%)
Altaraza Prime Realty Corporation (100%)
Altaraza Development Corporation(51%)
AyalaLand Premier, Inc.(100%)
Makati Cornerstone Leasing Corp.(100%
Anvaya Cove Golf and Sports Club, Inc. (76%)
Anvaya Cove Beach and Nature Club, Inc. (73%)
Ayalaland Logistics Holdings Corp. (71%)
Prow Holdings Inc. (55%)
Ayala Land Malls Inc (100%)
South Ralston Properties Inc. (100%)
AKL Properties Inc (50%)
Orion Land Inc. (100%)
FLT Prime Insurance Corp. (78.77%)
Orion Solutions, Inc. (100%)
Orion Maxis Inc. (100%)
Orion I Holdings Philippines, Inc. (100%)
Laguna Technopark, Inc. (100%)
Unity Realty & Development Corp. (100%)
A-FLOW LAND I CORP. (60%)
AyalaLand Malls Vismin, Inc. (100%)
Kitrino Koudouni Holdings, Inc. (100%)
Ecozone Power Management, Inc. (100%)
Orion Property Development, Inc. (100%)
Tutuban Properties, Inc. (100%)
Luck Hock Ventures Holdings Inc (100%)
LCI Commercial Ventures Inc(100%)
Orion Beverage Inc (100%)
TPI Holdings Corp (100%)

Direct Investments in Joint Ventures



Direct Investments in Associates



Annex C

Supplementary Schedules required by Annex 68-J
AyalaLand Logistics Holdings Corp. and Subsidiaries

Schedule A - Financial Assets
As at December 31, 2023
Amounts In Thousands *(Except For Number Of Shares)*

Name of Issuing Entity and Association of Each Issue	Number of Shares or Principal Amounts of Bonds and Notes	Amount shown in the Statement of Financial Position	Income Received and Accrued
A. CASH IN BANK AND CASH EQUIVALENTS			
SAVINGS/CURRENT ACCOUNT (PESO)			
BDO Unibank, Inc.		7,368	6
Bank of the Philippine Islands		159,562	934
Development Bank of the Philippines		-	-
Metropolitan Bank and Trust Company		165	-
Rizal Commercial Banking Corp.		5,391	-
United Coconut Planters Bank		13,661	-
Sub-total		186,127	940
SAVINGS/CURRENT ACCOUNT (FCDU)			
Bank of the Philippine Islands		16,612	-
BDO Unibank, Inc.		51	-
		16,663	-
		202,790	940
B. SHORT TERM INVESTMENTS			
Security Bank Philippines		11,616	-
		11,616	-
C. INVESTMENT IN BONDS AND OTHER SECURITIES			
Available for sale investments:			
Listed equity securities			
Asia United Bank	50	2	-
Philippine Long Distance Telephone Company	500	90	-
Top Frontier Holdings, Inc.	4,200	536	-
Philippine Central Depository, Inc.	5,000	500	-
Sta. Elena Golf Club-A	3	45,000	-
Alviera Country Club (Class C)	1	950	-
Alabang Country Club	1	6,400	-
Zeus Holdings, Inc.	1,175,600	8,776	-
MERALCO	59,837	18,934	-
PLDT	419,688	4,199	-
	1,664,880	85,387	-
Quoted debt securities			-
Ayala Corporation	5,000	4,155	-
AMALGAMATED-RTB 10-04	-	-	122
CHINABANK- RTB 10-04	-	-	244
FIRST METRO 20-17	-	15,135	1,072
FIRST METRO-RTB 10-04	-	-	268
Rizal Commercial Banking Corp.- RTB 10-60	-	6,818	297
Rizal Commercial Banking Corp.	-	-	244
SECURITY BANK 20-13	-	1,293	88
BDO Unibank, Inc. UITF	13,000,000	13,826	-
	13,005,000	41,227	2,335
TOTAL INVESTMENTS IN BONDS & OTHER SECURITIES	14,669,880	126,614	2,335

AyalaLand Logistics Holdings Corp. and Subsidiaries
Schedule B - Amounts Receivable from Directors, Officers, Employees,
Related Parties, and Principal Stockholders (Other than Related Parties)
As of December 31, 2023
Amounts In Thousands

Account Type	Balance at Beginning period	Additions	Deductions: Amounts Collected	Deductions: Amounts Written off	Current	Not Current	Balance at End Period
Advances to employees for company expenses	626	2,673	2,250	-	1,049	-	1,049
Salary loan	255	-	255	-	-	-	-
Car loan	781	1,689	399	-	106	1,965	2,071
Others	3,844	-	1,423	-	-	2,421	2,421
	5,506	4,362	4,327	-	1,155	4,386	5,541

AyalaLand Logistics Holdings Corp. and Subsidiaries
Schedule C - Amounts Receivable From Related Parties Which Are Eliminated During The Consolidation Of Financial Statements

As of December 31, 2023
Amounts In Thousands

Name and Designation of Debtor	Balance at Beginning period	Additions	Amounts Collected	Accounts Written off*	Current	Not Current	Balance at end period
Orion I Holdings Philippines, Inc./Subsidiary	199,153	-	-	-	-	199,153	199,153
Lepanto Ceramics, Inc./Subsidiary	867	867	-	-	867	-	867
FLT Prime Insurance Corporation/Subsidiary	207	17	-	-	288	-	288
Tutuban Properties, Inc./Subsidiary	14,482	29,810	(88,900)	-	16,337	-	16,337
Unity Realty & Development Corporation/Subsidiary	50,139	22,918	(6,068)	-	15,796	-	15,796
Orion Land Inc./Subsidiary	5,087	4,840	(5,837)	-	20,065	-	20,065
Laguna Technopark, Inc./Subsidiary	4,703	7,364	(8,983)	-	14,249	-	14,249
A Flow Land I Corp/Subsidiary	82,506	82,506	-	-	82,776	-	82,776
	357,144	**148,322**	**(109,788)**	**-**	**150,378**	**199,153**	**349,531**

AyalaLand Logistics Holdings Corp. and Subsidiaries
Schedule D - Long-Term Debt

As of December 31, 2023
Amounts In Thousands

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under the caption "Current Portion of long-term debt" in related balance sheet	Amount shown under the caption "Long-Term Debt" in related balance sheet
Term Loan	2,480,000	21,050	2,444,014

AyalaLand Logistics Holdings Corp. and Subsidiaries
Schedule E - Indebtedness To Related Parties (Long Term Loans From Related Companies)

As of December 31, 2023
Amounts In Thousands

Name of Related Party	Balance at beginning of period	Balance at end of period
NOT APPLICABLE		

AyalaLand Logistics Holdings Corp. and Subsidiaries
Schedule F - Guarantees Of Securities Of Other Issuers
As Of December 31, 2023
Amounts In Thousands

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owed by person for which statement is filed	Nature of guarantee
	NOT APPLICABLE			

AyalaLand Logistics Holdings Corp. and Subsidiaries
Schedule G – Capital Stock
As Of December 31, 2023

Title of Issue	Number of Shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties*	Number of shares held Directors, officers and employees**	Number of shares held by Others
COMMON SHARES	**7,500,000,000**					
ISSUED		6,158,660,192		4,467,752,834	73,034,557	
SUBSCRIBED		142,931,795		49,444,216		
		6,301,591,987		4,517,197,050	73,034,557	

AYALALAND LOGISTICS HOLDINGS CORP. AND SUBSIDIARIES
SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
December 31, 2023

Financial Ratios			
	Pursuant to SRC Rule 68, As Amended Formula	(One Year) 31-Dec-23	(One Year) 31-Dec-22
Return on assets	Net Income / Average Assets	0.02	0.04
Return on equity	Net Income / Average Equity	0.05	0.08
Gross profit margin	Gross profit / Total Revenues	0.34	0.37
Net profit margin	Net income / Sales revenue	0.18	0.24
Cost to income ratio	Cost and expenses / Revenues	0.73	0.67
Current ratio	Current Assets / Current Liabilities	1.14	1.33
Quick ratio	Current Assets less Inventory less Prepayments / Current Liabilities	0.54	0.66
Solvency ratio	After tax net profit(loss) + Depreciation / Long Term Liabilities + Short Term Liabilities	0.07	0.12
Asset to equity ratio	Total Assets / Equity	2.06	1.94
Debt to equity ratio	Total Liability / Equity	1.06	0.94
Interest rate coverage ratio	EBITDA / Interest expense	3.15	6.08
Price/Earnings Ratio	Price Per Share / Earnings Per Common Share	17.40	18.44