COVER SHEET

1	6	3	6	7	1						

AYALALAND LOGISTICS HOLDINGS CORP.

(Company's Full Name)

3RD FLOOR GLORIETTA 5

AYALA CENTER MAKATI CITY

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

(Contact Person)

8884-1106

(Company Telephone Number)

1	2		3	1

Month Day
(Fiscal Year)

SEC Form

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(Form Type)

Month Day
(Annual Meeting)

(Firstary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

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

2. Commission Identification Number **163671**

3. BIR Tax Identification No. **000-804-342-000**

4. Exact name of issuer as specified in its charter **AyalaLand Logistics Holdings Corp**.

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

6. Industry Classification Code: (SEC Use Only)

7. Address of issuer's principal office and postal code
3rd Floor Glorietta 5, Ayala Center, Makati City 1224

8. Issuer's telephone number, including area code **(632) 8884-1106**

9. Former name, former address and former fiscal year, if changed since last report:
N/A

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA (As of 30 April 2024)

Title of each Class	Number of shares of common stock outstanding
Common shares	**6,301,591,987**

Amount of Debt Outstanding	
Outstanding Loans (consolidated)	**P2.47 billion**

11. Are any or all of the securities listed on a Stock Exchange?
Yes [**X**] No [ ]

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

Philippine Stock Exchange **Common**

12. Indicate by check mark whether the registrant:

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

Yes **[X]** No [ ]

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

Yes [**X**] No [ ]

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

Please see attached.

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

Consolidated Results of Operations

For the first quarter ended 31 March 2024, AyalaLand Logistics Holdings Corp. (ALLHC) posted consolidated revenues of P1.30 billion, 86% higher than the same period last year, while cost and operating expenses increased to P904.6 million versus the previous year. Net income was at P210.8 million, 18% higher than last year, from improvements across all core business lines, signaling a solid recovery from the downturn experienced in 2023.

Current year-to-date spending on capital expenditures amounted to P715.2 million.

Earnings per share for the period ended 31 March 2024 was P0.03 which is at par with the first quarter last year.

By Business Segment

Table below shows the revenues per segment for the three-month period ended 31 March 2024:

	Amount - P' million			
Segment	**2024**	**2023**	**2024 vs 2023**	**Change**
Real estate sales	**851.4**	241.7	609.7	252%
Rental and storage services	**453.4**	457.6	(4.2)	(1%)
Sale of electricity	**-**	3.1	(3.1)	(100%)
Total	**1,304.8**	702.4	602.4	86%

a) As of 31 March 2024, landbank was at 198 hectares.

b) Rental revenues were attributed to:

b.1) Warehouse leasing revenues for the quarter posted at P175.1 million versus last year's P187.2 million. Excluding recoveries, warehouse leasing revenues improved by 20% year-on-year due to higher overall occupancy.

Total GLA for warehouse leasing was at 314,000 square meters (sqm.) as of 31 March 2024.

b.2) Commercial leasing revenues for the quarter were at P237.0 million, an increase of 3% versus last year's P230.2 million. Improvement in retail operations was seen with the increase in mall rental rates and occupancy.

Commercial leasing's GLA was at 96,000 sqm. as of 31 March 2024.

b.3) Cold storage services contributed revenues of P41.3 million for the quarter versus P40.2 million for the same period last year.

Total pallet position count as of 31 March 2024 was at 10,300 pallet positions.

c) No revenues were recognized for the sale of electricity in the first quarter of 2024 given all retail electricity supply (RES) contracts have been assigned to focus on the industrial real estate business.

Laguna Technopark, Inc. & Subsidiary (LTI)

For the quarter, LTI's revenues increased by 180% to P987.9 million from last year's P352.2 million, mainly due to increase in lots sold. Cost and expenses increased by 245% to P656.4 million from P190.1 million for the same period last year.

Cold storage revenues stood at P41.3 million, 3% higher from same period last year.

No sale of electricity was recognized for the first quarter of 2024 compared to last year's P3.1 million due to assignment of RES contracts as the company increased its focus on the industrial real estate business.

Net income increased by 155% for the first quarter of 2024 to P271.0 million versus P104.6 million last year due to the strong performance of its industrial lot sales and warehouse leasing segments.

Unity Realty & Development Corporation (URDC)

For the first quarter of 2024, URDC posted P33.4 million revenues or a 69% decline compared to P108.4 million for same period last year from fewer lots sold. Cost and expenses for the quarter was at P19.3 million or a 47% decrease versus last year. Net loss for this quarter registered at P10.8 million, an 88% decrease, from P90.8 million net income for the same period last year.

Tutuban Properties, Inc. (TPI)

Revenues for the first quarter stood at P160.9 million, higher than the P160.0 million revenues last year. Cost and expenses this quarter decreased by 7% to P102.2 million from P110.1 million last year.

For the quarter ended 31 March 2024, TPI posted a net income of P26.1 million, or 14% lower than the net income of P30.2 million for the same period last year.

LCI Commercial Ventures, Inc. (LCVI)

Revenues for the first quarter registered at P46.5 million or 301% higher than last year's P11.6 million. This was due to higher occupancy after completion of warehouse renovation activities. Moreover, cost and expenses posted at P28.5 million which was 78% higher due to incurred operating expenses and depreciation.

As a result, net income for the quarter posted at P4.5 million compared to last year's P11.1 million loss.

Orion Land Inc. (OLI)

For the first quarter, total revenues posted at P76.2 million or 9% higher than the P70.2 million revenues of last year from improved mall occupancy. Cost and expenses recorded at P79.2 million, which was 7% lower than last year's P85.6 million. OLI posted a net income of P2.2 million versus net loss of P9.5 million in the same period last year.

FLT Prime Insurance Corporation (FPIC)

On year-to-date, net income was posted at P1.2 million. In 2021, FPIC has officially withdrawn its insurance business in the Philippines.

Financial Condition

Total Assets of the Group registered at P29.47 billion as of 31 March 2024 or a 3% increase from P28.62 billion as of 31 December 2023. This was on account of increase in accounts receivables, warehouse development and cost of building improvements.

Total Liabilities as of 31 March 2024 was P15.01 billion, which was slightly higher than the P14.71 billion as of 31 December 2023 as addition to intercompany borrowings.

Total Equity registered at P14.46 billion, 4% higher than P13.91 billion as of 31 December 2023. This was attributable to the net income for the quarter.

Financing Through Loans

As of 31 March 2024, the Group had outstanding loans from a financial institution amounting to P2.47 billion.

The top 6 Key Performance Indicators of the Group were as follows:

Ratio	Formula	31 March 2024	31 March 2023	31 December 2023
Current Ratio	Current Assets Current Liabilities	1.16: 1 10,182,568 / 8,759,637	1.37: 1 9,036,467 / 6,612,527	1.14: 1 9,737,010 / 8,558,036
Debt to Equity Ratio	Total Liabilities Equity	1.04: 1 15,011,856 / 14,458,185	0.92: 1 12,393,708 / 13,400,064	1.06: 1 14,714,920 / 13,907,209
Net Debt to Equity Ratio	Net Liabilities Equity	0.89: 1 12,846,453 / 14,458,185	0.75: 1 10,052,149 / 13,400,064	0.90: 1 12,508,837 / 13,907,209
Capital Adequacy Ratio	Equity Total Assets	0.49: 1 14,458,184 / 29,470,041	0.52: 1 13,400,064 / 25,793,772	0.49: 1 13,907,209 / 28,622,129
Book Value per Share	Equity Total # of Shares	2.29 14,458,185 / 6,301,592	2.13 13,400,064 / 6,301,592	2.21 13,907,209 / 6,301,592
Income per Share	Net Income Total # of Shares	0.03 210,797 / 6,252,148	0.03 178,108 / 6,252,148	0.10 636,107 / 6,252,148

Current ratio shows the Group's ability to meet its short-term financial obligation. As of 31 March 2024, the Group's current assets for every peso of current liabilities was at 1.16 as compared to 1.14 as of 31 December 2023. The Group has sufficient current assets to support its current liabilities as of the period.

Debt to Equity ratio indicates the extent of the Group's debt which is covered by shareholders' fund. It reflects the relative position of the equity holders. The higher the ratio, the greater the risk being assumed by the creditors. A lower ratio generally indicates greater long-term financial safety. Compared to 31 December 2023, debt-to-equity ratio was slightly higher due to additional intercompany borrowings and increase of equity coming from net income this quarter and collection of subscription receivables.

Net Debt to Equity ratio is a measure of the Group's financial leverage. It is calculated by dividing net liabilities over Equity. Net liabilities is the difference of Total Liabilities less deferred payables, lease liabilities, deferred income tax liabilities and cash and cash equivalents. Compared to 31 December 2023, net debt-to-equity ratio increased due to additional liabilities.

Capital Adequacy Ratio is computed by dividing the Total Stockholders' Equity over Total Assets. It measures the financial strength of the Group. As of 31 March 2024, the Group's Capital Adequacy Ratio was at par compared to 31 December 2023 and slightly lower compared to the same period last year.

Book value per share measures the recoverable amount in the event of liquidation if assets are realized at book value. The Group's book value per share as of 31 March 2024 was at P2.29 higher than 31 December 2023.

Income per share is calculated by dividing net income attributable to the equity holders of the Parent

Company by the weighted average number of shares issued and outstanding. Income per share as of 31 March 2024 was at par at 0.03 compared to the same period last year.

(i) Any known trends, demands, commitments, events or uncertainties that will have a material impact on issuer's liability.

There are no known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Company and its subsidiaries' liquidity increasing or decreasing in any material way.

(ii) Events that will trigger direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation

There are no known events that will trigger direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation.

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

There were no known off-balance sheet transactions, arrangements, obligations (including contingent obligations), during the period.

(iv) Any material commitments for capital expenditures, the general purpose of such commitments, and the expected sources of funds for such expenditures.

Capital expenditures reached P715.2 million mainly for land acquisition and development, warehouse construction and facility upgrade as of 31 March 2024. For 2024, the Group's budgeted total capital expenditures is P8.6 billion. This will be financed through combination of internally generated funds and borrowings.

(v) Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable impact on net sales or revenues or income from continuing operations should be described.

There are no known trends, events or uncertainties that have material impact on net sales or revenues or income from continuing operations.

(vi) Any significant elements of income or loss that did not arise from the registrant's continuing operations.

The Group did not recognize income or loss during the period that did not come from continuing operations.

(vii) Causes of Any Material Changes from Period to Period of FS which shall include vertical and horizontal analyses of any material item (5%).

a. Cash and cash equivalents decreased to P141.6 million or 34% lower, due to settlement of liabilities and capital expenditures.

b. Receivables – current increased by P466.0 million or 33% due to additional lot sales.

c. Amounts owed by related parties increased to P796.5 million or 16% higher from P685.5 million as of 31 December 2023 due to additional lending to intercompany funds.

d. Other current assets decreased by P268.7 million or an 11% decrease due to settlement of outstanding tax liabilities.

e. Receivables – net of current portion increased to P3.7 billion or a 10% increase due to installment sales of industrial lots.

f. Property and equipment increased by 7% or P89.6 million due to additional renovations and expansion.

g. Deferred income tax assets decreased by 8% or P13.8 million due to reversal of deferred tax assets in relation to day 1 loss.

h. Accounts payable & accrued expenses decreased by 15% to P1.3 billion due to settlement of current liabilities incurred for land acquisition and land development cost.

i. Long term debt – current increased by P1.3 million or 6% due to reclassification from non-current account.

j. Amounts owed to related parties increased to P6.9 billion or 7% higher from P6.4 billion as of 31 December 2023 due to intercompany loan to fund capital expenditures.

k. Income tax payable increased to P18.1 million or 80% higher due to additional income tax provision recognized for the period.

l. Other non-current liabilities increase to P716.7 million or 9% due to the increase in retention liabilities due to on-going construction.

m. Retained earnings increased by 13% to P4.7 billion due to recognized net income and the reversal of remaining day 1 loss during the period.

(viii) Any seasonal aspects that had a material effect on the financial condition or results of operations.

There are no known seasonal aspects that had a material effect on the financial condition or results of operations.

Breakdown on contribution of ALLHC's subsidiaries (on a per type of business basis) to ALLHC's net income as provided below:

Parent company/holding	-	(36.61%)
Real estate - commercial leasing and industrial lot sales and development and storage services	-	141.19%
Retail electricity supply	-	(5.09%)
Others	-	0.51%
		100.00%

SIGNATURE

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

Issuer:

AYALALAND LOGISTICS HOLDINGS CORP.
By:

TRISTAN JOHN T. DE GUZMAN
Chief Finance Officer/Compliance Officer
and Chief Risk Officer

Date: 15 May 2024

AyalaLand Logistics Holdings Corp. and Subsidiaries

Consolidated Statement of Financial Position
As at March 31, 2024
(With comparative figures as at December 31, 2023)
(All amounts in thousands of Philippine Peso)

	Notes	Unaudited March 31 2024	Audited December 31 2023
Assets			
Current Assets			
Cash and cash equivalents	2	141,593	214,713
Receivables	3	1,868,700	1,402,707
Real estate held for sale and development	4	5,255,672	5,045,201
Amounts owed by related parties	16	796,470	685,542
Financial assets at fair value through profit or loss	6	4,825	4,798
Other current assets	7	2,115,308	2,384,049
Total Current Assets		10,182,568	9,737,010
Non-Current Assets			
Receivables, net of current portion	3	3,659,074	3,329,629
Financial assets at fair value through other comprehensive income	5	126,614	126,614
Investment in joint venture	8	677,309	677,773
Right-of-use of asset	24	1,049,568	1,066,049
Investment properties	9	12,124,900	12,113,423
Property and equipment	10	1,324,028	1,234,396
Net pension assets	21	4,433	4,433
Deferred tax assets, net	22	168,898	182,669
Other non-current assets	11	152,649	150,133
Total Non-Current Assets		19,287,473	18,885,119
Total Assets		29,470,041	28,622,129
Liabilities and Equity			
Current Liabilities			
Accounts payable and accrued expenses	12	1,263,007	1,492,998
Current portion of:			
Long term debt	13	22,300	21,050
Rental and other deposits	14	442,552	442,187
Lease liabilities	24	155,981	155,981
Deferred rent income	24	899	899
Amounts owed to related parties	16	6,856,796	6,434,862
Income tax payable		18,102	10,059
Total Current Liabilities		8,759,637	8,558,036
Non-Current Liabilities			
Rental and other deposits, net of current portion	14	441,836	434,632
Non-trade payable, net of current portion	12	788,440	788,440
Long term debt	13	2,438,280	2,444,014
Lease liabilities, net of current portion	24	1,601,314	1,568,998
Deferred rent income, net of current portion	24	4,890	4,890
Deferred income tax liabilities, net		260,727	260,602
Other non-current liabilities	17	716,732	655,308
Total Non-Current Liabilities		6,252,219	6,156,884
Total Liabilities		15,011,856	14,714,920

AyalaLand Logistics Holdings Corp. and Subsidiaries

Consolidated Statement of Financial Position ***(continued)***
As at March 31, 2024
(With comparative figures as at December 31,2023)
(All amounts in thousands of Philippine Peso)

	Notes	Unaudited March 31 2024	Audited December 2023
Equity			
Equity attributable to equity holders of the parent			
Capital stock	15	6,210,268	6,209,956
Additional paid-in capital	15	6,020,972	6,020,760
Shares held by a subsidiary	15	(144,377)	(144,377)
Equity reserves	26	(1,693,307)	(1,693,307)
Revaluation increment	9	175,721	175,721
Unrealized loss on financial assets at fair value through other comprehensive income	5	(1,059,679)	(1,059,679)
Loss on measurement of retirement benefits	21	(44,187)	(44,187)
Retained earnings		4,721,908	4,171,573
		14,187,319	13,636,460
Non-controlling interests		270,866	270,749
Total equity		14,458,185	13,907,209
Total liabilities and equity		29,470,041	28,622,129

The notes on pages 1 to 43 are integral part of these consolidated financial statements.

AyalaLand Logistics Holdings Corp. and Subsidiaries

Consolidated Statement of Income
For the year ended March 31, 2024
(With comparative figures for the period ended March 31, 2023)
(All amounts in thousands of Philippine Peso except earnings per share figures)

	Notes	March 31 2024	March 31 2023
Revenues			
Real estate sales	23	851,384	241,744
Rental	9	332,081	276,465
Sale of storage services	23	41,279	39,679
Sale of electricity	23	–	3,065
Others	24	80,086	141,487
		1,304,830	702,440
Cost and expenses			
Cost of real estate sold	18	546,598	123,734
Cost of rental and storage services	18	296,332	291,384
Cost of purchased electricity		–	–
Operating expenses	19	61,668	56,283
		904,598	471,401
Other income (charges)			
Interest expense on lease liabilities	24	(36,691)	(36,786)
Interest expense and bank charges, net	20	(100,962)	(19,524)
Unrealized loss on financial assets at FVPL	6	(182)	–
Provision for doubtful accounts	3	(3,840)	–
Others, net	20	(33,929)	17,211
		(175,604)	(39,099)
Income before income tax		224,628	191,940
Income tax expense		13,831	13,832
Net income for the quarter		210,797	178,108
Attributable to:			
Equity holders of the Parent		210,681	178,117
Non-controlling interests		116	(9)
		210,797	178,108
Earnings per share	23		
Basic and diluted, for income for the year attributable to ordinary equity holders of the Parent		0.03	0.03

The notes on pages 1 to 43 are integral part of these consolidated financial statements.

AyalaLand Logistics Holdings Corp. and Subsidiaries

Consolidated Statements of Comprehensive Income
For the year ended March 31, 2024
(With comparative figures for the years ended March 31, 2023)
(All amounts in thousands of Philippine Peso)

	Notes	March 31 2024	March 31 2023
Net income for the period		210,797	178,108
Total comprehensive income		210,797	178,108
Attributable to:			
Equity holders of the Parent		210,681	178,108
Non-controlling interests		116	(9)
		210,797	178,108

The notes on pages 1 to 43 are integral part of these consolidated financial statements.

AyalaLand Logistics Holdings Corp. and Subsidiaries

Consolidated Statement of Changes in Equity
For the period March 31, 2024
(With comparative figures for period ended March 31, 2023)
(All amounts in thousands of Philippine Peso)

	Notes	Capital stock	Additional paid-in capital	Shares held by a subsidiary (Note 15)	Equity reserves (Note 26)	Revaluation increment (Note 9)	Unrealized loss on financial assets at FVOCI (Note 5)	Losses on remeasurement of retirement benefits plan, net of tax (Note 22)	Retained Earnings	Equity attributable to the Parent Company	Non-controlling interests	Total
Balances at January 1, 2024, as previously stated		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
Change in accounting policy Adoption of PFRS 15 covered by PIC Q&A 2018-12-D		-	-	-	-	-	-	-	339,654	339,654	-	339,654
Balance at January 1, 2024 as restated		6,209,956	6,020,760	(144,377)	(1,693,307)	175,721	(1,059,679)	(44,187)	4,511,227	13,976,114	270,749	14,246,863
Net income for the year		-	-	-	-	-	-	-	210,681	210,681	116	210,797
Total comprehensive income		-	-	-	-	-	-	-	210,681	210,681	116	210,797
Transactions with owners		-	-	-	-	-	-	-	-	-	-	-
Collection of Subscription receivables	15	312	212	-	-	-	-	-	-	524	-	524
Total transactions with owners		312	212	-	-	-	-	-	-	524	-	524
Balances at March 31, 2024		6,210,268	6,020,972	(144,377)	(1,693,307)	175,721	(1,.059,679)	(44,187)	4,721,908	14,187,319	270,865	14,458,184

AyalaLand Logistics Holdings Corp. and Subsidiaries

Consolidated Statement of Changes in Equity ***(continued)***
For the period ended March 31, 2024
(With comparative figures for period ended March 31, 2023)

(All amounts in thousands of Philippine Peso)

	Notes	**Capital stock**	**Additional paid-in capital**	**Shares held by a subsidiary (Note 15)**	**Equity reserves (Note 26)**	**Revaluation increment (Note 9)**	**Unrealized loss on financial assets at FVOCI (Note 5)**	**Losses on remeasurement of retirement benefits plan, net of tax (Note 22)**	**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		-	-	-	-	-	-	-	178,117	178,117	(9)	178,108
Other comprehensive income		-	-	-	-	-	-	-	-	-		-
Total comprehensive income		-	-	-	-	-	-	-	178,117	178,117	(9)	178,108
Transactions with owners												
Collection of subscription receivable	15	2,922	1,998	-	-	-	-	-	-	4,920	-	4,920
Additions to NCI	1	-	-	-	-	-	-	-	-	-	-	-
Transfer of realized valuation Increment												
Payment of stock transaction costs		-	(4,936)	-	-	-	-	-	-	(4,936)	-	(4,936)
Total transactions with owners		2,922	(2,938)	-	-	-	-	-	-	(16)	258,871	(16)
Balances at March 31, 2023		6,204,699	6,017,185	(144,377)	(1,693,307)	182,750	(1,097,151)	(46,045)	3,717,439	13,141,193	258,871	13,400,064

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 period ended March 31, 2024
(With comparative figures for the period ended March 31, 2023)
(All amounts in thousands of Philippine Peso)

	Notes	March 31 2024	March 31 2023
Cash flows from operating activities			
Income before income tax		224,628	191,940
Adjustments for:			
Depreciation and amortization	9,10,11,19,20	111,805	104,319
Discount on sale of financial asset	3		
Interest expense on lease liabilities	24	36,691	36,786
Interest expense and bank charges	20	75,199	34,534
Depreciation of right-of-use assets	19,20,24	16,481	16,300
Provision for probable losses	29	(5,000)	–
Provision for (reversal of) impairment losses on:			
Receivables	20	(3,840)	–
Equity in net loss of joint ventures		464	–
Unrealized loss (gain) on financial assets at FVPL	6	(27)	(60)
Reversal of provision for probable losses	26		
Interest income	20	(15,108)	(13,619)
Operating income before working capital changes		441,293	370,200
Decrease (increase) in:			
Receivables		(487,322)	65,975
Real estate held for sale and development		–	32,450
Other current assets		268,741	(18,620)
Other noncurrent assets		11,254	(51,611)
Investment in associates		–	729
(Increase) decrease in:			
Accounts payable and accrued expenses		(78,000)	(68,481)
Rental and other deposits		7,569	17,761
Net cash flows used in operations		163,535	348,403
Interest received		15,108	13,619
Interest paid		(42,672)	(52,970)
Income tax paid		(13,832)	(13,833)
Net cash used in operating activities		122,139	295,219
Cash flows from investing activities			
Additions to amounts owed by related parties		(110,927)	(161,723)
Investment in properties	9	(366,545)	(673,358)
Property and equipment	10	(103,235)	(15,227)
Net cash used in investing activities		(580,707)	(850,308)

AyalaLand Logistics Holdings Corp. and Subsidiaries

Consolidated Statement of Cash Flows
For the period ended March 31, 2024
(With comparative figures for the period ended March 31, 2023)
(All amounts in thousands of Philippine Peso)

	Notes	March 31, 2024	March 31, 2023
Cash flows from financing activities			
Payment of principal		(3,225)	–
Collection of subscription receivables and ESOWN subscription	16	524	4,920
Proceeds from amounts owed to related parties	17	388,149	426,314
Payment of subscription cost	1		(4,936)
Net cash flows from financing activities		385,448	426,298
Net (decrease) increase in cash and cash equivalents		(73,120)	(128,791)
Cash and cash equivalents at beginning of year		214,713	450,618
Cash and cash equivalents at end of the period	2	141,593	321,827

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 period ended March 31, 2024
(With comparative figures as at and for the period ended
March 31, 2024 and year ended December 31, 2023)
(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 Floor 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 47.91% owned by Mermac, Inc. and the rest by the public as at March 31, 2024. 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:

		Percentage of Ownership	
Subsidiaries	Nature of business	March 31,2024	December 31, 2023
Laguna Technopark, Inc. (LTI)	Real Estate Development and Warehouse Leasing	100%	100%
ALogis Artico, Inc. (formerly Ecozone Power Management, Inc. (AAI)	Cold Storage and Purchase, Delivery of Electricity	100%	100%
Unity Realty & Development Corporation (URDC)	Real Estate Development	100%	100%
Orion Land, Inc. (OLI)	Real Estate, Mall Operations and Investment Holding Company	100%	100%
Tutuban Properties, Inc. (TPI)	Real Estate, Mall Operations	100%	100%
TPI Holdings Corporation (TPIHC)**	Investment Holding Company	100%	100%
Orion Property Developments, Inc. (OPDI)	Real Estate Development	100%	100%
Orion Beverage, Inc. (OBI)*	Manufacturing, Real Estate,	100%	100%
LCI Commercial Ventures, Inc. (LCVI)	Warehouse Leasing Operations	100%	100%
Luck Hock Venture Holdings, Inc. (LHVHI)**	Other Business Activities	60%	60%
Orion Maxis, Inc. (OMI)*	Marketing and Administrative Services	100%	100%
Orion I Holdings Philippines, Inc. (OIHPI)**	Financial Holding Company	100%	100%
FLT Prime Insurance Corporation (FPIC)*	Non-Life Insurance Company	78.77%	78.77%
A-FLOW Land I Corp (A-FLOW Land)	Real Estate Leasing	60.00%	60.00%
Orion Solutions, Inc. (OSI)*	Management Information Technology Consultancy Services	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.

AAI
On January 30, 2024, the Securities and Exchange Commission approved the change of corporate name of the Company to ALogis Artico, Inc. (AAI).

AAI 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 nil and P376.99 million as of March 31, 2024 and December 31, 2023.

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.

1.3. Approval of financial statements

The accompanying consolidated financial statements of the Group as of March 31, 2024 and December 31, 2023, and for the period ended March 31, 2024 and 2023 were approved by the Board of Directors (BOD) in a meeting dated May 9, 2024.

2. Cash and cash equivalents

Details of the account are as follows:

	March 31, 2024	December 31, 2023
Cash on hand	297	307
Cash in bank	141,296	202,790
Cash equivalents	–	11,616
	141,593	214,713

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 earned from cash and cash equivalents amounted to P0.25 million and P0.56 million for the periods ended March 31, 2024 and March 31, 2023 (Note 20).

3. Receivables

Details of the account are as follows:

	March 31, 2024	December 31, 2023
Trade debtors		
Land sales	4,493,904	3,790,239
Receivables from tenants	812,265	734,055
Retail electricity	13,865	13,865
Non-trade receivables	456,165	438,762
Insurance receivables	29,305	29,305
	5,805,504	5,006,226
Less: Allowance for expected credit losses	277,730	273,890
	5,527,774	4,732,336
Less: Non-current portion	3,659,074	3,329,629
Receivables, current portion	1,868,700	1,402,707

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	March 31, 2024	December 31, 2023
Trade receivables at nominal amount		4,493,904	4,140,216
Less unearned interest:			
Beginning of year		349,977	220,705
Additions during the year		−	257,197
Accretion for the year	20	−	(127,925)
Reversal of Day 1 loss		(349,977)	−
End of the year		−	349,977
Trade receivables at discounted amount		4,493,904	3,790,239

Receivables from tenants represent the outstanding receivables arising from the lease of warehouse units, mall and office spaces and cold storage operations 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, 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
Provisions	3,840	–	–	3,840
At March 31, 2024	82,684	165,741	29,305	277,730

4. Real estate held for sale and development

Details of the account are as follows:

	March 31, 2024	December 31, 2023
Land	5,295,520	5,085,049
Less: Allowance for inventory write-down	39,848	39,848
	5,255,672	5,045,201

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

The composition of inventoriable costs as follows:

	March 31, 2024	December 31, 2023
Land cost	4,828,740	4,610,981
Construction overhead and other related costs	466,780	474,068
	5,295,520	5,085,049

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

	Note	March 31, 2024	December 31, 2023
Balance at the beginning of the year		5,085,049	4,423,990
Development costs incurred		631,515	1,645,497
Cost of real estate sales	18	(421,044)	(984,438)
		5,295,520	5,085,049
Less allowance for inventory write-down		39,848	39,848
		5,255,672	5,045,201

There is no movement in allowance for inventory write-down as of March 31, 2024 and December 31, 2023.

Sale of real estates recognized in March 31, 2024 amounted to P851.38 million (March 31, 2023 - P241.74 million), (Note 23).

Real estate inventories recognized as cost of real estate sales amounted to P 462.39 million (March 31, 2023 - P112.02 million) (Note 18).

There are no real estate inventories held as collateral as at March 31, 2024 and December 31, 2023.

5. Financial assets at FVOCI

Details of the account are as follows:

	Note	March 31, 2024	December 31, 2023
Equity securities	17	85,387	85,387
Debt securities		41,227	41,227
		126,614	126,614

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 delisted 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 March 31, 2024 and December 31, 2023, 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, 2022	(1,098,457)
Fair value changes	38,456
At December 31, 2023	(1,060,001)
Fair value changes	–
At March 31, 2024	(1,060,001)

Proceeds from the maturity of financial assets at FVOCI amounted to nil (2023 - P36 million).

Interest earned from financial assets at FVOCI as of March 31, 2024 amounted to P0.64 million, (March 31, 2023 - P2.33 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 nil (March 31, 2024 - P0.06 million loss; March 31, 2023 - nil).

There were no dividend income earned from these shares amounted in 2024 and 2023

7. Other current assets

Details of the account are as follows:

	March 31, 2024	December 31, 2023
Input VAT	1,086,060	1,123,039
Advances to suppliers and contractors	523,324	794,631
Creditable withholding taxes	378,220	369,120
Prepayments	124,987	94,707
Refundable deposits	6,220	6,220
Ice and beverages	5,450	5,285
	2,124,261	2,393,002
Less allowance for impairment losses	8,953	8,953
	2,115,308	2,384,049

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 period ended March 31, 2024 and 2023 (Note 21).

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:

	March 31, 2024	December 31, 2023
Beginning balance	677,773	P181,145
Investment including transaction costs during the year	–	502,465
Share in net loss during the period	(464)	(5,837)
Ending balance	677,309	677,773

Set out below is the summarized financial information for A-FLOW PropCo as at and for the period ended March 31, 2024:

	March 31, 2024	December 31, 2023
Cash	56,227	440,701
Current assets	109,306	440,701
Noncurrent assets	845,608	280,008
Current liabilities	(7,453)	(3,698)
Equity	947,461	717,011

	March 31, 2024	December 31, 2023
Revenue during the year	45	145
Net loss during the year	(929)	(8,521)
Total comprehensive loss during the year	(929)	(8,521)

ALLHC did not receive any dividends from A-FLOW PropCo for the year ended March 31, 2024 and December 31, 2023.

ALLHC has not incurred any contingent liabilities as at March 31, 2024 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:

March 31, 2024	Notes	Building and improvements	Land improvements	Construction in progress	Total
Cost					
Beginning of period		12,049,402	3,636,622	529,917	16,215,941
Additions during the period		52,699	17,031	39,948	109,678
End of period		12,102,101	3,656,862	569,865	16,325,619
Accumulated depreciation and amortization					
Beginning of period		4,069,857	32,661	-	4,102,518
Depreciation and amortization during the period	18,19	98,201	-	-	98,201
At end of period		4,168,058	32,661	-	4,200,719
Net book values		7,934,043	3,624,201	573,074	12,124,900

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
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

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 March 31, 2024 (2023 -P19,040.68 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 March 31, 2024 amounting to 573.04 million (December 31, 2023 – P529.92 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.

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
March 31, 2024									
Cost									
Beginning of period		356,433	719,317	5,537	61,210	34,282	75,899	164,696	1,417,374
Additions during the period		-	6,108	-	11,082	1,760	10,576	73,709	103,235
End of period		356,433	725,425	5,537	72,292	36,042	86,475	238,405	1,520,609
Accumulated depreciation and amortization									
Beginning of period		150	54,078	3,428	57,626	19,667	48,029	-	182,978
Depreciation and amortization during the period	19,21	90	7,458	212	2,800	1,270	1,773	-	13,603
End of period		240	61,535	3,640	60,426	20,937	49,802	-	196,581
Net book values		356,193	663,889	1,897	11,866	15,105	36,673	238,405	1,324,028

	Notes	Land	Building	Leasehold improvements	Machinery and Equipment	Transportation equipment	Furniture, fixtures and equipment	Construction in Progress	Total
December 31, 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	19,21	150	28,745	504	4,224	4,644	5,677	-	43,944
Disposals during the year		-	-	-	-	-	(106)	-	(106)
End of year		150	54,078	3,428	57,626	19,667	48,029	-	182,978
Net book values		356,283	665,239	2,109	3,584	14,615	27,870	164,697	1,234,396

11. Other non-current assets

Details of the account are as follows:

	March 31, 2024	December 31,2023
Deferred input VAT	98,540	98,766
Refundable deposits	46,756	46,536
Others	7,353	4,831
	152,649	150,133

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 nil, (March 31, 2023 - P0.001 million; March 31, 2022 - P0.013 million) (Note 19).

12. Accounts payable and accrued expenses

Details of the account are as follows:

	Note	March 31, 2024	December 31, 2023
Trade payables		600,250	602,894
Non-trade payables		529,825	770,137
Accrued Expenses			
Commissions		41,232	38,317
Contracted services		16,239	12,773
Rent		7,867	7,569
Light and water		5,214	6,197
Others		9,302	2,297
Provisions	26	32,057	32,057
Retention payable		2,400	2,400
Others		18,621	18,357
		1,263,007	1,492,998

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 P65.09 million (2023 - P284.51 million and payables to different government agencies amounting to P256.02 million (2023 - P350.65 million).

The non-current portion of the installment payable related to the acquisition of investment property and property, plant and equipment as of March 31, 2024 amounting to P788.44 million (2023 – P788.44 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	March 31, 2024	December 31, 2023
Beginning of year		57,663	95,633
Accretion for the period	21	-	(37,970)
End of period		57,663	57,663

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 March 31, 2024 amounted to P235.06 million, of which P235.06 million were considered as non-current liabilities (2023 - P173,633 total retention payable of which P173,633 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	P1,287 million	- Matures in November 2031 - Interest rate per annum is at 6.56% and 3.27% as at March 31, 2024 and December 31, 2023.
2	LTI	November 2021	P688 million	- Matures in November 2031 - Interest rate per annum is at 6.56% and 3.27% as at March 31, 2024 and December 31, 2023.
3	EPMI	September 2022	P373 million	- Matures in September 2032 - Interest rate per annum is at 6.66% and 6.80% as at March 31, 2024 and December 31, 2023.
4	EPMI	November 2022	P127 million	- Matures in November 2032 - Interest rate per annum is at 6.66% and 6.80% as at March 31, 2024 and December 31, 2023.

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 period ended March 31 are as follows:

	Note	March 31, 2024	December 31, 2023
Beginning of year		2,465,064	2,463,160
Principal repayments		(4,950)	-
Amortization of deferred transaction costs	20	466	1,904
End of period		2,460,580	2,465,064
Current portion of long-term debt		(22,300)	21,050
Non-current portion of long-term debt		2,438,280	2,444,014

Total interest expense arising from bank borrowings amounted to P40.05 million for March 31, 2024 (March 31, 2023 – P25.91 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 March 31, 2024 and December 31, 2023, this ratio was complied with by the entities.

14. Rental and other deposits

Details of the account are as follows:

	March 31, 2024			December 31,2023		
	Current	Non-current	Total	Current	Non-current	Total
Security deposits	323,440	275,056	598,496	324,055	265,924	589,979
Rental deposits	70,187	161,097	231,284	70,377	163,024	233,401
Construction bond	30,506	5,683	36,189	29,337	5,684	35,021
Customer deposits	9,302	-	9,302	9,302	-	9,302
Other deposits	9,117	-	9,117	9,116	-	9,116
	442,552	441,836	884,388	442,187	434,632	876,819

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.

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:

	March 31, 2024		December 31, 2023	
	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		(91,325,063)		(91,636,672)
Issued and outstanding	6,210,266,924	6,210,266,924	6,209,955,315	6,209,955,315
Additional paid-in capital		6,020,971,679		6,020,759,784

Capital stock and additional paid-in capital increased by P312.00 million and P212.00 million, net of stock transaction costs, respectively, following collection of subscription receivable (2023 – P8.17 million and P0.64 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			735
March 31, 2024	6,158,660,172			735

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 March 31, 2024, 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 March 31, 2024 and December 31, 2023.

As at March 31, 2024 and 2023, 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 March 31, 2024 and December 31, 2023, the Group has not recognized any impairment on its amounts owed by related parties.

Amounts owed by related parties

	Transactions for the period		Due from		Terms and condition
	March 31,2024	December 31, 2023	March 31,2024	December 31, 2023	
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	-	-	
Entities under common control	29,695	1,722,295	595,295	565,600	
	29,695	2,080,695	595,295	565,600	
Interest Income (Note 20)					Interest income is due and demandable and shall be collected based on interest rates agreed between parties.
Immediate Parent Company	230	1,863	-	243	
Entities under common control	13,182	50,429	66,581	53,399	
		52,292	66,581	53,642	
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	-	-	52,062	23,282	
Entities under common control	-	-	53,260	13,746	
Other Related Parties	-	-	6,036	6,036	
	-	-	111,358	43,064	
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		32,728	2,441	2,441	
		32,728	23,236	23,236	
			796,470	685,542	

Amounts owed to related parties

	Transactions for the period		Due to		Terms and condition
	March 31,2024	December 31, 2023	March 31,2024	December 31, 2023	
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	(409,470)	143,670	-	(409,470)	
Entities under common control	754,568	9,026,827	(5,289,993)	(4,535,425)	
	345,098	9,170,497	(5,289,993)	(4,944,895)	
Interest expense (Note 20)					Interest expense is due and demandable and shall be payable based on interest rates agreed between parties.
Immediate Parent Company	89	7,089	(27,073)	(26,984)	
Entities under common control	75,098	195,555	(266,688)	(191,590)	
	75,187	202,644	(293,761)	(218,574)	
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	90,457	178,775	(595,959)	(576,337)	
Entities under common control	-	-	(5,646)	(5,646)	
	90,457	178,775	(601,605)	(581,983)	
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)	(17,892)	
Entities under common control		5,483,170	(464,172)	(464,172)	
Other Related Parties		-	(668)	(668)	
		5,483,170	(482,732)	(482,732)	

	Transactions for the period		Due from (to)		Terms and condition
	March 31,2024	December 31, 2023	March 31,2024	December 31, 2023	
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)	(205)	
Leases (Note 24)					
Entities under common control	-	-	(1,304)	(1,304)	
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	-	-	(149,539)	(149,539)	
Entities under common control	-	-		-	
			(149,539)	(149,620)	
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)	
			(6,856,796)	(6,434,862)	

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 (Note 19).

17. Other non-current liabilities

Details of the account are as follows:

	Note	March 31, 2024	December 31, 2023
Subscription payable		481,675	481,675
Retention payable, net of current portion	12	235,057	173,633
		716,732	655,308

As at March 31, 2024 and December 31, 2023, 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	March 31, 2024	March 31, 2023
Land and development cost	4	421,044	112,022
Management fee	16	84,204	4,460
Commission		41,350	7,252
		546,598	123,734

Cost of rental and storage services

The details of this account follow:

	Note	March 31, 2024	March 31, 2023
Depreciation and amortization	9,10,12,24	118,457	113,355
Share in CUSA related expenses		91,845	98,572
Taxes and licenses		43,581	39,694
Management fees	16	6,253	**13,973**
Repairs and maintenance		11,990	**12,977**
Rental	24	3,532	**2,540**
Supplies		1,198	**1,000**
Professional fees		1,889	**1,057**
Insurance		1,071	**641**
Commissions		711	**575**
Others		15,805	**7,000**
		296,332	291,384

19. Operating expenses

The details of this account follow:

	Note	March 31, 2024	March 31, 2023
Personnel expenses			
Compensation and employee benefits		24,496	22,155
Retirement expense	21	3,236	3,504
Depreciation and amortization	9,10,11	9,829	7,264
Professional and legal fees		324	5,883
Taxes and licenses		9,896	7,115
Systems costs	16	3,284	4,089
Janitorial and security services		3,034	1,095
Communication and transportation		2,188	1,774
Supplies and repairs		3,024	1,219
Provision for impairment losses		-	-
Others		2,357	2,185
		61,668	56,283

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

Interest expense and bank charges, net

The details of this account follow:

	Note	March 31, 2024	March 31, 2023
Interest income:			
Cash and cash equivalents	2	253	545
Amounts owed by related parties	16	14,170	12,097
Retirement benefits liability, net	21	-	-
Interest income on financial assets at FVOCI	5	685	977
Accretion on long term receivables	3	-	27,304
		15,108	40,923
Interest expense and bank charges:			
Amounts owed to related parties	16	75,187	37,892
Discount amortization on long term liabilities	12	-	-
Discount amortization on security deposits		354	-
Bank loan	13	40,051	25,913
Discount amortization on bank loan	13	466	-
Bank charges		12	(3,358)
		116,070	60,447
		(100,672)	(19,524)

Other income

Other income mainly includes reversal of accruals amounted to nil in March 31, 2024 and P11.72 million in 2023.

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).

22. Earnings per share

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

	March 31, 2024	March 31, 2023
Net income attributable to equity holders of the Parent	210,680	178,117
Weighted average number of shares	6,252,148	6,252,148
Basic/diluted earnings per share	0.03	0.03

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

23. 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:

	March 31, 2024	March 31, 2023
Real estate sales	851,384	271,744
Sale of storage services	41,279	39,679
Sale of electricity	-	3,065
	892,663	284,488

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
March 31, 2024								
Revenues	-	1,263,551	-	41,279	896	41,279	(896)	1,304,830
Cost and expenses	(10,239)	(862,928)	(3,250)	(26,485)	(1,493)	(26,485)	(203)	(904,598)
Other income (charges)	(66,653)	(93,860)	(9,400)	(8,329)	1,825	(8,329)	813	(175,604)
Profit (loss) before income tax	(76,893)	306,764	(12,650)	6,464	1,228	224,914	(286)	224,628
Income tax expense (benefit)	-	14,797	(1,912)	806	140	13,831	-	13,831
Net income	(76,893)	291,967	(10,738)	5,658	1,089	211,083	(286)	210,797
Segment assets	16,084,216	26,121,875	310,722	2,572,668	2,175,989	47,265,470	(17,795,429)	29,470,041
Segment liabilities	4,339,663	11,053,137	851,291	1,346,691	691,612	18,282,394	(3,270,538)	15,011,856
March 31, 2023								
Revenues	₱–	₱660,078	₱3,065	₱40,193	₱–	₱703,336	(₱896)	₱702,440
Cost and expenses	(4,025)	(444,902)	(94)	(21,658)	(418)	(471,097)	(304)	(471,401)
Other income (charges)	(17,281)	(16,358)	(3,758)	(4,024)	1,509	(39,912)	813	(39,099)
Profit (loss) before income tax	(21,306)	198,818	(787)	14,511	1,091	192,327	(387)	₱191,940
Income tax expense (benefit)	(15,869)	27,710	(818)	2,609	200	13,832	–	13,832
Net income	(₱5,437)	₱171,108	₱31	₱11,902	₱ 891	₱178,495	(₱387)	₱178,108
Segment assets	₱15,406,814	₱24,532,838	₱310,722	₱1,175,192	₱2,033,371	₱43,458,937	(₱17,665,165)	₱25,793,772
Segment liabilities	₱3,740,199	₱10,020,310	₱851,291	₱283,462	₱684,208	₱15,579,470	(₱3,185,762)	₱12,393,708

24. 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:

	Note	March 31, 2024	December 31, 2023
Beginning of year		1,066,049	1,135,820
Depreciation expense	19	(16,481)	(69,771)
End of year		1,049,568	1,066,049

Set out below are the carrying amounts of lease liabilities and the movements as of and for the period ended:

	March 31, 2024	December 31, 2023
Beginning of year	1,724,979	1,732,553
Accretion of interest	36,691	148,740
Payments	(4,375)	(156,314)
End of year	1,757,295	1,724,979
Less: Current portion	(155,981)	(155,981)
Non-current portion	1,601,314	1,568,998

As of March 31, 2024 and 2023, the maturity analysis of undiscounted lease payments follows:

	March 31, 2024	December 31, 2023
Within one (1) year	178,823	178,823
One (1) year to five (5) years	909,207	909,207
More than five (5) years	2,176,448	2,176,448
	3,264,478	3,264,478

As of March 31, 2024 and 2023, the following are the amounts recognized in profit or loss:

	Note	March 31, 2024	December 31, 2023
Depreciation expense for right-of- use assets	18	16,481	69,771
Accretion of interest on lease liabilities		36,691	148,740
Variable lease payments	18	3,532	12,718
		56,704	231,229

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 million in 2023 P275.06 million
(2023 - P265.92 million) (Note 14).

As of March 31, 2024 , future minimum rentals receivable under non-cancellable operating leases of the Group follows (amounts in thousands):

	March 31, 2024	December 31, 2023
Less than one (1) year	709,827	709,827
One (1) year to five (5) years	3,686,481	3,686,481
More than five (5) years	4,069,220	4,069,220
	8,465,528	8,465,528

25. 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	March 31, 2024	December 31, 2023
Beginning of year		32,057	35,057
Settlements		-	(3,000)
End of year	12	32,057	32,057

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.

26. 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.

27. 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:

	March 31 2024		December 31,2023	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets at FVPL	4,825	4,825	4,798	4,798
Financial assets at FVOCI				
Quoted equity securities	85,387	85,387	85,387	85,387
Quoted debt securities	41,226	41,226	41,227	41,227
Refundable deposits	46,756	46,756	46,536	46,536
Receivables, net of current portion	3,659,074	3,659,074	3,329,629	3,329,629
	3,837,268	3,837,268	3,507,577	3,507,577
Other financial liabilities				
Rental and other deposits	884,388	884,388	883,098	883,098
Long-term debt	2,438,280	2,438,280	2,465,064	2,465,064
Subscription payable	716,732	716,732	481,675	481,675
	4,039,400	4,039,400	3,829,837	3,829,837

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 March 31, 2024 and December 31, 2023 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 March 31, 2024 and December 31, 2023. Debt financial assets that are quoted are based on published market prices as at March 31, 2024 and December 31, 2023. 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 March 31, 2024 and December 31, 2023. 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 P126.61 million as of March 31, 2024 (2023 - P126.63 million), were classified under Level 1.

FVPL amounting to P4.80 million as of March 31, 2024 (2023 - P4.80 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 March 31, 2024, and December 31, 2023, were classified under Level 3.

There have been no reclassifications from Level 1 to Level 2 categories as of March 31, 2024 and December 31, 2023.

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 March 31, based on contractual undiscounted payments:

	On demand	Less than 3 months	3 to 6 months	6 to 12 months	Over 1 Year	Total
March 31, 2024						
Accounts payable and accrued expenses	**944,191**	**60,013**	**2,400**	-	-	1,006,604
Lease liabilities	-	-	-	-	3,264,478	3,264,478
Subscription payable	481,675	-	-	-	-	481,675
Rental and other deposits	442,552	-	-	-	441,836	884,388
Nontrade payable – noncurrent	-	-	-	-	788,440	788,440
Long-term debt and interest payable	**10,243**	**36,180**	**36,112**	**73,956**	**3,307,309**	3,463,800
Amounts owed to related parties	**6,856,796**	-	-	-	-	6,856,796
	8,735,457	**96,193**	**38,512**	**73,956**	**7,802,063**	**16,746,181**
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

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
March 31, 2024				
Cash in banks and equivalents	141,309	-	141,309	-
Trade debtors			-	-
Land sales	4,493,904	4,493,904	-	4,493,904
Retail electricity	13,865	-	13,865	-
Receivables from tenants	812,265	-	812,265	-
Nontrade receivables	456,165	-	456,165	-
Others	-	-	-	-
Financial assets at FVOCI - quoted debt securities	126,614	-	126,614	-
	6,044,122	4,493,904	2,140,622	4,493,904
December 31, 2023				
Cash in banks and equivalents	224,830	-	224,830	-
Trade debtors				
Land sales	3,790,239	3,790,239	-	3,903,500
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	-
	4,806,633	4,511,102	1,039,696	3,766,937

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 March 31, 2024 and December 31, 2023.

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 March 31, 2024 and 2023.

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**
March 31, 2024					
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
March 31, 2023					
Expected credit loss rate	1.10%	4.31%	6.50%	27.06%	9.74%
Total gross carrying amount	₱122,287	₱47,772	₱34,427	₱342,029	₱546,515
Expected credit losses	1,774	6,969	10,522	43,778	63,043

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 March 31, 2024 and 2023.

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. Total write offs amounted to nil in March 31, 2024 and P0.87 million in March 31, 2023 (Note 3).

28. 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.

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.

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 2024 (2023 - P 3 million provision (Note 25).

29. 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 March 31, 2024 and December 31, 2023 and for each of the three years in the period ended March 31, 2024 and 2023.

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.

30. 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

31. 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 owed 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 owed to related parties (Note 16), long-term debt (Note 13), and rental and other deposits (Note 14).

32. 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.

33. 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.

34. 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.

35. 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.

36. 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.

37. 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.

38. 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.

39. 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.

40. 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.

41. 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. AND SUBSIDIARIES
AGING OF ACCOUNTS RECEIVABLE
As at March 31, 2024

	AMOUNT
Current	4,992,241
1 to 30 days	39,835
31 to 60 days	15,643
61 to 90 days	15,904
Over 90 days	256,411
Total receivable-trade	**5,320,034**
Advances to Employees	1,273
Insurance receivable	29,305
Non-trade receivables	454,892
Total non-trade receivable	**485,470**
Total receivable	**5,805,504**
Allowance for doubtful accounts	**(277,730)**
	5,527,774