

ETON PROPERTIES PHILIPPINES, INC.
9th and 10th Floors, Blakes Tower, Eton Westend Square
Corner of Don Chino Roces Avenue, Malugay and Yakal Streets
Barangay San Antonio
Makati City 1203

MANAGEMENT REPORT

ITEM 1 – BUSINESS OF THE CORPORATION AND ITS SUBSIDIARIES

1. Business of the Corporation

Eton Properties Philippines, Inc. (hereinafter, “Eton” or the “Company”) is the real estate arm of LT Group, Inc., developing commercial and residential projects across Metro Manila and its surrounding areas. The Company’s diversified portfolio includes commercial centers and office buildings, residential and mixed-use high-rise and mid-rise condominiums, residential subdivisions, and township projects.

Residential Projects

The Company’s residential developments have always exemplified to provide residents an environment that will allow them to connect with each other, live comfortably and realize their deepest aspirations while nurturing a strong sense of community.

Residential developments of the Company are built to engender an enduring community spirit that will allow residents to thrive. Situated in prime locations, each residential development is within easy access of schools, hospitals, transportation hubs, health and wellness centers, and modern-day conveniences, allowing residents to be within easy reach of everything that matters to their well-being.

These residential projects are safeguarded from the challenges of urban living through purposeful design elements which offers exclusivity and security, transforming each project into sanctuaries where residents can escape the pressures of city life.

The Company recognizes that individuals have various lifestyle needs, hence, each of its residential developments has been conceptualized to suit those who share similar expectations and requirements. This creates communities with members who share common aspirations and who may eventually come together to co-create their future.

Commercial Centers and Office Buildings

The Company’s massive land bank consists of some of Metro Manila’s most attractive areas where diverse clientele and mobile markets converge. What the Company builds is just as important as where the Company builds, from accessible business-efficient environments to profitable urban hotspots for retail and dining.

The office projects of the Company are testimony to its commitment to build not just offices, but centers of convergence. The Company recognizes its role in reinforcing the productivity and complementing the lifestyle of today’s employees. Therefore, the Company has designed its office spaces to be accessible, modern, and supported by retail options relevant to the workforce.

The Company’s office spaces are strategically located, making it easier for employers to attract the best talent in the area. Its accessibility also enables employees, clients and partners to work

together with ease. The Company takes seriously the fundamental requirement in office buildings to maintain optimal productivity and optimum facilities. Offices are built in proximity to modern conveniences, retail outlets and entertainment spots to ensure that all the things that matter are within easy reach of employees, making work-life integration effortless.

The Company is committed in building office developments that meet the high standards of its clients, as well as foster a culture of collaboration and creativity in the cities where its properties can be found. The Company keeps its competitive advantage in the industry through developing projects keeping in mind its promise to never tire of seeking ways to improve and to continue being a developer worthy of respect and trust.

2. Business of the Corporation's Subsidiaries

The subsidiaries of the Company and their businesses are as follows:

a. Eton City, Inc.

Eton City, Inc. (hereinafter, "ECI") is a wholly owned subsidiary incorporated in 2008. It is one of two flagship township projects of the Company, dubbed as the Makati of the South. Its aim is to create vibrant lifestyle communities for middle and high-end market. ECI's projects for the past three years include South Lake Village, Riverbend, Village Walk and Tierrabela, all located in Sta. Rosa, Laguna. In 2023, ECI completed the construction of the first and commercial center that will serve communities in Eton City, it is an ideal space for families, friends and travelers to come together with its relaxed atmosphere and array of services and conveniences the Eton City Square.

b. Belton Communities, Inc.

Belton Communities, Inc. (hereinafter, "BCI") is a wholly owned subsidiary incorporated in 2007. It caters to the middle-income market segment. From well-located communities to exciting amenities and features, BCI's projects are ideal for families who want a home that they can proudly call their own. BCI's first foray in creating a family-centric neighborhood is North Belton Communities, a 10.8-hectare development consisting of three residential enclaves: The Manors, West Wing Residences and West Wing Villas.

c. Eton Hotels & Leisure, Inc. (formerly FirstHomes, Inc.)

Eton Hotels & Leisure, Inc (hereinafter, "EHLI") is a wholly owned subsidiary incorporated in 2010. Its primary purpose is to manage and operate hotels, resorts, apartelles, serviced apartments and other hospitality facilities, buildings, houses, apartments and other structures and immovable and personal properties.

d. Eton Properties Management Corporation

Eton Properties Management Corporation (hereinafter, "EPMC") is a wholly owned subsidiary incorporated in 2011. It is a real estate management company organized to maintain the Company's residential and commercial projects located in various sites. EPMC commenced its commercial operations in 2016.

ITEM 2 – FINANCIAL STATEMENTS

The consolidated Financial Statements and related Notes to Financial Statements of the Company are incorporated herein by reference and attached as an integral part of this Management Report.

ITEM 3 – INFORMATION ON INDEPENDENT ACCOUNTANT AND OTHER RELATED MATTERS

1. Audit Fee and Audit-Related fees

Audit fees paid to SyCip Gorres Velayo & Co. (“SGV”), the Company’s external auditor, in connection with statutory and regulatory filings or engagements are as follows:

2024 - ₱2,075,000 (inclusive of out-of-pocket expenses)
2023 - ₱2,523,000 (inclusive of out-of-pocket expenses)
2022 - ₱2,523,000 (inclusive of out-of-pocket expenses)

Other Assurance and Related Services

The Company did not engage tax compliance services of SGV for the period ended December 31, 2024 and 2023.

2. Tax Fees

SGV did not provide any special tax compliance services for the Company for the years ended 2024 and 2023.

3. All Other Fees

No other fees were billed in each of the last two fiscal years for products and services provided by SGV other than as reported above.

4. The Audit Committee’s approval policies and procedures for the above services

In 2007, the appointment of the external auditor was delegated by the stockholders to the Board of Directors. The delegated authority has not been revoked or reversed.

In compliance with Chapter IV.C.3 of the Revised Corporate Governance Manual of the Company, the quarterly and annual financial statements are reviewed by the Audit Committee before their submission to the Board of Directors for approval before their release. The Audit Committee also evaluates the non-audit and additional work, if any, to be rendered by the external auditor before endorsing the same to the Board for approval.

5. Disagreements with Accountants on Accounting and Financial Disclosure

There were no disagreements with the Company’s accountants on any accounting and financial disclosure during the three most recent years in the year ended 31 December 2024 or in any subsequent interim period.

6. Additional Components of Financial Statements

a. Tabular Schedule of Standards and Interpretations

The accounting policies adopted are consistent with those of the previous financial year.

b. Map on the Relationships of Companies that are Part of the Conglomerate

The Company's corporate structure is shown in Schedule J (page 57) of the Annual Report.

ITEM 4 – MARKET FOR THE CORPORATION'S SHARES

1. Market Information

The Company voluntarily delisted its shares from the Philippine Stock Exchange in 2012 and delisting took effect on 2 January 2013. Up to the present time, the Company's shares are not publicly traded.

2. Holders

There are approximately 1,671 holders of shares of the Company as of 31 January 2025.

The Company has a total outstanding capital stock of 5,723,017,872 shares as of 31 January 2025. Hereunder is the list of the top twenty (20) stockholders as of 31 January 2025:

Name of Stockholder	No. of Shares	Percentage to Total
1. Paramount Landequities, Inc.	3,203,210,526	55.9706539040
2. Saturn Holdings, Inc.	2,446,009,079	42.7398469428
3. PCD Nominee Corp. (Filipino)**	54,387,683	0.9503322236
4. Sytengco &/or Necisto U. Sytengco, Aylene Y.	4,330,000	0.0756593828
5. Sytengco, Aylene Y.	802,334	0.0140194215
6. Sytengco II, Necisto Y.	802,333	0.0140194041
7. Sytengco Ned Bryan Y.	802,333	0.0140194041
8. Panlilio, Bong	718,130	0.0125480999
9. Caloping Securities Corporation	606,801	0.0106028150
10. Tanenglilan Mariano	574,073	0.0100309489
11. Dela Cruz Teresita	350,136	0.0061180309
12. Guild Securities	249,171	0.0043538393
13. Yap Luis Y	218,152	0.0038118350
14. Buison &/ or Norma M. Buison Edgardo J.	170,000	0.0029704608
15. Chua, Christopher	168,580	0.0029456487
16. Recto, Ramon A.	127,071	0.0022203495
17. Mendoza, Alberto &/ or Jeanie C.	125,147	0.0021867309
18. L.M. Garcia & Associates	122,913	0.0021476955
19. ZFF Ventures & Development Corp.	122,416	0.0021390113

20. David Go Securities Corporation	22,060	0.0021327908
Total	5,714,136,932	99.8448206838

** including 52,144,998 scripless shares of Paramount Landequities, Inc.

Voting Rights

Each share is entitled to one (1) vote.

With respect to the election of Directors, stockholders of record are entitled to as many number of votes as is equal to the number of shares he owns multiplied by eleven (11), the number of Directors to be elected. A stockholder may (i) cast all votes in favor of one (1) nominee, or (ii) cast votes for as many Directors to be elected, or (iii) distribute the votes among as many nominees he shall see fit.

3. Dividends

The Company distributes dividends subject to the availability of unrestricted retained earnings. Among others, the Board of Directors takes into consideration the earnings, cash flow and financial condition of the Company before declaring any dividends.

The undistributed earnings of subsidiaries which are included in the retained earnings are not available for declaration as dividend until declared and distributed by the subsidiaries as dividends.

All dividends are subject to the approval of the Company's Board of Directors and in the case of stock dividend, by the Stockholders representing at least two thirds (2/3) of the outstanding capital stock. In addition, stock or property dividends require the approval of the Securities and Exchange Commission.

The Company's retained earnings are restricted for payment of dividends to the extent of the amount of Treasury shares amounting to ₱7,955.00.

The Company has not distributed dividends for the past three years as the Company's primary use for retained earnings is to fund growth and future development of projects.

4. Recent Sales of Unregistered or Exempt Securities, Including Recent Issuance of Securities Constituting an Exempt Transaction

For the past three years, the Company has not sold any unregistered or exempt securities, nor were there any recent issuances of securities constituting an exempt transaction.

ITEM 5 – MANAGEMENT'S DISCUSSION AND ANALYSIS

Plan of Operation for the Next Twelve (12) Months

The Company targets to deliver P3.4B in revenues in 2025, +9% vs 2024. The revenue growth will come mainly from increased property sales of remnant inventory, but leasing will remain its biggest revenue stream. The Company is increasing its capital spending behind critical repairs and

enhancements to existing properties to create value for buyers and tenants. It has also invested to upgrade its current Enterprise Resource Planning (ERP) to SAP S4 Hana to drive operational efficiencies and effectiveness; enable more agile decision making and improve over-all customer satisfaction.

Full Year 2024

a) Result of Operations

The Company's net income after tax decreased by 71.47% or ₱533.11 million, from ₱745.88 million in 2023 to ₱212.77 million in 2024. The decrease is attributed to the increase in accrued expenses, high-cost of maintenance, property taxes, and decrease in miscellaneous income due to one-time gain recorded in the previous year.

With the opening of new sales inventory of residential properties in 2024, real estate revenue significantly increased by 265.88% or ₱364.07 million, from ₱136.93 million in 2023 to ₱501.00 million in 2024. The Company focused on selling ready for occupancy units in residential projects in Sta. Rosa, Laguna, Quezon City, Manila and Makati.

Rental revenue however, slightly decreased by 1.34% or ₱33.27 million, from ₱2,475.60 million in 2023 to ₱2,442.33 million in 2024. Rental revenue remains to boost overall revenue with office leasing contributing majority of the leasing income followed by commercial spaces and residential and other leasing segments as a result of high occupancy during the year.

Room and other operated departments improved by 1.31% or ₱2.53 million from ₱192.85 million in 2023 to ₱195.38 million for the year 2024, this is on account of higher room occupancy of its serviced apartment in Makati City.

Net other income is substantially lower by 192.35% or ₱463.67 million compared to last year as result of one-time gain recognized in previous year and the increase in the fair value of repossessed inventories on cancelled contracts partially offset with the increase in finance charges.

The Company's wholly-owned subsidiaries, ECI and BCI, contributed a combined gross revenue of ₱162.53 million.

Provision for income tax slightly decreased by 4.37% or ₱10.93 million, from ₱250.07 million in 2023 to ₱239.14 million in 2024 on account of timing difference between income tax per financial report vis a vis tax basis.

Expenses

Selling and marketing expenses surged by 301.60% or ₱36.13 million from ₱11.98 million in 2023 to ₱48.12 million for the year 2024 as a result of full sales operation during the year.

General and administrative expenses however, decreased by 22.5% or ₱168.85 million from ₱750.46 million in 2023 to ₱581.61 million for the year 2024 mainly due to lower provision for estimated credit loss, outside services and depreciation expense partially offset by the increase in personnel costs.

b) Financial Condition

As of December 31, 2024, the Company's consolidated assets decreased by 2.46% or ₱723.51

million, from ₱29,455.27 million as of December 31, 2023 to ₱28,731.76 million as of December 31, 2024. The decrease primarily pertains to the decrease in Trade and Other Receivables by 31.51% or ₱430.81 million, from ₱1,367.29 million as of December 31, 2023 to ₱936.48 million as of December 31, 2024 as a result of improved collections during the year and additional provision for estimated credit loss. Real Estate Inventories also decreased by 4.79% or ₱193.67 million, from ₱4,044.95 million as of December 31, 2023 to ₱3,851.28 million as of December 31, 2024 as a result of the recorded sales during the year.

Total liabilities decreased by 21.54% or ₱1,966.61 million, from ₱9,130.97 million as of December 31, 2023 to ₱7,164.35 million as of December 31, 2024. The decrease was mainly due to the decrease in Payable to Landowner by 81.87% or ₱868.79 million as result of payments made during the year.

c) The Company's top five (5) key performance indicators are as follows:

1. *Net Income*

The Company posted a net income after tax of ₱212.77 million for the year ended December 31, 2024, lower than the net income generated in 2023 of ₱745.88 million. The decrease was mainly attributable to the decrease in other income pertaining to a one-time gain recognize during the previous year.

2. *Current Ratio (Current Assets/Current Liabilities)*

Current ratio as of December 31, 2024 1.92:1 compared to 1.23:1 as of December 31, 2023. The decrease was mainly due to the increase in Loans Payable partially offset by the decrease in Payable to Landowners as a result of settlement during the year.

3. *Earnings Per Share*

The Company reported earnings per share of ₱0.0372 per share for the year ended December 31, 2024 and ₱0.1303 for the period ended 2023. Diluted earnings per share for the period ending December 31, 2024 and 2023 is at ₱0.0372 and ₱0.1303 per share, respectively.

4. *Debt to Equity Ratio (Total Liabilities/Total Equity)*

The Company's debt to equity ratio decreased to 0.33 as of December 31, 2024 from 0.45 as of December 31, 2023. The decrease was mainly due to principal payment of bank loans and payable to landowners during the period.

5. *Quick Ratio*

(Cash and Cash Equivalents and Receivables/Current Liabilities)

Quick ratio as of December 31, 2024 and December 31, 2023 is 0.50:1 and 0.34:1, respectively. The increase is primarily due to lower receivables and current liabilities during the year.

d) **Known Trends, Events of Uncertainties**

There are no known trends or any known demands, events of uncertainties that will affect the Company's liquidity. Expected inflows from operations are deemed sufficient to sustain the Company's operations for the next six months.

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

There are no known material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.

There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues of income from continuing operations.

e) Significant Elements of Income or Loss

There is no significant element of income that did not arise from continuing operations.

f) The Company has various planned capital expenditure to be funded by internally generated funds from operations and these are intended for the completion and repairs and maintenance of its existing projects as follows:

- Completion of Eton City Square a commercial complex in Eton City.
- Various repairs and maintenance for Eton Centris, Eton Cyberpod Corinthian.
- Various repairs and maintenance of ready for occupancy (RFO) units in North Belton Communities, 68 Roces in Quezon City and West Wing Residences in Eton City.

g) The causes for any material change from period to period which shall include vertical and horizontal analyses of material item.

Results of our vertical analyses showed the following showed the following material changes (+/- 5% and above) as of and for the years ended December 31, 2024 and December 31, 2023:

	2024	2023	Inc (Dec) Amount	Inc (Dec) %
CASH AND CASH EQUIVALENTS	862,320,684	731,646,461	130,674,223.00	17.86%
TRADE AND OTHER RECEIVABLES CURRENT PORTION	936,479,037	1,353,097,777	(416,618,740.00)	-30.79%
OTHER CURRENT ASSETS	1,260,653,198	1,331,614,906	(70,961,708.00)	-5.33%
NON-CURRENT PORTION OF RECEIVABLES	-	14,194,615	(14,194,615.00)	-100.00%
RIGHT OF USE ASSET	172,829,935	183,264,406	(10,434,471.00)	-5.69%
DEFERRED TAX ASSET	109,396,449	11,572,781	97,823,668.00	36.00%
OTHER NON-CURRENT ASSETS	335,332,419	396,130,996	(60,798,577.00)	-15.35%
TRADE AND OTHER PAYABLES	1,409,655,998	2,383,094,029	(973,438,031.00)	-40.85%
PAYABLE TO RELATED PARTIES	121,111,679	700,000,000	(578,888,321.00)	-82.70%
CUSTOMER'S DEPOSIT	652,915,362	886,792,586	(233,877,224.00)	-26.37%
INCOME TAX PAYABLE	-	8,474,081	(8,474,081.00)	-100.00%
CURRENT PORTION OF LOANS PAYABLE	843,133,333	505,120,202	338,013,131.00	66.92%
CURRENT PORTION OF				
DEPOSITS AND OTHER LIABILITIES	383,484,866	514,504,052	(131,019,186.00)	-25.47%
PAYABLES TO LANDOWNERS	192,400,000	1,061,190,858	(868,790,858.00)	-81.87%
OTHER NON-CURRENT LIABILITIES	1,346,577,710	1,008,238,043	338,339,667.00	33.56%
DEFERRED INCOME TAX LIABILITIES	247,167,864	157,252,272	89,915,592.00	57.18%
LOANS PAYABLE - NET OF CURRENT PORTION	1,967,906,305	1,906,302,180	61,604,125.00	3.23%

Results of the horizontal analyses showed the following material changes (+/- 5% and above) as of and for the years ended December 31, 2024 and December 31, 2023 :

1. Cash and cash equivalents 17.86%
The increase was primarily due to improved collections during the year.

2. Trade and other receivables The decrease was mainly due to improved collections, various cancellations of contract of sale and additional provision for estimated credit loss.	-31.51%
3. Other Current Assets The decrease was mainly due to the decrease in Input VAT and Deferred Rent Assets.	-5.33%
4. Right of use asset The decrease was mainly due to the amortization recognized during the year.	-5.69%
5. Deferred income tax assets The increase primarily represents the timing difference between tax and book basis of accounting for estimated credit loss and recognition of gain on repossessed inventories.	36.00%
6. Other noncurrent assets The decrease primarily pertained to the decrease in refundable deposits.	-15.35%
7. Trade and other payables The decrease was mainly due to reversal project cost accruals.	-40.85%
8. Customers deposit The decrease was mainly due to application of deposits made to the principal balance as a result of the recognition of sales during the year.	-26.37
9. Income tax payable The decrease was primarily due to the decrease in tax due on management fee recognized by EPMC.	-100.00%
11. Payable to related parties The decrease was mainly due to payment of advances from a related parties during the year partially.	-82.70%
12. Loans payable The increase was mainly due to loans availed during the year partially offset with the settlement made.	16.57%
13. Deposits and other liabilities The increase primarily represents the increase in security deposits, deferred income and pension liability.	13.61%
14. Deferred income tax liabilities The increase primarily represents the timing difference between tax and book basis of accounting for gain on repossessed inventories on cancelled contracts.	57.18%

ANALYSIS OF PRIOR YEAR OPERATIONS AND FINANCIAL CONDITION

Full Year 2023

a) Result of Operations

The Company's net income after tax increased by 152.34% or ₱450.29 million, from ₱295.59 million in 2022 to ₱745.88 million in 2023. The increase is attributable to the improvement in leasing revenue by 16.04% or ₱342.48 million, from ₱2,133.32 million in 2022 to ₱2,475.60 million in 2023. This is mainly due to higher occupancy and improvement on leasing rate for both office and commercial leasing. Room and other operated departments likewise increased by 8.25% or ₱14.70 million from ₱178.15 million in 2022 to ₱192.85 million for the year 2023, on account of higher room occupancy of its serviced apartment in Makati City. The Company has resumed its sales activities second half of the year and achieved a total sales of ₱136.93 million. This is lower by 39.17% or ₱88.19 million as compared to 2022 mainly due to a one-time sale of land last year.

Net other income is better by 167.15% or ₱600.06 million compared to last year as result of one-time gain recognize during the year on the increase in the fair value of repossessed inventories on cancelled contracts partially offset with the increase in finance charges.

The Company's wholly-owned subsidiaries, ECI and BCI, contributed a combined gross revenue of ₱132.59 million.

Provision for income tax increased by 197.31% or ₱165.96 million, from ₱84.11 million in 2022 to ₱250.07 million in 2023 on account of higher revenues during the year.

Expenses

With the resumption of selling activities this year, selling expenses increased by 333.90% or ₱9.22 million compared to last year. Likewise, general and administrative expenses increased by 25.46% due to higher real property taxes for Blakes Tower and repairs and maintenance of existing ready for occupancy units.

b) Financial Condition

As of December 31, 2023, the Company's consolidated assets decreased by 4.70% or ₱1,453.89 million, from ₱30,909.17 million as of December 31, 2022 to ₱29,455.27 million of December 31, 2023. The decrease primarily pertains to the decrease in cash and cash equivalents by 37.56% or ₱440.05 million, from ₱1,171.70 million as of December 31, 2022 to ₱731.65 million as of December 31, 2023. The decrease is mainly due to loans payable settlement during the year. Trade and other receivables also decreased by 28.14% or ₱535.36 million as a result of cancellation of several sales contract and write-off of terminated lease contracts.

Total liabilities decreased by 19.35% or ₱2,190.49 million, from ₱11,321.46 million as of December 31, 2022 to ₱9,130.97 million as of December 31, 2023. The decrease is mainly due to the decrease in loans payable by 45.75% or ₱2,033.21 million, from ₱4,444.64 million as of December 31, 2022 to ₱2,411.42 million as of December 31, 2023.

c) The Company's top five (5) key performance indicators are as follows:

1. Net Income

The Company posted a net income after tax of ₱748.88 million for the year ended December 31, 2023, higher than the net income generated in 2022 of ₱295.59 million. The increase was mainly attributable to the increase in leasing revenue and one-time gain recognize during on the year on the increase in fair value of the repossessed inventories on cancelled contracts.

2. *Current Ratio (Current Assets/Current Liabilities)*

Current ratio as of December 31, 2023 1.23:1 compared to 1.28:1 as of December 31, 2022. The decrease was mainly due to the decrease in Cash and Cash Equivalent as a result of bank loans payable settlement during the year.

3. *Earnings Per Share*

The Company reported earnings per share of ₱0.130 per share for the year ended December 31, 2023 and ₱0.052 for the period ended 2022. Diluted earnings per share for the period ending December 31, 2022 and 2021 is at ₱0.130 and ₱0.052 per share, respectively.

4. *Debt to Equity Ratio (Total Liabilities/Total Equity)*

The Company's debt to equity ratio decreased to 0.45 as of December 31, 2023 from 0.58 as of December 31, 2022. The decrease was mainly due to principal payment of bank loans during the period.

5. *Quick Ratio*

(Cash and Cash Equivalents and Receivables/Current Liabilities)

Quick ratio as of December 31, 2023 and December 31, 2022 is 0.34:1 and 0.45:1, respectively. The increase is primarily due to lower cash and cash equivalents and current liabilities during the year.

h) Known Trends, Events of Uncertainties

There are no known trends or any known demands, events of uncertainties that will affect the Company's liquidity. Expected inflows from operations are deemed sufficient to sustain the Company's operations for the next six months.

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

There are no known material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.

There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues of income from continuing operations.

i) Significant Elements of Income or Loss

There is no significant element of income that did not arise from continuing operations.

j) The Company has various planned capital expenditure to be funded by internally generated funds from operations and these are intended for the completion and repairs and maintenance

of its existing projects as follows:

- Completion of Eton City Square a commercial complex in Eton City.
- Various repairs and maintenance for Eton Centris, Eton Cyberpod Corinthian.
- Various repairs and maintenance of ready for occupancy (RFO) units in North Belton Communities, 68 Roces in Quezon City and West Wing Residences in Eton City.

k) The causes for any material change from period to period which shall include vertical and horizontal analyses of material item.

Results of our vertical analyses showed the following showed the following material changes (+/- 5% and above) as of and for the years ended December 31, 2023 and December 31, 2022:

	2023	2022	Inc (Dec) Amount	Horizontal Inc (Dec) %	Vertical 2023
CASH AND CASH EQUIVALENTS	731,646,461	1,171,698,501	(440,052,040.00)	-37.56%	2.48%
TRADE AND OTHER RECEIVABLES CURRENT PORTION	1,353,097,777	1,862,350,688	(509,252,911.00)	-27.34%	4.59%
OTHER CURRENT ASSETS	1,331,614,906	1,518,454,403	(186,839,497.00)	-12.30%	4.52%
NON-CURRENT PORTION OF RECEIVABLES	14,194,615	40,298,340	(26,103,725.00)	-64.78%	0.05%
PROPERTY AND EQUIPMENT	666,891,365	714,308,080	(47,416,715.00)	-6.64%	2.26%
RIGHT OF USE ASSET	183,264,406	198,075,722	(14,811,316.00)	-7.48%	0.62%
DEFERRED TAX ASSET	11,572,781	12,507,872	(935,091.00)	36.00%	0.04%
OTHER NON-CURRENT ASSETS	396,130,996	332,438,799	63,692,197.00	19.16%	1.34%
TRADE AND OTHER PAYABLES	2,383,094,029	3,421,688,475	(1,038,594,446.00)	-30.35%	8.09%
PAYABLE TO RELATED PARTIES	700,000,000	-	700,000,000.00	100.00%	2.38%
INCOME TAX PAYABLE	8,474,081	9,631,566	(1,157,485.00)	-12.02%	0.03%
CURRENT PORTION OF LOANS PAYABLE	505,120,202	2,058,933,231	(1,553,813,029.00)	-75.47%	1.71%
CURRENT PORTION OF DEPOSITS AND OTHER LIABILITIES	514,504,052	333,618,391	180,885,661.00	54.22%	1.75%
DEFERRED INCOME TAX LIABILITIES	157,252,272	69,012,736	88,239,536.00	127.86%	0.53%
LOANS PAYABLE - NET OF CURRENT PORTION	1,906,302,180	2,385,703,927	(479,401,747.00)	-20.09%	6.47%

Results of the horizontal analyses showed the following material changes (+/- 5% and above) as of and for the years ended December 31, 2023 and December 31, 2022 :

1. Cash and cash equivalents -37.56%
The decrease was primarily due to loan payments made during the year.
2. Trade and other receivables -28.14%
The decrease was mainly due to various cancellations of contract of sale and write-off of lease receivables pertaining to terminated lease contracts.
3. Other Current Assets -12.30
The decrease was mainly due to the decrease in Input VAT and Deferred Rent Assets.
4. Property and equipment -6.64%
The decrease was mainly due to the depreciation recognized during the year.
5. Right of use asset -7.48%
The decrease was mainly due to the amortization recognized during the year.
6. Deferred income tax assets 36.00%
The increase primarily represents the timing difference

between tax and book basis of accounting for estimated credit loss and recognition of gain on repossessed inventories.

7. Other noncurrent assets	19.16%
The increase primarily pertained to the increase in refundable deposits.	
8. Trade and other payables	-30.35%
The decrease was mainly due to reversal project cost accruals.	
9. Payable to related parties	100.00%
The increase was mainly due to short-term loan availed from a related party.	
10. Loans payable	-45.75%
The decrease was mainly due loan settlement made during the year.	
11. Deposits and other liabilities	9.81%
The increase primarily represents the increase in security deposits, deferred income and pension liability.	
12. Deferred income tax liabilities	127.86%
The increase primarily represents the timing difference between tax and book basis of accounting for gain on repossessed inventories on cancelled contracts.	
13. Income Tax Payable	-12.02%
The decrease primarily represents the decrease in tax due on management fee recognized by EPMC.	

Full Year 2022

a) Result of Operations

The Company' net income after tax decreased by 46.28% or ₱254.65 million, from ₱550.25 million in 2021 to ₱295.59 million in 2022. The decrease is attributable to the increase in cost of leasing by 17.86% or ₱130.9 million, from ₱732.79 million in 2021 to ₱863.69 million in 2022. This is mainly due to depreciation expense recognized for Blakes Tower. Real estate sales were higher by 63.52%. or ₱87.45 million, likewise rental income increased by 8.26% or ₱133.30 million. Room and other operated departments, on the other hand, decreased by 19.09% or ₱42.03 million from ₱220.18 million in 2021 to ₱178.15 million for the year 2022, due to the lower room occupancy of its serviced apartment in Makati City.

As the economy started to stabilize in 2022, the Company continued its efforts to source new locators to invest in various projects of the Company to further improve occupancy.

Net other income meanwhile, decreased by 92.08% or ₱311.67 million compared to last year mainly due to increase in finance charges during the year.

The Company's wholly-owned subsidiaries, ECI and BCI contributed a combined gross revenue of ₱40.21 million.

Provision for income tax decreased by 25.42% or ₱28.67 million, from ₱112.78 million in 2021 to ₱84.11 million in 2022, due to lower net income and decrease in income tax rate brought about by the effectivity of the CREATE bill.

Expenses

General and administrative expenses decreased by 19.26% or ₱142.69 million, from ₱740.88 million in 2021 to ₱598.19 million in 2022, mainly due to lower provision for estimated credit losses and personnel costs. Finance charges, however, increased by 25.72% or ₱66.15 million, from ₱257.23 million in 2021 to ₱323.38 million in 2022 due to non-capitalization of interest costs as the Company's latest project, Blakes Tower, has already been completed by year-end of 2021.

b) Financial Condition

As of December 31, 2022, the Company's consolidated assets decreased by 4.56% or ₱1,475.14 million, from ₱32,384.31 million as of December 31, 2021 to ₱30,909.16 million of December 31, 2022. The decrease primarily pertains to the decrease in cash and cash equivalents by 46.23% or ₱1,007.41 million, from ₱2,179.11 million as of December 31, 2021 to ₱1,171.70 million as of December 31, 2022. The decrease is mainly due to loans payable settlement during the year. Investment properties also decreased by 1.44% or ₱307.14 million, from ₱21,291.37 million as of December 31, 2021 to ₱20,984.23 million as of December 31, 2022, mainly due to the depreciation expense recognized during the year.

Total liabilities slightly decreased by ₱1,839.13 million, from ₱13,160.59 million as of December 31, 2021 to ₱11,321.46 million as of December 31, 2022. The decrease is mainly due to the decrease in loans payable by 27.57% or ₱1,691.73 million, from ₱6,136.37 million as of December 31, 2021 to ₱4,444.64 million as of December 31, 2022.

c) The Company's top five (5) key performance indicators are as follows:

1. Net Income

The Company posted net income after tax of ₱295.59 million for the year ended December 31, 2022, lower than the net income generated in 2021 of ₱550.25 million. The decrease was mainly attributable to the increase in cost of leasing and finance charges.

2. Current Ratio (Current Assets/Current Liabilities)

Current ratio as of December 31, 2022 1.28:1 compared to 1.49:1 as of December 31, 2021. The decrease was mainly due to the decrease in Cash and Cash Equivalent as a result of bank loans payable settlement during the year.

3. Earnings Per Share

The Company reported earnings per share of ₱0.051 per share for the year ended December 31, 2022 and ₱0.096 for the period ended 2021. Diluted earnings per share for the period ending December 31, 2022 and 2021 is at ₱0.051 and ₱0.096 per share, respectively.

4. Debt to Equity Ratio (Total Liabilities/Total Equity)

The Company's debt to equity ratio decreased to 0.58 as of December 31, 2022 from 0.68 as of December 31, 2021, the decrease was mainly due to principal payment of bank loans during the period.

5. *Quick Ratio*

(Cash and Cash Equivalents and Receivables/Current Liabilities)

Quick ratio as of December 31, 2022 and December 31, 2021 is 0.46:1 and 0.63:1, respectively. The increase is primarily due to lower cash and cash equivalents, while operating & capital expenditures were reduced during the year.

d) Known Trends, Events of Uncertainties

There are no known trends or any known demands, events of uncertainties that will affect the Company's liquidity. Expected inflows from operations are deemed sufficient to sustain the Company's operations for the next six months.

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

There are no known material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.

There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues of income from continuing operations.

e) Significant Elements of Income or Loss

There is no significant element of income that did not arise from continuing operations.

f) The causes for any material change from period to period which shall include vertical and horizontal analyses of material item.

Results of the vertical analyses showed the following:

1. Cash and cash equivalents	3.79%
2. Receivables	6.03%
3. Real Estate project in progress	13.18%
4. Other Current Assets	4.91%
5. Investment properties	67.89%
6. Accounts payable and other current liabilities	11.07%
7. Customers Deposits	3.00%
6. Loans Payable	14.38%
7. Equity	63.37%

Results of the horizontal analyses showed the following:

1. Cash and cash equivalents	-46.23%
The decrease was primarily due to lower cash and cash equivalents as a result of loan payment during the year.	
1. Other Current Assets	4.57
The increase was mainly due to the increase in Advances to Contractors, Input VAT and Deferred Rent Assets.	
3. Property and equipment	-7.67%
The decrease was mainly due to the depreciation recognized during the year.	
4. Right of use asset	-15.63%
The decrease was mainly due to the amortization recognized during the year.	
5. Deferred income tax assets	36.00%
The increase primarily represents the timing difference between tax and book basis of accounting for real estate and leasing transactions.	
6. Other noncurrent assets	9.83%
The increase primarily pertained to the increase in refundable deposits.	
1. Loans payable	-27.57%
The decrease was mainly due loan settlement made during the year.	
8. Lease liabilities	-5.31%
The decrease was mainly due to the amortizations recognized during the year.	
9. Deferred income tax liabilities	-33.03%
The decrease primarily represents the timing difference between tax and book basis of accounting for real estate and leasing transactions.	
10. Income Tax Payable	12.23%
The increase primarily represents the increase in tax due on leasing transactions and management fee recognized by EPMC.	

A comparison of the key performance indicators for the period ended December 31, 2024 vis-à-vis the period ended December 31, 2023 is summarized as follows:

	December 31 2024		December 31 2023	
A. CURRENT RATIO				
current assets	6,910,732,861	1.92	7,461,310,822	1.23
current liabilities	3,602,701,238		6,059,175,808	
B. DEBT TO EQUITY RATIO				
total liabilities	7,164,353,117	0.33	9,130,968,303	0.45
stockholders' equity	21,567,407,540		20,324,307,412	
C. QUICK RATIO				
cash & cash equivalent	862,320,684		731,646,461	
receivable(current)	936,479,037		1,353,097,777	
	1,798,799,721	0.50	2,084,744,238	0.34
current liabilities	3,602,701,238		6,059,175,808	
D. ASSET TO EQUITY RATIO				
total assets	28,731,760,657	1.33	29,455,275,715	1.45
total equity	21,567,407,540		20,324,307,412	
E. INTEREST COVERAGE RATIO				
EBITDA	850,080,127	3.01	1,171,797,608	3.62
Interest expense	282,271,920		323,381,219	
F. GP RATE ON REAL ESTATE SALES				
Gross Profit	66,625,773	0.13	75,475,770	0.55
Real Estate Sales	501,001,202		136,928,852	
G. GP RATE ON RENTAL INCOME				
Gross Profit	1,236,827,913	0.51	1,382,239,637	0.56
Rental Income	2,442,328,459		2,475,599,345	
H. BASIC EARNINGS PER SHARE				
Net income after tax	212,766,218	0.0372	745,881,491	0.1303
no of shares	5,723,007,872		5,723,017,872	
I. DILUTED EARNINGS PER SHARE				
	212,766,218	0.0372	745,881,491	0.1303
	5,723,007,872		5,723,017,872	

ITEM 6 – DIRECTORS AND EXECUTIVE OFFICERS

Please refer to Item 5 on pages 9 to 14 of the Information Statement.

ITEM 7 – CORPORATE GOVERNANCE REPORT

The evaluation system established by the Company to measure or determine the level of compliance of the Board of Directors and top-level management with its Revised Manual of Corporate Governance.

The Compliance Officer is in charge of evaluating the level of compliance of the Board of Directors with its Revised Manual on Corporate Governance. Management actively assesses its performance and adherence to the guidelines in accordance with the required

compliance reports of the Commission.

Measures being undertaken by the Company to fully comply with the adopted leading practices on good corporate governance.

The Company is generally compliant with current policies and prescribed practices on good corporate governance. The Audit Committee amended the Audit Committee Charter to be fully compliant with SEC Memorandum Circular No. 4, Series of 2012. Accordingly, the Board of Directors exercises oversight functions over the operations, processes and reports of the Management to ensure transparency and adherence to good corporate governance. Likewise, the Board of Directors monitors the operations and risk assessments to ensure that the shareholders' and stakeholders' interests are protected.

In 2020, the Company adopted and submitted to the Commission its Revised Manual on Corporate Governance pursuant to the recommendations of Memorandum Circular No. 24, Series of 2019 (Code of Corporate Governance for Public Companies and Registered Issuers).

Any deviation from the Company's Manual of Corporate Governance. It shall include a disclosure of the name and position of the person/s involved, and the sanction/s imposed on said individual.

At present, the Board of Directors has no knowledge of any deviation committed by any personnel from the Company's Manual.

Any plan to improve corporate governance of the Company.

The Company continues to adopt measures to improve its observance/implementation of the principles on Corporate Good Governance in order to add value to its shares.

Directors' Attendance Report

In 2024, the Board of Directors held a total of eight (8) meetings: two (2) regular meetings, five (5) special meetings, and one (1) organizational meeting. Each Board member complied with the minimum total Board meeting attendance requirement of 50%.

On the other hand, the Audit and Risk Committee met four (4) times. The summary of attendance of each Director to Board and committee meetings are attached as Annex A.

ITEM 8 – UNDERTAKING TO PROVIDE ANNUAL REPORT

The Company shall, on written request, provide to shareholders, without charge, the Annual Report prepared pursuant to SEC Form 17-A. All such requests for a copy of the Annual Report should be directed to the Office of the Corporate Secretary at the 10th Floor, Blakes Tower, Eton Westend Square, corner of Don Chino Roces Avenue, Malugay and Yakal Streets, Barangay San Antonio, Makati City 1203.

ANNEX A

SUMMARY OF ATTENDANCE IN BOARD AND COMMITTEE MEETINGS

In 2024, the Board conducted eight (8) meetings and the Audit and Risk Committee had four (4) meetings. These were diligently attended to by its members, as shown in the tables below:

Board of Directors

OFFICE	NAME	DATE OF APPOINTMENT	NUMBER OF MEETINGS HELD	NUMBER OF MEETINGS ATTENDED	%
CHAIRMAN	LUCIO C. TAN	15 May 2024	8	6	75%
VICE CHAIRPERSON	CARMEN K. TAN	15 May 2024	8	6	75%
DIRECTOR	LUCIO C. TAN III	15 May 2024	8	8	100%
DIRECTOR	KYLE C. TAN	15 May 2024	8	8	100%
DIRECTOR	VIVIENNE K. TAN	15 May 2024	8	8	100%
DIRECTOR	KARLU T. SAY	15 May 2024	8	8	100%
DIRECTOR	WILFRIDO E. SANCHEZ	15 May 2024	8	8	100%
DIRECTOR	CIRILO P. NOEL	15 May 2024	8	8	100%
INDEPENDENT DIRECTOR	MARY G. NG	15 May 2024	8	8	100%
INDEPENDENT DIRECTOR	ELAINE Y. CO	15 May 2024	8	8	100%
INDEPENDENT DIRECTOR	ARNEL PACIANO D. CASANOVA	15 May 2024	8	8	100%

Audit and Risk Committee

OFFICE	NAME	DATE OF APPOINTMENT	NUMBER OF MEETINGS HELD	NUMBER OF MEETINGS ATTENDED	%
CHAIRPERSON	MARY G. NG	15 May 2024	4	4	100%
DIRECTOR	VIVIENNE K. TAN	15 May 2024	4	4	100%
DIRECTOR	CIRILO P. NOEL	15 May 2024	4	4	100%
INDEPENDENT DIRECTOR	ELAINE Y. CO	15 May 2024	4	4	100%
INDEPENDENT DIRECTOR	ARNEL PACIANO D. CASANOVA	15 May 2024	4	4	100%