

**PHILIPPINE INFRADEV HOLDINGS, INC.**

**MANAGEMENT REPORT  
Pursuant to SRC Rule 20 (4)**

**For the 2023 Annual Stockholders' Meeting**

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***A. AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED  
DECEMBER 31, 2022 AND SEPTEMBER 30, 2023 INTERIM FINANCIAL  
STATEMENTS***

Registrant's consolidated audited financial statements for the fiscal year ended December 31, 2022 and interim financial statements for the periods ended September 30, 2023 are attached.

***B. THERE WERE NO DISAGREEMENTS WITH THE ACCOUNTANTS***

***C. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS***

Company's Operations

Philippine Infradev Holdings Inc. (*formerly IRC Properties, Inc.*) (Parent Company) and Interport Development Corporation (IDC) (Subsidiary) were incorporated in the Philippines on February 24, 1975 and December 21, 1993, respectively. Parent Company is primarily involved in the acquisition, reclamation, development, or exploitation of lands for the purpose of converting and developing said lands to integrated residential or commercial neighborhoods, and generally to engage in real estate business in all its forms. IDC is primarily involved in the acquisition and selling of real estate of all kinds or to hold such properties for investment purposes.

The Parent Company became a public company through an initial public offering at the Philippine Stock Exchange (PSE) on February 27, 1978. There are no other offerings made other than new shares issued arising from stock rights offering in 2010. As at December 31, 2022 and 2021, 15.53% of the total outstanding common shares of the Parent Company is listed in the PSE.

The immediate and ultimate parent of the Parent Company is Aggregate Business Group (ABG) Holdings Inc. (ABG), a domestic holding company, which holds 67.10% (2021 - 75.10%) of the Parent Company's outstanding common shares as at December 31, 2022.

On July 20, 2018, the Parent Company's Board of Directors (BOD) and shareholders approved the change in the Parent Company's corporate name to Philippine Infradev Holdings Inc. Such change was subsequently approved by the Securities and Exchange Commission (SEC) on October 30, 2018.

On October 23, 2018, the Parent Company received from Public-Private Partnership (PPP) Selection Committee of Makati City Government a Notice of Award for the construction and operation of the Makati Subway System (the "Project") to be implemented through a joint venture agreement. The Project has been awarded to the Parent Company as the lead proponent of a consortium.

On March 4, 2019, the Parent Company incorporated Makati City Subway, Inc. (MCSI) that will be used as a special corporate vehicle for the Subway Project. MCSI is a wholly-owned, domestic subsidiary of the Parent Company.

On July 12, 2019, the Parent Company incorporated Jiangsu Rizal Infradev Co., Ltd. (JRIC) to function primarily as a corporate vehicle in the procurement of materials and equipment related to the Subway Project. JRIC is a wholly-owned, foreign subsidiary of the Parent Company

On July 19, 2019, the Makati City Council approved City Ordinance No. 2019-A-020 (the “Ordinance”) on third and final reading. The Ordinance approved the terms and conditions of the PPP JV Agreement between the Parent Company and the Makati City Government for the construction, establishment, management and operation of the Subway Project.

On July 30, 2019, the Parent Company’s BOD approved a resolution authorizing the Parent Company’s execution, delivery and performance of the PPP JV Agreement with the Makati City Government, and of other instruments contemplated in the PPP JV Agreement. On the same date, authorized representatives of the Parent Company and the Makati City Government signed the PPP JV Agreement and the Parent Company submitted to the Makati City Government the US\$350 million performance bond which was accepted by the Makati City Government.

On February 18, 2020, the Notice to Proceed for the Subway Project was received by the Parent Company. The Subway project is expected to be completed within five (5) years for an estimated total project cost of US\$3.5 billion.

The Parent Company’s BOD approved the change in the Parent Company’s registered office and principal place of business from 35/F Rufino Pacific Tower, 6784 Ayala Avenue, Makati City to 38F (A&B) Rufino Pacific Tower, 6784 Ayala Avenue, Makati City, effective February 1, 2021.

On March 9, 2021, the Group executed a legally binding term sheet with Richer Today, Inc. (“RTI”) for the financing, design, construction, development, marketing and sale of the lots in and around Station 5 of the Subway System Project through an unincorporated joint venture. Construction development over said lots shall commence after two (2) years.

On March 7, 2022, the Group received the certificate of registration of MCSI as new operator of Local Government Unit Public-Private Partnership from the Board of Investments effective January 17, 2022. This includes the approval of tax incentives which shall be limited to four (4) years income tax holiday, followed by five (5) years enhanced deductions and duty exemption on importation of capital equipment, subject to compliance with certain conditions.

The Parent Company and its subsidiaries have been collectively referred hereinto as the Group.

The clearing of the Company’s Binangonan property is still the focus of the Company’s operations with the goal of completely freeing from third party claims 500 hectares of the 2,200-hectare property. Due to a number of factors, including the recognition of Supreme Court’s recognition of the superior rights of the bonafide occupants as well as potential

challenges in clearing and re-titling of this large area of land, management has estimated that only 1,513 hectares are expected to be recovered/cleared and re-titled in the name of the Parent Company as at December 31, 2022 and 2021. This estimate is assessed at regular intervals of one (1) to three (3) years based on the Group's interaction with current occupants.

The Group is actively in the process of clearing and re-titling the large portion of the property in Binangonan for future developments.

#### Company's Shares of Stocks

In 2018, Aggregate Business Group Holdings Inc. (ABG) purchased 26.94% ownership out of the 29.62% equity interest in the Parent Company previously held by Mabuhay Holdings Corporation. ABG is a domestic holding company. In 2019, ABG increased its ownership in the Parent Company to 71.28% through the purchase of additional shares making it the Group's ultimate parent company as at December 31, 2021.

On July 20, 2018, the Parent Company's Board of Directors (BOD) and shareholders approved the change in the Parent Company's corporate name to Philippine Infradev Holdings Inc. Such change was subsequently approved by the Securities and Exchange Commission (SEC) on October 30, 2018.

Subsequently, the Parent Company received from its shareholders deposits for future common shares subscription amounting to P1.28 billion as at December 31, 2018, pending SEC's approval on the increase in authorized share capital. On March 15, 2019, following SEC's approval the Parent Company issued the corresponding 4.56 billion common shares.

On October 31, 2019, relative to the PPP JV Agreement, the Parent Company entered into the Subscription Agreement with the Makati City Government for 722.32 million preferred shares of the Parent Company at P10 per share in exchange for the delivery of the Makati Land.

In February 2020, the Parent Company and the Makati City Government agreed to split the Subscription Agreement into two: (i) 656.66 million preferred shares to be paid with land properties owned by the Makati City Government with an appraised value of P6.57 billion as at September 13, 2019, and (ii) 65.67 million preferred shares to be acquired through 2% annual stock dividends for 5 (five) years until the 722.32 million preferred shares are fully issued.

## **DISCUSSION OF THE REGISTRANT'S FINANCIAL CONDITION, CHANGES IN FINANCIAL CONDITION & RESULTS OF OPERATIONS FOR EACH OF THE LAST 3 FISCAL YEARS**

### **INTERIM REPORT SEPTEMBER 30, 2023**

#### Results of Operations

A comparative review of the Company's financial operations for the quarter ended September 30, 2023 *vis-à-vis* the same period last year showed the following:

The significant increase of P228.50 million in total revenue was mainly due to the higher volume of sales during the third quarter 2023 and sale of raw land to AMAIA amounting to 21.96 million. Total cost and expenses increased by P183.78 million from P81.29 million mainly because of the higher cost of sales. Higher cost of sales is brought by the higher sold units in 2023 which is one hundred twenty-three (123) units as compared to twenty-five (25) units in 2022.

### Financial Condition

The Company employed total assets of P165,123,555,197 financed by total liabilities of P19,810,437,049 and total stockholders' equity of P145,313,118,148. Noncurrent assets amounted to P162,767,804,553 consisting of investment property, property and equipment (net of accumulated depreciation), intangible assets and other assets. Current assets stood at P2,355,750,644.

### **Material changes (September 30, 2023 vs. December 31, 2022)**

**Cash** increased by P32.01 million mainly because of the availment of loan amounting to P211.67 million. Such amount was used to pay the contractors and consultants related to the subdivision and subway projects as well as the transit-oriented development.

**Receivable** increased by P45.52 million mainly because of the receivable related to sale of raw land, retention from PAGIBIG and receivable from sold units.

**Real estate held for sale and development** increased by P178.82 million mainly because of the payments made for the construction costs related to the fourth subdivision of the Company named Casas Carlina and the transit-oriented development.

**Prepayments and other current assets** increased by P59.53 million mainly because of the increase in Input VAT.

**Accounts payable and accrued expenses** increased by P85.44 million mainly due to the customer deposits received from the buyers of Casas Carlina.

**Borrowings** increased by P211.67 million mainly due to the availment of loans.

**Retained Earnings** increased by P16.17 million because of the net income earned.

There is no significant element of income that did not arise from the Registrant's continuing operations. Neither is the Company's operations affected by any seasonality or cyclical trends.

### **YEAR ENDED DECEMBER 31, 2022**

#### **Results of Operations**

Philippine Infradev Holdings Inc. sold 28 units of Casas Aurora amounting to P 46,265,700 and 66 units of Casas Carlina amounting to P 112,537,840. Further, the Company sold a parcel of raw land amounting to P 12,060,000. Casas Carlina project is the main sales

contributor for the year ended 2022 in which the company started to sell the units in the year 2022.

Based on the latest appraisal as at December 31, 2022 performed by an independent external firm of appraisers, the Binangonan property has a fair value of P2,262/sqm as at December 31, 2022.

### **Financial Condition**

The financial position of the Company as of December 31, 2022, shows total assets of P 164,804,840,792. Noncurrent assets were P 162,764,970,681. The noncurrent assets consist of investment properties, property and equipment (net of accumulated depreciation), intangible assets and other assets. Current assets as of December 31, 2022 stood at P 2,039,870,111.

The total liabilities of the Company as of December 31, 2022 is P 19,507,893,132 while current liabilities stood at P 464,866,651. Non-current liabilities is P 19,043,026,481 which includes the 6,003,104,920 deferred tax liability and P 12,962,595,743 provision for clearing costs. Total stockholders' equity as of December 31, 2022 is P 145,296,947,660.

### **Material changes (2022 vs. 2021)**

Cash decreased by P352.33 million mainly because of the payment to the contractors and consultants related to the subway project and transit-oriented development. Other major payments were related to the construction costs for the fourth subdivision of the Company named Casas Carlina.

Real estate held for sale and development increased by P204.63 million brought by the additions in the construction costs for the fourth subdivision of the Company named Casas Carlina.

Receivables increased by P360.59 million mainly because of the advances made to subcontractors and receivables arise from property sales in the Company's ordinary course of business.

Prepayments increased by P75.64 million mainly because of the input VAT transactions of the Company.

Investment property increased by P4.88 billion mainly due to the fair value gain of the recognized land.

Property and equipment increased by P64.30 million mainly because of the transactions of MCSI related to its subway project.

Intangible assets as at December 31, 2022 pertain to contractual rights over the excess FAR granted to the Group.

The upward movement in the Accounts payable and accrued expenses of 20.98% is mainly attributable to the deposits from the buyers of Casas Carlina project as well as the accrual of the corresponding commission.

Provision for clearing costs, current portion and non-current portion increased by P837.36 million due to the change in estimate of clearing cost, net of unwinding of discount. The material movement in the Deferred income tax liability is mainly brought by the cumulative unrealized fair value gain on investment property.

Share capital increased by P292.05 million brought by the collection of subscription receivable.

## **YEAR ENDED DECEMBER 31, 2021**

### **Results of Operations**

Philippine Infradev Holdings Inc. sold 10 units of Casas Aurora amounting to P 14,494,000 and 1 unit of Fiesta Casitas amounting to P 1,250,000. Further, the Company sold a parcel of raw land amounting to P 4,030,000. Casas Aurora project is the main sales contributor for the year ended 2021 in which the company started to sell the units in the year 2016.

A comparative review of the Company's financial operations for the year ended December 31, 2021 vis-à-vis the same period last year showed the following:

The negative material movement of sales account was brought by the lower sold units in 2021. Philippine Infradev Holdings Inc. (IRC) sold 10 units of Casas Aurora and 1 unit of Fiesta Casitas in 2021 as compared to 18 units and 14 units, respectively in 2020.

Based on the latest appraisal as at December 31, 2021 performed by an independent external firm of appraisers, the Binangonan property has a fair value of P1,971/sqm as at December 31, 2021.

Total cost and expenses decreased by P95.36 million from P157.39 million mainly due to the loss on disputed debts and foreign exchange loss incurred in 2020 as well as lower cost of sales for 2021.

### **Financial Condition**

The financial position of the Company as of December 31, 2021, shows total assets of P 159,572,715,888. Noncurrent assets were P 157,821,702,058. The noncurrent assets consist of investment properties, property and equipment (net of accumulated depreciation), intangible assets and other assets. Current assets as of December 31, 2021 stood at P 1,751,013,830.

The total liabilities of the Company as of December 31, 2021 is P 17,551,928,281 while current liabilities stood at P 425,997,841. Non-current liabilities is P 17,125,930,440 which includes the 4,994,984,372 deferred tax liability and P 12,125,240,147 provision for clearing costs. Total stockholders' equity as of December 31, 2021 is P 142,020,787,607.

### **Material changes (2021 vs. 2020)**

Cash decreased by P122.58 million mainly because of the land acquisitions and payment to the contractors and consultants related to the subway project and transit-oriented development.

Other major payments were related to the land development and construction costs for the fourth subdivision of the Company named Casas Carlina.

Real estate held for sale and development increased by P83.15 million brought by the additions in the land development and construction costs for the fourth subdivision of the Company named Casas Carlina.

Prepayments increased by P20.63 million mainly because of the input VAT transactions of the Company.

Investment property increased by P9.22 billion mainly due to the land acquisition related to the subway project and fair value gain of the acquired land.

Property and equipment increased by P167.74 million mainly because of the transactions of MCSI related to its project development costs.

Intangible assets as at December 31, 2021 pertain to contractual rights over the excess FAR granted to the Group.

The upward movement in the Accounts payable and accrued expenses of 32% is mainly attributable to the accrued interest related to the loan of Jiangsu Rizal Infradev Co., Ltd. (JRIC) from Shanghai Mintu Investment Holding Company for Makati City Subway project partnership. JRIC is a wholly-owned, foreign subsidiary of the Parent Company to function primarily as a corporate vehicle in the procurement of materials and equipment related to the Subway Project. Further, the retention payable for both housing and subway project of the Group contributed to the upward movement of the account.

Provision for clearing costs, current portion and non-current portion increased by P324.92 million due to the change in estimate of clearing cost, net of unwinding of discount.

The material movement in the Deferred income tax liability is mainly brought by the cumulative unrealized fair value gain on investment property.

## **YEAR ENDED DECEMBER 31, 2020**

### **Results of Operations**

Philippine Infradev Holdings Inc. sold 18 units of Casas Aurora amounting to P 24,160,500 and 14 units of Fiesta Casitas amounting to P 16,235,000, net of P 225,000 sales discount. Casas Aurora project is the main sales contributor for the year ended 2020 in which the company started to sell the units in the year 2016.

A comparative review of the Company's financial operations for the year ended December 31, 2020 vis-à-vis the same period last year showed the following:

The negative material movement of sales account was brought by the lower sold units in 2020. Philippine Infradev Holdings Inc. (IRC) sold 18 units of Casas Aurora and 14 units of Fiesta Casitas in 2020 as compared to 49 units and 13 units, respectively in 2019. Moreover, the Company sold a parcel of raw land amounting to P 9,965,229 during 2019.

In 2020, management engaged an appraiser to reassess the value of the Makati property that were acquired prior to January 1, 2020. However, management believes that the fair value of the Makati property that were acquired prior to January 1, 2020 as at December 31, 2020 has not significantly changed from its fair value as at December 31, 2019 since there were no significant changes in market conditions that significantly affect the current fair value of investment properties.

Total cost and expenses decreased by P67.62 million from P253.88 million mainly due to the significant movement in taxes and licenses account as well as the foreign exchange loss and lower cost of sales. The downward movement in taxes and licenses account is mainly because of the documentary stamp tax spent during 2019 related to the Subscription Agreement with the Makati City Government for 656.66 million preferred shares of IRC at P10 per share in exchange for the delivery of the Makati Land.

### **Financial Condition**

The financial position of the Company as of December 31, 2020, shows total assets of P 150,184,764,504. Noncurrent assets were P 148,431,908,365. The noncurrent assets consist of investment properties, property and equipment (net of accumulated depreciation), intangible assets and other assets. Current assets as of December 31, 2020 stood at P 1,752,856,139.

The total liabilities of the Company as of December 31, 2020 is P 15,562,251,759 while current liabilities stood at P 261,734,400. Non-current liabilities is P 15,300,517,359 which includes the 3,370,029,112 deferred tax liability and P 11,781,988,676 provision for clearing costs. Total stockholders' equity as of December 31, 2020 is P 134,622,512,745.

### **Material changes (2020 vs. 2019)**

**Cash** decreased by P1.3 billion mainly because of the land acquisitions and payment to the contractors and consultants related to the subway project.

**Real estate held for sale and development** increased by P90.74 million brought by the additions in the land development and construction costs for the fourth subdivision of the Company named Casas Carlina.

**Prepayments** increased by P31.73 million mainly because of the input VAT transactions of the Company.

**Investment property** increased by P738.45 million mainly due to the land acquisition related to the subway project and reclassification of accounts from advances to investment property.

**Property and equipment** increased by P636.70 million mainly because of the transactions of MCSI related to its project development costs.

**Intangible assets** as at December 31, 2020 pertain to contractual rights over the excess FAR granted to the Group.

The decrease in the **Other assets** is brought by the reclassification of accounts from advances to investment property.

The upward movement in the **Accounts payable and accrued expenses** of 23% is mainly attributable to the accrued interest related to the loan of Jiangsu Rizal Infradev Co., Ltd. (JRIC) from Shanghai Mintu Investment Holding Company for Makati City Subway project partnership. JRIC is a wholly-owned, foreign subsidiary of the Parent Company to function primarily as a corporate vehicle in the procurement of materials and equipment related to the Subway Project.

**Borrowings** increased by P144.44 million as a result of the loan of Jiangsu Rizal Infradev Co., Ltd. (JRIC) from Jiangyin Changjiang Investment Group Co., Ltd. for Makati City Subway project partnership.

**Provision for clearing costs**, current portion and non-current portion decreased by 12% due to the change in estimate of clearing cost, net of unwinding of discount.

The material movement in the **Deferred income tax liability** is mainly brought by the cumulative unrealized fair value gain on investment property.

**Other Payables** decreased by 5.70 million mainly because of the reclassification of lease liabilities from current to non-current liability.

## **KEY PERFORMANCE AND FINANCIAL SOUNDNESS INDICATORS**

### **Definition of Ratios**

*Working Capital*- computed as current assets minus current liabilities.

*Current Ratio*- computed as current assets divided by current liabilities.

*Quick Ratio*- computed as current assets minus prepayments and land held for development divided by current liabilities.

*Asset to Equity Ratio*- measures financial leverage and long- term solvency. It shows how much of the assets are owned by the company. It is computed as total assets divided by stockholders' equity.

*Debt to Assets Ratio*- computed as total liabilities divided by total assets.

*Debt to Equity Ratio*- computed as total liabilities divided by total equity.

*Gross Profit Margin*- shows how much of the company's revenue remains after the cost of sales. It is computed as gross profit divided by sales.

*Operating Profit Margin*- measures the amount of money that remains after paying sales and operating expenses. It is computed as earnings before taxes and interest divided by sales.

*Net Profit Margin*- shows the money remaining after paying all expenses. It is computed as net profit divided by sales.

*Return on Assets*- measures how effectively the company uses its assets to create revenue. It is computed as net income divided by total assets.

*Return on Equity*- measures how much money the company have earned on its investment. It is computed as net income divided by stockholders' equity.

*Interest Coverage Ratio*- measures the company's ability to pay its interest charges. It is computed as income before income tax and interest expense divided by interest payments.

## **REGISTRANT'S FINANCIAL SOUNDNESS INDICATORS**

Below are the comparative key performance indicators of the Company for the interim period and the last three (3) years:

	<b>Sept. 30, 2023</b>	<b>Dec. 31, 2022</b>	<b>Dec. 31, 2021</b>	<b>Dec. 31, 2020</b>
Working Capital	1,805,950,049	1,575,003,460	1,325,015,989	1,491,121,739
Current Ratio	4.28	4.39	4.11	6.70
Quick Ratio	1.05	1.08	3.83	6.36
Asset to Equity Ratio	1.14	1.13	1.12	1.12
Debt to Assets Ratio	0.12	0.12	0.11	0.10
Debt to Equity Ratio	0.14	0.13	0.12	0.12
Gross Profit Margin	0.32	0.98	1.00	0.98
Operating Profit Margin	0.08	0.95	0.99	0.81
Net Profit Margin	0.06	0.71	0.80	0.46
Return on Assets	0.00	0.02	0.04	0.00
Return on Equity	0.00	0.02	0.05	0.00
Interest Coverage Ratio	0.00	2,308.10	344.24	96.24

### ***D. GENERAL NATURE AND SCOPE OF BUSINESS***

Philippine Infradev Holdings Inc. (formerly IRC Properties, Inc.) (the "Parent Company") was incorporated in the Philippines on February 24, 1975. The Parent Company is primarily engaged in the acquisition, reclamation, development, or exploitation of lands for the purpose of converting and developing said lands to integrated residential or commercial neighborhoods, and generally to engage in real estate business in all its forms.

The company has a 2,200-hectare property located in the Municipality of Binangonan, Province of Rizal. The Binangonan property was acquired in 1978 and part and parcel of the 2,200-hectare property.

The Parent Company has subsidiaries, Interport Development Corporation (IDC), Makati City Subway, Inc. (MCSI) and Jiangsu Rizal Infradev Co. Ltd. (the “Subsidiaries”). IDC is primarily involved in the acquisition and selling of real estate of all kinds or to hold such properties for investment purposes. MCSI is primarily engaged in the development, construction, operation, repair, maintenance, management and other allied business involving infrastructure and/ or public utility projects. Jiangsu Rizal Infradev Co., Ltd. (JRIC) to function primarily as a corporate vehicle in the procurement of materials and equipment related to the Subway Project. The Parent Company and the Subsidiaries have been collectively referred hereinto as the Group.

The Company currently holds offices at 38/F, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City. The Company’s last annual stockholders' meeting was on December 5, 2022.

**DEPENDENCE ON A FEW CUSTOMERS.** This disclosure is currently not applicable to the Registrant’s business and concerns.

**TRANSACTIONS WITH AND/OR DEPENDENCE ON RELATED PARTIES.** The Registrant’s transactions with its subsidiaries and affiliates mainly consist of the granting of advances to/from them.

**NEED FOR GOVERNMENTAL APPROVAL OF PRODUCTS AND SERVICES.** Aside from being regulated by the PSE and the SEC, the Registrant generally is not subject to any other specific government regulation.

**EFFECT OF EXISTING OR PROBABLE GOVERNMENTAL REGULATIONS TO THE BUSINESS.** This disclosure is currently not applicable to the Registrant’s business and concerns.

**ESTIMATE OF AMOUNT SPENT FOR RESEARCH AND DEVELOPMENT ACTIVITIES.** This disclosure is currently not applicable to the Registrant’s business and concerns.

**COSTS AND EFFECTS OF COMPLIANCE WITH ENVIRONMENTAL LAWS.** This disclosure is currently not applicable to the Registrant’s business and concerns.

**TOTAL NUMBER OF EMPLOYEES AND NUMBER OF FULL TIME EMPLOYEES.** Presently, the Company has a total thirty-eight (38) personnel excluding the Chairman, President, Corporate Secretary and Assistant Corporate Secretary. Management intends to hire additional personnel as the need arises.

***E. DIRECTORS AND OFFICERS - Pls. refer to SEC Form 20- IS***

***F. MARKET PRICE OF AND DIVIDENDS ON THE REGISTRANT'S COMMON EQUITY***

**Principal Market**

The common shares of the Registrant are being traded at the Philippine Stock Exchange. The company has an authorized capital stock of Php 19.5 Billion divided into 9,500,000,000 common shares with par value of Php 1.00 per share and 1,000,000,000 preferred shares with

par value of Php 10.00 per share. The number of stockholders of record as of September 30, 2022 is 547. Common and preferred shares outstanding as of September 30, 2022 amount to 6,061,560,322 and 7,223,209,400, respectively.

### Dividends

No dividend declarations were made during the two recent fiscal years of the Company. Aside from the accumulated deficit sustained by the company, there is no restriction that limits the ability to pay dividends on common equity. The company cannot yet declare dividends based on 2022 results of operations because the reconciled balance of retained earnings is still negative as shown in the reconciliation below.

	2020	2021	2022
Unappropriated Retained Earnings, as adjusted to available for dividend distribution, beginning	P (3,770,815,204)	P (4,250,127,314)	P (920,004,702)
Add: Net Income actually earned			
Net Income during the period closed to Retained earnings	491,600,254	1,019,887,479	2,011,802,734
Less: Non-actual/unrealized income net of tax			
Fair value adjustment of Investment Property resulting to gain (net of tax)	(957,647,924)	(663,209,583)	(2,038,795,764)
<b>TOTAL RETAINED EARNINGS, END AVAILABLE FOR DIVIDEND</b>	<b>P (4,236,862,874)</b>	<b>P (3,893,449,418)</b>	<b>P(946,997,732)</b>

### Common Equity

The shares of IRC traded along the following bands during 2023, 2022, and 2021:

	2023		2022		2021	
	High	Low	High	Low	High	Low
First Quarter	0.99	0.86	1.20	0.92	1.67	1.29
Second Quarter	0.89	0.78	1.08	0.88	1.47	1.30
Third Quarter	0.76	0.42	1.12	0.92	1.44	1.13

Fourth Quarter	-	-	0.96	0.84	1.27	1.09
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The listed price of PIHI shares as of September 30, 2023 is P0.485.

### ***Stockholders***

The number of stockholders of record as of November 15, 2023, the Record Date of the 2023 annual stockholders' meeting is **546** Common shares outstanding as of November 15, 2023 amounted to 6,061,560,322.

The top 20 stockholders as of November 15, 2023 are as follows:

	<u>Name of Stockholder</u>	<u>Number of Shares</u>	<u>Percentage Ownership</u>
1	AGGREGATE BUSINESS GROUP HOLDINGS, INC.	4,320,905,000	*71.28%
2	PCD NOMINEE CORP. (F)	671,638,815	11.08%
3	PCD NOMINEE CORP. (NF)	625,991,699	10.33%
4	AUSPICIOUS ONE BELT ONE ROAD FUND	368,175,000	6.07%
5	RIZAL PARTNERS CO. LTD.	45,385,000	0.75%
6	MARILAQUE LAND INC.	5,998,000	0.10%
7	DEE ALICE T.	2,995,000	0.05%
8	VALMORA INVESTMENT AND MANAGEMENT CORPORATION	2,300,000	0.04%
9	EQUITY MANAGERS ASIA INC	1,000,000	0.02%
10	DAVID GO SECURITIES CORPO	729,000	0.01%
11	SIGUION-REYNA LEONARDO T	700,000	0.01%
12	UY IMELDA T.	621,000	0.01%
13	TAN HENRY L.	600,000	0.01%
14	BLUE RIDGE CORPORATION	500,000	0.01%
15	TANCHAN III SANTIAGO	500,000	0.01%
16	LAO ALEX L.	500,000	0.01%
17	CHAM GRACE	480,000	0.01%
18	ALL ASIA SECURITIES MANAGEMENT CORPORATION	419,000	0.01%
19	CO JR. TONG TE	401,000	0.01%
20	PASCUAL SECURITIES CORP.	400,250	0.01%

The report is exclusive of 722,320,940 preferred shares with par value of Php 10 per share owned by the City Government of Makati.

\*231,315,000 out of 671,432,815 common shares is for the account of AGGREGATE BUSINESS GROUP HOLDINGS, INC. which owns a total of 4,552,220,000 (75.10%) common shares of the Company.

### ***Recent Sales of Unregistered or Exempt Securities***

On October 31, 2019, relative to the PPP JV Agreement, the Parent Company entered into the Subscription Agreement with the Makati City Government for 722.32 million preferred shares of the Parent Company at P10 per share in exchange for the delivery of the Makati Land.

In February 2020, the Parent Company and the Makati City Government agreed to split the Subscription Agreement into two: (i) 656.66 million preferred shares to be paid with land properties owned by the Makati City Government with an appraised value of P6.57 billion as at September 13, 2019, and (ii) 65.67 million preferred shares to be acquired through 2% annual stock dividends for 5 (five) years until the 722.32 million preferred shares are fully issued. On September 24, 2020, the SEC issued its Certificate of Approval of Valuation of the land owned by the Makati City Government as partial payment of its said subscription to the Company's preferred shares.

***G. DISCUSSION ON COMPLIANCE WITH LEADING PRACTICE ON CORPORATE GOVERNANCE***

The compliance officer is currently in charge of evaluating the level of compliance of the Board of Directors and top-level management with its New Manual of Corporate Governance.

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

Due to company's limited operations, measures are slowly being undertaken to fully comply with the adopted leading practices on good corporate governance.

Any deviation from the company's New Manual of Corporate Governance shall be fully disclosed to the Commission.

Other than the disclosure enumerated above, the company has nothing to report on the following:

- a) Any known trends, demands, commitments, events or uncertainties that will have a material impact on its liquidity;
- b) Events that will trigger direct or contingent financial obligation that is material to the company;
- c) Material off-balance sheet transactions, arrangements or obligations;
- d) Any material commitment for capital expenditures;
- e) Any significant elements of income or loss that did not arise from the issuers continuing operations; and
- f) Any seasonal aspects that had a material effect on the financial condition or results of operation.

***H. UPON THE WRITTEN REQUEST OF A STOCKHOLDER, THE COMPANY WILL PROVIDE, WITHOUT CHARGE, A COPY OF THE COMPANY'S ANNUAL REPORT IN SEC FORM 17-A DULY FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THE STOCKHOLDER MAY BE CHARGED A REASONABLE COST FOR PHOTOCOPYING THE EXHIBITS. ALL REQUESTS MAY BE SENT TO THE FOLLOWING:***

**PHILIPPINE INFRADEV HOLDINGS, INC.  
38/F. Rufino Pacific Tower, 6784 Ayala Avenue  
Makati City 1223 or at  
Email: admin@infra.com.ph**