

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended **December 31, 2024**

2. SEC Identification Number **161872**

3. BIR Tax Identification No. **000-645-746-000**

4. Exact name of issuer as specified in its charter:

KALAHY REALTY INC.

5. **Republic of the Philippines**
SAN JUAN, METRO MANILA

6. (SEC Use Only)
Industry Classification Code:

7. **SUITE 214 STATE, COND. IV, ORTIGAS AVENUE**
GREENHILLS, SAN JUAN, M.M.
Address of principal office

1502
Postal Code

8. **(02)85703639**
Issuer's telephone number, including area code

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

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

Title of Each Class

Number of Shares of Common
Stock Outstanding

Class B Common

70,166,407

11. Are any or all of these securities listed on a Stock Exchange.

Yes [] No [x]

If yes, state the name of such stock exchange and the classes of securities listed therein:

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 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 that the registrant was required to file such reports);

Yes ☒ has submitted on line SEC Form 17-C (CGFD) , SEC Form 23-A on Dec. 9,2024 , SEC Form 20-IS on Nov. 15,2024 and Letter on the certification of attendance of the Board on Dec.10,2024.

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

Yes ☒ No ☐

13. The aggregate market value of the voting stock held by non-affiliates of the registrant computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing at a book value per share of P2.08324. The non-affiliates represent 19.34% of total voting shares.

PART I BUSINESS AND GENERAL INFORMATION

ITEM 1. BUSINESS

Kalahi Realty Inc. (KRI), is a stock corporation and was incorporated under the laws of the Republic of the Philippines on April 3, 1989 with registered office address at Suite 214, State Condominium IV, Ortigas Avenue, Greenhills, San Juan, Metro Manila

The company had not been encountering problems that may lead to bankruptcy, receivership or similar proceedings. Neither is there any material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets not in the ordinary course of business.

Kalahi Realty Inc. is primarily engaged in the acquisition by purchase, lease, donation or otherwise, and to own, use, improve, develop, subdivide, sell, mortgage, exchange, lease, develop and hold for investment or otherwise, real estate of all kinds, whether improve, manage or otherwise dispose of buildings, houses, apartments, and other structures of whatever kind together with their appurtenances.

In its initial operation KRI acquired ownership and administration of the Dizon Townhouses on P. Guevarra St., San Juan, comprising 17 townhouse units that were all sold and five (5) condominium units in the State Condominium IV Building in Ortigas Avenue, Greenhills. Subsequently KRI acquired by purchase additional two (2) in the same building.

Initiating its operation in the subdivision business KRI entered into a Joint Venture Agreement for the development and subdivision of a 74-hectare land located approximately five (5) kilometers away north of the City of San Fernando, Pampanga. Since this land was several hundred meters away from the main highway, i.e. Mac Arthur highway, KRI bought some pieces of land between the property and the highway to provide a direct and more convenient access road to and from the prospective subdivision. The piece of land acquired and located closest to the highway, with an area of two (2) hectares, was developed, the concrete roadway constructed and the areas on both sides of the road were converted into commercial lots. To date a total of 3 lots still retained by the company while a total of 20 lots were already disposed.

While the 74 hectares was privately owned it was formerly a private agricultural land, it was tenanted and subjected to land reform by the Agrarian Reform Commission who awarded some areas for distribution to the farmer tenants. In order to prevent the division of the property into small and separate parcels of land, KRI bought all the rights of the duly recognized tenants. Hence, the areas pertaining to the tenants together with some areas owned by the original owner also sold to KRI resulted in the ownership by KRI of 455,099 square meters out of the total 740,879 square meters, the balance of 285,780 square meters being retained by the original owner, subject to the Joint Venture Agreement.

KRI shares of stock are not registered for public sale with the Securities and Exchange Commission and the company is not listed in the Philippine Stock Exchange, KRI made it a point to assist stockholders by offering to buy shares of any stockholders who may decide to convert their shares of stock into cash. On Dec. 31, 2011 the company was able to reacquire an accumulated 7,840,280 shares at a total purchase price of P11,146,534, now classified as treasury shares.

On October 10, 2005 KRI entered into a Joint Venture Agreements with NATIVIDAD ALIMURUNG AND DIZON LANDS REALTY AND DEVELOPMENT CORP. (DLRDC) under two Joint Venture Agreements (JVA's). These are for the development of the 771,296 square meters of land for subdivision into a residential community for sale to the public. The resulting net saleable area of the

30,417 square meters of land, covered by the first JVA, will be divided between the Company and DLRDC on a 50:50 basis. Under the second JVA, the net saleable area of the 740,879 square meters shall be divided among joint ventures under the agreed rates as follows:

Kalahi Realty Inc.	35.50 %
Natividad N. Alimurung	13.50%
DLRDC	50.00%

Under the JVAs, all costs and expenses in the development from land preparation to full completion of all requirements to convert the land of the Company and Natividad Alimurung to commercially attractive lots for sale to the public, shall be totally for the account of DLRDC, the developer.

The registrant is in the realty business and its areas of concentration at the moment are Bacolor Pampanga and City of San Fernando where it is developing a residential subdivision. As a result of the development activity there was the Phase I which is 100% complete comprising of ten (10) has. that yielded developed lots divided into abovementioned distribution ratio which KRI (La Primavera project) shared ninety five (95) lots or approximately twenty seven thousand three hundred eighty five (27,385) square meters or 2.7 has. As of December 31, 2024 a total of 86 lots were already sold.

As to the products or goods are or will be produced or services that are or will be rendered the registrant purely does and proposes up to the extent of leasing condo units and selling of Joint Venture lots.

Registrant sales contribution and net income mainly of local market only without any participation or any percentage of sales or revenues resulted from foreign sales. In which case it does not entail distribution methods of the products and services.

As a result of Joint Venture Agreement which was previously mentioned the company is dependent on sales force and strategy of JVA partner. It was also our experience that never from a single or few customer that the registrant business is solely dependent on generating revenues. Presently there are no major existing sales contracts so far entered. So much so that for the last eighteen (18) years the company merely relied on JVA partner for the development activities, cost and effects of compliance with environmental laws. Nevertheless, for the past eighteen (18) years no occurrence of problem with environmental regulations.

There was no publicly-announced new product or service so much so that no further engineering and product designing are necessary. In the same manner there were no principal terms and expiration dates of all patents, trademarks, copyrights, licenses, franchises, concessions and royalty agreements held.

The principal products or services and markets have indicated a very significant contribution in the revenues. Of the total revenues for the year fifty eight percent (58%) represent rental income and bank interest while forty two percent (42%) goes to a single sale of lot.

The registrant is very dependent on the approach of the JVA partner in the project by selling acceptable medium-priced lots where other competitors have significant share of the market. The participation of KRI is purely as a land-owner. As stated in the joint venture contract the JVA partner was the one in charge of marketing and selling. ***The registrant is negative in identifying the area of competition as it merely awaits JVA partner strategy in operations.***

As of December 31, 2018, Phase I was fully developed and with regular maintenance. This Phase I produced sales that most of the revenues of the Company are emanating whereas Phase II is still under

development. The company merely oversees and observe its JVA partner in competing with the market. ***Being dependent from JVA partner it is not necessary to describe and itemize major existing contracts, approval of principal products and steps taken in complying with governmental regulations.***

As of December 31, 2024 KRI employs a total number of five (5) permanent and regular employees composed of a. President; b. Vice President/Treasurer, Chief Accountant Corporate Secretary/Legal Officer and Utility Staff. Employees are not subject to Collective Bargaining Agreement (CBA) and for more than thirty-one years and never a strike or dispute occurred. So much so that once the Government issued memo requiring adjustments on wages and benefits of employees and staffs as such are strictly adhered and effected.

There are main risk/s involved from the Company's financial instruments among others, credit risk and liquidity risk. The BOD reviews and approves the policies for managing these risks.

ITEM 2. PROPERTIES

Kalahi Realty Inc. (KRI) owns for development a total of 50.5 hectares of land between **San Isidro, Bacolor and Del Rosario, San Fernando in Pampanga**. Of the total the two (2) has. were located on the front and along the McArthur Highway in San Fernando, Pampanga developed and made available for sale and only three (3) lots remained unsold and reserved. The company also owns eight (8) office units at the **State Condominium IV, Ortigas, San Juan, Metro Manila**. Two (2) units are currently being used as offices by CMD & KRI. The remaining six (6) units are all occupied and being rented as of Dec. 31,2023.

On April 1,2012, the registrant bought one (1) unit Condominium located at **PSE Exchange Centre Cond. Corp. Building, Ortigas Center, Pasig City** as part of expansion plan and that the property is now under rental.

The registrant has complete ownership of the above-mentioned properties and not one of these properties is mortgaged. ***Also, in the past and ensuing board meetings there are no resolutions wherein the company intends to acquire properties in the next 12 months.***

ITEM 3. LEGAL PROCEEDINGS

KRI has no pending legal proceedings of which any of its property.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

The annual meeting of the stockholders was held virtually on December 9, 2024. The details under this item are contained in the minutes of stockholders and directors' meetings filed with the commission.

PART II

OPERATIONAL AND FINANCIAL INFORMATION

ITEM 5. MARKET FOR ISSUER'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

(1) Market Information

Not Applicable

(2) Holders

KRI has a total of 70,166,407 outstanding Common Class A shares (net of 7,840,280 treasury shares). As of December 31, 2024, the company has 2,624 (inclusive of KRI own treasury shares) stockholders on

The top twenty (20) stockholders of the registrant as of December 31, 2024 are as follows:

	STOCKHOLDERS		SHARES	%
1	Lordiz and Co., Inc.	FILIPINO	10,360,350	14.77%
2	Diz-Marc Fortunes, Inc.	FILIPINO	10,156,459	14.47%
3	Little Flower Corporation	FILIPINO	6,615,632	9.43%
4	Markeisha Development Corporation	FILIPINO	5,607,343	7.99%
5	Fordjem Enterprises Inc.	FILIPINO	4,707,504	6.71%
6	Marcel Holdings Corporation	FILIPINO	4,481,304	6.39%
7	Lutgarda D. Lacson	FILIPINO	3,945,833	5.62%
8	Lourdes D. Dizon &/Or Fortunata D. Matsuda Account	FILIPINO	2,011,492	2.87%
9	Teresita D. Dizon	FILIPINO	1,865,374	2.66%
10	Carllo, Inc.	FILIPINO	1,828,268	2.61%
11	Juver Enterprises Inc.	FILIPINO	1,231,345	1.75%
12	Gibraltar Mining Enterprises, Inc.	FILIPINO	1,161,950	1.66%
13	Acrodiz Estate Realty & Development Corporation	FILIPINO	960,177	1.37%
14	Lourdes D. Dizon	FILIPINO	747,973	1.07%
15	Michael O. Uy	FILIPINO	480,500	0.68%
16	Abacus Securities Corporation	FILIPINO	466,419	0.66%
17	Elma Laguinia	FILIPINO	412,500	0.59%
18	Dizon-Jose Realty & Dev't. Corp.	FILIPINO	351,301	0.50%
19	Joel D. Matsuda.	FILIPINO	356,180	0.51%
20	Juencio D. Dizon &/or Veronica C. Dizon	FILIPINO	234,235	0.33%
	Subtotal		57,982,139	82.64%
	OTHER STOCKHOLDERS		20,024,548	17.36%
	Subtotal		78,006,687	
	LESS : TREASURY SHARES		(7,840,280)	

TOTAL SHARES

70,166,407

100.00%

(3) Dividends

The retained earnings are restricted for distribution as dividends to the extent of P11,146,534 representing the cost of treasury shares while most of the remaining balance is reserved for future plan of acquiring properties for development. There were no cash nor stock dividends declared during the year 2024.

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

There are no recent sales of unregistered securities.

Item 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OF PLAN OF OPERATION

Comparative amounts of revenues, expenses, assets, liabilities and stockholders' equity are as follows (amounts presented in millions):

	2024	2023	2022
Revenue	₱5.157	₱4.690	₱4.138
Other Income	6.076	3.257	1.930
Cost of real estate sales and rental	(0.221)	(0.289)	(0.275)
Operating expenses	(4.402)	(4.325)	(4.325)
Provision for income tax	(1.150)	(0.913)	(0.316)
Assets	154.845	149.059	146.077
Liabilities	3.392	3.066	2.503
Equity	151.453	145.993	143.573

Results of Operations for 2024**Year ended December 31, 2024 compared to year ended December 31, 2023**

For the year ended December 31, 2024, KRI's net income from its business segments increased by 105.87%, or P3.041 million, from P2.419 million in 2023 to P5.460 million in 2024.

Revenues

The total revenues were increased by 10% or P.467 million from P4.690 million for the 2023 to P5.157 million in 2024.

Real estate sales increased by P.195 million, or 7.92%, from P2.466 million in 2023 to P2.661 million in 2024, due to an increase in the sales value of lots.

Rental income increased by P.272 million or 12.21% from P2.224 million in 2023 to P2.496 million in 2024. This increase was due to the rental of 7 units in 2024 compared to 6 units in 2023.

Interest income increased by 43.98% or P1.293 million from P2.939 million in 2023 to P4.231 million in 2024. The increase was due higher interest rates of deposits on placements or cash and cash equivalents.

Other income increased by P1.526 million or 479.98% from P.318 million in 2023 to P1.844 million in 2024. The increase was due to various penalty expenses charged to delinquent instalment customers and restructuring of other instalment accounts.

Costs and Expenses

Cost of real estate sales and rentals decreased by 23.54% or P.068 million (from P.289 million in 2023 to P.221 million in 2024). The decrease was primarily due to the diminishing depreciation value of assets.

Gross Profit

Gross profit margin for real estate sales was 95.717% in 2024 and 93.841% in 2023. There was an insignificant variance in the amount, as the cost of lots sold in 2024 was nearly equal to that in 2023. The slight increase in the gross profit margin is related to the decrease in the amount of depreciation.

Total operating expenses

There was no significant variance in 2024 compared to 2023, as evidenced by the figures of P4.325 million in 2023 and P4.402 million in 2024.

Financial Condition as of December 31, 2024 compared to December 31, 2023

As of December 31, 2024, total assets increased by P5.786 million or 3.88% from the P149.059 million balance as of December 31, 2023 compared to P154.845 million balance as of Dec. 31, 2024.

The following are the material changes in account balances:

9.88% Net Decrease in Cash and Cash Equivalents

The net decrease is mainly due to funding of investments.

8.42% Increase in Investment in Debt Instruments

The increase mainly due to additional investments acquired and the interests earned for the year.

6.34% Net Decrease in Installment Receivables

The decrease mainly due to collection of old accounts.

207.09% Net Increase in Other Receivables

The increase mainly due to recording of accrued interest from various placements or bond investments.

0.25% Decrease in Real Estate Inventories Account

Decrease mainly due to cost of sale of lot.

100% Decrease in Investment Properties

The decrease was mainly due to cost of depreciation.

42.18% Increase in Property and Equipment

The increase was primarily due to the corresponding additions to equipment made during the year.

2.15% Net Decrease in Accounts and Other Payables

The decrease in these accounts is attributable, among other things, to the VAT associated with Instalment Sales recognition and the decrease in accrued professional fees.

11.55% Net Increase in Retirement Benefit Liability

The increase is due to the accrual made in 2024.

3.74% Increase in Stockholders Equity

The increase is due to the profit made by the Company as part of its retained earnings.

Results of Operations for 2023

Year ended December 31,2023 compared to year ended December 31,2022

For the year ended Dec. 31,2023, KRI's net income from its business segments registered an increase of 90.24% or P1.040 million from P1.153 million in 2022 to P2.193 million in 2023.

Revenues

The total revenues were increased by 13.33% or P.552 million from P4.138 million for the 2022 to P4.690 million in 2023.

Real estate sales increased by P .322 million or 15.04% from P2.144 in 2022 to P 2.466 million in 2023.The was a result of increment in sales value of lot.

Rental and related services increased by P.229 million or 11 .50 % from P 1.995 million in 2022 to P2.224 million in 2023.The increase was brought about by rental of 6 units in 2023 as against 5 units in 2022.

Interest income increased by 57.84% or P1,077 from P1.862 million in 2022 to P2.939 million in 2023. The increase was due to substantial increase of interest rate of deposits on placements or cash and cash equivalents as offset by in significant decrease of interests derived from instalment receivables.

Other income was increased by P.250 million or 365.82% from P.068 million in 2022 as compared to P.318 million in 2023.The increase was due to various penalty expenses charged to delinquent instalment customers and restructuring of other instalment accounts.

Costs and Expenses

Cost of real estate sales and rentals increased by 5.15 % or P.014 million (from P.275 million in 2022 to P .289 million in 2023). One of the components of the costs was costs of sales and rentals which points the decrease mainly due to depleting value of depreciation expense of assets.

Gross Profit

Gross profit margin for real estate sales in 2023 pegged at 93.838% and 93.378% in 2022. There was insignificant variance in amount since the cost of lot sold in 2023 as compared to 2022 are almost equal. There was no change in cost of sales and rental (depreciation).

Total operating expenses There was no variance appeared in 2023 as compared to 2022 as evident by figures from P4.325 million in 2022 to P 4.325 million in 2023.

Financial Condition as of December 31, 2023 compared to December 31, 2022.

As of December 31, 2023 KRI, total assets increased by P2.982 million or 2.04% from the P146.077 million balance as of December 31, 2022 compared to P149.059 balance as of Dec. 31, 2023. The following are the material changes in account balances:

7.29% Net Increase in Cash and Cash Equivalents

The net increase mainly due to collection of instalment accounts.

59.62% Increase in Investment in Bonds - Current

The increase mainly due to above mentioned reclassification from non-current investment accounts to current investments and the interests earned for the year.

61.29% Net increase in Contract Receivables

The increase mainly due to recognition of price increased of instalment sale on a lot despite compensated by collection of old accounts.

1,343.31% Net Increase in Other Receivables

The increase mainly due to recording of accrued interest from various placements or bond investments.

0.25% Decrease in Real Estate Inventories Account

Decrease mainly due to cost of sale of lot.

66.67% Decrease in Investment Properties

The decrease was mainly due to cost of depreciation.

44.21% Decrease in Property and Equipment

The decrease mainly due corresponding depreciation cost of equipment.

42.15% Net increase in Accounts Payable, Accrued Expenses and Other liabilities

The increase in these accounts among others due VAT corresponding on Instalment Sales recognition and increase of accrued professional fee.

24.64% Net increase in Contract Liabilities

The increase mainly due to cancellation refund of deposits (reverted back to deposit) and new deposit from new lessee.

1.53% Increase in Stockholders Equity

The increase is mainly that the Company incurred a profit as part of retained earnings account.

KEY PERFORMANCE INDICATORS:

1.1. CURRENT RATIO - Measures ability to meet currently maturing obligations from existing current assets.

December 31,2024

CURRENT ASSETS	<u>₱ 139,090,325.00</u>	
CURRENT LIAB.	₱ 1,357,183.00	= 102.48458 : 1

December 31,2023

CURRENT ASSETS	<u>₱ 148,981,504.00</u>	
CURRENT LIAB.	₱ 1,411,649.00	= 105.53272 : 1

Current assets are sufficient to cover, if any, current obligations.

2.1. DEBT RATIO – Measures the relative amount of resources provided by shareholders and creditors. Indicates extent of leverage used and creditor protection in case of insolvency.

December 31,2024

TOTAL LIABILITIES	<u>₱ 3,269,361.00</u>	
STOCKHOLDERS EQUITY	₱ 151,470,637.00	= .021584 : 1

December 31,2023

TOTAL LIABILITIES	<u>₱ 3,066,285.00</u>	
STOCKHOLDERS EQUITY	₱ 145,992,737.00	= .021003 : 1

The creditors are very much protected in case of insolvency meaning the company has good indication to meet its long term obligations, (if any).

3.1 RETURN ON STOCKHOLDERS' EQUITY RATIO – Measures rate of earnings on resources provided by shareholders.

December 31,2024

$$\frac{\text{NET INCOME (LOSS) } \text{₹ } 5,477,900.00}{\text{STOCKHOLDERS EQUITY } \text{₹ } 151,470,637.00} = 3.61648\%$$

December 31,2023

$$\frac{\text{NET INCOME (LOSS) } \text{₹ } 2,419,408.00}{\text{STOCKHOLDERS EQUITY } \text{₹ } 145,992,737.00} = 1.65721\%$$

The ratio in the current year indicates favourable result in yielding revenue to recover investment.

4.1 EARNINGS PER SHARE (EPS) – Measures the amount of earnings attributable to each share of common stock.

$$\frac{\text{NET INCOME(Loss) } \text{₹ } 5,477,900.00}{\text{NO. OF SHARES OUTSTANDING } 70,166,407.00} = 0.07807$$

For the year ended the company's profitability in relation to each of its shares is improving as the ratio shows.

5.1 EQUITY RATIO - Measures total investment provided by stockholders.

December 31, 2024

$$\frac{\text{STOCKHOLDERS EQUITY } \text{₹ } 151,470,637.00}{\text{TOTAL ASSETS } \text{₹ } 154,739,998.00} = .978872:1$$

December 31, 2023

$$\frac{\text{STOCKHOLDERS EQUITY } \text{₹ } 145,992,737.00}{\text{TOTAL ASSETS } \text{₹ } 149,059,022.00} = .9794291:1$$

The total investments provided by the stockholders indicate a very favourable venture.

5.2 CREDITORS' EQUITY TO TOTAL ASSETS – Measures the amount resources provided by creditors.

December 31, 2024

$$\frac{\text{TOTAL LIABILITIES } \text{₹ } 3,269,361.00}{\text{TOTAL ASSETS } \text{₹ } 154,739,998.00} = 0.021128 : 1$$

December 31, 2023

$$\frac{\text{TOTAL LIABILITIES } \text{₹ } 3,066,285.00}{\text{TOTAL ASSETS } \text{₹ } 149,059,022.00} = 0.020571 : 1$$

The company's indication of being solvent is realistic and the same would be in relatively good long-term financial standing.

(5) Other Disclosures

Except as indicated in the Notes to financial statements and management's Discussion and Analysis of Financial Conditions and Results of Operations, there are no unusual items affecting assets, liabilities, equity, net income or cash flows for the interim period.

The accounting policies and methods of computation adopted in the preparation of the audited financial statements are consistent with those followed in the preparation of the Company's annual financial statements as of and for the year ended December 31, 2024.

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 or income from the continuing operations.

Except for income generated from leasing and sale of lots, there are no seasonal aspects that have a material effect on the Company's financial conditions or results of operations. There are no unusual operating cycles or seasons that will differentiate the operations for the period ended December 31, 2024 from the operations of the rest of the year.

There are no changes in estimates of amounts reported in prior year (2023) that have material effects in the current period.

Except as discussed in the Management's Discussion and Analysis of Financial Condition and Results of Operations, and Financial Risk Exposures, there are no material events subsequent to December 31, 2024 up to the date of this report that have not been reflected in the financial statements for the interim period.

There are no material contingencies and any other events or transactions affecting the current interim period.

There are no known events that will trigger the settlement of a direct or contingent financial obligation that is material to the company.

Except for those discussed above, there are no seasonal aspects that have material effect on KRI's financial conditions or results of operations.

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationship of the Company with entities or other persons created during the reporting period other than those that were previously reported.

The Company has no material commitments for capital expenditures and any significant elements of income or loss that did not arise from operations and seasonal aspects that had a material effect on the financial condition or results of operations.

There is no other information required to be reported that have not been reported in SEC Form 17-C.

ITEM 7. INDEPENDENT PUBLIC ACCOUNTANTS

- a. The new accountant and external auditor of the Company is Reyes Tacandong & Co. (RT & Co.). The same accounting firm that will be recommended for re-election at the meeting.
- b. Representatives of RT & Co. for the current year and for the most recently completed fiscal months are expected to be present at the meeting. They will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

Pursuant to the General Requirements of SRC Rule 68, Par.3 (Qualifications and Reports of Independent Auditors), the Company has engaged the services of **Reyes Tacandong & Co.** as the new external auditor and **Karl Joseph Malvas** is the Partner in Charge. While for the past 26 years SGV & Co. had been our external auditor and Mr. Bienvenido M Rebullido had been the Partner -in-Charge from 2019 to 2023. Prior to Mr. Rebullido the engagement partners of the external auditing firm (SGV & Co.) were Ms. Julie Christine Mateo (2016-2018) Ms. Belida T. Beng Hui (2015) Julie Christine Mateo (2009-2014), Josephine Estomo (2003 to 2008) and Cynthia Manlapig (1997 to 2002).

By virtue of SEC 17-C which was filed on line on December 9, 2024 the following reports were filed with SEC through ICTD such as 2024 Annual Stockholders Organizational and committee meetings ,and SEC Form 20-IS filed on line also on August 25, 2024.

FINANCIAL STATEMENTS

Expiry date of each deferred income taxes recognized (PAS 12.81 e)

PAS 12 paragraph 81 states that the entity shall disclose in the notes to the financial statements the amount (and expiry date, if any) of deductible temporary differences, unused tax losses, and unused tax credits for which no deferred tax asset is recognized in the statement of financial position. The Company has recognized deferred income tax assets.

ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

The Board has changed the External Auditor SGV & Co. to Reyes Tacandong & Co. for our 2024 financial statements. For the past twenty-six (26) years SGV & Co.had been our external auditor the company had not any disagreement with regard to any matter relating to accounting principles or practices, financial statement disclosure or auditing scope or procedure.

For 2024 the Audit fees for professional services rendered by our external auditor (Reyes Tacandong & Co.) amounted to P.225 million (exclusive of VAT and out of pocket expenses (estimated at 20%) while for the last two (2) calendar years 2023 was P.250 million and in 2022 it was pegged in amount of P.160 million these were exclusive of VAT and out of pocket expenses (estimated to be 10% of fee). However, the actual fees may exceed the estimates based on changes to the business or scope of work.

The estimated pricing and schedule of performance are based upon, among other things, our preliminary review of the Company's records and the representations the Company's personnel have made to Reyes Tacandong & Co. and are dependent upon the Company's personnel providing a reasonable level of assistance. Should RT & Co.'s assumptions with respect to these matters be incorrect

or should the condition of records, degree of cooperation, results of our audit procedures, or other matters beyond our reasonable control require additional commitments by the Audit company beyond those upon which our estimates are based. They may adjust their fees and plan the completion dates. Fees for any special audit-related projects, such as proposed business combinations or research and or/ consultation on special business or financial issues, will be billed separately from the fees referred to above and will be the subject of written agreements.

PART III

CONTROL AND COMPENSATION INFORMATION

ITEM 9. DIRECTORS AND EXECUTIVE OFFICERS OF THE ISSUER

(1) Directors and Executive Officers

1. **FRANKLIN D. MATSUDA**, 57 years old, Filipino. *He has been elected member of the Board since 2003 up to present.* He was elected President in Aug. 2017. And in Aug. 2018 he was again re- elected as President and concurrent Chairman. He is also the Marketing Manager of Lordiz & Co., Inc. and Diz-Marc Fortune, Inc. since 2001 up to present. He was elected member of the Board of Directors of CMD foundation and Fordjem Enterprises, Inc. in 1995 up to present. He is also the President of Makeisha Developers, Inc. from 2005 up to present and the Treasurer of Blocks & Bricks Realty, Inc. from 2005 up to present. He is also a Director of State Cond IV Corp. since 2006 up to the present.
2. **FREDERICK D. MATSUDA**, 61 years old, Filipino. *He has been elected member of the Board since 1996. He had been a President since 2003 up to August 2017.* Last Aug. 2017 he was elected as *Vice President/Treasurer up to present.* He also served as Corporate Treasurer and member of the Board of Directors of Dizon Copper Silver Mines, Inc. in 1997 up to the present. Currently, he holds various positions in several other corporations, namely: Vice-President of Fordjem Enterprises, Inc., and Financial Management Consultant of Lordiz and Company, Inc. and Diz-Marc Fortunes, Inc.
3. **RAMONA ODILLA D. FELICIANO**, 53 years old, Filipino. She is the current President of Carllo Inc., Nisus Properties Inc. and FelDiz Properties Inc. She holds also the position of a Treasurer/Director of San Bartolome Rural Bank from 2008 to present of which she served also as President from 1998 up to 2007. She is also a Trustee of CMD Foundation.
4. **LAWRENCE D. FELICIANO**, 59 years old, Filipino. *He has been elected member of the Board and for the first time in 2017 to replace his aunt who passed away in July 2017. He has been a Director of Carllo, Inc. a property management and realty company for the past 7 years and also a Director of Nisus Properties Inc. for 21 years.*
5. **ROMMEL NER C. MARIANO**, 55 years old, Filipino. *He was elected independent director in November 23, 2023.* He has held various roles in different companies, including Marketing Manager, President, and VP at Jners Corporation, Fins Trading

and Maics Gym respectively and he has been in the leasing department of One Mary Land Bldg since 2016 up to present.

6. **MARIA BELINDA B. FRANCO**, 65 years old, Filipino. She was elected as an independent director in November 2024. She has worked in the banking industry as an accountant for nearly 14 years and has been in the leasing department of Maria Belinda Franco Bldg since 2016, where she continues to serve to the present day. She is intended to replace Mr. Roberto S. Guevara.
7. **FRANCIS V. GUSTILO**, 75 years old, Filipino. *He has been appointed as Corporate Secretary of the Company since 2003 and elected as member of the board in 2003 to 2005 and 2011 to present.* A practicing lawyer and a registered Chemical engineer, he is also an Executive Director of Tindig Porac Development Foundation, Inc.; past president of Rotary Club of Paranaque East President for RY2001-2002, district 3830, Chairman Mary Help of Christians Pabahay Foundation, Inc., Corporate secretary, Celestino-Maria Dizon Foundation Inc., Director, Waste to Energy (Phils.) Holdings Inc. and Independent director Rural Electrification Financing Corp.
8. **VALENTINO M TROBADA**, 73 years old, Filipino. *He was appointed as Chief Financial Officer / Chief Accountant of the Company since April 2001.* Prior to his appointment he was an Audit Supervisor of DCSMI for the past 14 years and became also minesite Accountant for 4 years. He held also accounting positions in various companies such as Daikin Service Center Inc., Electronic Power Corp. and First Peso Savings.

Note: Board of Directors are elected every Annual Stockholder's Meeting.

(2) Significant Employees

No employee who is not an executive officer of the company is expected to make a significant contribution to the business. The business is not highly dependent on the services of any key personnel.

(3) Family Relationships

Frederick D. Matsuda, and Franklin D. Matsuda are brothers, while Ramona Odilla D. Feliciano and Lawrence Feliciano are cousins of brothers Frederick and Franklin Matsudas both the brothers and cousins belong to the third generation of Dizon clan.

(4) Involvement in Certain Legal Proceedings

No one among the company's directors nor officers had been involved in any legal proceedings for the past 35 years up to the date of preparation of this report.

ITEM 10. EXECUTIVE COMPENSATION

Name and Position	2024	2023	2022
Franklin D. Matsuda <i>President/Chairman 2019 to present</i>			
Frederick D. Matsuda <i>Vice President/Treasurer</i>			
TOTAL FOR THE GROUP	₱884,880	₱884,880	₱851,280
ALL OFFICERS & DIRECTORS AS A GROUP UNNAMED	583,080	583,080	553,060
TOTAL DIRECTORS PER DIEM	₱60,000	₱60,000	₱60,000

SUMMARY COMPENSATION TABLE ANNUAL COMPENSATION

Name and Position	Year	Salary	Bonus	Other annual compensation
Frederick D. Matsuda <i>Vice President/Treasurer</i>	2022	₱437,280		—
	2023	454,080		—
	2024	454,080		—
Franklin D. Matsuda <i>President/Chairman</i>	2022	414,000		—
	2023	430,800		—
	2024	430,800		—
All other officers and directors				
Francis Gustilo <i>Corporate Secretary</i>	2022	243,000		—
	2023	258,000		—
	2024	258,000		—
Valentino Trobada <i>CFO/Chief Accountant</i>	2022	310,080		—
	2023	325,080		—
	2024	325,080		—

Except for the above-mentioned directors, all other directors have no standard arrangements, nor any other arrangements pertaining to compensation, either directly or indirectly. Furthermore, company has no existing Employment Contracts nor Termination of Employment and Change-in-Control Arrangements with its directors except as mentioned the President/Director, Vice-President/Director & Corporate Secretary/Director.

*The above-named executive officers, and all other officers and directors as a group have never been holding and granted **outstanding warrants and options**.*

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

(1) Security Ownership of Certain Record and Beneficial Owners

List of owners of more than 5% of the Company's stock

Title of Class	Name, Address of Record Owner & Relationship w/ issuer	Name of Beneficial owner & Relationship w/ record owner	Citizenship	Number of Shares held	Percent
Common Class B	Lordiz and Co., Inc. 14 Missouri St., San Juan, M.M. (No relationship with issuer)	Lourdes D. Dizon President	Filipino	10,360,350	14.77%
Common Class B	Diz-Marc Fortunes, Inc. 214 State Condo. IV Ortigas Ave., Greenhills, San Juan, M.M. (No relationship with issuer)	Teresita D. Dizon President	Filipino	10,156,459	14.47%
Common Class B	Little Flower Corp. 14 Missouri St., San Juan, M.M. (No relationship with issuer)	Lourdes D. Dizon President	Filipino	6,615,632	9.43%
Common Class B	Markeisha Developers, Inc. 40 Dragonfly St., Valle Verde 6, Pasig City 1604 (No relationship with issuer)	Jessica M. Polintan President	Filipino	5,607,343	7.99%
Common Class B	Fordjem Enterprises, Inc. 40 Dragonfly St., Valle Verde 6, Pasig City 1604	Fortunata D. Matsuda President	Filipino	4,707,504	6.71%

(No relationship with issuer)

Common Class B	Marcel D. Holdings Corp. Unit J 386 P. Guevarra St., San Juan, M.M. (No relationship with issuer)	Teresita D. Dizon President	Filipino	4,481,304	6.39%
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Common Class B	Lutgarda D. Lacson 14 Missouri St., San Juan, M.M. (No relationship with issuer)	Lutgarda D. Lacson	Filipino	3,945,833	5.62%
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(2) Security Ownership of Management

Title of Class	Name of Beneficial Owner	Amount & Nature of Beneficial Ownership	Citizenship	Percent of Class
Common	Frederick D. Matsuda President/Chairman	32,072 "r"	Filipino	10.5661%
Common	Franklin D. Matsuda Vice President	32,072 "r"	Filipino	10.5661%
Common	Lawrence D. Feliciano Director	89,000 "r"	Filipino	29.3305%
Common	Ramona Odilla D. Feliciano Director	122,000 "r"	Filipino	40.259%
Common	Francis V. Gustilo Director/Corp. Secretary	27,695 "r"	Filipino	9.1271%
Common	Rommel Ner C. Mariano Independent Director	1 "r"	Filipino	0.0%
Common	Maria Belinda B. Franco Independent Director	1 "r"	Filipino	0.0%
Common	Valentino M. Trobada Chief Finance Officer/Chief Accountant	597 "r"	Filipino	0.1967%

AGGREGATE SHAREHOLDINGS OF DIRECTORS
AND OFFICERS AS A GROUP 303,438 "r" shares

(3) Voting Trust Holders of 5% or More

There are no other persons or entities who hold 5% or more of any class of registrant's voting securities.

(4) Changes in Control

There are no arrangements which may result in a change in control of the registrant and no change in control has occurred since the beginning of the last financial year.

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

None of the Directors, Officers or any individual member of their immediate families own 10% or more of the outstanding shares of the company. As mentioned above the company entered into Joint Venture Agreement with Dizon Lands Realty and Natividad Alimurung for the property located in Pampanga. Dizon Lands Realty has a bigger share in the agreement which is 50%.

PART IV

EXHIBITS AND SCHEDULES

ITEM 13. CORPORATE GOVERNANCE

I. The evaluation system which established to measure or determine the level of compliance of the Board and top-level management with its Revised Manual of Corporate Governance consists of Customer Satisfaction Survey which is filled up by the various functional groups indicating the compliance rating of certain institutional units and their activities. The evaluation process also includes a Board Performance Assessment which is accomplished by the Board indicating the compliance ratings. The above are submitted to the Compliance Officer who issues the required certificate of compliance with the Company's Manual of Corporate Governance to the Security and Exchange Commission.

II. To ensure good governance, the Board establishes the vision, strategic objectives, key policies, and procedures for the management of the company, as well as the mechanism for monitoring and evaluating Management's performance. The Board also ensures the presence and adequacy of internal control mechanisms for good governance.

III. There were no deviations from the Company's Revised Manual of Corporate Governance. The Company has adopted the Manual of Corporate Governance the leading practices and principles of good governance, and full compliance therewith has been made since the adoption of the Revised Manual.

IV. The Company is taking further steps to enhance adherence to principles and practices of good corporate governance.