

PORO POINT MANAGEMENT CORPORATION
(A Member of The BCDA Group)
Condensed Statement of Financial Position
As of December 31, 2024

| | Note | 2024 | 2023 (Restated) | Variance |
|--------------------------------------|-------------|-----------------------|------------------------|------------------------|
| ASSETS | | | | |
| Current Assets | | | | |
| Cash and Cash Equivalents | 3 | 18,014,739.30 | 8,568,366.76 | 9,446,372.54 |
| Investments | 4 | 81,056,864.85 | 80,773,689.53 | 283,175.32 |
| Receivables | 5 | 21,497,331.85 | 16,803,797.69 | 4,693,534.16 |
| Inventories | 6 | 809,843.36 | 844,246.47 | (34,403.11) |
| Other Current Assets | 7 | 2,043,697.72 | 2,333,247.89 | (289,550.17) |
| Total Current Assets | | 123,422,477.08 | 109,323,348.34 | 14,099,128.74 |
| Non-Current Assets | | | | |
| Investments | 8 | 15,015,000.00 | 15,015,000.00 | - |
| Investment Property | 9 | 4,249,796.45 | 96,647,923.90 | (92,398,127.45) |
| Property, Plant and Equipment | 10 | 6,721,868.02 | 7,698,054.70 | (976,186.68) |
| Intangible Assets | 11 | 229,666.69 | 52,000.00 | 177,666.69 |
| Other Non-Current Assets | 12 | 24,000,478.86 | 0.00 | 24,000,478.86 |
| Total Non-Current Assets | | 50,216,810.02 | 119,412,978.60 | (69,196,168.58) |
| TOTAL ASSETS | | 173,639,287.10 | 228,736,326.94 | (55,097,039.84) |
| LIABILITIES | | | | |
| Current Liabilities | | | | |
| Financial Liabilities | 13 | 27,289,136.60 | 25,392,014.73 | 1,897,121.87 |
| Inter-Agency Payables | 14 | 12,387,031.75 | 65,765,184.73 | (53,378,152.98) |
| Intra-Agency Payables | | 1,299.08 | 1,825,391.38 | (1,824,092.30) |
| Trust Liabilities | 15 | 2,045,680.49 | 8,622,157.66 | (6,576,477.17) |
| Other Payables | 16 | 11,354.21 | 79,761.35 | (68,407.14) |
| Total Current Liabilities | | 41,734,502.13 | 101,684,509.85 | (59,950,007.72) |
| Non-Current Liabilities | | | | |
| Inter-Agency Payables | 17 | 13,411,809.51 | 13,411,809.51 | 0.00 |
| Total Non-Current Liabilities | | 13,411,809.51 | 13,411,809.51 | 0.00 |
| TOTAL LIABILITIES | | 55,146,311.64 | 115,096,319.36 | (59,950,007.72) |
| EQUITY | | | | |
| Stockholders' Equity | 18 | 83,143,720.23 | 83,143,720.23 | - |
| Retained Earnings/(Deficit) | 19 | 35,349,255.23 | 30,496,287.35 | 4,852,967.88 |
| Total Equity | | 118,492,975.46 | 113,640,007.58 | 4,852,967.88 |
| TOTAL LIABILITIES AND EQUITY | | 173,639,287.10 | 228,736,326.94 | (55,097,039.84) |

See Accompanying Notes to Financial Statements.

PORO POINT MANAGEMENT CORPORATION
(A Member of The BCDA Group)
Detailed Statement of Financial Position
As of December 31, 2024

| | Notes | 2024 | 2023 (Restated) | Variance |
|--|-------|-----------------------|-----------------------|----------------------|
| ASSETS | | | | |
| Current Assets | | | | |
| Cash and Cash Equivalents | | | | |
| | 3 | | | |
| Cash Collecting Officer | | 108,475.15 | 7,900.00 | 100,575.15 |
| Petty Cash Fund | | 0.00 | 0.00 | 0.00 |
| Cash in Bank-Local Currency | | | | |
| Cash in Bank-Local Currency, Current Account | | 17,906,264.15 | 8,560,466.76 | 9,345,797.39 |
| Total | | 18,014,739.30 | 8,568,366.76 | 9,446,372.54 |
| Other Investments | | | | |
| Investments in Time Deposits-Local Currency | 4 | 81,056,864.85 | 80,773,689.53 | 283,175.32 |
| Receivables | | | | |
| | 5 | | | |
| Loans and Receivables Account | | | | |
| Accounts Receivables | | 290,096.55 | 290,096.55 | 0.00 |
| Interest Receivables | | 207,667.30 | 171,478.00 | 36,189.30 |
| Inter-Agency Receivables | | | | |
| Due from National Government Agencies | | 605,912.61 | 605,912.61 | 0.00 |
| Due from Government Corporations | | 70,000.00 | 77,058.82 | (7,058.82) |
| Intra-Agency Receivables | | | | |
| Due from Parent Corporation | | 18,281,436.12 | 13,191,534.30 | 5,089,901.82 |
| Other Receivables | | | | |
| Due from Officers and Employees | | 802,402.07 | 1,227,900.21 | (425,498.14) |
| Other Receivables | | 1,239,817.20 | 1,239,817.20 | 0.00 |
| Total | | 21,497,331.85 | 16,803,797.69 | 4,693,534.16 |
| Inventories | | | | |
| | 6 | | | |
| Inventory Held for Consumption | | | | |
| Office Supplies Inventory | | 556,658.05 | 539,442.65 | 17,215.40 |
| Construction Materials Inventory | | 167,622.06 | 167,651.46 | (29.40) |
| Other Supplies and Materials Inventory | | 85,563.25 | 137,152.36 | (51,589.11) |
| Total | | 809,843.36 | 844,246.47 | (34,403.11) |
| Other Current Assets | | | | |
| | 7 | | | |
| Advances | | | | |
| Advances to Officers and Employees | | 0.00 | 0.00 | 0.00 |
| Prepayments | | | | |
| Advances to Contractors | | 266,067.41 | 1,774,090.36 | (1,508,022.95) |
| Prepaid Registration | | 6,991.47 | 0.00 | 6,991.47 |
| Prepaid Insurance | | 140,080.13 | 117,768.04 | 22,312.09 |
| Other Prepayments | | 1,393,870.87 | 200,226.59 | 1,193,644.28 |
| Deposits | | | | |
| Guaranty deposits | | 168,884.00 | 168,884.00 | 0.00 |
| Withholding Tax at Source | | | | |
| Withholding Tax at Source | | 67,803.84 | 72,278.90 | (4,475.06) |
| Total | | 2,043,697.72 | 2,333,247.89 | (289,550.17) |
| Total Current Assets | | 123,422,477.08 | 109,323,348.34 | 14,099,128.74 |
| Non-Current Assets | | | | |
| | 8 | | | |
| Investments in Joint Venture | | | | |
| Investments in Joint Venture | | 15,000,000.00 | 15,000,000.00 | 0.00 |
| Other Investments | | | | |
| Investment in Stocks | | 15,000.00 | 15,000.00 | 0.00 |

| | Notes | 2024 | 2023 (Restated) | Variance |
|---|-------|-----------------------|-----------------------|------------------------|
| Total | | 15,015,000.00 | 15,015,000.00 | 0.00 |
| Investment Property | 9 | | | |
| Land and Buildings | | | | |
| Investment Property, Land | | 0.00 | 16,416,169.40 | (16,416,169.40) |
| Investment Property, Buildings | | 0.00 | 0.00 | 0.00 |
| Construction in Progress | | | | |
| Construction in Progress-Investment Property, Buildings | | 0.00 | 80,231,754.50 | (80,231,754.50) |
| Construction in Progress-Buildings and Other Structures | | 4,249,796.45 | 0.00 | 4,249,796.45 |
| Total | | 4,249,796.45 | 96,647,923.90 | (92,398,127.45) |
| Property, Plant and Equipment | 10 | | | |
| Land Improvements | | | | |
| Other Land Improvements | | 276,082.12 | 276,082.12 | 0.00 |
| Accumulated Depreciation-Other Land Improvements | | (262,278.01) | (262,278.01) | 0.00 |
| Infrastructure Assets | | | | |
| Power Supply Systems | | 516,605.02 | 516,605.02 | 0.00 |
| Accumulated Depreciation-Power Supply Systems | | (490,774.77) | (490,774.77) | 0.00 |
| Buildings and Other Structures | | | | |
| Buildings | | 9,386,403.90 | 9,386,403.90 | 0.00 |
| Accumulated Depreciation-Buildings | | (6,231,465.75) | (5,815,186.04) | (416,279.71) |
| Other Structures | | 2,669,275.51 | 2,669,275.51 | 0.00 |
| Accumulated Depreciation-Other Structures | | (2,535,811.73) | (2,482,771.32) | (53,040.41) |
| Machinery and Equipment | | | | |
| Office Equipment | | 2,962,485.91 | 2,847,485.91 | 115,000.00 |
| Accumulated Depreciation-Office Equipment | | (2,481,202.98) | (2,334,554.94) | (146,648.04) |
| Information and Communication Technology (ICT) Equipment | | 3,306,091.81 | 2,992,733.81 | 313,358.00 |
| Accumulated Depreciation-ICT Equipment | | (2,213,235.57) | (1,910,517.21) | (302,718.36) |
| Communication Equipment | | 60,000.00 | 60,000.00 | 0.00 |
| Accumulated Depreciation-Communication Equipment | | (57,000.00) | (57,000.00) | 0.00 |
| Technical and Scientific Equipment | | 413,387.52 | 413,387.52 | 0.00 |
| Accumulated Depreciation-Technical and Scientific Equipment | | (392,718.14) | (392,718.14) | 0.00 |
| Furniture, Fixtures and Books | | | | |
| Furniture and Fixtures | | 901,045.01 | 901,045.01 | 0.00 |
| Accumulated Depreciation-Furniture and Fixtures | | (847,594.19) | (841,093.07) | (6,501.12) |
| Transportation Equipment | | | | |
| Motor Vehicle | | 8,681,939.06 | 8,681,939.06 | 0.00 |
| Accumulated Depreciation-Motor Vehicle | | (6,939,366.70) | (6,460,009.66) | (479,357.04) |
| Fixed Asset Accrual | | 0.00 | 0.00 | 0.00 |
| Total | | 6,721,868.02 | 7,698,054.70 | (976,186.68) |
| Intangible Assets | 11 | | | |
| Websites | | 260,000.00 | 52,000.00 | 208,000.00 |
| Accumulated Amortization- Websites | | (30,333.31) | 0.00 | (30,333.31) |
| Other Non-Current Assets | 12 | | | |
| Other Assets (Non-Current) | | 24,000,478.86 | 0.00 | 24,000,478.86 |
| Total Non-Current Assets | | 50,216,810.02 | 119,412,978.60 | (69,196,168.58) |
| TOTAL ASSETS | | 173,639,287.10 | 228,736,326.94 | (55,097,039.84) |
| | | | | |
| LIABILITIES AND EQUITY | | | | |
| Current Liabilities | | | | |
| Financial Liabilities | 13 | | | |
| Accounts Payable | | 25,711,564.02 | 25,070,240.72 | 641,323.30 |
| Due to Officers and Employees | | 1,577,572.58 | 321,774.01 | 1,255,798.57 |
| Total | | 27,289,136.60 | 25,392,014.73 | 1,897,121.87 |

| | Notes | 2024 | 2023 (Restated) | Variance |
|--------------------------------------|-------|-----------------------|-----------------------|------------------------|
| Inter-Agency Payables | 14 | | | |
| Due to BIR | | 720,938.97 | 739,199.91 | (18,260.94) |
| Due to Pag-ibig | | 6,900.00 | 5,250.00 | 1,650.00 |
| Due to Philhealth | | 1,272.77 | 2,336.25 | (1,063.48) |
| Due to SSS | | 2,880.00 | 7,989.50 | (5,109.50) |
| Due to Parent Corporation | | 10,207,819.67 | 64,595,506.14 | (54,387,686.47) |
| Income Tax Payable | | 1,264,778.34 | 414,902.93 | 849,875.41 |
| Due to NGAs | | 166,042.00 | 0.00 | 166,042.00 |
| Due to LGUs | | 16,400.00 | 0.00 | 16,400.00 |
| Total | | 12,387,031.75 | 65,765,184.73 | (53,378,152.98) |
| Intra-Agency Payables | | | | |
| Due to Other Funds | | 1,299.08 | 1,825,391.38 - | 1,824,092.30 |
| Trust Liabilities | 15 | | | |
| Trust Liabilities | | 1,560,154.16 | 1,609,368.56 | (49,214.40) |
| Guaranty/Security Deposits Payable | | 485,526.33 | 7,012,789.10 | (6,527,262.77) |
| Total | | 2,045,680.49 | 8,622,157.66 | (6,576,477.17) |
| Other Payables | 16 | | | |
| Other Unearned Revenue | | 6,000.07 | 14,000.00 | (7,999.93) |
| Other Payables | | 5,354.14 | 65,761.35 | (60,407.21) |
| Total Current Liabilities | | 41,734,502.13 | 101,684,509.85 | (59,950,007.72) |
| Non-Current Liabilities | | | | |
| Inter-Agency Payables | 17 | | | |
| Due to Parent Corporation | | 13,411,809.51 | 13,411,809.51 | 0.00 |
| Total Non-Current Liabilities | | 13,411,809.51 | 13,411,809.51 | 0.00 |
| TOTAL LIABILITIES | | 55,146,311.64 | 115,096,319.36 | (59,950,007.72) |
| Equity | | | | |
| Stockholders' Equity | 18 | | | |
| Share Capital | | 68,143,720.23 | 68,143,720.23 | 0.00 |
| Other Equity Instruments | | 15,000,000.00 | 15,000,000.00 | 0.00 |
| Total | | 83,143,720.23 | 83,143,720.23 | 0.00 |
| Retained Earnings/(Deficit) | 19 | | | |
| Retained Earnings/(Deficit) | | 35,349,255.23 | 30,496,287.35 | 4,852,967.88 |
| Total | | 35,349,255.23 | 30,496,287.35 | 4,852,967.88 |
| Total Equity | | 118,492,975.46 | 113,640,007.58 | 4,852,967.88 |
| TOTAL LIABILITIES AND EQUITY | | 173,639,287.10 | 228,736,326.94 | (55,097,039.84) |

See Accompanying Notes to Financial Statements

PORO POINT MANAGEMENT CORPORATION
(A Member of The BCDA Group)
Condensed Statement of Comprehensive Income
As of December 31, 2024

| | Note | 2024 | 2023 (Restated) | Variance |
|--|-------------|-----------------------|------------------------|---------------------|
| Income | | | | |
| Service and Business Income | 20 | 105,128,855.46 | 97,177,573.59 | 7,951,281.87 |
| Expenses | | | | |
| Personnel Services | 21 | 65,103,435.66 | 59,040,291.51 | 6,063,144.15 |
| Maintenance and Other Operating Expenses | 22 | 19,123,290.50 | 18,238,953.06 | 884,337.44 |
| Non-Cash Expenses | 23 | 1,434,877.99 | 1,424,641.75 | 10,236.24 |
| Total Expenses | | 85,661,604.15 | 78,703,886.32 | 6,957,717.83 |
| Profit/(Loss) Before Tax | | 19,467,251.31 | 18,473,687.27 | 993,564.04 |
| Income Tax Expense/(Benefit) | | 4,717,738.78 | 4,438,304.22 | 279,434.56 |
| Comprehensive Income/(Loss) | | 14,749,512.53 | 14,035,383.05 | 714,129.48 |

See Accompanying Notes to Financial Statements.

PORO POINT MANAGEMENT CORPORATION
(A Member of The BCDA Group)
Detailed Statement of Comprehensive Income
As of December 31, 2024

| | Notes | 2024 | 2023 (Restated) | Variance |
|--|-------|-----------------------|----------------------|---------------------|
| Income | | | | |
| Service and Business Income | 20 | | | |
| Service Income | | | | |
| Permit Fees | | 13,200,403.27 | 10,516,384.56 | 2,684,018.71 |
| Business Income | | | | |
| Management Fees | | 90,995,433.86 | 85,762,008.14 | 5,233,425.72 |
| Interest Income | | 596,296.21 | 668,470.40 | (72,174.19) |
| Other Business Income | | 327,087.13 | 190,000.00 | 137,087.13 |
| Miscellaneous Income | | | | |
| Miscellaneous Income | | 9,634.99 | 40,710.49 | (31,075.50) |
| Total Income | | 105,128,855.46 | 97,177,573.59 | 7,951,281.87 |
| Expenses | | | | |
| Personnel Services | 21 | | | |
| Salaries and Wages | | | | |
| Salaries and Wages-Regular | | 36,909,146.64 | 37,648,292.11 | (739,145.47) |
| Total Salaries and Wages | | 36,909,146.64 | 37,648,292.11 | (739,145.47) |
| Other Compensation | | | | |
| Personnel Economic Relief Allowance (PERA) | | 1,407,045.10 | 1,407,216.19 | (171.09) |
| Representation Allowance (RA) | | 821,250.00 | 802,500.00 | 18,750.00 |
| Transportation Allowance (TA) | | 821,250.00 | 802,500.00 | 18,750.00 |
| Clothing/Uniform Allowance | | 413,000.00 | 354,000.00 | 59,000.00 |
| Overtime and Night Pay | | 1,622,617.11 | 1,211,831.87 | 410,785.24 |
| Year-End Bonus | | 3,135,199.00 | 3,195,530.00 | (60,331.00) |
| Cash Gift | | 296,000.00 | 295,000.00 | 1,000.00 |
| Mid-year Bonus | | 3,093,842.00 | 3,025,862.00 | 67,980.00 |
| Other Bonuses and Allowances | | 1,528,000.00 | 1,758,000.00 | (230,000.00) |
| Directors and Committee Members' Fees | | 2,097,000.00 | 2,018,000.00 | 79,000.00 |
| Total Other Compensation | | 15,235,203.21 | 14,870,440.06 | 364,763.15 |
| Personnel Benefit Contributions | | | | |
| Pag-ibig Contributions | | 134,300.00 | 68,300.00 | 66,000.00 |
| Philhealth Contributions | | 860,138.40 | 641,897.01 | 218,241.39 |
| Employees Compensation Insurance Premiums | | 20,990.00 | 20,450.00 | 540.00 |
| Retirement and Life Insurance Premiums | | 1,930,532.50 | 1,904,607.50 | 25,925.00 |
| Provident/Welfare Contribution | | 3,598,765.96 | 1,400,359.23 | 2,198,406.73 |
| Total Personnel Benefit Contributions | | 6,544,726.86 | 4,035,613.74 | 2,509,113.12 |
| Other Personnel Benefits | | | | |
| Retirement Gratuity | | 4,406,634.59 | 0.00 | 4,406,634.59 |
| Terminal Leave Benefits | | 2,007,724.36 | 2,485,945.60 | (478,221.24) |
| Total Other Personnel Benefits | | 6,414,358.95 | 2,485,945.60 | 3,928,413.35 |
| Total Personnel Services | | 65,103,435.66 | 59,040,291.51 | 6,063,144.15 |
| Maintenance and Other Operating Expenses | 22 | | | |
| Travelling Expenses | | | | |
| Travelling Expenses-Local | | 3,287,763.95 | 3,045,042.54 | 242,721.41 |
| Travelling Expenses-Foreign | | 648,045.09 | 691,161.53 | (43,116.44) |
| Training and Scholarship Expenses | | | | |
| Training Expenses | | 745,565.08 | 615,124.27 | 130,440.81 |
| Supplies and Materials Expenses | | | | |
| Office Supplies Expenses | | 1,141,701.70 | 1,210,154.12 | (68,452.42) |
| Accountable Forms Expenses | | 10,000.00 | 0.00 | 10,000.00 |
| Drugs and Medicines Expenses | | 17,040.00 | 81,837.50 | (64,797.50) |
| Fuel, Oil and Lubricants Expenses | | 566,987.58 | 545,388.30 | 21,599.28 |
| Semi-Expendable Machinery and Equipment Expenses | | 353,152.00 | 425,525.00 | (72,373.00) |

| | Notes | 2024 | 2023 (Restated) | Variance |
|--|-------|----------------------|----------------------|---------------------|
| Semi-Expendable Furniture, Fixtures and Books Expenses | | 143,442.00 | 18,779.00 | 124,663.00 |
| Other Supplies and Materials Expenses | | 45,659.35 | 322,942.40 | (277,283.05) |
| Utility Expenses | | | | |
| Water Expenses | | 104,571.76 | 70,615.48 | 33,956.28 |
| Electricity Expenses | | 705,805.83 | 717,215.57 | (11,409.74) |
| Communication Expenses | | | | |
| Postage and Courier Services | | 63,702.14 | 37,268.23 | 26,433.91 |
| Telephone Expenses | | 785,720.07 | 766,920.88 | 18,799.19 |
| Internet Subscription Expenses | | 373,287.16 | 71,775.67 | 301,511.49 |
| Confidential, Intelligence and Extraordinary Expenses | | | | |
| Extraordinary and Miscellaneous Expenses | | 270,804.64 | 229,413.24 | 41,391.40 |
| Professional Services | | | | |
| Legal Services | | 28,002.00 | 0.00 | 28,002.00 |
| Auditing Services | | 1,220,461.81 | 1,163,037.77 | 57,424.04 |
| Other Professional Services | | 254,770.72 | 46,455.09 | 208,315.63 |
| General Services | | | | |
| Janitorial Services | | 433,222.92 | 629,842.01 | (196,619.09) |
| Security Services | | 1,662,700.15 | 1,356,082.91 | 306,617.24 |
| Repair and Maintenance | | | | |
| Repair and Maintenance- Buildings & Other Structures | | 315,289.94 | 204,789.00 | 110,500.94 |
| Repair and Maintenance- Machinery and Equipment | | 3,520.00 | 0.00 | 3,520.00 |
| Repair and Maintenance- Transportation Equipment | | 166,908.50 | 165,422.60 | 1,485.90 |
| Repair and Maintenance-Furnitures and Fixtures | | 5,870.00 | 53,137.12 | (47,267.12) |
| Taxes, Insurance Premiums and Other Fees | | | | |
| Taxes, Duties and Licenses | | 123,189.19 | 106,516.00 | 16,673.19 |
| Fidelity Bond Premiums | | 71,625.00 | 81,375.00 | (9,750.00) |
| Insurance Expenses | | 274,074.08 | 131,937.79 | 142,136.29 |
| Other Maintenance and Operating Expenses | | | | |
| Advertising, Promotional and Marketing Expenses | | 634,240.71 | 769,253.37 | (135,012.66) |
| Printing and Publication Expenses | | 202,537.00 | 0.00 | 202,537.00 |
| Representation Expenses | | 1,583,135.46 | 1,299,550.28 | 283,585.18 |
| Rent/Lease Expenses | | 55,120.00 | 0.00 | 55,120.00 |
| Membership Dues and Contributions to Organizations | | 500.00 | 500.00 | 0.00 |
| Subscription Expenses | | 26,640.57 | 21,959.00 | 4,681.57 |
| Bank Transaction Fee | | 11,940.00 | 0.00 | 11,940.00 |
| Other Maintenance and Operating Expenses | | 2,786,294.10 | 3,359,931.39 | (573,637.29) |
| Total Maintenance and Other Operating Expenses | | 19,123,290.50 | 18,238,953.06 | 884,337.44 |
| Non-Cash Expenses | | | | |
| Depreciation Expense | 23 | | | |
| Depreciation-Building and Other Structures | | 469,320.12 | 469,320.12 | 0.00 |
| Depreciation-Machinery and Equipment | | 449,366.40 | 418,337.16 | 31,029.24 |
| Depreciation-Transportation Equipment | | 479,357.04 | 526,893.07 | (47,536.03) |
| Depreciation-Furniture, Fixtures and Books | | 6,501.12 | 10,091.40 | (3,590.28) |
| Amortization | | | | |
| Amortization- Websites | | 30,333.31 | 0.00 | 30,333.31 |
| Total Non-Cash Expenses | | 1,434,877.99 | 1,424,641.75 | 10,236.24 |
| Total Expenses | | 85,661,604.15 | 78,703,886.32 | 6,957,717.83 |
| NET INCOME/(LOSS) BEFORE TAX | | 19,467,251.31 | 18,473,687.27 | 993,564.04 |
| Income Tax Expense/(Benefit) | | 4,717,738.78 | 4,438,304.22 | 279,434.56 |
| NET PROFIT/(LOSS) AFTER TAX | | 14,749,512.53 | 14,035,383.05 | 714,129.48 |
| | | - 0.00 | - - | 0.00 |

See Accompanying Notes to Financial Statements

PORO POINT MANAGEMENT CORPORATION*(A Member of The BCDA Group)***Statement of Changes in Equity****As of December 31, 2024**

| | Note | 2024 | 2023 (Restated) | Variance |
|---|-------------|-----------------------|------------------------|---------------------|
| Share Capital | | | | |
| Balance at Beginning of the Period | | | | |
| Authorized, issued and fully paid | | 68,143,720.23 | 68,143,720.23 | 0.00 |
| 800,000 shares, Php100.00 par value | | | | 0.00 |
| Balance at End of the Period | | 68,143,720.23 | 68,143,720.23 | 0.00 |
| Other Equity Investments | | | | |
| Balance at Beginning of the Period | | 15,000,000.00 | 15,000,000.00 | 0.00 |
| Additions | | - | - | 0.00 |
| Deductions | | - | - | 0.00 |
| Balance at End of the Period | | 15,000,000.00 | 15,000,000.00 | 0.00 |
| Retained Earnings | | | | |
| Balance at Beginning of the Period | | 30,444,287.35 | 17,976,225.57 | 12,468,061.78 |
| Correction of prior year's errors | | 642,992.60 | 2,290,832.89 | (1,647,840.29) |
| As restated | | 31,087,279.95 | 20,267,058.46 | 10,820,221.49 |
| Dividends | 24 | - 10,487,537.25 | - 3,806,154.16 | (6,681,383.09) |
| Net Income (Loss) | | 14,749,512.53 | 14,035,383.05 | 714,129.48 |
| Balance at End of the Period | | 35,349,255.23 | 30,496,287.35 | 4,852,967.88 |
| TOTAL EQUITY | | 118,492,975.46 | 113,640,007.58 | 4,852,967.88 |
| | | - | - | - |

See Accompanying Notes to Financial Statements.

PORO POINT MANAGEMENT CORPORATION
(A Member of The BCDA Group)
Condensed Statement of Cash Flows
As of December 31, 2024

| | 2024 | 2023 | Variance |
|--|------------------------|-----------------------|-----------------------|
| Cash Flow from Operating Activities | | | |
| Cash Inflow | | | |
| Collection of Income/Revenue | 88,733,873.53 | 93,094,432.80 | - 4,360,559.27 |
| Collection of Receivables | 32,052,019.61 | 11,593,016.03 | 20,459,003.58 |
| Receipt of Inter-Agency Fund Transfers | 8,943,406.51 | 3,221,948.16 | 5,721,458.35 |
| Receipt of proceeds from termination of investment acct. | 60,216,098.94 | 40,030,311.11 | 20,185,787.83 |
| Total Cash Inflow | 189,945,398.59 | 147,939,708.10 | 42,005,690.49 |
| Cash Outflow | | | - |
| Payment of Expenses | 80,795,527.16 | 74,493,264.11 | 6,302,263.05 |
| Purchase of Inventories | 1,023,696.28 | 1,564,509.29 | - 540,813.01 |
| Payment of Accounts Payable | 1,749,482.70 | 7,866,512.76 | - 6,117,030.06 |
| Remittance of Personnel Benefit Contributions and | | | |
| Mandatory Deductions | 15,296,188.79 | 12,923,232.45 | 2,372,956.34 |
| Adjustments | 60,000,000.00 | 60,000,000.00 | - |
| Total Cash Outflow | 158,864,894.93 | 156,847,518.61 | 2,017,376.32 |
| Net Cash Provided by (used in) Operating Activities | 31,080,503.66 | -8,907,810.51 | 44,023,066.81 |
| Cash Flow from Investing Activities | | | |
| Cash Inflow | | | |
| Receipt of Interest Earned | 388,628.91 | 496,992.40 | - 108,363.49 |
| Cash Outflow | | | |
| Purchase of Other Assets | 8,139,543.16 | 3,577,472.66 | 4,562,070.50 |
| Purchase/Construction of Property, Plant and Equipment | 3,395,679.62 | 51,500.00 | 3,344,179.62 |
| Total Cash Outflow | 11,535,222.78 | 3,628,972.66 | 7,906,250.12 |
| Net Cash Provided by (used in) Investing Activities | - 11,146,593.87 | - 3,131,980.26 | 7,797,886.63 |
| Cash Flow from Financing Activities | | | |
| Cash Outflow | | | |
| Payment of Dividends | 10,487,537.25 | 3,806,154.16 | 6,681,383.09 |
| Net Cash Provided by (used in) Financing Activities | - 10,487,537.25 | - 3,806,154.16 | 6,681,383.09 |
| Net Increase in Cash and Cash Equivalents | 9,446,372.54 | -15,845,944.93 | 58,502,336.53 |
| Add: Cash and Cash Equivalents, Beginning | 8,568,366.76 | 24,414,311.69 | -15,845,944.93 |
| Cash and Cash Equivalents, Ending | 18,014,739.30 | 8,568,366.76 | 9,446,372.54 |
| | - | - | - |

PORO POINT MANAGEMENT CORPORATION
(A Member of The BCDA Group)
Detailed Statement of Cash Flows
As of December 31, 2024

| | 2024 | 2023 | Variance |
|--|------------------------|-----------------------|-----------------------|
| Cash Flow from Operating Activities | | | |
| Cash Inflow | | | |
| Collection of Income/Revenue | | | |
| Collection of service and business income | 88,733,873.53 | 93,094,432.80 | - 4,360,559.27 |
| Collection of Receivables | | | |
| Collection of receivables | 32,052,019.61 | 11,593,016.03 | 20,459,003.58 |
| Receipt of Inter-Agency Fund Transfers | | | |
| Receipt of funds for other inter-agency transactions | 8,943,406.51 | 3,221,948.16 | 5,721,458.35 |
| Adjustments | | | |
| Receipt of proceeds from termination of investment account | 60,216,098.94 | 40,030,311.11 | 20,185,787.83 |
| Total Cash Inflow | 189,945,398.59 | 147,939,708.10 | 42,005,690.49 |
| Cash Outflow | | | |
| Payment of Expenses | | | |
| Payment of personnel services | 61,672,236.66 | 57,326,577.53 | 4,345,659.13 |
| Payment of maintenance and other operating expenses | 19,123,290.50 | 17,166,686.58 | 1,956,603.92 |
| Purchase of Inventories | | | |
| Payment of inventories | 1,023,696.28 | 1,564,509.29 | -540,813.01 |
| Payment of Accounts Payable | 1,749,482.70 | 7,866,512.76 | -6,117,030.06 |
| Remittance of Personnel Benefit Contributions and Mandatory Deductions | | | |
| Remittance of taxes withheld | 8,751,461.93 | 8,887,618.71 | -136,156.78 |
| Remittance of SSS/Pag-ibig/Philhealth | 6,544,726.86 | 4,035,613.74 | 2,509,113.12 |
| Adjustments | | | |
| Other adjustments-Investment in time deposit acct. | 60,000,000.00 | 40,000,000.00 | 20,000,000.00 |
| Other adjustments-Termination of time deposit acct. | 0.00 | 20,000,000.00 | -20,000,000.00 |
| Total Cash Outflow | 158,864,894.93 | 156,847,518.61 | 2,017,376.32 |
| Net Cash Provided by (used in) Operating Activities | 31,080,503.66 | -8,907,810.51 | 44,023,066.81 |
| Cash Flow from Investing Activities | | | |
| Cash Inflow | | | |
| Receipt of Interest Earned | 388,628.91 | 496,992.40 | -108,363.49 |
| Cash Outflow | | | |
| Purchase of Other Assets | | | |
| Purchase of Other Assets | 8,139,543.16 | 3,577,472.66 | 4,562,070.50 |
| Purchase/Construction of Property, Plant and Equipment | | | |
| Construction of Buildings and Other Structures | 2,967,321.62 | - | 2,967,321.62 |
| Purchase of Machinery and Equipment | 428,358.00 | 51,500.00 | 376,858.00 |
| Purchase of Furniture, Fixtures and Books | - | - | - |
| Purchase of Transportation Equipment | - | - | - |
| Total Cash Outflow | 11,535,222.78 | 3,628,972.66 | 7,906,250.12 |
| Net Cash Provided by (used in) Investing Activities | - 11,146,593.87 | - 3,131,980.26 | 7,797,886.63 |
| Cash Flow from Financing Activities | | | |
| Cash Outflow | | | |
| Payment of Dividends | 10,487,537.25 | 3,806,154.16 | 6,681,383.09 |
| Net Cash Provided by (used in) Financing Activities | - 10,487,537.25 | - 3,806,154.16 | 6,681,383.09 |
| Net Increase in Cash and Cash Equivalents | 9,446,372.54 | -15,845,944.93 | 58,502,336.53 |
| Add: Cash and Cash Equivalents, Beginning | 8,568,366.76 | 24,414,311.69 | -15,845,944.93 |
| Cash and Cash Equivalents, Ending | 18,014,739.30 | 8,568,366.76 | 9,446,372.54 |
| | - 0.00 - | 0.00 | - |

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2024

1. Corporate Information

The Bases Conversion and Development Authority (BCDA) was created under Republic Act (RA) No. 7227 dated March 13, 1993. Its main objective is to accelerate the sound and balanced conversion of former military reservations, especially the American Military Bases into alternative productive civilian uses for the benefit of the Filipino people.

Pursuant to this Act, Presidential Proclamation No. 216 was issued creating and designating the area covered by the former Wallace Air Station, the San Fernando Seaport and Airport, and contiguous areas in Poro Point Special Economic and Freeport Zone (PPSEFZ), now the Poro Point Freeport Zone (PPFZ).

On June 29, 1993, Executive Order (EO) No. 103 was issued, establishing the John Hay Development Corporation (JHDC) as a subsidiary and implementing arm of BCDA for Club John Hay.

Subsequently, on October 07, 1998, EO No. 31 was issued amending Sections 1 and 3 of EO No. 103, series of 1993, renaming John Hay Development Corporation (JHDC) to John Hay Poro Point Development Corporation (JPDC) as the authorized operating and implementing arm of the BCDA to manage the John Hay Special Economic Zone (JHSEZ) and the PPFZ and its contiguous areas.

On October 03, 2002, EO No. 132 was issued authorizing the creation of Poro Point Management Corporation (PPMC) as the implementing arm of BCDA over the PPFZ and renaming the JPDC as the John Hay Management Corporation (JHMC).

The PPMC was registered with the Securities and Exchange Commission (SEC) on January 06, 2003.

On March 20, 2007, Republic Act (RA) No. 9400 was enacted affirming the Freeport status of the PPSEFZ, renaming it as the Poro Point Freeport Zone (PPFZ).

The PPMC office is located at Governor Joaquin L. Ortega Avenue, Poro Point, City of San Fernando, La Union.

Performance Agreement

Pursuant to EO No. 62 issued on February 27, 1993, on the prescribed policies and guidelines for the implementation of RA No. 7227, the BCDA is mandated to perform oversight over subsidiaries and adopt and implement an oversight mechanism to implement efficient utilization of scarce resources and to ensure that the plans and programs of subsidiaries are proceeding according to national goals and objectives.

In order to carry out this objective, EO No. 62 likewise mandates that the BCDA and its subsidiaries enter into a Performance Agreement embodying the performance criteria and target for the year and the desired goals of the succeeding years.

Towards this goal, the BCDA and PPMC entered into a Performance Agreement, setting the performance standards in accordance with the policies and programs of BCDA and PPMC which is mutually acceptable to both parties.

Foremost among the features of the Agreement are the financial undertakings that BCDA and PPMC have to comply with, briefly summarized as follows:

- The BCDA as property owner of the PPFZ shall earn from lease rentals, joint venture agreements, and other business arrangements generated in the PPFZ and from dividends to be declared by the PPMC. The PPMC shall record these revenues as Trust Liability and remit the same to BCDA through a designated bank account solely in the name of BCDA. The same shall now be recorded as income of BCDA.
- The PPMC as estate manager shall earn estate management fees due from BCDA either a 50 percent share in the revenues of the PPFZ or fixed amount of Php60.5 million annually for the next two (2) years beginning 2014 to cover Personal Services (PS) and Maintenance & Other Operating Expenses (MOOE), whichever is higher. In addition, PPMC shall receive a 10 percent share of the net income of the zone.
- The PPMC shall ensure that all necessary and appropriate insurance coverage for properties within the zone as well as security services for the property are secured. Insurance coverage, maintenance, and depreciation expenses of the BCDA properties within the zone, as well as maintenance and security services for the properties, however, shall be charged to the BCDA as the owner of the land.
- The PPMC shall formulate an annual work plan and budget to be submitted to the BCDA for approval in accordance with Financial Policy No. 502-2.
- The PPMC shall submit a rolling five-year operating expenditure (OPEX) schedule for the BCDA funding and approval while maintaining the expected Return on Assets (ROA) and Return on Equity (ROE) targets for the BCDA. Yearly submission of the actual OPEX for review and next year's projected OPEX schedule for consideration and approval of the BCDA shall be presented during the planning and budgeting deliberations.

2. Summary of Significant Accounting Policies

Significant accounting policies are set forth to facilitate understanding of data presented in the financial statements (FS).

2.1 Basis of preparation

The FS have been prepared in conformity with accounting principles generally accepted in the Philippines. The FS are presented in Philippine peso, which is the functional and reporting currency of the PPMC.

The FS comprise the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, and Notes to Financial Statements.

2.2 Use of Estimates and Judgments

Preparing the financial statements in conformity with PFRS requires management to make judgments, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities, income, and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. It also requires management to exercise its judgments in the process of applying the accounting policies consistent with those of the BCDA.

PFRS 1, First-time Adoption of Philippine Financial Reporting Standards, requires an entity adopting PFRS for the first time (a first-time adopter) to comply with each PFRS that has come into effect at the reporting date for its first PFRS financial statements. It also requires a first-time adopter to prepare an opening PFRS balance sheet at the date of transition to PFRS, the beginning of the earliest adoption to which it represents the full comparative information under PFRS.

PAS 1, Presentation of Financial Statements, (a) provides a framework within which an entity assesses how to present fairly the effects of transactions and other events; (b) provides the base criteria for classifying liabilities as current or non-current; (c) prohibits the presentation of items of income and expenses as extraordinary items in the financial statements; and (d) specifies the disclosures.

IAS 2 – Inventories. This standard prescribes accounting treatment of inventories, guidance on determining cost, subsequent recognition as an expense and on the write-down of inventories, and cost formulas used to assign costs to inventories.

IAS 16 – Property, Plant and Equipment. This standard prescribes the accounting treatment for property, plant and equipment. An item of property, plant, and equipment that qualifies for recognition as an asset shall be measured at cost. The depreciable amount of an asset shall be allocated on a systematic basis over its useful life. The residual value and the useful life of an asset shall be reviewed at least each financial year-end and, if expectations differ from previous estimates, the changes(s) shall be accounted for as change in an accounting estimate in accordance with PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*.

2.3 Cash and Cash Equivalents

Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments with original maturities of three months or less from date of acquisition.

2.4 Supplies and Materials

This account carries the value of unused supplies and materials in stock using the moving average inventory method.

2.5 Investment in Joint Ventures

The PPMC has an interest in joint ventures which are jointly controlled entities, whereby the ventures have a binding arrangement that establishes joint control over the economic activities of the entity. The PPMC recognizes its interest in the joint venture using the equity method. Under the equity method, investments in joint ventures are carried in the consolidated statement of financial position at cost plus post-acquisition changes in share of net assets of the joint venture.

2.6 Property, Plant and Equipment (PPE)

PPE is stated at cost less accumulated depreciation. Depreciation is measured using the straight-line method such that pursuant to COA Circular No. 2004-3 dated October 4, 2004, and COA Circular No. 2015-002 dated March 9, 2015, the computation of depreciation expense shall start on the following month after the purchase/completion of the PPE, irrespective of date within the month. The current and subsequent month depreciation expense shall be computed as follows:

$$\text{Monthly Depreciation Expense} = \frac{\text{Carrying Amount} - \text{Residual Value}}{\text{Remaining Useful Life}}$$

The effect of the recognition of depreciation as a result of the change in the estimated residual value from 10% to 5% of the cost shall be applied prospectively.

Assets acquired with a cost of more than Php50,000.00 are recorded under PPE pursuant to COA Circular No. 2022-004 dated May 31, 2022. The threshold shall be applied on an individual asset or per item basis. Each item within the bulk acquisition such as library books, small equipment, computer peripherals, work animals, and the like, costing below Php50,000.00 is to be recognized as semi-expendable property.

Maintenance and repairs of PPE are charged to operations. Improvements and/or major repairs that considerably extend the assets' life or if the repair costs are material in amount, are capitalized to the appropriate asset account.

2.7 Revenue Recognition

Funds released for OPEX from the BCDA are reflected as Management fees in the Statement of Comprehensive Income.

2.8 Collections received in trust

The PPMC shall remit to the BCDA on a regular basis all revenues from contracts and other sources of revenues generated within the PPFZ and are deposited daily to BCDA Land Bank of the Philippines (LBP) Account No. 0202-xxxx-54 at the City of San Fernando, La Union. The results of these activities are being reported to BCDA on a monthly basis.

3. Cash and Cash Equivalents

This account consists of the following:

| Particulars | 2024 | 2023 |
|--|----------------------|---------------------|
| Cash Collecting Officer | 108,475.15 | 7,900.00 |
| Cash in Bank-Local Currency, CA | 17,906,264.15 | 8,560,466.76 |
| Total Cash & Cash Equivalents | 18,014,739.30 | 8,568,366.76 |

Cash in Bank-Local Currency, CA is composed of the following:

Cash in Bank-Local Currency, OPEX Current Account

PPMC maintains a current account at the LBP for its OPEX.

Cash in Bank-Local Currency, Capital Expenditure (Capex) Account

On 19 October 2018, PPMC opened a current account for its CAPEX pursuant to the advice of the Department of Finance (DOF) to wind down PPMC's deposits at PNB and transfer the same to either LBP/DBP.

4. Investments

This is composed of Investment in Time Deposits.

Investment in Time Deposits represents authorized placements of time deposit at the LBP for 180 days, comparative details are shown below:

| Particulars | 2024 | 2023 |
|--|---------------|---------------|
| Investments in Time Deposits | | |
| Investment in Time Deposits-Local Currency | 81,056,864.85 | 80,773,689.53 |

5. Receivables

The account is composed of the following:

| Particulars | 2024 | 2023 |
|-------------------------------|------|------|
| Loans and Receivables Account | | |

| | | |
|---------------------------------------|----------------------|----------------------|
| Accounts Receivable | 290,096.55 | 290,096.55 |
| Interest Receivables | 207,667.30 | 171,478.00 |
| Inter-Agency Receivables | | |
| Due from National Government Agencies | 605,912.61 | 605,912.61 |
| Due from Government Corporations | 70,000.00 | 77,058.82 |
| Intra-Agency Receivables | | |
| Due from Parent Corporation | 18,281,436.12 | 13,191,534.30 |
| Other Receivables | | |
| Due from Officers and Employees | 802,402.07 | 1,227,900.21 |
| Other Receivables | 1,239,817.20 | 1,239,817.20 |
| Total Receivables | 21,497,331.85 | 16,803,797.69 |

Loans and Receivable Account

The accounts receivable pertains to various receivables from customers for regulatory fees.

Interest receivables pertain to accrued interests on investments of time deposit accounts.

Intra-Agency Receivables

The Due from BCDA pertains to reimbursement of land related costs such as insurance coverage, maintenance, and security services for BCDA properties.

Other Receivables

The account Due from Officers and Employees represents receivables from PPMC personnel for personal calls, taxes due for prior years, and other miscellaneous charges.

The Other Receivables account consists of Php1,197,678.19 held in trust by PPMC for BCDA. Out of the Php1,197,678.19 receivables, the amount of P187,953.69 refer to collectibles from airport users while the amount of P1,009,724.50 is long outstanding airport fees due from Ace Pilots Aviation Academy which was subjected to a legal move to pursue collection in Court.

6. Inventories

This account consists of the following:

| Particulars | 2024 | 2023 |
|--|-------------------|-------------------|
| Office Supplies Inventory | 556,658.05 | 539,442.65 |
| Construction Materials Inventory | 167,622.06 | 167,651.46 |
| Other Supplies and Materials Inventory | 85,563.25 | 137,152.36 |
| Total Inventories | 809,843.36 | 844,246.47 |

7. Other Current Assets

This account is composed of the following:

| Particulars | 2024 | 2023 |
|---------------------------|---------------------|---------------------|
| Prepayments | | |
| Advances to Contractors | 266,067.41 | 1,774,090.36 |
| Prepaid Registration | 6,991.47 | 0.00 |
| Prepaid Insurance | 140,080.13 | 117,768.04 |
| Other Prepayments | 1,393,870.87 | 200,226.59 |
| Deposits | | |
| Guaranty Deposits | 168,884.00 | 168,884.00 |
| Withholding Tax at Source | | |
| Withholding Tax at Source | 67,803.84 | 72,278.90 |
| Total Other Assets | 2,043,697.72 | 2,333,247.89 |

The Advances to Contractors account pertain to the balance of mobilization fees of Contractors for the following projects: Construction of the San Fernando Airport Runway Slope Protection and Construction of Poro Point Baywalk Structure (Alfresco Restaurant). Also included is the balance of the mobilization fee for the PPMC website project.

Prepaid insurance includes prepayments for PPMC's building insurance premiums for CY 2024.

Guaranty deposits pertain to deposits to service providers such as telephone and electric companies that are refundable upon cancellation/termination of contracts.

Withholding tax at source pertains to tax withheld by customers for services rendered by PPMC to be applied to the income tax due.

8. Investments and Equity in Joint Venture

This account includes:

| | 2024 | 2023 |
|------------------------------|----------------------|---------------|
| Investments in Joint Venture | 15,000,000.00 | 15,000,000.00 |
| Other Investments | | |
| Investment in Stocks | 15,000.00 | 15,000.00 |
| Total Investments | 15,015,000.00 | 15,015,000.00 |

The Investment in Joint Venture pertains to the 15% investment share of PPMC to Poro Point Industrial Corporation (PPIC) pursuant to the Pre-Incorporation Agreement.

The Pre-Incorporation Agreement entered into on September 24, 1999, by and between the BCDA and JPDC now, PPMC and Bulk Handlers, Inc. (BHI), a corporation duly organized under Philippine laws, created a joint venture corporation under the name of PPIC.

Section 1, paragraph 1.02 of the Pre-Incorporation Agreement provides that the PPIC shall be organized for the principal purpose of undertaking the utilization, development, operation, management, and administration of the seaport and industrial areas as well as all reclamation works within the project area.

Section 1, paragraph 1.03 also provides that the authorized capital stock of PPIC shall initially be in the amount of P100,000,000. BCDA/PPMC shall subscribe to shares equal to P30,000,000 constituting 30% ownership of the total outstanding capital stock. On the other hand, BHI and/or its consortium shall subscribe to and fully pay for shares equal to P70,000,000.00 for a 70% ownership of the total outstanding capital stock of PPIC.

It was likewise provided under the terms of the Agreement that BHI shall fund the thirty percent (30%) equity participation of BCDA/PPMC in exchange for the leasehold rights over the project area and that BHI shall always fund the equity participation of BCDA/PPMC in the event the capital stock of PPIC is increased to avoid dilution of the BCDA/PPMC shares.

To date, PPMC equity share amounts to P15,000,000.00 equivalent to fifteen 15% of the total authorized and subscribed capital stock of PPIC.

Other Investments

The Investment in Stocks represents the subscription of shares of stock with PLDT.

9. Investment Property

This account consists of:

| | 2024 | 2023 |
|----------------------------------|---------------------|---------------|
| Investment Property-Land | 0.00 | 16,416,169.40 |
| Construction in Progress | 4,249,796.45 | 80,231,754.50 |
| Total Investment Property | 4,249,796.45 | 96,647,923.90 |

The Construction in progress represents PPMC's Capex funded project: Construction of PPMC Office/ Multi-Purpose Rooms, Construction of Poro Point Baywalk Structure (Alfresco Restaurant) and Various Repairs at the PPMC Admin and CCA Building.

10. Property, Plant and Equipment

The details of this group of accounts consist of the following:

| | 2024 | 2023 |
|------------------------------|----------------------|---------------|
| Land Improvements | 276,082.12 | 276,082.12 |
| Buildings & Other Structures | 12,055,679.41 | 12,055,679.41 |
| Infrastructure Assets | 516,605.02 | 516,605.02 |

| | | |
|--------------------------------|----------------------|---------------|
| Machinery and Equipment | 6,741,965.24 | 6,313,607.24 |
| Transportation Equipment | 8,681,939.06 | 8,681,939.06 |
| Furniture, Fixtures and Books | 901,045.01 | 901,045.01 |
| Total | 29,173,315.86 | 28,744,957.86 |
| Less: Accumulated Depreciation | 22,451,447.84 | 21,046,903.16 |
| Total | 6,721,868.02 | 7,698,054.70 |

PPE pertains to assets acquired and are utilized and directly benefits PPMC which includes among others, properties such as buildings, furniture, fixtures, machinery, equipment, and motor vehicles.

11. Intangible Assets

This account pertains to the design and development of the PPMC website.

12. Other Non-current Assets

Other Assets-land amounting to Php16,416,169.40 refers to the validated land held-in trust within the Poro Point Freeport Zone on behalf of BCDA. Acquisition cost was valued at P1,250.00/P2,300.00 per square meter plus documentary stamp taxes & other similar incidental charges.

There are fifty-eight (58) original land titles already forwarded to BCDA out of the seventy-three (73) land titles covering 5.43 hectares, more or less. Titles of the remaining lots are still subject to reconstitution as a result of the fire that gutted the Register of Deeds building on August 26, 2000.

On August 2, 2012, the Land Registration Administration (LRA) informed BCDA/PPMC that the following titles were issued with reconstitution orders: T-52521; T-52526; T-52530; T-52518; T-46198; T-52588. The LRA likewise informed BCDA that the rest of the TCT's with pending applications for reconstitution may have been damaged during the fire that destroyed the LRA office on July 22, 2011. PPMC will file the necessary documents in order to safeguard PPMC's rights to the properties.

Construction in progress held in trust of P7,584,309.46 constitutes accrued capital expenditure projects for the Construction of the San Fernando Airport Runway Slope Protection Phase I and II, Repair Works at Poro Point Baywalk to Replace 22 Sets Dilapidated Gazebos and Improvement of the Crash Fire Gate with Access Road. Upon completion, these projects together with relevant documents will be turned-over to BCDA and the corresponding advances granted to PPMC are liquidated.

13. Financial Liabilities

This account represents the outstanding payables on purchases from local suppliers and contractors and payables to the PPMC personnel.

| Particulars | 2024 | 2023 |
|-------------|------|------|
|-------------|------|------|

| | | |
|-------------------------------|----------------------|----------------------|
| Accounts Payable | 25,711,564.02 | 25,070,240.72 |
| Due to Officers and Employees | 1,577,572.58 | 321,774.01 |
| Total | 27,289,136.60 | 25,392,014.73 |

Part of the accounts payable is the accrual of a percentage of completion of CAPEX projects such as Construction of the San Fernando Airport Runway Slope Protection Phase I and II, Repair Works at Poro Point Baywalk to Replace 22 Sets Dilapidated Gazebos and Improvement of the Crash Fire Gate with Access Road.

14. Inter-Agency Payables

This account is composed of the following:

| Particulars | 2024 | 2023 |
|------------------------------------|----------------------|----------------------|
| Due to BIR | 720,938.97 | 739,199.91 |
| Due to Pag-ibig | 6,900.00 | 5,250.00 |
| Due to Philhealth | 1,272.77 | 2,336.25 |
| Due to SSS | 2,880.00 | 7,989.50 |
| Due to Parent Corporation- BCDA | 10,207,819.67 | 64,595,506.14 |
| Income Tax Payable | 1,264,778.34 | 414,902.93 |
| Due to NGAs | 166,042.00 | 0.00 |
| Due to LGUs | 16,400.00 | 0.00 |
| Total Inter-Agency Payables | 12,387,031.75 | 65,765,184.73 |

Due to Parent Corporation pertains to funds released by the BCDA for CAPEX projects such as Construction of the San Fernando Airport Runway Slope Protection Phase I and II, Repair Works at Poro Point Baywalk to Replace 22 Sets Dilapidated Gazebos and Improvement of the Crash Fire Gate with Access Road. PPMC will liquidate these advances by turning over the completed projects to BCDA.

Also included in this account are the earned revenues within the PPFZ held in trust by PPMC for the BCDA. These collections are to be remitted to the BCDA through its designated bank account. Part of this account is the outstanding airport fees due from Ace Pilots Aviation Academy amounting to P1,009,724.50 which was the subject of a legal move to pursue collections in courts, and the other receivable from airport clients of P187,953.69.

15. Trust Liabilities

This account consists of trust liabilities, customer's deposits, and guaranty/ security deposit payables. Trust liabilities refer to bid fees collected from bidders. Guaranty/ Security Deposits payable represents the security deposit for the reservation fee of Baywalk lots, warranties posted by Contractors, and retention payable which shall be due for release to the Contractor upon final acceptance of its works by the PPMC. Balances appearing are broken down as follows:

| Particulars | 2024 | 2023 |
|--------------------|-------------|-------------|
|--------------------|-------------|-------------|

| | | |
|-------------------------------------|---------------------|---------------------|
| Trust Liabilities | 1,560,154.16 | 1,609,368.56 |
| Guaranty/ Security Deposits Payable | 485,526.33 | 7,012,789.10 |
| Total Trust Liabilities | 2,045,680.49 | 8,622,157.66 |

16. Other Payables

This account is composed of:

| Particulars | 2024 | 2023 |
|-----------------------------|------------------|------------------|
| Unearned Revenue | 6,000.07 | 14,000.00 |
| Other Payables | 5,354.14 | 65,761.34 |
| Total Other Payables | 11,354.21 | 79,761.34 |

Unearned revenue pertains to advance rental of eight (8) concrete poles covering the period January to September 2025. Other payables pertain to loan amortizations deducted from the employee maternity benefit to be remitted in January 2025.

17. Inter-Agency Payables

This account pertains to the Due to Parent Corporation (BCDA) account which represents funds released by the BCDA to the PPMC purposely for the acquisition of private lots within the Wallace Area.

18. Stockholders' Equity

This account is composed of Share Capital and Other Equity Instruments and is detailed as follows:

| Particulars | 2024 | 2023 |
|-----------------------------------|----------------------|----------------------|
| Shareholder's Equity | | |
| Share Capital | 68,143,720.23 | 68,143,720.23 |
| Other Equity Instruments | 15,000,000.00 | 15,000,000.00 |
| Total Stockholder's Equity | 83,143,720.23 | 83,143,720.23 |

Share Capital

PPMC was authorized to issue 800,000 shares at P100 cost per share. BCDA has approved an increase of authorized capital stock from Php80 million to Php300 million per letter dated May 4, 2012.

On October 15, 2014, PPMC wrote a letter to the Governance Commission for Government Owned and Controlled Corporation (GCG), requesting for the latter's endorsement/clearance/recommendation for the amendment of the Articles of Incorporation of the PPMC prior to submission to SEC for approval. On October 27, 2014, the GCG directed the PPMC to submit documents to be used in the evaluation process of the latter's request. On November 2, 2016, the PPMC submitted additional required documents required by the GCG in the evaluation process. Finally, on November 23, 2016, the GCG approved the request for increase in capitalization of PPMC. The PPMC is now reviewing the increase in

capitalization in coordination with the BCDA. The latter has not yet given its final approval on the matter, it being the 99% owner of the totality of the stocks of the PPMC.

19. Retained Earnings

This account represents the cumulative results of normal and continuous operations of PPMC including prior period effects of changes in accounting policy and errors and other capital adjustments.

Prior period adjustments taken up as of December 31, 2024, include the following:

| Date | Reference | Particulars | Amount |
|------------|-------------------------------|---|-------------------|
| 1/31/2024 | JV 25011 | Prior year's expenses | -6,000.00 |
| 1/31/2024 | JV 25323; 25331; 25333; 24984 | Adjustments from prior years | 81,438.61 |
| 1/31/2024 | JV 25466; 25473 | Adjustment of Due from Officers and Employees account | 49,681.67 |
| 2/29/2024 | Various reference | Prior year's expenses | -17,480.48 |
| 3/31/2024 | JV 25993; 26571 | Adjustments from prior years | 51,948.65 |
| 4/30/2024 | Various reference | Prior year's expenses | 187,816.69 |
| 5/31/2024 | Various reference | Adjustments arising from AOMs | 125,558.99 |
| 6/13/2024 | JV 27946 | Adjustment from prior years | -21,886.07 |
| 7/31/2024 | JV 28831/ 28365 | Prior year's expenses | -737.88 |
| 8/31/2024 | JV 28920 | Adjustment from prior years | -5,992.15 |
| 10/11/2024 | JV 29881 | Adjustment from prior years | 4,067.69 |
| 11/30/2024 | Various reference | Adjustment from prior years | 10,072.69 |
| 12/31/2024 | JV 31665; 31615 | Adjustment from prior years | 184,504.19 |
| | | TOTAL | 642,992.60 |

20. Service and Business Income

The income of the PPMC is derived from the following sources:

| Particulars | 2024 | 2023 |
|-----------------------------|---------------|---------------|
| Service and Business Income | | |
| Service Income | | |
| Permit Fees | 13,200,403.27 | 10,516,384.56 |
| Business Income | | |
| Management Fees | 90,995,433.86 | 85,762,008.14 |
| Interest Income | 596,296.21 | 668,470.40 |

| | | |
|-----------------------|-----------------------|----------------------|
| Other Business Income | 327,087.13 | 190,000.00 |
| Miscellaneous Income | | |
| Miscellaneous Income | 9,634.99 | 40,710.49 |
| Total Revenues | 105,128,855.46 | 97,177,573.59 |

Permit Fees

This account consists of regulatory fees such as seaport dues and fees, import permits, local purchase permits, gate pass, building permit fees and other fees.

Management Fees

This account consists mainly of management fees. PPMC as estate manager of the PPFZ is compensated by the BCDA in the form of OPEX fund releases corresponding to the annual budget for Personal Services (PS) and Maintenance and Other Operating Expenses (MOOE) of the PPMC. Such fund releases are recognized as estate management fees in the books of the PPMC and are being released by the BCDA at the start of the year.

The BCDA, as the property owner is entitled to the revenues generated from the PPFZ, which comprise of lease rentals, airport fees, gaming revenue share, share in the sale of real estate projects, and regulatory fees.

As of December 31, 2024, BCDA/PPMC earned a total zone revenue of Php124,555,419.77.

The entry of Thunderbird Pilipinas Hotels and Resorts, Inc, whose Casino opened for business on April 28, 2006, provided a significant share in the revenues generated. Total percentage share in net winnings of 4% for the period January to December 2024, is Php54,676,485.59. This amount represents variable income for BCDA/PPMC on top of the monthly fixed lease rentals of PhP1,797,646.25.

All collections accruing to the BCDA are deposited to its sole bank account.

Interest Income

These are interests earned on investments and bank deposits.

Other Business Income

This income account includes revenue generated from bay walk fees, and income earned from renting concrete poles.

Miscellaneous Income

This account comprises liquidated damages collected from contractors and suppliers due to delayed completion of works and delivery of goods.

21. Personnel Services

These include the following expenses of PPMC as presented:

| Particulars | 2024 | 2023 |
|---|----------------------|---------------|
| Salaries and Wages | | |
| Salaries and Wages-Regular | 36,909,146.64 | 37,648,292.11 |
| Other Compensation | | |
| Personnel Economic Relief Allowance | 1,407,045.10 | 1,407,216.19 |
| Representation Allowance (RA) | 821,250.00 | 802,500.00 |
| Transportation Allowance (TA) | 821,250.00 | 802,500.00 |
| Clothing/Uniform Allowance | 413,000.00 | 354,000.00 |
| Overtime and Night Pay | 1,622,617.11 | 1,211,831.87 |
| Year-End Bonus | 3,135,199.00 | 3,195,530.00 |
| Cash Gift | 296,000.00 | 295,000.00 |
| Mid-Year Bonus | 3,093,842.00 | 3,025,862.00 |
| Directors' and Committee Members' Fees | 2,097,000.00 | 2,018,000.00 |
| Other Bonuses and Allowances | 1,528,000.00 | 1,758,000.00 |
| Personnel Benefit Contributions | | |
| Retirement and Life Insurance Premiums | 1,930,532.50 | 1,904,607.50 |
| Pag-ibig Contributions | 134,300.00 | 68,300.00 |
| Philhealth Contributions | 860,138.40 | 641,897.01 |
| Employees Compensation Insurance Premiums | 20,990.00 | 20,450.00 |
| Provident/Welfare Contribution | 3,598,765.96 | 1,400,359.23 |
| Other Personnel Benefit Contributions | | |
| Terminal Leave Benefits | 2,007,724.36 | 2,485,945.60 |
| Retirement Gratuity | 4,406,634.59 | 0.00 |
| Total Personnel Services | 65,103,435.66 | 59,040,291.51 |

On August 15, 2023, the Office of the President approved the establishment of PPMC's Provident Fund, which is defined as a savings scheme consisting of contributions from both the employees and PPMC which serves as a loan facility and provider of supplementary welfare benefits of its members.

22. Maintenance and Other Operating Expenses

PPMC incurred the following operating expenses:

| Particulars | 2024 | 2023 (Restated) |
|-----------------------------------|--------------|----------------------------|
| Travelling Expenses | | |
| Travelling Expenses-Local | 3,287,763.95 | 3,045,042.54 |
| Travelling Expenses- Foreign | 648,045.09 | 691,161.53 |
| Training and Scholarship Expenses | | |

| | | |
|--|----------------------|----------------------|
| Training Expenses | 745,565.08 | 615,224.27 |
| Supplies and Materials Expenses | 2,277,982.63 | 2,604,626.32 |
| Utility Expense | 810,377.59 | 787,831.05 |
| Communication Expenses | 1,222,709.37 | 875,964.78 |
| Extraordinary and Miscellaneous Expenses | 270,804.64 | 229,413.24 |
| Legal Services | 28,002.00 | 0.00 |
| Auditing Services | 1,220,461.81 | 1,163,037.77 |
| Other Professional Services | 254,770.72 | 46,455.09 |
| General Services | | |
| Janitorial Services | 433,222.92 | 629,842.01 |
| Security Services | 1,662,700.15 | 1,356,082.91 |
| Repair and Maintenance | | |
| Buildings and Other Structures | 315,289.94 | 204,789.00 |
| Transportation Equipment | 166,908.50 | 165,222.60 |
| Furniture and Fixtures | 5,870.00 | 53,137.12 |
| Machinery and Equipment | 3,520.00 | 0.00 |
| Taxes, Insurance Premiums and Other Fees | | |
| Taxes, Duties and Licenses | 123,189.19 | 106,516.00 |
| Insurance Expenses | 345,699.08 | 213,312.79 |
| Other Maintenance and Operating Expenses | | |
| Advertising, Promotional and Marketing Expenses | 634,240.71 | 769,253.37 |
| Printing and Publication Expenses | 202,537.00 | 0.00 |
| Representation Expenses | 1,583,135.46 | 1,299,550.28 |
| Rent/Lease Expenses | 55,120.00 | 0.00 |
| Membership Dues and Contributions to Organizations | 500.00 | 0.00 |
| Subscription Expenses | 26,640.57 | 21,959.00 |
| Bank Transaction Fee | 11,940.00 | 0.00 |
| Other Maintenance and Operating Expenses | 2,786,294.10 | 3,359,931.39 |
| Total MOOE | 19,123,290.50 | 18,238,953.06 |

23. Non-Cash Expenses

This includes the depreciation expenses taken up on the PPE and amortization of intangible assets of PPMC.

| Particulars | 2024 | 2023 |
|--|------------|------------|
| Depreciation | | |
| Depreciation-Building and Other Structures | 469,320.12 | 469,320.12 |
| Depreciation-Machinery and Equipment | 449,366.40 | 418,337.16 |
| Depreciation-Transportation Equipment | 479,357.04 | 526,893.07 |
| Depreciation-Furniture, Fixtures and Books | 6,501.12 | 10,091.40 |
| Amortization | | |

| | | |
|--------------------------------|---------------------|---------------------|
| Amortization-Websites | 30,333.31 | 0.00 |
| Total Non-Cash Expenses | 1,434,877.99 | 1,424,641.75 |

24. Dividends

The Php10,487,537.25 decrease represents the dividend for CY 2023 which was 75% of PPMC 2023 Net Income. The amount was remitted to the Bureau of the Treasury in April 2024.

25. Status of Pending Litigations

| Case | Status/Update |
|--|---|
| 1. PPMC vs. Ace Pilots Aviation Academy, Inc. Civil Case No. 9007 Collection of Sum of Money PhP1,031,258.80 | The Honorable Court issued a Notice of Garnishment on July 11, 2018 and served upon BPI and BDO head offices, Makati on July 17, 2018 and July 19, 2018 respectively. BPI and BDO in their reply dated 19 July 2018, stated that the defendant had no account with their bank. Thus, the Sheriff failed to execute the judgment against the Defendant corporation. Defendant ceased operations. Recommend to consider the account as "bad debt" pursuant to the provisions of NIRC. |
| 2. BCDA/PPMC vs. Lepanto Consolidated Mining Co. and Shippside Incorporated Re: Expropriation Cases (for eminent domain) | Lepanto, Inc., et. al. filed a Petition for Certiorari to the Supreme Court from the Decision of the CA Order to remand the case to the trial court. The case is pending before the SC. The Office of the Solicitor General and the Office of the Government Corporate Counsel are the statutory counsel. PPMC shall follow up updates with the BCDA. |
| 3. Bulk Handler's Inc. (BHI), Moran, Tan, Venturina and Poro Point Industrial Corporation (PPIC) vs. BCDA and PPMC. Declaratory Relief pursuant to the Interim Rules of Procedure Governing Intra-Corporate Controversies | 22 May 2006 BHI et al. filed for Declaratory Relief against BCDA & PPMC in RTC Br. 29, SFLU docketed as CC No. 7188 17 December 2009 The RTC rendered judgment in favor of BHI et al., declaring among others that the PIA is valid and effective. May 2012 BCDA & PPMC filed a Petition for Review with the CA assailing the Order |

| | |
|--|--|
| | <p>dismissing the Notice of Appeal & Motion for Reconsideration filed by BCDA & PPMC respectively.</p> <p>11 July 2012 CA dismissed the consolidated Petition for Review on the ground that the same is time-barred</p> <p>12 March 2015 BCDA & PPMC filed a Petition for Review on Certiorari with the Supreme Court</p> <p>08 November 2018 BCDA filed a Motion for Early Resolution of the case.</p> <p>March 2023 BCDA & PPMC filed their Memorandum pursuant to the SC Resolution directing the Parties' respective Memoranda</p> |
| <p>4. PPMC vs. Poro Exim Corporation Re: Collection of Sum of Money with damages. Civil Case No. 10225 RTC Branch 29, City of San Fernando, La Union</p> | <p>Following the compliance of withdrawal of the in-house counsel, PPMC hired a lawyer outside to handle the case with the conformity of BCDA, OGCC and COA. Plaintiff rested its case. Defendants' turn to present evidence.</p> |