



SM PRIME

SM PRIME HOLDINGS, INC.

(A corporation duly organized and existing under Philippine laws)

OFFER SUPPLEMENT

dated 28 October 2025

Offer of ₱12,000,000,000 Fixed Rate Bonds
With an Oversubscription Option of up to ₱5,000,000,000
Third Tranche under its ₱100,000,000,000 Debt Securities Program

consisting of

5.9096% p.a. Series AB Bonds due 2030

6.0858% p.a. Series AC Bonds due 2032

6.2855% p.a. Series AD Bonds due 2035

at an Offer Price of 100% of Face Value

to be listed and traded through
The Philippine Dealing & Exchange Corp.

A REGISTRATION STATEMENT COVERING THE ₱100,000,000,000 DEBT SECURITIES WAS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ("SEC") AND WAS RENDERED EFFECTIVE ON 6 JUNE 2024 UNDER SEC MSRD ORDER NO. 46, SERIES OF 2024. THE FIRST TRANCHE, WITH AN AGGREGATE PRINCIPAL AMOUNT OF ₱25,000,000,000, WAS ISSUED ON 24 JUNE 2024 PURSUANT TO THE PROSPECTUS DATED 4 JUNE 2024. THE SECOND TRANCHE, WITH AN AGGREGATE PRINCIPAL AMOUNT OF ₱25,000,000,000, WAS ISSUED ON 25 FEBRUARY 2025 PURSUANT TO THE PROSPECTUS DATED 4 JUNE 2024 AND THE OFFER SUPPLEMENT DATED 7 FEBRUARY 2025. THE REGISTRATION STATEMENT IS ACCESSIBLE AT [HTTPS://WWW.SMPRIME.COM/CORPORATE-DISCLOSURE](https://www.smpriime.com/corporate-disclosure).

THIS OFFER SUPPLEMENT RELATES TO THE THIRD TRANCHE AND SHOULD BE READ IN CONJUNCTION WITH THE PROSPECTUS DATED 4 JUNE 2024.

THE SEC HAS NOT APPROVED THESE SECURITIES OR DETERMINED IF THIS OFFER SUPPLEMENT IS ACCURATE OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE AND SHOULD BE REPORTED IMMEDIATELY TO THE SEC.

Joint Issue Managers, Joint Lead Underwriters and Bookrunners



Joint Lead Underwriters and Bookrunners



Selling Agent

Land Bank of the Philippines

Trustee

Philippine National Bank – Trust Banking Group

BDO Capital & Investment Corporation and China Bank Capital Corporation have been appointed as the Joint Issue Managers, Joint Lead Underwriters and Bookrunners for the Offer. These Joint Issue Managers, Joint Lead Underwriters and Bookrunners are organizationally and operationally distinct groups within SM Investments Corporation, which is the direct parent company of the SM Prime Holdings, Inc., the Issuer for this Offer. These Joint Issue Managers, Joint Lead Underwriters and Bookrunners are separate and independent from each other and the Issuer.

The rest of the Joint Lead Underwriters and Bookrunners and the Trustee are not related to the Issuer.

SM PRIME HOLDINGS, INC.

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Seashell Lane cor. Coral Way
Mall of Asia Complex, Brgy. 76 Zone 10,
CBP-1A, Pasay City, Metro Manila, Philippines
Telephone No.: +632-8831-1000
Website: <https://smprime.com>

This Offer Supplement relates to SM Prime Holdings, Inc.'s ("SM Prime", the "Issuer", or the "Company") proposed public offer and sale of fixed-rate bonds in the aggregate principal amount of ₱12,000,000,000, with an oversubscription option of up to ₱5,000,000,000 (the "Oversubscription Option") (the "Bonds" or the "Offer"), to be issued as the third Tranche of SM Prime's ₱100,000,000,000 debt securities shelf registration which was rendered effective by the Securities and Exchange Commission ("SEC") under MSRD Order No. 46, Series of 2024, on 6 June 2024 ("Debt Securities Program"). SM Prime prepared the prospectus dated 4 June 2024 (the "Prospectus") covering the first Tranche of the ₱100,000,000,000 Debt Securities Program and offer supplement dated 7 February 2025 for the second Tranche. As the context requires, the term Offer Supplement includes the Prospectus.

The Offer will be comprised of five (5)-year Series AB Bonds due 2030, seven (7)-year Series AC Bonds due 2032, and ten (10)-year Series AD Bonds due 2035.

The Series AB Bonds shall have a term of five (5) years from the Issue Date, with a fixed interest rate equivalent to 5.9096% p.a. The Series AC Bonds shall have a term of seven (7) years from the Issue Date, with a fixed interest rate equivalent to 6.0858% p.a. The Series AD Bonds shall have a term of ten (10) years from the Issue Date, with a fixed interest rate equivalent to 6.2855% p.a.

Interest on the Series AB Bonds, Series AC Bonds, and Series AD Bonds shall be payable semi-annually in arrear on 17 May and 17 November of each year for each Interest Payment Date at which the Bonds are outstanding, or on the subsequent Business Day without adjustment if such Interest Payment Date is not a Business Day. The Maturity Dates of the Series AB Bonds, Series AC Bonds, and Series AD Bonds shall be on 17 November 2030, 17 November 2032, and 17 November 2035, respectively, which will also be the last Interest Payment Dates for each series.

The Bonds will be repaid at 100% of Face Value on the relevant Maturity Date, unless otherwise redeemed, cancelled, or purchased prior to the relevant Maturity Date, or as otherwise set out in "Description of the Bonds – Redemption and Purchase" and "Description of the Bonds – Payment in the Event of Default" sections of this Offer Supplement.

The Series AB Bonds, Series AC Bonds, and Series AD Bonds have been rated PRS Aaa with Stable Outlook by Philippine Rating Services Corporation ("PhilRatings"). Obligations rated PRS Aaa are of the highest quality with minimal credit risk. The Issuer's capacity to meet its financial commitment on the obligation is extremely strong. PRS Aaa is the highest rating assigned by PhilRatings. A Stable Outlook, on the other hand, indicates that the rating is likely to be maintained or to remain unchanged in the next twelve (12) months. A rating is not a recommendation to buy, sell, or hold securities and may be subject to revision, suspension, or withdrawal at any time by the assigning rating organization.

For the Series AB Bonds, Series AC Bonds, and Series AD Bonds, SM Prime expects to raise gross proceeds amounting to at least ₱12,000,000,000, and up to a maximum of ₱17,000,000,000 assuming full exercise of the Oversubscription Option. Without such Oversubscription Option being exercised, the net proceeds are estimated to be at least ₱11,858,735,293 after deducting fees, commissions, and expenses relating to the issuance of the Offer. Assuming the Oversubscription Option is fully exercised, total net proceeds of the Offer is expected to amount to approximately ₱16,804,206,261. In the event that the Oversubscription Option is not fully exercised, the unexercised portion shall be placed under the shelf registration to be issued within the period prescribed by relevant regulations. Proceeds of the Offer shall be used to fund debt refinancing (see "Use of Proceeds"). The underwriting and selling fees to be paid by the Issuer in relation to the Offer shall be

equivalent to 0.30% of the total face value of the Bonds issued, exclusive of applicable gross receipt taxes. This shall be inclusive of all the fees to be paid to the Joint Issue Managers, the Joint Lead Underwriters and Bookrunners, and any fees to be ceded to participating underwriters and selling agents, if any.

Upon issuance, the Bonds shall constitute the direct, unconditional, unsubordinated, and unsecured obligations of SM Prime and shall at all times rank *pari passu* and rateably without any preference or priority amongst themselves and at least *pari passu* with all other present and future unsubordinated and unsecured obligations of SM Prime, other than obligations preferred by law. The Bonds shall effectively be subordinated in right of payment to all of SM Prime's secured debts, if any, to the extent of the value of the assets securing such debt and all of its debt that is evidenced by a public instrument under Article 2244(14) of the Civil Code of the Philippines.

The Debt Securities Program was authorized by a resolution of the Board of Directors of SM Prime dated 19 February 2024. A registration statement filed by SM Prime covering the Debt Securities Program was rendered effective by the SEC under MSRD Order No. 46, Series of 2024, dated 6 June 2024. A certificate of permit to offer securities for sale ("SEC Permit") for the first Tranche of the Debt Securities Program comprised of Series V Bonds, Series W Bonds, and Series X Bonds with an aggregate principal amount of ₱25,000,000,000 was issued on 6 June 2024. The SEC Permit for the second Tranche of the Debt Securities Program comprised of Series Y Bonds, Series Z Bonds, and Series AA Bonds with an aggregate principal amount of ₱25,000,000,000 was issued on 11 February 2025.

The Offer was authorized by a resolution of the Board of Directors of SM Prime dated 04 August 2025. An application for a SEC Permit and Offer Supplement covering the Bonds was filed by SM Prime with the SEC on 18 September 2025. A corresponding SEC Permit covering the Bonds is expected to be issued prior to the commencement of the public offer and sale of the Bonds.

The policy of SM Prime is to provide a sustainable dividend stream to its shareholders. The Board of Directors determines the dividend payout taking into consideration the Company's operating results, cash flows, capital investment needs, and debt servicing requirements. Dividends shall be paid within thirty (30) days from the date of declaration. The Company's subsidiaries have no defined dividend policy.

SM Prime confirms that this Offer Supplement contains all material information relating to the Company, its affiliates and the Bonds which are in the context of the issue and offering of the Bonds (including all material information required by the applicable laws of the Republic of the Philippines). There are no other facts the omission of which would make any statement in this Offer Supplement misleading in any material respect. SM Prime confirms that it has made all reasonable inquiries in respect of the information, data, and analysis provided to it by its advisors and consultants or which is otherwise publicly available for inclusion into this Offer Supplement. SM Prime, however, has not independently verified any such publicly available information, data or analysis.

This Offer Supplement contains certain "forward-looking statements". These forward-looking statements can generally be identified by use of statements that include words or phrases such as SM Prime or its management "believes", "expects", "anticipates", "intends", "plans", "projects", "foresees", and other words or phrases of similar import. Similarly, statements that describe SM Prime's objectives, plans, and goals are also forward-looking statements. All forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those contemplated by the relevant forward-looking statements. Nothing in this Offer Supplement is or should be relied upon as a promise or representation as to the future. The forward-looking statements included herein are made only as of the date of this Offer Supplement, and SM Prime undertakes no obligation to update such forward-looking statements publicly to reflect subsequent events or circumstances.

Neither the delivery of this Offer Supplement nor any sale made pursuant to the Offer shall, under any circumstance, create any implication that the information contained or referred to in this Offer Supplement is accurate as of any time subsequent to the date hereof. Subject to the obligation of the Joint Lead Underwriters and Bookrunners under applicable laws and regulations to conduct due diligence on the Issuer, the Joint Lead

Underwriters and Bookrunners do not make any representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this Offer Supplement.

The contents of this Offer Supplement are not to be considered as definitive legal, business, or tax advice. Each prospective purchaser of the Bonds receiving a copy of this Offer Supplement acknowledges that he has not relied on the Joint Lead Underwriters and Bookrunners in his investigation of the accuracy of such information or in his investment decision. Prospective purchasers should consult their own counsel, accountants or other advisors as to legal, tax, business, financial and related aspects of the purchase of the Bonds, among others. Investing in the Bonds involves certain risks. For a discussion of certain factors to be considered in respect of an investment in the Bonds, see the section entitled "Risk Factors" found in the Prospectus.

The price of securities can and does fluctuate, and any individual security may experience upward or downward movements, and may even become valueless. There is an inherent risk that losses may be incurred rather than profit made as a result of buying and selling securities. An investment in the Bonds described in this Offer Supplement involves a certain degree of risk. A prospective purchaser of the Bonds should carefully consider several risk factors inherent to the Company as set out in "Risk Factors" section of the Prospectus, in addition to the other information contained in this Offer Supplement, in deciding whether to invest in the Bonds.

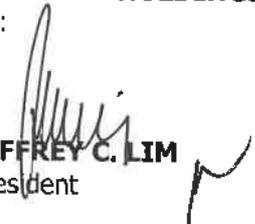
No dealer, salesman or other person has been authorized by SM Prime and the Joint Lead Underwriters and Bookrunners to give any information or to make any representation concerning the Bonds other than as contained herein, and, if given or made, any such other information or representation should not be relied upon as having been authorized by SM Prime or the Joint Lead Underwriters and Bookrunners.

SM Prime is organized under the laws of the Philippines. Its principal office address is at the 7/F MOA Square, Seashell Lane cor. Coral Way, Mall of Asia Complex, Brgy. 76, Zone 10, CBP-1A, 1300 Pasay City, Metro Manila, Philippines, with telephone number +632 8831 1000.

ALL REGISTRATION REQUIREMENTS HAVE BEEN MET AND ALL INFORMATION CONTAINED HEREIN ARE TRUE AND CURRENT.

SM PRIME HOLDINGS, INC.

By:


JEFFREY C. LIM
President

SUBSCRIBED AND SWORN to before me this 28th day of October 2025, affiant exhibiting to me his

Doc. No. 3
Book No. 1
Page No. 2
Series of 2025.





ATTY. RONHEL VINN A. PAPA

Notary Public for Pasay City

Until December 31, 2026. Commission No. 25-19

IBP OR No. 474452 11/04/2024/ Roll No. 73157

PTR OR No. PC 8849529 01/08/2025/ TIN# 743-448-049

MCLE Compliance No. VIII-0017246 valid until April 14, 2028

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DEFINITION OF TERMS

This document constitutes the Offer Supplement relating to the offer described herein (the "Offer"). Terms used herein but not otherwise defined shall have the meaning ascribed to them in the prospectus dated 4 June 2024 (the "Prospectus"). A copy of the Prospectus is available at <https://www.smprime.com/corporate-disclosure>.

In this Offer Supplement, unless the context otherwise requires, the following terms shall have the meanings set out below.

ACPAPP	Association of Certified Public Accountants in Public Practice
ASEAN	The Association of Southeast Asian Nations
BDO	BDO Unibank, Inc.
BDO Capital	BDO Capital & Investment Corporation
BIR	The Bureau of Internal Revenue of the Philippines
Board or Board of Directors	The board of directors of SM Prime
BOI	Board of Investments
Bond Agreements	The Trust Indenture Agreement, the Registry and Paying Agency Agreement, the Issue Management and Underwriting Agreement, and the Master Certificates of Indebtedness (inclusive of the terms and conditions), including any amendment or supplement thereto, or any document, certificate or writing contemplated thereby
Bondholder	A person or entity whose name appears, at any time, as a holder of the Bonds in the Register of Bondholders
Bonds or Offer	Collectively, the Series AB Bonds due 2030, Series AC Bonds due 2032 and Series AD Bonds due 2035 in the aggregate principal amount of ₱12,000,000,000, with an Oversubscription Option of up to ₱5,000,000,000, to be issued by SM Prime
BPI Capital	BPI Capital Corporation
BSP	Bangko Sentral ng Pilipinas, the Philippine Central Bank
Business Day	A day, other than a public non-working holiday, Saturday, or Sunday, on which the BSP's Philippine Payment and Settlement System (PhilPaSS) and the Philippine Clearing House Corporation (PCHC) (or, in the event of the discontinuance of their respective functions, their respective replacements) are open and available for clearing and settlement, and banks are open for business in Metro Manila, Philippines
By-laws	The By-laws of SM Prime
CEO	Chief Executive Officer
CHAS	CHAS Realty and Development Corporation
Chinabank Capital	China Bank Capital Corporation
Company or Issuer or SM Prime	SM Prime Holdings, Inc.

CPA	Certified Public Accountant
CPDC	Consolidated Prime Dev. Corp.
Debt Securities	Any evidence of indebtedness such as bonds, notes, debentures, commercial papers, treasury bills, treasury bonds, and other similar instruments as may be determined by the SEC.
Debt Securities Program	The Company's debt securities shelf registration with an aggregate principal amount of ₱100,000,000,000 which was rendered effective by the SEC under MSRDC Order No. 46, Series of 2024
DHSUD	The Philippine Department of Human Settlements and Urban Development
Directors	Members of the Board of Directors of SM Prime
e-SIP	The e-Securities Issue Portal established and maintained by the Philippine Dealing System Holdings Corp.
EastWest	East West Banking Corporation
EBITDA	Earnings before interest expense, income taxes, depreciation and amortization
FARDC	First Asia Realty Development Corporation
Financial Statements	SM Prime's unaudited consolidated financial statements and related notes as at 30 June 2025 and for the six (6) months ended 30 June 2025 and 2024 and audited consolidated financial statements and related notes as at 31 December 2024, 2023, and 2022 and for each of the years ended 31 December 2024, 2023, and 2022
First Metro	First Metro Investment Corporation
FLVG	First Leisure Ventures Group Inc.
GFA	Gross floor area
Government	The Government of the Philippines
GSIS	Government Service Insurance System
HLURB	Housing and Land Use Regulatory Board
HPI	Highlands Prime, Inc.
Joint Issue Managers	BDO Capital and Chinabank Capital
Joint Lead Underwriters and Bookrunners	BDO Capital, Chinabank Capital, BPI Capital, EastWest, First Metro and Security Bank Capital
LGU	Local government unit
Majority Bondholders	Holders of the series of the Bonds holding not less than 51% of the outstanding relevant Bond series
Majority Underwriters	The Joint Lead Underwriters and Bookrunners representing more than 50% of the commitments in respect of the Offer as indicated in the "Plan of Distribution" section of this Offer Supplement

Malls	Includes eighty-eight (88) malls in the Philippines, eight (8) malls in China, and other malls owned by SM Prime and its subsidiaries
Master Certificate of Indebtedness	The certificate to be issued by the Issuer to the Trustee evidencing and covering such amount corresponding to the Bonds
Material Subsidiary	<p>SM Development Corporation and Subsidiaries and any Subsidiary of the Issuer:</p> <p>(a) whose gross revenues or (in the case of a Subsidiary which itself has subsidiaries) consolidated gross revenues, as shown by its latest audited income statement are at least 10% of the consolidated gross revenues as shown by the latest published audited consolidated income statement of the Issuer and its Subsidiaries; or</p> <p>(b) whose net income or (in the case of a Subsidiary which itself has subsidiaries) consolidated net income before taxation and extraordinary items, as shown by its latest audited income statement is at least 15% of the consolidated net income before taxation and extraordinary items, as shown by the latest published audited consolidated income statement of the Issuer and its Subsidiaries; or</p> <p>(c) whose gross assets or (in the case of a Subsidiary which itself has subsidiaries) gross consolidated assets, as shown by its latest audited balance sheet are at least 10% of the amount which equals the amount included in the consolidated gross assets of the Issuer and its Subsidiaries as shown by the latest published audited consolidated balance sheet of the Issuer and its Subsidiaries;</p> <p>provided that, in relation to paragraphs (a), (b) or (c) above,</p> <p>(i) in the case of a corporation or other business entity becoming a Subsidiary after the end of the financial period to which the latest consolidated audited accounts of the Issuer relate, the reference to the then latest consolidated audited accounts of the Issuer for the purposes of the calculation above shall, until consolidated audited accounts of the Issuer for the financial period in which the relevant corporation or other business entity becomes a Subsidiary are published, be deemed to be a reference to the then latest consolidated audited accounts of the Issuer adjusted to consolidate the latest audited accounts (consolidated in the case of a Subsidiary which itself has Subsidiaries) of such Subsidiary in such accounts;</p> <p>(ii) if at any relevant time in relation to the Issuer or any Subsidiary which itself has Subsidiaries no consolidated accounts are prepared and audited, revenues, net income or gross assets of the Issuer and/or any such Subsidiary shall be determined on the basis of pro forma consolidated accounts prepared for this purpose by the Issuer and reviewed by the auditors for the purposes of preparing a certificate thereon to the Trustee;</p> <p>(iii) if at any relevant time in relation to any Subsidiary, no accounts are audited, its revenues, net income or gross assets (consolidated, if appropriate) shall be determined on the basis of pro forma accounts (consolidated, if appropriate)</p>

	<p>of the relevant Subsidiary prepared for this purpose by the Issuer and reviewed by the auditors for the purposes of preparing a certificate thereon to the Trustee; and</p> <p>(iv) if the accounts of any Subsidiary (not being a Subsidiary referred to in proviso (i) above) are not consolidated with those of the Issuer, then the determination of whether or not such Subsidiary is a Material Subsidiary shall be based on a pro forma consolidation of its accounts (consolidated, if appropriate) with the consolidated accounts (determined on the basis of the foregoing) of the Issuer; or</p> <p>(d) to which is transferred the whole or substantially the whole of the assets of a Subsidiary which immediately prior to such transfer was a Material Subsidiary, provided that the Material Subsidiary which so transfers its assets shall forthwith upon such transfer cease to be a Material Subsidiary and the Subsidiary to which the assets are so transferred shall not become a Material Subsidiary as at the date on which the first published audited accounts (consolidated, if appropriate) of the Issuer prepared as of a date later than such transfer are issued unless such Subsidiary will continue to be a Material Subsidiary on the basis of such accounts by virtue of the provisions of (a), (b) or (c) above.</p>
Metro Manila	The metropolitan area comprising the cities of Caloocan, Las Piñas, Makati, Malabon, Mandaluyong, Manila, Marikina, Muntinlupa, Navotas, Parañaque, Pasay, Pasig, Quezon, San Juan, Taguig and Valenzuela and the municipality of Pateros, which together comprise the "National Capital Region" and are commonly referred to as "Metropolitan Manila"
MLI	Magenta Legacy, Inc.
MOA	Mall of Asia
PAS	Philippine Accounting Standards
Paying Agent	Philippine Depository & Trust Corp., the party which shall receive the funds from the Issuer for payment of principal, interest and other amounts due on the Bonds and remit the same to the Bondholders based on the records shown in the Register of Bondholders for the Series AB Bonds, Series AC Bonds, and Series AD Bonds
Payment Date	Each of the dates when payment of principal, interest and other amounts due on the Bonds are due and payable to the Bondholders; provided that, in the event any Payment Date falls on a day that is not a Business Day, the Payment Date shall be automatically extended without adjustment to interest accrued to the immediately succeeding Business Day with respect to the Series AB Bonds, Series AC Bonds, and Series AD Bonds
PCD	PCD Nominee Corporation
PCI	Premier Central, Inc.
PCPMC	Prime Commercial Property Management Corp. and Subsidiaries which composed of companies that manage and operate the Malls, including the provision of manpower, maintenance and engineering,

	security and promotional activities; and are wholly owned subsidiaries of SM Prime
PDEX	Philippine Dealing & Exchange Corp.
PDTC	The Philippine Depository & Trust Corp., the central depository and clearing agency of the Philippines which provides the infrastructure for handling the lodgement of the scripless Bonds and the electronic book entry transfers of the lodged Bonds in accordance with the PDTC Rules, and its successor-in-interest
PDTC Rules	The SEC-approved rules of the PDTC, including the PDTC Operating Procedures and PDTC Operating Manual, as may be amended, supplemented or modified from time to time
Person	Any individual, firm, corporation, partnership, association, joint venture, tribunal, limited liability company, trust, government or political subdivision or agency or instrumentality thereof, or any other entity or organization
Pesos or ₱	The lawful currency of the Philippines
PFRS	Philippine Financial Reporting Standards which includes statements named PFRS and PAS issued by the Financial Reporting Standards Council and Philippine Interpretations from International Financial Reporting Interpretations Committee (IFRIC)
Philippines	The Republic of the Philippines
PhilRatings	Philippine Rating Services Corporation
PMI	Prime Metroestate, Inc.
PRC	People's Republic of China
Prospectus	Prospectus dated 4 June 2024 relating to the Debt Securities Program and any amendments, supplements and addenda thereto relating to the public offer for sale, distribution, and issuance of Debt Securities within the Shelf Period
PSC	Premier Southern Corp.
PSE	The Philippine Stock Exchange, Inc.
Public Debt	Any present or future indebtedness in the form of, or represented by bonds, notes, debentures, loan stock or other securities that are at the time, or are of the type customarily quoted, listed or ordinarily dealt in on any stock exchange, over the counter or other securities market
Register of Bondholders	The electronic record of the issuances, sales and transfers of the Bonds to be maintained by the Registrar pursuant to and under the terms of the Registry and Paying Agency Agreement
Registrar	The Philippine Depository & Trust Corp., being the registrar appointed by the Issuer to maintain the Register of Bondholders pursuant to the Registry and Paying Agency Agreement
SCIDC	SM Smart City Infrastructure and Development Corporation
SEC	The Securities and Exchange Commission of the Philippines

Security Bank Capital	Security Bank Capital Investment Corporation
Selling Agent	Land Bank of the Philippines
Series or Tranche	Issuance of Debt Securities pursuant to the Debt Securities Program under the terms and conditions as contained in the Prospectus and in this Offer Supplement
Simply Prestige	Simply Prestige Limited and Subsidiaries
SM China Malls	SM Xiamen, SM City Jinjiang, SM City Chengdu, SM City Zibo, SM City Chongqing, SM City Suzhou, SM City Tianjin and SM City Yangzhou
SM Group	The group of companies owned by SMIC
SM Hotels	SM Hotels and Conventions Corp.
SM Land China	SM Land (China) Limited and Subsidiaries
SM Supermalls	SM City North EDSA, SM City Sta. Mesa, SM Megamall, SM City Cebu, SM Southmall, SM City Bacoor, SM City Fairview, SM City Iloilo, SM City Manila, SM City Pampanga, SM City Sucat, SM City Davao, SM City Cagayan de Oro, SM City Bicutan, SM City Lucena, SM City Baguio, SM City Marilao, SM City Dasmariñas, SM City Batangas, SM City San Lazaro, SM City Valenzuela, SM Center City Molino, SM City Sta. Rosa, SM City Clark, SM Mall of Asia, SM Center Pasig, SM City Lipa, SM City Bacolod, SM City Taytay, SM Center Muntinlupa, SM City Marikina, SM City Rosales, SM City Baliwag, SM City Naga, SM Center Las Piñas, SM City Rosario, SM City Tarlac, SM City San Pablo, SM City Calamba, SM City Novaliches, SM City Masinag, SM City Olongapo, SM City Consolacion, SM City San Fernando, SM City General Santos, SM Lanang Premier, SM Aura Premier, SM City BF Parañaque, SM City Cauayan, SM Center Angono, SM Megacenter Cabanatuan, SM City San Mateo, SM City Cabanatuan, SM Center Sangandaan, SM Center Shaw Boulevard, SM Seaside City Cebu, SM City San Jose Del Monte, SM City Trece Martires, SM Center Congressional, SM City East Ortigas, SM CDO Downtown Premier, S Maison, SM Center Antipolo, SM City Puerto Princesa, SM Center Tuguegarao Downtown, SM Center Pulilan, SM Center Lemery, SM Center Imus, SM City Urdaneta Central, SM City Telabastagan, SM City Legazpi, SM Center Ormoc, SM City Olongapo Central, SM Center Dagupan, SM City Butuan, SM City Mindpro, SM City Daet, SM City Grand Central, SM City Roxas, SM City Tanza, SM City Sorsogon, SM City Tuguegarao, SM City Bataan, SM Center San Pedro, SM City Sto. Tomas, SM City Caloocan, SM City J Mall, SM City Laoag
SMDC	SM Development Corporation
SMIC	SM Investments Corporation, the parent company of SM Prime
SPC	Southernpoint Properties Corp.
sq. m.	Square meter
SRC	Republic Act No. 8799, The Securities Regulation Code of the Philippines
Subsidiary	At any particular time, any company or other business entity which is then directly or indirectly controlled, or more than 50%, of whose issued equity share capital (or equivalent) is then beneficially owned, by the Issuer and/or one or more of its Subsidiaries. For a company to be

	<p>"controlled" by another means that the other (whether directly or indirectly and whether by the ownership of share capital, the possession of voting power, contract or otherwise) has the power to appoint and/or remove all or the majority of the members of the board of directors or other governing body of that company or otherwise controls or has a power to control the affairs and policies of that company and control shall be construed accordingly</p>
Sy family	<p>Mr. Henry Sy, Sr., his wife, Mrs. Felicidad T. Sy, and their children Teresita T. Sy, Elizabeth T. Sy, Henry T. Sy, Jr., Hans T. Sy, Herbert T. Sy, and Harley T. Sy</p>
Tax Code	<p>The amended Philippine National Internal Revenue Code of 1997 and its implementing rules and regulations</p>
The SM Stores	<p>The retail department stores operated by the Group under the "SM" name which presently include SM Makati, SM Araneta City, SM City North EDSA, SM City Sta. Mesa, SM Megamall, SM City Cebu, SM Southmall, SM City Bacoor, SM City Fairview, SM City Iloilo, SM City Manila, SM City Pampanga, SM City Davao, SM City Cagayan de Oro, SM City Bicutan, SM City Lucena, SM City Baguio, SM City Marilao, SM City Dasmariñas, SM City Batangas, SM Delgado, SM City San Lazaro, SM City Valenzuela, SM City Molino, SM City Sucat, SM City Sta. Rosa, SM City Clark, SM Mall of Asia, SM City Lipa, SM City Bacolod, SM City Taytay, SM City Marikina, SM City Baliwag, SM City Naga, SM City Rosales, SM City Rosario, SM City Tarlac, SM City San Pablo, SM City Calamba, SM City Novaliches, SM City Masinag, SM City Olongapo, SM City Consolacion, SM Lanang Premier, SM City General Santos, SM City San Fernando Downtown, SM Aura Premier, SM City BF Parañaque, SM City Cauayan, SM Megacenter Cabanatuan, SM City San Mateo, SM City Cabanatuan, SM Seaside City Cebu, SM City San Jose Del Monte, SM City Trece Martires, SM City East Ortigas, SM CDO Downtown Premier, SM City Puerto Princesa, SM City Telabastagan, SM City Urdaneta Central, SM City Legazpi, SM City Olongapo Central, SM City Butuan, SM City Mindpro, SM City Daet, SM City Grand Central, SM City Roxas, SM City Tanza, SM City Sorsogon, SM City Tuguegarao, SM City Bataan, SM City Sto. Tomas, SM City Caloocan, SM City J Mall, SM City Laoag</p>
Trustee	<p>Shall refer to Philippine National Bank – Trust Banking Group</p>
VAT	<p>Value-added tax</p>

EXECUTIVE SUMMARY

The following section discusses updates to the executive summary after the date of the Prospectus and must be read in conjunction with the Prospectus. The summary below is only intended to provide a limited overview of information described in more detail elsewhere in this Offer Supplement. As it is a summary, it does not contain all of the information that may be important to investors and terms defined elsewhere in this Offer Supplement shall have the same meanings when used in this summary. Prospective investors should therefore read this Offer Supplement in its entirety.

OVERVIEW

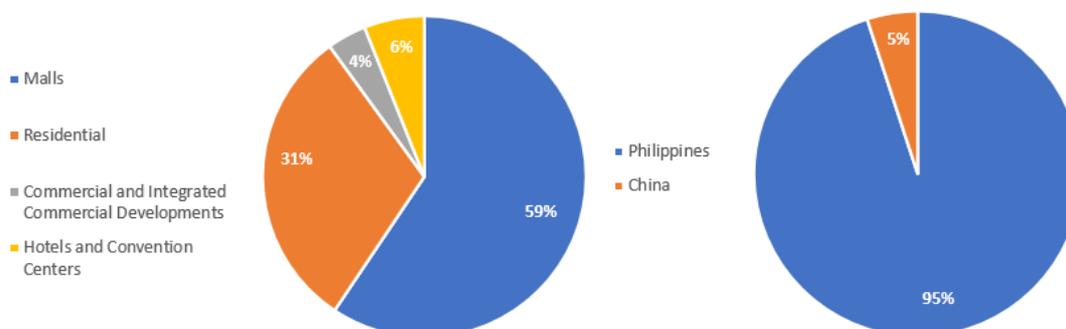
SM Prime was incorporated in the Philippines and registered with the SEC on 6 January 1994. It is a leading integrated Philippine real estate company with business units focused on malls, residential, hotels and convention centers, and commercial and integrated commercial developments.

As at 30 June 2025, SM Prime's consolidated total assets stood at ₱1,050.9 billion, consolidated total liabilities were at ₱604.9 billion, with net debt-to-equity ratio (being the ratio of aggregate consolidated interest-bearing debt (sum of loans payable and long-term debt (current and noncurrent portion) net of cash and cash equivalent over equity attributable to the equity holders of the parent) of 46:54.

The table below sets out each business unit's contribution to SM Prime's consolidated revenue for the six (6) months ended 30 June 2025 and 2024 and for the years ended 31 December 2024, 2023, and 2022.

(in ₱ millions)	Six (6) months ended 30 June Unaudited		For the years ended 31 December Audited		
	2025	2024	2024	2023	2022
Malls	₱40,481	₱37,968	₱77,534	₱71,101	₱55,541
Residential	20,919	20,487	47,764	43,731	40,083
Hotels and Convention Centers	4,110	3,695	7,783	6,679	4,344
Commercial and Integrated Commercial Developments	2,677	2,671	7,780	6,897	6,123
Eliminations	(143)	(133)	(470)	(310)	(305)
Consolidated Total	₱68,044	₱64,688	₱140,391	₱128,098	₱105,786

The charts below display the composition of SM Prime's combined revenue by segment and geographical region as of and for the six (6) months ended 30 June 2025.



SM Prime is listed on the PSE and, as at 30 September 2025, was 49.72% directly owned by SMIC. SM Prime had a market capitalization of ₱648.1 billion as of 30 September 2025.

COMPETITIVE STRENGTHS

SM Prime believes that its principal strengths are the following:

- Integrated real estate platform with strong track record across segments
- Leading retail malls business
- Access to a prime large-scale land bank
- Strong balance sheet and access to capital
- Experienced management team with strong corporate governance practices

Please refer to the section entitled "*Description of the Issuer - Competitive Strengths*" for a more detailed discussion.

BUSINESS STRATEGIES

SM Prime intends to achieve its objectives through the following strategies:

- Develop integrated property developments and strategically expand SM Prime's land bank
- Position malls as anchor assets for adjacent properties Optimize existing properties by adding complementary developments
- Focus on a "one product-one market" strategy for the residential business
- Maintain a strong balance sheet, prudent risk and capital management and good governance

Please refer to the section entitled "*Description of the Issuer – Business Strategies*" of the Prospectus for a more detailed discussion.

Capital expenditure for 2025 is approximately ₱100.0 billion, ₱37.3 billion of which has been spent in the six (6) months ended 30 June 2025. The ₱37.3 billion is calculated as sum of real estate inventories development cost, additions to investment properties, additions to property and equipment (₱0.18 million) and additions to bonds and deposits (₱0.82 million), less movement of liability for purchased land and unpaid development cost and capitalized interest (₱5.43 billion).

Capital expenditure for 2026 is approximately ₱100.0 billion, with 35% for malls, 30% for integrated commercial developments, 25% for residential, 5% for commercial and 5% for hotels and convention centers. SM Prime plans to fund its capital expenditure plan through recurring income flows and external financing. SM Prime intends to apply global corporate governance standards and risk management best practices, as well as embark on integrated sustainability and corporate social responsibility initiatives.

RISKS OF INVESTING

Before making an investment decision, investors should carefully consider the risks associated with an investment in the Bonds. These risks include:

Risks Relating to the Company

- SM Prime faces risks from public health epidemics or outbreaks of disease that could have an adverse effect on economic activity in the Philippines
- The Philippine property market is cyclical and can be affected by domestic and global economic conditions
- SM Prime may face challenges of title to land

- SM Prime's rights and title to reclaimed land may be challenged
- SM Prime will continue to compete with other mall operators and commercial and residential developers
- SM Prime is exposed to risks associated with the operation of its malls and commercial businesses
- SM Prime faces numerous risks including reputational risk and operational risks relating to its residential and commercial businesses
- SM Prime is exposed to general risks associated with the ownership and management of real estate
- SM Prime's reputation may be affected by the operations of some of its affiliates
- SM Prime is effectively controlled by the Sy family and their interests may differ significantly from the interests of other shareholders
- SM Prime may enter into and expects to enter into material agreements and other arrangements with the Sy family and its affiliated companies and persons
- SM Prime's leasing operations depend on key tenants, which are affiliates of the SM Group
- SM Prime depends on retaining the services of its senior management team and its ability to attract and retain talented personnel
- Malls and other commercial properties owned by SM Prime may be subject to an increase in operating and other expenses
- SM Prime faces risks relating to the management of its land bank
- SM Prime operates in a highly regulated environment and it is affected by the development and application of regulations in the Philippines
- Zoning restrictions and local opposition may delay or preclude construction
- Infringement of intellectual property rights could have a material adverse effect on SM Prime's business
- Land and/or real property may be subject to compulsory acquisition
- Fluctuations in interest rates, changes in Government borrowing patterns and Government regulations could have a material adverse effect on SM Prime's and its customers' ability to obtain financing
- SM Prime faces risks inherent in joint venture structures and/or funds
- Construction defects and other building-related claims may be asserted against SM Prime, and SM Prime may be subject to liability for such claims
- SM Prime may suffer material losses in excess of insurance proceeds
- SM Prime faces property development risk
- SM Prime will continue to face certain risks related to the cancellation of sales involving its residential projects
- The loss of certain tax exemptions and incentives for residential home sales may increase the price of SM Prime's residential units and may lead to a reduction in sales

- A domestic asset price bubble could adversely affect the Company's business

Risks Relating to the Philippines

- Substantially all of the Company's operations and assets are based in the Philippines; a slowdown in economic growth in the Philippines could materially adversely affect its businesses
- Any political instability in the future may have a negative effect on SM Prime's financial results
- SM Prime's businesses may be disrupted by terrorist acts, crime, and natural disasters or fears of such occurrences in Metro Manila or other parts of the Philippines
- Volatility in the value of the Peso against the U.S. dollar and other currencies could adversely affect SM Prime's businesses
- Tensions with China and other neighboring countries may adversely affect the Philippine economy and business environment
- Corporate governance and disclosure standards in the Philippines may differ from those in more developed countries

Risks Relating to the Debt Securities

- The priority of debt evidenced by a public instrument
- An active trading market for the Debt Securities may not develop
- The Issuer may be unable to redeem the Debt Securities
- Investors may be subject to reinvestment risk
- There can be no assurance that the rating of the Debt Securities will be retained over its life

Please refer to the "*Risk Factors*" section of the Prospectus which, while not intended to be an exhaustive enumeration of all risks, must be considered in connection with a purchase of the Bonds.

COMPANY INFORMATION

SM Prime's registered principal office is at 7/F MOA Square, Seashell Lane cor. Coral Way, Mall of Asia Complex, Brgy. 76 Zone 10, CBP-1A, 1300 Pasay City, Metro Manila, Philippines. Its telephone number +632 8831 1000 and its corporate website is www.smprime.com.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth the summary consolidated financials of the Issuer as at and for the periods indicated. The unaudited financial information as at 30 June 2025 and for the six (6) months ended 30 June 2025 and 2024 and audited financial information as at 31 December 2024, 2023, and 2022 and for the years ended 31 December 2024, 2023, and 2022 presented below have been derived from the Issuer's reviewed consolidated interim condensed financial statements and audited consolidated financial statements, respectively. The information set out below should be read in conjunction with, and is qualified in its entirety by reference to, the relevant consolidated financial statements of the Issuer, including the notes thereto, included elsewhere in this Offer Supplement.

CONSOLIDATED BALANCE SHEETS

(in ₱ thousands)	As at 30 June		As at 31 December	
	2025 Unaudited	2024 Audited	2023 Audited	2022 Audited
ASSETS				
Current assets				
Cash and cash equivalents	₱27,850,239	₱31,246,171	₱31,816,802	₱42,060,082
Receivables and contract assets	96,250,312	92,506,904	76,952,202	82,560,354
Real estate inventories	75,594,647	76,927,527	77,886,781	70,500,025
Equity instruments at fair value through other comprehensive income (FVOCI)	821,378	794,433	747,840	534,865
Derivative assets	2,060,787	780,087	2,247,073	585,576
Prepaid expenses and other current assets	29,904,088	28,426,708	27,804,930	25,767,334
Total Current Assets	232,481,451	230,681,830	217,455,628	222,008,236
Noncurrent assets				
Equity instruments at FVOCI - net of current portion	21,235,521	20,392,800	19,570,212	17,077,198
Investment properties	628,852,752	601,339,921	545,074,746	489,266,042
Investments in associates and joint ventures	34,528,761	33,108,359	32,431,195	30,578,320
Deferred tax assets - net	1,606,085	1,634,307	1,492,359	931,366
Derivative assets - net of current portion	173,046	3,990,740	3,276,971	6,752,744
Other noncurrent assets	132,022,536	128,282,773	124,026,464	107,600,746
Total Noncurrent Assets	818,418,701	788,748,900	725,871,947	652,206,416
Total Assets	₱1,050,900,152	₱1,019,430,730	₱943,327,575	₱874,214,652

	As at 30 June		As at 31 December	
(in ₱ thousands)	2025 Unaudited	2024 Audited	2023 Audited	2022 Audited
LIABILITIES AND EQUITY				
Current Liabilities				
Loans payable	₱22,137,842	₱17,312,356	₱4,288,964	₱5,422,524
Accounts payable and other current liabilities	106,980,484	103,788,961	99,077,428	88,122,597
Current portion of long-term debt	105,039,862	89,287,442	67,746,351	50,839,776
Derivative liabilities	189,991	–	7,423	19,496
Income tax payable	1,376,741	1,606,324	1,295,842	765,909
Total Current Liabilities	235,724,920	211,995,083	172,416,008	145,170,302
Noncurrent Liabilities				
Long-term debt - net of current portion	279,767,065	283,320,341	294,622,256	296,134,836
Tenants' and customers' deposits - net of current portion	29,454,560	30,528,879	25,301,504	23,799,162
Deferred tax liabilities - net	14,382,883	13,923,287	12,458,096	11,140,040
Derivative liabilities - net of current portion	102,655	50,447	265,013	294,403
Other noncurrent liabilities	45,473,457	43,372,203	39,377,662	32,524,303
Total Noncurrent Liabilities	369,180,620	371,195,157	372,024,531	363,892,744
Total Liabilities	604,905,540	583,190,240	544,440,539	509,063,046
Equity Attributable to Equity Holders of the Parent				
Capital stock	33,166,300	33,166,300	33,166,300	33,166,300
Additional paid-in capital - net	38,164,631	38,164,173	38,159,900	38,124,193
Cumulative translation adjustment	2,877,824	3,135,756	2,556,139	3,435,171
Net fair value changes of equity instruments at FVOCI	18,519,905	17,807,766	16,938,503	14,232,514
Net fair value changes on cash flow hedges	(482,773)	604,031	1,079,094	2,984,605
Remeasurement loss on defined benefit obligation	(792,229)	(792,229)	(1,062,437)	(928,882)
Retained earnings:				
Appropriated	100,000,000	100,000,000	42,200,000	42,200,000
Unappropriated	254,598,490	243,991,970	266,143,815	232,972,284
Treasury stock	(3,164,535)	(2,984,695)	(2,984,695)	(2,984,695)
Total Equity Attributable to Equity Holders of the Parent	442,887,613	433,093,072	396,196,619	363,201,490
Non-controlling Interests	3,106,999	3,147,418	2,690,417	1,950,116
Total Equity	445,994,612	436,240,490	398,887,036	365,151,606
Total Liabilities and Equity	₱1,050,900,152	₱1,019,430,730	₱943,327,575	₱874,214,652

CONSOLIDATED STATEMENTS OF INCOME

	For the six (6) months ended 30 June		For the years ended 31 December		
<i>(in ₱ thousands except per share data)</i>	2025 Unaudited	2024 Unaudited	2024 Audited	2023 Audited	2022 Audited
Revenue					
Rent	₱40,534,048	₱37,831,521	₱78,673,921	₱72,113,957	₱58,243,913
Real estate sales	20,016,127	19,585,497	45,904,595	42,040,409	39,046,514
Others	7,493,360	7,271,227	15,812,356	13,943,175	8,495,208
	68,043,535	64,688,245	140,390,872	128,097,541	105,785,635
Costs and Expenses	33,617,640	33,621,293	72,353,754	66,818,300	56,542,322
Income from Operations	34,425,895	31,066,952	68,037,118	61,279,241	49,243,313
Interest expense	(6,194,432)	(5,832,086)	(13,934,024)	(13,963,271)	(11,465,787)
Interest and dividend income	1,437,512	1,112,907	2,228,723	2,185,156	1,775,740
Others - net	574,144	804,901	510,648	338,693	(839,262)
	(4,182,776)	(3,914,278)	(11,194,653)	(11,439,422)	(10,529,309)
Income Before Income Tax	30,243,119	27,152,674	56,842,465	49,839,819	38,714,004
Provision for income tax					
Current	4,878,612	4,347,700	9,034,395	8,211,259	6,783,913
Deferred	485,073	292,460	1,268,634	764,715	1,186,962
	5,363,685	4,640,160	10,303,029	8,975,974	7,970,875
Net Income	₱24,879,434	₱22,512,514	₱46,539,436	₱40,863,845	₱30,743,129
Attributable to:					
Equity holders of the Parent	₱24,455,415	₱22,065,958	₱45,631,764	₱40,010,501	₱30,099,799
Non-controlling interests	424,019	446,556	907,672	853,344	643,330
	₱24,879,434	₱22,512,514	₱46,539,436	₱40,863,845	₱30,743,129
Basic/Diluted earnings per share	₱0.848	₱0.765	₱1.581	₱1.387	₱1.043
Dividend per share	₱0.480	₱0.346	₱0.346	₱0.237	₱0.097

SUMMARY OF THE OFFER

This Offer Supplement contains the terms of this Offer and must be read in conjunction with the Prospectus. Full information on the Issuer and this offering is only available on the basis of the combination of this Offer Supplement and the Prospectus. All information contained in the Prospectus are deemed incorporated by reference in this Offer Supplement. In case of conflict between the Prospectus and this Offer Supplement, this Offer Supplement shall prevail in respect of the Series AB Bonds, Series AC Bonds, and Series AD Bonds.

The following summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing in the Prospectus.

Issuer	SM Prime Holdings, Inc.
Offer	<p>Fixed rate bonds constituting the direct, unconditional, unsecured, and unsubordinated obligations of SM Prime Holdings, Inc. (the "Bonds"), to be issued as the third Tranche from the ₱100,000,000,000 Debt Securities Program registered with the Securities and Exchange Commission ("SEC") under shelf registration pursuant to SEC MSRD Order No. 46, Series of 2024 (the "Debt Securities Program"), with a remaining unissued amount of ₱50,000,000,000 as of the date of this Offer Supplement.</p> <p>The Offer will consist of three (3) series: five (5)-year Bonds due 2030 (the "Series AB Bonds"); seven (7)-year Bonds due 2032 (the "Series AC Bonds"); and ten (10)-year Bonds due 2035 (the "Series AD Bonds").</p>
Issue Size	<p>Twelve Billion Pesos (₱12,000,000,000), with an option to increase the issue size by up to Five Billion Pesos (₱5,000,000,000) in the event of oversubscription (the "Oversubscription Option")</p> <p>In the event that the Oversubscription Option is not fully exercised, the unexercised portion shall form part of the remaining Debt Securities in the shelf available for issuance within the Shelf Period.</p>
Manner of Distribution	SEC-registered domestic public offering
Use of Proceeds	To fund debt refinancing (see "Use of Proceeds")
Issue Price	At par (or 100% of face value)
Form and Denomination of the Bonds	The Bonds shall be issued in scripless form in minimum denominations of ₱20,000 each, and in multiples of ₱10,000 thereafter, and traded in denominations of ₱10,000 in the secondary market.
Offer Period	The public offer of the Bonds shall commence at 9:00 a.m. on 3 November 2025 and end at 5:00 p.m. on 7 November 2025.
Issue Date	17 November 2025
Maturity Date	Series AB Bonds: Five (5) years from the Issue Date Series AC Bonds: Seven (7) years from the Issue Date Series AD Bonds: Ten (10) years from the Issue Date
Interest Rate	Series AB Bonds: 5.9096% per annum Series AC Bonds: 6.0858% per annum

Series AD Bonds: 6.2855% per annum

Interest Computation & Payment

Interest on the Bonds shall be calculated on a 30/360-day count basis and shall be paid semi-annually in arrear commencing on 17 May 2026 and on 17 May and 17 November of each year thereafter, or the next Business Day if such date falls on a non-Business Day, for as long as the Bonds remain outstanding (each, an "Interest Payment Date").

Optional Redemption

Prior to the Maturity Date of the Bonds, the Issuer shall have a one-time option, but shall not be obligated, to redeem in whole, and not in part, the outstanding relevant series of the Bonds, in accordance with the following schedule:

Bonds	Optional Redemption Dates	Optional Redemption Price
Series AB Bonds	Sixth (6 th) and seventh (7 th) Interest Payment Dates	101.0%
	Eighth (8 th) and ninth (9 th) Interest Payment Dates	100.0%
Series AC Bonds	Eighth (8 th) and ninth (9 th) Interest Payment Dates	101.0%
	Tenth (10 th) and eleventh (11 th) Interest Payment Dates	101.0%
	Twelfth (12 th) and thirteenth (13 th) Interest Payment Dates	100.0%
Series AD Bonds	Fourteenth (14 th) and fifteenth (15 th) Interest Payment Dates	101.0%
	Sixteenth (16 th) and seventeenth (17 th) Interest Payment Dates	101.0%
	Eighteenth (18 th) and nineteenth (19 th) Interest Payment Dates	100.0%

The Issuer shall give no less than thirty (30) nor more than sixty (60) calendar days' prior written notice of its intention to redeem such series of the Bonds on such Optional Redemption Date, which notice shall be irrevocable and binding upon the Issuer to effect such early redemption of the relevant series of the Bonds at the Interest Payment Date stated in such notice.

The amount payable to the Bondholders in respect of such redemption shall be calculated as the sum of: (i) the relevant Optional Redemption Price applied to the principal amount of the then outstanding series of the Bonds being redeemed; and (ii) all accrued interest on such series of the Bonds as of the relevant Optional Redemption Date.

Final Redemption

Unless otherwise earlier redeemed or previously purchased and cancelled by the Issuer, the Bonds will be redeemed at par or 100% of face value on the relevant Maturity Date.

Bond Rating	The Bonds are rated PRS Aaa with Stable Outlook by the Philippine Rating Services Corporation.
Trustee	Philippine National Bank – Trust Banking Group
Registrar & Paying Agent	Philippine Depository & Trust Corp.
Taxation of Bond Interest	<p>Interest income derived by Philippine citizens or resident foreign individuals from the Bonds is subject to income tax, which is withheld at source, at the rate of twenty percent (20%). Interest on the Bonds received by non-resident foreign individuals engaged in trade or business in the Philippines is subject to a twenty percent (20%) final withholding tax while that received by non-resident foreign individuals not engaged in trade or business is subject to a twenty-five percent (25%) final withholding tax. Interest income received by domestic corporations and resident foreign corporations is taxed at the rate of twenty percent (20%). Interest income received by non-resident foreign corporations is subject to a twenty-five percent (25%) final withholding tax. The tax withheld constitutes a final settlement of Philippine income tax liability with respect to such interest.</p> <p>Bondholders who are exempt from or are not subject to final withholding tax on interest income or are covered by a lower final withholding tax rate by virtue of a tax treaty may claim such exemption or lower rate, as the case may be, by submitting the necessary documents as required by the BIR and the Issuer.</p>
Ranking	The Bonds shall constitute the direct, unconditional, unsecured, and unsubordinated obligations of the Issuer and will rank <i>pari passu</i> and ratably without any preference or priority among themselves and with all other present and future unsecured and unsubordinated obligations of the Issuer, other than obligations preferred by law.
Listing	The Bonds are intended to be listed on the Philippine Dealing & Exchange Corp., or such other securities exchange licensed as such by the SEC on which the trading of debt securities in significant volume occurs.
Governing Law	Philippine Law

RISK FACTORS

The following section discusses updates to the Risk Factors after the date of the Prospectus, and must be read in conjunction with the Prospectus. This section is qualified in its entirety by the more detailed information and financial statements and notes thereto appearing elsewhere in this Offer Supplement.

RISKS RELATING TO THE COMPANY

SM Prime faces risks from future public health epidemics or outbreaks of disease that could have an adverse effect on economic activity in the Philippines.

Please refer to page 21 of the Prospectus.

The Philippine property market is cyclical and can be affected by domestic and global economic conditions.

Please refer to page 22 of the Prospectus.

SM Prime may face challenges of title to land.

Please refer to pages 22 to 23 of the Prospectus.

SM Prime's rights and title to reclaimed land may be challenged.

Please refer to page 23 of the Prospectus.

SM Prime will continue to compete with other mall operators and commercial and residential developers.

Please refer to page 24 of the Prospectus.

SM Prime is exposed to risks associated with the operation of its mall and commercial businesses.

Please refer to page 25 of the Prospectus.

SM Prime faces numerous risks including reputational risk and operational risks relating to its residential and commercial businesses.

Please refer to pages 25 to 26 of the Prospectus.

SM Prime is exposed to general risks associated with the ownership and management of real estate.

Please refer to page 26 of the Prospectus.

SM Prime's reputation may be affected by the operations of some of its affiliates.

Please refer to pages 26 to 27 of the Prospectus.

SM Prime is effectively controlled by the Sy family and their interests may differ significantly from the interests of other shareholders.

The Sy family holds voting power over 15.45% of the outstanding share capital of SM Prime as of 30 June 2025. In addition, members of the Sy family currently hold three seats on the Board of Directors. As a result, the Sy family effectively controls SM Prime, including in relation to major policy decisions such as its overall strategic and investment decisions, dividend plans, capital raisings and other

financings, mergers and disposals, amendments to its Articles of Incorporation and By-laws, election of members of its Board of Directors, appointment of its senior managers and other significant corporate actions.

The Sy family owns a variety of commercial interests aside from the controlling interest in SM Prime. Conflicts of interest may therefore arise between the Sy family, on the one hand, and SM Prime, on the other, in a number of areas, including:

- major business combinations involving SM Prime;
- plans to develop the businesses of SM Prime; and
- business opportunities that may be attractive to both the Sy family's other interests and to SM Prime.

There can be no assurance that the Sy family will not cause SM Prime to take actions which might differ from the interests of other shareholders of SM Prime.

SM Prime may enter into and expects to enter into material agreements and other arrangements with the Sy family and its affiliated companies and persons.

Please refer to page 27 of the Prospectus.

SM Prime's leasing operations depend on key tenants, which are affiliates of the SM Group.

Please refer to pages 27 to 28 of the Prospectus.

SM Prime depends on retaining the services of its senior management team and its ability to attract and retain talented personnel.

Please refer to page 28 of the Prospectus.

Malls and other commercial properties owned by SM Prime may be subject to an increase in operating and other expenses.

Please refer to page 28 of the Prospectus.

SM Prime faces risks relating to the management of its land bank.

Please refer to pages 28 to 29 of the Prospectus.

SM Prime operates in a highly regulated environment and it is affected by the development and application of regulations in the Philippines.

Please refer to pages 29 to 30 of the Prospectus.

Zoning restrictions and local opposition may delay or preclude construction.

Please refer to page 30 of the Prospectus.

Infringement of intellectual property rights could have a material adverse effect on SM Prime's business.

Please refer to pages 30 to 31 of the Prospectus.

Land and/or real property may be subject to compulsory acquisition.

Please refer to page 31 of the Prospectus.

Fluctuations in interest rates, changes in Government borrowing patterns and Government regulations could have a material adverse effect on SM Prime's and its customers' ability to obtain financing.

Please refer to page 31 of the Prospectus.

SM Prime faces risks inherent in joint venture structures and/or funds.

Please refer to page 32 of the Prospectus.

Construction defects and other building-related claims may be asserted against SM Prime, and SM Prime may be subject to liability for such claims.

Please refer to page 32 of the Prospectus.

SM Prime may suffer material losses in excess of insurance proceeds.

Please refer to pages 32 to 33 of the Prospectus.

SM Prime faces property development risk.

Please refer to page 33 of the Prospectus.

SM Prime will continue to face certain risks related to the cancellation of sales involving its residential projects.

Please refer to pages 33 to 34 of the Prospectus.

The loss of certain tax exemptions and incentives for residential home sales may increase the price of SM Prime's residential units and may lead to a reduction in sales.

Please refer to page 34 of the Prospectus.

A domestic asset price bubble could adversely affect the Company's business.

Please refer to pages 34 to 35 of the Prospectus.

RISKS RELATING TO THE PHILIPPINES

Substantially all of the Company's operations and assets are based in the Philippines; a slowdown in economic growth in the Philippines could materially adversely affect its businesses.

Please refer to page 35 of the Prospectus.

Any political instability in the future may have a negative effect on SM Prime's financial results.

The Philippines has from time to time experienced political and social and instability.

The Company may be affected by political and social developments in the Philippines and changes in the political leadership and/or government policies in the Philippines. Such political or regulatory changes may include (but are not limited to) the introduction of new laws and regulations that could impact the Company's business.

There can be no assurance that the current administration will continue to implement the economic policies favored by the previous administration. Major deviations from the policies of the previous administration or fundamental change of direction, including with respect to Philippine foreign policy, may lead to an increase in political or social uncertainty and instability. Any potential instability could have an adverse effect on the Philippine economy, which may impact the Company's business, prospects, financial condition, and results of operations.

No assurance can be given that the future political environment in the Philippines will be stable or that current or future Governments will adopt economic policies conducive to sustaining economic growth. Political instability in the Philippines could negatively affect the general economic conditions in the Philippines which could have a material impact on the financial results of the Group. In addition, such adverse factors may affect the Philippine tourism industry, which is the focus of one element of the Group's growth strategy.

Historically, the Group has remained apolitical and cooperates with the country's duly constituted government. The Group supports and contributes to nation-building.

SM Prime's businesses may be disrupted by terrorist acts, crime, and natural disasters or fears of such occurrences in Metro Manila or other parts of the Philippines.

Please refer to pages 36 to 37 of the Prospectus.

Volatility in the value of the Peso against the U.S. dollar and other currencies could adversely affect SM Prime's businesses.

As of 31 December 2024, according to BSP data, the Peso has depreciated by 4.40% to ₱58.01 per U.S.\$1.00 from ₱55.57 per U.S.\$1.00 as at 31 December 2023.

Please refer to page 37 of the Prospectus.

Tensions with China and other neighboring countries may adversely affect the Philippine economy and business environment.

China and other Southeast Asian nations, such as Brunei, Malaysia, and Vietnam, have been engaged in competing and overlapping territorial disputes over islands in the West Philippine Sea (also known as the South China Sea). This has produced decades of tension and conflict among the neighbouring nations. The West Philippine Sea is believed to house unexploited oil and natural gas deposits, as well as providing home to some of the biggest coral reefs in the world. China, in recent years, has been vocal in claiming its rights to nearly the whole of the West Philippine Sea – as evidenced by its increased military presence in the area. This has raised conflict in the region among the claimant countries.

In 2013, the Philippines filed a case to legally challenge China's claims in the West Philippine Sea and to resolve the dispute under the United Nations Convention on the Law of the Sea. The case was filed on the Permanent Court of Arbitration, the international arbitration tribunal at The Hague, Netherlands. In July 2016, the tribunal ruled in favour of the Philippines and stated that China's claim was invalid. China rejected the ruling, claiming that it did not participate in the proceedings as the tribunal had no jurisdiction over the case.

Recent years have seen increased frequency of incidents as well as heightened intensity of confrontations between Chinese Coast Guard and Philippine personnel in the West Philippine Sea. These have resulted in public accusations and diplomatic protests from both countries. In early August 2023, a Chinese Coast Guard ship used a water cannon against Philippine supply boats to prevent them from approaching the contested Second Thomas Shoal (Ayungin Shoal to the Philippines and Ren'ai Reef to China) in the Spratly Islands, where Filipino military personnel are stationed. The move, which was caught on video, outraged President Marcos, Jr. and prompted the Department of Foreign Affairs in Manila to summon the Chinese ambassador to convey a strongly worded protest. In September 2023, the Philippine Coast Guard removed a floating barrier that was deployed by China at a disputed reef that was deployed by China to block Filipinos from the traditional fishing ground within the exclusive

economic zone of the Philippines. In November 2023, a Chinese ship fired water cannons at M/L Kalayaan while the latter was on a resupply mission to troops stationed at BRP Sierra Madre in the Second Thomas Shoal, a former US Navy ship that has been grounded in the Second Thomas Shoal since 1999. The Philippines also claimed that ships belonging to a Chinese maritime militia were involved in the harassment and that inflatable boats belonging to the Chinese Coast Guard were similarly involved. The Philippine Embassy in Beijing has protested the latest incidents to the Chinese Foreign Ministry. In several instances, Chinese Coast Guard ships used water cannons against Philippine-registered vessels, including a smaller military-contracted vessel during a resupply mission to the Ayungin Shoal, and Philippine-government vessels distributing fuel and food to the fisherfolk in the Scarborough Shoal. Subsequently, the Chinese coast guard boarded a Philippine vessel. The Philippine government lodged another diplomatic protest against China, and is engaging in discussions with the US regarding escalating tensions in the West Philippine Sea. The Philippines has filed a total of 199 diplomatic protests against China during President Marcos' tenure.

In July 2024, the Philippines and China held their first formal dialogue since the incident, convening the 9th Meeting of their Bilateral Consultation Mechanism on the South China Sea in Manila. Discussions focused on their respective positions on Ayungin Shoal and affirmed their commitment to de-escalating tensions. While the Philippines was able to complete a resupply mission to its troops without incident under a new provisional agreement with China aimed at mitigating tensions, another incident occurred in August 2024 whereby the Philippine military reported that the Chinese Air Force executed "dangerous and provocative actions" over the South China Sea. Two People's Liberation Army aircraft dropped flares and performed hazardous maneuvers while a Philippine Air Force patrol was over Scarborough Shoal. No Philippine crew was harmed. Tensions further escalated when the Philippines and China accused each other of ramming vessels and performing dangerous maneuvers in the West Philippine Sea shortly after the incident in August 2024.

There is no guarantee that tensions will not escalate further or that the territorial disputes among the Philippines and its neighbouring countries, especially China, will cease. In an event of escalation, the Philippine economy may be disrupted and the Company's business and financial standing may be adversely affected, particularly as to the operations of ENEX's SC 55 block which is located near the West Philippine Sea.

Corporate governance and disclosure standards in the Philippines may differ from those in more developed countries.

While a principal objective of the Philippine securities laws, SEC regulations and PSE disclosure rules is to promote full and fair disclosure of material corporate information, there may be less publicly available information about Philippine public companies, such as the Issuer, than is regularly made available by public companies in the United States and other countries. The Philippines securities market is generally subject to less strict regulatory oversight than securities markets in more developed countries. Improper trading activities could affect the value of securities and concerns about inadequate investor protection may limit participation by foreign investors in the Philippine securities market. Furthermore, although the Issuer complies with the requirements of the SEC and PSE with respect to corporate governance standards, these standards may differ from those applicable in other jurisdictions. For example, the Philippine Securities Regulation Code requires the Issuer to have at least two independent directors or such number of independent directors as is equal to twenty percent (20%) of the Board, whichever is the lower number. The Issuer currently has three independent directors. Many other jurisdictions require significantly more independent directors.

SM Prime has been receiving awards consistently for good corporate governance, the latest of which are the recognitions received from the Association of Southeast Asian Nations (ASEAN) Capital Market Forum (ACMF) as one of the Top 5 Philippine publicly listed companies (PLCs) and Top 50 ASEAN PLCs, in collaboration with the Institute of Corporate Directors and the SEC, held in July 2025. Further, SM Prime bagged the Asia's Best CEO (Investor Relations – Jeffrey C. Lim), Asia's Best CFO (Investor Relations – John Nai Peng Ong), Best Investor Relations Professional (Alexander Pomento), Best Investor Relations Company in the Philippines and the Sustainable Asia Award at the 14th Asian Excellence Award of Corporate Governance Asia.

RISKS RELATING TO THE DEBT SECURITIES

The priority of debt evidenced by a public instrument.

Please refer to page 39 of the Prospectus.

An active trading market for the Debt Securities may not develop.

Please refer to pages 39 to 40 of the Prospectus.

The Issuer may be unable to redeem the Debt Securities.

Please refer to page 40 of the Prospectus.

Investors may be subject to reinvestment risk.

Please refer to page 40 of the Prospectus.

There can be no assurance that the rating of the Debt Securities will be retained over its life.

Please refer to page 40 of the Prospectus.

USE OF PROCEEDS

The Issuer estimates that the net proceeds from the issuance of the Bonds, without the Oversubscription Option, is approximately ₱11,859 million after deducting fees, commissions and expenses. Assuming the Oversubscription Option of up to ₱5,000 million is fully exercised, the Issuer expects total net proceeds of approximately ₱16,804 million after deducting fees, commissions and expenses.

Net proceeds from the Offer are estimated to be at least as follows:

For a ₱12.0 billion Issue Size	
Estimated proceeds from the sale of Bonds	₱12,000,000,000
Less: Estimated expenses	
Documentary Stamp Tax	90,000,000
SEC Registration Expenses	4,292,530
Underwriting and Selling Fees ¹	38,709,677
Auditor's Fees	2,400,000
Rating Fee	3,600,000
Listing Application Fee	450,000
Trustee Fees	250,000
Paying Agency and Registry Fees	762,500
Miscellaneous fees ²	800,000
	141,264,707
Estimated net proceeds for ₱12.0 billion Issue	₱11,858,735,293
For the ₱5.0 billion Oversubscription Option	
Estimated proceeds from the sale of Bonds	₱5,000,000,000
Less: Estimated expenses	
Documentary Stamp Tax	37,500,000
Selling Fees ¹	16,129,032
Rating Fee	900,000
	54,529,032
Estimated net proceeds for ₱5.0 billion Oversubscription Option	4,945,470,968
Total estimated net proceeds (inclusive of Oversubscription Option)	₱16,804,206,261

Aside from the foregoing one-time costs, SM Prime expects the following annual expenses related to the Bonds:

1. The Issuer will be charged the first year Annual Listing Maintenance Fee in advance upon the approval of the Listing;
2. The Issuer will pay a yearly retainer fee to the Trustee amounting to ₱200,000 per annum;
3. After the Issue Date, a Paying Agency fee amounting to ₱100,000 is payable every interest payment date; and
4. The Registrar will charge a quarterly maintenance fee for each series of the Bonds based on the face value of each series of the Bonds and the number of Bondholders.

The net proceeds of the Offer of ₱11,859 million, assuming an Issue Size of ₱12,000 million, shall be used primarily to fund debt refinancing as set out below:

¹ The underwriting and selling fees to be paid by the Issuer in relation to the Offer shall be equivalent to 0.30% of the total face value of the Bonds issued. This shall be inclusive of all the fees to be paid to the Joint Issue Managers, the Joint Lead Underwriters and Bookrunners, and any fees to be ceded to participating underwriters and selling agents, if any. The estimated amount includes gross receipt taxes estimated at 7.00% of the gross value of the underwriting and selling fees.

² Miscellaneous fees pertain to allowances for marketing expenses such as advertising placements, if any.

<i>(Amount in millions)</i>	Amount
Debt Refinancing	
Series S Bonds due on 23 November 2025	₱11,859

If the ₱5,000 million Oversubscription Option is fully exercised, the additional net proceeds of ₱4,945 million from the Oversubscription Option shall be used to fund debt refinancing.

<i>(Amount in millions)</i>	Amount
Debt Refinancing	
Series S Bonds due on 23 November 2025	₱4,172
Series E Bonds due on 25 November 2025	773

Any shortfall in the net proceeds for the intended uses described above, including any accrued interests on Series S Bonds and Series E Bonds, shall be funded by the Issuer from internal sources such as cash flows generated from operations and/or availments from credit facilities provided to the Issuer by various financial institutions.

Any excess in the net proceeds for the intended uses described above shall be used to fund the Issuer's acquisition of land bank and other opportunistic acquisitions not covered by the estimated proceeds of the Offer.

Debt refinancing

Debt	Amount of the original debt	Outstanding amount to be refinanced	Interest rate	Maturity date
	<i>(Amounts in millions)</i>			
Series S Bonds due 2025	₱16,031	₱16,031	6.2069% per annum	23 November 2025
Series E Bonds due 2025	2,031	773	4.7990% per annum	25 November 2025

The proceeds from the Series S Bonds were used to fund debt refinancing and expansion of the Issuer's portfolio. A copy of the offer supplement with further details on the use of proceeds of the Series S Bonds can be accessed through the following link: <https://www.smprime.com/wp-content/uploads/2023/05/SMPH-Series-STU-Bonds-Offer-Supplement-Final.pdf>

The proceeds from the Series E Bonds were used to finance capital expenditures for the expansion of the Issuer's mall operations. A copy of the prospectus with further details on the use of proceeds of the Series E Bonds can be accessed through the following link: https://www.smprime.com/wp-content/uploads/2021/07/SMPH-Bonds-Prospectus-Nov-2015_0-5.pdf

Pending the above uses, the Issuer intends to invest the net proceeds from the Offer in short-term and medium-term liquid investments including, but not limited to, short-term government securities, bank deposits, and money market placements which are expected to earn prevailing market rates.

The net proceeds from the Offer will not be used to reimburse any officer, director, employee, or shareholder for services rendered, assets previously transferred, money loaned or advanced, or otherwise.

The Issuer undertakes that it will not use the net proceeds from the Offer for any purpose, other than as discussed above. However, the Issuer's plans may change, based on factors including changing macroeconomic and market conditions, or new information regarding the cost or feasibility of these plans. The Issuer's cost estimates may also change as these plans are developed further, and actual costs may be different from budgeted costs. For these reasons, timing and actual use of the net proceeds may vary from the foregoing discussion and the Issuer's management may find it necessary or advisable to reallocate the net proceeds within the categories described above, or to alter its plans, including modifying the projects described in the foregoing and/or pursuing different projects. In the event of any substantial deviation/adjustment in the planned uses of proceeds as approved by the

Issuer's Board of Directors, the Issuer shall make the necessary disclosures, as may be required under applicable laws and regulations and shall inform: (i) the SEC and the stockholders within thirty (30) days prior to its utilization; and (ii) the Bondholders, in accordance with the terms of the Trust Indenture Agreement.

DETERMINATION OF THE OFFER PRICE

The Bonds shall be issued at par or one hundred percent (100%) of principal amount or face value.

The interest rate of the Series AB Bonds is based on the sum of (a) the simple average of the five (5)-year PHP BVAL Reference Rate as published on the website of the Philippine Dealing System ("PDS") Group or, if unavailable, the PDEX page of Bloomberg (or such successor website or page of the publication agent or electronic service provider) at approximately 5:00 p.m., for the three (3) consecutive Business Days immediately preceding and inclusive of the Interest Rate Setting Date and (b) the applicable final spread, determined via a bookbuilding process.

The interest rate of the Series AC Bonds is based on the sum of (a) the simple average of the seven (7)-year PHP BVAL Reference Rate as published on the website of the PDS Group or, if unavailable, the PDEX page of Bloomberg (or such successor website or page of the publication agent or electronic service provider) at approximately 5:00 p.m., for the three (3) consecutive Business Days immediately preceding and inclusive of the Interest Rate Setting Date and (b) the applicable final spread, determined via a bookbuilding process.

The interest rate of the Series AD Bonds is based on the sum of (a) the simple average of the ten (10)-year PHP BVAL Reference Rate as published on the website of the PDS Group or, if unavailable, the PDEX page of Bloomberg (or such successor website or page of the publication agent or electronic service provider) at approximately 5:00 p.m., for the three (3) consecutive Business Days immediately preceding and inclusive of the Interest Rate Setting Date and (b) the applicable final spread, determined via a bookbuilding process.

PLAN OF DISTRIBUTION

SM Prime plans to issue the Bonds to institutional and retail investors in the Philippines through a public offering to be conducted through the Joint Lead Underwriters and Bookrunners. The Offer does not include an international offering. The Bonds will be issued as the third tranche of the Debt Securities Program with an aggregate principal amount of ₱12,000,000,000 and an Oversubscription Option of up to ₱5,000,000,000.

BDO Capital & Investment Corporation and China Bank Capital Corporation have been appointed as the Joint Issue Managers for the Offer and as such, manage and coordinate the various workstreams to ensure the successful execution of the Offer.

The Joint Issue Managers together with BPI Capital Corporation, East West Banking Corporation, First Metro Investment Corporation, and Security Bank Capital Investment Corporation pursuant to an Issue Management and Underwriting Agreement with the Issuer executed on 28 October 2025 (the "Issue Management and Underwriting Agreement"), have agreed to act as the Joint Lead Underwriters and Bookrunners for the Offer and as such, distribute and sell the Bonds at the Offer Price, and have also committed to underwrite ₱12,000,000,000 on a firm basis, in either case subject to the satisfaction of certain conditions and in consideration for certain fees and expenses.

Land Bank of the Philippines has been appointed to act as Selling Agent for the Offer.

Each of the Joint Lead Underwriters and Bookrunners has committed to underwrite the Offer on a firm basis in the amounts indicated below:

Joint Lead Underwriters and Bookrunners	Amount
BDO Capital	₱2,500,000,000
Chinabank Capital	₱2,500,000,000
BPI Capital	₱1,750,000,000
EastWest	₱1,750,000,000
First Metro	₱1,750,000,000
Security Bank Capital	₱1,750,000,000
Total	₱12,000,000,000

There is no allocation of the Oversubscription Option among the Joint Lead Underwriters and Bookrunners. The Issuer and the Joint Lead Underwriters and Bookrunners have the right but not the obligation to exercise such Oversubscription Option.

There is no arrangement for the Joint Lead Underwriters and Bookrunners to return to the Issuer any unsold Bonds. The Issue Management and Underwriting Agreement may be terminated in certain circumstances prior to payment of the net proceeds of the Offer being made to the Issuer. There is no arrangement as well giving the Joint Lead Underwriters and Bookrunners the right to designate or nominate any member to the Board of Directors of the Issuer.

The underwriting and selling fees to be paid by the Issuer in relation to the Offer shall be equivalent to 0.30% of the final aggregate nominal principal amount of the Bonds issued, exclusive of applicable gross receipt taxes. This shall be inclusive of all the fees to be paid to the Joint Issue Managers, the Joint Lead Underwriters and Bookrunners, and any fees to be ceded to participating underwriters and selling agents, if any. No fees will be given to broker-dealers selling the Bonds.

The Joint Lead Underwriters and Bookrunners are duly licensed by the SEC to engage in underwriting and distribution of securities to the public. The Joint Lead Underwriters and Bookrunners may, from time to time, engage in transactions with and perform services in the ordinary course of business with the Issuer, its parent company, SMIC, or other members of the SM Group.

BDO Capital & Investment Corporation is the wholly-owned investment banking subsidiary of BDO Unibank, Inc., which, in turn, is an associate of the SM Group. BDO Capital & Investment Corporation is a full-service investment house primarily involved in securities underwriting and trading, loan syndication, financial advisory, private placement of debt and equity, project finance, and direct equity investment. Incorporated in December 1998, BDO Capital & Investment Corporation commenced operations in March 1999. As of 31 December 2024, it has total assets of ₱5.44 billion and a capital base of ₱5.08 billion.

China Bank Capital Corporation is the wholly owned investment banking subsidiary of China Banking Corporation. It was registered and licensed as an investment house on 27 November 2015, with SEC Company Registration No. CS201522558 and SEC Investment House License No. CR 01-2015-00279 (renewed on 18 November 2022), as a result of the spin-off of China Banking Corporation's Investment Banking Group. The firm offers a full suite of investment banking solutions that enable clients to achieve their fundraising objectives and strategic goals. The firm's services include arranging, managing, and underwriting debt and equity transactions, such as bond offerings, corporate notes issuances, initial public offerings and follow-on offerings of common and preferred shares, private placement of securities, structured loans, project finance, real estate investment trusts, and asset securitizations. Chinabank Capital also provides financial advisory services, such as deal structuring, valuation, and execution of mergers, acquisitions, divestitures, joint ventures, and other corporate transactions. As of 31 December 2024, it has total assets of ₱4.06 billion and a capital base of ₱4.00 billion.

BDO Capital and Chinabank Capital are organizationally and operationally distinct groups within SM Investments Corporation, which is the direct parent company of the Issuer. BDO Capital and Chinabank Capital are separate and independent from each other and the Issuer.

BPI Capital Corporation offers investment banking services in the areas of financial advisory, mergers and acquisitions, debt and equity underwriting, private placements, project finance and loan syndication. Founded in December 1994, BPI Capital is duly licensed by the Philippine SEC to engage in the underwriting and distribution of securities. As of 31 December 2024, BPI Capital had total assets of ₱4.19 billion and a capital base of ₱3.96 billion. The firm operates as a wholly owned subsidiary of the Bank of the Philippine Islands.

East West Banking Corporation is a subsidiary of Filinvest Development Corporation. EastWest is a universal bank providing a wide range of banking services to retail, commercial, and corporate clients. It was established as a commercial bank in July 1994 and received its universal banking license from the BSP in July 2012. EastWest is licensed by the SEC to engage in the underwriting or distribution of securities to the public. As of 31 December 2024, it has total assets of ₱524.7 billion and a capital base of ₱73.1 billion.

First Metro Investment Corporation is a leading investment bank in the Philippines with sixty-two (62) years of service in the development of the country's capital markets. It is a subsidiary of Metropolitan Bank & Trust Company ("Metrobank") with a 99.3% ownership and is the investment banking arm of the Metrobank Group, one of the largest financial conglomerates in the country. First Metro is licensed by the SEC to engage in underwriting and distribution of securities to the public. First Metro offers a wide range of services, from debt and equity underwriting to loan syndication, project finance, and financial advisory. First Metro brings proven expertise in deal origination, structuring, and execution. As of 31 December 2024, its total assets stood at ₱16.30 billion with a capital base amounting to ₱15.70 billion.

Security Bank Capital Investment Corporation (formerly, SB Capital Investment Corporation) is a Philippine corporation organized in October 1995 as a wholly-owned subsidiary of Security Bank Corporation. It obtained its license to operate as an investment house in 1996 and is licensed by the SEC to engage in underwriting and distribution of securities to the public. Security Bank Capital provides a wide range of investment banking services including underwriting of debt and equity securities, project finance, loan syndications, mergers and acquisitions and other corporate/financial advisory services. Security Bank Capital is also involved in equity trading through its wholly-owned stock brokerage subsidiary, SB Equities, Inc. Its senior executives have extensive experience in the capital

markets and were involved in a lead role in a substantial number of major debt and equity issues. As of 31 December 2024, it has total assets of ₱2.19 billion and a capital base of ₱2.13 billion.

SALE AND DISTRIBUTION

The distribution and sale of the Bonds shall be undertaken by the Joint Lead Underwriters and Bookrunners and the Selling Agent who shall sell and distribute the Bonds to third-party buyers/investors. Nothing herein shall limit the rights of the Joint Lead Underwriters and Bookrunners and the Selling Agent from purchasing the Bonds for their own respective accounts.

There are no persons to whom the Bonds are allocated or designated. The Bonds shall be offered to the public at large and without preference. No finders are involved in the distribution of the Bonds.

The obligations of each of the Joint Lead Underwriters and Bookrunners will be several, and not solidary, and nothing in the Issue Management and Underwriting Agreement shall be deemed to create a partnership or joint venture between and among any of the Joint Lead Underwriters and Bookrunners. Unless otherwise expressly provided in the Issue Management and Underwriting Agreement, the failure by a Joint Lead Underwriter and Bookrunner to carry out its obligations thereunder shall neither relieve the other Joint Lead Underwriters and Bookrunners of their obligations under the same Issue Management and Underwriting Agreement, nor shall any Joint Lead Underwriter and Bookrunner be responsible for the obligation of another Joint Lead Underwriter and Bookrunner.

After the commencement of the Offer Period, the Offer shall not be withdrawn, cancelled, suspended, or terminated solely by reason of the Issuer's or the Joint Lead Underwriters and Bookrunners' inability to sell or market the Bonds or refusal or failure to comply with any undertaking or commitment by the Issuer, the Joint Lead Underwriters and Bookrunners, or any other entity/person to take up any Bonds remaining after the Offer Period.

Notwithstanding the foregoing, either the Issuer or the Joint Lead Underwriters and Bookrunners, acting upon a vote of the Majority Underwriters, may likewise suspend the Offer by written notice of suspension or terminate the same by an irrevocable written notice of termination (with a copy to SEC) if, on or before the Issue Date, any of the following events occurs and is not remedied on or before the Issue Date:

- (a) An order canceling, suspending, or terminating the Offer is issued by a competent agency of the Philippine government, court or tribunal having jurisdiction on the matter, which order is not promptly lifted;
- (b) There is a change or impending change in any Philippine law, rule, regulation, administrative practice or interpretation which, in the reasonable determination of the Issuer and the Majority Underwriters, shall materially and adversely affect: (i) the Issuer; (ii) any of the features, yield, or marketability of the Bonds; (iii) the ability of any of the Joint Lead Underwriters and Bookrunners to perform any of their respective obligations in the Issue Management and Underwriting Agreement; or (iv) the taxes on the fees or costs (if applicable) in connection with the Offer or the Issue Management and Underwriting Agreement;
- (c) A material change occurs or is revealed in the political, economic or fiscal conditions, policies, or foreign relations of the Philippines, or any material adverse development in the securities or other financial or currency market in the Philippines, in any of which case, in the reasonable determination of the Issuer and the Majority Underwriters, is of grave and unmanageable proportions and may adversely affect the financial market in the Philippines in general, and the Offer in particular;
- (d) In the reasonable determination of the Majority Underwriters, there has been a material adverse change in the financial condition, assets, or business condition of the Issuer;
- (e) A general debt and/or banking moratorium is declared in the Philippines;

(f) The Issuer shall be adjudicated bankrupt or insolvent, or shall be proven to be unable to pay its debts as they mature or fall due, or shall make or threaten to make an assignment for the benefit of, or a composition or arrangement with, its creditors or any class thereof, or shall declare or threaten to declare a moratorium on its indebtedness or any class thereof; or the Issuer shall apply for or consent to the appointment of any receiver, trustee, or similar officer for it or for all or any substantial part of its property; or the Issuer shall institute (by petition, application or otherwise), or consent to the institution of, any bankruptcy, insolvency, financial reorganization, financial rehabilitation, arrangement, readjustment of debt, suspension of payment, dissolution, liquidation; or similar proceeding relating to it under the laws of any jurisdiction; or any such proceeding shall be instituted against the Issuer without its consent; or any judgment, writ, warrant of attachment, or execution or similar process shall be issued or levied against any material asset of the Issuer or any material part of the Issuer's assets; or any event occurs which under the laws of the Philippines or any applicable political subdivision thereof has an effect equivalent to any of the foregoing; or

(g) Any other event similar to the foregoing events should occur or be revealed which, in the reasonable determination of the Majority Underwriters and the Issuer, involves a material and adverse change in circumstances existing at the time the Issue Management and Underwriting Agreement was entered into.

In addition to the foregoing, either the Issuer or the Joint Lead Underwriters and Bookrunners, acting upon a vote of the Majority Underwriters, may likewise suspend the Issue Management and Underwriting Agreement by written notice of suspension or terminate the same by an irrevocable written notice of termination to the other party if the Issue Date does not occur within seven (7) Business Days from the last day of the Offer Period for any reason which is beyond the control of the Issuer or the Joint Lead Underwriters and Bookrunners.

OFFER PERIOD

The Offer Period for the Bonds shall commence at 9:00 a.m. of 3 November 2025, and end at 5:00 p.m. of 7 November 2025.

APPLICATION TO PURCHASE

Applicants may purchase the Bonds during the Offer Period by submitting to the Joint Lead Underwriters and Bookrunners or to the Selling Agent properly completed Applications to Purchase, whether originally signed or electronically submitted through e-SIP, together with all applicable supporting documentation in the prescribed form and submitted in the prescribed manner, with full payment of the purchase price of the Bonds in the manner provided therein.

Corporate and institutional applicants must also submit, in addition to the foregoing, a copy of their SEC Certificate of Registration of Articles of Incorporation and By-Laws, Articles of Incorporation, By-Laws, and the appropriate authorization by their respective boards of directors and/or committees or bodies authorizing the purchase of the Bonds and designating the authorized signatory(ies) thereof.

Individual applicants must also submit, in addition to accomplished Applications to Purchase and its required attachments, a photocopy of any one of the following valid identification cards (ID), subject to verification with the original ID: passport, driver's license, postal ID, company ID, SSS/GSIS ID and/or Senior Citizen's ID.

A corporate and institutional investor who is exempt from withholding tax, or is subject to a preferential withholding tax rate shall be required to submit the following requirements to the Registrar, subject to acceptance by the Issuer as being sufficient in form and substance:

- (i) a current and valid BIR-certified true copy of the tax exemption certificate, ruling or opinion addressed to the relevant applicant or Bondholder, confirming its exemption or

preferential rate as required under BIR Revenue Memorandum Circular No. 8-2014 including any clarification, supplement or amendment thereto, and certified by the Corporate Secretary of the Bondholder that: (a) the original is in the possession of the Corporate Secretary as the duly authorized custodian of the same; and (b) the Corporate Secretary has personal knowledge based on his official functions of any amendment, revocation, expiration, change or any circumstance affecting the said certification's validity. Should the submitted tax exemption certificate, ruling or opinion expire during the Offer Period, the Bondholder must submit an updated/revalidated tax exemption certificate;

- (ii) with respect to tax treaty relief, (a) prior to the payment of the initial interest due, (i) three (3) originals of the duly executed and apostilled/consularized BIR Form 0901-I (Interest Income) or Application Form for Treaty Purposes filed by the Bondholder or, if the Bondholder is a fiscally transparent entity, each of the Bondholder's owners or beneficiaries with the proof of receipt by the concerned office of the BIR, as required under BIR Revenue Memorandum Order No. 14-2021, (ii) one (1) original of the apostilled/consularized Tax Residency Certificate duly issued by the respective foreign tax authority of the country of residence of the Bondholder or, if the Bondholder is a fiscally transparent entity, the country of residence of each of the Bondholder's owners or beneficiaries, in the form acceptable for recognition under Philippine law, (iii) the relevant provision of the tax treaty providing for the claimed tax exemption or preferential tax rate, in a form acceptable to the Issuer, and (iv) three (3) originals of the duly notarized, consularized or apostilled (as the case may be), if executed outside of the Philippines, Special Power of Attorney executed by the Bondholder or the Bondholder's owners or beneficiaries, as may be applicable, in favor of the authorized representative (if the Application Form for Treaty Purposes and other documents are accomplished by an authorized representative) and confirmation acceptable to the Issuer that the Bondholder or the Bondholder's owners or beneficiaries is/are not doing business in the Philippines to support the applicability of a tax treaty relief; (b) prior to the payment of subsequent interests due, (i) three (3) originals of the duly executed and apostilled/consularized new or updated BIR Form 0901-I (Interest Income) or Application Form for Treaty Purposes, as the Issuer deems applicable, and (ii) one (1) original of the apostilled/consularized Tax Residency Certificate duly issued by the respective foreign tax authority of the country of residence of the Bondholder or, if the Bondholder is a fiscally transparent entity, the country of residence of each of the Bondholder's owners or beneficiaries, in the form acceptable for recognition under Philippine law, if the validity period of the previously issued tax residency certificate has already lapsed; and (c) other additional documents as may be required by the Issuer or pursuant to applicable tax regulations, which shall be submitted by the Bondholder/Registrar to the Issuer no later than the 1st day of the month when such initial or subsequent interest payment/s shall fall due and, if applicable, including any clarification, supplement or amendment thereto;
- (iii) a duly notarized undertaking executed by (1) the Corporate Secretary or any authorized representative of such applicant or Bondholder, who has personal knowledge of the exemption based on his official functions, if the applicant purchases, or the Bondholder holds, the Bonds for its account, or (2) the Trust Officer, if the applicant is a universal bank authorized under Philippine law to perform trust and fiduciary functions and purchase the Bonds pursuant to its management of tax-exempt entities (i.e. Employee Retirement Fund, etc.), declaring and warranting such entities' tax-exempt status or preferential rate entitlement, undertaking to immediately notify the Issuer, the Registrar, and the Paying Agent of any suspension or revocation of the tax exemption certificate, ruling or opinion issued by the BIR, executed using the prescribed form, with a declaration and warranty of its tax-exempt status or entitlement to a preferential tax rate, and agreeing to indemnify and hold the Issuer, the Registrar, the Paying Agent, the Joint Lead Underwriters and Bookrunners, and the selling agents, if any, free and

harmless against any claims, actions, suits, and liabilities resulting from the non-withholding or reduced withholding of the required tax; and

- (iv) such other documentary requirements as may be reasonably required by the Issuer, the Registrar, or the Paying Agent, or as may be required under the applicable regulations of the relevant taxing or other authorities, e.g. BIR Revenue Memorandum Order No. 14-2021, which for purposes of claiming tax treaty withholding rate benefits, shall include, among others, evidence of the applicability of a tax treaty and consularized or apostilled (as the case may be) proof of the Bondholder's legal domicile in the relevant treaty state, and confirmation acceptable to the Issuer that the Bondholder is not doing business in the Philippines; provided, that the Issuer shall have the exclusive discretion to decide whether the documents submitted are sufficient for purposes of applying the exemption or the reduced rate being claimed by the Bondholder on the interest payments to such Bondholder; provided further, that all sums payable by the Issuer to tax-exempt entities shall be paid in full without deductions for taxes, duties, assessments, or government charges subject to the submission by the Bondholder claiming the benefit of any exemption of the required documents and of additional reasonable evidence of such tax-exempt status to the Registrar.

Completed Applications to Purchase and corresponding payments must reach the Joint Lead Underwriters and Bookrunners or the Selling Agent prior to the end of the Offer Period, or such earlier date as may be specified by the Joint Lead Underwriters and Bookrunners. Acceptance by the Joint Lead Underwriters and Bookrunners or the Selling Agent of the completed Application to Purchase shall be subject to the availability of the Bonds and the acceptance by the Issuer. In the event that any check payment is returned by the drawee bank for any reason whatsoever or the nominated bank account to be debited is invalid, the Application to Purchase shall be automatically canceled and any prior acceptance of the Application to Purchase shall be deemed revoked.

MINIMUM PURCHASE

A minimum purchase of Twenty Thousand Pesos (₱20,000) for each series of the Bonds shall be considered for acceptance. Purchases for each series of the Bonds in excess of the minimum shall be in multiples of Ten Thousand Pesos (₱10,000) for each series.

ALLOTMENT OF THE BONDS

If the Bonds are insufficient to satisfy all Applications to Purchase, the available Bonds shall be allotted in accordance with the chronological order of submission of properly completed and appropriately accomplished Applications to Purchase on a first-come, first-served basis, without prejudice and subject to the Issuer's exercise of its right of rejection.

ACCEPTANCE OF APPLICATIONS

The Issuer and the Joint Lead Underwriters and Bookrunners reserve the right to accept or reject applications to purchase the Bonds, and in case of oversubscription, allocate the Bonds available to the applicants in a manner they deem appropriate.

REFUNDS

If any application is rejected or accepted in part only, the application money or the appropriate portion thereof shall be returned without interest to such applicant through the relevant Joint Lead Underwriter and Bookrunner or the Selling Agent with whom such application to purchase the Bonds was made.

PAYMENTS

The Paying Agent shall open and maintain a Payment Account, which shall be operated solely and exclusively by the said Paying Agent in accordance with the Registry and Paying Agency Agreement, provided that beneficial ownership of the Payment Account shall always remain with the Bondholders. The Payment Account shall be used exclusively for the payment of the relevant interest and principal on each Payment Date.

The Paying Agent shall maintain the Payment Account for six (6) months from Maturity Date or the date of early redemption. Upon closure of the Payment Account, any balance remaining in such Payment Account shall be returned to the Issuer and shall be held by the Issuer in trust and for the irrevocable benefit of the Bondholders with unclaimed interest and principal payments.

PURCHASE AND CANCELLATION

The Issuer may purchase the Bonds at any time in the open market or by tender or by contract at market price, in accordance with PDEX Rules, without any obligation to make pro-rata purchases from all Bondholders. Bonds so purchased shall be redeemed and cancelled and may not be re-issued.

Upon listing of the Bonds on PDEX, the Issuer shall disclose any such transactions in accordance with the applicable PDEX disclosure rules.

SECONDARY MARKET

The Issuer intends to list the Bonds on PDEX. The Issuer may purchase the Bonds at any time without any obligation to make pro-rata purchases of Bonds from all Bondholders.

REGISTRY OF BONDHOLDERS

The Bonds shall be issued in scripless form. A Master Certificate of Indebtedness representing the Bonds sold in the Offer shall be issued to and registered in the name of the Trustee, on behalf of the Bondholders.

Legal title to the Bonds shall be shown in the Register of Bondholders to be maintained by the Registrar. Initial placement of the Bonds and subsequent transfers of interests in the Bonds shall be subject to applicable prevailing Philippine selling restrictions. The names and addresses of the Bondholders and the particulars of the Bonds held by them and of all transfers of Bonds shall be entered into the Register of Bondholders. Transfers of ownership shall be effected through book-entry transfers in the scripless Register of Bondholders.

DESCRIPTION OF THE BONDS

The following does not purport to be a complete listing of all the rights, obligations, or privileges of the Bonds. Some rights, obligations, or privileges may be further limited or restricted by other documents. Prospective investors are enjoined to carefully review the Articles of Incorporation, By-Laws, and resolutions of the Board of Directors and Shareholders of the Issuer, the information contained in the Prospectus, this Offer Supplement, the Bond Agreements, and other agreements relevant to the Offer.

A registration statement filed by the Issuer covering the Debt Securities Program was rendered effective by the SEC under its MSRD Order No. 46, Series of 2024, on 6 June 2024. The first Tranche consisting of Series V Bonds, Series W Bonds, and Series X Bonds with an aggregate principal amount of ₱25,000,000,000 was issued on 24 June 2024 under the Prospectus dated 4 June 2024. The second Tranche consisting of Series Y Bonds, Series Z Bonds, and Series AA Bonds with an aggregate principal amount of ₱25,000,000,000 was issued on 25 February 2025 under an offer supplement dated 7 February 2025.

The Bonds covered by this Offer Supplement and described in this Offer Supplement are offered by the Issuer as the third Tranche of Fixed Rate Bonds under its ₱100,000,000,000 Debt Securities Program.

The Bonds shall be issued on the Issue Date. The Series AB Bonds, Series AC Bonds, and Series AD Bonds shall have a term of five (5) years, seven (7) years, and ten (10) years, respectively, from the Issue Date.

The Bonds shall be constituted by a Trust Indenture Agreement to be executed on or about 28 October 2025 (the "Trust Indenture Agreement") entered into between the Issuer and Philippine National Bank – Trust Banking Group as the trustee (the "Trustee"), which term shall, wherever the context permits, include all other persons or companies for the time being acting as trustee or trustees under the Trust Indenture Agreement. The description of the terms and conditions of the Bonds set out below includes summaries of, and is subject to, the detailed provisions of the Trust Indenture Agreement. The Trustee has no interest in or relation to the Issuer which may conflict with its role as Trustee for the Bonds.

A registry and paying agency agreement shall be executed on or about 28 October 2025 (the "Registry and Paying Agency Agreement") in relation to the Bonds between the Issuer and Philippine Depository & Trust Corp. as registrar (the "Registrar") and as paying agent (the "Paying Agent"). The Registrar and Paying Agent has no interest in or relation to the Issuer which may conflict with its role as Registrar for the Offer.

Copies of the Trust Indenture Agreement and the Registry and Paying Agency Agreement are available for inspection during normal business hours at the specified offices of the Trustee. The holders of the Bonds (the "Bondholders") are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Indenture Agreement and are deemed to have notice of those provisions of the Registry and Paying Agency Agreement applicable to them.

FORM, DENOMINATION AND TITLE

Form and Denomination

The Bonds shall be issued in scripless form and shall be offered and sold through a general public offering in the Philippines. The Bonds shall be issued in minimum denominations of Twenty Thousand Pesos (₱20,000) each, and in multiples of Ten Thousand Pesos (₱10,000) thereafter, and shall be traded in denominations of Ten Thousand Pesos (₱10,000) in the secondary market.

Title

Legal title to the Bonds shall be shown in the Register of Bondholders maintained by the Registrar. A notice confirming the principal amount of the Bonds purchased by each applicant in the Offer shall be issued by the Registrar to all Bondholders following the Issue Date. Upon any assignment, title to the Bonds shall pass by recording of the transfer from the transferor to the transferee in the electronic Register of Bondholders maintained by the Registrar. Settlement in respect of such transfer or change of title to the Bonds, including the settlement of any cost arising from such transfers, including, but not limited to, documentary stamp taxes, if any, arising from subsequent transfers, shall be for the account of the relevant Bondholder. If e-SIP is used for the Offer, the operational guidelines, and procedures for the use of e-SIP shall govern.

BOND RATING

The Bonds have been rated PRS Aaa with Stable Outlook by PhilRatings. Obligations rated PRS Aaa are of the highest quality with minimal credit risk. The obligor's capacity to meet its financial commitment on the obligation is extremely strong. PRS Aaa is the highest rating assigned by PhilRatings. A Stable Outlook, on the other hand, indicates that the rating is likely to be maintained or to remain unchanged in the next twelve (12) months.

The rating was arrived at after considering the following factors: the Issuer's well-experienced shareholders and seasoned management; solid brand equity; improved margins, backed by sustained profitability; and healthy cashflow generation and satisfactory capitalization structure.

The rating is subject to regular annual reviews, or more frequently as market developments may dictate, for as long as the Bonds are outstanding. After the Issue Date, the Trustee shall monitor the compliance of the Bonds with the regular annual reviews.

A rating is not a recommendation to buy, sell, or hold securities and may be subject to revision, suspension, or withdrawal at any time by the assigning rating organization.

TRANSFER OF THE BONDS

Register of Bondholders

The Issuer shall cause the Register of Bondholders to be kept by the Registrar, in electronic form. The names and addresses of the Bondholders and the particulars of the Bonds held by them and of all transfers of Bonds shall be entered into the Register of Bondholders. As required by Circular No. 428-04 issued by the BSP, the Registrar shall send each Bondholder a written statement of registry holdings at least quarterly (at the cost of the Issuer), and a written advice confirming every receipt or transfer of the Bonds that is effected in the Registrar's system. Such statement of registry holdings shall serve as the confirmation of ownership of the relevant Bondholder as of the date thereof. Any requests of Bondholders for certifications, reports or other documents from the Registrar, except as provided herein, shall be for the account of the requesting Bondholder. No transfer of the Bonds may be made during the period commencing on a Record Date as defined in this section on "Interest Payment Dates".

Transfers; Tax Status

The Registrar shall ultimately and conclusively determine all matters regarding the evidence necessary to effect any such transfers. Settlement in respect of such transfers or change of title to the Bonds, including the settlement of any documentary stamp taxes, if any, arising from subsequent transfers, shall be settled directly between the transferee and/or the transferor Bondholders.

Transfers across tax categories shall not be allowed except on Interest Payment Dates that fall on a Business Day. Restricted transfers include, but are not limited to, transfers on a non-Interest Payment

Date (1) between taxable and non-taxable entities, (2) between taxable entities of different tax categories (where tax-withheld entities with different final withholding tax rates (e.g. 20%, 25%) are considered as belonging to different tax categories), or (3) between parties who claim the benefit of a tax treaty; provided, however, that transfers from a tax-exempt category to a taxable tax category on a non-Interest Payment Date shall be allowed using the applicable tax-withheld series name to ensure that the computation is based on the final withholding tax rate of the taxable party to the trade. For such transactions, the tax-exempt entity shall be treated as belonging to the same tax category as its taxable counterpart for the interest period within which such transfer occurred.

A Bondholder claiming tax-exempt status is required to submit a written notification of the sale or purchase to the Trustee and the Registrar, including the tax status of the transferor or transferee, as appropriate, together with the supporting documents specified under the Registry and Paying Agency Agreement upon submission of the account opening documents to the Registrar. Transfers taking place in the Register of Bondholders after the Bonds are listed on PDEX shall be allowed between tax-exempt and non tax-exempt entities without restriction and observing the tax exemption of tax-exempt entities, if and/or when so allowed under and in accordance with the relevant rules, conventions and guidelines of PDEX and PDTC.

Secondary Trading of the Bonds

The Issuer intends to list the Bonds on PDEX for secondary market trading. The Bonds will be traded in a minimum board lot size of ₱10,000 as a minimum, and in multiples of ₱10,000 in excess thereof for so long as any of the Bonds are listed on PDEX. Secondary market trading in PDEX shall follow the applicable PDEX rules and conventions and guidelines, including rules, conventions and guidelines governing trading and settlement between Bondholders of different tax status, and shall be subject to the relevant fees of PDEX and PDTC.

RANKING

The Bonds shall constitute the direct, unconditional, unsubordinated, and unsecured obligations of the Issuer ranking at least *pari passu* and ratably without any preference or priority among themselves and with all its other present and future direct, unconditional, unsubordinated, and unsecured obligations (other than subordinated obligations and those preferred by mandatory provisions of law).

INTEREST

Interest Payment Dates

The Bonds shall bear interest on its principal amount from and including the Issue Date at the rate of 5.9096% p.a. for the Series AB Bonds, 6.0858% p.a. for the Series AC Bonds, and 6.2855% p.a. for the Series AD Bonds, payable semi-annually in arrear starting on 17 May 2026 for the first Interest Payment Date, and on 17 May and 17 November of each year for each subsequent Interest Payment Date at which the Bonds are outstanding, or the subsequent Business Day, without adjustment for accrued interest, if such Interest Payment Date is not a Business Day. If the Issue Date is set at a date other than 17 November 2025, then the Interest Payment Dates will be automatically adjusted to the numerically corresponding dates at every six (6) months following the actual Issue Date.

The cut-off date in determining the existing Bondholders entitled to receive interest or principal amount due shall be two (2) Business Days prior to the relevant Interest Payment Dates (the "Record Date"), which shall be the reckoning date in determining the Bondholders entitled to receive interest, principal or any other amount due under the Bonds. No transfers of the Bonds may be made during this period intervening between and commencing on the Record Date and the relevant Interest Payment Dates.

Interest Accrual

The Bonds shall cease to bear interest from and including the relevant Maturity Date, as defined in the discussion on “*Final Redemption*” below, unless, upon due presentation, payment of the principal in respect of the Bonds then outstanding is not made, is improperly withheld or refused, in which case the Penalty Interest (see “*Penalty Interest*” below) shall apply.

Determination of Interest Amount

The interest shall be calculated on the basis of a 360-day year consisting of twelve (12) months of thirty (30) days each and, in the case of an incomplete month, the number of days elapsed on the basis of a month of thirty (30) days.

REDEMPTION AND PURCHASE

Final Redemption

Unless otherwise earlier redeemed or previously purchased and cancelled by the Issuer, the Bonds shall be redeemed at par or one hundred percent (100%) of face value on each series’ relevant Maturity Date. However, if the Maturity Date is not a Business Day, payment of all amounts due on such date will be made by the Issuer through the Paying Agent, without adjustment for accrued interest, on the succeeding Business Day.

Redemption for Taxation Reasons

If payments under the Bonds become subject to additional or increased taxes other than the taxes and rates of such taxes prevailing on the Issue Date as a result of certain changes in law, rule or regulation, or in the interpretation thereof, and such additional or increased rate of such tax cannot be avoided by use of reasonable measures available to the Issuer, the Issuer may redeem the Bonds in whole, but not in part, on any Interest Payment Date (having given not more than sixty (60) nor less than thirty (30) days’ notice) at par plus accrued interest.

Optional Redemption

Prior to the Maturity Date of the Bonds, the Issuer shall have a one-time option, but shall not be obligated, to redeem in whole, and not a part only, the outstanding series of the Bonds, in accordance with the schedule set forth below.

Bonds	Optional Redemption Dates	Optional Redemption Price
Series AB Bonds	Sixth (6 th) and seventh (7 th) Interest Payment Dates	101.0%
	Eighth (8 th) and ninth (9 th) Interest Payment Dates	100.0%
Series AC Bonds	Eighth (8 th) and ninth (9 th) Interest Payment Dates	101.0%
	Tenth (10 th) and eleventh (11 th) Interest Payment Dates	101.0%
	Twelfth (12 th) and thirteenth (13 th) Interest Payment Dates	100.0%
Series AD Bonds	Fourteenth (14 th) and fifteenth (15 th) Interest Payment Dates	101.0%
	Sixteenth (16 th) and seventeenth (17 th) Interest Payment Dates	101.0%
	Eighteenth (18 th) and nineteenth (19 th) Interest Payment Dates	100.0%

The Issuer shall give no less than thirty (30) nor more than sixty (60) calendar days’ prior written notice of its intention to redeem the Bonds, which notice shall be irrevocable and binding upon the Issuer to effect such early redemption of the relevant series of the Bonds at the Interest Payment Date stated in such notice. The amount payable to the Bondholders in respect of such redemption shall be calculated as the sum of: (i) the relevant Optional Redemption Price applied to the principal amount of the

outstanding series of Bonds being redeemed; and (ii) accrued interest on the relevant series of the Bonds as of the relevant Optional Redemption Date.

Purchase and Cancellation

Upon listing of the Bonds on PDEX, the Issuer shall disclose any such transactions in accordance with the applicable PDEX disclosure rules.

The Issuer may at any time purchase any of the Bonds at market price in the open market or by tender or by contract at market price, in accordance with PDEX Rules, without any obligation to purchase Bonds pro-rata from all Bondholders. Any Bonds so purchased shall be redeemed and cancelled and may not be re-issued.

Change in Law or Circumstance

The following events shall be considered as changes in law or circumstances as it refers to the obligations of the Issuer and the rights and interests of the Bondholders under the Trust Indenture Agreement and the Bonds:

- (a) Any government and/or non-government consent, license, authorization, registration, or approval now or hereafter necessary to enable the Issuer to comply with its obligations under the Trust Indenture Agreement or the Bonds shall be modified, withdrawn or withheld in a manner which, in the reasonable opinion of the Trustee, will materially and adversely affect the ability of the Issuer to comply with such obligations;
- (b) Any provision of the Trust Indenture Agreement or any of the related documents is or becomes, for any reason, invalid, illegal or unenforceable to the extent that it becomes for any reason unlawful for the Issuer to give effect to its rights or obligations thereunder, or to enforce any provisions of the Trust Indenture Agreement or any of the related documents in whole or in part; or any law is introduced or any applicable existing law is modified or rendered ineffective or inapplicable to prevent or restrain the performance by the parties thereto of their obligations under the Trust Indenture Agreement or any other related documents; or
- (c) Any concessions, permits, rights, franchise, or privileges required for the conduct of the business and operations of the Issuer shall be revoked, cancelled or otherwise terminated, or the free and continued use and exercise thereof shall be curtailed or prevented, in such manner as to materially and adversely affect the financial condition or operations of the Issuer.

Upon the occurrence of a Change in Law or Circumstance (as enumerated above), the Issuer may redeem the Bonds in whole, but not in part, on any Interest Payment Date (having given not more than sixty (60) nor less than thirty (30) days' notice) at par plus accrued interest.

Payments

The principal of, interest on, and all other amounts payable on, the Bonds shall be paid to the Bondholders by crediting of the settlement accounts designated by each of the Bondholders. The principal of, and interest on, the Bonds shall be payable in Philippine Pesos. The Issuer shall ensure that so long as any of the Bonds remains outstanding, there shall at all times be a Paying Agent for purposes of disbursing payments on the Bonds. In the event the Paying Agent shall be unable or unwilling to act as such, the Issuer shall appoint a qualified financial institution in the Philippines authorized to act in its place. The Paying Agent may not resign its duties or be unreasonably removed without a successor having been appointed. In case of resignation of the Paying Agent, the procedure in Section 10.2 of the Registry and Paying Agency Agreement shall be followed.

Payment of Additional Amounts - Taxation

Under the Capital Markets Efficiency Promotion Act ("CMEPA"), interest income on the Bonds is subject to a uniform rate of 20%, except for non-resident aliens not engaged in trade or business and non-resident foreign corporations, both of whom shall still be subject to a final withholding tax rate of 25%, unless otherwise provided under other relevant law, regulation or tax treaty. Except for such withholding tax and as otherwise provided, all payments of principal and interest are to be made free and clear of any deductions or withholding for or on account of any present or future taxes or duties imposed by or on behalf of Republic of the Philippines, including, but not limited to, issue, registration or any similar tax or other taxes and duties, including interest and penalties, if any. If such taxes or duties are imposed, the same shall be for the account of the Issuer; provided however that, the Issuer shall not be liable for the following:

- a) The withholding tax applicable on interest earned on the Bonds prescribed under the Tax Code, as amended, and its implementing rules and regulations as may be in effect from time to time. An investor who is exempt from the aforesaid withholding tax, or is subject to a preferential withholding tax rate shall be required to submit the following requirements to the Registrar, subject to acceptance by the Issuer as being sufficient in form and substance:
 - (i) a current and valid BIR-certified true copy of the tax exemption certificate, ruling or opinion addressed to the relevant applicant or Bondholder, confirming its exemption or preferential rate as required under BIR Revenue Memorandum Circular No. 8-2014 including any clarification, supplement or amendment thereto, and certified by the Corporate Secretary of the Bondholder that: (a) the original is in the possession of the Corporate Secretary as the duly authorized custodian of the same; and (b) the Corporate Secretary has personal knowledge based on his official functions of any amendment, revocation, expiration, change or any circumstance affecting the said certification's validity. Should the submitted tax exemption certificate, ruling or opinion expire during the Offer Period, the Bondholder must submit an updated/revalidated tax exemption certificate;
 - (ii) with respect to tax treaty relief, (a) prior to the payment of the initial interest due, (i) three (3) originals of the duly executed and apostilled/consularized BIR Form 0901-I (Interest Income) or Application Form for Treaty Purposes filed by the Bondholder or, if the Bondholder is a fiscally transparent entity, each of the Bondholder's owners or beneficiaries with the proof of receipt by the concerned office of the BIR, as required under BIR Revenue Memorandum Order No. 14-2021, (ii) one (1) original of the apostilled/consularized Tax Residency Certificate duly issued by the respective foreign tax authority of the country of residence of the Bondholder or, if the Bondholder is a fiscally transparent entity, the country of residence of each of the Bondholder's owners or beneficiaries, in the form acceptable for recognition under Philippine law, (iii) the relevant provision of the tax treaty providing for the claimed tax exemption or preferential tax rate, in a form acceptable to the Issuer, and (iv) three (3) originals of the duly notarized, consularized or apostilled (as the case may be), if executed outside of the Philippines, Special Power of Attorney executed by the Bondholder or the Bondholder's owners or beneficiaries, as may be applicable, in favor of the authorized representative (if the Application Form for Treaty Purposes and other documents are accomplished by an authorized representative) and confirmation acceptable to the Issuer that the Bondholder or the Bondholder's owners or beneficiaries is/are not doing business in the Philippines to support the applicability of a tax treaty relief; (b) prior to the payment of subsequent interests due, (i) three (3) originals of the duly executed and apostilled/consularized new or updated BIR Form 0901-I (Interest Income) or Application Form for Treaty Purposes, as the Issuer deems applicable, and (ii) one (1) original of the apostilled/consularized Tax Residency Certificate duly issued by the respective foreign tax authority of the country of residence of the Bondholder or, if the Bondholder is a fiscally transparent

entity, the country of residence of each of the Bondholder's owners or beneficiaries, in the form acceptable for recognition under Philippine law, if the validity period of the previously issued tax residency certificate has already lapsed; and (c) other additional documents as may be required by the Issuer or pursuant to applicable tax regulations, which shall be submitted by the Bondholder/Registrar to the Issuer no later than the 1st day of the month when such initial or subsequent interest payment/s shall fall due and, if applicable, including any clarification, supplement or amendment thereto;

- (iii) a duly notarized undertaking executed by (1) the Corporate Secretary or any authorized representative of such applicant or Bondholder, who has personal knowledge of the exemption based on his official functions, if the applicant purchases, or the Bondholder holds, the Bonds for its account, or (2) the Trust Officer, if the applicant is a universal bank authorized under Philippine law to perform trust and fiduciary functions and purchase the Bonds pursuant to its management of tax-exempt entities (i.e. Employee Retirement Fund, etc.), declaring and warranting such entities' tax-exempt status or preferential rate entitlement, undertaking to immediately notify the Issuer, the Registrar, and the Paying Agent of any suspension or revocation of the tax exemption certificate, ruling or opinion issued by the BIR, executed using the prescribed form, with a declaration and warranty of its tax-exempt status or entitlement to a preferential tax rate, and agreeing to indemnify and hold the Issuer, the Registrar, the Paying Agent, the Joint Lead Underwriters and Bookrunners, and the selling agents, if any, free and harmless against any claims, actions, suits, and liabilities resulting from the non-withholding or reduced withholding of the required tax; and
 - (iv) such other documentary requirements as may be reasonably required by the Issuer, the Registrar, or the Paying Agent, or as may be required under the applicable regulations of the relevant taxing or other authorities, e.g. BIR Revenue Memorandum Order No. 14-2021, which for purposes of claiming tax treaty withholding rate benefits, shall include, among others, evidence of the applicability of a tax treaty and consularized or apostilled (as the case may be) proof of the Bondholder's legal domicile in the relevant treaty state, and confirmation acceptable to the Issuer that the Bondholder is not doing business in the Philippines; provided, that the Issuer shall have the exclusive discretion to decide whether the documents submitted are sufficient for purposes of applying the exemption or the reduced rate being claimed by the Bondholder on the interest payments to such Bondholder; provided further, that all sums payable by the Issuer to tax-exempt entities shall be paid in full without deductions for taxes, duties, assessments, or government charges subject to the submission by the Bondholder claiming the benefit of any exemption of the required documents and of additional reasonable evidence of such tax-exempt status to the Registrar;
- b) Gross Receipts Tax under Section 121 of the Tax Code;
 - c) Taxes on the overall income of any securities dealer or Bondholder, whether or not subject to withholding; and
 - d) Value Added Tax ("VAT") under Sections 106 to 108 of the Tax Code, and as amended by Republic Act No. 9337.

Documentary stamp tax for the primary issue of the Bonds and the execution of the Bond Agreements, if any, shall be for the Issuer's account.

FINANCIAL RATIOS

The Issuer shall maintain the following financial ratios:

- a) Debt-to-Equity Ratio of not more than 70:30; and
- b) Interest Coverage Ratio of not less than 2.5x.

There are no other regulatory ratios that the Issuer is required to comply with.

NEGATIVE PLEDGE

So long as the Bonds remain outstanding (as defined in the Trust Indenture Agreement):

- (i) the Issuer will not create or permit to subsist any lien upon the whole or any part of its undertaking, assets or revenues present or future to secure any Indebtedness or any guarantee of or indemnity in respect of any Indebtedness;
- (ii) the Issuer shall procure that its Material Subsidiaries will not create or permit to subsist any lien upon the whole or any part of any Material Subsidiary's undertaking, assets or revenues present or future to secure any Public Debt or any guarantee of or indemnity in respect of any Public Debt;
- (iii) the Issuer will procure that no other Person creates or permits to subsist any lien or gives any guarantee of, or indemnity upon the whole or any part of the undertaking, assets or revenues present or future of that other Person to secure any Public Debt of the Issuer, or any Material Subsidiary or to secure any guarantee of or indemnity in respect of the Public Debt of the Issuer or any of its Material Subsidiaries;
- (iv) the Issuer will procure that no Person gives any guarantee of, or indemnity in respect of, the Public Debt of the Issuer or any of its Material Subsidiaries; and
- (v) Except as required by Applicable Law or any Governmental Authority, the Issuer shall not: (a) make or permit any material change in the nature of its business from that being carried on as of the date hereof; or (b) engage in any business operation or activity other than that for which it is presently authorized, expressly or impliedly, by its articles of incorporation or by Applicable Law.

The Negative Covenants set forth in Sections 5.2 (a), (b), (c), and (d) of the Trust Indenture Agreement shall not apply if, at the same time or prior thereto, the Issuer's obligations under the Bonds and the Trust Indenture Agreement: (a) are secured equally and ratably therewith or benefit from a guarantee or indemnity in substantially identical terms thereto, as the case may be; or (b) have the benefit of such other security, guarantee, indemnity or other arrangement as the Trustee in its absolute discretion shall deem to be not materially less beneficial to the Bondholders or as shall be approved by the majority of the Bondholders; and provided that this paragraph shall not apply to liens: (aa) arising by operation of law; (bb) created in respect of Indebtedness (for the avoidance of doubt, including Indebtedness in respect of which there is a preference or priority under Article 2244 of the Civil Code of the Philippines as the same may be amended from time to time) in aggregate principal amount not exceeding fifteen percent (15%) of the Fair Market Value of Consolidated Assets as determined in the Issuer's latest audited consolidated financial statements; (cc) encumbrance to secure contracts (other than Indebtedness) in the ordinary course of business; (dd) encumbrance on deposits and/or financial instruments made by the Issuer with the proceeds of any loan facility made to it by any bank or financial institution for the purpose of hedging transactions; or (ee) encumbrance on an asset for taxes, assessments, governmental charges or levies on such asset, which are being contested in good faith and by appropriate proceedings diligently pursued.

EVENTS AND CONSEQUENCES OF DEFAULT

If any of the following events occurs (the "Events of Default") and is continuing, the Trustee shall give notice to the Issuer that the Bonds are, and they shall immediately become, due and payable at their principal amount together with accrued interest:

- (a) The Issuer shall fail to pay, when due, the principal of or interest on or any amount payable under the Bonds, and such failure to pay is not remedied within ten (10) Business Days from due date thereof;
- (b) The Issuer shall default in the due performance, observance of, or compliance with any other covenant contained in the Trust Indenture Agreement or the Bonds, and such default shall remain unremedied for a period of thirty (30) days after the Issuer shall have received written notice thereof from the Trustee;
- (c) Any statement, representation, or warranty made by the Issuer in the Trust Indenture Agreement or in any other document delivered or made pursuant thereto shall prove to be incorrect or untrue in any material respect as and when made and the circumstances which cause such representation or warranty to be incorrect or misleading continue for more than thirty (30) days (or such longer period as the Majority Bondholders shall approve) after receipt of written notice from the Trustee to that effect;
- (d) The Issuer or any of its Subsidiaries fails to pay or defaults in the payment of any installment of the principal or interest relative to, or fails to comply with or to perform, any other obligation, or commits a breach or violation of any of the terms, conditions or stipulations, of any agreement, contract or document relating to any of their respective Indebtedness, including without limitation any credit extended by Bondholders or any third Person or Persons and under the terms of which such agreement, contract or document, shall constitute an event of default thereunder, but allowing for all applicable grace periods thereunder; *provided*, however, that no Event of Default will occur under this paragraph unless the aggregate amount of Indebtedness in respect of which one or more of the events above-mentioned has or have occurred equals or is in excess of fifteen percent (15%) of the Fair Market Value of Consolidated Assets as determined and recognized in the Issuer's latest audited consolidated financial statements;
- (e) The Issuer or any of its Subsidiaries shall:
 - (i) become insolvent or unable to pay its Indebtedness as they mature;
 - (ii) stop or suspend all or a material part of (or a particular type of) its Indebtedness;
 - (iii) propose or make any agreement for the deferral, rescheduling or other readjustment of all of (or all of a particular type of) its Indebtedness, unless such deferral, rescheduling or other readjustment is not due to its inability to pay its Indebtedness and the Issuer gives prior notice of such deferral, rescheduling or other readjustment and the reasons therefor to the Bondholders through the Trustee and secure the required consent to effect such;
 - (iv) propose or make a general assignment or an arrangement or composition with or for the benefit of relevant creditors in respect of any of such Indebtedness, unless such general assignment, arrangement or composition is not due to its inability to pay its Indebtedness and the Issuer gives prior notice of such

- general assignment, arrangement or composition and the reasons therefor to the Bondholders through the Trustee;
- (v) take advantage of insolvency, moratorium, corporate rehabilitation or other laws for the relief of debtors;
 - (vi) there shall be commenced against the Issuer or any Subsidiary any proceeding under such laws, or any judgment or order is entered by a court of competent jurisdiction for the appointment of a receiver, trustee or the like to take charge of all or substantially all of the assets of the Issuer, and such proceedings shall not have been discharged or stayed within a period of sixty (60) days or such longer period as the Issuer satisfies the Majority Bondholders as appropriate under the circumstances;
- (f) Any act or deed or judicial or administrative proceeding in the nature of an expropriation, confiscation, nationalization, intervention, acquisition, seizure, or condemnation of or with respect to the whole or any material portion of the business and operations, capital stock, property, or assets of the Issuer or any of its Material Subsidiary, shall be undertaken or instituted by any governmental authority, unless such act, deed or proceedings are otherwise contested in good faith by the Issuer or the Subsidiary concerned;
 - (g) An attachment or garnishment of or levy upon a material part of the properties of the Issuer or any of its Material Subsidiary is made and is not discharged, stayed or fully bonded, within sixty (60) days (or such longer period as the Issuer satisfies the Majority Bondholders as appropriate under the circumstances);
 - (h) Any of the Trust Indenture Agreement or the Bonds or any material portion thereof is declared to be illegal or unenforceable, unless such illegality or enforceability is remedied within thirty (30) days of the occurrence or declaration of the illegality or unenforceability, as the case may be;
 - (i) Any of the concessions, permits, rights, franchises, or privileges required for the conduct of the business and operations of the Issuer or any Subsidiary shall be revoked, canceled or otherwise terminated, or the free and continued use and exercise thereof shall be curtailed or prevented in such manner as shall have a material adverse effect, and such continues unremedied for a period of sixty (60) days from the date of such revocation, cancellation, termination or curtailment;
 - (j) A final judgment, decree or order has been entered against the Issuer or any Subsidiary by a court of competent jurisdiction from which no appeal may be made or is taken for the payment of money in excess of Five Billion Pesos (₱5,000,000,000), and any relevant period specified for payment of such judgment, decree or order shall have expired without it being satisfied, discharged or stayed;
 - (k) Any lien created or assumed by the Issuer or any Subsidiary becomes unenforceable and any step is taken to enforce it (including the taking possession or the appointment of a receiver, manager or other similar person) and the Indebtedness secured by the lien is not discharged or such steps stayed within sixty (60) days of such steps being so taken unless and for so long as the Bondholders are satisfied that it is being contested in good faith with due diligence and by appropriate proceedings;
 - (l) The Issuer shall contest in writing the validity or enforceability of the Trust Indenture Agreement or the Bonds or shall deny generally in writing the liability of the Issuer under the Trust Indenture Agreement or the Bonds; or

- (m) Any event occurs which under the law has an analogous effect to any of the events referred to in the foregoing paragraphs of this section.

Notice of Default

The Trustee shall, within five (5) days after the occurrence of any Event of Default, give to the Bondholders written notice of such default known to it, unless the same shall have been cured before the giving of such notice; provided that, in the case of payment default, as described in item (a) of "Events and Consequences of Default" above, the Trustee shall immediately notify the Bondholders upon the occurrence of such payment default. The existence of a written notice required to be given to the Bondholders hereunder shall be published in a newspaper of general circulation in the Philippines for two (2) consecutive days, further indicating in the published notice that the Bondholders or their duly authorized representatives may obtain an important notice regarding the Bonds at the principal office of the Trustee upon presentation of sufficient and acceptable identification.

Penalty Interest

In case any amount payable by the Issuer under the Bonds, whether for principal, interest, fees due to Trustee or Registrar or otherwise, is not paid on due date, the Issuer shall, without prejudice to its obligations to pay the said principal, interest and other amounts, pay penalty interest on the defaulted amount(s) at the rate of two percent (2.0%) p.a. (the "Penalty Interest") from the time the amount falls due until it is fully paid.

Payment in the Event of Default

The Issuer covenants that upon the occurrence of any Event of Default, the Issuer shall pay to the Bondholders, through the Paying Agent, the whole amount which shall then have become due and payable on all such outstanding Bonds with interest at the rate borne by the Bonds on the overdue principal and with Penalty Interest as described above, and in addition thereto, the Issuer shall pay to the Trustee such further amounts as shall be determined by the Trustee to be sufficient to cover the cost and expenses of collection, including reasonable compensation to the Trustee, its agents, attorneys and counsel, and any reasonable expenses or liabilities incurred without negligence or bad faith by the Trustee hereunder.

Application of Payments

Any money collected or delivered to the Paying Agent, and any other funds held by it, subject to any other provision of the Trust Indenture Agreement and the Registry and Paying Agency Agreement relating to the disposition of such money and funds, shall be applied by the Paying Agent in the order of preference as follows: *first*, to the payment to the Trustee, the Paying Agent and the Registrar, of the costs, expenses, fees and other charges of collection, including reasonable compensation to them, their agents, attorneys and counsel, and all reasonable expenses and liabilities incurred or disbursements made by them, without gross negligence or bad faith; *second*, to the payment of the interest in default, in the order of the maturity of such interest with Penalty Interest; *third*, to the payment of the whole amount then due and unpaid upon the Bonds for principal, and interest, with Penalty Interest; and *fourth*, the remainder, if any shall be paid to the Issuer, its successors or assigns, or to whoever may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct. Except for any interest and principal payments, all disbursements of the Paying Agent in relation to the Bonds shall require the conformity of the Trustee and this conformity, once given, shall constitute as an irrevocable instruction of the Issuer. The Paying Agent shall render a monthly account of such funds under its control.

Prescription

Claims in respect of principal and interest or other sums payable hereunder shall prescribe unless made within ten (10) years (in the case of principal or other sums) or five (5) years (in the case of interest) from the date on which payment becomes due.

Remedies

All remedies conferred by the Trust Indenture Agreement to the Trustee and the Bondholders shall be cumulative and not exclusive and shall not be so construed as to deprive the Trustee or the Bondholders of any legal remedy by judicial or extra judicial proceedings appropriate to enforce the conditions and covenants of the Trust Indenture Agreement, subject to the discussion below on "*Ability to File Suit*".

No delay or omission by the Trustee or the Bondholders to exercise any right or power arising from or on account of any default hereunder shall impair any such right or power, or shall be construed to be a waiver of any such default or an acquiescence thereto; and every power and remedy given by the Trust Indenture Agreement to the Trustee or the Bondholders may be exercised from time to time and as often as may be necessary or expedient.

Ability to File Suit

No Bondholder shall have any right by virtue of or by availing of any provision of the Trust Indenture Agreement to institute any suit, action or proceeding for the collection of any sum due from the Issuer hereunder on account of principal, interest and other charges, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless: (i) such Bondholder previously shall have given to the Trustee written notice of an Event of Default and of the continuance thereof and the related request for the Trustee to convene a meeting of the Bondholders to take up matters related to their rights and interests under the Bonds; (ii) the Majority Bondholders shall have decided and made the written request upon the Trustee to institute such action, suit or proceeding in the latter's name; (iii) the Trustee for sixty (60) days after the receipt of such notice and request shall have neglected or refused to institute any such action, suit or proceeding; and (iv) no directions inconsistent with such written request shall have been given under a waiver of default by the Bondholders, it being understood and intended, and being expressly covenanted by every Bondholder with every other Bondholder and the Trustee, that no one or more Bondholders shall have any right in any manner whatever by virtue of or by availing of any provision of the Trust Indenture Agreement to affect, disturb or prejudice the rights of the holders of any other such Bonds or to obtain or seek to obtain priority over or preference to any other such holder or to enforce any right under the Trust Indenture Agreement, except in the manner herein provided and for the equal, ratable and common benefit of all the Bondholders.

Waiver of Default by the Bondholders

The Majority Bondholders may direct the time, method, and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred upon the Trustee, or the Majority Bondholders may decide for and in behalf of the Bondholders to waive any past default, except the events of default defined as a payment default, breach of representation or warranty default, expropriation default, insolvency default, or closure default, and its consequences, which would require the unanimous waiver of all the Bondholders. In case of any such waiver, the Issuer, the Trustee, and the Bondholders shall be restored to their former positions and rights hereunder; provided however that, no such waiver shall extend to any subsequent or other default or impair any right consequent thereto. Any such waiver by the Majority Bondholders shall be conclusive and binding upon all Bondholders and upon all future holders and owners thereof, irrespective of whether or not any notation of such waiver is made upon the certificate representing the Bonds.

SUBSTITUTION

Substitution of the Bonds is not contemplated.

TRUSTEE; NOTICES

Notice to the Trustee

All documents required to be submitted to the Trustee pursuant to the Trust Indenture Agreement, this Offer Supplement and all correspondences addressed to the Trustee shall be delivered to:

To the Trustee:	Philippine National Bank Trust Banking Group
Attention:	Joy Jasmin Santos / Maria Victoria Mendoza
Address:	3 rd Floor, PNB Financial Center Diosdado Macapagal Boulevard, Pasay City
Subject:	SM Prime Series AB/AC/AD Bonds
E-mail:	mendozamc@pnb.com.ph

All documents and correspondence not sent to the above-mentioned address shall be considered as not to have been sent at all.

For any inquiries and complaints, the Issuer or any of the Bondholders may send an e-mail to Trust_CustomerCare@pnb.com.ph. The Trustee shall respond within forty-eight (48) hours or two (2) Business Days and resolve the complaint within twenty (20) Business Days. The Trustee shall notify the Issuer or the Bondholders, as applicable, in case the complaint cannot be resolved within twenty (20) Business Days.

For urgent concerns, the Issuer or the Bondholders may call the Trustee's Customer Care Hotline at (632) 8573 8888 available from 8 a.m. to 8 p.m., Monday to Sunday.

The Trustee is regulated by the BSP with e-mail address at consumeraffairs@bsp.gov.ph.

Notice to the Bondholders

The Trustee shall send all notices to Bondholders to their mailing address as set forth in the Register of Bondholders. Except where a specific mode of notification is provided for herein, notices to Bondholders shall be sufficient when made in writing and transmitted in any one of the following modes: (i) registered mail; (ii) surface mail; (iii) by one-time publication in a newspaper of general circulation in the Philippines; or (iv) personal delivery to the address of record in the Register of Bondholders. The Trustee shall rely on the Register of Bondholders in determining the Bondholders entitled to notice. All notices shall be deemed to have been received: (i) ten (10) days from posting if transmitted by registered mail; (ii) fifteen (15) days from mailing if transmitted by surface mail; (iii) on date of publication; or (iv) on date of delivery, for personal delivery.

Binding and Conclusive Nature

Except as provided in the Trust Indenture Agreement, all notifications, opinions, determinations, certificates, calculations, quotations, and decisions given, expressed, made, or obtained by the Trustee for the purposes of the provisions of the Trust Indenture Agreement, shall (in the absence of willful default, bad faith or manifest error) be binding on the Issuer, and all Bondholders and (in the absence as referred to above) no liability to the Issuer, the Paying Agent, or the Bondholders shall attach to the Trustee in connection with the exercise or non-exercise by it of its powers, duties, and discretions under the Trust Indenture Agreement.

Duties and Responsibilities of the Trustee

- (a) The Trustee is appointed as trustee for and on behalf of the Bondholders and accordingly shall perform such duties and shall have such responsibilities as provided in the Trust Indenture Agreement and inform the Bondholders of any event which has a material adverse effect on the ability of the Issuer to comply with its obligations to the Bondholders, breach of representations and warranties, and Events of Default within a reasonable period from the time that the Trustee learns or is informed of such events.
- (b) The Trustee shall have custody of and hold in its name, for and in behalf of the Bondholders, the Master Certificates of Indebtedness for the total issuance of the Bonds.
- (c) The Trustee shall promptly and faithfully carry out the instructions or decisions of the Majority Bondholders issued or reached in accordance with the terms and conditions of the Trust Indenture Agreement.
- (d) The Trustee shall, in accordance with the terms and conditions of the Trust Indenture Agreement, monitor the compliance or non-compliance by the Issuer with all its representations and warranties, and the observance by the Issuer of all its covenants and performance of all its obligations, under and pursuant to the Trust Indenture Agreement.
- (e) The Trustee shall, prior to the occurrence of an Event of Default or after the curing of all such defaults which may have occurred, perform only such duties as are specifically set forth in the Trust Indenture Agreement. In case of default, the Trustee shall exercise such rights and powers vested in it by the Trust Indenture Agreement, and use such judgment and care under the circumstances then prevailing that individuals of prudence, discretion and intelligence, and familiar with such matters exercise in the management of their own affairs.
- (f) The Trustee, in the performance of its duties, shall observe due diligence in exercising such rights and powers vested in it under the Trust Indenture Agreement, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs under similar circumstances. For the avoidance of doubt, notwithstanding any actions that the Trustee may take, the Trustee shall remain to be the party responsible to the Bondholders, and to whom the Bondholders shall communicate with in respect to any matters that must be taken up with the Issuer.
- (g) The Trustee shall perform such other powers and functions as provided for elsewhere under the Trust Indenture Agreement.

Liability of the Trustee

- (a) No provision of the Trust Indenture Agreement shall be construed to relieve the Trustee from liability for its own grossly negligent action, its own grossly negligent failure to act, or its willful misconduct, or that of its directors, officers, or employees, provided that:
 - (i) The Trustee shall not be liable other than the performance of such duties as are specifically set forth in the Trust Indenture Agreement;
 - (ii) In the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely upon, as to the truth of the statements and the correctness of the opinion of the expressed in, any certificate or opinion furnished to the Trustee conforming to the requirements of the Trust Indenture Agreement;
 - (iii) The Trustee shall not be liable for any error of judgment made in good faith by its responsible officer or officers, unless it shall be proven that the Trustee was grossly negligent in ascertaining the pertinent facts, as determined by a final non-appealable judgement of a court of competent jurisdiction; and

- (iv) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Majority Bondholders relating to the time, method, and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred upon the Trustee under the Trust Indenture Agreement.
- (b) None of the provisions contained in the Trust Indenture Agreement, or this Offer Supplement, shall require or be interpreted to require the Trustee to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers.

Ability to Consult Counsel

- (a) The Trustee may consult with counsel in connection with the duties to be performed by the Trustee under the Trust Indenture Agreement and any opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or omitted to be taken by the Trustee hereunder in good faith and in accordance with such opinion; provided that, prior to taking or not taking such action for which opinion of counsel is sought, the Trustee shall inform the Issuer of the relevant opinion of counsel; provided further that, the Trustee shall not be bound by the foregoing condition to inform the Issuer of counsel's opinion if the opinion of counsel which is being sought by the Trustee pertains to, or involves actions to be undertaken due to, an Event of Default or issues pertaining thereto.
- (b) Notwithstanding any provision of the Trust Indenture Agreement authorizing the Trustee conclusively to rely upon any certificate or opinion, the Trustee may, before taking or refraining from the taking of any action in reliance thereon, require further evidence or make any further investigation as to the facts or matters stated therein which it may in good faith deem reasonable under the circumstances, and the Trustee shall require such further evidence or make such further investigation as may reasonably be requested in writing by the Majority Bondholders.

The Trustee as Holder or Owner of the Bonds

The Trustee, in its individual or any other capacity, may become a holder or owner of the Bonds with the same rights it would have if it were not the Trustee and the Trustee shall otherwise deal with the Issuer in the same manner and to the same extent as though it were not the Trustee hereunder, provided, that such ownership shall not be considered a conflict of interest under Section 8.10 of the Trust Indenture Agreement requiring resignation or change of the Trustee under Section 8.5(b) of the Trust Indenture Agreement.

Resignation and Change of Trustee

- (a) The Trustee may at any time resign by giving ninety (90) days prior written notice to the Issuer and to the Bondholders of such resignation.
- (b) Upon receiving such notice of resignation of the Trustee, the Issuer shall immediately appoint a successor trustee by written instrument in duplicate, executed by its authorized officers, one (1) copy of which instrument shall be delivered to the resigning Trustee and one (1) copy to the successor trustee. If no successor shall have been so appointed and have accepted appointment within thirty (30) days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor, or any Bondholder who has been a *bona fide* holder for at least six (6) months (the "*bona fide* Bondholder") may, on behalf of himself and all other Bondholders, petition any such court for the appointment of a successor. Such court may thereupon after notice, if any, as it may deem proper, appoint a successor trustee. Subject to the provision of Subsection (e) below, such a

successor trustee should possess all the qualifications required under pertinent laws, otherwise, the incumbent trustee shall continue to act as such.

- (c) In case at any time the Trustee shall become incapable of acting, or has acquired conflicting interest, or shall be adjudged as bankrupt or insolvent, a receiver for the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its properties or affairs for the purpose of rehabilitation, conservation or liquidation, then the Issuer may within thirty (30) days remove the Trustee, and appoint a successor trustee, by written instrument in duplicate, executed by its authorized officers, one (1) copy of which instrument shall be delivered to the Trustee so removed and one (1) copy to the successor trustee. If the Issuer fails to remove the Trustee and appoint a successor trustee, any bona fide Bondholder may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor trustee. Such court may thereupon after such notice, if any, as it may deem proper, remove the Trustee and appoint a successor trustee. Subject to the provisions of Subsection (e) below, such successor trustee should possess all the qualifications required under pertinent laws; otherwise, the incumbent Trustee shall continue to act as such until a successor trustee is duly appointed.
- (d) The Majority Bondholders may at any time remove the Trustee for cause, and appoint a successor trustee, by the delivery to the Trustee so removed, to the successor trustee and to the Issuer of the required evidence under the provisions on Evidence Supporting the Action of the Bondholders in the terms and conditions.
- (e) Without prejudice to any liabilities of the Trustee which have accrued, any resignation or removal of the Trustee and the appointment of a successor trustee pursuant to any of the provisions of this Subsection shall become effective upon the earlier of: (i) acceptance of appointment by the successor trustee as provided in the Trust Indenture Agreement; or (ii) effectivity of the resignation notice sent by the Trustee under Section 8.5 (a) of the Trust Indenture Agreement (the "Resignation Effective Date"); provided, however, that after the Resignation Effective Date and, as relevant, until such successor trustee is qualified and appointed (the "Holdover Period"), the resigning trustee shall discharge duties and responsibilities solely as a custodian of records for turnover to the successor trustee promptly upon the appointment thereof by the Issuer provided further that the resigning trustee shall be entitled to the payment of the fee stipulated in Section 2.2 of the Trust Indenture Agreement during the Holdover Period.

Successor Trustee

- (a) Any successor trustee appointed shall execute, acknowledge and deliver to the Issuer and to its predecessor trustee an instrument accepting such appointment, and thereupon the resignation or removal of the predecessor trustee shall become effective and such successor trustee, without further act, deed or conveyance, shall become vested with all the rights, powers, trusts, duties and obligations of its predecessor in the trusteeship with like effect as if originally named as trustee in the Trust Indenture Agreement. The foregoing notwithstanding, on the written request of the Issuer or of the successor trustee, the trustee ceasing to act as such shall execute and deliver an instrument transferring to the successor trustee, all the rights, powers and duties of the trustee so ceasing to act as such. Upon request of any such successor trustee, the Issuer shall execute any and all instruments in writing as may be necessary to fully vest in and confer to such successor trustee all such rights, powers and duties. Upon effectivity of the removal or resignation of the trustee as provided above, such trustee's liabilities and obligations shall immediately cease.
- (b) Upon acceptance of the appointment by a successor trustee, the Issuer shall notify the Bondholders in writing of the succession of such trustee to the trusteeship. If the Issuer fails to notify the Bondholders within ten (10) days after the acceptance of appointment by the successor trustee, the latter shall cause the Bondholders to be notified at the expense of the Issuer.

Merger or Consolidation

Any corporation into which the Trustee may be merged or with which it may be consolidated or any corporation resulting from any merger or consolidation to which the Trustee shall be a party or any corporation succeeding to the business of the Trustee shall be the successor of the Trustee hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding, provided that, such successor trustee shall be eligible under the provisions of the Trust Indenture Agreement and the SRC, and has none of the conflict of interest under Section 8.10 of the Trust Indenture Agreement; however, where such successor trustee is not qualified under the pertinent Law, then the provisions of Section 8.5(d) of the Trust Indenture Agreement shall apply.

Reliance

In the performance of its obligations under the Trust Indenture Agreement, the Trustee is entitled to rely on the records of the Registrar, but shall exercise such judgment and care under the circumstances then prevailing, that individuals of prudence, discretion and intelligence, and familiar with such matters exercise in the management of their own affairs.

In addition, the Trustee shall not be held liable for any of its act or omission unless such act or omission was committed with fraud, evident bad faith, gross or willful negligence, or the Trustee shall have failed to exercise the prudence, care or diligence required by law and under the circumstances.

Bond

The Trustee and each successor trustee shall be exempt from giving a surety or performance bond in respect of the execution of the trust or of the powers herein provided for or otherwise in respect of the premises.

Conflict of Interest

- (a) If the Trustee has or acquires any conflicting interest, as defined in Section 8.10(c) of the Trust Indenture Agreement, the Trustee shall, within sixty (60) days after ascertaining that it has such conflicting interest, either eliminate such conflicting interest or resign as Trustee in the manner and with the effect specified in Section 8.5 of the Trust Indenture Agreement.
- (b) In the event that the Trustee shall fail to comply with the provisions of Section 8.10(a) of the Trust Indenture Agreement, the Trustee shall within ten (10) days after expiration of the aforesaid sixty (60)-day period transmit notice of such failure to the Bondholders and the Issuer; provided that, any delay or failure to transmit such notice shall not prejudice any of the rights or remedies of the Bondholders or Issuer under Section 8.5 of the Trust Indenture Agreement.
- (c) For the purpose of this section, the Trustee shall be deemed to have a conflicting interest if the Trustee directly or indirectly controls or is directly or indirectly controlled by or is under direct or indirect common control of the Issuer.

Reports to the Bondholders

The Trustee shall submit to the Bondholders on or before 28 February of each year from the relevant Issue Date, until full payment of the Bonds, a brief report dated 31 December of the immediately preceding year with respect to:

- (i) The funds, if any, physically in the possession of the Paying Agent held in trust for the Bondholders on the date of such report; and

- (ii) Any action taken by the Trustee in the performance of its duties under the Trust Indenture Agreement which it has not previously reported and which in its opinion materially affects the Bonds, except action in respect of a default, notice of which has been or is to be withheld by it.

The Trustee shall submit to the Bondholders a brief report within ninety (90) days from the making of any advance for the reimbursement of which it claims or may claim a lien or charge which is prior to that of the Bondholders on the property or funds held or collected by the Paying Agent with respect to the character, amount and the circumstances surrounding the making of such advance; provided that, such advance remaining unpaid amounts to at least ten percent (10%) of the aggregate outstanding principal amount of the Bonds at such time.

Inspection of Documents

The following pertinent documents may be inspected during regular business hours on any Business Day at the principal office of the Trustee:

1. Trust Indenture Agreement;
2. Registry and Paying Agency Agreement;
3. Articles of Incorporation and By-Laws of the Issuer; and
4. Registration Statement of the Issuer with respect to the Bonds.

MEETINGS OF BONDHOLDERS

A meeting of the Bondholders may be called at any time for the purpose of taking any actions authorized to be taken by or in behalf of the Bondholders of any specified aggregate principal amount of the Bonds under any other provisions of the Trust Indenture Agreement or under the law and such other matters related to the rights and interests of the Bondholders under the Bonds.

Notice of Meetings

The Trustee may at any time call a meeting of the Bondholders, or the holders of at least twenty-five percent (25%) of the aggregate outstanding principal amount of Bonds may direct in writing the Trustee to call a meeting of the Bondholders, to take up any allowed action, to be held at such time and at such place as the Trustee shall determine. Notice of every meeting of the Bondholders, setting forth the time and the place of such meeting and the purpose of such meeting in reasonable detail, shall be sent by the Trustee to the Issuer and to each of the registered Bondholders not earlier than forty-five (45) days nor later than fifteen (15) days prior to the date fixed for the meeting. However, the Trustee shall send notices in respect of any meeting called by the Issuer to obtain consent of the Bondholders to an amendment of the Trust Indenture Agreement in the following manner, a notice shall be sent to Bondholders detailing the amendments proposed and consents requested by the Issuer not earlier than sixty (60) days nor later than forty-five (45) days prior to the date fixed for the meeting, if the Bondholder fails to respond as required by such notice, the Trustee shall send a second notice to such Bondholder not later than fifteen (15) days prior to the date fixed for the meeting. Each of such notices shall be published in a newspaper of general circulation as provided in the Trust Indenture Agreement. All reasonable costs and expenses incurred by the Trustee for the proper dissemination of the requested meeting shall be reimbursed by the Issuer within ten (10) days from receipt of the duly supported billing statement.

Failure of the Trustee to Call a Meeting

In case at any time the Issuer, pursuant to a resolution of its Board of Directors or executive committee, or the holders of at least twenty-five percent (25%) of the aggregate outstanding principal amount of the Bonds shall have requested the Trustee to call a meeting of the Bondholders by written request setting forth in reasonable detail the purpose of the meeting, and the Trustee shall not have mailed and published, in accordance with the notice requirements, the notice of such meeting, then the Issuer

or the Bondholders in the amount above specified may determine the time and place for such meeting and may call such meeting by mailing and publishing notice thereof.

Quorum

The Trustee shall determine and record the presence of the Majority Bondholders, personally or by proxy. The presence of the Majority Bondholders shall be necessary to constitute a quorum to do business at any meeting of the Bondholders except for any meeting called by the Issuer solely for the purpose of obtaining the consent of the Bondholders to an amendment of the Trust Indenture Agreement, where the failure of any Bondholder to transmit an objection to such proposal of the Issuer after at least two (2) notices to such Bondholder have been sent by the Trustee, will be considered by the Trustee as an affirmative vote (and such Bondholder will be considered present for quorum purposes by the Trustee) for the proposal of the Issuer.

Procedure for Meetings

- (a) The Trustee shall preside at all the meetings of the Bondholders, unless the meeting shall have been called by the Issuer or by the Bondholders, in which case the Issuer or the Bondholders calling the meeting, as the case may be, shall in like manner move for the election of the chairman and secretary of the meeting.
- (b) Any meeting of the Bondholders duly called may be adjourned for a period or for periods not to exceed in the aggregate of one (1) year from the date for which the meeting shall originally have been called and the meeting as so adjourned may be held without further notice. Any such adjournment may be ordered by persons representing a majority of the aggregate principal amount of the Bonds represented at the meeting and entitled to vote, whether or not a quorum shall be present at the meeting.

Voting Rights

To be entitled to vote at any meeting of the Bondholders, a person shall be a registered holder of one (1) or more Bonds or a person appointed by an instrument in writing as proxy by any such holder as of the date of the said meeting. Bondholders shall be entitled to one vote for every Ten Thousand Pesos (₱10,000) interest. The only persons who shall be entitled to be present or to speak at any meeting of the Bondholders shall be the persons entitled to vote at such meeting and any representatives of the Issuer and its legal counsel.

Voting Requirement

All matters presented for resolution by the Bondholders in a meeting duly called for the purpose shall be decided or approved by the affirmative vote of the Majority Bondholders present or represented in a meeting at which there is a quorum except as otherwise provided in the Trust Indenture Agreement (please refer to the discussion on "*Quorum*"). Any resolution of the Bondholders which has been duly approved with the required number of votes of the Bondholders as herein provided shall be binding upon all the Bondholders and the Issuer as if the votes were unanimous.

Role of the Trustee in Meetings of the Bondholders

Notwithstanding any other provisions of the Trust Indenture Agreement, the Trustee may make such reasonable regulations as it may deem advisable for any meeting of the Bondholders, in regard to proof of ownership of the Bonds, the appointment of proxies by registered holders of the Bonds, the election of the chairman and the secretary, the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidences of the right to vote and such other matters concerning the conduct of the meeting as it shall deem fit.

Amendments

The Issuer and the Trustee may amend the terms and conditions of the Bonds without notice to any Bondholder but with the written consent of the Majority Bondholders (including consents obtained in connection with a tender offer or exchange offer for the Bonds). However, without the consent of each Bondholder affected thereby, an amendment may not:

- (1) reduce the amount of Bondholder that must consent to an amendment or waiver;
- (2) reduce the rate of or extend the time for payment of interest on any Bonds;
- (3) reduce the principal of or extend the Maturity Date of any Bonds;
- (4) impair the right of any Bondholder to receive payment of principal of and interest on their Bonds on or after the due dates therefore or to institute suit for the enforcement of any payment on or with respect to such Bondholders;
- (5) reduce the amount payable upon the redemption or repurchase of any Bonds under the terms and conditions or change the time at which any Bonds may be redeemed;
- (6) make any Bonds payable in money other than that stated in the Bonds;
- (7) subordinate the Bonds to any other obligation of the Issuer;
- (8) release any Bond interest that may have been granted in favor of the Bondholders;
- (9) amend or modify the Payment of Additional Amounts, Taxation, the Events of Default of the terms and conditions or the Waiver of Default by the Bondholders; or
- (10) make any change or waiver of the aforementioned conditions.

It shall not be necessary for the consent of the Bondholders under this condition to approve the particular form of any proposed amendment, but it shall be sufficient if such consent approves the substance thereof. After an amendment under this condition becomes effective, the Issuer shall send a notice briefly describing such amendment to the Bondholders in the manner provided in the section entitled "*Notices*".

Evidence Supporting the Action of the Bondholders

Wherever in the Trust Indenture Agreement it is provided that the holders of a specified percentage of the aggregate outstanding principal amount of the Bonds may take any action (including the making of any demand or requests and the giving of any notice or consent or the taking of any other action), the fact that at the time of taking any such action the holders of such specified percentage have joined therein may be evidenced by: (i) any instrument executed by the Bondholders in person or by the agent or proxy appointed in writing; (ii) the duly authenticated record of voting in favor thereof at the meeting of the Bondholders duly called and held in accordance herewith; or (iii) a combination of such instrument and any such record of meeting of the Bondholders.

Non-Reliance

Each Bondholder also represents and warrants to the Trustee that it has independently and, without reliance on the Trustee, made its own credit investigation and appraisal of the financial condition and affairs of the Issuer on the basis of such documents and information as it has deemed appropriate and that he has subscribed to the Issue on the basis of such independent appraisal, and each Bondholder represents and warrants that it shall continue to make its own credit appraisal without reliance on the Trustee. The Bondholders agree to indemnify and hold the Trustee harmless from and against any and all liabilities, damages, penalties, judgments, suits, expenses and other costs of any kind or nature

against the Trustee in respect of its obligations hereunder, except for its gross negligence or wilful misconduct.

GOVERNING LAW

The Bond Agreements are governed by and are construed in accordance with Philippine law.

CAPITALIZATION AND INDEBTEDNESS

As at 30 June 2025, the authorized capital stock of the Issuer was ₱40.00 billion divided into 40 billion common shares each with ₱1.00 par value per share, and its issued capital stock was ₱33.17 billion consisting of 33.166 billion common shares of ₱1.00 par value each. As at 30 June 2025, the Issuer has 28.848 billion outstanding shares and 4.318 billion treasury shares.

The following table sets forth the consolidated capitalization and indebtedness of the Issuer as at 30 June 2025 and as adjusted to give effect to the issue of the Bonds. This table should be read in conjunction with the Issuer's unaudited consolidated financial statements as at 30 June 2025 and notes thereto, included elsewhere in this Offer Supplement.

	As at 30 June 2025		
	Actual (Unaudited)	Adjusted ¹ to assume ₱12.00 billion Issue Size (Unaudited)	Adjusted ¹ to assume ₱17.00 billion Issue Size (Unaudited)
<i>(in ₱ millions)</i>			
Short-term debt			
Loans payable	₱22,138	₱22,138	₱22,138
Current portion of long-term debt	105,040	105,040	105,040
Total short-term debt	127,178	127,178	127,178
Long-term debt - net of current portion			
Banks and other financial institutions	279,767	279,767	279,767
The Bonds to be issued	–	11,859	16,804
Total long-term debt - net of current portion	279,767	291,626	296,571
Equity Attributable to Equity Holders of the Parent			
Capital stock	33,166	33,166	33,166
Additional paid-in capital - net	38,165	38,165	38,165
Cumulative translation adjustment	2,878	2,878	2,878
Net fair value changes of equity instruments at FVOCI	18,520	18,520	18,520
Net fair value changes on cash flow hedges	(483)	(483)	(483)
Remeasurement loss on defined benefit obligation	(792)	(792)	(792)
Retained earnings			
Appropriated	100,000	100,000	100,000
Unappropriated	254,598	254,598	254,598
Treasury stock	(3,165)	(3,165)	(3,165)
Total Equity Attributable to Equity Holders of the Parent	442,887	442,887	442,887
Total capitalization²	₱849,832	₱861,691	₱866,636

Notes:

- (1) Adjusted amount as at 30 June 2025 includes gross proceeds of the principal amount of the Bonds offered hereunder, net of expenses related to the proceeds, accounted for as contra-liability of the long-term debt account and subsequently amortized as expense during the term of the debt.
- (2) Total capitalization is the sum of short-term debt, long-term debt and equity attributable to the equity holders of the parent.

DESCRIPTION OF THE ISSUER

The following section discusses updates to the Description of the Issuer after the date of the Prospectus and must be read in conjunction with the Prospectus. This section is qualified in its entirety by the more detailed information and financial statements and notes thereto appearing elsewhere in this Offer Supplement.

OVERVIEW

SM Prime was incorporated in the Philippines and registered with the SEC on 6 January 1994. It is a leading integrated Philippine real estate company with business units focused on malls, residential, hotels and convention centers and commercial and integrated commercial developments.

As at 30 June 2025, SM Prime's consolidated total assets stood at ₱1,050.9 billion, consolidated total liabilities were at ₱604.9 billion, with net debt-to-equity ratio (being the ratio of aggregate consolidated interest-bearing liabilities (sum of loans payable and long-term debt (current and noncurrent portion) net of cash and cash equivalent over equity attributable to the equity holders of the parent) of 46:54.

The table below sets out each business unit's contribution to SM Prime's consolidated revenue for the six (6) months ended 30 June 2025 and 2024 and for the years ended 31 December 2024, 2023 and 2022.

<i>(in ₱ millions)</i>	Six (6) months ended 30 June		For the years ended 31 December		
	Unaudited		Audited		
	2025	2024	2024	2023	2022
Malls	₱40,481	₱37,968	₱77,534	₱71,101	₱55,541
Residential	20,919	20,487	47,764	43,731	40,083
Hotels and Convention Centers	4,110	3,695	7,783	6,679	4,344
Commercial and Integrated Commercial Developments	2,677	2,671	7,780	6,897	6,123
Eliminations	(143)	(133)	(470)	(310)	(305)
Consolidated Total	₱68,044	₱64,688	₱140,391	₱128,098	₱105,786

Subsidiaries

The subsidiaries of the Company are as follows:

Name of company	Place of incorporation	Year of incorporation	Percentage ownership
MALLS			
A. Canicosa Holdings, Inc.	Philippines	2008	100.0
AD Canicosa Properties, Inc.	Philippines	2008	100.0
Associated Development Corporation	Philippines	1950	100.0
Britannia Trading Corp. and Subsidiaries	Philippines	2001	100.0
CHAS and Subsidiaries	Philippines	1995	100.0
Cherry Realty Development Corporation	Philippines	1977	100.0
CPDC	Philippines	1998	100.0
MLI	Philippines	2006	100.0
PCI and Subsidiary	Philippines	1998	100.0
PSC	Philippines	1998	100.0
PMI and Subsidiary	Philippines	1995	100.0

Name of company	Place of incorporation	Year of incorporation	Percentage ownership
PCPMC	Philippines	2009	100.0
Rushmore Holdings, Inc.	Philippines	1994	100.0
San Lazaro Holdings Corporation	Philippines	2001	100.0
Simply Prestige	British Virgin Islands	2013	100.0
SM Arena Complex Corporation	Philippines	2012	100.0
SM Land China	Hong Kong	2006	100.0
SPC	Philippines	2008	100.0
Springfield Global Enterprises Limited	British Virgin Islands	2007	100.0
Supermalls Transport Services, Inc.	Philippines	2017	100.0
FARDC	Philippines	1987	74.2
Mindpro, Incorporated	Philippines	1970	70.0
FLVG	Philippines	2007	50.0
RESIDENTIAL			
SMDC and Subsidiaries	Philippines	1974	100.0
Costa Del Hamilo Inc. and Subsidiary	Philippines	2006	100.0
HPI and Subsidiary	Philippines	2001	100.0
COMMERCIAL, INTEGRATED COMMERCIAL DEVELOPMENTS AND OTHERS			
MOA Esplanade Port, Inc.	Philippines	2014	100.0
Premier Clark Complex, Inc.	Philippines	2019	100.0
SCIDC	Philippines	2019	100.0
Tagaytay Resort Development Corporation	Philippines	1988	100.0
SM GUUN Environmental Company, Inc.	Philippines	2024	70.0
SMPHI SG Holdings Pte. Ltd.	Singapore	2024	100.0
HOTELS AND CONVENTION CENTERS			
SM Hotels and Subsidiaries	Philippines	2008	100.0

The contribution of SM Prime and its subsidiaries to the Company's total consolidated revenues for the six (6) months period ended 30 June 2025 and for the years ended 31 December 2024, 2023, and 2022 is set out below.

Name of Subsidiary	Six (6) months ended 30 June 2025		For the years ended 31 December					
	Revenue	% to Total	2024		2023		2022	
	Revenue	% to Total	Revenue	% to Total	Revenue	% to Total	Revenue	% to Total
<i>(Amounts in ₱ thousands)</i>								
SM Prime	41,002	60%	74,273	53%	71,503	56%	55,212	52%
SMDC and Subsidiaries	14,944	22%	42,274	30%	33,826	26%	22,704	21%
SM Land China	3,515	5%	6,841	5%	6,385	5%	14,519	14%
FARDC	2,469	4%	5,112	4%	4,862	4%	3,649	3%
PCI and Subsidiary	1,403	2%	2,761	2%	2,484	2%	1,818	2%
Costa Del Hamilo Inc. and Subsidiary	817	1%	889	1%	846	1%	1,517	1%
PSC	814	1%	1,652	1%	1,524	1%	1,200	1%
CPDC	690	1%	1,394	1%	1,306	1%	1,024	1%
HPI and Subsidiary	508	1%	1,223	1%	1,526	1%	1,246	1%

Name of Subsidiary	Six (6) months ended 30 June 2025		For the years ended 31 December					
	Revenue	% to Total	2024 Revenue	2024 % to Total	2023 Revenue	2023 % to Total	2022 Revenue	2022 % to Total
SPC	496	1%	989	1%	904	1%	645	1%
SMACC	451	1%	1,027	1%	871	1%	329	0%
PCPMC	327	0%	967	1%	972	1%	1,118	1%
FLVG	199	0%	407	0%	399	0%	266	0%
PMI and Subsidiary	173	0%	334	0%	293	0%	240	0%
Britannia Trading Corp and Subsidiaries	155	0%	259	0%	261	0%	233	0%
Mindpro	141	0%	284	0%	267	0%	194	0%
CHAS and Subsidiaries	72	0%	150	0%	144	0%	118	0%
MLI	6	0%	13	0%	13	0%	14	0%
SLHC	6	0%	10	0%	9	0%	9	0%
MOA Esplanade Port, Inc.	-	0%	2	0%	1	0%	2	0%
TRDC	-	0%	-	0%	5	0%	4	0%
Supermalls Transport Services, Inc.	-	0%	-	0%	(11)	(0%)	-	0%
SM Hotels and Subsidiaries	-	0%	-	0%	18	0%	30	0%
Eliminations	(144)	(0%)	(470)	(0%)	(310)	(0%)	(305)	(0%)
Total	68,044	100%	140,391	100%	128,098	100%	105,786	100%

The contribution of SM Prime and its subsidiaries to the Company's total consolidated net income attributable to equity holders of the Parent for the six (6) months period ended 30 June 2025 and for the years ended 31 December 2024, 2023, and 2022 is set out below.

Name of Subsidiary	Six (6) months ended 30 June 2025		For the years ended 31 December					
	Net Income	% to Total	2024 Net Income	2024 % to Total	2023 Net Income	2023 % to Total	2022 Net Income	2022 % to Total
<i>(Amounts in ₱ thousands)</i>								
SM Prime	16,766	69%	26,452	58%	25,401	63%	19,626	65%
SMDC and Subsidiaries	2,899	12%	10,727	24%	7,804	20%	4,178	14%
FARDC	1,054	4%	2,118	5%	2,015	5%	1,498	5%
PCI and Subsidiary	541	2%	1,104	2%	504	1%	386	1%
PSC	508	2%	987	2%	971	2%	746	2%
CPDC	455	2%	890	2%	825	2%	669	2%
PCPMC	438	2%	377	1%	319	1%	290	1%
SM Land China	362	1%	96	0%	309	1%	1,497	5%
Britannia Trading Corp and Subsidiaries	316	1%	512	1%	(216)	(1%)	136	0%
SPC	287	1%	552	1%	495	1%	311	1%
Costa Del Hamilo Inc. and Subsidiary	216	1%	260	1%	281	1%	402	1%
HPI and Subsidiary	181	1%	591	1%	629	2%	426	1%
PMI and Subsidiary	176	1%	385	1%	334	1%	205	1%
Mindpro	145	1%	411	1%	40	0%	28	0%
SMACC	117	0%	217	0%	283	1%	124	0%
SM Hotels and Subsidiaries	64	0%	60	0%	(22)	(0%)	6	0%
FLVG	52	0%	75	0%	71	0%	21	0%

Name of Subsidiary	Six (6) months ended 30 June 2025		For the years ended 31 December					
	Net Income	% to Total	2024 Net Income	2024 % to Total	2023 Net Income	2023 % to Total	2022 Net Income	2022 % to Total
CHAS and Subsidiaries	15	0%	(4)	(0%)	8	0%	(2)	(0%)
MLI	3	0%	7	0%	6	0%	7	0%
Supermalls Transport Services, Inc.	-	0%	9	0%	(12)	(0%)	(1)	(0%)
TRDC	-	0%	-	0%	1	0%	1	0%
AD Canicosa Properties, Inc.	(1)	(0%)	(1)	(0%)	(1)	(0%)	(1)	(0%)
SCIDC	(1)	(0%)	23	0%	(42)	(0%)	(22)	(0%)
Rushmore Holdings, Inc.	(1)	(0%)	(2)	(0%)	(2)	(0%)	(2)	(0%)
SMPHI SG Holdings Pte. Ltd.	(1)	(0%)	(1)	(0%)	-	0%	-	0%
SLHC	(2)	(0%)	(11)	(0%)	(12)	(0%)	(2)	(0%)
MOA Esplanade Port, Inc.	(5)	(0%)	(2)	(0%)	(2)	(0%)	(1)	(0%)
Premier Clark Complex, Inc.	(13)	(0%)	(127)	(0%)	(126)	(0%)	(223)	(1%)
Simply Prestige	(116)	(0%)	(73)	(0%)	150	0%	(203)	(1%)
Total	24,455	100%	45,632	100%	40,011	100%	30,100	100%

The Company's operations in China account for a portion of the SM Prime's consolidated revenues. The contribution of the Company's China operations to its consolidated revenues for each of the last three (3) years and for the six (6) months period ended 30 June 2025 is set out below.

For the period ended	Contribution to Revenues
31 December 2022	14%
31 December 2023	5%
31 December 2024	5%
30 June 2025	5%

SM Prime is listed on the PSE and as at 30 September 2025 was 49.72% directly-owned by SMIC. SM Prime had a market capitalization of ₱648.1 billion as of 30 September 2025.

COMPETITIVE STRENGTHS

Integrated real estate platform with strong track record across segments

SM Prime is the largest integrated property developer in the Philippines, with a strategic presence in China. Our diversified and synergistic portfolio positions us strongly for sustained growth and value creation.

SM Prime benefits from a strong track record in the Philippine real estate industry, including being the number one shopping mall developer and operator in the Philippines based on both gross floor area and number of malls, a leading residential developer in the Philippines in terms of condominium units sold, and operating growing office, hotel, and leisure segments.

SM Prime possesses end-to-end capabilities across the integrated real estate value chain, encompassing land banking, master planning, construction, retailing and operations. SM Prime is able to leverage on the diverse skill sets of each of its business units while optimizing value through more efficient planning and control over its developments. SM Prime believes it can maximize the existing plots of its retail developments that may be underutilized or unutilized by adding residential, commercial and hospitality developments, thereby providing customers with an attractive “live, work, play” lifestyle.

SM Prime is one of the largest integrated real estate developers in Southeast Asia that offers innovative and sustainable lifestyle cities with the development of malls, residences, offices, hotels and convention centers. SM Prime is expanding its mall and residential footprint into new high-growth markets, while building integrated, mixed-use communities in key economic hubs. This disciplined approach creates a balanced and resilient portfolio positioning SM Prime for sustainable growth.

Leading retail malls business

As of 30 June 2025, SM Prime was the largest mall operator in the Philippines, with eighty-eight (88) malls in the Philippines and eight (8) malls in the PRC. SM Prime’s track record of operating malls dates back to 1985 when the first SM Mall was opened.

Drawing on its relationship with key tenants, SM Prime believes it is able to establish an appropriate mix of tenants in its malls and hence attract retail foot traffic. SM Prime enjoys long-standing relationships with anchor tenants such as The SM Stores, SM Markets, and Jollibee in the Philippines and Walmart and Vanguard in the PRC. In addition, SM Prime has long-term relationships with an extensive base of international and domestic tenants and has access to a wide leasing network, with approximately 22,192 tenants in the Philippines and 2,005 tenants in the PRC across multiple segments as of 30 June 2025. These tenants include well-known Philippine brands such as Jollibee and Bench as well as international brands such as Uniqlo, Forever 21, H&M, Starbucks, KFC, McDonald’s, Miniso, and IKEA.

SM Prime’s diverse network of tenants allows it to pursue a dynamic leasing and marketing strategy. For example, international brands such as Uniqlo, Forever 21, H&M, Miniso and IKEA have chosen SM Supermalls as the locations to open their flagship stores in the Philippines. SM Prime’s diverse network of tenants generally also allows it to achieve high occupancy levels in a short period time following the opening of new malls. Significant demand backlog gives SM Prime the flexibility to optimize its tenant mix, ensuring steady foot traffic and consistent same store sales growth at its malls.

SM Prime believes that in SM Supermalls’ forty (40) years of operating history, it has established strong brand equity. Halfway through 2025, SM Supermalls bagged several recognitions from different awarding bodies. In June 2025, SM Supermall was named as the Philippines’ Strongest Brand for 2025 by Brand Finance — the world’s leading brand valuation consultancy — with an impressive Brand Strength Index (BSI) score of 95.0 out of 100.

SM Prime’s retail malls provide an anchor for its lifestyle city projects, generating steady foot traffic and enhancing the value of its mixed-use developments.

Access to a prime large-scale land bank

SM Prime aims to have a significant growth pipeline as underscored by its large and diversified land bank consisting of retail, commercial, and residential land in prime locations across the Philippines. As of 30 June 2025, SM Prime possessed a land bank of 4,404 hectares including around the MOA complex, South Road Properties in Cebu, and SMDC properties in Metro Manila, among others, which SM Prime believes is among the largest land banks in the country.

SM Prime believes that its well-established presence and reputation in the Philippines, as well as its expansion into China, enable it to gain access to additional quality land bank. SM Prime also has a track record of implementing a proactive land banking strategy, for example, the master plan for the 600-hectare reclamation project in Pasay and Parañaque is already in process. In addition, SMIC has granted a non-binding right of first refusal to SM Prime to purchase additional land from SMIC to support further development initiatives.

Strong balance sheet and access to capital

SM Prime believes that it has access to capital from a wide variety of sources and thus is not dependent on any one source for its funding needs. As a well-established PSE-listed company, SM Prime has access to the domestic and international capital markets for potential issuances of equity, debt or other securities. SM Prime is also able to secure debt financing at what it believes to be competitive rates, including revolving bank loans and medium-term notes.

SM Prime believes that its strong balance sheet boosted by a large asset and equity base ensures that it is able to move quickly to acquire real estate assets and additional land bank. As of 30 June 2025, SM Prime had consolidated total assets of ₱1,050.9 billion and a total equity attributable to equity holders of the Parent of ₱442.9 billion. As of 30 June 2025, SM Prime's consolidated net debt-to-equity ratio was 46:54, providing sufficient debt headroom flexibility for current and future capital expenditure and expansion plans.

SM Prime believes that its stable real estate portfolio contributes to its liquidity and strong mix of recurring income from its mall and office operations. For the year ended 30 June 2025, 63% of SM Prime's consolidated revenue was derived from mall and commercial. SM Prime believes that its long-term leases help to create a steady stream of cash flow.

Experienced management team with strong corporate governance practices

SM Prime's senior management team comprises Mr. Henry T. Sy, Jr. as Chairman of the Board, and Mr. Jeffrey C. Lim and Mr. Hans T. Sy as President and Chairman of the Executive Committee, respectively. Each of these individuals has been with SM Prime or its component businesses for at least thirty (30) years.

SM Prime adheres to strong corporate governance practices, with three (3) out of the eight (8) members of its Board of Directors being independent directors. The Company's commitment to uphold excellence in corporate governance has again been confirmed and recognized through the prestigious awards it received for 2025. SM Prime was recognized by the Association of Southeast Asian Nations (ASEAN) Capital Market Forum (ACMF), as one of the Top 5 Philippine publicly listed companies (PLCs) and Top 50 ASEAN PLCs, in collaboration with the Institute of Corporate Directors and the SEC, held in July 2025.

BUSINESS STRATEGIES

Develop integrated property developments and strategically expand SM Prime’s land bank

For 2025, SM Prime has earmarked ₱100 billion to expand and improve its network of malls, residences, hotels, convention centers, offices and warehouses. It is also prepared to invest in its land bank should attractive opportunities arise.

Position malls as anchor assets for adjacent properties

SM Prime positions its malls as anchor assets that maximize land values, catalyze adjacent developments, and reinforce long-term portfolio growth.

Optimize existing properties by adding complementary developments

The company selectively adds residential, office, hotel, MICE facilities or leisure components to existing properties where returns are most attractive, reinforcing demand, capturing synergies, and unlocking long-term value.

Focus on a “one product-one market” strategy for the residential business

SM Prime is segmenting more deliberately, with the Signature Series at the premium end and SMDC sub-brands—Heights, Nature, and Symphony Homes—targeting distinct markets. This structure enhances flexibility while maintaining supply and pricing discipline.

Maintain a strong balance sheet, prudent risk and capital management and good governance

The company maintains a strong balance sheet supported by prudent risk and capital management, ensuring financial flexibility to fund growth while safeguarding returns. Disciplined governance underpins this strategy, reinforcing resilience and long-term value creation.

Please refer to pages 80 to 82 of the Prospectus for further information.

MALLS

SM Prime operates and maintains modern commercial shopping malls and is involved in all related businesses, such as the operation and maintenance of shopping spaces for rent, amusement centers and cinema theaters within the compound of the shopping malls. The principal sources of mall revenues include rental income from leases in mall and food court, cinema ticket sales and amusement income from bowling and ice skating. As of 30 June 2025, the malls business unit has eighty-eight (88) malls in the Philippines with 9.5 million sq. m. of GFA and eight (8) shopping malls in China with 1.7 million sq. m. of GFA.

SM Prime plans to continue to expand its existing malls and develop new ones, with a target of opening approximately at least two (2) malls in the Philippines in 2025, subject to market conditions, which will provide an addition of 0.2 million sq. m. of GFA. As the Metro Manila area becomes increasingly well served by shopping malls, SM Prime's strategy is to expand its activities in the provinces, where it currently operates sixty-three (63) malls and holds an additional of 1,799 hectares plot of land available for development, all of which are owned.

In May 2025, SM Prime opened SM City Laoag in Ilocos Norte, Philippines, which provided an addition of 0.09 million sq. m. of GFA.

Approximately 55% of SM Prime's gross leasable space is currently leased by members of the SM Group or companies who are affiliated with the Sy family. Such tenants contributed 21% (₱8.51 billion) of SM Prime's consolidated mall revenues as of 30 June 2025.

Please refer to page 84 of the Prospectus.

The following is a brief summary of each of SM Prime's current malls.

Metro Manila

SM Supermalls	Location	GFA (In 000s sq. m.)
SM City North EDSA	Quezon City	477
SM City Sta. Mesa	Quezon City	133
SM Megamall	Mandaluyong City	474
SM Southmall	Las Piñas City	198
SM City Fairview	Quezon City	280
SM City Manila	Manila City	159
SM City Sucat	Parañaque City	88
SM City Bicutan	Parañaque City	116
SM City San Lazaro	Manila City	168
SM City Valenzuela	Valenzuela City	68
SM Mall of Asia	Pasay City	497
MOA Square	Pasay City	157
SM Center Pasig	Pasig City	30
SM Center Muntinlupa	Muntinlupa City	35
SM City Marikina	Marikina City	126
SM Center Las Piñas	Las Piñas City	49
SM City Novaliches	Quezon City	55
SM Aura Premier	Taguig City	200
SM City BF Parañaque	Parañaque City	121
SM Center Sangandaan	Caloocan City	36
SM Center Shaw	Mandaluyong City	36

SM Supermalls	Location	GFA (In 000s sq. m.)
SM Center Congressional	Quezon City	12
SM City East Ortigas	Pasig City	65
S Maison	Pasay City	42
SM City Grand Central	Caloocan City	136
SM City Caloocan	Caloocan City	94

Provincial

Luzon

SM Supermalls	Location	GFA (In 000s sq. m.)
SM City Bacoor	Bacoor City	120
SM City Pampanga	San Fernando City	132
SM City Lucena	Lucena City	79
SM City Baguio	Baguio City	190
SM City Marilao	Marilao, Bulacan	82
SM City Dasmariñas	Dasmariñas City	198
SM City Batangas	Batangas City	77
SM City Molino	Bacoor City	75
SM City Santa Rosa	Santa Rosa City	137
SM City Clark	Angeles City	154
SM City Lipa	Lipa City	144
SM City Taytay	Taytay, Rizal	99
SM City Rosales	Rosales, Pangasinan	65
SM City Baliwag	Baliwag City	100
SM City Naga	Naga City	76
SM City Rosario	Rosario, Cavite	61
SM City Tarlac	Tarlac City	99
SM City San Pablo	San Pablo City	53
SM City Calamba	Calamba City	63
SM City Masinag	Antipolo City	88
SM City Olongapo	Olongapo City	51
SM City San Fernando Downtown	San Fernando City	38
SM City Cauayan	Cauayan City	56
SM Center Angono	Angono, Rizal	36
SM Megacenter Cabanatuan	Cabanatuan City	46
SM City San Mateo	San Mateo, Rizal	70
SM City Cabanatuan	Cabanatuan City	143
SM City San Jose Del Monte	San Jose Del Monte City	97
SM City Trece Martires	Trece Martires City	68
SM Center Antipolo Downtown	Antipolo City	27
SM City Puerto Princesa	Puerto Princesa City	54
SM Center Tuguegarao Downtown	Tuguegarao City	34
SM Center Pulilan	Pulilan, Bulacan	27
SM Center Lemery	Lemery, Batangas	25
SM Center Imus	Imus City	13

SM Supermalls	Location	GFA (In 000s sq. m.)
SM City Urdaneta Central	Urdaneta City	68
SM City Telabastagan	San Fernando City	54
SM City Legazpi	Legazpi City	73
SM City Olongapo Central	Olongapo City	93
SM Center Dagupan	Dagupan City	24
SM City Daet	Daet, Camarines Norte	47
SM City Tanza	Tanza, Cavite	60
SM City Sorsogon	Sorsogon City	40
SM City Tuguegarao	Tuguegarao City	62
SM City Bataan	Balanga City	46
SM Center San Pedro	San Pedro, Laguna	31
SM City Sto. Tomas	Santo Tomas City	75
SM City Laoag	Laoag City, Ilocos Norte	92

Visayas

SM Supermalls	Location	GFA (In 000s sq. m.)
SM City Cebu	Cebu City	268
SM City Iloilo	Iloilo City	144
SM City Bacolod	Bacolod City	128
SM City Consolacion	Lamac, Consolacion	98
SM Seaside City Cebu	Cebu City	407
SM Center Ormoc	Ormoc City	44
SM City Roxas	Roxas City	41
SM City J Mall	Mandaue City, Cebu	138

Mindanao

SM Supermalls	Location	GFA (In 000s sq. m.)
SM City Davao	Davao City	120
SM City Cagayan de Oro	Cagayan de Oro City	113
SM City General Santos	General Santos City	132
SM Lanang Premier	Davao City	133
SM CDO Downtown Premier	Cagayan de Oro City	128
SM City Butuan	Butuan City	48
SM City Mindpro	Zamboanga City	59

SM China Malls

Malls	Location	GFA (In 000s sq. m.)
SM Xiamen	Xiamen City	418
SM Jinjiang	Jinjiang City	168
SM Chengdu	Chengdu City	167
SM Suzhou	Suzhou City	73
SM Chongqing	Chongqing City	149
SM Zibo	Zibo City	152
SM Tianjin	Tianjin City	338

Malls	Location	GFA (In 000s sq. m.)
SM Yangzhou	Yangzhou	222

Please refer to page 87 of the Prospectus.

Sky Ranch

Please refer to page 87 of the Prospectus.

The SM Stores and SM Markets

SM Prime also owns several buildings occupied by The SM Store and SM Markets with a total GFA of more than 300,000 sq. m. The following table sets forth certain information regarding SM Stores and SM Markets buildings as at 30 June 2025:

The SM Stores	Location	GFA (In 000s sq. m.)
SM Makati	Makati City	110
SM Araneta City (formerly SM Cubao)	Quezon City	110
SM Delgado	Iloilo City	27

SM Markets	Location	GFA (In 000s sq. m.)
Marketmall Dasmariñas	Dasmariñas City	30
Savemore Tacloban	Tacloban City	15
Savemore Market Malabon	Malabon City	13
Hypermarket Sucat Lopez	Parañaque City	8
Hypermarket Lapu-Lapu	Lapu-Lapu City	8
Savemore Market Apalit	Apalit, Pampanga	6
Savemore Nagtahan Market	Manila	5
Savemore Jaro	Iloilo City	5
Savemore Novaliches	Quezon City	4

SM Prime owns the land on which all the retail establishments listed in the table above are situated, except for The SM Stores, Marketmall Dasmariñas, Hypermarket Sucat Lopez, Savemore Jaro and Savemore Nagtahan Market.

MOA Arena

Please refer to page 88 of the Prospectus.

Land Bank for Malls Development

SM Prime's existing land bank owned for development of new malls as at 30 June 2025 is 1,852 hectares, 1,799 hectares of which is strategically located on various provinces across the country.

Principal Tenants

Please refer to page 88 of the Prospectus.

Leasing Policies

Please refer to page 89 of the Prospectus.

Management of the Malls

Please refer to page 89 of the Prospectus.

Competition

Please refer to page 89 of the Prospectus.

RESIDENTIAL (PRIMARY)

As of 30 June 2025, primary residential business unit has sixty-seven (67) residential projects in the market, forty-seven (47) of which are in Metro Manila and twenty (20) are outside Metro Manila.

Completed Residential Projects

Condominium Projects	Building Type	Location	Year Completed	No. of Units
Mezza Residences	High-rise	Quezon City	2010	2,332
Chateau Elysee	Mid-rise	Parañaque City	2011	2,820
Berkeley Residences	High-rise	Quezon City	2011	1,276
Sea Residences	High-rise	Pasay City	2012	2,899
Princeton Residences	High-rise	Quezon City	2013	1,096
Grass Residences Phase 1	High-rise	Quezon City	2014	6,002
Sun Residences	High-rise	Quezon City	2014	4,039
Blue Residences	High-rise	Quezon City	2014	1,591
Jazz Residences	High-rise	Makati City	2015	5,367
Light Residences	High-rise	Mandaluyong City	2015	4,227
M Place South Triangle	High-rise	Quezon City	2015	3,437
Mezza II Residences	High-rise	Quezon City	2015	1,324
Shine Residences	High-rise	Pasig City	2015	890
Green Residences	High-rise	Manila City	2015	3,378
Shell Residences	High-rise	Pasay City	2015	3,093
Wind Residences	Mid-rise	Tagaytay City	2016	3,524
Breeze Residences	High-rise	Pasay City	2017	2,133
Grace Residences	Mid-rise	Taguig City	2018	3,579
Shore Residences	High-rise	Pasay City	2019	5,691
Grass Residences Phase 2	High-rise	Quezon City	2020	3,914
South Residences	Mid-rise	Las Piñas City	2020	2,010
Air Residences	High-rise	Makati City	2021	3,642
Fame Residences	High-rise	Mandaluyong City	2021	5,106
Cool Suites	Mid-rise	Tagaytay City	2021	741
Shore 2 Residences	High-rise	Pasay City	2021	5,488
Coast Residences	High-rise	Pasay City	2021	2,197
S Residences	High-rise	Pasay City	2021	2,395
Spring Residences	Mid-rise	Parañaque City	2022	1,653
Shore 3 Residences	High-rise	Pasay City	2022	5,382
Vine Residences	Mid-rise	Quezon City	2022	2,056
Hope Residences	Mid-rise	Trece Martires City	2022	683

Condominium Projects	Building Type	Location	Year Completed	No. of Units
Trees Residences	Mid-rise	Quezon City	2022	6,695
Lush Residences	High-rise	Makati City	2022	674
Bloom Residences	Mid-rise	Parañaque City	2022	1,108
Park Residences	Mid-rise	Sta. Rosa City	2022	245
Charm Residences	Mid-rise	Cainta, Rizal	2022	1,359
Green 2 Residences	Mid-rise	Dasmariñas City	2022	2,129
Style Residences	Mid-rise	Iloilo City	2023	1,839
Cheer Residences	Mid-rise	Marilao City	2024	986
Field Residences	Mid-rise	Parañaque City	2024	4,165
Hill Residences	Mid-rise	Quezon City	2025	674
Leaf Residences	Mid-rise	Muntinlupa City	2025	201

Ongoing Residential Projects

Condominium Projects	Building Type	Location	Year Launched	No. of Units
Cheerful Homes	House and Lot	Mabalacat City, Pampanga	2017	2,802
Bloom Residences	Mid-rise	Parañaque City	2017	4,782
Red Residences	High-rise	Makati City	2018	1,106
Park Residences	Mid-rise	Sta. Rosa City, Laguna	2018	1,619
Leaf Residences	Mid-rise	Muntinlupa City	2018	602
Lane Residences	Mid-rise	Davao City	2018	1,300
Green 2 Residences	Mid-rise	Dasmariñas City, Cavite	2019	1,125
Hill Residences	Mid-rise	Quezon City	2019	1,043
Sail Residences	High-rise	Pasay City	2019	2,831
Glam Residences	High-rise	Quezon City	2019	2,966
Style Residences	Mid-rise	Iloilo City, Iloilo	2019	1,091
Light 2 Residences	High-rise	Mandaluyong City	2019	4,190
Gold Residences	High-rise	Parañaque City	2019	6,790
Charm Residences	Mid-rise	Cainta, Rizal	2019	1,666
Gem Residences	High-rise	Pasig City	2020	1,463
Smile Residences	Mid-rise	Bacolod City	2020	1,191
Mint Residences	High-rise	Makati City	2020	1,966
South 2 Residences	Mid-rise	Las Piñas City	2020	1,938
Sands Residences	High-rise	Malate, Manila	2021	2,367
Cheerful Homes 2	House and Lot	Mabalacat, Pampanga	2021	1,581
Ice Tower Residential - Office	High-rise	Pasay City	2021	844
Twin Residences	Mid-rise	Las Piñas City	2021	2,406
Joy Residences	Mid-rise	Baliwag, Bulacan	2021	2,823
Calm Residences	Mid-rise	Sta. Rosa City, Laguna	2021	2,949

Condominium Projects	Building Type	Location	Year Launched	No. of Units
Gold Residential-Offices	High-rise	Parañaque City	2021	2,050
Glade Residences	Mid-rise	Jaro, Iloilo	2021	1,929
Vail Residences	Mid-rise	Cagayan de Oro City	2022	3,095
Now Residences	Mid-rise	Angeles City, Pampanga	2022	1,741
Zeal Residences	Mid-rise	General Trias City, Cavite	2022	2,188
Jade Residences	High-rise	Makati City	2023	1,998
Turf Residences	Mid-rise	Biñan City, Laguna	2023	998
Parkville	House and Lot	Bacolod City, Bacolod	2023	1,529
Cool Suites	Mid-rise	Tagaytay City	2024	707

RESIDENTIAL (LEISURE)

SM Prime owns leisure and resort developments including properties located in the Tagaytay Highlands and Tagaytay Midlands in Laguna, Tagaytay City, and Batangas.

In addition, SM Prime is the developer of Pico de Loro Cove, the first residential community within Hamilo Coast, a master-planned coastal resort township development in Nasugbu, Batangas encompassing 13 coves and 31 kilometers of coastline.

As of 30 June 2025, secondary (leisure) residential business unit has twenty-five (25) residential projects in the market.

Projects	Location	Year Launched	No. of Units
The Horizon	Talisay, Batangas	2005	108
Woodridge Place Phase 1	Tagaytay City	2006	71
The Hillside	Calamba, Laguna	2006	156
Jacana	Nasugbu, Batangas	2007	246
Myna	Nasugbu, Batangas	2007	246
Carola	Nasugbu, Batangas	2008	248
Miranda	Nasugbu, Batangas	2008	248
Pueblo Real	Talisay, Batangas	2009	86
Woodridge Place Phase 2	Tagaytay City	2010	177
Sierra Lago	Talisay, Batangas	2010	185
Aspenhills	Calamba, Laguna	2012	204
Vireya 1, 2 and 3	Talisay, Batangas	2016 - 2018	301
Freia	Nasugbu, Batangas	2017	223
Horizon Terraces Garden Suites and Villas	Talisay, Batangas	2017 - 2022	219
The Pines at Aspenhills	Calamba, Laguna	2019	25
Provence	Talisay, Batangas	2020	119
The Woodlands Point	Tagaytay City	2009	60
Sola	Nasugbu, Batangas	2021	53
Primrose Parks	Talisay, Batangas	2022	99
Trealva	Talisay, Batangas	2023	231

Projects	Location	Year Launched	No. of Units
Highlands Residences 1 and 2	Calamba, Laguna	2023 - 2024	113
Ardea	Nasugbu, Batangas	2023	75
Balea	Nasugbu, Batangas	2023	140
M Village	Nasugbu, Batangas	2024	177

Land Bank for Residential (Primary) Development

The Company continues to invest in properties that it believes are in prime locations across the Philippines for existing and future property development projects. It is important to the Company to have access to a steady supply of land for future projects.

Potential land acquisitions are evaluated against a number of criteria, including the attractiveness of the acquisition price relative to the market and the suitability or the technical feasibility of the planned development. The Company identifies land acquisitions through active search and referrals.

SM Prime's existing land bank owned for development of residential (primary) as at 30 June 2025 is 1,719 hectares, 1,645 hectares of which is strategically located on various provinces across the country.

The Company believes this land bank is sufficient to sustain development and sales. Moreover, the Company's residential business unit continually seeks to increase its land bank in various parts of the Philippines for future residential development through direct acquisitions.

Land Bank for Residential (Leisure) Development

SM Prime owns 571 hectares of land located in Tagaytay City, Cavite, Laguna and Batangas.

COMMERCIAL AND INTEGRATED COMMERCIAL DEVELOPMENTS

SM Prime's commercial business unit is engaged in the development and leasing of office buildings in prime locations in Metro Manila and in the provinces, as well as the operations and management of such buildings and other land holdings. As of 30 June 2025, SM Prime has twenty-two (22) office buildings with a combined GFA of 1.6 million sq. m.

Commercial

	Year Opened	Location	GFA (In 000s sq. m.)
Stand – alone Offices			
SM Cyber One	2008	Makati City	22
SM Cyber Two	2008	Makati City	15
Two E-Com Center	2012	Pasay City	104
Cyber West	2014	Quezon City	38
Five E-Com Center	2015	Pasay City	138
Three E-Com Center	2018	Pasay City	121
Four E-Com Center	2022 - 2023	Pasay City	174
Mall – based Offices			
Mall of Asia Annex (MAAX)	2012	Pasay City	95
SM Aura Tower	2014	Taguig City	51
SM City Taytay BPO Towers	2015	Taytay, Rizal	11
Clark Tech Hub 1 and 2	2016	Angeles City	30
Clark Tech Hub 3	2016	Angeles City	9
Clark Tech Hub 4	2016	Angeles City	9
Clark Tech Hub 5 and 6	2016	Angeles City	39

	Year Opened	Location	GFA (In 000s sq. m.)
Clark Tech Hub 7 and 9	2022 - 2023	Angeles City	30
The Core Towers	2017, 2023 - 2024	Sta. Rosa City	68
Downtown Tower	2018	Cagayan De Oro City	20
SM Strata	2018	Iloilo City	53
SM South Tower	2018	Las Piñas City	69
Fairview Towers	2019, 2023	Quezon City	154
North Towers	2020	Quezon City	109
Mega Tower	2021	Mandaluyong City	191

Landbank for Commercial and Integrated Commercial Development

SM Prime's existing land bank owned for development of new commercial buildings and offices as at 30 June 2025 is 262 hectares.

Competition

Please refer to page 94 of the Prospectus.

HOTELS AND CONVENTION CENTERS

As of 30 June 2025, the hotels and convention centers business unit is composed of ten (10) hotels with 2,602 saleable rooms, six (6) convention centers, and two (2) trade halls.

Please refer to page 94 of the Prospectus.

Competition

Please refer to page 95 of the Prospectus.

DEVELOPMENT

Please refer to page 95 of the Prospectus.

FINANCING

Please refer to pages 95 to 96 of the Prospectus.

SECURITY HOLDINGS

SM Prime also holds shares of various Philippine companies. The table set forth below shows the companies and the corresponding number of shares that SM Prime holds in such companies as of 30 June 2025.

Company	No. of shares held	Market value (in ₱ thousands)
BDO	109,023,766	16,658,831
Ayala Corporation	7,690,430	4,383,545
Shang Properties, Inc.	189,350,548	770,657
SMIC	146,104	127,402
ACEN Corporation	23,071,290	59,755
Republic Glass Holdings Corporation	14,230,000	41,409

Picop Resources, Inc.	40,000,000	8,200
Benguet Corporation	266,757	1,112
Prime Media Holdings, Inc.	500,000	665
Philippine National Bank	112	6
Total		22,051,582

INSURANCE, ENVIRONMENT, HEALTH AND SAFETY

Please refer to pages 96 to 97 of the Prospectus.

LEGAL PROCEEDINGS

As of the date of this Offer Supplement, there are no material legal proceedings involving SM Prime, its subsidiaries, or affiliates or any of SM Prime's properties.

Please refer to page 97 of the Prospectus.

INTELLECTUAL PROPERTY

SM Prime and its subsidiaries hold rights over the use of various registered trademarks covering its various business segments including residential, commercial and developmental projects. The "SM" name is registered and owned by SM Investments Corporation (SMIC). SM Prime is the registered owner to this name. The Company places high regard on the ownership of intellectual property, carefully managing risks of trademark infringement, in terms of copying, imitating, or illegally reproducing legally owned marks of other entities. Another trademark risk being managed is the time aspect of trademark registration, as the Company recognizes the probability of another entity registering a similar trademark anywhere at any time is not remote, and increasing from the moment of a trademark's inception. This is in line with trademark law's first-to-file rule, where rights are given to the party who registers a mark first.

Details of SM Prime's applicable licenses can be found below.

Registered Marks	Mark Type	Registration No.	Registration Date	Expiration Date
PICO DE LORO BEACH AND COUNTRY CLUB	Combined	4-2024-500113	October 12, 2024	October 12, 2034
PICO RESTAURANT & BAR WITH DEVICE	Combined	4-2011-014541	May 11, 2012	May 11, 2032
TAAL VISTA HOTEL	Combined	4-2013-011824	October 9, 2014	October 9, 2034
THE SM CITY	Combined	47035	November 23, 1989	November 23, 2029
SM SOUTHMALL	Combined	4-2003-000291	October 1, 2005	October 1, 2025*
SM SUPERCENTER	Combined	4-2003-000288	October 1, 2005	October 1, 2025*
SM SUPERMALLS	Combined	4-2003-000289	October 1, 2005	October 1, 2025*
INTERIOR ZONE SM CITY NORTH EDSA	Combined	4-2009-011032	October 1, 2010	October 1, 2030
SM CITY	Combined	4-2010-003933	December 31, 2010	December 31, 2030
SM CENTER	Combined	4-2010-003931	December 31, 2010	December 31, 2030
SM SUPERMALLS	Combined	4-2010-003932	December 31, 2010	December 31, 2030
SM MALLS AND DEVICE	Combined	4-2010-008381	May 11, 2012	May 11, 2032
SKYRANCH	Combined	4-2015-000811	July 16, 2015	July 16, 2035
SKYRANCH	Combined	4-2015-000813	July 16, 2015	July 16, 2035
TAZA FRESH TABLE	Combined	4-2015-001034	December 10, 2015	December 10, 2025

Registered Marks	Mark Type	Registration No.	Registration Date	Expiration Date
CHINA BLUE	Combined	4-2015-007394	January 7, 2016	January 7, 2026
SM FOODCOURT LET'S MEET AND EAT!	Combined	4-2015-007114	January 7, 2016	January 7, 2026
SM FOODCOURT LET'S MEET AND EAT!	Combined	4-2015-007116	January 7, 2016	January 7, 2026
FOOD ON FOUR	Combined	4-2015-007117	January 7, 2016	January 7, 2026
SM MEGAMALL FOOD HALL	Combined	4-2015-007118	January 7, 2016	January 7, 2026
SM FOODCOURT LET'S MEET AND EAT!	Combined	4-2015-007119	April 29, 2016	April 29, 2026
C LOUNGE	Combined	4-2015-009643	May 5, 2016	May 5, 2026
BRASSERIE ON 3	Combined	4-2015-009644	August 11, 2016	August 11, 2026
SM FOOD HALL	Combined	4-2015-011874	April 15, 2016	April 15, 2026
MAISON AND DEVICE	Combined	4-2016-001325	April 20, 2017	April 20, 2027
BRU COFFEE BAR WITH DEVICE	Combined	4-2016-001896	June 16, 2016	June 16, 2026
SM LITTLE STAR	Combined	4-2016-004911	September 22, 2016	September 22, 2026
VERANDA	Combined	4-2016-011469	May 25, 2017	May 25, 2027
SKYHALL	Combined	4-2017-007892	November 23, 2017	November 23, 2027
CLICK & COLLECT	Word	4-2017-012919	March 8, 2018	March 8, 2028
SM CLICK & COLLECT	Word	4-2017-012920	March 8, 2018	March 8, 2028
SM MALL OF ASIA WITH SLOGAN NO OTHER MALL COMES CLOSE	Combined	4-2017-016752	May 3, 2018	May 3, 2028
CULINAIRE SAVOR.MATCH.EXPEXPERIENCE	Combined	4-2017-016751	May 3, 2018	May 3, 2028
THE FOOD VILLAGE	Combined	4-2017-017349	February 14, 2019	February 14, 2029
STYLE RESIDENCES	Combined	4-2017-019547	September 16, 2018	September 16, 2028
PARK RESIDENCES	Combined	4-2017-019556	September 11, 2020	September 11, 2030
SMDC RESIDENCES: HOME BESIDE THE MALL	Word	4-2017-019565	July 26, 2018	July 26, 2028
SAILS	Combined	4-2017-020035	April 12, 2018	April 12, 2028
MALL OF ASIA COMPLEX AND LOGO	Combined	4-2018-018198	August 8, 2019	August 8, 2029
MALL OF ASIA COMPLEX AND LOGO	Combined	4-2018-018199	August 8, 2019	August 8, 2029
SNACKTIME	Combined	4-2018-018200	April 14, 2019	April 14, 2029
GREEN 2 RESIDENCES	Combined	4-2018-021895	October 13, 2019	October 13, 2029
SM OFFICES	Combined	4-2019-001710	January 12, 2020	January 12, 2030
SM OFFICES	Combined	4-2019-001711	January 12, 2020	January 12, 2030
ANI	Combined	4-2019-005321	August 18, 2019	August 18, 2029
DASH.	Combined	4-2019-005322	August 18, 2019	August 18, 2029
ESPLANADE SEASIDE TERMINAL	Combined	4-2019-006801	December 6, 2020	December 6, 2030
ONEECOM CENTER	Combined	4-2019-009751	March 14, 2020	March 14, 2030
TWOE-COM CENTER	Combined	4-2019-009752	July 17, 2020	July 17, 2030
THREEE-COM CENTER	Combined	4-2019-009753	July 17, 2020	July 17, 2030
FOURE-COM CENTER	Combined	4-2019-009754	July 17, 2020	July 17, 2030
FIVEE-COM CENTER	Combined	4-2019-009755	July 19, 2020	July 19, 2030
SIXE-COM CENTER	Combined	4-2019-009756	July 19, 2020	July 19, 2030
SM CYBER	Combined	4-2019-009757	November 14, 2019	November 14, 2029
SM SKATING	Combined	4-2019-011086	March 30, 2020	March 30, 2030
SM BOWLING	Combined	4-2019-011087	January 12, 2020	January 12, 2030

Registered Marks	Mark Type	Registration No.	Registration Date	Expiration Date
TERRAZA ON 7	Combined	4-2019-014149	February 10, 2020	February 10, 2030
CASA URBAN TABLE	Combined	4-2019-014150	February 10, 2020	February 10, 2030
PICKUP AT SM SUPERMALLS	Combined	04-2019-019589	July 23, 2021	July 23, 2031
PICKUP AT SM SUPERMALLS	Combined	04-2019-019590	July 23, 2021	July 23, 2031
SINE SINDAK	Combined	4-2019-019965	September 20, 2020	September 20, 2030
SM CINEMA	Combined	4-2019-019971	September 20, 2020	September 20, 2030
SM CINEMA	Combined	4-2019-019972	September 20, 2020	September 20, 2030
SM LIFESTYLE, INC.	Combined	4-2019-019976	September 20, 2020	September 20, 2030
SM LIFESTYLE, INC.	Combined	4-2019-019977	September 20, 2020	September 20, 2030
SM LIFESTYLE, INC.	Combined	4-2019-019978	September 20, 2020	September 20, 2030
SM LIFESTYLE, INC.	Combined	4-2019-019979	September 20, 2020	September 20, 2030
DIRECTOR'S CLUB BY SM CINEMA	Combined	4-2019-019982	September 20, 2020	September 20, 2030
SM PRIME LOGO	Combined	4-2019-007249	October 10, 2019	October 10, 2029
MEGA TOWER	Word	4-2020-000013	July 24, 2020	July 24, 2030
EPLUS	Combined	4-2020-000964	November 22, 2020	November 22, 2030
SM TICKETS	Combined	4-2020-003153	January 17, 2021	January 17, 2031
TWIN RESIDENCES	Word	4-2020-508924	March 14, 2021	March 14, 2031
SOUTH COAST CITY	Word	4-2020-510778	January 1, 2021	January 1, 2031
SKYDOME	Combined	4-2020-515491	March 12, 2021	March 12, 2031
ARIMA	Combined	4-2020-515490	June 11, 2021	June 11, 2031
SOUTH 2 RESIDENCES	Combined	4-2020-517465	June 11, 2021	June 11, 2031
HOPE RESIDENCES	Combined	4-2020-517467	June 11, 2021	June 11, 2031
SM BAY CITY	Word	4-2021-522415	August 29, 2022	August 29, 2032
PICO SANDS HOTEL	Combined	4-2022-502423	November 2, 2023	November 2, 2033
RAIN THE SPA	Combined	4-2022-506489	September 15, 2022	September 15, 2032
BAGUIO MARKETPLACE BY SM	Combined	4-2022-531145	June 12, 2023	June 12, 2033
BAGUIO MARKETPLAZA BY SM	Combined	4-2022-531138	June 12, 2023	June 12, 2033
BAGUIO MARKETSSQUARE BY SM	Combined	4-2022-531140	June 12, 2023	June 12, 2033
SM BAGUIO MARKETPLACE	Combined	4-2022-531144	June 12, 2023	June 12, 2033
SM BAGUIO MARKETPLAZA	Combined	4-2022-531142	June 12, 2023	June 12, 2033
SM BAGUIO MARKETSSQUARE	Combined	4-2022-531141	June 12, 2023	June 12, 2033
CYAN MODERN KITCHEN	Combined	4-2023-502969	February 12, 2024	February 12, 2034
EDGE POOL BAR	Combined	4-2023-502970	April 22, 2024	April 22, 2034
ALTA RIDGE BAR	Combined	4-2023-502967	November 12, 2023	November 12, 2033
SM FOODCOURT	Combined	4-2023-504242	June 8, 2024	June 8, 2034
SM FOODCOURT	Combined	4-2023-504243	June 8, 2024	June 8, 2034
SM FOOD HALL	Combined	4-2023-504244	September 16, 2023	September 16, 2033
PARCEL EXCELLENCE	Combined	4-2023-504245	August 19, 2023	August 19, 2033
FOCUS	Combined	4-2023-511289	August 12, 2023	August 12, 2033
BYTES	Combined	4-2023-511290	November 6, 2023	November 6, 2033
CASHLESS MAILING AT SM	Word	4-2023-513995	December 11, 2023	December 11, 2033
REEF BAR	Combined	4-2023-521067	April 15, 2024	April 15, 2034
SM LITTLE STARS	Word	4-2023-524809	December 30, 2023	December 30, 2033

Registered Marks	Mark Type	Registration No.	Registration Date	Expiration Date
PARK RESIDENCES	Combined	4-2017-019556	September 11, 2020	September 11, 2030
GREEN 2 RESIDENCES	Combined	4-2018-021895	October 13, 2019	October 13, 2029
DREAM RESIDENCES	Word	4-2020-511748	February 7, 2021	February 7, 2031
MIST RESIDENCES	Word	4-2020-520563	June 11, 2021	June 11, 2031
FRESH RESIDENCES	Word	4-2021-503050	June 11, 2021	June 11, 2031
STREAM RESIDENCES	Word	4-2021-512900	September 17, 2021	September 17, 2031
ZEAL RESIDENCES	Word	4-2022504926	August 6, 2022	August 6, 2032
FERIA AND DEVICE	Combined	4-2010-007647	July 7, 2011	July 7, 2031
PRIMO	Combined	4-2022-526920	May 20, 2024	May 20, 2034
WIN RESIDENCES	Word	4-2020-517464	February 28, 2022	February 28, 2032
CHOSUN AT TAGAYTAY HIGHLANDS	Combined	4-2018-001180	January 6, 2019	January 6, 2029
HIGHLANDS MONTHLY VIEW	Combined	4-2018-001181	October 7, 2018	October 7, 2028
HIGHLANDS VIEW	Combined	4-2018-001182	October 7, 2018	October 7, 2028
SPORTS CENTER VERANDA	Combined	4-2018-001184	August 29, 2019	August 29, 2029
THE HIGHLANDER STEAKHOUSE	Combined	4-2018-001185	August 29, 2019	August 29, 2029
AKASAKA AT TAGAYTAY HIGHLANDS	Combined	4-2018-001186	December 22, 2022	December 22, 2032
LEAF RESIDENCES	Combined	4-2019-011080	July 19, 2020	July 19, 2030
SMX CONVENTION CENTER	Combined	4-2011-011609	April 19, 2012	April 19, 2032
SMXCITE	Combined	4-2025-507386	May 1, 2025	May 1, 2035
M PLACE	Combined	4-2011-005967	November 8, 2012	November 8, 2032
WIND RESIDENCES	Combined	4-2011-005969	July 26, 2012	July 26, 2032
PRINCETON RESIDENCES AND LOGO	Combined	4-2011-005970	July 26, 2012	July 26, 2032
BLUE RESIDENCES	Combined	4-2011-005971	July 26, 2012	July 26, 2032
SEA RESIDENCES AND LOGO	Combined	4-2011-005972	July 26, 2012	July 26, 2032
GREEN RESIDENCES LOGO	Combined	4-2011-005973	July 26, 2012	July 26, 2032
BERKELEY RESIDENCES LOGO	Combined	4-2011-005974	July 26, 2012	July 26, 2032
MEZZA RESIDENCES LOGO	Combined	4-2011-005975	July 26, 2012	July 26, 2032
SUN RESIDENCES LOGO	Combined	4-2011-005976	July 26, 2012	July 26, 2032
JAZZ RESIDENCES LOGO	Combined	4-2011-005977	July 26, 2012	July 26, 2032
LIGHT RESIDENCES LOGO	Combined	4-2011-005978	July 26, 2012	July 26, 2032
FIELD RESIDENCES LOGO	Combined	4-2011-005979	July 26, 2012	July 26, 2032
BREEZE RESIDENCES	Combined	4-2012-013527	October 3, 2013	October 3, 2033
SHORE RESIDENCES MALL OF ASIA COMPLEX	Combined	4-2014-002831	March 5, 2015	March 5, 2025**
TREES RESIDENCES NOVALICHES, QUEZON CITY	Combined	4-2014-002833	March 5, 2015	March 5, 2025**
SHINE RESIDENCES ORTIGAS CENTER	Combined	4-2014-002832	March 5, 2015	March 5, 2025**
AIR RESIDENCES	Combined	4-2014-010121	June 4, 2015	June 4, 2025***
SMDC PREMIER	Combined	4-2015-004449	October 22, 2015	October 22, 2025*
GRACE RESIDENCES	Combined	4-2015-006678	May 19, 2016	May 19, 2026
S RESIDENCES MALL OF ASIA COMPLEX	Combined	4-2015-006679	February 11, 2016	February 11, 2026
MEZZA II RESIDENCES ACROSS SM CITY STA. MESA	Combined	4-2015-006681	February 11, 2016	February 11, 2026
FAME RESIDENCES	Combined	4-2015-006683	February 11, 2016	February 11, 2026

Registered Marks	Mark Type	Registration No.	Registration Date	Expiration Date
SOUTH RESIDENCES AT SM SOUTHMALL	Combined	4-2015-007535	July 14, 2017	July 14, 2027
SMDC FIVE-STAR HOMES IN PRIME LOCATIONS	Combined	4-2015-011875	May 19, 2016	May 19, 2026
SMDC	Combined	4-2015-011668	April 6, 2017	April 6, 2027
SMDC THE GOOD GUYS	Combined	4-2015-011667	August 04, 2016	August 04, 2026
SHORE 2 RESIDENCES	Combined	4-2015-014533	July 14, 2016	July 14, 2026
SANDS RESIDENCES	Combined	4-2016-009547	December 8, 2016	December 8, 2026
SPRING RESIDENCES	Combined	4-2017-006326	November 18, 2017	November 18, 2027
VINE RESIDENCES	Combined	4-2017-006327	October 12, 2017	October 12, 2027
JOYFUL HOMES	Combined	4-2017-006328	October 12, 2017	October 12, 2027
COAST RESIDENCES	Combined	4-2017-006329	October 12, 2017	October 12, 2027
CHARM RESIDENCES	Combined	4-2017-006330	October 12, 2017	October 12, 2027
CHEERFUL HOMES	Combined	4-2017-006331	October 12, 2017	October 12, 2027
CHEER RESIDENCES	Combined	4-2017-006333	October 12, 2017	October 12, 2027
CORE RESIDENCES	Combined	4-2017-012908	October 7, 2018	October 7, 2028
CALM RESIDENCES	Combined	4-2017-00012909	March 22, 2018	March 22, 2028
LIFE RESIDENCES	Combined	4-2017-00012910	March 22, 2018	March 22, 2028
BLOOM RESIDENCES	Combined	4-2017-00013634	April 12, 2018	April 12, 2028
HILL RESIDENCES	Combined	4-2017-00013638	May 3, 2018	May 3, 2028
WING RESIDENCES	Combined	4-2017-00013639	May 3, 2018	May 3, 2028
CLOUD RESIDENCES	Combined	4-2017-00013640	April 12, 2018	April 12, 2028
FLIGHT RESIDENCES	Combined	4-2017-00013641	April 12, 2018	April 12, 2028
LOUNGE RESIDENCES	Combined	4-2017-00013642	August 2, 2020	August 2, 2030
SHELL RESIDENCES	Combined	4-2017-00013644	July 7, 2019	July 7, 2029
PRIME KEY	Combined	4-2017-00014858	February 15, 2018	February 15, 2028
PRIME KEY	Combined	4-2017-00014859	February 15, 2018	February 15, 2028
KALE RESIDENCES	Combined	4-2017-00014860	June 15, 2018	June 15, 2028
FAITH COLUMBARIUM	Combined	4-2017-00019554	June 15, 2018	June 15, 2028
COOL SUITES AT WIND RESIDENCES	Combined	4-2017-00019563	July 26, 2018	July 26, 2028
FERN AT GRASS RESIDENCES	Combined	4-2017-019564	July 26, 2018	July 26, 2028
SM DEVELOPMENT CORPORATION	Combined	4-2017-019567	May 24, 2018	May 24, 2028
BOND RESIDENCES	Combined	4-2018-001683	August 30, 2018	August 30, 2028
BELLE RESIDENCES	Combined	4-2018-001685	November 8, 2018	November 8, 2028
SMDC MINT RESIDENCES	Combined	4-2018-005238	September 19, 2019	September 19, 2029
JOY RESIDENCES	Combined	4-2018-00005246	August 8, 2019	August 8, 2029
SMILE RESIDENCES	Combined	4-2018-00005258	October 7, 2018	October 7, 2028
SMDC DORMITEL	Combined	4-2018-012056	June 20, 2019	June 20, 2029
LUSH RESIDENCES With DEVICE	Combined	4-2018-00015022	June 2, 2019	June 2, 2029
SHORE 3 RESIDENCES	Combined	4-2018-016176	July 18, 2019	July 18, 2029
HILL RESIDENCES	Combined	4-2018-017449	June 20, 2019	June 20, 2029
SOL RESIDENCES	Combined	4-2018-018194	July 18, 2019	July 18, 2029
RED RESIDENCES	Combined	4-2019-012781	October 16, 2020	October 16, 2030
GLITZ RESIDENCES	Combined	4-2019-015794	November 13, 2020	November 13, 2030
GEM RESIDENCES	Combined	4-2019-00019591	October 16, 2020	October 16, 2030

Registered Marks	Mark Type	Registration No.	Registration Date	Expiration Date
GLAM RESIDENCES	Combined	4-2019-019595	October 16, 2020	October 16, 2030
SMDC CITY LIVING	Combined	4-2020-000455	July 19, 2020	July 19, 2030
GREEN 3	Combined	4-2020-002306	January 15, 2021	January 15, 2031
SMDC JADE RESIDENCES	Word	4-2020-511746	March 14, 2021	March 14, 2031
LIKE RESIDENCES	Word	4-2020-513909	February 7, 2021	February 7, 2031
SMDC RESO (RESIDENTIAL-OFFICE)	Word	4-2020-00513911	February 7, 2021	February 7, 2031
DAWN RESIDENCES	Word	4-2020-513912	February 7, 2021	February 7, 2031
PRIME RESIDENCES	Word	4-2020-513910	February 7, 2021	February 7, 2031
SURF RESIDENCES	Word	4-2020-513914	February 7, 2021	February 7, 2031
SHEER RESIDENCES	Word	4-2020-513913	February 7, 2021	February 7, 2031
LUCK RESIDENCES	Word	4-2020-513917	February 7, 2021	February 7, 2031
SAINTS RESIDENCES	Word	4-2020-515707	June 11, 2021	June 11, 2031
HIP RESIDENCES	Combined	4-2020-517468	June 11, 2021	June 11, 2031
HIP CITY	Combined	4-2020-00517469	March 14, 2021	March 14, 2031
GOLD RESO	Word	4-2020-520879	August 27, 2021	August 27, 2031
PRIME RESO	Word	4-2020-520880	August 27, 2021	August 27, 2031
ICE RESO	Word	4-2020-520878	August 27, 2021	August 27, 2031
GOOD TIMES WITH THE GOOD GUYS	Word	4-2020-520561	April 9, 2021	April 9, 2031
GLADE RESIDENCES	Word	4-2021-503052	October 29, 2021	October 29, 2031
SMDC CHEERFUL HOMES 2	Word	4-2021-503053	June 11, 2021	June 11, 2031
STAR RESIDENCES	Word	4-2021-504762	August 27, 2021	August 27, 2031
NOW RESIDENCES	Word	4-2021-504764	July 9, 2021	July 9, 2031
SMDC REHO (RESIDENTIAL HOME)	Word	4-2021-504765	July 9, 2021	July 9, 2031
SMDC TURF RESIDENCES	Combined	4-2021-508021	November 27, 2021	November 27, 2031
ICE TOWER	Word	4-2021-515721	April 1, 2023	April 1, 2033
ALPS RESIDENCES	Word	4-2021-522414	April 29, 2022	April 29, 2032
SMDC VAIL RESIDENCES	Combined	4-2022-504923	May 6, 2023	May 6, 2033
SMDC	Combined	4-2022-504928	July 3, 2022	July 3, 2032
SMDC HOLIDAYS	Word	4-2022-510604	July 3, 2022	July 3, 2032
WEALTH RESIDENCES	Word	4-2022-510605	November 24, 2022	November 24, 2032
SMDC FESTIVAL GROUNDS	Word	4-2022-531834	June 30, 2023	June 30, 2033
SMDC GREENVILLE	Word	4-2023-509030	August 12, 2023	August 12, 2033
PARKVILLE	Word	4-2023-513998	August 19, 2023	August 19, 2033
SMDC CRESTVILLE	Word	4-2023-513996	August 19, 2023	August 19, 2033
HILL COMMERCIAL CENTER	Word	4-2023-515990	June 3, 2024	June 3, 2034
CARMONA INTERNATIONAL CITY	Word	4-2023-518271	April 4, 2024	April 4, 2034
Q PLACE	Word	4-2023-525682	June 15, 2024	June 15, 2034
PEARL RESIDENCES	Word	4-2023-00525891	May 6, 2024	May 6, 2034
VIN RESIDENCES	Word	4-2024-505008	June 27, 2024	June 27, 2034
SMDC EXPRESS PAY	Combined	4-2024-516537	February 24, 2025	February 24, 2035
GRASS RESIDENCES	Combined	4-2024-515705	September 30, 2024	September 30, 2034
SYMPHONY HOMES	Word	4-2024-523311	August 22, 2024	August 22, 2034
SIGNATURE SERIES BY SM RESIDENCES	Word	4202500500637	March 8, 2025	March 8, 2035

Registered Marks	Mark Type	Registration No.	Registration Date	Expiration Date
SIGNATURE SERIES SM RESIDENCES	Word	4-2025-500635	March 8, 2025	March 8, 2035
SIGNA	Word	4-2025-500641	January 9, 2025	January 9, 2035
SIGNA BY SM RESIDENCES	Word	4-2025-00500643	January 9, 2025	January 9, 2035
SYGNA	Word	4-2025-500645	January 9, 2025	January 9, 2035
SYGNA SM RESIDENCES	Word	4-2025-500647	January 9, 2025	January 9, 2035
SYGNA BY SM RESIDENCES	Word	4-2025-500648	January 9, 2025	January 9, 2035
SIGNA SM RESIDENCES	Word	4-2025-500649	January 9, 2025	January 9, 2035
SIGNATURES SM RESIDENCES	Word	4-2025-500650	March 8, 2025	March 8, 2035
S	Combined	4-2025-00505726	April 18, 2025	April 18, 2035
S	Combined	4-2025-05738	April 18, 2025	April 18, 2035
S Signature Series SM Residences	Combined	4-2025-505729	April 18, 2025	April 18, 2035
S Signature Series SM Residences	Combined	4-2025-505730	April 18, 2025	April 18, 2035
S Signature Series SM Residences	Combined	4-2025-505732	April 18, 2025	April 18, 2035
S Signature Series SM Residences	Combined	4-2025-505734	April 18, 2025	April 18, 2035
SIGNUM	Word	4-2025-00506393	April 26, 2025	April 26, 2035
SINATURA	Word	4-2025-00506394	April 26, 2025	April 26, 2035
BOWER HILLS	Word	4-2025-00513567	July 10, 2025	July 10, 2035
BOWER HILLS	Word	4-2025-00515931	pending	pending
BOWER HILLS	Word	4-2025-00515931	pending	pending
SMDC	Word	4-2025-521846	pending	pending
CYBERZONE	Combined	4-2017-017664	May 3, 2018	May 3, 2028
CYBERZONE LOGO	Combined	4-2008-000538	June 8, 2009	June 8, 2029
WELLNESS SPACE	Combined	4-2023-521065	May 23, 2024	May 23, 2034
BOOK NOOK	Combined	4-2024-507749	September 27, 2024	September 27, 2034
PREMIUM LEISURE CORP.	Combined	4-2016-015244	December 17, 2017	December 17, 2027
PREMIUM LEISURE & AMUSEMENT, INC.	Combined	4-2016-015246	July 18, 2019	July 18, 2029
ARRIBADA	Combined	4-2023-513993	January 11, 2024	January 11, 2034
SUN CORAL CAFÉ	Combined	4-2023-521069	April 15, 2024	April 15, 2034
BILLIARDS AND BOWLING	Combined	4-2023-521060	May 20, 2024	May 20, 2034
LAGOA	Combined	4-2023-521071	April 15, 2024	April 15, 2034
LUWI FOREST PARK	Word	4-2024-520740	November 4, 2024	November 4, 2034
LANE RESIDENCES	Combined	4-2019-0011083	January 12, 2020	January 12, 2030
THE HORIZON (STYLIZED) AT TAGAYTAY MIDLANDS SUN AND CLOUD DEVICE	Combined	4-2005-012160	April 6, 2009	April 6, 2029
PUEBLO REAL TAGAYTAY MIDLANDS	Combined	4-2008-015105	July 9, 2009	July 9, 2029
THE HILLSIDE AT TAGAYTAY HIGHLANDS	Combined	4-2008-015104	June 8, 2009	June 8, 2029
THE WOODLANDS POINT AT TAGAYTAY HIGHLANDS	Combined	4-2008-015103	June 8, 2009	June 8, 2029
SIERRA LAGO AT THE MIDLANDS	Combined	4-2011-003858	October 1, 2011	October 1, 2031
ASPENHILLS AT THE HIGHLANDS	Combined	4-2012-006340	October 18, 2012	October 18, 2032
VIREYA	Combined	4-2015-009640	April 6, 2017	April 6, 2027
HORIZON TERRACES	Combined	4-2017-010246	May 3, 2018	May 3, 2028
PROVENCE AT TAGAYTAY	Combined	4-2019-002146	October 13, 2019	October 13, 2029

Registered Marks	Mark Type	Registration No.	Registration Date	Expiration Date
PROVENCE AT TAGAYTAY	Combined	4-2019-004491	November 28, 2019	November 28, 2029
THE PINES AT ASPENHILLS	Combined	4-2019-015336	February 26, 2021	February 26, 2031
HIGHLANDS RESIDENCES	Word	4-2020-509248	July 9, 2021	July 9, 2031
TREALVA	Word	4-2021-520025	March 14, 2022	March 14, 2032
TREALVA	Combined	4-2021-521799	November 27, 2021	November 27, 2031
PRIMROSE PARKS	Word	4-2022-502424	August 29, 2022	August 29, 2032
PRIMROSE PARKS	Combined	4-2022-506490	June 4, 2022	June 4, 2032
HIGHLANDS RESIDENCES	Combined	4-2022-506491	October 6, 2022	October 6, 2032
THE PATIO AT SARATOGA HILLS	Combined	4-2023-518935	July 4, 2024	July 4, 2034
TREALVA AT MIDLANDS WEST	Combined	4-2025-504513	April 5, 2025	April 5, 2035
AMANDAVA WITH PARROT HEAD DEVICE	Combined	4-2008-002728	August 25, 2008	August 25, 2028
CAROLA WITH PARROT HEAD DEVICE	Combined	4-2008-002730	August 25, 2008	August 25, 2028
JACANA WITH PARROT HEAD DEVICE	Combined	4-2008-002725	August 25, 2008	August 25, 2028
MYNA WITH PARROT HEAD	Combined	4-2008-002729	August 25, 2008	August 25, 2028
AZUREA WITH PARROT HEAD DEVICE	Combined	4-2008-002727	August 25, 2008	August 25, 2028
PICO DE LORO COVE AND DEVICE	Combined	4-2007-002244	August 25, 2008	August 25, 2028
PARROT HEAD SYMBOL	Combined	4-2007-002243	October 15, 2007	October 15, 2027
ALIBATA SYMBOL	Combined	4-2007-002241	September 17, 2009	September 17, 2029
MIRANDA WITH PARROT HEAD	Combined	4-2008-009773	July 2, 2009	July 2, 2029
SOLA AT PICO DE LORO COVE	Combined	4-2021-502240	August 27, 2021	August 27, 2031
FREIA AT PICO DE LORO COVE	Combined	4-2018-0008640	February 14, 2019	February 14, 2029
CEREA SUITES AT PICO TERRACES	Combined	4-2023-504777	May 2, 2024	May 2, 2034
PICO TERRACES	Combined	4-2023-515857	September 24, 2023	September 24, 2033
PICO DE LORO BEACH AND COUNTRY CLUB	Combined	4-2024-500113	October 12, 2024	October 12, 2034
BALEA SUITES AT PICO TERRACES	Combined	4-2023-532938	May 2, 2024	May 2, 2034
CEREA SUITES AT PICO TERRACES	Combined	4-2023-532939	May 2, 2024	May 2, 2034
ARDEA SUITES AT PICO TERRACES	Combined	4-2023-532940	May 2, 2024	May 2, 2034
SINTA AT MARINA ESTATES	Word	4-2024-531134	April 28, 2025	April 28, 2035
MIRA AT MARINA ESTATES	Word	4-2024-531135	April 28, 2025	April 28, 2035
MAIA AT MARINA ESTATES	Word	4-2024-531136	April 28, 2025	April 28, 2035
MVILLAGE AT MARINA ESTATES	Word	4-2024-531137	April 28, 2025	April 28, 2035
MARINA ESTATES	Word	4-2024-531138	March 15, 2025	March 15, 2035
MARINA ESTATES	Combined	4-2024-531139	April 28, 2025	April 28, 2035
MVILLAGE AT MARINA ESTATES	Combined	4-2024-531141	April 28, 2025	April 28, 2035
LAKEVIEW HEIGHTS	Combined	4-2007-008409	May 19, 2008	May 19, 2028
SARATOGA HILLS AND DEVICE	Combined	4-2007-008415	May 19, 2008	May 19, 2028
THE VERANDAS & DESIGN	Combined	4-2007-008413	November 3, 2008	November 3, 2028
TIVOLI PLACE & DESIGN	Combined	4-2007-008420	May 19, 2008	May 19, 2028
LAKESIDE ENCLAVE & DESIGN	Combined	4-2007-008419	May 19, 2008	May 19, 2028
KEW GARDENS & DEVICE	Combined	4-2007-008417	May 19, 2008	May 19, 2028
LAKESIDE FAIRWAYS & DEVICE	Combined	4-2007-008416	May 19, 2008	May 19, 2028
PLANTATION HILLS GREENLANDS & DEVICE	Combined	4-2007-008411	June 30, 2008	June 30, 2028

Registered Marks	Mark Type	Registration No.	Registration Date	Expiration Date
TERRAZAS DE ALAVA & DEVICE	Combined	4-2007-008418	July 21, 2008	July 21, 2028
THE SPA AND LODGE AT TAGAYTAY HIGHLANDS AND DEVICE	Combined	4-2007-008414	January 5, 2009	January 5, 2029
PINECREST VILLAGE	Combined	4-2009-008239	February 17, 2011	February 17, 2031
THE VILLAS AND DEVICE	Combined	4-2009-008543	October 1, 2010	October 1, 2030
KATSURA TAGAYTAY HIGHLANDS AND DEVICE	Combined	4-2009-008540	February 17, 2011	February 17, 2031
FAIRFIELD AT TAGAYTAY HIGHLANDS	Combined	4-2009-00008539	May 31, 2012	May 31, 2032
TAGAYTAY MIDLANDS GOLF CLUB	Combined	4-2009-008542	March 17, 2011	March 17, 2031
THE BELLE VIEW	Combined	4-2009-008722	June 4, 2010	June 4, 2030
COTSWOLD TAGAYTAY HIGHLANDS AND DEVICE	Combined	4-2009-008719	June 4, 2010	June 4, 2030
NOB HILL	Combined	4-2010-011826	June 30, 2011	June 30, 2031
YUME KATSURA AND DEVICE	Combined	4-2010-011827	June 30, 2011	June 30, 2031
BELLE CORPORATION	Combined	4-2011-008471	February 24, 2012	February 24, 2032
BELLE KAAGAPAY	Combined	4-2015-002454	August 27, 2015	August 27, 2025
TAGAYTAY HIGHLANDS	Combined	4-2015-005552	January 21, 2016	January 21, 2026
TAGAYTAY HIGHLANDS INTERNATIONAL GOLF CLUB, INC.	Combined	4-2017-010248	January 11, 2018	January 11, 2028
THE COUNTRY CLUB AT TAGAYTAY HIGHLANDS	Combined	4-2017-010249	January 18, 2018	January 18, 2028
TAGAYTAY MIDLANDS GOLF CLUB, INC.	Combined	4-2017-010250	January 4, 2018	January 4, 2028
THE GROVE AT PLANTATION HILLS	Combined	4-2019-009191	March 30, 2020	March 30, 2030
BELLE GRANDE MANILA BAY	Combined	4-2020-512756	February 7, 2021	February 7, 2031
KAZUMI AT YUME	Word	4-2023-505009	September 29, 2023	September 29, 2033
KAZUMI AT YUME	Combined	4-2024-524696	January 13, 2025	January 13, 2035
LIGHT 2 RESIDENCES	Combined	4-2019-021566	December 6, 2020	December 6, 2030

* Renewal will be filed on or before the due date for renewal

** Renewal filed on 21 April 2025

*** Renewal filed on 22 April 2025

Processes are consistently executed for registering and renewing, and maintenance. A monitoring process is in place to continuously comply with the Intellectual Property Office of the Philippines' post-filing requirements. Requirements include demonstrating and proving actual use of marks by the Company, or the Declaration of Actual Use. The maintenance and protection of the brands are important to SM Prime, as these present the unique identity of the Company and strengthen its position in the industry and brand recall to the public.

Please refer to pages 97 to 99 of the Prospectus.

CAPITAL EXPENDITURE

In 2024, SM Prime incurred capital expenditure of ₱81.251 billion, calculated as the sum of real estate inventories development cost, additions to investment properties and property and equipment, less capitalized interest.

In 2023, SM Prime incurred capital expenditure of ₱82.385 billion, calculated as the sum of real estate inventories development cost, additions to investment properties and property and equipment, less reclassifications from bonds and deposits and other noncash adjustments (₱0.96 billion), additions to right-of-use land and capitalized interest.

In 2022, SM Prime incurred capital expenditure of ₱70.605 billion, calculated as the sum of real estate development cost, additions to investment properties and property and equipment, additions to bonds and deposits (₱12.14 billion), less capitalized interest.

The capital expenditures are related to construction of shopping malls, offices and hotels and convention centers, integrated commercial development, land banking activities, and project development costs of residential units and condominium projects.

For the six (6) months ended 30 June 2025, SM Prime has spent ₱37.3 billion of the ₱100.0 billion capital expenditure budget for 2025. Capital expenditure for 2025 and 2026 is approximately ₱100.0 billion, with 35% for malls, 30% for integrated commercial developments, 25% for residential, 5% for commercial and 5% for hotels and convention centers. SM Prime plans to fund its capital expenditure plan through recurring income flows and external financing.

GOVERNMENT REGULATIONS AND AUTHORIZATIONS

Please refer to page 100 of the Prospectus.

EMPLOYEES

As at 31 December 2024, SM Prime's mall business unit is supported by 11,722 officers and employees of PCPMC. PCPMC manages and operates the malls, including the provision of manpower, maintenance and engineering and security and promotional activities. The Company complies with minimum compensation and benefits standards as well as other applicable labor and employment regulations.

As at 30 June 2025, the Company had 12,225 regular employees. The employees are classified as follows:

Classification	No. of Employees
Rank and file	4,197
Junior/ mid-level managers	7,597
Senior executive officers	431

Please refer to page 100 of the Prospectus.

RELATED PARTY TRANSACTIONS

Please refer to Note 19 of the audited consolidated financial statements as of 31 December 2024 for the significant transactions entered into by SM Prime with its related parties and the amounts with respect to these transactions.

The Company also entered into financing arrangements with the banking group. There were no assigned receivables on a with recourse basis to the banking group in 2024 and 2023.

Please refer to pages 100 to 102 of the Prospectus.

MATERIAL CONTRACTS

As of the date of this Offer Supplement, the Company is not a party to any material contracts, as defined in Annex C of Rule 12 of the 2015 Implementing Rules and Regulations to the Securities Regulation Code, except for contracts entered into in the ordinary course of business.

MATERIAL PERMITS AND LICENSES

As of the date of this Offer Supplement, the Company and its Subsidiaries have the following material permits and licenses:

Entity	No.	Permits & Licenses	Issuing Agency	Permit & License No.	Issue Date	Expiration Date
SM Prime		CERTIFICATE OF INCORPORATION (COI)	SEC			
	1	Head Office		AS094-000088	05-Jan-94	Not Applicable
		CERTIFICATE OF REGISTRATION (COR)	BIR			
	1	Head Office		003-058-789-00000	22-Feb-25	Not Applicable
	2	SM City Cebu		003-058-789-00001	19-May-23	Not Applicable
	3	SM City Fairview		003-058-789-00006	06-Feb-18	Not Applicable
	4	SM City Complex North Edsa		003-058-789-00007	17-Mar-25	Not Applicable
	5	SM City Sta. Mesa		003-058-789-00009	15-Mar-25	Not Applicable
	6	SM City Bacoor		003-058-789-00010	18-Sep-23	Not Applicable
	7	SM City Bacoor-kiddie rides		003-058-789-011	31-Aug-99	Not Applicable
	8	SM Southmall		003-058-789-00012	27-Nov-24	Not Applicable
	9	SM City Manila		003-058-789-00014	29-Jul-25	Not Applicable
	10	SM City Pampanga		003-058-789-00016	06-Feb-18	Not Applicable
	11	SM Megamall Kiddie rides		003-058-789-017	12-Jan-01	Not Applicable
	12	SM City Sucat		003-058-789-00018	23-Aug-23	Not Applicable
	13	SM City Davao		003-058-789-00020	29-Jul-25	Not Applicable
	14	SM City Cagayan		003-058-789-00022	06-Feb-18	Not Applicable
	15	SM City Bicutan		003-058-789-00024	26-Mar-25	Not Applicable
	16	SM City Iloilo		003-058-789-00027	10-Mar-25	Not Applicable
	17	SM City Baguio		003-058-789-00028	12-Aug-17	Not Applicable
	18	SM City Marilao		003-058-789-00029	11-Aug-17	Not Applicable
	19	SM City Lucena		003-058-789-00030	07-Mar-25	Not Applicable
	20	SM City Baguio		003-058-789-00031	06-Feb-18	Not Applicable
	21	SM City San Lazaro		003-058-789-00035	27-Apr-17	Not Applicable
	22	SM City Valenzuela		003-058-789-00037	19-Mar-25	Not Applicable
	23	SM City Molino		003-058-789-00039	10-Mar-25	Not Applicable
	24	SM Mall of Asia		003-058-789-00041	19-May-23	Not Applicable
	25	SM City Santa Rosa		003-058-789-00042	17-Mar-25	Not Applicable
	26	SM City Dasmariñas		003-058-789-00043	10-Mar-25	Not Applicable
	27	SM City Batangas		003-058-789-00044	02-Dec-24	Not Applicable
	28	SM City Clark		003-058-789-00045	16-Aug-23	Not Applicable
	29	SM Center-Pasig		003-058-789-00046	02-Mar-23	Not Applicable
	30	SM City Lipa		003-058-789-00047	30-Aug-17	Not Applicable
	31	SM City Bacolod		003-058-789-00048	15-Apr-24	Not Applicable
	32	SM City Taytay		003-058-789-00049	11-Jan-18	Not Applicable
	33	SM Center Muntinlupa		003-058-789-00050	11-Aug-25	Not Applicable
	34	By the Bay Kiddie Rides		003-058-789-052	14-Sep-07	Not Applicable
	35	SM City Marikina		003-058-789-00053	15-Mar-25	Not Applicable
	36	SM Savemore Market Nagtahan		003-058-789-00054	06-Feb-18	Not Applicable
	37	SM City Baliwag		003-058-789-00055	23-Jun-17	Not Applicable
	38	SM City Rosales		003-058-789-00056	06-Nov-20	Not Applicable
	39	SM City Naga		003-058-789-00057	21-Jun-22	Not Applicable
	40	SM Center Las Piñas		003-058-789-00058	11-Aug-25	Not Applicable
	41	SM City Rosario		003-058-789-00059	14-Aug-17	Not Applicable
	42	SM City Calamba		003-058-789-00062	06-Feb-18	Not Applicable
	43	SM City Novaliches		003-058-789-00063	12-Aug-17	Not Applicable
	44	SM City San Pablo		003-058-789-00064	12-Aug-17	Not Applicable
	45	SM City Tarlac		003-058-789-00065	04-Dec-24	Not Applicable
	46	The SMKL Podium		003-058-789-00066	12-Aug-17	Not Applicable
	47	SM City San Fernando Downtown		003-058-789-00067	06-Feb-18	Not Applicable
	48	SM Savemore Market Apalit		003-058-789-00068	12-Aug-17	Not Applicable
	49	SM City Masinag		003-058-789-00069	23-Aug-17	Not Applicable
	50	SM City Olongapo Downtown		003-058-789-00070	12-Apr-23	Not Applicable
	51	SM Rosales		003-058-789-00071	11-Aug-17	Not Applicable
	52	SM Marketmall Dasmariñas		003-058-789-00072	11-Aug-17	Not Applicable
	53	SM City Consolacion		003-058-789-00073	22-Jan-18	Not Applicable
	54	SM Makati		003-058-789-00074	30-Aug-17	Not Applicable
	55	SM Hypermarket Sucat Lopez		003-058-789-00076	23-Jun-17	Not Applicable
	56	SM City General Santos		003-058-789-00077	23-Jun-17	Not Applicable
	57	SM Lanang Premier		003-058-789-00078	14-Apr-25	Not Applicable
	58	SM Aura Premier		003-058-789-00079	21-Apr-25	Not Applicable
	59	Skyranch Tagaytay		003-058-789-00080	04-Dec-24	Not Applicable
	60	SM City BF Parañaque		003-058-789-00081	17-Jul-17	Not Applicable
	61	SM City Cauayan		003-058-789-00082	01-Dec-22	Not Applicable
62	Walmart Calamba		003-058-789-00083	11-Aug-17	Not Applicable	
63	Walmart Sta. Maria		003-058-789-00084	11-Aug-17	Not Applicable	
64	Walmart Makati		003-058-789-00085	11-Aug-17	Not Applicable	

Entity	No.	Permits & Licenses	Issuing Agency	Permit & License No.	Issue Date	Expiration Date
	65	Walmart Gapan		003-058-789-00086	11-Aug-17	Not Applicable
	66	Walmart Tanauan		003-058-789-00088	14-Aug-17	Not Applicable
	67	SM Delgado		003-058-789-089	12-Nov-13	Not Applicable
	68	SM Cubao		003-058-789-090	12-Nov-13	Not Applicable
	69	SM Savemore Tacloban		003-058-789-00091	07-Jul-23	Not Applicable
	70	SM Megacenter Cabanatuan		003-058-789-00092	11-Jan-18	Not Applicable
	71	SM Center Angono		003-058-789-00093	07-Mar-25	Not Applicable
	72	SM Hypermarket Lapu-Lapu		003-058-789-00094	26-May-23	Not Applicable
	73	SM Cyber West Ave		003-058-789-00095	30-Aug-17	Not Applicable
	74	One E-com Center (Booking Office)		003-058-789-096	08-Aug-14	Not Applicable
	75	Pico Sands Hotel		003-058-789-097	08-Aug-14	Not Applicable
	76	Radisson Blu Cebu		003-058-789-098	13-May-15	Not Applicable
	77	Park Inn By Radisson Davao		003-058-789-099	08-Aug-14	Not Applicable
	78	Taal Vista Hotel		003-058-789-00100	09-Dec-24	Not Applicable
	79	Philcom Bldg (Booking Office)		003-058-789-102	12-Aug-14	Not Applicable
	80	Light Residences - SM Tickets		003-058-789-00104	19-May-23	Not Applicable
	81	Two E-com		003-058-789-00105	30-Apr-25	Not Applicable
	82	SM City San Mateo		003-058-789-00106	14-Apr-25	Not Applicable
	83	SM Savemore Malabon		003-058-789-00107	14-Apr-25	Not Applicable
	84	SM City Cabanatuan		003-058-789-00109	29-Jul-25	Not Applicable
	85	SM Seaside City Cebu		003-058-789-00110	11-Aug-17	Not Applicable
	86	Cherry Shaw		003-058-789-00111	05-Aug-25	Not Applicable
	87	Eastwood Mall		003-058-789-00112	22-Jan-18	Not Applicable
	88	Lucky China Town		003-058-789-00113	22-Jan-18	Not Applicable
	89	SM Center Sangandaan		003-058-789-00114	08-Nov-21	Not Applicable
	90	Tower Mall Trece Martires		003-058-789-00115	12-Aug-17	Not Applicable
	91	SM Center Congressional		003-058-789-00116	30-Jan-24	Not Applicable
	92	SM Center Antipolo Downtown		003-058-789-00117	30-Jan-24	Not Applicable
	93	SM City East Ortigas		003-058-789-00118	22-Jan-18	Not Applicable
	94	Uptown Mall- SM Tickets		003-058-789-00120	22-Jan-18	Not Applicable
	95	SM Baliwag Central Terminal		003-058-789-00121	06-Mar-23	Not Applicable
	96	SM City San Jose Del Monte		003-058-789-00122	24-Apr-17	Not Applicable
	97	SM City Trece Martires		003-058-789-00123	24-Mar-25	Not Applicable
	98	Cabanatuan Central Terminal		003-058-789-00125	22-Jan-18	Not Applicable
	99	SM CDO Downtown Premier		003-058-789-00126	27-Feb-17	Not Applicable
	100	SM Center Tuguegarao		003-058-789-00127	07-May-25	Not Applicable
	101	SM Center Lemery		003-058-789-00128	23-Aug-23	Not Applicable
	102	SM Center Pulilan		003-058-789-00129	21-Dec-23	Not Applicable
	103	SM Center Ormoc		003-058-789-00131	29-Sep-23	Not Applicable
	104	SM City Puerto Princesa		003-058-789-00132	25-Mar-25	Not Applicable
	105	SM City Urdaneta		003-058-789-00133	08-Nov-21	Not Applicable
	106	SM City Telabastagan		003-058-789-00134	11-Mar-25	Not Applicable
	107	SM City Legazpi		003-058-789-00135	07-Mar-25	Not Applicable
	108	SM Center Dagupan		003-058-789-00136	12-Apr-23	Not Applicable
	109	NU Mall of Asia		003-058-789-00137	01-Oct-23	Not Applicable
	110	Skyranch Baguio		003-058-789-00138	12-Aug-25	Not Applicable
	111	Park Inn By Radisson Iloilo		003-058-789-139	03-Dec-18	Not Applicable
	112	Park Inn By Radisson North Edsa		003-058-789-140	11-Feb-19	Not Applicable
	113	SM City Olongapo Central		003-058-789-00141	25-Mar-25	Not Applicable
	114	SM City Butuan		003-058-789-00142	09-Jun-23	Not Applicable
	115	Star Cruises Center (SM Tickets)		003-058-789-143	29-Oct-19	Not Applicable
	116	SM City Grand Central		003-058-789-00144	31-Jan-24	Not Applicable
	117	SM City Roxas		003-058-789-00145	08-Nov-21	Not Applicable
	118	SM City Daet		003-058-789-00146	07-Jun-23	Not Applicable
	119	The SM Store Estancia		003-058-789-00149	11-Jun-20	Not Applicable
	120	Estancia		003-058-789-00150	01-Sep-20	Not Applicable
	121	SM City Tuguegarao		003-058-789-00151	13-May-25	Not Applicable
	122	Park Inn By Radisson Bacolod		003-058-789-00152	21-Oct-20	Not Applicable
	123	SM City Sorsogon		003-058-789-00153	16-Aug-24	Not Applicable
	124	SM City Bataan		003-058-789-00155	15-Dec-20	Not Applicable
	125	MOA Square		003-058-789-00156	15-Dec-20	Not Applicable
	126	SM City Tanza		003-058-789-00158	05-Oct-22	Not Applicable
	127	SM City Sto. Tomas		003-058-789-00159	05-Jul-22	Not Applicable
	128	SM Center San Pedro		003-058-789-00160	13-May-25	Not Applicable
	129	Lanson Place Mall of Asia, Manila		003-058-789-00161	19-Dec-22	Not Applicable
	130	SM City J Mall		003-058-789-00162	17-Mar-23	Not Applicable
	131	SM City Caloocan		003-058-789-00163	02-Jun-23	Not Applicable
	132	Four E-com (Parking)		003-058-789-00164	04-Sep-23	Not Applicable
	133	Three E-com (Parking)		003-058-789-00165	04-Sep-23	Not Applicable
	134	Two E-com (Parking)		003-058-789-00166	04-Sep-23	Not Applicable
	135	SM City La Union		003-058-789-00167	01-Mar-24	Not Applicable
	136	SM City Laoag		003-058-789-00168	01-Mar-24	Not Applicable
	137	Iloilo Terminal Public Market		003-058-789-00169	29-Apr-25	Not Applicable
	138	Iloilo Central Public Market		003-058-789-00170	29-Apr-25	Not Applicable
	139	SM City Mindpro		003-058-789-00171	21-Aug-24	Not Applicable

Entity	No.	Permits & Licenses	Issuing Agency	Permit & License No.	Issue Date	Expiration Date
	140	The Strip at Sail Residences		003-058-789-00172	02-Apr-25	Not Applicable
	141	Five E-com Center Parking		003-058-789-00173	27-May-25	Not Applicable
	142	Mall of Asia Arena Annex		003-058-789-00174	17-Jun-25	Not Applicable
	143	SM Neo Verde		003-058-789-00175	24-Jun-25	Not Applicable
	144	SM City Trece Martires		003-058-789-F0001	19-May-17	Not Applicable
	145	SM City Baliwag		003-058-789-F0002	10-Dec-20	Not Applicable
	146	SM Southmall		003-058-789-F0003	22-Mar-21	Not Applicable
	147	SM Megamall		003-058-789-F0004	22-Oct-24	Not Applicable
	148	SM City Dasmariñas		003-058-789-F0005	27-Nov-24	Not Applicable
	149	SM City Fairview		003-058-789-F0006	27-Nov-24	Not Applicable
	150	SM City Davao		003-058-789-F0007	27-Nov-24	Not Applicable
	151	SM City Cebu		003-058-789-F0008	27-Nov-24	Not Applicable
	152	SM City Bacoor		003-058-789-F0009	27-Nov-24	Not Applicable
	153	SM City Bicutan		003-058-789-F0010	27-Nov-24	Not Applicable
	154	SM Aura Premier		003-058-789-F0011	27-Nov-24	Not Applicable
	155	SM City Santa		003-058-789-F0012	27-Nov-24	Not Applicable
	156	SM Southmall		003-058-789-F0013	27-Nov-24	Not Applicable
	157	SM City Sucat		003-058-789-F0014	27-Nov-24	Not Applicable
	158	SM City North		003-058-789-F0015	27-Nov-24	Not Applicable
	159	SM City Marikina		003-058-789-F0016	27-Nov-24	Not Applicable
	160	SM City Grand Central		003-058-789-F0017	27-Nov-24	Not Applicable
	161	SM Mall of Asia		003-058-789-F0018	27-Nov-24	Not Applicable
		CERTIFICATE OF REGISTRATION (COR)	DHSUD (HLURB)			
	1	South Residences		27982	12-Oct-16	Not Applicable
	2	Cheer Residences		28380	13-Dec-17	Not Applicable
	3	Hope Residences		28721	11-Apr-18	Not Applicable
	4	Sail Residences		29483	28-Mar-19	Not Applicable
	5	Style Residences		28889	06-May-19	Not Applicable
	6	Smile Residences		PCR-06-001	21-Jan-20	Not Applicable
	7	Joy Residences Phase 1		2021-07-213	02-Aug-21	Not Applicable
	8	Joy Residences Phase 2		2022-04-285	07-Apr-22	Not Applicable
	9	Twin Residences		11	17-Jan-23	Not Applicable
	10	South 2 Residences		81	27-Sep-23	Not Applicable
		LICENSE TO SELL (LTS)	DHSUD (HLURB)			
	1	South Residences		31618	12-Oct-16	Not Applicable
	2	Cheer Residences		33207	13-Dec-17	Not Applicable
	3	Hope Residences		33129	11-Apr-18	Not Applicable
	4	Style Residences		33552	06-May-19	Not Applicable
	5	Smile Residences		06-002	21-Jan-20	Not Applicable
	6	Joy Residences Phase 1, Bldg. A, F, G, H, K & L		2021-07-263	02-Aug-21	Not Applicable
				2021-07-264	02-Aug-21	Not Applicable
				2021-07-265	02-Aug-21	Not Applicable
				2021-07-266	02-Aug-21	Not Applicable
				2021-07-269	02-Aug-21	Not Applicable
				2021-07-270	02-Aug-21	Not Applicable
	7	Joy Residences Phase 1, Bldg. I & J		2021-07-267	03-Aug-21	Not Applicable
				2021-07-268	03-Aug-21	Not Applicable
	8	Joy Residences Phase 2		2022-04-348	07-Apr-22	Not Applicable
	9	Twin Residences		71	06-Jul-23	Not Applicable
	10	Sail Residences		99	08-Aug-23	Not Applicable
	11	South 2 Residences		128	27-Sep-23	Not Applicable
		CERTIFICATE OF REGISTRATION (COR)	BOI			
	1	Park Inn By Radisson Iloilo		2019-106	04-Jun-19	Not Applicable
	2	Park Inn By Radisson North Edsa		2019-180	24-Sep-19	Not Applicable
		BUSINESS PERMIT (BP)	LGU OF:			
	1	Head Office	Pasay City	24-001466	07-Apr-25	31-Dec-25
				11-034348 (importer)	07-Apr-25	31-Dec-25
	2	SM City North Edsa	Quezon City	97-026271	05-Mar-25	05-Mar-26
				97-076550	05-Mar-25	05-Mar-26
				97-085634	05-Mar-25	05-Mar-26
				97-026280	05-Mar-25	05-Mar-26
				09-004383	05-Mar-25	05-Mar-26
				97-087399	05-Mar-25	05-Mar-26
				13-013604	05-Mar-25	05-Mar-26
				13-005941	05-Mar-25	05-Mar-26
				11-010723	05-Mar-25	05-Mar-26
				02-204649	05-Mar-25	05-Mar-26
	3	North Tower	Quezon City	18-014095	05-Mar-25	05-Mar-26
				18-014097	05-Mar-25	05-Mar-26
				18-014096	05-Mar-25	05-Mar-26
	4	SM Center Congressional	Quezon City	15-010608	15-Apr-25	15-Apr-26
				15-010602	10-Jun-25	10-Jun-26

Entity	No.	Permits & Licenses	Issuing Agency	Permit & License No.	Issue Date	Expiration Date
				15-010614	15-Apr-25	15-Apr-26
	5	SM Megamall	Mandaluyong City	MC-2002-01345	05-Mar-25	31-Dec-25
	6	SM Center Pasig	Pasig City	PM-2006-016699	28-Jan-25	31-Dec-25
	7	The Podium	Mandaluyong City	MC-2010-02293	05-May-25	31-Dec-25
				MC-2010-02293	05-May-25	31-Dec-25
	8	SM Center Shaw	Mandaluyong City	MC-2015-02448	2025 Permit - in process	
	9	SM By the Bay	Pasay City	07-022623	08-Apr-25	31-Dec-25
	10	SM Mall of Asia	Pasay City	07-017724	26-Feb-25	31-Mar-25*
				07-017725	26-Feb-25	31-Mar-25*
				07-017728	26-Feb-25	31-Mar-25*
				07-017730	26-Feb-25	31-Mar-25*
				07-017727	26-Feb-25	31-Mar-25*
				07-017731	26-Feb-25	31-Mar-25*
				07-017732	26-Feb-25	31-Mar-25*
				07-017734	26-Feb-25	31-Mar-25*
				07-017822	26-Feb-25	31-Mar-25*
				07-017823	26-Feb-25	31-Mar-25*
				07-017825	26-Feb-25	31-Mar-25*
				07-017826	26-Feb-25	31-Mar-25*
				07-017828	26-Feb-25	31-Mar-25*
				07-017829	26-Feb-25	31-Mar-25*
				07-017830	26-Feb-25	31-Mar-25*
				07-017831	26-Feb-25	31-Mar-25*
				07-017833	26-Feb-25	31-Mar-25*
				07-017735	26-Feb-25	31-Mar-25*
				18-056023	26-Feb-25	31-Mar-25*
				18-056022	26-Feb-25	31-Mar-25*
				20-000630	26-Feb-25	31-Mar-25*
	11	Mall of Asia Arena	Pasay City	12-036901	26-Feb-25	31-Mar-25*
	12	S Maison	Pasay City	16-047730	07-Apr-25	31-Dec-25
	13	Esplanade Seaside Terminal	Pasay City	15-045539	07-Apr-25	31-Dec-25
	14	Luxe Duty Free	Pasay City	18-055938	07-Apr-25	31-Dec-25
	15	SM MOA Square	Pasay City	21-002088	02-May-25	31-Dec-25
	16	SM Aura Premier	Taguig City	20-012543	23-Jan-25	31-Dec-25
				20-012544	23-Jan-25	31-Dec-25
				20-012545	23-Jan-25	31-Dec-25
				20-012547	23-Jan-25	31-Dec-25
				20-012546	23-Jan-25	31-Dec-25
				20-012548	23-Jan-25	31-Dec-25
				20-012549	23-Jan-25	31-Dec-25
				20-012550	23-Jan-25	31-Dec-25
				20-012551	23-Jan-25	31-Dec-25
				20-012552	23-Jan-25	31-Dec-25
				20-012554	23-Jan-25	31-Dec-25
				20-012553	23-Jan-25	31-Dec-25
	17	SM Southmall	Las Piñas City	1995040274	21-Jan-25	31-Dec-25
				1995080549	21-Jan-25	31-Dec-25
				2012102436	21-Jan-25	31-Dec-25
				2012102439	21-Jan-25	31-Dec-25
				2012102440	21-Jan-25	31-Dec-25
				2012102441	21-Jan-25	31-Dec-25
				2012102435	21-Jan-25	31-Dec-25
				2012102434	21-Jan-25	31-Dec-25
				2012102438	21-Jan-25	31-Dec-25
				2012102437	21-Jan-25	31-Dec-25
				2019041036	21-Jan-25	31-Dec-25
				2019041037	21-Jan-25	31-Dec-25
				1995060341	21-Jan-25	31-Dec-25
				1999092907	21-Jan-25	31-Dec-25
				2000082744	21-Jan-25	31-Dec-25
				2013050940	21-Jan-25	31-Dec-25
				2024112334	21-Jan-25	31-Dec-25
	18	SM Center Las Piñas	Las Piñas City	2009091995	20-Jan-25	31-Dec-25
	19	SM City Baguio	Baguio City	10-2-52212-40673	17-Feb-25	31-Dec-25
				10-2-100073-28817	17-Feb-25	31-Dec-25
				10-2-68110-28816	17-Feb-25	31-Dec-25
				10-2-93293-40669	17-Feb-25	31-Dec-25
	20	Skyranch Baguio	Baguio City	10-2-68110-209020	17-Feb-25	31-Dec-25
	21	SM Center Dagupan	Dagupan City	18-00552	04-Feb-25	31-Dec-25
	22	SM City Rosales	Rosales, Pangasinan	S-015531-00230	21-Jan-25	31-Dec-25
				S-015531-00232	21-Jan-25	31-Dec-25
				S-015531-00231	21-Jan-25	31-Dec-25
				S-015531-00229	21-Jan-25	31-Dec-25

Entity	No.	Permits & Licenses	Issuing Agency	Permit & License No.	Issue Date	Expiration Date
				S-015531-00228	21-Jan-25	31-Dec-25
				S-015531-00233	21-Jan-25	31-Dec-25
				S-015531-00227	21-Jan-25	31-Dec-25
	23	SM City Urdaneta Central	Urdaneta City	00018040	23-Jan-25	31-Dec-25
				00018034	23-Jan-25	31-Dec-25
				00018035	23-Jan-25	31-Dec-25
				00018037	23-Jan-25	31-Dec-25
				00018039	23-Jan-25	31-Dec-25
				00018038	23-Jan-25	31-Dec-25
				00023445	23-Jan-25	31-Dec-25
				00023446	23-Jan-25	31-Dec-25
	24	SM City Cauayan	Cauayan City	14-006231	13-Mar-25	31-Dec-25
				14-006246	13-Mar-25	31-Dec-25
				14-006248	13-Mar-25	31-Dec-25
				14-006252	13-Mar-25	31-Dec-25
				14-006255	13-Mar-25	31-Dec-25
				14-006250	13-Mar-25	31-Dec-25
				14-006251	13-Mar-25	31-Dec-25
				14-006233	13-Mar-25	31-Dec-25
				14-006232	13-Mar-25	31-Dec-25
				14-006235	13-Mar-25	31-Dec-25
				14-006234	13-Mar-25	31-Dec-25
	25	SM Center Tuguegarao Downtown	Tuguegarao City	12816	21-Jan-25	31-Dec-25
				12815	21-Jan-25	31-Dec-25
				12814	21-Jan-25	31-Dec-25
				12818	21-Jan-25	31-Dec-25
				12817	21-Jan-25	31-Dec-25
				12819	21-Jan-25	31-Dec-25
				23470	21-Jan-25	31-Dec-25
	26	SM City Tuguegarao	Tuguegarao City	18987	22-Jan-25	31-Dec-25
				18989	22-Jan-25	31-Dec-25
				18986	22-Jan-25	31-Dec-25
				18990	22-Jan-25	31-Dec-25
				18991	22-Jan-25	31-Dec-25
				18988	22-Jan-25	31-Dec-25
				18992	22-Jan-25	31-Dec-25
				18993	22-Jan-25	31-Dec-25
				18994	22-Jan-25	31-Dec-25
				18995	22-Jan-25	31-Dec-25
				18996	22-Jan-25	31-Dec-25
	27	SM City Cabanatuan	Cabanatuan City	PN 25-05542	24-Feb-25	31-Dec-25
				PN 25-05535	24-Feb-25	31-Dec-25
				PN 25-05538	24-Feb-25	31-Dec-25
				PN 25-02794	24-Feb-25	31-Dec-25
				PN 25-05539	24-Feb-25	31-Dec-25
	28	Cabanatuan Central Terminal	Cabanatuan City	PN 25-05544	24-Feb-25	31-Dec-25
	29	SM Megacenters Cabanatuan	Cabanatuan City	PN 25-01315	22-Jan-25	31-Dec-25
				PN 25-01316	22-Jan-25	31-Dec-25
	30	SM City Olongapo Central	Olongapo City	2019-0000972	22-Jan-25	31-Dec-25
				2019-0000965	22-Jan-25	31-Dec-25
				2019-0000964	22-Jan-25	31-Dec-25
				2019-0000968	22-Jan-25	31-Dec-25
				2019-0000970	22-Jan-25	31-Dec-25
				2019-0000971	22-Jan-25	31-Dec-25
				2019-0000969	22-Jan-25	31-Dec-25
				2020-0000954	22-Jan-25	31-Dec-25
	31	SM City Olongapo Downtown	Olongapo City	2011-0001766	21-Jan-25	31-Dec-25
				2011-0001767	21-Jan-25	31-Dec-25
				2011-0001768	21-Jan-25	31-Dec-25
				2011-0001774	21-Jan-25	31-Dec-25
				2011-0001770	21-Jan-25	31-Dec-25
				2011-0001772	21-Jan-25	31-Dec-25
				2012-0000282	21-Jan-25	31-Dec-25
				2024-0000955	21-Jan-25	31-Dec-25
	32	SM City Tarlac	Tarlac City	017-17-2010-0000210	14-May-25	31-Dec-25
	33	SM City Bataan	Balanga City	PN 2025-1494	28-Jan-25	31-Dec-25
				PN 2025-1490	28-Jan-25	31-Dec-25
				PN 2025-1492	28-Jan-25	31-Dec-25
				PN 2025-1499	28-Jan-25	31-Dec-25
				PN 2025-1497	28-Jan-25	31-Dec-25
				PN 2025-1500	28-Jan-25	31-Dec-25
				PN 2025-1489	28-Jan-25	31-Dec-25
				PN 2025-1488	28-Jan-25	31-Dec-25
	34	SM City Clark	Angeles City	54-01-2006001317	03-Feb-25	31-Dec-25
				54-01-2010001468	03-Feb-25	31-Dec-25

Entity	No.	Permits & Licenses	Issuing Agency	Permit & License No.	Issue Date	Expiration Date
				54-01-2017000933	03-Feb-25	31-Dec-25
	35	SM City Pampanga	San Fernando City, Pampanga	0170-2007-0075	23-Jan-25	31-Dec-25
				0046-2007-0004	23-Jan-25	31-Dec-25
				0135-2007-0010	23-Jan-25	31-Dec-25
				0099-2007-0140	23-Jan-25	31-Dec-25
				0197-2007-0003	23-Jan-25	31-Dec-25
				0197-2007-0001	23-Jan-25	31-Dec-25
				0197-2007-0004	23-Jan-25	31-Dec-25
				0197-2007-0002	23-Jan-25	31-Dec-25
				6001-2009-0025	23-Jan-25	31-Dec-25
				9001-2010-0685	23-Jan-25	31-Dec-25
				9001-2014-0720	23-Jan-25	31-Dec-25
				0007-2007-0012	23-Jan-25	31-Dec-25
	36	SM City Pampanga	Mexico, Pampanga	S-035413-00170	22-Jan-25	31-Dec-25
				S-035413-00171	22-Jan-25	31-Dec-25
				S-035413-00172	22-Jan-25	31-Dec-25
				S-035413-00168	22-Jan-25	31-Dec-25
				S-035413-00167	22-Jan-25	31-Dec-25
	37	SM San Fernando Downtown	San Fernando City, Pampanga	2001-2012-0476	23-Jan-25	31-Dec-25
				2001-2012-0012	23-Jan-25	31-Dec-25
				2001-2012-0011	23-Jan-25	31-Dec-25
				9001-2012-0435	23-Jan-25	31-Dec-25
				9001-2012-0439	Retirement – on going	
				9001-2012-0437	Retirement – on going	
				9001-2012-0441	Retirement – on going	
				9001-2012-0436	Retirement – on going	
				9001-2012-0442	Retirement – on going	
	38	SM Savemore Market Apalit	Apalit, Pampanga	S-035402-00061 2/3	17-Jan-25	31-Dec-25
	39	SM City Telabastagan	San Fernando City, Pampanga	9001-2014-0729	22-Jan-25	31-Dec-25
				9001-2018-0352	22-Jan-25	31-Dec-25
				4001-2018-0014	22-Jan-25	31-Dec-25
				6001-2018-0147	22-Jan-25	31-Dec-25
				4001-2018-0015	22-Jan-25	31-Dec-25
				9001-2018-0433	22-Jan-25	31-Dec-25
				9001-2018-0429	22-Jan-25	31-Dec-25
				9001-2018-0431	22-Jan-25	31-Dec-25
				9001-2018-0432	22-Jan-25	31-Dec-25
				9001-2018-0434	22-Jan-25	31-Dec-25
				9001-2018-0436	22-Jan-25	31-Dec-25
				9001-2018-0437	22-Jan-25	31-Dec-25
				5001-2018-0253	22-Jan-25	31-Dec-25
				9001-2018-0435	22-Jan-25	31-Dec-25
	40	SM City Baliwag	Baliwag, Bulacan	BB 2017-001247	17-Jan-25	31-Dec-25
				BB 2017 001243	17-Jan-25	31-Dec-25
				BB 2017 001241	17-Jan-25	31-Dec-25
				BB 2017 001237	17-Jan-25	31-Dec-25
				BB 2017 001235	17-Jan-25	31-Dec-25
				BB 2017 001232	17-Jan-25	31-Dec-25
				BB 2017 001226	17-Jan-25	31-Dec-25
				BB 2017 001224	17-Jan-25	31-Dec-25
				BB 2017 001231	17-Jan-25	31-Dec-25
				BB 2017 001249	17-Jan-25	31-Dec-25
	41	SM City Marilao	Marilao, Bulacan	S-00133	21-Jan-25	31-Dec-25
				S-00139	21-Jan-25	31-Dec-25
				S-00138	21-Jan-25	31-Dec-25
				S-00202	21-Jan-25	31-Dec-25
				S-00203	21-Jan-25	31-Dec-25
				S-00204	21-Jan-25	31-Dec-25
				S-00509	21-Jan-25	31-Dec-25
				S-00136	21-Jan-25	31-Dec-25
				S-01337	11-Jul-25	31-Dec-25
	42	SM Center Pulilan	Pulilan, Bulacan	PB-2017-002458	23-Jan-25	31-Dec-25
				PB-2017-002459	23-Jan-25	31-Dec-25
				PB-2017-002457	23-Jan-25	31-Dec-25
				PB-2017-002456	23-Jan-25	31-Dec-25
				PB-2023-002531	23-Jan-25	31-Dec-25
	43	SM City Grand Central	Caloocan City	21-M1108-00008	02-Apr-25	31-Dec-25
				21-M1108-00005	02-Apr-25	31-Dec-25
				21-M1108-00004	02-Apr-25	31-Dec-25
				21-M1108-00006	02-Apr-25	31-Dec-25
				21-M1108-00007	02-Apr-25	31-Dec-25
	44	SM Center Sangandaan	Caloocan City	15-M0910-01503	02-Apr-25	31-Dec-25
				15-M0910-01504	02-Apr-25	31-Dec-25
	45	SM Savemore Malabon	Malabon City	15-002442	22-Aug-25	31-Dec-25

Entity	No.	Permits & Licenses	Issuing Agency	Permit & License No.	Issue Date	Expiration Date		
46	SM City Valenzuela	Valenzuela City	05-100658	21-Jan-25	31-Dec-25			
			05-100770	21-Jan-25	31-Dec-25			
			05-100769	21-Jan-25	31-Dec-25			
			05-100762	21-Jan-25	31-Dec-25			
			05-100738	21-Jan-25	31-Dec-25			
			05-100771	21-Jan-25	31-Dec-25			
			05-100774	21-Jan-25	31-Dec-25			
			05-100776	21-Jan-25	31-Dec-25			
			47	SM City Fairview	Quezon City	97-201582	02-Mar-25	02-Mar-26
						99-014561	02-Mar-25	31-Dec-25
						97-203209	02-Mar-25	31-Dec-25
						97-203205	15-Mar-25	31-Dec-25
						97-203197	15-Mar-25	31-Dec-25
						04-010668	15-Mar-25	31-Dec-25
						97-203211	15-Mar-25	31-Dec-25
						97-203210	15-Mar-25	31-Dec-25
						97-203208	15-Mar-25	31-Dec-25
						97-203206	15-Mar-25	31-Dec-25
						97-203195	15-Mar-25	31-Dec-25
97-203283	15-Mar-25	31-Dec-25						
97-203192	15-Mar-25	31-Dec-25						
97-203187	15-Mar-25	31-Dec-25						
97-203161	15-Mar-25	31-Dec-25						
97-203183	15-Mar-25	31-Dec-25						
97-202142	15-Mar-25	31-Dec-25						
01-051642	02-Mar-25	31-Dec-25						
02-301030	02-Mar-25	31-Dec-25						
02-301029	02-Mar-25	31-Dec-25						
19-006651	02-Mar-25	31-Dec-25						
48	SM City Novaliches	Quezon City	10-011893	02-May-25	02-May-26			
			10-011941	02-May-25	31-Dec-25			
			10-011889	02-May-25	31-Dec-25			
			10-011934	02-May-25	31-Dec-25			
			10-011935	02-May-25	31-Dec-25			
			10-011937	02-May-25	31-Dec-25			
			10-011940	02-May-25	31-Dec-25			
13-013601	02-May-25	31-Dec-25						
49	SM City San Jose Del Monte	San Jose Del Monte	S-01022	02-Apr-25	31-Dec-25			
			S-01023	02-Apr-25	31-Dec-25			
			S-01024	02-Apr-25	31-Dec-25			
50	SM City Manila	Manila City	117-00-2004-0031380	30-Aug-25	31-Dec-25			
			117-00-2004-0037708	20-Jan-25	31-Dec-25			
			117-00-2004-0031653	20-Jan-25	31-Dec-25			
			117-00-2004-0036487	20-Jan-25	31-Dec-25			
			117-00-2004-0036509	20-Jan-25	31-Dec-25			
			117-00-2004-0036528	20-Jan-25	31-Dec-25			
			117-00-2004-0037672	20-Jan-25	31-Dec-25			
			117-00-2004-0037678	20-Jan-25	31-Dec-25			
			117-00-2004-0037683	20-Jan-25	31-Dec-25			
			117-00-2004-0037689	20-Jan-25	31-Dec-25			
			117-00-2004-0037694	20-Jan-25	31-Dec-25			
			117-00-2004-0037710	20-Jan-25	31-Dec-25			
			117-00-2004-0037714	20-Jan-25	31-Dec-25			
			117-00-2004-0037718	20-Jan-25	31-Dec-25			
			117-00-2005-0000858	20-Jan-25	31-Dec-25			
			117-00-2004-0034344	20-Jan-25	31-Dec-25			
			117-00-2004-0037237	20-Jan-25	31-Dec-25			
117-00-2004-0037239	20-Jan-25	31-Dec-25						
51	SM City San Lazaro	Manila City	117-00-2005-0009377	20-Jan-25	31-Dec-25			
			117-00-2005-0009239	20-Jan-25	31-Dec-25			
			117-00-2005-0009236	20-Jan-25	31-Dec-25			
			117-00-2005-0009228	20-Jan-25	31-Dec-25			
			117-00-2005-0009221	20-Jan-25	31-Dec-25			
			117-00-2005-0009199	20-Jan-25	31-Dec-25			
			117-00-2005-0009230	20-Jan-25	31-Dec-25			
			117-00-2007-0024859	20-Jan-25	31-Dec-25			
			117-00-2007-0024863	20-Jan-25	31-Dec-25			
			117-00-2008-0015754	20-Jan-25	31-Dec-25			
52	SM Savemore Market Nagtahan	Manila City	021-01-2014-0000587	04-Feb-25	31-Dec-25			
53	SM Center Angono	Angono, Rizal	021-01-2014-0000588	04-Feb-25	31-Dec-25			
			021-01-2014-0000585	04-Feb-25	31-Dec-25			
			021-01-2015-0000522	04-Feb-25	31-Dec-25			
			021-01-2014-0000586	04-Feb-25	31-Dec-25			
			021-01-2018-0000433	04-Feb-25	31-Dec-25			
54	SM City East Ortigas	Pasig City	PM-2015-002566	07-Apr-25	31-Dec-25			

Entity	No.	Permits & Licenses	Issuing Agency	Permit & License No.	Issue Date	Expiration Date
				PM-2015-002559	07-Apr-25	31-Dec-25
	55	SM City Sta Mesa	Quezon City	97-076591	09-Mar-25	09-Mar-26
				97-076589	09-Mar-25	09-Mar-26
				97-076590	09-Mar-25	09-Mar-26
				97-076592	09-Mar-25	09-Mar-26
				97-087393	09-Mar-25	09-Mar-26
				02-205002	09-Mar-25	09-Mar-26
				25-903303	28-Mar-25	28-Mar-26
	56	SM City Taytay	Taytay, Rizal	07-000923	17-Jan-25	31-Dec-25
	57	SM Center Antipolo Downtown	Antipolo City	021-02-2015-0001812	22-Jan-25	31-Dec-25
	58	SM City Marikina	Marikina City	08-011082	24-Mar-25	31-Dec-25
				08-011173	03-Jan-25	31-Dec-25
				08-011126	03-Jan-25	31-Dec-25
				08-011199	03-Jan-25	31-Dec-25
				08-011201	03-Jan-25	31-Dec-25
				08-011195	03-Jan-25	31-Dec-25
				08-011193	03-Jan-25	31-Dec-25
				08-011191	03-Jan-25	31-Dec-25
				08-011179	03-Jan-25	31-Dec-25
				08-011160	03-Jan-25	31-Dec-25
	59	SM City Masinag	Antipolo City	021-02-2011-0000972	17-Jan-25	31-Dec-25
	60	SM City San Mateo	San Mateo, Rizal	IA001-07-2015-0259	21-Jan-25	31-Dec-25
				IA002-30-2015-0258	21-Jan-25	31-Dec-25
				ACD03-24-2015-0267	21-Jan-25	31-Dec-25
				ACB03-17-2015-0266	21-Jan-25	31-Dec-25
				IA001-02-2019-1770	21-Jan-25	31-Dec-25
				GB001-01-2015-0264	21-Jan-25	31-Dec-25
				F0001-01-2015-0261	21-Jan-25	31-Dec-25
	61	SM City Muntinlupa	Muntinlupa City	S-29109	09-Jul-25	31-Dec-25
				S-32877	09-Jul-25	31-Dec-25
				S-29132	09-Jul-25	31-Dec-25
				S-29133	09-Jul-25	31-Dec-25
				S-29134	09-Jul-25	31-Dec-25
				S-29135	09-Jul-25	31-Dec-25
	62	SM City BF Paranaque	Parañaque City	2013112759	14-Jul-25	31-Dec-25
				2013112737	14-Jul-25	31-Dec-25
				2013112757	14-Jul-25	31-Dec-25
				2013112732	14-Jul-25	31-Dec-25
				2013112754	14-Jul-25	31-Dec-25
				2013112752	14-Jul-25	31-Dec-25
				2013112733	14-Jul-25	31-Dec-25
				2013112760	14-Jul-25	31-Dec-25
				2013112734	14-Jul-25	31-Dec-25
				2013112756	14-Jul-25	31-Dec-25
				2013112746	14-Jul-25	31-Dec-25
				2013112743	14-Jul-25	31-Dec-25
				2013112745	14-Jul-25	31-Dec-25
				2013112740	14-Jul-25	31-Dec-25
				2013112744	14-Jul-25	31-Dec-25
	63	SM City Bicutan	Parañaque City	2005010453	10-Jul-25	31-Dec-25
				2005011291	10-Jul-25	31-Dec-25
				2004012186	10-Jul-25	31-Dec-25
				2004012136	10-Jul-25	31-Dec-25
				2004012188	10-Jul-25	31-Dec-25
				2024070238	10-Jul-25	31-Dec-25
				2024080009	10-Jul-25	31-Dec-25
				2004018007	10-Jul-25	31-Dec-25
				2007113051	10-Jul-25	31-Dec-25
				2025040079	10-Jul-25	31-Dec-25
	64	SM City Sucat	Parañaque City	2005010443	17-Jul-25	31-Dec-25
				2005010441	17-Jul-25	31-Dec-25
				2005010449	17-Jul-25	31-Dec-25
				2004012132	17-Jul-25	31-Dec-25
				2004018128	17-Jul-25	31-Dec-25
				2005010471	17-Jul-25	31-Dec-25
				2005010473	17-Jul-25	31-Dec-25
				2005010442	17-Jul-25	31-Dec-25
				2005010448	17-Jul-25	31-Dec-25
				2005010450	17-Jul-25	31-Dec-25
	65	SM Hypermarket Sucat Lopez	Parañaque City	2011123168	17-Jul-25	31-Dec-25
	66	SM City Bacoor	Bacoor City	S-00327	20-Jan-25	31-Dec-25
				S-00288	20-Jan-25	31-Dec-25
				S-00246	20-Jan-25	31-Dec-25
				S-00461	20-Jan-25	31-Dec-25
				S-00491	20-Jan-25	31-Dec-25

Entity	No.	Permits & Licenses	Issuing Agency	Permit & License No.	Issue Date	Expiration Date
				S-01987	20-Jan-25	31-Dec-25
	67	SM City Molino	Bacoor City	S-01170	20-Jan-25	31-Dec-25
				S-01103	20-Jan-25	31-Dec-25
				S-01988	20-Jan-25	31-Dec-25
				S-03761	20-Jan-25	31-Dec-25
	68	SM City Rosario	Rosario, Cavite	S-042117-00085	28-Jan-25	31-Dec-25
				S-042117-00080	28-Jan-25	31-Dec-25
				S-042117-00082	28-Jan-25	31-Dec-25
				S-042117-00083	28-Jan-25	31-Dec-25
				S-042117-00084	28-Jan-25	31-Dec-25
				S-042117-00081	28-Jan-25	31-Dec-25
				S-0402117-00424	2025 Permit - in process	
	69	SM City Tanza	Tanza, Cavite	S-042120-00420	21-Jan-25	31-Dec-25
	70	SM City Trece Martires	Trece Martires City	BP22-6543	18-Jan-25	31-Dec-25
	71	Skyranch Tagaytay	Tagaytay City	129-00-2012-0000521	26-Feb-25	31-Dec-25
				129-00-2012-0000522	26-Feb-25	31-Dec-25
	72	SM City Dasmariñas	Dasmariñas City	01-2004-04752	17-Jan-25	31-Dec-25
				07-2010-01210	17-Jan-25	31-Dec-25
	73	SM Marketmall Dasmariñas	Dasmariñas City	10-2011-01609	20-Jan-25	31-Dec-25
				10-2011-01608	20-Jan-25	31-Dec-25
	74	SM City Calamba	Calamba City	192-00-2011-0002057	21-Jan-25	31-Dec-25
				192-00-2011-0002110	21-Jan-25	31-Dec-25
				192-00-2011-0002203	21-Jan-25	31-Dec-25
				192-00-2011-0002250	21-Jan-25	31-Dec-25
				192-00-2011-0005505	21-Jan-25	31-Dec-25
				192-00-2011-0002425	21-Jan-25	31-Dec-25
				192-00-2011-0002525	21-Jan-25	31-Dec-25
	75	SM City San Pablo	San Pablo City	252	20-Jan-25	31-Dec-25
	76	SM City Santa Rosa	Santa Rosa City	S-07414	01-Feb-25	31-Dec-25
				S-07407	01-Feb-25	31-Dec-25
				S-07411	01-Feb-25	31-Dec-25
				S-15839	01-Feb-25	31-Dec-25
				S-15840	01-Feb-25	31-Dec-25
				S-07412	01-Feb-25	31-Dec-25
				S-07409	01-Feb-25	31-Dec-25
				S-92028	01-Feb-25	31-Dec-25
	77	SM City Santa Rosa - The Core	Santa Rosa City	S-91505	01-Feb-25	31-Dec-25
	78	SM Center San Pedro	San Pedro, Laguna	S-68232	15-Aug-25	31-Dec-25
	79	SM Center Lemery	Lemery, Batangas	041012-00055	20-Jan-25	31-Dec-25
	80	SM City Batangas	Batangas City	00-0006324	17-Jan-25	31-Dec-25
				00-0002081	17-Jan-25	31-Dec-25
				00-0008818	17-Jan-25	31-Dec-25
	81	SM City Lipa	Lipa City	2006-0000791	26-Feb-25	31-Dec-25
	82	SM City Sto. Tomas	Sto. Tomas City	024-26-2023-0001109	20-Jan-25	31-Dec-25
	83	SM City Daet	Daet, Camarines Norte	PN 2023-2958	02-Apr-25	31-Dec-25
				PN 2023-2959	02-Apr-25	31-Dec-25
	84	SM City Legazpi	Legazpi City	B13720181200029	20-Jan-25	31-Dec-25
				B13720181200041	20-Jan-25	31-Dec-25
				B13720181200040	20-Jan-25	31-Dec-25
				B13720181200039	20-Jan-25	31-Dec-25
				B13720181200030	20-Jan-25	31-Dec-25
				B13720181200023	20-Jan-25	31-Dec-25
				B13720181200024	20-Jan-25	31-Dec-25
				B13720181200025	20-Jan-25	31-Dec-25
				B13720181200026	20-Jan-25	31-Dec-25
				B13720181200027	20-Jan-25	31-Dec-25
				B13720181200028	20-Jan-25	31-Dec-25
				B13720181200038	20-Jan-25	31-Dec-25
				B13720181200037	20-Jan-25	31-Dec-25
				B13720181200032	20-Jan-25	31-Dec-25
				B13720181200031	20-Jan-25	31-Dec-25
				B13720230900019	20-Jan-25	31-Dec-25
	85	SM City Naga	Naga City	B13520150500068	18-Jan-25	31-Dec-25
				B13520150500067	18-Jan-25	31-Dec-25
				B13520220900066	18-Jan-25	31-Dec-25
				B13520150500036	18-Jan-25	31-Dec-25
	86	SM City Lucena	Lucena City	2003-0001106	27-Jan-25	31-Dec-25
				2004-0000430	27-Jan-25	31-Dec-25
				2004-0000429	27-Jan-25	31-Dec-25
				2004-0000439	27-Jan-25	31-Dec-25
				2004-0000438	27-Jan-25	31-Dec-25
				2004-0000440	27-Jan-25	31-Dec-25

Entity	No.	Permits & Licenses	Issuing Agency	Permit & License No.	Issue Date	Expiration Date
	87	SM City Sorsogon	Sorsogon City	2010-0000579	27-Jan-25	31-Dec-25
				2009-0000598	27-Jan-25	31-Dec-25
				2009-0000599	27-Jan-25	31-Dec-25
				2014-0000049	27-Jan-25	31-Dec-25
				B18920221000048	04-Feb-25	31-Dec-25
	88	SM City Cebu	Cebu City	30332	21-Apr-25	2025-2026
				30332-C	21-Apr-25	2025-2026
				30332-D	21-Apr-25	2025-2026
				41600	21-Apr-25	2025-2026
				30331	22-Apr-25	2025-2026
				72717	04-Apr-25	2025-2026
				72717-B	04-Apr-25	2025-2026
				30502	04-Apr-25	2025-2026
				30499	04-Apr-25	2025-2026
				30497	04-Apr-25	2025-2026
				31018	04-Apr-25	2025-2026
				31021	04-Apr-25	2025-2026
				31023	04-Apr-25	2025-2026
				31024	10-Apr-25	2025-2026
				105550	04-Apr-25	2025-2026
				105551	04-Apr-25	2025-2026
				111501	04-Apr-25	2025-2026
				60268	22-Apr-25	2025-2026
				36879	21-Oct-24	2024-2025
				36879-C	09-Oct-24	2024-2025
	199912	27-May-25	2025-2026			
	203374	2025 Permit in process				
	89	SM City Consolacion	Consolacion, Cebu	S-00145	25-Apr-25	31-Dec-25
				S-00240	2025 Permit in process	
				S-00243	25-Apr-25	31-Dec-25
				S-00144	25-Apr-25	31-Dec-25
				S-00241	25-Apr-25	31-Dec-25
	90	SM Hypermarket Lapu-Lapu	Lapu-Lapu City	S-00242	25-Apr-25	31-Dec-25
	91	SM Center Ormoc	Ormoc City	15-0004524	24-Jan-25	31-Dec-25
	92	SM Savemore Market Tacloban	Tacloban City	25180987	17-Jan-25	31-Dec-25
				S-01326	07-Mar-25	31-Dec-25
				S-01327	07-Mar-25	31-Dec-25
				S-01317	07-Mar-25	31-Dec-25
				S-01318	07-Mar-25	31-Dec-25
	93	SM Seaside City Cebu	Cebu City	S-01316	07-Mar-25	31-Dec-25
				139793	15-Jul-25	2024-2025
				139842	15-Jul-25	2024-2025
				139833	15-Jul-25	2024-2025
				139834	15-Jul-25	2024-2025
				139835	15-Jul-25	2024-2025
				139836	15-Jul-25	2024-2025
				139792	15-Jul-25	2024-2025
				139828	15-Jul-25	2024-2025
				139829	15-Jul-25	2024-2025
				139832	15-Jul-25	2024-2025
				139818	15-Jul-25	2024-2025
				139823	15-Jul-25	2024-2025
				139827	15-Jul-25	2024-2025
				139824	15-Jul-25	2024-2025
	139837	15-Jul-25	2024-2025			
	139839	15-Jul-25	2024-2025			
	94	SM City J Mall	Mandaue City	D-072230-01362	15-May-25	31-Dec-25
				D-072230-01705	15-May-25	31-Dec-25
	95	SM City Iloilo	Iloilo City	S-00229	20-Jan-25	31-Dec-25
				S-00223	20-Jan-25	31-Dec-25
				S-01821	20-Jan-25	31-Dec-25
				S-01825	20-Jan-25	31-Dec-25
				S-01826	20-Jan-25	31-Dec-25
				S-01827	20-Jan-25	31-Dec-25
				S-01830	20-Jan-25	31-Dec-25
				S-01829	20-Jan-25	31-Dec-25
				S-01828	20-Jan-25	31-Dec-25
				S-01824	20-Jan-25	31-Dec-25
				M-00091	20-Jan-25	31-Dec-25
				S-00215	20-Jan-25	31-Dec-25
				S-00209	20-Jan-25	31-Dec-25
				P-00122	20-Jan-25	31-Dec-25
	P-00130	20-Jan-25	31-Dec-25			
	S-01822	20-Jan-25	31-Dec-25			
	96	SM City Iloilo-Strata	Iloilo City	S-03498	26-Mar-25	31-Dec-25

Entity	No.	Permits & Licenses	Issuing Agency	Permit & License No.	Issue Date	Expiration Date
	97	SM City Roxas	Roxas City	PN 0059-2025	20-Jan-25	31-Dec-25
				PN 0061-2025	20-Jan-25	31-Dec-25
				PN 0062-2025	20-Jan-25	31-Dec-25
				PN 0063-2025	20-Jan-25	31-Dec-25
				PN 0064-2025	20-Jan-25	31-Dec-25
	98	SM City Puerto Princesa	Puerto Princesa City	B13420170900064	18-Jan-25	31-Dec-25
				B13420170900023	18-Jan-25	31-Dec-25
				B13420170900026	18-Jan-25	31-Dec-25
				B13420170900014	18-Jan-25	31-Dec-25
				B13420170900016	18-Jan-25	31-Dec-25
				B13420170900017	18-Jan-25	31-Dec-25
				B13420170900020	18-Jan-25	31-Dec-25
				B13420170900063	18-Jan-25	31-Dec-25
				B13420170900021	18-Jan-25	31-Dec-25
				B13420170900026	18-Jan-25	31-Dec-25
	99	SM City Bacolod	Bacolod City	PN 202566164	08-Aug-25	31-Dec-25
				PN 202565741	17-Jul-25	31-Dec-25
	100	SM City Butuan	Butuan City	BC-2020-01538	19-Feb-25	31-Dec-25
				BC-2020-01576	19-Feb-25	31-Dec-25
				BC-2020-01591	19-Feb-25	31-Dec-25
				BC-2020-01590	19-Feb-25	31-Dec-25
				BC-2020-01579	19-Feb-25	31-Dec-25
				BC-2020-01573	19-Feb-25	31-Dec-25
				BC-2020-01580	19-Feb-25	31-Dec-25
				BC-2020-01582	19-Feb-25	31-Dec-25
				BC-2020-01578	19-Feb-25	31-Dec-25
				BC-2020-01575	19-Feb-25	31-Dec-25
				BC-2020-01577	19-Feb-25	31-Dec-25
				BC-2020-01581	19-Feb-25	31-Dec-25
				BC-2020-01574	19-Feb-25	31-Dec-25
					101	SM CDO Downtown Premier
PN 2025-13081	22-Jan-25	31-Dec-25				
PN 2025-13085	22-Jan-25	31-Dec-25				
PN 2025-13083	22-Jan-25	31-Dec-25				
PN 2025-31196	28-Jul-25	31-Dec-25				
PN 2025-14842	24-Jan-25	31-Dec-25				
PN 2025-14849	24-Jan-25	31-Dec-25				
PN 2025-14847	24-Jan-25	31-Dec-25				
PN 2025-14850	24-Jan-25	31-Dec-25				
PN 2025-13043	22-Jan-25	31-Dec-25				
PN 2025-14839	24-Jan-25	31-Dec-25				
PN 2025-13077	22-Jan-25	31-Dec-25				
PN 2025-13074	22-Jan-25	31-Dec-25				
PN 2025-13075	22-Jan-25	31-Dec-25				
PN 2025-14826	24-Jan-25	31-Dec-25				
PN 2025-14825	24-Jan-25	31-Dec-25				
PN 2025-13046	24-Jan-25	31-Dec-25				
PN 2025-14885	24-Jan-25	31-Dec-25				
PN 2025-14844	24-Jan-25	31-Dec-25				
PN 2025-13072	22-Jan-25	31-Dec-25				
PN 2025-13050	22-Jan-25	31-Dec-25				
PN 2025-13230	22-Jan-25	31-Dec-25				
	102	SM City Cagayan De Oro	Cagayan De Oro City	PN 2025-21283	18-Feb-25	31-Dec-25
				PN 2025-21281	18-Feb-25	31-Dec-25
				PN 2025-21282	18-Feb-25	31-Dec-25
				PN 2025-21280	18-Feb-25	31-Dec-25
				PN 2025-21285	18-Feb-25	31-Dec-25
				PN 2025-21276	18-Feb-25	31-Dec-25
				PN 2025-21277	18-Feb-25	31-Dec-25
				PN 2025-21270	18-Feb-25	31-Dec-25
				PN 2025-21284	18-Feb-25	31-Dec-25
	103	SM City Davao	Davao City	2001-900268	18-Feb-25	31-Dec-25
				2012-917169	18-Feb-25	31-Dec-25
				2001-900282	18-Feb-25	31-Dec-25
				2001-900257	18-Feb-25	31-Dec-25
				2001-900274	18-Feb-25	31-Dec-25
				2001-900294	18-Feb-25	31-Dec-25
				2001-900308	18-Feb-25	31-Dec-25
				2001-900329	18-Feb-25	31-Dec-25
				2001-900345	18-Feb-25	31-Dec-25
2002-181613	18-Feb-25	31-Dec-25				
	104	SM Lanang Premier	Davao City	2012-93580-3	19-Mar-25	31-Dec-25
				2012-93582-1	19-Mar-25	31-Dec-25
				2013-960236	19-Mar-25	31-Dec-25

Entity	No.	Permits & Licenses	Issuing Agency	Permit & License No.	Issue Date	Expiration Date
	105	SM City General Santos	General Santos City	B17320190101824	20-Jan-25	31-Dec-25
	106	NU Mall of Asia	Pasay City	19-057319	28-Apr-25	31-Dec-25
	107	Light Mall (Cinema)	Mandaluyong City	MC-2016-02712	14-Jan-25	31-Dec-25
	108	Walmart Gapan	Gapan City	B19120161000628-7R	21-Jan-25	31-Dec-25
	109	Walmart Tanauan	Tanauan City	24-900774/14-0367	Retirement – on going	
	110	SM City Caloocan	Caloocan City	24-M0503-00017	15-Apr-25	31-Dec-25
				24-M0503-00013	15-Apr-25	31-Dec-25
				24-M0503-00002	15-Apr-25	31-Dec-25
				24-M0503-00010	15-Apr-25	31-Dec-25
				24-M0503-00019	15-Apr-25	31-Dec-25
	111	Park Inn By Radisson Bacolod	Bacolod City	202550965	20-Jan-25	31-Dec-25
	112	Radisson Blu Cebu	Cebu City	113061	12-Apr-25	31-Dec-25
	113	Park Inn By Radisson Davao	Davao City	B-117763-3	19-Feb-25	31-Dec-25
	114	Park Inn By Radisson Iloilo	Iloilo City	A-2024-00988	17-Jan-25	31-Dec-25
	115	Pico Sands Hotel	Nasugbu, Batangas	1852	06-Mar-25	31-Dec-25
	116	Conrad Manila	Pasay City	16-047729	07-Apr-25	31-Dec-25
	117	Lanson Place Mall of Asia	Pasay City	23-001177	25-Apr-25	31-Dec-25
	118	Park Inn By Radisson North Edsa	Quezon City	19-007582/19-007583	18-Mar-25	31-Dec-25
	119	Taal Vista Hotel	Tagaytay City	2024-01033	30-Jan-25	31-Dec-25
	120	SMX Convention Center Manila	Pasay City	09-029379	15-Apr-25	31-Dec-25
	121	SM Delgado	Iloilo City	S-00212	27-May-25	31-Dec-25
	122	Savmore Jaro	Iloilo City	S-02708	27-May-25	31-Dec-25
	123	SM Makati	Makati City	781142S	21-Feb-25	31-Dec-25
	124	SM Cyberzone 1	Makati City	39250	21-Feb-25	31-Dec-25
	125	SM Cyberzone 2	Makati City	39252	21-Feb-25	31-Dec-25
	126	Anza Building	Makati City	39249	21-Feb-25	31-Dec-25
	127	400 C. Palanca	Manila City	2025-000037795	22-Jan-25	31-Dec-25
	128	Pedro Gil [Savmore]	Manila City	2025-000019588	17-Jan-25	31-Dec-25
	129	Savmore Sta. Ana	Manila City	2025-000019621	17-Jan-25	31-Dec-25
	130	Asinan Lots/Asinan Warehouse Ph3	Parañaque City	2025-02-15-013-13995	15-Feb-25	30-Jun-25*
	131	Two E-Com Center	Pasay City	12-036457	22-May-25	31-Dec-25
	132	Three E-com Center	Pasay City	18-055853	22-May-25	31-Dec-25
	133	Four E-Com Center	Pasay City	21-001255	22-May-25	31-Dec-25
	134	Five E-Com Center	Pasay City	15-045120	22-May-25	31-Dec-25
	135	Corporate Office	Pasay City	03-008500	22-May-25	31-Dec-25
	136	Ugong Warehouse	Pasig City	PM-2006-016700	06-Mar-25	31-Dec-25
	137	SM Cubao Bldg.	Quezon City	99-017421	30-Apr-25	30-Apr-26
	138	SM Cubao Parking	Quezon City	04-009026	16-May-25	16-May-26
	139	Del Monte [Savmore]	Quezon City	09-005664	28-May-25	28-May-26
	140	Visayas/Tandang Sora [Savmore]	Quezon City	10-002683	30-Apr-25	30-Apr-26
	141	Novaliches [Savmore]	Quezon City	10-002689	30-Apr-25	30-Apr-26
	142	Anonas/Kamias [Savmore]	Quezon City	10-002691	30-Apr-25	30-Apr-26
	143	P. Tuazon [Savmore]	Quezon City	09-006432	30-Apr-25	30-Apr-26
	144	SM Cyber West Avenue Building	Quezon City	05-010710	09-May-25	09-May-26
	145	SM Cyber West Avenue Parking	Quezon City	14-008207	16-May-25	16-May-26
	146	Savmore Marulas	Valenzuela City	18-132658	15-Jan-25	31-Dec-25
	147	Casino/Other properties	Tagaytay City	2025-01754	24-Jan-25	31-Dec-25
	148	Taguig Warehouse	Taguig City	20-006645	23-Jan-25	31-Dec-25
	149	Savmore La Union	San Fernando City, LU	05267	19-Feb-25	31-Dec-25
	150	Silangan Warehouse	Calamba City	03689	17-Feb-25	30-Jun-25*
	151	SM Seaside City Cebu	Cebu City	168443	19-Feb-25	31-Dec-25
	152	MOA Arena	Pasay City	12-036456	28-Mar-25	31-Dec-25
	153	Smile Residences	Bacolod City	202564855	10-Jun-25	31-Dec-25
	154	Joy Residences	Baliwag, Bulacan	TP-2020-000759	17-Jan-25	31-Dec-25
	155	SRP 2 Cebu	Cebu City	146278	07-May-24	31-Dec-25
	156	SMDC Admin Office (SM Seaside City Cebu)	Cebu City	146286	07-May-24	31-Dec-25
	157	Style Residences	Iloilo City	S-03283	20-Jan-25	31-Dec-25
	158	Style Showroom	Iloilo City	S-03423	20-Jan-25	31-Dec-25
	159	South Showroom (SM Southmall)	Las Piñas City	2015071262	17-Jan-25	31-Dec-25
	160	South Residences	Las Piñas City	2016081450	17-Jan-25	31-Dec-25
	161	Twin Residences	Las Piñas City	2023061501	17-Jan-25	31-Dec-25
	162	Cheer Residences	Marilao, Bulacan	S-00790	21-Mar-25	31-Dec-25
	163	Two E-com Center	Pasay City	15-046494	22-May-25	31-Dec-25
	164	Hope Residences	Trece Martires City	0211027-12-6474	24-Jun-25	31-Dec-25
	165	SM City Mindpro	Zamboanga City	B1602024900027	16-Jan-25	31-Dec-25
	166	Mall of Asia Arena Annex	Pasay City	13-040974	28-Apr-25	31-Dec-25
	167	SM City Laoag	Laoag City	I-0102812-00339	26-May-25	31-Dec-25
		CERTIFICATE OF INCORPORATION (COI)	OF	SEC		

Entity	No.	Permits & Licenses	Issuing Agency	Permit & License No.	Issue Date	Expiration Date
First Asia Realty Development Corporation	1	Head Office		144047	07-Sep-87	Not Applicable
		CERTIFICATE OF REGISTRATION (COR)	BIR			
	1	Head Office		000-159-510-0000	07-Sep-87	Not Applicable
		BUSINESS PERMIT (BP)	LGU OF:			
	1	SM Megamall	Mandaluyong City	MC-1991-01613	05-Mar-25	31-Dec-25
				MC-1991-01682	05-Mar-25	31-Dec-25
				MC-1991-02080	05-Mar-25	31-Dec-25
				MC-1991-02079	05-Mar-25	31-Dec-25
			MC-1994-00391	05-Mar-25	31-Dec-25	
			MC-1992-00014	05-Mar-25	31-Dec-25	
2	Mega Tower	Mandaluyong City	MC-2022-02190	26-Feb-25	31-Dec-25	
Premier Central, Inc.		CERTIFICATE OF REGISTRATION (COR)	SEC			
	1	Head Office		A199804198	16-Mar-98	Not Applicable
		CERTIFICATE OF REGISTRATION (COR)	BIR			
	1	Head Office		005-648-463-00000	10-Jul-98	Not Applicable
	2	SM City Clark		005-648-463-00002	05-Oct-22	Not Applicable
	3	Park Inn By Radisson Iloilo		005-648-463-00004	06-Jul-15	Not Applicable
	4	SM City Clark Expansion		005-648-463-00006	05-Oct-22	Not Applicable
	5	Two E-com Center		005-648-463-00007	10-Nov-20	Not Applicable
	6	SMX Convention Center Clark		005-648-463-00008	21-Oct-22	Not Applicable
		CERTIFICATE OF REGISTRATION (COR)	BOI			
	1	Park Inn By Radisson Clark		2015-270	20-Dec-15	Not Applicable
		BUSINESS PERMIT (BP)	LGU OF:			
	1	Head Office	Pasay City	04-012287	04-Jul-25	31-Dec-25
	2	Two E-com Center	Pasay City	20-002479	22-May-25	31-Dec-25
	3	SM City Clark	Angeles City	54-01-2006001067	30-Jan-25	31-Dec-25
			54-01-2006001330	30-Jan-25	31-Dec-25	
			54-01-2006001321	30-Jan-25	31-Dec-25	
4	SM City Clark Expansion	Mabalacat City	P-0305409-00542	02-Jan-25	31-Dec-25	
5	Park Inn By Radisson Clark	Mabalacat City	2019-1-00973	17-Feb-25	31-Dec-25	
6	SMX Convention Center Clark	Mabalacat City	2025-0305409000-1301/I-035409-00087	22-Jan-25	31-Dec-25	
Consolidated Prime Dev. Corp.		CERTIFICATE OF REGISTRATION (COR)	SEC			
	1	Head Office		A199805498	07-Apr-98	Not Applicable
		CERTIFICATE OF REGISTRATION (COR)	BIR			
	1	Head Office		005-649-159-00000	10-Mar-99	Not Applicable
	2	SM City Dasmariñas		005-649-159-00001	15-Mar-04	Not Applicable
		BUSINESS PERMIT (BP)	LGU OF:			
	1	Head Office	Pasay City	04-012286	07-Apr-25	31-Dec-25
	2	SM City Dasmariñas	Dasmariñas City	01-2004-04811	17-Jan-25	31-Dec-25
				01-2004-04814	17-Jan-25	31-Dec-25
				01-2004-04535	17-Jan-25	31-Dec-25
			09-2010-01369	17-Jan-25	31-Dec-25	
			01-2019-01065	17-Jan-25	31-Dec-25	
			01-2020-01482	17-Jan-25	31-Dec-25	
First Leisure Ventures Group Inc.		CERTIFICATE OF REGISTRATION (COR)	SEC			
	1	Head Office		CS200704643	28-Mar-07	Not Applicable
		CERTIFICATE OF REGISTRATION (COR)	BIR			
	1	Head Office		006-670-083-000	28-Mar-07	Not Applicable
	2	By the Bay Leisure Park		006-670-083-00001	10-Mar-25	Not Applicable
		BUSINESS PERMIT (BP)	LGU OF:			
1	Head Office	Pasay City	07-022622	07-Apr-25	31-Dec-25	
2	By the Bay Leisure Park	Pasay City	07-022508	10-Apr-25	31-Dec-25	
Magenta Legacy, Inc.		CERTIFICATE OF REGISTRATION (COR)	SEC			
	1	Head Office		CS200618729	30-Nov-06	Not Applicable
		CERTIFICATE OF REGISTRATION (COR)	BIR			
	1	Head Office		006-583-235-00000	30-Nov-06	Not Applicable
		BUSINESS PERMIT (BP)	LGU OF:			
1	Head Office	Pasay City	10-030757	07-Apr-25	31-Dec-25	
2	Hypermarket Caloocan	Caloocan City	004168	23-May-25	31-Dec-25	
Costa Del Hamilo, Inc.		CERTIFICATE OF REGISTRATION (COR)	SEC			
	1	Head Office		CS200615188	26-Sep-06	Not Applicable

Entity	No.	Permits & Licenses	Issuing Agency	Permit & License No.	Issue Date	Expiration Date	
		CERTIFICATE OF REGISTRATION (COR)	BIR				
	1	Head Office		006-510-932-000	18-Oct-06	Not Applicable	
	2	Hamilo Coast		006-510-932-001	05-Mar-10	Not Applicable	
		CERTIFICATE OF REGISTRATION (COR)	DHSUD (HLURB)				
	1	FREIA		COR# 028555	07-Jun-17	Not Applicable	
	2	SOLA		COR#0000558	01-Feb-21	Not Applicable	
	3	PICO TERRACES BLDG 1		COR# 0000489	02-Mar-23	Not Applicable	
	4	PICO TERRACES BLDG 2		COR# 0000489	02-Mar-23	Not Applicable	
		LICENSE TO SELL (LTS)	DHSUD (HLURB)				
	1	FREIA		TS# 032871	07-Jun-17	Not Applicable	
	2	SOLA		LTS# 0001534	01-Feb-21	Not Applicable	
	3	PICO TERRACES BLDG 1		LTS# 0000498	02-Mar-23	Not Applicable	
	4	PICO TERRACES BLDG 2		LTS# 0001747	22-Dec-23	Not Applicable	
		BUSINESS PERMIT (BP)	LGU OF:				
	1	Head Office	Pasay City	07-021686	22-May-25	31-Dec-25	
	2	Hamilo Coast	Nasugbu, Batangas	20241559	30-Jan-25	31-Dec-25	
	Highlands Prime, Inc.		CERTIFICATE OF INCORPORATION (COI)	SEC			
		1	Head Office		A200100680	15-Feb-01	Not Applicable
			CERTIFICATE OF REGISTRATION (COR)	BIR			
		1	Head Office		211-300-712-00000	30-May-01	Not Applicable
		CERTIFICATE OF REGISTRATION (COR)	DHSUD (HLURB)				
1		Aspenhills at Tagaytay Highlands		24368	31-Oct-12	Not Applicable	
2		The Hillside at Tagaytay Highlands		18385	19-Dec-07	Not Applicable	
3		Pueblo Real		24548	01-Jul-13	Not Applicable	
4		Sierra Lago		24547	01-Jul-13	Not Applicable	
5		The Horizon		13468-R4A-05-10	13-Oct-05	Not Applicable	
6		Provence		0000543	29-May-23	Not Applicable	
7		The Pines at Aspenhills		0000544	29-May-23	Not Applicable	
8		Primerose Parks		0000541	29-May-23	Not Applicable	
9		Trealva Ph 1		0000542	29-May-23	Not Applicable	
10		Highlands Residences		0000562	21-Jun-23	Not Applicable	
11		Vireya		029754	04-Feb-19	Not Applicable	
12		The Woodridge at Tagaytay Highlands		06068-R4A- 03-01	10-Jan-03	Not Applicable	
13		The Woodlands Point at Tagaytay Highlands Phase 1		19079	10-Jun-08	Not Applicable	
14		The Woodridge Place at Tagaytay Highlands		16016-R4A-06-10	25-Oct-06	Not Applicable	
		LICENSE TO SELL (LTS)	DHSUD (HLURB)				
1		The Woodridge at Tagaytay Highlands		LTS No. 08242-R4A-03-10	30-Oct-03	Not Applicable	
2		Aspenhills at Tagaytay Highlands		LTS No. 26440	31-Oct-12	Not Applicable	
3		The Horizon		LTS No. 26523	06-Mar-13	Not Applicable	
4		Pueblo Real		LTS No. 26539	01-Jul-13	Not Applicable	
5		Sierra Lago		LTS No. 26538	01-Jul-13	Not Applicable	
6		The Hillside at Tagaytay Highlands		LTS No. 28251	26-Jul-13	Not Applicable	
7		The Woodlands Point at Tagaytay Highlands Phase 1		LTS No. 030418	20-Jul-15	Not Applicable	
8		The Woodridge Place at Tagaytay Highlands		LTS No. 031284	07-Apr-16	Not Applicable	
9		The Woodlands Point at Tagaytay Highlands Phase II-A		LTS No. 032061	14-Dec-16	Not Applicable	
10		Vireya		LTS No. 034341	04-Feb-19	Not Applicable	
11		Provence		LTS No. 0001515	29-May-23	Not Applicable	
12		The Pines at Aspenhills		LTS No. 0001516	29-May-23	Not Applicable	
13		Primerose Parks		LTS No. 0001513	29-May-23	Not Applicable	
14	Trealva Ph 1		LTS No. 0001514	29-May-23	Not Applicable		
15	Highlands Residences		LTS No. 0001538	21-Jun-23	Not Applicable		
16	The Horizon Ph2		LTS No. 0001746	25-Jan-24	Not Applicable		
	BUSINESS PERMIT (BP)	LGU OF:					
1	Head Office	Pasay City	05-015221	22-May-25	31-Dec-25		
2	Tagaytay Highlands (Hillside, Aspenhills)	Calamba City	192-00-2012-0000071	04-Feb-25	31-Dec-25		
3	Tagaytay Highlands (Woodlands Point, Woodridge Place, The Woodridge)	Tagaytay City	129-00-2003-0000024	22-Jan-25	31-Dec-25		

Entity	No.	Permits & Licenses	Issuing Agency	Permit & License No.	Issue Date	Expiration Date
	4	Tagaytay Highlands (Horizon, Vireya, Sierra Lago, Pueblo Real, Alta Mira, Lakeview)	Talisay	119416325	20-Jan-25	31-Dec-25
Associated Development Corporation		CERTIFICATE OF INCORPORATION (COI)	SEC			
		Head Office		5159	26-May-50	Not Applicable
		CERTIFICATE OF REGISTRATION (COR)	BIR			
		Head Office		003-940-858-00000	30-Jul-96	Not Applicable
CHAS Realty and Development Corporation		CERTIFICATE OF INCORPORATION (COI)	SEC			
	1	Head Office		ASO95000891	31-Jan-95	Not Applicable
		CERTIFICATE OF REGISTRATION (COR)	BIR			
	1	Head Office		004-485-013-000	01-Jan-97	Not Applicable
	2	SM Megacenter Cabanatuan		004-485-013-00001	31-Jan-23	Not Applicable
		BUSINESS PERMIT (BP)	LGU OF:			
	1	SM Megacenter Cabanatuan	Cabanatuan City	PN 25-01313	22-Jan-25	31-Dec-25
			PN 25-01325	22-Jan-25	31-Dec-25	
			PN 25-01312	22-Jan-25	31-Dec-25	
			PN 25-01309	22-Jan-25	31-Dec-25	
			PN 25-01308	22-Jan-25	31-Dec-25	
			PN 25-01310	22-Jan-25	31-Dec-25	
MOA Esplanade Port, Inc.		CERTIFICATE OF INCORPORATION (COI)	SEC			
	1	Head Office		CS201423699	05-Dec-14	Not Applicable
		CERTIFICATE OF REGISTRATION (COR)	BIR			
	1	Head Office		008-920-148-000	06-Jan-15	Not Applicable
		BUSINESS PERMIT (BP)	LGU OF:			
1	Head Office	Pasay City	15-044609	08-Apr-25	31-Dec-25	
Mindpro, Incorporated		CERTIFICATE OF INCORPORATION (COI)	SEC			
	1	Head Office		41626	03-Jul-70	Not Applicable
		CERTIFICATE OF REGISTRATION (COR)	BIR			
	1	Head Office		000-254-569-00000	02-Jul-08	Not Applicable
		BUSINESS PERMIT (BP)	LGU OF:			
	1	Head Office	Zamboanga City	0308814-4R	16-Jan-25	31-Dec-25
				1752361-4R	16-Jan-25	31-Dec-25
			0308722-4R	16-Jan-25	31-Dec-25	
			0309041-4R	16-Jan-25	31-Dec-25	
			0619881-4R	16-Jan-25	31-Dec-25	
			0619886-4R	16-Jan-25	31-Dec-25	
			0619883-4R	16-Jan-25	31-Dec-25	
A. Canicosa Holdings, Inc.		CERTIFICATE OF INCORPORATION (COI)	SEC			
	1	Head Office		CS200814491	10-Oct-08	Not Applicable
		CERTIFICATE OF REGISTRATION (COR)	BIR			
	1	Head Office		007-123-577-000	13-Nov-08	Not Applicable
		BUSINESS PERMIT (BP)	LGU OF:			
1	Head Office	Calamba City	192-00-2011-0006994	21-Feb-25	31-Dec-25	
AD Canicosa Properties, Inc.		CERTIFICATE OF INCORPORATION (COI)	SEC			
	1	Head Office		CS200814504	10-Oct-08	Not Applicable
		CERTIFICATE OF REGISTRATION (COR)	BIR			
	1	Head Office		007-123-712-000	19-Nov-08	Not Applicable
		BUSINESS PERMIT (BP)	LGU OF:			
1	Head Office	Calamba City	192-00-2011-0006993	21-Feb-25	31-Dec-25	
Cherry Realty Development Corporation		CERTIFICATE OF INCORPORATION (COI)	SEC			
	1	Head Office		76427	28-Oct-77	Not Applicable
		CERTIFICATE OF REGISTRATION (COR)	BIR			
	1	Head Office		000-958-289-000	30-Jun-94	Not Applicable
		BUSINESS PERMIT (BP)	LGU OF:			
1	Head Office	Sto. Tomas City	024-26-2019-0000688	16-Jan-25	31-Dec-25	
Premier Clark Complex, Inc.		CERTIFICATE OF INCORPORATION (COI)	SEC			
	1	Head Office		CS201908637	29-May-19	Not Applicable

Entity	No.	Permits & Licenses	Issuing Agency	Permit & License No.	Issue Date	Expiration Date
		CERTIFICATE OF REGISTRATION (COR)	BIR			
	1	Head Office		010-332-515-000	30-May-19	Not Applicable
Rushmore Holdings, Inc.		CERTIFICATE OF REGISTRATION (COI) OF	SEC			
	1	Head Office		ASO94003408	14-Apr-94	Not Applicable
		CERTIFICATE OF REGISTRATION (COR)	BIR			
	1	Head Office		003-869-806-00000	01-Jan-01	Not Applicable
		BUSINESS PERMIT (BP)	LGU OF:			
	1	Head Office	Makati City	201502370	19-Jan-25	31-Dec-25
Premier Southern Corp.		CERTIFICATE OF REGISTRATION (COI) OF	SEC			
	1	Head Office		A199804816	25-Mar-98	Not Applicable
		CERTIFICATE OF REGISTRATION (COR)	BIR			
	1	Head Office		005-648-752-00000	13-Apr-99	Not Applicable
	2	SM City Batangas		005-648-752-00002	04-Jan-24	Not Applicable
	3	SM City Lipa		005-648-752-00003	09-Jun-23	Not Applicable
		BUSINESS PERMIT (BP)	LGU OF:			
	1	Head Office	Pasay City	04-012285	07-Apr-25	31-Dec-25
	2	SM City Batangas	Batangas City	00-0006322	20-Jan-25	31-Dec-25
				00-0002083	20-Jan-25	31-Dec-25
				00-0002087	20-Jan-25	31-Dec-25
				00-0002088	20-Jan-25	31-Dec-25
				04-0002089	20-Jan-25	31-Dec-25
				00-0002090	20-Jan-25	31-Dec-25
				00-0002084	20-Jan-25	31-Dec-25
				00-0002085	20-Jan-25	31-Dec-25
				22-0028657	20-Jan-25	31-Dec-25
				24-0035192	11-Jun-25	31-Dec-25
	3	SM City Lipa	Batangas City	2006-0000764	26-Feb-25	31-Dec-25
				2006-0000765	27-Feb-25	31-Dec-25
				2006-0000763	27-Feb-25	31-Dec-25
				2008-0000080	27-Feb-25	31-Dec-25
				2008-0000959	27-Feb-25	31-Dec-25
				2014-0000707	26-Feb-25	31-Dec-25
Prime Metroestate, Inc.		CERTIFICATE OF REGISTRATION (COI) OF	SEC			
	1	Head Office		AS95005246	01-Jun-95	Not Applicable
		CERTIFICATE OF REGISTRATION (COR)	BIR			
	1	Head Office		004-726-498-00000	18-Sep-97	Not Applicable
	2	Iloilo City		004-726-498-00018	09-May-17	Not Applicable
	3	SM Center Imus		004-726-498-00019	05-Jun-17	Not Applicable
	4	Two E-Com		004-726-498-020	06-Mar-19	Not Applicable
		BUSINESS PERMIT (BP)	LGU OF:			
	1	Head Office	Pasay City	09-028206	07-Apr-25	31-Dec-25
	2	Cabuyao	Cabuyao City	3413	07-Mar-25	31-Dec-25
	3	Cainta	Cainta, Rizal	02406	15-Jan-25	31-Dec-25
	4	Davao	Davao City	2000-15381-3	2025 Permit - in process	
	5	Molo	Iloilo City	A-2024-01199	14-Jan-25	31-Dec-25
	6	Hyper Imus	Imus City	07212	19-Jan-25	31-Dec-25
	7	SM Center Imus	Imus City	18-0070057	17-Feb-25	31-Dec-25
	8	Hyper Cebu	Mandaue City	2024-072230000-08434	2025 Permit - in process	
	9	Tondo	Manila City	2025-000032268	20-Jan-25	31-Dec-25
	10	Muntinlupa	Muntinlupa City	2024-0003125	16-Jan-25	31-Dec-25
	11	Two E-com Center	Pasay City	20-002480	07-Apr-25	31-Dec-25
	12	Pasig	Pasig City	09772	05-Mar-25	31-Dec-25
	13	Novaliches	Quezon City	00-038802	16-May-25	16-May-26
	14	Rosario	Rosario, Batangas	005345	20-Jan-25	31-Dec-25
Prime Commercial Property Management Corp.		CERTIFICATE OF REGISTRATION (COI) OF	SEC			
	1	Head Office		CS200917199	06-Nov-09	Not Applicable
		CERTIFICATE OF REGISTRATION (COR)	BIR			
	1	Head Office		007-434-002-000	12-Dec-09	Not Applicable
		BUSINESS PERMIT (BP)	LGU OF:			
	1	Head Office	Pasay City	11-034703	03-Apr-25	31-Dec-25
San Lazaro Holdings Corp.		CERTIFICATE OF REGISTRATION (COI) OF	SEC			
	1	Head Office		A200103097	07-Mar-01	Not Applicable

Entity	No.	Permits & Licenses	Issuing Agency	Permit & License No.	Issue Date	Expiration Date
		CERTIFICATE OF REGISTRATION (COR)	BIR			
	1	Head Office		210-390-711-000	05-Apr-01	Not Applicable
		BUSINESS PERMIT (BP)	LGU OF:			
	1	Head Office	Pasay City	07-022509	07-Apr-25	31-Dec-25
	2	Manila	Manila City	117-00-2013-0003934	21-Jan-25	31-Dec-25
		CERTIFICATE OF REGISTRATION (COR)	BIR			
	1	Head Office		CS2008287-8	18-May-17	Not Applicable
		CERTIFICATE OF REGISTRATION (COR)	BIR			
Southernpoint Properties Corp.	1	Head Office		CS2008287-8	18-May-17	Not Applicable
		CERTIFICATE OF REGISTRATION (COR)	BIR			
	1	Head Office		261-896-179-00000	13-Jun-08	Not Applicable
	2	SM Lanang Premier		261-896-179-00001	09-Jul-25	Not Applicable
		BUSINESS PERMIT (BP)	LGU OF:			
	1	Head Office	Pasay City	12-035994	07-Apr-25	31-Dec-25
	2	SM Lanang Premier	Davao City	2008-66336-5	19-Mar-25	31-Dec-25
				2012-93058-1	19-Mar-25	31-Dec-25
				2012-93057-2	2025 Permit in process	
				2012-93056-4	19-Mar-25	31-Dec-25
				2012-93578-1	19-Mar-25	31-Dec-25
				2012-93583-2	19-Mar-25	31-Dec-25
				2012-93584-5	19-Mar-25	31-Dec-25
				2012-93585-0	19-Mar-25	31-Dec-25
				2012-93586-7	19-Mar-25	31-Dec-25
			2012-93579-5	19-Mar-25	31-Dec-25	
		2012-93948-5	19-Mar-25	31-Dec-25		
		2012-93054-4	19-Mar-25	31-Dec-25		
SM Arena Complex Corporation		CERTIFICATE OF REGISTRATION (COR)	BIR			
	1	Head Office		CS201205234	15-Mar-12	Not Applicable
		CERTIFICATE OF REGISTRATION (COR)	BIR			
	1	Head Office		008-246-579-0000	12-Apr-12	Not Applicable
		BUSINESS PERMIT (BP)	LGU OF:			
SM Hotels and Conventions Corp.	1	Head Office		12-036898	28-Mar-25	31-Dec-25
	2	MOA Arena	Pasay City	12-036900	28-Mar-25	31-Dec-25
		CERTIFICATE OF REGISTRATION (COR)	BIR			
	1	Head Office		CS200804951	12-Jan-10	Not Applicable
		CERTIFICATE OF REGISTRATION (COR)	BIR			
Tagaytay Resort Development Corporation	1	Head Office		007-005-546-00000	02-Apr-08	Not Applicable
		BUSINESS PERMIT (BP)	LGU OF:			
	1	Head Office	Pasay City	08-027116	28-Apr-25	31-Dec-25
		CERTIFICATE OF REGISTRATION (COR)	BIR			
	1	Head Office		154736	29-Aug-88	Not Applicable
Supermalls Transport Services, Inc.		CERTIFICATE OF REGISTRATION (COR)	BIR			
	1	Head Office		000-502-872-00000	10-Jul-94	Not Applicable
		BUSINESS PERMIT (BP)	LGU OF:			
	1	Head Office	Pasay City	05-015216	07-Apr-25	31-Dec-25
	2	Tagaytay	Tagaytay City	2024-01350	24-Jan-25	31-Dec-25
SCIDC		CERTIFICATE OF REGISTRATION (COR)	BIR			
	1	Head Office		CS201702723	25-Jan-17	Not Applicable
		CERTIFICATE OF REGISTRATION (COR)	BIR			
	1	Head Office		009-539-079-00000	25-Jan-17	Not Applicable
		BUSINESS PERMIT (BP)	LGU OF:			
	1	Head Office	Pasay City	17-050221	07-Apr-25	31-Dec-25
		CERTIFICATE OF REGISTRATION (COR)	BIR			
	1	Head Office		CS201914272	27-Aug-19	Not Applicable
SM Development Corporation		CERTIFICATE OF REGISTRATION (COR)	BIR			
	1	Head Office		010-387-743-00000	29-Aug-19	Not Applicable
		BUSINESS PERMIT (BP)	LGU OF:			
	1	Head Office	Pasay City	BAN: 19-058891	22-May-25	31-Dec-25
		CERTIFICATE OF REGISTRATION (COR)	BIR			
	1	Head Office		0000056909	18-Jul-74	Not Applicable
		CERTIFICATE OF REGISTRATION (COR)	BIR			
1	Head Office		000-601-470-000	20-Mar-18	Not Applicable	

Entity	No.	Permits & Licenses	Issuing Agency	Permit & License No.	Issue Date	Expiration Date
	2	Mezza Residences		000-601-470-00001	21-Jul-21	Not Applicable
	3	Berkeley Residences		000-601-470-002	19-Feb-08	Not Applicable
	4	Grass Residences		000-601-470-003	20-Feb-08	Not Applicable
	5	2F Northwing SM MOA		000-601-470-005	02-Mar-12	Not Applicable
	6	Grass Interior [NE] Showroom		000-601-470-00007	02-Mar-12	Not Applicable
	7	Mplace [Mega] Showroom		000-601-470-00009	02-Mar-12	Not Applicable
	8	Mplace Interior [NE] Showroom		000-601-470-00010	02-Mar-12	Not Applicable
	9	Omnibus [MOA] Showroom		000-601-470-00011	02-Mar-12	Not Applicable
	10	Shell [MOA] Showroom		000-601-470-00013	02-Mar-12	Not Applicable
	11	Light [Mega] Showroom		000-601-470-014	02-Mar-12	Not Applicable
	12	Field [Sucat] Showroom		000-601-470-017	02-Mar-12	Not Applicable
	13	Light Residences		000-601-470-018	02-Mar-12	Not Applicable
	14	Wind Residences		000-601-470-00020	19-Aug-17	Not Applicable
	15	Jazz Residences		000-601-470-00022	13-Jun-17	Not Applicable
	16	Sun Mall		000-601-470-00023	13-Jun-17	Not Applicable
	17	Grace Residences		000-601-470-00024	04-Jul-17	Not Applicable
	18	M Place Mall		000-601-470-00025	13-Jun-17	Not Applicable
	19	Sea Residences		000-601-470-00026	13-Jun-17	Not Applicable
	20	Princeton Residences		000-601-470-00027	13-Jun-17	Not Applicable
	21	Blue Residences		000-601-470-028	08-Aug-14	Not Applicable
	22	Strip @ Shell Residences		000-601-470-00029	01-Feb-16	Not Applicable
	23	Strip @ Shine Residences		000-601-470-00030	13-Jun-17	Not Applicable
	24	S Residences		000-601-470-00031	21-Mar-16	Not Applicable
	25	Breeze Mall		000-601-470-00032	18-Jan-18	Not Applicable
	26	Lane Residences/SM Lanang Premier		000-601-470-00034	29-Aug-18	Not Applicable
	27	Strip @ Shore Residences		000-601-470-00035	21-Jul-21	Not Applicable
	28	Air Mall		000-601-470-00036	15-Oct-20	Not Applicable
	29	Smile Showroom (SM City Bacolod)		000-601-470-00037	03-Dec-20	Not Applicable
	30	Green 2 Residences		000-601-470-00038	29-Oct-20	Not Applicable
	31	Fame Mall		000-601-470-00039	21-Jul-21	Not Applicable
	32	The Strip at Coast Residences		000-601-470-00040	20-Dec-22	Not Applicable
	33	The Strip at Blue 2		000-601-470-00041	21-Dec-22	Not Applicable
	34	The Strip at Spring Residences		000-601-470-00042	21-Dec-22	Not Applicable
	35	The Strip at S Residences		000-601-470-00043	21-Dec-22	Not Applicable
	36	The Strip at Lush Residences		000-601-470-00044	22-Dec-22	Not Applicable
	37	The Strip at Red Residences		000-601-470-00045	17-Mar-23	Not Applicable
	38	Charm Mall		000-601-470-00046	05-May-23	Not Applicable
	39	The Strip at La Vista		000-601-470-00047	05-May-23	Not Applicable
	40	Glam Mall		000-601-470-00048	05-May-23	Not Applicable
	41	Hill Commercial Center		000-601-470-00049	14-Jun-23	Not Applicable
	42	Cheerful Mall		000-601-470-00050	14-Jun-23	Not Applicable
	43	The Strip at FMC		000-601-470-00051	09-Nov-24	Not Applicable
	44	The Strip at Ice		000-601-470-00052	13-Mar-25	Not Applicable
		CERTIFICATE OF REGISTRATION (COR)	DHSUD (HLURB)			
	1	Air Residences B01		LTS No. 032395	31-May-17	Not Applicable
	2	Berkeley Residences B01		25658	14-Mar-12	Not Applicable
	3	Bloom Residences PH 1		34562	13-Mar-19	Not Applicable
	4	Bloom Residences PH 2		194 Provisional LTS Regular LS : 0000093	23-Sep-21 / 08-Aug-23	Not Applicable
	5	Bloom Residences PH 3		051 Provisional LTS Regular LS : 0000096	16-Jul-20 / 08-Aug-23	Not Applicable
	6	Blue Residences B01		LTS No. 029228	15-Aug-14	Not Applicable
	7	Breeze Residences 1		31507	18-Apr-16	Not Applicable
	8	Charm Residences Ph1		ALTS No. 0001648	17-Oct-23	Not Applicable
	9	Charm Residences Ph2		ALTS No. 0001649	17-Oct-23	Not Applicable
	10	Charm Residences Ph3		ALTS No. 0001650	17-Oct-23	Not Applicable
	11	SMDC Cheerful Homes All Residential		34244	02-Aug-19	Not Applicable
	12	SMDC Cheerful Homes 2 All Residential		Provisional LTS No. 2021-05-227	24-May-21	Not Applicable
	13	Coast Residences B01		LTS No. 03157	20-Jul-16	Not Applicable
	14	Cool Suites at Wind Residences Tower A & B		LTS NO. 029705	03-Dec-14	Not Applicable
	15	Fame Residences - Towers 1 & 2		30763	26-Nov-15	Not Applicable
	16	Fame Residences - Towers 3		33349	13-Mar-18	Not Applicable
	17	Fame Residences - Towers 4		33374	18-Apr-18	Not Applicable
	18	Field Residences Phase 1 and 2		Ph1 - 029247 Ph2 - 029248	15-Sep-14	Not Applicable
	19	Field Residences 4		Bldg4 - 03240	27-Jun-17	Not Applicable
	20	Field Residences 5		Bldg 5 - 03245	24-Aug-17	Not Applicable
	21	Field Residences 6		Bldg 6 - 03338	24-Apr-18	Not Applicable
	22	Field 9 and 10		035147	20-Sep-19	Not Applicable
	23	Field Parking Building		33436	14-Sep-18	Not Applicable
	24	Gem Residences B01		LTS No. 0000101	04-Aug-23	Not Applicable

Entity	No.	Permits & Licenses	Issuing Agency	Permit & License No.	Issue Date	Expiration Date
	25	Glade Residences Bldgs A-K		PLTS No./ PLS-06-096	24-Dec-21	Not Applicable
	26	Glam Residences B01		LTS No. 0000085	01-Aug-23	Not Applicable
	27	Grace Residences PH1		LTS No. 029326	26-Jan-15	Not Applicable
	28	Grass Residences Ph2 (Fern)		LTS T4 - 029940 LTS T5 - 029939	15-May-15	Not Applicable
	29	Grass Residences Ph1		LTS T1 - 26908 LTS T2 - 26903 LTS T3 - 26904	04-Apr-13	Not Applicable
	30	Hill Residences (Phase 1)		LTS No. 034577	11-Apr-19	Not Applicable
	31	Hill Residences (Phase 2)		LTS No. 035118	07-Aug-19	Not Applicable
	32	Hill Residences (Phase 3)		Provisional LTS No. 044	08-Jul-20	Not Applicable
	33	ICE TOWER Residential-Offices B01		LTS No. 0000053	06-Jun-23	Not Applicable
	34	SMDC Jade Residences B01		TLS NCR 014	17-May-23	Not Applicable
	35	Jazz Residences All Towers		LTS No. 25701	16-May-12	Not Applicable
	36	Light Residences T1, T2, T3		LTS No. 28498	09-Dec-13	Not Applicable
	37	Lush Residences B01		LTS No. 033468 LTS No. 035122	14-Nov-18 13-Aug-19	Not Applicable
	38	Mezza Residences		23648	26-Aug-10	Not Applicable
	39	Mezza 2 Residences		033360	21-Mar-18	Not Applicable
	40	Mint Residences B01		PLS No. 091	26-Nov-20	Not Applicable
	41	M Place at South Triangle Tower 1, 2, 3, and 4		ALTS No. 034554	15-Feb-19	Not Applicable
	42	Princeton Residences B01		LTS NO. 27021	18-Sep-13	Not Applicable
	43	Red Residences B01		LTS No. 033469	16-Nov-18	Not Applicable
	44	S Residences 3		31645	01-Dec-16	Not Applicable
	45	Sands Residences 1		Provisional LTS No. 147	22-Mar-21	Not Applicable
	46	Sea Residences B01, B02, B03, B04, B05, B06		26981	23-Jul-13	Not Applicable
	47	Shell Residences B01, B02, B03, B04		032425	17-Jul-13	Not Applicable
	48	Shine Residences T1		LTS NO. 28486	21-Nov-13	Not Applicable
	49	Shore Residences 4		LTS NO. 029190	27-May-14	Not Applicable
	50	Shore 2 Residences B01, B02, B03		LTS 031588	05-Aug-16	Not Applicable
	51	Shore 3 Residences B01, B02, B03, B04		LTS 032418	07-Jul-17	Not Applicable
	52	Spring Residences Tower 1		LTS No.033413	20-Jul-18	Not Applicable
	53	Spring Residences Tower 2		LTS No.033413	20-Jul-18	Not Applicable
	54	Spring Residences Tower 3		LTS No.033403	26-Jun-18	Not Applicable
	55	Spring Residences Tower 4		LTS No.033411	05-Jul-18	Not Applicable
	56	Sun Residences Tower 1 and 2		LTS NO. 26362	29-Nov-12	Not Applicable
	57	Vine Residences PH 1		032367 ALTS 03349	12-Apr-17 / 10-Jan-19	Not Applicable
	58	Vine Residences PH 2		033379 ALTS 034556 Provisional LTS 318	24-Apr-18/ 22-Feb-19/ 16-Mar-22	Not Applicable
	59	Vine Residences PH 3		033376 ALTS 033446	19-Apr-18/ 15-Feb-19	Not Applicable
	60	Wind Residences Tower 1		LTS NO. 26577	23-May-13	Not Applicable
	61	Wind Residences Tower 2		LTS NO. 26578	23-May-13	Not Applicable
	62	Wind Residences Tower 3		LTS NO. 26579	23-May-13	Not Applicable
	63	Wind Residences Tower 4		LTS NO. 28796	04-Nov-13	Not Applicable
	64	Wind Residences Tower 5		LTS NO. 28865	22-Jan-14	Not Applicable
	65	Vail Residences All Buildings (Buildings A-N)		Prov Lic REM-LS-22-012	06-Apr-22	Not Applicable
		BUSINESS PERMIT (BP)	LGU OF:			
	1	Head Office (15F Two E-com Center)	Pasay City	11-034349	22-May-25	31-Dec-25
	2	SMDC Admin Office (SM City Clark)	Angeles City	54-01-2017000966	16-Jan-25	31-Dec-25
	3	Smile Showroom	Bacolod City		2025 Permit - in process	
	4	Vail Showroom	Cagayan De Oro City	2025-27241	24-Mar-25	31-Dec-25
	5	Vail Residences	Cagayan De Oro City	2025-27243	24-Mar-25	31-Dec-25
	6	Charm Showroom	Cainta, Rizal	S-03278	20-Jan-25	31-Dec-25
	7	Charm Residences	Cainta, Rizal	S-03433	20-Jan-25	31-Dec-25
	8	SMDC Admin Office (SM City Dasmariñas)	Dasmariñas City	01-2018-00123	21-Jan-25	31-Dec-25
	9	SMDC Admin Office (SM Lanang Davao)	Davao City	20181348591	30-Jan-25	31-Dec-25
	10	Ecoland	Davao City	20201469394	11-Mar-25	31-Dec-25
	11	SMDC Admin Office (SM City Iloilo)	Iloilo City	S-03282	20-Jan-25	31-Dec-25
	12	SMDC Showroom (SM City Iloilo)	Iloilo City	S-03422	20-Jan-25	31-Dec-25
	13	Glade Residences	Iloilo City	S-A0637	20-Jan-25	31-Dec-25
	14	Glade Showroom	Iloilo City	S-A0636	20-Jan-25	31-Dec-25
	15	Field Residences (Bldg. 4)	Las Piñas City	2015030310	09-Jul-25	31-Dec-25

Entity	No.	Permits & Licenses	Issuing Agency	Permit & License No.	Issue Date	Expiration Date
	16	Cheerful Homes	Mabalacat City	2020-01-01457	20-Jan-25	31-Dec-25
	17	Cheerful Homes (Showroom)	Mabalacat City	2018-01-02010	20-Jan-25	31-Dec-25
	18	Jazz Residences	Makati City	201302592	08-Feb-25	31-Dec-25
	19	FMC (Grand Showroom)	Makati City	201602148	08-Feb-25	31-Dec-25
	20	Air Residences	Makati City	202103503	08-Feb-25	31-Dec-25
	21	Lush Residences	Makati City	202204567	08-Feb-25	31-Dec-25
	22	Red Residences	Makati City	202304430	08-Feb-25	31-Dec-25
	23	Light Residences	Mandaluyong City	MC-2010-02185	22-Jan-25	31-Dec-25
	24	SMDC Corporate Showroom (SM Megamall)	Mandaluyong City	MC-2011-01531	22-Jan-25	31-Dec-25
	25	Fame Residences	Mandaluyong City	MC-2021-01746	22-Jan-25	31-Dec-25
	26	Sands Residences	Manila City	117-00-2021-0806328	20-Jan-25	31-Dec-25
	27	SMDC Admin Office (SM City Marilao)	Marilao, Bulacan	S-00791	18-Jan-25	31-Dec-25
	28	Field Residences	Parañaque City	2011010018	20-Aug-25	30-Sep-25*
	29	Field Showroom (SM City Sucat)	Parañaque City	2018050049	19-Feb-25	31-Dec-25
	30	Spring Showroom (SM City Bicutan)	Parañaque City	2016050223	19-Feb-25	31-Dec-25
	31	Spring Residences	Parañaque City	2019080137	20-Aug-25	30-Sep-25*
	32	Bloom Residences	Parañaque City	2017080164	20-Aug-25	30-Sep-25*
	33	Strip at Bloom Residences	Parañaque City	2018060065	19-Feb-25	31-Dec-25
	34	Coast Residences	Pasay City	20-002618	22-May-25	31-Dec-25
	35	Sea Residences	Pasay City	10-032016	22-May-25	31-Dec-25
	36	Shell Residences	Pasay City	12-037868	22-May-25	31-Dec-25
	37	Breeze Residences	Pasay City	14-042745	22-May-25	31-Dec-25
	38	Shore Residences	Pasay City	14-043900	22-May-25	31-Dec-25
	39	SMDC Corporate Showroom (SM MOA NORTHWING)	Pasay City	10-031345	20-May-25	31-Dec-25
	40	Shore Showroom (SM MOA SOUTHWEST)	Pasay City	10-031260	20-May-25	31-Dec-25
	41	S Residences	Pasay City	16-047686	22-May-25	31-Dec-25
	42	Shine Residences	Pasig City	PM-2014-003633	28-May-25	31-Dec-25
	43	Mezza Residences	Quezon City	07-008041	04-Jun-25	04-Jun-26
	44	Mezza 2 Residences	Quezon City	12-009618	04-Jun-25	04-Jun-26
	45	Berkeley Residences	Quezon City	09-004969	04-Jun-25	04-Jun-26
	46	Grass Residences	Quezon City	09-004704	04-Jun-25	04-Jun-26
	47	Grass Showroom (SM City North EDSA)	Quezon City	10-010193	04-Jun-25	04-Jun-26
	48	Princeton Residences	Quezon City	10-010975	04-Jun-25	04-Jun-26
	49	Sun Residences	Quezon City	10-010974	04-Jun-25	04-Jun-26
	50	M Place @ South Triangle	Quezon City	10-012122	04-Jun-25	04-Jun-26
	51	Blue Residences	Quezon City	11-006622	2025 Permit - in process	
	52	Vine Residences	Quezon City	19-013034	04-Jun-25	04-Jun-26
	53	Glam Residences	Quezon City	19-013035	04-Jun-25	04-Jun-26
	54	Hill Residences	Quezon City	19-013033	04-Jun-25	04-Jun-26
	55	Vine Showroom (SM Novaliches)	Quezon City	16-007281	04-Jun-25	04-Jun-26
	56	Wind Residences	Tagaytay City	129-00-2011-0000211	20-Jan-25	31-Dec-25
	57	Grace Residences	Taguig City	20-015810	09-Jul-25	31-Dec-25
	58	Parkville Residences	Bacolod City	202564172	16-May-25	31-Dec-25
	59	MPlace Mall	Quezon City	13-012722	15-Apr-25	15-Apr-26
	60	MPlace Mall	Quezon City	13-012719	15-Apr-25	15-Apr-26
	61	MPlace Mall	Quezon City	13-012724	15-Apr-25	15-Apr-26
	62	MPlace Mall	Quezon City	13-012726	15-Apr-25	15-Apr-26
	63	Sun Mall	Quezon City	13-012723	11-Apr-25	11-Apr-26
	64	Sun Mall	Quezon City	13-012721	11-Apr-25	11-Apr-26
	65	Sun Mall	Quezon City	13-012727	14-Apr-25	14-Apr-26
	66	Sun Mall	Quezon City	13-012725	11-Apr-25	11-Apr-26
	67	Strip at Grass Residences	Quezon City	14-011382	15-Apr-25	15-Apr-26
	68	Strip at Grass Residences	Quezon City	14-011368	15-Apr-25	15-Apr-26
	69	Strip at Wind Residences	Tagaytay City	129-00-2014-0000178	20-Jan-25	31-Dec-25
	70	Fame Mall	Mandaluyong City	MC-2021-02044	30-Jan-25	31-Dec-25
	71	Strip at Shine Residences	Pasig City	PM2015003235	14-Mar-25	31-Dec-25
	72	Grace Mall	Taguig City	20-024044	21-Jan-25	31-Dec-25
	73	Strip at Spring Residences	Parañaque City	2022080120	22-Jan-25	31-Dec-25
	74	Strip at Mezza Residences	Quezon City	13-012739	06-Mar-25	06-Mar-26
	75	Mezza Residences	Quezon City	09-001833	06-Mar-25	06-Mar-26
	76	Strip at Mezza Residences	Quezon City	13-012741	06-Mar-25	06-Mar-26
	77	Strip at Mezza Residences	Quezon City	13-012737	06-Mar-25	06-Mar-26
	78	Strip at Berkeley Residences	Quezon City	10-012121	06-Mar-25	06-Mar-26
	79	Strip at Blue Residences	Quezon City	19-005469	06-Mar-25	06-Mar-26
	80	Strip at Blue Residences	Quezon City	14-010672	06-Mar-25	06-Mar-26
	81	Strip at Blue Residences	Quezon City	14-010673	06-Mar-25	06-Mar-26

Entity	No.	Permits & Licenses	Issuing Agency	Permit & License No.	Issue Date	Expiration Date
	82	Strip at Blue Residences	Quezon City	14-010674	06-Mar-25	06-Mar-26
	83	Strip at Princeton Residences	Quezon City	13-013879	06-Mar-25	06-Mar-26
	84	Strip at Princeton Residences	Quezon City	13-013881	06-Mar-25	06-Mar-26
	85	Strip at Princeton Residences	Quezon City	13-013877	06-Mar-25	06-Mar-26
	86	Strip at Princeton Residences	Quezon City	13-013876	06-Mar-25	06-Mar-26
	87	Breeze Mall	Pasay City	17-052756	04-Apr-25	31-Dec-25
	88	Strip at Coast Residences	Pasay City	20-002617	04-Apr-25	31-Dec-25
	89	Strip at S Residences	Pasay City	21-001325	04-Apr-25	31-Dec-25
	90	Strip at Sea Residences	Pasay City	13-040960	04-Apr-25	31-Dec-25
	91	Strip at Shell Residences	Pasay City	15-046493	04-Apr-25	31-Dec-25
	92	Strip at Shore Residences	Pasay City	18-055655	04-Apr-25	31-Dec-25

**Renewal application ongoing*

REGULATORY

The following section discusses updates after the date of the Prospectus and must be read in conjunction with the Prospectus. This section is qualified in its entirety by the more detailed information and financial statements and notes thereto appearing elsewhere in this Offer Supplement.

REAL ESTATE LAWS AND REGULATIONS

Real Property Valuation and Assessment Reform Act

On 13 June 2024, President Ferdinand R. Marcos Jr. signed into law Republic Act No. 12001, also known as the Real Property Valuation and Assessment Reform Act ("RPVARA"). The law was published on 20 June 2024, and took effect on 5 July 2024.

The RPVARA aims to establish standards based on the Philippine valuation system ("PVS") for real property in the Philippines, adopt a schedule of market values ("SMV"), the separation of the valuation function for real properties from tax policy formulation and the administration of taxes, and the creation of a comprehensive and up-to-date electronic database of all real property transactions, among other reforms.

Under the RPVARA, the SMV will serve as the single valuation base for assessing real property-related taxes and for determining the value of real properties in various transactions involving government agencies. The Bureau of Local Government Finance ("BLGF") under the Department of Finance ("DOF") is tasked with developing and implementing the PVS, which will be utilized by LGUs as well as by other entities engaged in the valuation of land, buildings, machinery, and other real properties for taxation and other purposes. Local assessors will prepare the SMVs for different property classes within their jurisdictions, following the PVS and other guidelines issued by the DOF.

Securing & Expanding Capital in Real Estate Investments Transaction

SEC Memorandum Circular No. 12, Series of 2024, on "Securing & Expanding Capital in Real Estate Investment Transactions" ("SEC RENT"), sets forth the guidelines for the registration of securities by real estate developers and managers who issue investment contracts, certificates of participation, or participate in profit-sharing agreements in connection with rental pool agreements.

The Circular defines rental pool agreements as "investment contracts wherein the applicant sells or offers units in real estate projects, such as condominiums, hotels, resorts, or dormitories, to prospective buyers under the condition that the buyers contribute their units—either mandatorily or optionally—to a rental pool managed and operated by the applicant or a third-party operator." Buyers participating in rental pool agreements are entitled to a share in the profits based on agreed terms, typically derived from the income generated by renting the units to third parties.

Under SEC RENT, rental pool agreements are required to be registered as securities, following the procedures and requirements specified in the memorandum circular.

Corporate Recovery and Tax Incentives for Enterprises – Maximize Opportunities for Reinvigorating the Economy

Republic Act No. 12066, also known as the "Corporate Recovery and Tax Incentives for Enterprises – Maximize Opportunities for Reinvigorating the Economy Act" or "CREATE MORE," was signed into law on 11 November 2024. This legislation introduces significant amendments to the National Internal Revenue Code of 1997, with the aim of enhancing the country's tax framework to support economic recovery and growth.

Key provisions of the CREATE MORE Act include adjustments to corporate income tax rates, thereby promoting a more competitive tax regime for businesses operating in the Philippines. The Act also

expands the scope of deductions available under the enhanced deductions regime, allowing businesses to avail of additional tax benefits to offset operational and developmental costs.

Furthermore, CREATE MORE broadens the criteria for qualifying as a “registered business enterprise,” thereby opening up access to tax incentives for a wider range of enterprises, particularly those contributing to economic recovery and national development goals. The Act also provides for specific inclusions regarding value-added tax (VAT) exemptions and zero-rating provisions, streamlining compliance and encouraging further investment in priority sectors.

Through these measures, CREATE MORE seeks to foster a business environment conducive to growth, innovation, and sustainable economic development, while ensuring the continued modernization and efficiency of the tax system.

Capital Markets Efficiency Promotion Act (CMEPA)

On 29 May 2025, the President of the Philippines signed the CMEPA into law. In accordance with Article VI, Section 27(2) of the Philippine Constitution, the President vetoed the following provisions of the enrolled bill:

1. The removal of the tax exemption on non-residents’ income from their transactions with foreign currency deposit units (FCDUs);
2. Imposition of the documentary stamp tax on bettors in authorized number games; and
3. Repeal of tax exemptions granted to the Philippine Guarantee Corporation.

While certain provision were vetoed, the final version of the CMEPA removed the preferential tax rates and exemptions on long-term deposit or investment in the form of savings, common or individual trust funds, deposit substitutes, investment management accounts, and similar instruments.

Pursuant to the CMEPA, any tax exemption or preferential rate applicable to financial instruments issued or transacted prior to 1 July 2025 continue to be governed by the prevailing tax rate at the time of their issuance for the remaining maturity of the relevant agreement.

The CMEPA took effect on 1 July 2025, following its complete publication in the Official Gazette or in at least one (1) newspaper of general circulation.

Philippine Offshore Gaming Operations

On 22 July 2024, during his State of the Nation Address (“SONA”), President Ferdinand Marcos Jr. announced an immediate ban on all Philippine Offshore Gaming Operators (“POGOs”) due to their alleged involvement in illicit activities. Following this announcement, President Marcos directed the Philippine Amusement and Gaming Corporation (“PAGCOR”) to wind down and cease the operations of all POGOs by the end of 2024.

Subsequently, on 24 July 2024, the Bureau of Immigration (“BI”) issued a 60-day deadline for foreign nationals employed by POGOs, internet gaming licensees, and related services to leave the country. However, in August 2024, the Department of Justice (“DOJ”) suspended the BI’s 60-day deadline, citing the need to align and harmonize the government’s overall strategy on this matter.

Please refer to pages 137 to 145 of the Prospectus.

ENVIRONMENTAL LAWS

Please refer to pages 145 to 147 of the Prospectus.

PROPERTY REGISTRATION

Please refer to page 148 of the Prospectus.

NATIONALITY RESTRICTIONS

Please refer to pages 148 to 149 of the Prospectus.

LAND RECLAMATION

Please refer to page 149 of the Prospectus.

PROPERTY TAXATION

Please refer to page 149 of the Prospectus.

PHILIPPINE COMPETITION ACT

The threshold amounts were last modified by the Philippine Competition Commission on 15 April 2025. Effective 1 March 2025, parties to a merger or notification are required to provide notification when: (a) the Size of Party exceeds ₱8.5 billion; and (b) the Size of Transaction exceeds ₱3.5 billion. The adjusted threshold for Size of Transaction shall also apply to joint venture transactions.

Please refer to page 150 of the Prospectus.

REVISED CORPORATION CODE

Please refer to pages 151 to 152 of the Prospectus.

DATA PRIVACY ACT OF 2012

Please refer to page 152 of the Prospectus.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Prospective investors should read the following discussion and analysis of the Issuer's consolidated financial position and financial performance together with (i) the unaudited consolidated financial statements as at 30 June 2025 and for the six (6) months ended 30 June 2025 and 2024 and the notes thereto; and (ii) the audited consolidated financial statements as at 31 December 2024, 2023, and 2022 and for the years ended 31 December 2024, 2023, and 2022, the notes thereto, and the report of the independent auditor.

BASIS OF PREPARATION

The accompanying consolidated financial statements of the Issuer have been prepared on a historical cost basis, except for financial assets at fair value through other comprehensive income (FVOCI) and derivative financial instruments which have been measured at fair value. The consolidated financial statements are presented in Philippine peso, which is the Company's functional and presentation currency under PFRS. All values are rounded to the nearest thousand peso, except when otherwise indicated.

The accompanying consolidated financial statements have been prepared under the going concern assumption.

Statement of Compliance

The accompanying consolidated financial statements have been prepared in compliance with PFRS.

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except that the Issuer has adopted the following new accounting pronouncements starting 1 January 2025:

- Amendments to PAS 21, *Lack of exchangeability*

Please refer to Note 3 of the Issuer's consolidated financial statements, included elsewhere in this Offer Supplement, for the effect of the adoption of the new and amended accounting standards.

FINANCIAL PERFORMANCE

Six (6) months ended 30 June 2025 vs. six (6) months ended 30 June 2024

<i>(in ₱ thousands)</i>	Six (6) Months Ended 30 June			
	<i>(Unaudited)</i>		Increase (Decrease)	
	2025	2024	in ₱	in %
REVENUE				
Rent	₱40,534,048	₱37,831,521	₱2,702,527	7%
Real estate sales	20,016,127	19,585,497	430,630	2%
Others	7,493,360	7,271,227	222,133	3%
	68,043,535	64,688,245	3,355,290	5%
COSTS AND EXPENSES	33,617,640	33,621,293	(3,653)	–
INCOME FROM OPERATIONS	34,425,895	31,066,952	3,358,943	11%
OTHER INCOME (CHARGES)				
Interest expense	(6,194,432)	(5,832,086)	(362,346)	6%
Interest and dividend income	1,437,512	1,112,907	324,605	29%
Others - net	574,144	804,901	(230,757)	(29%)
	(4,182,776)	(3,914,278)	(268,498)	7%
INCOME BEFORE INCOME TAX	30,243,119	27,152,674	3,090,445	11%
PROVISION FOR INCOME TAX				
Current	4,878,612	4,347,700	530,912	12%
Deferred	485,073	292,460	192,613	66%
	5,363,685	4,640,160	723,525	16%
NET INCOME	₱24,879,434	₱22,512,514	₱2,366,920	11%
Attributable to				
Equity holders of the Parent	₱24,455,415	₱22,065,958	₱2,389,457	11%
Non-controlling interests	424,019	446,556	(22,537)	(5%)
	₱24,879,434	₱22,512,514	₱2,366,920	11%

Revenue

SM Prime recorded consolidated revenues of ₱68.04 billion in the first six (6) months of 2025, an increase of 5% compared to ₱64.69 billion in the same period of 2024, primarily due to the following:

Rent

SM Prime recorded consolidated revenues from rent of ₱40.53 billion in the first six (6) months of 2025, a 7% increase from ₱37.83 billion in the same period of 2024. 86% is contributed by the malls while 14% is from offices and hotels and convention centers.

Real Estate Sales

SM Prime's real estate sales is at ₱20.02 billion in the first six (6) months of 2025 coming from sales take-up and construction accomplishment of ongoing projects, including Calm Residences in Laguna, Gold Towers Residential-Offices in Parañaque, Glade Residences in Iloilo and Joy Residences in Bulacan.

Other Revenues

SM Prime's other revenues is at ₱7.49 billion in the first six (6) months of 2025. Other revenues include ice skating, bowling, amusement and recreation operations, sale of food and beverages in hotels, sponsorships and advertising revenues, and cinema and event ticket sales. Cinema movies shown during the first six (6) months of 2025 includes Final Destination: Bloodlines, Lilo & Stitch, A Minecraft Movie, And the Bread Winner Is and How to Train Your Dragon.

Costs and Expenses

SM Prime recorded consolidated costs and expenses of ₱33.62 billion in the first six (6) months of 2025. Operating expenses include depreciation and amortization, taxes and licenses, marketing and selling expenses, utilities and manpower costs. Gross profit margin on real estate sales (computed as the ratio of cost of real estate sold over real estate sales) is maintained at 58% in 2025.

Other Income (Charges)

Interest Expense

SM Prime's consolidated interest expense increased by 6% to ₱6.19 billion in the first six (6) months of 2025 compared to ₱5.83 billion in the same period in 2024, mainly due to the issuance of retail bonds in 2025 and 2024 to refinance existing debt and various capital expenditure requirements spent.

Interest, Dividend and Others - net

Interest, dividend and others - net increased to ₱2.01 billion in the first six (6) months of 2025 compared to ₱1.92 billion in the same period in 2024. This consists of interest income from cash and cash equivalents, dividend income from equity instruments, equity in net earnings from associates and joint ventures and foreign exchange gains and losses.

Provision for income tax

SM Prime's consolidated provision for income tax is at ₱5.36 billion in the first six (6) months of 2025 compared to ₱4.64 billion in the same period in 2024.

Net income attributable to Parent

SM Prime's net income attributable to Parent increased by 11% to ₱24.46 billion in the first six (6) months of 2025 compared to ₱22.07 billion in the same period in 2024.

Year ended 31 December 2024 vs. year ended 31 December 2023

<i>(in ₱ thousands)</i>	Years Ended 31 December			
	<i>(Audited)</i>		Increase (Decrease)	
	2024	2023	in ₱	in %
REVENUE				
Rent	₱78,673,921	₱72,113,957	₱6,559,964	9%
Real estate sales	45,904,595	42,040,409	3,864,186	9%
Others	15,812,356	13,943,175	1,869,181	13%
	140,390,872	128,097,541	12,293,331	10%
COSTS AND EXPENSES	72,353,754	66,818,300	5,535,454	8%
INCOME FROM OPERATIONS	68,037,118	61,279,241	6,757,877	11%
OTHER INCOME (CHARGES)				
Interest expense	(13,934,024)	(13,963,271)	29,247	–
Interest and dividend income	2,228,723	2,185,156	43,567	2%
Others - net	510,648	338,693	171,955	51%
	(11,194,653)	(11,439,422)	244,769	(2%)
INCOME BEFORE INCOME TAX	56,842,465	49,839,819	7,002,646	14%
PROVISION FOR INCOME TAX				
Current	9,034,395	8,211,259	823,136	10%
Deferred	1,268,634	764,715	503,919	66%
	10,303,029	8,975,974	1,327,055	15%
NET INCOME	₱46,539,436	₱40,863,845	₱5,675,591	14%
Attributable to				
Equity holders of the Parent	₱45,631,764	₱40,010,501	₱5,621,263	14%
Non-controlling interests	907,672	853,344	54,328	6%
	₱46,539,436	₱40,863,845	₱5,675,591	14%

Revenue

SM Prime recorded consolidated revenues of ₱140.39 billion in 2024, an increase of 10% compared to ₱128.10 billion, primarily due to the following:

Rent

SM Prime recorded consolidated revenues from rent of ₱78.67 billion in 2024, a 9% increase from ₱72.11 billion. 83% is contributed by the malls while 17% is from offices and hotels and convention centers.

Real Estate Sales

SM Prime's real estate sales increased by 9% to ₱45.90 billion in 2024 from ₱42.04 billion due to sales take-up and construction accomplishment of ongoing projects, including Now Residences in Pampanga, Vail Residences in Cagayan de Oro, Gold Towers Residential-Offices in Parañaque, Glade Residences in Iloilo, and Calm Residences in Laguna.

Other Revenues

SM Prime's other revenues increased by 13% to ₱15.81 billion in 2024 from ₱13.94 billion. Other revenues include ice skating, bowling, amusement and recreation operations, sale of food and beverages in hotels, sponsorships and advertising revenues, and cinema and event ticket sales. Cinema improved due to high ticket sales from movies shown during the year, Hello, Love, Again, Inside Out 2, Moana 2, Rewind, and Deadpool & Wolverine.

Costs and Expenses

SM Prime recorded consolidated costs and expenses of ₱72.35 billion in 2024, an increase of 8% from ₱66.82 billion, mainly from operating expenses which include depreciation and amortization, taxes and licenses, marketing and selling expenses, utilities and manpower costs. Gross profit margin on real estate sales (computed as the ratio of cost of real estate sold over real estate sales) is 58% in 2024.

Other Income (Charges)

Interest, Dividend and Others - net

Interest, dividend and others - net increased to ₱2.74 billion in 2024 compared to ₱2.52 billion. This consists of interest income from cash and cash equivalents, dividend income from equity instruments, equity in net earnings from associates and joint ventures and foreign exchange gains and losses.

Provision for income tax

SM Prime's consolidated provision for income tax is at ₱10.30 billion in 2024 compared to ₱8.98 billion.

Net income attributable to Parent

SM Prime's consolidated net income attributable to Parent increased by 14% to ₱45.63 billion in 2024 compared to ₱40.01 billion.

Year ended 31 December 2023 vs. year ended 31 December 2022

<i>(in ₱ thousands)</i>	Years Ended 31 December			
	(Audited)		Increase (Decrease)	
	2023	2022	in ₱	in %
REVENUE				
Rent	₱72,113,957	₱58,243,913	₱13,870,044	24%
Real estate sales	42,040,409	39,046,514	2,993,895	8%
Others	13,943,175	8,495,208	5,447,967	64%
	128,097,541	105,785,635	22,311,906	21%
COSTS AND EXPENSES	66,818,300	56,542,322	10,275,978	18%
INCOME FROM OPERATIONS	61,279,241	49,243,313	12,035,928	24%
OTHER INCOME (CHARGES)				
Interest expense	(13,963,271)	(11,465,787)	(2,497,484)	22%
Interest and dividend income	2,185,156	1,775,740	409,416	23%
Others - net	338,693	(839,262)	1,177,955	(140%)
	(11,439,422)	(10,529,309)	(910,113)	9%
INCOME BEFORE INCOME TAX	49,839,819	38,714,004	11,125,815	29%
PROVISION FOR INCOME TAX				
Current	8,211,259	6,783,913	1,427,346	21%
Deferred	764,715	1,186,962	(422,247)	(36%)
	8,975,974	7,970,875	1,005,099	13%
NET INCOME	₱40,863,845	₱30,743,129	₱10,120,716	33%
Attributable to				
Equity holders of the Parent	₱40,010,501	₱30,099,799	₱9,910,702	33%
Non-controlling interests	853,344	643,330	210,014	33%
	₱40,863,845	₱30,743,129	₱10,120,716	33%

Revenue

SM Prime recorded consolidated revenues of ₱128.10 billion in 2023, an increase of 21% compared to ₱105.79 billion in the same period of 2022, primarily due to the following:

Rent

SM Prime recorded consolidated revenues from rent of ₱72.11 billion in 2023, a 24% increase from ₱58.24 billion in the same period of 2022. 85% is contributed by the malls while 15% is from offices and hotels and convention centers.

Real Estate Sales

SM Prime recorded real estate sales of ₱42.04 billion in 2023 compared to ₱39.05 billion in the same period of 2022 primarily due to higher sales take-up and construction accomplishments of various projects including Gold Residences, Mint Residences, Sands Residences, Shore Residences, Cheerful Residences and South Residences. Reservation sales is at ₱102 billion in 2023.

Other Revenues

SM Prime's other revenues increased to ₱13.94 billion in 2023 from ₱8.50 billion in the same period in 2022 as the cinema, leisure and entertainment businesses reopen its doors to patrons. Other revenues include cinema ticket sales, sponsorships and advertising revenues, bowling operations, and sale of food and beverages in hotels. Cinemas improved due to high ticket sales from movies shown during the year, including *Insidious: The Red Door*, *The Little Mermaid*, *John Wick: Chapter 4*, *Avatar: The Way of Water*, and *Barbie*. Leisure and entertainment business benefited from the new normal condition.

Costs and Expenses

SM Prime recorded consolidated costs and expenses of ₱66.82 billion in 2023, an increase of 18% from ₱56.54 billion in the same period in 2022, mainly from operating expenses which include depreciation and amortization, taxes and licenses, marketing and selling expenses, utilities and manpower costs. Gross profit margin on real estate sales (computed as the ratio of cost of real estate sold over real estate sales) is 60% in 2023 as a result of improving cost efficiencies and tighter monitoring and control of construction cost.

Other Income (Charges)

Interest Expense

SM Prime's consolidated interest expense increased to ₱13.96 billion in 2023 compared to ₱11.47 billion in the same period in 2022 mainly due to the issuance of retail bonds in 2023 and 2022 and new bank loans availed for working capital and capital expenditure requirements, net of the capitalized interest on proceeds spent for construction and development of investment properties.

Interest, Dividend and Others - net

Interest, dividend and others - net increased to ₱2.52 billion in 2023 compared to ₱0.94 billion in the same period in 2022. This mainly consists of interest income from cash and cash equivalents, dividend income from equity instruments, equity in net earnings from associates and joint ventures and foreign exchange gains and losses.

Provision for income tax

SM Prime's consolidated provision for income tax increased to ₱8.98 billion in 2023 compared to ₱7.97 billion in the same period in 2022.

Net income attributable to Parent

SM Prime's consolidated net income attributable to Parent increased by 33% to ₱40.01 billion in 2023 compared to ₱30.10 billion in the same period in 2022.

Year ended 31 December 2022 vs. year ended 31 December 2021

<i>(in ₱ thousands)</i>	Years Ended 31 December			
	(Audited)		Increase (Decrease)	
	2022	2021	in ₱	in %
REVENUE				
Rent	₱58,243,913	₱34,694,185	₱23,549,728	68%
Real estate sales	39,046,514	45,116,120	(6,069,606)	(13%)
Others	8,495,208	2,505,179	5,990,029	239%
	105,785,635	82,315,484	23,470,151	29%
COSTS AND EXPENSES	56,542,322	49,900,933	6,641,389	13%
INCOME FROM OPERATIONS	49,243,313	32,414,551	16,828,762	52%
OTHER INCOME (CHARGES)				
Interest expense	(11,465,787)	(9,357,616)	(2,108,171)	23%
Interest and dividend income	1,775,740	1,025,066	750,674	73%
Others - net	(839,262)	3,651,524	(4,490,786)	(123%)
	(10,529,309)	(4,681,026)	(5,848,283)	125%
INCOME BEFORE INCOME TAX	38,714,004	27,733,525	10,980,479	40%
PROVISION FOR INCOME TAX				
Current	6,783,913	2,816,720	3,967,193	141%
Deferred	1,186,962	3,005,402	(1,818,440)	(61%)
	7,970,875	5,822,122	2,148,753	37%
NET INCOME	₱30,743,129	₱21,911,403	₱8,831,726	40%
Attributable to				
Equity holders of the Parent	₱30,099,799	₱21,786,516	₱8,313,283	38%
Non-controlling interests	643,330	124,887	518,443	415%
	₱30,743,129	₱21,911,403	₱8,831,726	40%

Revenues

SM Prime recorded consolidated revenues of ₱105.79 billion in 2022, an increase of 29% compared to ₱82.32 billion in the same period of 2021, primarily due to the following:

Rent

SM Prime recorded consolidated revenues from rent of ₱58.24 billion in 2022, a 68% increase from ₱34.69 billion in the same period of 2021. Malls operated on a new normal with the easing of mobility restrictions and 85% of the total rental revenues is contributed by the malls while 15% is from offices, hotels and convention centers.

Real Estate Sales

SM Prime recorded real estate sales of ₱39.05 billion in 2022, a decrease of 13% from ₱45.12 billion in 2021 as a result of the spillover effect of the lapse of Bayanihan Act, which gave a reprieve to unit buyers during the height of the pandemic. Reservation sales in 2022 increased by 3% to ₱102.00 billion from ₱98.89 billion in the same period last year.

Other Revenues

SM Prime's other revenues increased to ₱8.50 billion in 2022 from ₱2.51 billion in the same period in 2021 as the cinema, leisure and entertainment businesses reopened its doors to patrons. Cinemas improved due to high ticket sales from blockbuster movies shown during the year, including Doctor Strange in the Multiverse of Madness, Avatar: The Way of Water and Black Panther: Wakanda Forever. Leisure and entertainment businesses benefited from the new normal condition. Other revenues also include cinema and event ticket sales, sponsorships and advertising revenues, bowling operations and sale of food and beverages in hotels.

Costs and Expenses

SM Prime recorded consolidated costs and expenses of ₱56.54 billion in 2022, an increase of 13% from ₱49.90 billion in the same period in 2021, as a result of the following:

Costs of Real Estate

Consolidated costs of real estate decreased by 10% to ₱16.90 billion in 2022 from ₱18.69 billion in the same period in 2021. Gross profit margin on real estate sales (computed as the ratio of cost of real estate sold over real estate sales) is 57% in 2022 from 59% in 2021.

Operating Expenses

SM Prime's consolidated operating expenses increased by 27% to ₱39.64 billion in 2022 compared to last year's ₱31.21 billion. Out of the total operating expenses, 68% is contributed by the malls. Operating expenses include depreciation and amortization, taxes and licenses, marketing and selling expenses, utilities and manpower costs.

Other Income (Charges)

Interest Expense

SM Prime's consolidated interest expense increased by 23% to ₱11.47 billion in 2022 compared to ₱9.36 billion in the same period in 2021 mainly due to the issuance of retail bonds in 2021 and 2022, respectively, and new bank loans availed for working capital and capital expenditure requirements, net of the capitalized interest on proceeds spent for construction and development of investment properties.

Interest, Dividend and Others - net

Interest, dividend and others - net decreased to ₱0.94 billion in 2022 from last year's ₱4.68 billion. This mainly consists of interest income from cash and cash equivalents, dividend income from equity instruments, equity in net earnings from associates and joint ventures and foreign exchange gains and losses.

Provision for income tax - net

SM Prime's consolidated provision for income tax - net increased to ₱7.97 billion in 2022 compared to ₱5.82 billion in the same period in 2021.

Net income attributable to Parent

SM Prime's consolidated net income attributable to Parent increased by 38% to ₱30.10 billion in 2022 as compared to ₱21.79 billion in the same period in 2021.

FINANCIAL CONDITION

30 June 2025 vs. 31 December 2024

<i>(in ₱ thousands)</i>	(Unaudited) 30 June 2025	(Audited) 31 December 2024	Increase (Decrease) in ₱	in %
ASSETS				
Current Assets				
Cash and cash equivalents	₱27,850,239	₱31,246,171	(3,395,932)	(11%)
Receivables and contract assets	96,250,312	92,506,904	3,743,408	4%
Real estate inventories	75,594,647	76,927,527	(1,332,880)	(2%)
Equity instruments at FVOCI	821,378	794,433	26,945	3%
Derivative assets	2,060,787	780,087	1,280,700	164%
Prepaid expenses and other current assets	29,904,088	28,426,708	1,477,380	5%
Total Current Assets	232,481,451	230,681,830	1,799,621	1%
Noncurrent Assets				
Equity instruments at FVOCI - net of current portion	21,235,521	20,392,800	842,721	4%
Investment properties	628,852,752	601,339,921	27,512,831	5%
Investments in associates and joint ventures	34,528,761	33,108,359	1,420,402	4%
Deferred tax assets - net	1,606,085	1,634,307	(28,222)	(2%)
Derivative assets - net of current portion	173,046	3,990,740	(3,817,694)	(96%)
Other noncurrent assets	132,022,536	128,282,773	3,739,763	3%
Total Noncurrent Assets	818,418,701	788,748,900	29,669,801	4%
	₱1,050,900,152	₱1,019,430,730	₱31,469,422	3%
LIABILITIES AND EQUITY				
Current Liabilities				
Loans payable	₱22,137,842	₱17,312,356	₱4,825,486	28%
Accounts payable and other current liabilities	106,980,484	103,788,961	3,191,523	3%
Current portion of long-term debt	105,039,862	89,287,442	15,752,420	18%
Derivative liabilities	189,991	-	189,991	-
Income tax payable	1,376,741	1,606,324	(229,583)	(14%)
Total Current Liabilities	235,724,920	211,995,083	23,729,837	11%
Noncurrent Liabilities				
Long-term debt - net of current portion	279,767,065	283,320,341	(3,553,276)	(1%)
Tenants' and customers' deposits - net of current portion	29,454,560	30,528,879	(1,074,319)	(4%)
Deferred tax liabilities - net	14,382,883	13,923,287	459,596	3%
Derivative liabilities - net of current portion	102,655	50,447	52,208	103%
Other noncurrent liabilities	45,473,457	43,372,203	2,101,254	5%
Total Noncurrent Liabilities	369,180,620	371,195,157	(2,014,537)	(1%)
Total Liabilities	₱604,905,540	₱583,190,240	₱21,715,300	4%

Equity Attributable to Equity Holders of the Parent				
Capital stock	₱33,166,300	₱33,166,300	₱–	–
Additional paid-in capital - net	38,164,631	38,164,173	458	–
Cumulative translation adjustment	2,877,824	3,135,756	(257,932)	(8%)
Net fair value changes of equity instruments at FVOCI	18,519,905	17,807,766	712,139	4%
Net fair value changes on cash flow hedges	(482,773)	604,031	(1,086,804)	(180%)
Remeasurement loss on defined benefit obligation	(792,229)	(792,229)	–	–
Retained earnings:				
Appropriated	100,000,000	100,000,000	–	–
Unappropriated	254,598,490	243,991,970	10,606,520	4%
Treasury stock	(3,164,535)	(2,984,695)	(179,840)	6%
Total Equity Attributable to Equity Holders of the Parent	442,887,613	433,093,072	9,794,541	2%
Non-controlling Interests	3,106,999	3,147,418	(40,419)	(1%)
Total Equity	445,994,612	436,240,490	9,754,122	2%
	₱1,050,900,152	₱1,019,430,730	₱31,469,422	3%

SM Prime's total assets amounted to ₱1,050.90 billion and ₱1,019.43 billion as of 30 June 2025 and 31 December 2024, respectively.

Cash and cash equivalents decreased to ₱27.85 billion from ₱31.25 billion as of 30 June 2025 and 31 December 2024, respectively, mainly due to various capital expenditures and payments of dividends and maturing debts, net of collections from operations.

Derivative assets - net decreased to ₱1.94 billion from ₱4.72 billion as of 30 June 2025 and 31 December 2024, respectively, mainly due to net fair value changes on interest rate and foreign exchange swap transactions and maturities during the period.

Prepaid expenses and other current assets increased by 5% to ₱29.90 billion from ₱28.43 billion as of 30 June 2025 and 31 December 2024, respectively, due to increase in input taxes and advances to contractors related to construction of residential projects.

Investment properties increased by 5% to ₱628.85 billion from ₱601.34 billion as of 30 June 2025 and 31 December 2024, respectively, primarily due to ongoing integrated commercial developments, construction of new mall projects and redevelopment of existing malls, net of depreciation expense for the period.

Income tax payable decreased to ₱1.38 billion from ₱1.61 billion as of 30 June 2025 and 31 December 2024, respectively, mainly due to payments, net of provisions for the year.

Other noncurrent liabilities increased to ₱45.47 billion from ₱43.37 billion as of 30 June 2025 and 31 December 2024, respectively, due to increase in retention payable and deferred output VAT related to sale of residential projects.

Cumulative translation adjustment decreased to ₱2.88 billion from ₱3.14 billion as of 30 June 2025 and 31 December 2024, respectively, as a result of foreign exchange movement between periods.

Treasury shares increased to ₱3.16 billion from ₱2.98 billion as of 30 June 2025 and 31 December 2024, respectively, mainly due to buy back of shares for the period.

The Company has no known direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation. There were no contingent liabilities or assets in

the Company's balance sheet. The Company has no off-balance sheet transactions, arrangements, obligations during the reporting year as of balance sheet date.

As at 30 June 2025 and 31 December 2024, the retained earnings appropriated for the capital expenditures on planned construction projects and landbanking activities amounted to ₱100 billion. The appropriation is expected to be utilized within 2025.

31 December 2024 vs. 31 December 2023

<i>(in ₱ thousands)</i>	(Audited)		Increase (Decrease)	
	2024	2023	in ₱	in %
ASSETS				
Current Assets				
Cash and cash equivalents	₱31,246,171	₱31,816,802	(₱570,631)	(2%)
Receivables and contract assets	92,506,904	76,952,202	15,554,702	20%
Real estate inventories	76,927,527	77,886,781	(959,254)	(1%)
Equity instruments at FVOCI	794,433	747,840	46,593	6%
Derivative assets	780,087	2,247,073	(1,466,986)	(65%)
Prepaid expenses and other current assets	28,426,708	27,804,930	621,778	2%
Total Current Assets	230,681,830	217,455,628	13,226,202	6%
Noncurrent Assets				
Equity instruments at FVOCI - net of current portion	20,392,800	19,570,212	822,588	4%
Investment properties	601,339,921	545,074,746	56,265,175	10%
Investments in associates and joint ventures	33,108,359	32,431,195	677,164	2%
Property and equipment	1,493,295	1,554,990	(61,695)	(4%)
Deferred tax assets - net	1,634,307	1,492,359	141,948	10%
Derivative assets - net of current portion	3,990,740	3,276,971	713,769	22%
Other noncurrent assets	126,789,478	122,471,474	4,318,004	4%
Total Noncurrent Assets	788,748,900	725,871,947	62,876,953	9%
Total Assets	₱1,019,430,730	₱943,327,575	₱76,103,155	8%
LIABILITIES AND EQUITY				
Current Liabilities				
Loans payable	₱17,312,356	₱4,288,964	₱13,023,392	304%
Accounts payable and other current liabilities	103,788,961	99,084,851	4,704,110	5%
Current portion of long-term debt	89,287,442	67,746,351	21,541,091	32%
Income tax payable	1,606,324	1,295,842	310,482	24%
Total Current Liabilities	211,995,083	172,416,008	39,579,075	23%
Noncurrent Liabilities				
Long-term debt – net of current portion	283,320,341	294,622,256	(11,301,915)	(4%)
Tenants' and customers' deposits – net of current portion	30,528,879	25,301,504	5,227,375	21%
Deferred tax liabilities – net	13,923,287	12,458,096	1,465,191	12%
Derivative liabilities – net of current portion	50,447	265,013	(214,566)	(81%)
Other noncurrent liabilities	43,372,203	39,377,662	3,994,541	10%
Total Noncurrent Liabilities	371,195,157	372,024,531	(829,374)	–
Total Liabilities	₱583,190,240	₱544,440,539	₱38,749,701	7%

Equity Attributable to Equity Holders of the Parent

Capital stock	₱33,166,300	₱33,166,300	₱-	-
Additional paid-in capital – net	38,164,173	38,159,900	4,273	-
Cumulative translation adjustment	3,135,756	2,556,139	579,617	23%
Net fair value changes of equity instruments at FVOCI	17,807,766	16,938,503	869,263	5%
Net fair value changes on cash flow hedges	604,031	1,079,094	(475,063)	(44%)
Remeasurement loss on defined benefit obligation	(792,229)	(1,062,437)	270,208	(25%)
Retained earnings:				
Appropriated	100,000,000	42,200,000	57,800,000	137%
Unappropriated	243,991,970	266,143,815	(22,151,845)	(8%)
Treasury stock	(2,984,695)	(2,984,695)	-	-
Total Equity Attributable to Equity Holders of the Parent	433,093,072	396,196,619	36,896,453	9%
Non-controlling Interests	3,147,418	2,690,417	457,001	17%
Total Equity	436,240,490	398,887,036	37,353,454	9%
	₱1,019,430,730	₱943,327,575	₱76,103,155	8%

SM Prime's total assets amounted to ₱1,019.43 billion and ₱943.33 billion as of 31 December 2024 and 31 December 2023, respectively. SM Prime's total assets surpassed ₱1 trillion, an 8% upturn.

Receivables and contract assets increased to ₱92.51 billion from ₱76.95 billion as of 31 December 2024 and 31 December 2023, respectively, mainly due to high take up of residential projects.

Derivative assets - net decreased to ₱4.72 billion from ₱5.25 billion as of 31 December 2024 and 31 December 2023, respectively, mainly due to net fair value changes on interest rate and foreign exchange swap transactions and maturities during the period.

Investment properties increased by 10% to ₱601.34 billion from ₱545.07 billion as of 31 December 2024 and 31 December 2023, respectively, primarily due to ongoing integrated commercial developments, new mall projects and redevelopment of existing malls, and construction of commercial projects, net of depreciation expense for the period.

Deferred tax asset - net increased to ₱1.63 billion from ₱1.49 billion as of 31 December 2024 and 31 December 2023, respectively. Deferred tax liabilities - net increased to ₱13.92 billion from ₱12.46 billion as of 31 December 2024 and 31 December 2023, respectively, mainly due to unrealized gross profit on sale of real estate for income tax purposes.

Interest-bearing debt, which includes Loans payable and Long-term debt, increased by 6% to ₱389.92 billion from ₱366.66 billion as of 31 December 2024 and 31 December 2023, respectively, due to net availments for the period for integrated commercial developments and foreign exchange translation.

Accounts payable and other current liabilities increased by 5% to ₱103.79 billion from ₱99.08 billion as of 31 December 2024 and 31 December 2023, respectively, due to payables to contractors and suppliers related to ongoing projects.

Income tax payable increased to ₱1.61 billion from ₱1.30 billion as of 31 December 2024 and 31 December 2023, respectively, mainly due to tax provisions, net of payments for the year.

Tenants' and customers' deposits – net of current portion increased by 21% to ₱30.53 billion from ₱25.30 billion as of 31 December 2024 and 31 December 2023, respectively, and is attributable to the new malls and office building tenants.

Other noncurrent liabilities increased to ₱43.37 billion from ₱39.38 billion as of 31 December 2024 and 31 December 2023, respectively, due to increase in deferred output VAT related to sale of residential projects, retention payable, net of payments of liability for purchased land.

Cumulative translation adjustment increased to ₱3.14 billion from ₱2.56 billion as of 31 December 2024 and 31 December 2023, respectively, as a result of foreign exchange movement between periods.

Non-controlling interests increased to ₱3.15 billion from ₱2.69 billion as of 31 December 2024 and 31 December 2023, respectively, due to increase in net income attributable to non-controlling interests, net of dividends declared for the period.

The Company has no known direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation. There were no contingent liabilities or assets in the Company's balance sheet. The Company has no off-balance sheet transactions, arrangements, obligations during the reporting year as of balance sheet date.

As at 31 December 2024, the retained earnings appropriated for the capital expenditures on planned construction projects and landbanking activities amounted to ₱100 billion. The appropriation is expected to be utilized within 2025.

31 December 2023 vs. 31 December 2022

<i>(in ₱ thousands)</i>	(Audited)		Increase (Decrease)	
	2023	2022	in ₱	in %
ASSETS				
Current Assets				
Cash and cash equivalents	₱31,816,802	₱42,060,082	(₱10,243,280)	(24%)
Receivables and contract assets	76,952,202	82,560,354	(5,608,152)	(7%)
Real estate inventories	77,886,781	70,500,025	7,386,756	10%
Equity instruments at FVOCI	747,840	534,865	212,975	40%
Derivative assets	2,247,073	585,576	1,661,497	284%
Prepaid expenses and other current assets	27,804,930	25,767,334	2,037,596	8%
Total Current Assets	217,455,628	222,008,236	(4,552,608)	(2%)
Noncurrent Assets				
Equity instruments at FVOCI - net of current portion	19,570,212	17,077,198	2,493,014	15%
Investment properties	545,074,746	489,266,042	55,808,704	11%
Investments in associates and joint ventures	32,431,195	30,578,320	1,852,875	6%
Property and equipment	1,554,990	1,399,840	155,150	11%
Deferred tax assets - net	1,492,359	931,366	560,993	60%
Derivative assets - net of current portion	3,276,971	6,752,744	(3,475,773)	(51%)
Other noncurrent assets	122,471,474	106,200,906	16,270,568	15%
Total Noncurrent Assets	725,871,947	652,206,416	73,665,531	11%
Total Assets	₱943,327,575	₱874,214,652	₱69,112,923	8%
LIABILITIES AND EQUITY				
Current Liabilities				
Loans payable	₱4,288,964	₱5,422,524	(₱1,133,560)	(21%)
Accounts payable and other current liabilities	99,077,428	88,122,597	10,954,831	12%
Current portion of long-term debt	67,746,351	50,839,776	16,906,575	33%
Derivative liabilities	7,423	19,496	(12,073)	(62%)
Income tax payable	1,295,842	765,909	529,933	69%
Total Current Liabilities	172,416,008	145,170,302	27,245,706	19%
Noncurrent Liabilities				
Long-term debt – net of current portion	294,622,256	296,134,836	(1,512,580)	(1%)
Tenants' and customers' deposits – net of current portion	25,301,504	23,799,162	1,502,342	6%
Deferred tax liabilities – net	12,458,096	11,140,040	1,318,056	12%
Derivative liabilities – net of current portion	265,013	294,403	(29,390)	(10%)
Other noncurrent liabilities	39,377,662	32,524,303	6,853,359	21%
Total Noncurrent Liabilities	372,024,531	363,892,744	8,131,787	2%
Total Liabilities	₱544,440,539	₱509,063,046	₱35,377,493	7%

Equity Attributable to Equity Holders of the Parent				
Capital stock	₱33,166,300	₱33,166,300	₱–	–
Additional paid-in capital – net	38,159,900	38,124,193	35,707	–
Cumulative translation adjustment	2,556,139	3,435,171	(879,032)	(26%)
Net fair value changes of equity instruments at FVOCI	16,938,503	14,232,514	2,705,989	19%
Net fair value changes on cash flow hedges	1,079,094	2,984,605	(1,905,511)	(64%)
Remeasurement loss on defined benefit obligation	(1,062,437)	(928,882)	(133,555)	14%
Retained earnings:				
Appropriated	42,200,000	42,200,000	–	–
Unappropriated	266,143,815	232,972,284	33,171,531	14%
Treasury stock	(2,984,695)	(2,984,695)	–	–
Total Equity Attributable to Equity Holders of the Parent	396,196,619	363,201,490	32,995,129	9%
Non-controlling Interests	2,690,417	1,950,116	740,301	38%
Total Equity	398,887,036	365,151,606	33,735,430	9%
	₱943,327,575	₱874,214,652	₱69,112,923	8%

SM Prime's total assets amounted to ₱943.33 billion and ₱874.21 billion as of 31 December 2023 and 31 December 2022, respectively.

Cash and cash equivalents decreased to ₱31.82 billion from ₱42.06 billion as of 31 December 2023 and 31 December 2022, respectively, mainly due to various capital expenditures and payments of maturing debts, net of collections from operations.

Receivables and contract assets decreased by 7% to ₱76.95 billion from ₱82.56 billion as of 31 December 2023 and December 31, 2022, respectively, mainly due to collections made for the period.

Real estate inventories increased by 10% to ₱77.89 billion from ₱70.50 billion as of 31 December 2023 and 31 December 2022, respectively, due to construction accomplishments for the period, net of cost of sold units.

Equity instruments at FVOCI increased by 15% to ₱20.32 billion from ₱17.61 billion as of 31 December 2023 and 31 December 2022, respectively, with equivalent increase of 19% in net fair value changes of equity instruments at FVOCI to ₱16.94 billion from ₱14.23 billion as of 31 December 2023 and 31 December 2022, respectively, due to changes in fair values under this portfolio.

Derivative assets - net decreased to ₱5.25 billion from ₱7.02 billion as of 31 December 2023 and 31 December 2022, respectively, mainly due to foreign exchange and net fair value changes on swap transactions and maturities during the period. Net fair value changes on cash flow hedges decreased to ₱1.08 billion from ₱2.98 billion unrealized gain as of 31 December 2023 and 31 December 2022, respectively.

Prepaid expenses and other current assets increased by 8% to ₱27.80 billion from ₱25.77 billion as of 31 December 2023 and 31 December 2022, respectively, due to increase in prepaid taxes and input and creditable withholding taxes.

Investment properties increased by 11% to ₱545.07 billion from ₱489.27 billion as of 31 December 2023 and 31 December 2022, respectively, primarily due to landbanking, ongoing new mall projects, redevelopment of existing malls, and construction of commercial projects, net of depreciation expense for the period.

Investments in associates and joint ventures increased by 6% to ₱32.43 billion from ₱30.58 billion as of 31 December 2023 and 31 December 2022, respectively, due to equity in net earnings of associates and joint ventures.

Property and equipment increased by 11% to ₱1.55 billion from ₱1.40 billion as of 31 December 2023 and 31 December 2022, respectively, primarily due to additions, net of depreciation during the period.

Deferred tax asset - net increased to ₱1.49 billion from ₱0.93 billion as of 31 December 2023 and 31 December 2022, respectively. Deferred tax liabilities - net increased to ₱12.46 billion from ₱11.14 billion as of 31 December 2023 and 31 December 2022, respectively, mainly due to unrealized gross profit on sale of real estate for income tax purposes.

Other noncurrent assets, which includes noncurrent portion of receivables from sale of real estate and bonds and deposits for real estate acquisitions, increased by 15% to ₱122.47 billion from ₱106.20 billion as of 31 December 2023 and 31 December 2022, respectively.

Loans payable decreased to ₱4.29 billion from ₱5.42 billion as of 31 December 2023 and 31 December 2022, respectively, due to payments, net of loan availments for the period.

Accounts payable and other current liabilities increased by 12% to ₱99.08 billion from ₱88.12 billion as of 31 December 2023 and 31 December 2022, respectively, mainly due to payables to contractors and suppliers related to ongoing projects, current portion of liability for purchased land and customers' deposits.

Income tax payable increased to ₱1.30 billion from ₱0.77 billion as of 31 December 2023 and 31 December 2022, respectively, mainly due to provisions, net of payments for the year.

Long-term debt increased by 4% to ₱362.37 billion from ₱346.97 billion as of 31 December 2023 and 31 December 2022, respectively, mainly due to issuance of retail bonds and new debt availments, net of payments of maturities during the period.

Tenants' and customers' deposits – net of current portion increased by 6% to ₱25.30 billion from ₱23.80 billion as of 31 December 2023 and 31 December 2022, respectively, mainly due to the new malls and office building tenants.

Other noncurrent liabilities increased to ₱39.38 billion from ₱32.52 billion as of 31 December 2023 and 31 December 2022, respectively, due to increase in deferred output VAT related to sale of residential projects and retention payable.

Cumulative translation adjustment decreased to ₱2.56 billion from ₱3.44 billion as of 31 December 2023 and 31 December 2022, respectively, as a result of foreign exchange movement between years.

Non-controlling interests increased by 38% to ₱2.69 billion from ₱1.95 billion as of 31 December 2023 and 31 December 2022, respectively, due to increase in net income for the period.

The Company has no known direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation. There were no contingent liabilities or assets in the Company's balance sheet. The Company has no off-balance sheet transactions, arrangements, obligations during the reporting year as of balance sheet date.

As at 31 December 2023 and 31 December 2022, the amount of retained earnings appropriated for the continuous corporate and mall expansions amounted to ₱42.20 billion. This represents a continuing appropriation for land banking activities and planned construction projects. The appropriation is being fully utilized to cover part of the annual capital expenditure requirement of the Company.

31 December 2022 vs. 31 December 2021

<i>(in ₱ thousands)</i>	(Audited)		Increase (Decrease)	
	2022	2021	in ₱	in %
ASSETS				
Current Assets				
Cash and cash equivalents	₱42,060,082	₱39,775,852	₱2,284,230	6%
Receivables and contract assets	82,560,354	73,019,966	9,540,388	13%
Real estate inventories	70,500,025	56,575,047	13,924,978	25%
Equity instruments at FVOCI	534,865	547,041	(12,176)	(2%)
Derivative assets	585,576	753,506	(167,930)	(22%)
Prepaid expenses and other current assets	25,767,334	24,993,357	773,977	3%
Total Current Assets	222,008,236	195,664,769	26,343,467	13%
Noncurrent Assets				
Equity instruments at FVOCI - net of current portion	17,077,198	17,400,372	(323,174)	(2%)
Investment properties	489,266,042	467,391,988	21,874,054	5%
Investments in associates and joint ventures	30,578,320	29,187,435	1,390,885	5%
Property and equipment	1,399,840	1,372,276	27,564	2%
Deferred tax assets - net	931,366	734,975	196,391	27%
Derivative assets - net of current portion	6,752,744	1,043,670	5,709,074	547%
Other noncurrent assets	106,200,906	91,607,795	14,593,111	16%
Total Noncurrent Assets	652,206,416	608,738,511	43,467,905	7%
Total Assets	₱874,214,652	₱804,403,280	₱69,811,372	9%
LIABILITIES AND EQUITY				
Current Liabilities				
Loans payable	₱5,422,524	₱6,487,427	(₱1,064,903)	(16%)
Accounts payable and other current liabilities	88,122,597	91,377,717	(3,255,120)	(4%)
Current portion of long-term debt	50,839,776	42,261,601	8,578,175	20%
Derivative liabilities	19,496	335,367	(315,871)	(94%)
Income tax payable	765,909	563,387	202,522	36%
Total Current Liabilities	145,170,302	141,025,499	4,144,803	3%
Noncurrent Liabilities				
Long-term debt – net of current portion	296,134,836	264,969,216	31,165,620	12%
Tenants' and customers' deposits – net of current portion	23,799,162	21,458,281	2,340,881	11%
Liability for purchased land – net of current portion	1,129,719	2,540,050	(1,410,331)	(56%)
Deferred tax liabilities – net	11,140,040	9,688,555	1,451,485	15%
Derivative liabilities – net of current portion	294,403	1,748,186	(1,453,783)	(83%)
Other noncurrent liabilities	31,394,584	28,612,720	2,781,864	10%
Total Noncurrent Liabilities	363,892,744	329,017,008	34,875,736	11%
Total Liabilities	₱509,063,046	₱470,042,507	₱39,020,539	8%

Equity Attributable to Equity Holders of the Parent				
Capital stock	₱33,166,300	₱33,166,300	₱–	–
Additional paid-in capital – net	38,124,193	38,056,016	68,177	–
Cumulative translation adjustment	3,435,171	3,083,184	351,987	11%
Net fair value changes of equity instruments at FVOCI	14,232,514	14,708,368	(475,854)	(3%)
Net fair value changes on cash flow hedges	2,984,605	(432,883)	3,417,488	789%
Remeasurement loss on defined benefit obligation	(928,882)	(548,643)	(380,239)	69%
Retained earnings:				
Appropriated	42,200,000	42,200,000	–	–
Unappropriated	232,972,284	205,671,557	27,300,727	13%
Treasury stock	(2,984,695)	(2,984,695)	–	–
Total Equity Attributable to Equity Holders of the Parent	363,201,490	332,919,204	30,282,286	9%
Non-controlling Interests	1,950,116	1,441,569	508,547	35%
Total Equity	365,151,606	334,360,773	30,790,833	9%
	₱874,214,652	₱804,403,280	₱69,811,372	9%

SM Prime's total assets amounted to ₱874.21 billion and ₱804.40 billion as of 31 December 2022 and 31 December 2021, respectively.

Cash and cash equivalents increased by 6% to ₱42.06 billion from ₱39.78 billion as of 31 December 2022 and 31 December 2021, respectively, mainly due to improved collections, proceeds from the issuance of bonds and availment of new loans, net of payments for capital expenditure projects during the period and debt servicing.

Receivables and contract assets increased by 13% to ₱82.56 billion from ₱73.02 billion as of 31 December 2022 and 31 December 2021, respectively, due to increase in rental receivables from new malls and expansions and increase in sale of residential units.

Real estate inventories increased by 25% to ₱70.50 billion from ₱56.58 billion as of 31 December 2022 and 31 December 2021, respectively, due to construction accomplishments for the period, net of cost of sold units.

Derivatives improved to ₱7.02 billion net asset from ₱0.29 billion net liability as of 31 December 2022 and 31 December 2021, respectively, mainly due to foreign exchange and net fair value changes on swap transactions during the period. This also resulted to the increase in net fair value changes on cash flow hedges to ₱2.98 billion unrealized gain from ₱0.43 billion unrealized loss as of 31 December 2022 and 31 December 2021, respectively.

Investment properties increased by 5% to ₱489.27 billion from ₱467.39 billion as of 31 December 2022 and 31 December 2021, respectively, primarily due to landbanking, ongoing new mall projects, redevelopment of SM Mall of Asia and other existing malls, and construction of commercial buildings, net of depreciation expense for the period.

Investments in associates and joint ventures increased by 5% to ₱30.58 billion from ₱29.19 billion as of 31 December 2022 and 31 December 2021, respectively, due to equity in net earnings of associates and joint ventures.

Other noncurrent assets, which include bonds and deposits for real estate acquisitions and noncurrent portion of receivables from sale of real estate, increased by 16% to ₱106.20 billion from ₱91.61 billion as of 31 December 2022 and 31 December 2021, respectively.

Loans payable decreased by 16% to ₱5.42 billion from ₱6.49 billion as of 31 December 2022 and 31 December 2021, respectively, due to payments, net of availment for the period.

Income tax payable increased by 36% to ₱0.77 billion from ₱0.56 billion as of 31 December 2022 and 31 December 2021, respectively, mainly due to provisions for the year, net of payments.

Long-term debt increased by 13% to ₱346.97 billion from ₱307.23 billion as of 31 December 2022 and 31 December 2021, respectively, mainly due to the issuance of fixed rate bonds and new loan availments, net of payments of maturing loans during the period.

Tenants' and customers' deposits – net of current portion increased by 11% to ₱23.80 billion from ₱21.46 billion as of 31 December 2022 and 31 December 2021, respectively, mainly due to the new malls and office building tenants.

Liability for purchased land decreased to ₱1.13 billion from ₱2.54 billion as of 31 December 2022 and 31 December 2021, respectively, due to payments made during the period.

Deferred tax liabilities - net increased by 15% to ₱11.14 billion from ₱9.69 billion as of 31 December 2022 and 31 December 2021, respectively, mainly due to unrealized gross profit on sale of real estate for income tax purposes. Deferred tax assets - net increased by 27% to ₱0.93 billion from ₱0.73 billion as of 31 December 2022 and 31 December 2021 mainly due to actuarial loss for the year.

Other noncurrent liabilities increased by 10% to ₱31.39 billion from ₱28.61 billion as of 31 December 2022 and 31 December 2021, respectively, due to increase in noncurrent portion of lease liabilities and deferred output VAT related to sale of residential projects.

Cumulative translation adjustment increased by 11% to ₱3.44 billion from ₱3.08 billion as of 31 December 2022 and 31 December 2021, respectively, as a result of foreign exchange. While remeasurement loss on defined benefit obligation increased by 69% to ₱0.93 billion from ₱0.55 billion as of 31 December 2022 and 31 December 2021, respectively, due to actuarial loss for the year.

The Company has no known direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation. There were no contingent liabilities or assets in the Company's balance sheet. The Company has no off-balance sheet transactions, arrangements, obligations during the reporting year as of balance sheet date.

As at 31 December 2022 and 31 December 2021, the amount of retained earnings appropriated for the continuous corporate and mall expansions amounted to ₱42.20 billion. This represents a continuing appropriation for land banking activities and planned construction projects. The appropriation is being fully utilized to cover part of the annual capital expenditure requirement of the Company.

KEY PERFORMANCE INDICATORS

The following are the major financial ratios of the Issuer as at and for the six (6) months ended 30 June 2025 and as at and for years ended 31 December 2024, 2023, and 2022:

Ratios	Six (6) months ended 30 June 2025	Year ended 31 December		
		2024	2023	2022
Current ratio ⁽¹⁾	2.14	2.19	2.17	2.50
Acid test ratio ⁽²⁾	1.15	1.18	1.09	1.41
Solvency ratio ⁽³⁾	1.74	1.75	1.73	1.72
Debt-to-equity ⁽⁴⁾	48:52	47:53	48:52	49:51
Net debt-to-equity ⁽⁵⁾	46:54	45:55	46:54	46:54
Return on equity ⁽⁶⁾	11%	11%	11%	9%
Net income margin ⁽⁷⁾	36%	33%	31%	28%
Debt to EBITDA ⁽⁸⁾	4.74	4.75	4.95	5.77
Asset to equity ratio ⁽⁹⁾	2.37	2.35	2.38	2.41
Interest coverage ratio ⁽¹⁰⁾	6.72	5.90	5.31	5.33

The Issuer's key financial indicators are measured in terms of the following:

- (1) Current ratio which measures the ratio of total current assets to total current liabilities excluding loans payable and current portion of long-term debt due for refinancing;
- (2) Acid test ratio which measures the ratio of quick assets, which includes cash and cash equivalents, receivables and contract assets, and current portion of equity instruments at fair value through other comprehensive income, to total current liabilities excluding loans payable and current portion of long-term debt due for refinancing;
- (3) Solvency ratio which measures the ratio of total assets to total liabilities;
- (4) Debt-to-equity ratio which measures the ratio of interest-bearing liabilities (sum of loans payable and long-term debt (current and noncurrent) to equity attributable to equity holders of the Parent;
- (5) Net debt-to-equity which measures the ratio of interest-bearing liabilities (sum of loans payable and long-term debt (current and noncurrent) net of cash and cash equivalents to equity attributable to equity holders of the Parent;
- (6) Return on equity which measures the ratio of net income attributable to the equity holders of the Parent to average total equity attributable to the equity holders of the Parent;
- (7) Net income margin which measures the ratio of net income attributable to the equity holders of the Parent to total revenue;
- (8) Debt to EBITDA which measures the ratio of EBITDA to total interest-bearing liabilities;

<i>(in ₱ billions)</i>	Twelve (12)-month period ended 30 June 2025	2024	2023	2022
EBITDA Reconciliation:				
Income from operations	₱71.40	₱68.04	₱61.28	₱49.24
Depreciation and amortization	15.32	15.04	13.65	12.49
Less: Net income attributable to non-controlling interest	(0.88)	(0.91)	(0.85)	(0.64)
EBITDA	₱85.84	₱82.17	₱74.08	₱61.09

- (9) Asset to equity ratio which measures the ratio of total assets to total equity attributable to equity holders of the Parent; and
- (10) Interest coverage ratio which measures the ratio of EBITDA to interest expense.

Loan Agreements

The loan agreements of the Issuer provide certain restrictions and requirements principally with respect to maintenance of required financial ratios (i.e., debt-to-equity ratio of not more than 70:30 or 80:20, as applicable, and interest coverage ratio of not less than 2.50:1.00) and material change in ownership or control (where the Issuer should ensure that its controlling shareholder shall, directly or indirectly, continue to maintain, own and control more than fifty percent (50%) of the voting outstanding capital stock of the Issuer until the full and complete payment). As at 30 June 2025 and 31 December 2024, the Issuer is compliant with the terms of its loan covenants.

Expansion Plans / Prospects for the Future

In relation thereto, the authority to approve resolutions in relation to transactions in the normal course of business of the Issuer, including additional capital expenditures for new projects and mall expansions, has been delegated by the Board of Directors to the Executive Committee. The Executive Committee meets and approves resolutions regularly.

The Issuer's malls business unit has eighty-eight (88) shopping malls in the Philippines with 9.5 million square meters of GFA and eight (8) shopping malls in China with 1.7 million square meters of GFA as of 30 June 2025.

The Issuer has sixty-seven (67) primary residential projects, forty-seven (47) of which are in Metro Manila and twenty (20) are outside Metro Manila. It also has twenty-five (25) secondary residential (leisure) projects as of 30 June 2025.

The Issuer has twenty-two (22) office buildings with a combined GFA of almost 1.6 million square meters as of 30 June 2025.

The Issuer's hotels and convention centers business unit currently has a portfolio of six (6) convention centers, two (2) trade halls and ten (10) hotels as of 30 June 2025.

The Issuer has no known direct or contingent financial obligation that is material to the Issuer, including any default or acceleration of an obligation. There were no contingent liabilities or assets in the Issuer's balance sheet. The Issuer has no off-balance sheet transactions, arrangements, obligations during the reporting year as of balance sheet date.

There are no known trends, events, material changes, seasonal aspects or uncertainties that are expected to affect the Issuer's continuing operations. The Issuer has no material commitments for capital expenditures except for those disclosed in Note 10 of the Issuer's financial statements found elsewhere in this Offer Supplement.

There are no known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Issuer's liquidity increasing or decreasing in any material way. The Issuer does not anticipate having any cash flow or liquidity problems within the next twelve (12) months.

There are no significant elements of income or loss arising outside of the Issuer's continuing operations.

The Issuer is not in default or in breach of any note, loan, lease or other indebtedness or financing arrangement.

There are no significant amounts of the Issuer's trade payables that have not been paid within the stated trade terms.

DESCRIPTION OF PROPERTIES

Properties Owned

The Issuer's principally owned properties consist of commercial spaces or properties held for rental and/or capital appreciation, right-of-use assets, and land held for future development.

Please refer to the details of the properties under "Description of the Issuer".

Leased Properties

As at 30 June 2025, the Issuer and its subsidiaries had thirty (30) leased properties with the details set forth below:

Leased Properties	Lease (in ₱ millions)	Expiration Date	Renewal Option
SM City Valenzuela	17	July 2043	No provision
SM City Baguio	63	October 2053	No provision
SM Center Muntinlupa	13	March 2055	No provision
SM Center Pasig	36	August 2026	No provision
SM City Bacoor	6	December 2043; December 2044	Automatically renewed for another 25 years
SM City San Lazaro	5	July 2028	Renewable for another 25 years
SM City Calamba	19	February 2054; April 2060	No provision
SM City San Pablo	16	November 2054	Automatically renewed for another 25 years
SM City Tarlac	2	April 2054	No provision
SM City Naga	10	August 2055	No provision
SM City Taytay	19	January 2055; August 2059	No provision
SM Aura Premier	76	November 2032; July 2033	No provision
SM City Consolacion	23	September 2060	Automatically renewed for another 25 years
SM City Olongapo	4	December 2059	Automatically renewed for another 25 years
SM City Clark	98	June 2053; May 2059	Renewable; No provision
SM By the Bay	50	April 2031	No provision
SM City Molino	23	May 2056	Automatically renewed for another 25 years
SM City Manila	16	April 2025	Automatically renewed for another 25 years
SM City San Mateo	15	July 2037	Renewable; No provision
SM City Dasmariñas	7	June 2050	No provision
SM Savemore Nagtahan Market	4	December 2034	No provision
SM Hypermarket Sucat Lopez	5	July 2035	Renewable for another 25 years
SM Marketmall Dasmariñas	5	March 2060	No provision
SM City Daet	14	December 2068	No provision
SM City Pampanga	8	October 2053	No provision
SM City Masinag	1	April 2035	No provision
SM Araneta City	54	January 2039	No provision
SM Makati	98	January 2039	No provision
SM Delgado	26	August 2031	No provision
SM Savemore Jaro	5	July 2039	No provision
Total Lease Payments	738		

BOARD OF DIRECTORS AND MANAGEMENT OF THE ISSUER

The following section discusses updates after the date of the Prospectus and must be read in conjunction with the Prospectus. This section is qualified in its entirety by the more detailed information and financial statements and notes thereto appearing elsewhere in this Offer Supplement.

DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth the persons who served as a Director and/or executive officer of SM Prime as at the date of this Offer Supplement:

Office	Name	Citizenship	Age
Chairman	Henry T. Sy, Jr.	Filipino	71
Vice Chairman and Lead Independent Director	Amando M. Tetangco, Jr.	Filipino	72
Independent Director	J. Carlitos G. Cruz	Filipino	64
Independent Director	Darlene Marie B. Berberabe*	Filipino	57
Independent Director	Estela M. Perlas – Bernabe**	Filipino	73
Director and President	Jeffrey C. Lim	Filipino	63
Director	Hans T. Sy	Filipino	69
Director	Herbert T. Sy	Filipino	68
Director	Jorge T. Mendiola	Filipino	66
Corporate Secretary/Alternate Compliance Officer	Elmer B. Serrano	Filipino	57
Assistant Corporate Secretary/Alternate Corporate Information Officer	Arthur A. Sy	Filipino	55
Chief Finance Officer/Chief Compliance Officer/Corporate Information Officer	John Nai Peng C. Ong	Filipino	55
VP – Internal Audit	Marvin Perrin L. Pe	Filipino	46
Chief Risk Officer	Joana B. Tiangco	Filipino	41

**Atty. Darlene Marie B. Berberabe resigned in June 2025*

***Justice Estela M. Perlas – Bernabe was elected in August 2025*

Board of Directors

The following describes the background and business experience of the Issuer's Directors and Executive Officers during the last five (5) years:

Henry T. Sy, Jr. has been a director of SM Prime since 1994. He was appointed as Chairman of the Board in 2014. He is responsible for the real estate acquisitions and development activities of the SM Group, which include the identification, evaluation and negotiation for potential sites, as well as the input of design ideas. He is currently the Vice Chairman of SMIC, Chairman and Chief Executive Officer of SM Development Corporation, Vice Chairman of The National Grid Corporation of the Philippines, and Chairman of the Board of Synergy Grid & Development Phils., Inc. He holds a Bachelor's Degree in Management from De La Salle University.

Amando M. Tetangco, Jr.* was elected as Vice Chairman and Independent Director of the Board of Directors of SM Prime in April 2021. He is concurrently the Chairman of SMIC, and independent director of Converge ICT Solutions, Inc. and Shell Pilipinas Corporation. He also currently holds directorates in Manila Hotel and Toyota Motor Philippines. He is also a trustee of St. Luke's Medical Center, Tan Yan Kee Foundation and Foundation for Liberty and Prosperity. He is also a member of the international advisory board of the Graduate Institute for Policy Studies in Tokyo, Japan and the Asia School of Business in Kuala Lumpur, Malaysia.

Mr. Tetangco was the third Governor of the Bangko Sentral ng Pilipinas (BSP) and Chairman of the Monetary Board, and served for two consecutive six (6)-year terms from July 2005 to July 2017. He was a career central banker for over four decades, having joined the Central Bank of the Philippines

(the predecessor of BSP) on 25 March 1974. During his term as Governor, he held other government positions, such as the Chairman of the Anti-Money Laundering Council, the Financial Stability Coordination Council, and the Philippine International Convention Center. He was also Vice-Chair of the Agriculture Credit Policy Council; and a member of the Capital Markets Development Council and the Export Development Council. Prior to his first appointment as Governor in 2005, he was Deputy Governor in-charge of the Banking Services Sector, Economic Research and Treasury of the BSP. He also was the Alternate Executive Director of the International Monetary Fund in Washington, D.C. from 1992 to 1994. Before joining the Central Bank, he worked briefly at the Management Services Division of SGV & Co. in 1973 to 1974.

Overseas, he was the country's representative to the ASEAN Central Bank Forum; the Executives' Meeting of East Asia and Pacific Central Banks; the South East Asia Central Banks; the South East Asia, New Zealand and Australia; and the Center for Latin American Monetary Studies. He was the Governor for the Philippines at the International Monetary Fund and the Alternate Governor at the World Bank and the Asian Development Bank. At the Bank for International Settlements, he was Chair of the Meeting of Small Open Economies. He also chaired various international committees -- the BIS Asian Consultative Council; the Financial Stability Board Regional Consultative Group for Asia; and the Alliance for Financial Inclusion Steering Committee.

He was conferred the Order of Lakandula with the Rank of Bayani by the President of the Philippines in 2009 and the Order of the Rising Sun, Gold and Silver Star by the Emperor of Japan in 2019. He also received multiple recognition by a number of international organizations as one of the best central bank governors and chosen as MAP Management Man of the Year in 2015. He was conferred the Honorary Degree of Doctorate in Management by the Asian Institute of Management in 2023.

Mr. Tetangco graduated from Ateneo de Manila University with an AB Economics degree (cum laude), and obtained his Masters in Public Policy and Administration (Development Economics) at the University of Wisconsin at Madison, Wisconsin, USA, as a BSP scholar. He attended various training programs at different institutions, including the Harvard Business School and the New York Institute of Finance.

J. Carlitos G. Cruz* was elected as an Independent Director of the Board of Directors of SM Prime in April 2021. He is concurrently an independent director of Transnational Diversified Group, Inc., Federal Land, Inc., Asialink Finance Corporation, and related companies namely Global Dominion Financing Incorporated, South Asialink Finance Corporation, Global Cebuana Finance Inc., Cebuana Cycle Financing, AFC SME Finance Inc., Global SME Loans, Inc., Wisefund Finance Corp., Cycle Financing Corp., Surecycle Financing Corp., Cepat Kredit Financing, Inc., Forbes Lending Solutions Corporation and Annapolis Finance, Inc. and MarCoPay Inc. and its subsidiaries such as MCP Finance, Inc., MCP Insurance Management and Agency, Inc., and an independent trustee of the MPIC Beneficial Trust Fund. He is also an independent director of Vivant Corporation which is a listed company. He is also a member of the Makati Business Club, Inc. and Management Association of the Philippines. Mr. Cruz joined SGV & Co. in 1981 and was admitted to the partnership in 1995. He was later on appointed Chairman and Managing Partner in 2017 until 2019. Concurrent with his role as SGV Chairman and Managing Partner, he was also Chairman and President of the SGV Foundation. He also became President of ACPAPP in 2017, and in 2018, assumed the presidency of the ACPAPP Foundation. Mr. Cruz has also been active in supporting the Government's efforts to promote business and trade by participating in Presidential business delegations to various countries, including Thailand during the terms of President Joseph Estrada, President Cory Aquino and President Rodrigo Duterte; Europe and Japan during the term of President Benigno Aquino III; and Russia during the term of President Rodrigo Duterte. Mr. Cruz graduated from the University of Santo Tomas with a Bachelor of Science in Commerce degree. He completed the Advanced Management Program of the Harvard Business School in 2007. He has been conferred with numerous awards, the latest of which is the "Parangal San Mateo" from the Philippine Institute of Certified Public Accountants. The award is the highest honor given to a CPA in honor of his significant contributions to the accountancy profession. He was also conferred by the Philippine Regulatory Board of Accountancy as a recipient of the Accounting Centenary Award of Excellence given to the 100 most notable CPAs in Philippine Accounting history.

Darlene Marie B. Berberabe* (*up to June 2025*) was elected as an Independent Director of the Board of Directors of SM Prime in April 2021. She is a lawyer, management consultant, and academic. She is the Dean of the University of the Philippines (UP) College of Law and holds directorates in Joy-Nostalg Solaris Inc., Palm Concepcion Power Corporation, PA Alvarez, Katapult Digital Corp., and UnionDigital Bank. She is also a faculty member of the Philippine Judicial Academy. She is also elected to the Board of Trustees of The Outstanding Women in Nation Service, Philippine Heart Association and UP Law Alumni Foundation. She was an associate lawyer in Quisumbing Torres Law Firm with specialization on labor law. Post law firm, she joined Procter & Gamble Philippines where she was a Senior Counsel and member of the Leadership Team. In 2010, she was appointed by the President of the Republic of the Philippines as the CEO of Pag-IBIG Fund. She was a recipient of a number of awards including Outstanding CEO in Asia by the ADFIAP, Outstanding CEO in the public sector by Asia CEO, one of the The Outstanding Women in Nation Service in 2013, and one of the 100 Most Influential Filipino Women in 2014. She graduated with a degree in Philosophy from UP, summa cum laude and class valedictorian of the College of Social Sciences and Philosophy in 1989. She was the first female Philosophy instructor in the same school where she taught for 10 years, and has a Masters in Philosophy. She was a working student and graduated salutatorian of her class in UP Law in 1999.

Estela M. Perlas – Bernabe* was elected as an Independent Director of the Board of Directors of SM Prime in August 2025. Justice Bernabe was Senior Associate Justice of the Supreme Court of the Philippines. She is a member of the Panel of Arbitrators of the Singapore International Arbitration Centre since February 2025. She is also an independent director of BDO Unibank, Inc., BDO Private Bank, Aboitiz Power Corporation, San Miguel Food & Beverage, Inc., Converge Information and Communications Technology Solutions, Inc., and Petrogen Insurance Corporation. She is also a director of PHILJA (Philippine Judicial Academy) Development Center, Inc. and a trustee of the Foundation for Liberty and Prosperity.

Justice Perlas – Bernabe served the Philippine Judiciary in various capacities. She was appointed as associate justice of the Supreme Court in 2011 and was Division Chairperson of the Second Division from 2019 until her retirement in 2022. She was also the Bar Examinations Chairperson in 2019. Prior her appointment to the Supreme Court, she was associate justice of the Court of Appeals from 2004 to 2011; Regional Trial Court Judge of Makati City from 2000 to 2004; and Metropolitan Trial Court Judge of the same city from 1996 to 2000. After passing the bar in 1977, she served as technical assistant in the Supreme Court under the Office of Court Administrator Lorenzo Relova.

In addition to her solid background in the Philippine Judiciary, she was also a law professor at the Ateneo Law School from 2009 to 2011 and engaged in private legal practice under Bernabe Perlas Morte & Associates as Senior Partner from 1993 to 1996. She also worked in various private offices from 1978 to 1993 namely, China Banking Corporation, Paramount Finance Corporation, and National Home Mortgage Finance Corporation.

Justice Perlas – Bernabe completed her Bachelor of Science in Commerce Banking and Finance at St. Paul College of Manila and graduated Magna Cum Laude in 1972. She earned her law degree in Ateneo College of Law, graduating as Class Salutatorian in 1976 and passed the bar in 1977 with a rating of 85.15%.

In recognition of her exemplary service and track record, the Supreme Court created an award in her name called "The Senior Associate Justice Estela Perlas- Bernabe Exemplary Career Jurist Award" bestowed to a distinct set of Justices of the Supreme Court who have served the Judiciary in all court levels, particularly from a trial court to a lower collegiate court and finally up to the Supreme Court, and have achieved a zero backlog or zero docket upon every promotion to the next-level court until their retirement from the Supreme Court. She also received various awards and distinctions namely, "Judicial Medal of Distinction" in 2022 (Supreme Court of the Philippines), "Distinguished Alumni Award for the Judiciary" in 2018 (Ateneo de Manila Alumni Association, Inc.), "Gawad Dangal ng Lipi" in 2012 (Provincial Government of Bulacan), Gawad Parangal 2008 as Outstanding Alumna for Dedicated Service to Country and People (St. Paul University Manila), Court of Appeals Award for Exemplary Performance in 2007 (CA Award of Recognition for Outstanding Performance in Case Disposition), and Natatanging Babaeng Hukom in 2003 (Municipality of Plaridel, Bulacan) among others.

Independent director – The Independent Directors of the Company are **Messrs. Amando M. Tetangco, Jr. and J. Carlitos G. Cruz, and Ms. Estela M. Perlas – Bernabe**.* The Company has complied and will comply with the Guidelines set forth by SRC Rule 38, as amended, regarding the Nomination and Election of Independent Directors. The Company's By-Laws incorporate the procedures for the nomination and election of independent director/s in accordance with the requirements of the said Rule.

***Ms. Estela M. Perlas-Bernabe shall serve the unexpired term of Atty. Darlene Marie B. Berberabe, who resigned as Independent Director.*

Jeffrey C. Lim was appointed President of SM Prime in October 2016 and has been reappointed as such since then. He is a member of the Company's Executive Committee. He was elected to the Board of Directors of SM Prime in April 2016. He concurrently holds various board and executive positions in other SM Prime's subsidiaries. He is a Certified Public Accountant and holds a Bachelor of Science degree in Accounting from the University of the East. Prior to joining the Company in 1994, he worked for a multi-national company and for SGV & Co.

Hans T. Sy is the Chairman of the Executive Committee of SM Prime and has been a Director of the Company since 1994. He previously held the position of President of SM Prime until September 2016. He also held key positions in several companies engaged in banking, real estate development, mall operations, as well as leisure and entertainment. He is currently Adviser to the Board of SMIC, Chairman of China Banking Corporation, and Chairman of National University. Mr. Sy holds a B.S. Mechanical Engineering degree from De La Salle University.

Herbert T. Sy has been a director of the Company since 1994. He is an Adviser to the Board of SMIC and is currently the Chairman of Supervalve Inc., Super Shopping Market Inc. and Sanford Marketing Corporation and Director of Alfamart Trading Philippines Inc. and China Banking Corporation. He also sits in the Board of several companies within the SM Group and has worked with SM Group companies engaged in food retail for more than 35 years. He is likewise actively involved in the SM Group's Supermarket Operations, which include acquisition, evaluation and negotiation for potential sites. He holds a Bachelor's degree in Management from De La Salle University.

Jorge T. Mendiola has been a director of the SM Prime since 2012. He is also currently a Director of SM Retail, Inc. He started his career with The SM Store as a Special Assistant to the Senior Branch Manager in 1989 and rose to become its President in 2011. He is also currently one of the directors of the Philippine Retailers Association. He received his Masters in Business Management from the Asian Institute of Management. He holds an A.B. Economics degree from Ateneo de Manila University.

Executive Officers

John Nai Peng C. Ong is the Chief Finance Officer, Chief Compliance Officer, Corporate Information Officer and a member of the Company's Executive Committee. He holds various board and executive positions in other SM Prime's subsidiaries. He is a Certified Public Accountant and holds a Bachelor of Science degree in Accounting from Ateneo de Zamboanga University. He received his Master in Management from the Asian Institute of Management. Prior to joining the Company in 2014, he was an assurance partner in SGV & Co.

Marvin Perrin L. Pe is the Vice President for Internal Audit and Chief Audit Executive of SM Prime. He holds a Bachelor of Science degree in Accountancy from Centro Escolar University. He has completed his Masters in Management Degree, with distinction, from the Asian Institute of Management. Mr. Pe is a Certified Public Accountant, Certified Internal Auditor and has a Certification in Control Self-Assessment. Before joining SM Prime, Mr. Pe was an assurance partner of SGV & Co.

Joana B. Tiangco is the Chief Risk Officer of SM Prime and has been with the Company since 2016. She was formerly a compliance and risk officer of the Bank of the Philippine Islands, where she gained over 10 years' experience in banking, compliance and risk management. Ms. Tiangco holds a Bachelor

of Science in Management of Financial Institutions from the De La Salle University-Manila, with various training in areas of management, business continuity, operations and control, anti-money laundering, corporate governance, insurance, leadership management, ethics and compliance, and sustainability, among others.

Elmer B. Serrano is the Corporate Secretary of SM Prime since November 2014. Mr. Serrano is a practicing lawyer specializing in corporate law and is the Managing Partner of the law firm SERRANO LAW. Mr. Serrano has been awarded "Asia Best Lawyer" by the International Financial Law Review (IFLR), "Leading Lawyer-Highly Regarded" by IFLR 1000, and named "Leading Individual" by the Legal 500 Asia Pacific.

Mr. Serrano is also the Corporate Secretary of publicly-listed companies SMIC, Atlas Consolidated Mining and Development Corporation, Premium Leisure Corp., 2GO Group, Inc., and DFNN Inc. He is also the Corporate Information Officer of BDO Unibank, Inc. and serves as the corporate secretary of bank's subsidiaries and affiliates. Mr. Serrano also sits as a director of several public companies. He is the Chairman of Dominion Holdings, Inc. (formerly BDO Leasing and Finance, Inc.), an independent director of EEI Corporation, Philippine Telegraph and Telephone Corporation and Benguet Corporation. He is also a director of 2GO Group, Inc.

Mr. Serrano is also counsel to financial industry institutions such as the Bankers Association of the Philippines and the Philippine Payments Management, Inc. and the PDS Group of Companies. Mr. Serrano is a Certified Associate Treasury Professional and was among the top graduates of the Trust Institute of the Philippines in 2001. Mr. Serrano holds a Juris Doctor degree from the Ateneo de Manila University and a BS Legal Management degree from the same university.

Arthur A. Sy is the Assistant Corporate Secretary of SM Prime. He is the Senior Vice President for Legal Department of SMIC, where he also serves as the Assistant Corporate Secretary. He is likewise the currently appointed Assistant Corporate Secretary of Belle Corporation, Premium Leisure Corp. and 2Go Group, Inc. and the Corporate Secretary of various major companies within the SM Group and the National University. A member of the New York Bar, he holds a Bachelor of Arts degree in Philosophy from the University of Santo Tomas and a Juris Doctor degree from the Ateneo de Manila University, School of Law.

The Directors of the Company are elected at the Annual Stockholders' Meeting. Directors will hold office for a term of one (1) year or until the next succeeding annual meeting and until their respective successors have been elected and qualified. The Directors possess all the qualifications and none of the disqualifications provided for in the SRC and its Implementing Rules and Regulations.

Procedure for Nomination of Directors:

- Any stockholder of record, including a minority stockholder, as of Record Date may be nominated for election to the Board of Directors of SM Prime.
- The Corporate Governance Committee passes upon, and deliberates on, the qualifications of all persons nominated to be elected to the Board of Directors of SM Prime, and pre-screens nominees from the pool of candidates submitted by the nominating stockholders in accordance with the Company's By-Laws and Manual of Corporate Governance. The Corporate Governance Committee shall prepare a Final List of Candidates containing information of the listed nominees, from the candidates who have passed the Guidelines, Screening Policies and Parameters for the nomination of directors. Only nominees qualified by the Corporate Governance Committee and whose names appear on the Final List of Candidates shall be eligible for election as director of the Company. No other nomination shall be entertained after the Final List of Candidates shall have been prepared. No further nomination shall be entertained or allowed on the floor during the actual annual stockholders' meeting.
- In case of resignation, disqualification or cessation of directorship before the next annual stockholders' meeting, the vacancy shall be filled by the vote of at least a majority of the

remaining directors, provided, the Board of Directors still constituting a quorum and only after notice has been made with the Commission within five (5) days from such resignation, disqualification or cessation of directorship, upon the pre-qualification of the Corporate Governance Committee. Otherwise, the vacancy shall be filled by stockholders in a regular or special meeting called for that purpose. The director so elected to fill a vacancy shall serve only for the unexpired term of his or her predecessor in office.

All new directors will undergo an orientation program soon after election. This is intended to familiarize the new directors on their statutory/fiduciary roles and responsibilities in the Board and its Committees, SM Prime's strategic plans, enterprise risks, group structures, business activities, compliance programs, Code of Business Conduct and Ethics, Insider Trading Policy and Corporate Governance Manual.

All directors are also encouraged to participate in continuing education programs at SM Prime's expense to promote relevance and effectiveness and to keep them abreast of the latest developments in corporate directorship and good governance.

Aside from the Directors and Executive Officers enumerated above, there are no other employees expected to hold significant executive/officer position in the Company.

All SM Prime directors are expected to exercise due discretion in accepting and holding directorships outside of the Company. The directors notify the Board prior to accepting directorship in another company. The following are directorships held by SM Prime Directors and Executive Officers in other reporting companies at least, in the last five (5) years:

<u>Name of Corporation</u>	<u>Position</u>
Henry T. Sy, Jr. Synergy Grid & Development Phils., Inc. SM Investments Corporation	Chairman of the Board Vice Chairman
Amando M. Tetangco, Jr. SM Investments Corporation Belle Corporation Converge ICT Solutions, Inc. Shell Pilipinas Corporation	Chairman/Independent Director Independent Director Independent Director Independent Director
J. Carlitos G. Cruz Vivant Corporation	Independent Director
Estela M. Perlas – Bernabe* Aboitiz Power Corporation BDO Unibank, Inc. Converge ICT Solutions, Inc. San Miguel Food and Beverage, Inc. <i>*Elected in August 2025</i>	Independent Director Independent Director Independent Director Independent Director
Hans T. Sy China Banking Corporation SM Investments Corporation	Chairman Adviser to the Board
Herbert T. Sy China Banking Corporation SM Investments Corporation	Director Adviser to the Board
Jeffrey C. Lim Concrete Aggregates Corporation	Director

<u>Name of Corporation</u>	<u>Position</u>
Elmer B. Serrano	
Dominion Holdings, Inc. (formerly BDO Leasing Finance, Inc.)	Chairman
EEI Corporation	Director
Benguet Corporation	Independent Director
Philippine Telegraph and Telephone Corporation	Independent Director

Involvement in Legal Proceedings

The Issuer is not aware of any of the following events having occurred during the past five (5) years up to the date of this Offer Supplement that are material to an evaluation of the ability or integrity of any director, nominee for election as Director, executive officer, underwriter or controlling person of the Issuer:

- (a) any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two (2) years prior to that time;
- (b) any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
- (c) being subject to any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and
- (d) being found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended or vacated.

CORPORATE GOVERNANCE

Please refer to pages 179 to 180 of the Prospectus.

The Issuer provides access to training courses to directors as a matter of continuous professional education and to maintain and enhance their skills as directors. For 2024, the annual CG trainings were conducted on 26 July, 7 August, 27 August, and 3 October which were facilitated by BDO Unibank, Inc., SGV & Co. and the Institute of Corporate Directors covering the various relevant topics:

- Updated Retail Banking Trends with Generative AIEvolving Cyber Threat Landscape: Current and Future Impact on BDO and Navigating the Risk
- Managing Cyber Risk – Directors Cyber Awareness Briefing
- Economic Briefing
- Artificial Intelligence (AI) Governance and Use Cases
- AML Updates
- Anti-Money Laundering and Countering Terrorism and Proliferation Financing Refresher Training
- Global Economic and Geopolitical Outlook
- AI Series/Talks: Artificial Intelligence, Future of Technology
- Cybersecurity

COMMITTEES OF THE BOARD

Please refer to pages 180 to 181 of the Prospectus.

EXECUTIVE COMPENSATION

Aside from regular standard per diems, all directors do not receive regular annual salaries from the Company.

The following are the most highly compensated executive officers:

Name	Position
Jeffrey C. Lim	President
John Nai Peng C. Ong	Chief Finance Officer
Steven T. Tan	President, Malls
Grace Evangeline M. Sta. Maria	Executive Vice President, Residential (Primary)
Glenn D. Ang	President, SCIDC

Summary Compensation Table (In ₱ Millions)

	Year	Salary	Bonus
President & 4 Most Highly Compensated Executive Officers	2025 (estimate)	197	32
	2024	185	30
	2023	174	29
	2022	161	26
All other officers* as a group unnamed	2025 (estimate)	528	89
	2024	489	82
	2023	443	74
	2022	409	68

*Managers & up

In 2024, incumbent directors of SM Prime received the following amount of fees as compensation for their performance of duties and functions as members of the Board of Directors of the Company:

Board of Directors	Total Compensation per Director
Amando M. Tetangco, Jr. (Independent Director)	₱6,200,000
J. Carlitos G. Cruz (Independent Director)	₱5,100,000
Darlene Marie B. Berberabe (Independent Director)	₱4,900,000
Henry T. Sy, Jr.	₱120,000
Hans T. Sy	₱60,000
Herbert T. Sy	₱60,000
Jorge T. Mendiola	₱100,000
Jeffrey C. Lim	₱60,000

These fees include per diem received by the directors for their attendance in meetings of the Board.

The total amount of fees for 2024 allocated among directors does not exceed 10% of the total income of the Company before tax for 2024 in accordance with the Company's By-laws and relevant laws and regulations.

There are no outstanding warrants or options held by directors and officers of the Company. There are also no actions to be taken with regard to election, any compensatory plan, contract, or arrangement, any bonus or profit-sharing, change in pension/ retirement plan, granting of or extension of any options, warrants or rights to purchase any securities.

There are no other employees who are not Executive Officers who are expected by Company to make significant contribution to its business.

FAMILY RELATIONSHIPS

Please refer to page 182 of the Prospectus.

MARKET PRICE OF AND DIVIDENDS ON THE ISSUER'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

HOLDERS OF THE ISSUER'S COMMON SHARES

As at 30 September 2025, the following are the top 20 stockholders of the Issuer.

	Stockholder Name	No. of shares	% to Total
1	SM Investments Corporation	14,353,464,952	49.72%
2	PCD Nominee Corp. (Non-Filipino)	6,495,203,757	22.50%
3	PCD Nominee Corp. (Filipino)	3,450,299,140	11.95%
4	Harley T. Sy	695,936,131	2.41%
5	Hans T. Sy	682,414,201	2.36%
6	Teresita T. Sy	667,272,021	2.31%
7	Elizabeth T. Sy	667,166,537	2.31%
8	Herbert T. Sy	666,953,011	2.31%
9	Syntrix Holdings, Inc.	317,827,673	1.10%
10	Sysmart Corporation	317,775,948	1.10%
11	Henry T. Sy, Jr.	291,611,915	1.01%
12	Belle Corporation	61,795,413	0.21%
13	Tansy Holdings Inc.	52,734,818	0.18%
14	Sybase Equity Investments Corp.	52,365,504	0.18%
15	SM Development Corporation	22,820,276	0.08%
16	Cutad, Inc.	19,694,544	0.07%
17	HSBB, Inc.	19,694,400	0.07%
18	William T. Gabaldon	1,000,000	0.01%
19	Henry III Tamesis Sy	912,575	0.01%
20	Lucky Securities, Inc.	900,000	0.00%
	Total	28,837,842,816	99.89%

As at 30 September 2025, the Issuer had 2,307 shareholders of its common shares. The foreign ownership level in the Issuer is 22.51%.

DIVIDENDS AND DIVIDEND POLICY

In 2025, the Board of Directors approved the declaration of cash dividend of ₱0.480 per share or ₱13,860 million to stockholders of record as of 14 May 2025, ₱11 million of which was received by SMDC. This was paid on 28 May 2025.

In 2024, the Board of Directors approved the declaration of cash dividend of ₱0.346 per share or ₱9,992 million to stockholders of record as of 8 May 2024, ₱8 million of which was received by SMDC. This was paid on 22 May 2024.

The policy of the Company is to provide a sustainable dividend stream to its shareholders. The Board of Directors determines the dividend payout taking into consideration the Company's operating results, cash flows, capital investment needs, and debt servicing requirements. Dividends shall be paid within thirty (30) days from the date of declaration.

The Company's subsidiaries have no defined dividend policy. The amount of dividend declaration annually by SM Prime and its subsidiaries depend on the net income, cash availability, and the investment projects as approved by the Board of Directors of SM Prime and each of the subsidiaries.

The cash dividends declared and paid out or issued by the Company's subsidiaries during the six (6) months ended 30 June 2025, and for the years 2024, 2023, and 2022 are set out below.

<i>(in ₱ millions)</i>	Six (6) Months ended	Year ended 31 December		
	30 June 2025 (Unaudited)	2024	2023 (Audited)	2022
PMI	₱2,992	₱-	₱-	₱-
FARDC	1,335	1,113	742	371
PSC	-	1,050	1,050	850
CPDC	-	950	850	650
SPC	-	600	550	350
PCPMC	-	200	200	200
FLVG	-	65	65	15
CHAS	-	35	81	-
MLI	-	-	4	6
PCI	-	-	-	300
HPI	-	-	-	500

Aside from the companies listed above, none of the subsidiaries of SM Prime have declared and paid out or issued any cash or stock dividends during the last three years.

MARKET PRICE OF ISSUER'S COMMON EQUITY

The registrant's common equity is principally traded on the Main Board of the Philippine Stock Exchange. The high and low sales prices for each period are indicated in the table below.

<i>(in ₱)</i>	2025		2024		2023		2022	
	High	Low	High	Low	High	Low	High	Low
1st Quarter	26.05	21.85	35.40	31.20	38.90	32.80	39.90	33.10
2nd Quarter	25.55	21.70	33.50	25.70	35.10	32.10	40.05	33.30
3rd Quarter	25.30	22.25	33.45	27.65	34.25	27.70	39.00	29.70
4th Quarter	n/a	n/a	33.35	24.25	34.55	29.55	37.00	29.80

Market price of the Issuer's shares as at 30 September 2025 was ₱22.45 per share.

RECENT SALES OF UNREGISTERED SECURITIES

The Company registered with the SEC the ₱25.00 billion fixed rate bonds issued on 25 February 2025. The issue consists of three (3)-year Series Y Bonds amounting to ₱7.13 billion with fixed interest equivalent to 6.0282% per annum due on 2028, the six (6)-year Series Z Bonds amounting to ₱8.81 billion with a fixed interest equivalent to 6.2113% per annum due on 2031, and the ten (10)-year Series AA Bonds amounting to ₱9.06 billion with a fixed interest equivalent to 6.4784% per annum due on 2035.

The Company registered with the SEC the ₱25.00 billion fixed rate bonds issued on 24 June 2024. The issue consists of three (3)-year Series V Bonds amounting to ₱6.25 billion with fixed interest equivalent to 6.5754% per annum due on 2027, the five (5)-year Series W Bonds amounting to ₱6.25 billion with a fixed interest equivalent to 6.7537% per annum due on 2029, and the seven (7)-year Series X Bonds amounting to ₱12.50 billion with a fixed interest equivalent to 6.9650% per annum due on 2031.

There are no other recent sales of unregistered or exempt securities, including recent issuance of securities constituting an exemption transaction. There are likewise no existing or planned stock options for the Company. There are no registered securities subject to redemption or call. There are no existing or planned stock warrant offerings.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Security Ownership of Certain Record and Beneficial Owners

As at 30 September 2025, the following are the owners of the Issuer's common stock in excess of five percent (5%) of the total outstanding shares:

Title of Class	Name & address of record owner & relationship with Issuer	Name of beneficial owner & relationship with record owner	Citizenship	Amount and Nature of Direct Record/Beneficial Ownership ("r" or "b")	Percent (%)
Common	SMIC ¹ One E-com Center, Harbor Drive, Mall of Asia Complex, CBP-1A, Pasay City	SMIC ²	Filipino	14,353,464,952 (b)	49.72%
-do-	PCD Nominee Corporation (PCNC) ³ 37F Tower 1, The Enterprise Center, Ayala Ave., Makati City	PCD Participants ⁴	Filipino 11.95% Non-Filipino - 22.50%	9,945,502,897(r)	34.45%

Notes:

- The following are the individuals holding the direct beneficial ownership of SMIC: Hans T. Sy - 8.32%, Herbert T. Sy - 8.32%, Harley T. Sy - 7.40%, Teresita T. Sy - 7.24%, Elizabeth T. Sy - 6.05%, Henry T. Sy, Jr. - 6.50%. The PCD participants have the power to decide how their shares are to be voted. There are no other individual shareholders which own more than 5% of the Company.
- Amando M. Tetangco, Jr. is the Chairman of SMIC and Teresita T. Sy and Henry Sy, Jr. are the Vice Chairpersons of SMIC and as the appointed proxies of SMIC, they have the power to vote the common shares of SMIC in SM Prime.
- PCNC holds legal title to shares lodged in the Philippine Depository & Trust Corp. (PDTC). Beneficial owners retain the power to decide on how their lodged shares are to be voted. There are no beneficial owners under PCNC which own more than 5% shares of stock of the Company.
- PCNC is not related to the Company. PCNC is a nominee company which holds legal title to shares lodged in PDTC.

Security Ownership of Management

As at 30 September 2025, the following are the number of shares owned of record by the Issuer's directors and key executive officers:

Title of Class	Name of Beneficial Owner	Citizenship	Amount and Nature of Beneficial Ownership (D) Direct (I) Indirect	Percent of Class
Common Stock	Henry T. Sy, Jr.	Filipino	291,611,915(D&I)	1.0101
-do-	Hans T. Sy	Filipino	682,414,201(D&I)	2.3638
-do-	Teresita T. Sy	Filipino	667,272,021(D)	2.3114
-do-	Elizabeth T. Sy	Filipino	667,166,537(D)	2.3110
-do-	Herbert T. Sy	Filipino	666,953,011(D)	2.3103
-do-	Jorge T. Mendiola	Filipino	863,320(D)	0.0030
-do-	Jeffrey C. Lim	Filipino	350,000(D)	0.0012
-do-	Amando M. Tetangco, Jr.	Filipino	1,000(D)	0.0000

-do-	J Carlitos G. Cruz	Filipino	100(D)	0.0000
-do-	Estela M. Perlas - Bernabe*	Filipino	5,000(D)	0.0000
-do-	Joana B. Tiangco	Filipino	3,600(D)	0.0000
Directors and Executive Officers as a group			2,976,640,705	10.3106

**Justice Estela M. Perlas - Bernabe was elected in August 2025; Atty. Darlene Marie B. Berberabe resigned in June 2025*

Voting Trust Holders of 5% or More

There are no persons holding more than five percent (5%) of a class of shares under a voting trust or any similar agreements.

Change in Control

No change in control in the Issuer has occurred since the beginning of its last fiscal year.

WARRANTS AND OPTIONS

As of the date of this Offer Supplement, there are no existing or planned stock options / stock warrant offerings.

DESCRIPTION OF DEBT

The Company is subject to covenants under agreements evidencing or governing its outstanding indebtedness, including but not limited to those set forth in loan agreements with local banks and financial institutions. Under these loans, the Company undertook to maintain the financial covenants set forth below.

- (a) Debt-to-Equity Ratio of not more than 70:30 or 80:20, as applicable; and
- (b) Interest Coverage Ratio of not less than 2.5x.

Debt-to-Equity Ratio is calculated as the ratio of the Company's total consolidated interest-bearing debt-to-total equity attributable to the equity holders of the Parent. Interest Coverage Ratio is calculated as the consolidated EBITDA of the Company divided by interest expense.

The Company does not believe that these covenants will impose constraints on its ability to finance its capital expenditure program or, more generally, to develop its business and enhance its financial performance. The Company is in full compliance with the covenants required by the creditors.

TAXATION

The statements herein regarding taxation are based on the laws in force as of the date of this Offer Supplement and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of the Bonds and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules. Prospective purchasers of the Bonds are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Bonds.

Philippine Taxation

On 1 January 2018, Republic Act No. 10963, otherwise known as the "Tax Reform for Acceleration and Inclusion" ("TRAIN") Act, took effect. The TRAIN Act amended provisions of the Tax Code including provisions on Documentary Stamp Tax, tax on interest income and other distributions, Estate Tax, and Donor's Tax. While the TRAIN Act brought about extensive changes to individual income taxation, it did not include changes in corporate income taxation. This was addressed in the second package of the Comprehensive Tax Reform Program ("CTRP") of the Philippine government or Republic Act No. 11534, otherwise known as the Corporate Recovery and Tax Incentives for Enterprises Act ("CREATE"), which was signed into law on 26 March 2021, amending provisions of the Tax Code, related to, among others, corporate income tax, lowering corporate income taxes and modernizing fiscal incentives in a bid to complement the expected incremental revenues from the first package. On 11 November 2024, CREATE MORE was signed into law to amend the National Internal Revenue Code of 1997. The Act introduces a expands eligibility for tax incentives, thereby promoting a more competitive environment for both local and foreign investments. Additionally, it clarifies value-added tax exemptions and deductions, aiming to stimulate economic growth and support businesses in their recovery efforts. On 29 May 2025, Republic Act No. 12214, otherwise known as the CMEPA, was signed into law. The CMEPA ushered in several key reforms to streamline capital market taxation and enhance investor participation.

Pursuant to the Tax Code, the following terms used in this section shall refer to:

- a. "resident alien" - an individual whose residence is within the Philippines and who is not a citizen thereof;
- b. "non-resident alien" - an individual whose residence is not within the Philippines and who is not a citizen of the Philippines;
- c. "non-resident alien engaged in trade or business within the Philippines" – a non-resident engaged in trade or business in the Philippines, provided that, a non-resident individual who is actually within the Philippines for an aggregate period of more than one hundred eighty (180) days during any calendar year shall be deemed as non-resident alien doing business in the Philippines;
- d. "non-resident alien not engaged in trade or business within the Philippines" - non-resident alien who is actually within the Philippines for an aggregate period of one hundred eighty (180) days or less during any calendar year shall be deemed as non-resident alien not doing business in the Philippines;
- e. "domestic corporation" – a corporation that is created or organized in the Philippines or under its laws;
- f. "resident foreign corporation" – a non-domestic corporation engaged in trade or business within the Philippines; and
- g. "non-resident foreign corporation" – a non-domestic corporation not engaged in trade or business within the Philippines.

TAXATION OF INTEREST

The Tax Code provides that interest-bearing investments of Philippine residents are Philippine-sourced income subject to Philippine income tax. Interest income derived by Philippine citizens and resident alien individuals from the Bonds is thus subject to income tax, which is withheld at source, at the rate of twenty percent (20%) based on the gross amount of interest. Generally, interest on the Bonds received by non-resident aliens engaged in trade or business in the Philippines is subject to a twenty percent (20%) final withholding tax while that received by non-resident aliens not engaged in trade or business is subject to a final withholding tax rate of twenty-five percent (25%). Interest income received by domestic corporations and resident foreign corporations from the Bonds is subject to a final withholding tax rate of twenty percent (20%). Interest income received by non-resident foreign corporations from the Bonds is subject to a twenty-five percent (25%) final withholding tax.

The foregoing rates are subject to further reduction by any applicable tax treaties in force between the Philippines and the country of residence of the non-resident owner. Most tax treaties to which the Philippines is a party generally provide for a reduced tax rate of fifteen percent (15%) in cases where the interest which arises in the Philippines is paid to a resident of the other contracting state. However, most tax treaties also provide that reduced withholding tax rates shall not apply if the recipient of the interest who is a resident of the other contracting state, carries on business in the Philippines through a permanent establishment and the holding of the relevant interest-bearing instrument is effectively connected with such permanent establishment.

TAX-EXEMPT STATUS OR ENTITLEMENT TO PREFERENTIAL TAX RATE

The BIR has issued Revenue Memorandum Order No. 14-2021 ("RMO No. 14-2021") to streamline the procedures and documents for the availment of treaty benefits covering all items of income, derived by non-resident taxpayers from Philippine sources that are entitled to relief from double taxation under the relevant tax treaty. Under this regulation, when the treaty rates have been applied by the withholding agent on the income earned by the non-resident, the former shall file with the International Tax Affairs Division ("ITAD") of the BIR a request for confirmation on the propriety of the withholding tax rates applied on that item of income. On the other hand, if the regular rates have been imposed on the said income, the non-resident shall file a tax treaty relief application ("TTRA") with ITAD. The request for confirmation shall be filed by the withholding agent at any time after the payment of withholding tax but shall in no case be later than the last day of the fourth (4th) month following the close of each taxable year. The request for confirmation or TTRA shall be supported by the documentary requirements under RMO No. 14-2021. Other guidelines in relation to the filing of the TTRA are provided under Revenue Memorandum Circular Nos. 77-2021 and 20-2022.

If the BIR determines that the withholding tax rate applied is lower than the rate that should have been applied on an item of income pursuant to the treaty, or that the non-resident taxpayer is not entitled to treaty benefits, it will issue a BIR ruling denying the request for confirmation or TTRA. Consequently, the withholding agent shall pay the deficiency tax plus penalties. On the contrary, if the withholding tax rate applied is proper or higher than the rate that should have been applied, the BIR will issue a certificate confirming the non-resident income recipient's entitlement to treaty benefits. In the latter case, the taxpayer may apply for a refund of excess withholding tax.

If a company withholds the regular tax rate instead of the reduced rate applicable under an income tax treaty, a non-resident holder of the company's shares may file a claim for a refund from the BIR. However, because the refund process in the Philippines requires the filing of an administrative claim and the submission of supporting information may also involve the filing of a judicial appeal, it may be impractical to pursue such a refund.

The claim for refund may be filed independently of, or simultaneously with, the TTRA. If the claim was not filed simultaneously with the TTRA, the office where it was filed shall coordinate with, and defer to, ITAD the resolution of the non-resident's entitlement to treaty benefit. If, on the other hand, the claim was filed simultaneously with the TTRA, it shall be the responsibility of the ITAD to endorse the claim

for refund to the proper office that handles the processing of tax refunds after the resolution of the TTRA. At any rate, all issues relating to the application and implementation of treaty provisions shall fall within the exclusive jurisdiction of the ITAD.

VALUE-ADDED TAX

Gross receipts arising from the sale of the Bonds in the Philippines by dealers in securities shall be subject to a twelve percent (12%) value-added tax.

GROSS RECEIPTS TAX

Bank and non-bank financial intermediaries performing quasi-banking functions are subject to gross receipts tax on gross receipts derived from sources within the Philippines in accordance with the following schedule:

On interest, commissions and discounts from lending activities as well as income from financial leasing, on the basis of remaining maturities of instruments from which such receipts are derived:

Maturity period is five years or less	5%
Maturity period is more than five years	1%

Non-bank financial intermediaries not performing quasi-banking functions doing business in the Philippines are likewise subject to gross receipts tax. Gross receipts of such entities derived from sources within the Philippines from interests, commissions and discounts from lending activities are taxed in accordance with the following schedule based on the remaining maturities of the instruments from which such receipts are derived:

Maturity period is five years or less	5%
Maturity period is more than five years	1%

In case the maturity period of the instruments held by banks, non-bank financial intermediaries performing quasi-banking functions and non-bank financial intermediaries not performing quasi-banking functions is shortened through pretermination, then the maturity period shall be reckoned to end as of the date of pre-termination for purposes of classifying the transaction and the correct rate shall be applied accordingly.

Net trading gains realized within the taxable year on the sale or disposition of the Bonds by banks and nonbank financial intermediaries performing quasi-banking functions shall be taxed at seven percent (7%).

DOCUMENTARY STAMP TAX

A documentary stamp tax is imposed upon the issuance of debt instruments issued by Philippine companies, such as the Bonds, at the rate of 75% of 1% of the issue price of such debt instruments; provided that, for debt instruments with terms of less than one (1) year, the documentary stamp tax to be collected shall be of a proportional amount in accordance with the ratio of its term in number of days to 365 days.

The documentary stamp tax is collectible wherever the document is made, signed, issued, accepted, or transferred, when the obligation or right arises from Philippine sources, or the property is situated in the Philippines. Any applicable documentary stamp taxes on the original issue shall be paid by the Issuer for its own account.

TAXATION ON SALE OR OTHER DISPOSITION OF THE BONDS

Income Tax

Any gain realized from the sale, exchange or retirement of debt instruments as a rule, form part of the gross income of the sellers, for purposes of computing the relevant taxable income subject to ordinary income tax rates (at graduated rates from 0% to 35% for individuals, beginning 1 July 2020, twenty-five percent (25%) for domestic and resident foreign corporations, provided that domestic corporations with net taxable income not exceeding ₱5,000,000 and with total assets not exceeding ₱100,000,000 (excluding land on which the particular business entity's office, plant, and equipment are situated during the taxable year for which the tax is imposed) ("Micro, Small, and Medium Enterprises"), shall be taxed at twenty percent (20%). Taxable net income refers to items of income specified under Section 32(A) of the Tax Code less the items of allowable deductions under Section 34 of the Tax Code or those allowed under special laws.) On the other hand, gains realized by non-residents from the sale or transfer of debt instruments are subject to final withholding tax at the rate of (i) twenty-five percent (25%), if the holder is a non-resident alien not engaged in trade or business within the Philippines, or (ii) twenty-five percent (25%), if the holder is a non-resident foreign corporation. If the debt instrument is sold by a seller, who is an individual and who is not a dealer in securities, who has held the debt instrument for a period of more than twelve (12) months prior to the sale, only fifty percent (50%) of any capital gain will be recognized and included in the sellers' gross taxable income.

Moreover, any gain realized by a non-resident alien arising from such sale, regardless of the original instruments, may be exempt from income tax pursuant to various income tax treaties to which the Philippines is a party, and subject to procedures prescribed by the BIR for the availment of tax treaty benefits.

Estate and Donor's Tax

The transfer by a deceased person, whether a Philippine resident or a non-Philippine resident, to his heirs of the Bonds shall be subject to an estate tax which is levied on the net estate of the deceased at a uniform rate of six percent (6%). A bondholder shall be subject to donor's tax based on the transfer of the Bonds by gift at a uniform rate of six percent (6%) on the basis of the total gifts in excess of ₱250,000 made during a calendar year for both individuals and corporate holders, whether the donor is a stranger or not.

The estate or donor's taxes payable in the Philippines may be credited with the amount of any estate or donor's taxes imposed by the authority of a foreign country, subject to limitations on the amount to be credited, and the tax status of the donor.

The estate tax and the donor's tax, in respect of the Bonds, shall not be collected: (a) if the deceased, at the time of death, or the donor, at the time of the donation, was a citizen and resident of a foreign country which, at the time of his death or donation, did not impose a transfer tax of any character in respect of intangible personal property of citizens of the Philippines not residing in that foreign country; or (b) if the laws of the foreign country of which the deceased or donor was a citizen and resident, at the time of his death or donation, allows a similar exemption from transfer or death taxes of every character or description in respect of intangible personal property owned by citizens of the Philippines not residing in the foreign country.

In case the Bonds are transferred for less than an adequate and full consideration in money or money's worth, the amount by which the fair market value of the Bonds exceeded the value of the consideration may be deemed a gift and may be subject to donor's taxes. However, a sale, exchange, or other transfer made in the ordinary course of business (a transaction which is bona fide, at arm's length, and free from any donative intent), will be considered as made for an adequate and full consideration in money or money's worth, and will not be subject to donors' tax.

Documentary Stamp Tax

No documentary stamp tax is imposed on the subsequent sale or disposition of the Bonds, trading the Bonds in a secondary market or through an exchange. However, if the transfer constitutes a renewal of or extension of maturity of the Bonds, documentary stamp tax is payable anew.

INTERESTS OF NAMED EXPERTS

Legal Matters

All legal opinion/matters in connection with the issuance of the Bonds which are subject of the Offer shall be passed upon by Angara Abello Concepcion Regala & Cruz Law Offices ("ACCRA") for the Joint Lead Underwriters and Bookrunners, and SM Prime's Legal Affairs Division for the Company.

ACCRA has no direct and indirect interest in SM Prime. ACCRA may, from time to time, be engaged by SM Prime to advise in its transactions and perform legal services on the same basis that ACCRA provides such services to its other clients.

The named independent legal counsel has not acted and will not act as promoter, underwriter, voting trustee, officer, or employee of SM Prime.

Independent Auditor

Please refer to page 195 of the Prospectus.

Changes in and Disagreements with Accountants

Please refer to page 195 of the Prospectus.

FINANCIAL STATEMENTS

The following pages set forth SM Prime's unaudited interim condensed consolidated financial statements as at 30 June 2025 and for the six (6) months ended 30 June 2025 and 2024; audited consolidated financial statements as at 31 December 2024 and 2023 and for each of the years ended 31 December 2024 and 2023; and SM Prime's audited consolidated financial statements as at 31 December 2023 and 2022 and for each of the years ended 31 December 2023, 2022, and 2021.

COVER SHEET

SEC Registration Number

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COMPANY NAME

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B	S	I	D	I	A	R	I	E	S																				

PRINCIPAL OFFICE (No. / Street / Barangay / City / Town / Province)

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c	o	r	.		C	o	r	a	l		W	a	y	,		M	a	l	l		o	f		A	s	i	a		C
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Form Type	Department requiring the report	Secondary License Type, If Applicable												
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1	7	-	Q											

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
	8831-1000	
No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
2,314		June 30

CONTACT PERSON INFORMATION

The designated contact person **MUST** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Mr. John Nai Peng C. Ong		8831-1000	

CONTACT PERSON'S ADDRESS

7/F MOA Square, Seashell Lane cor. Coral Way, Mall of Asia Complex, Brgy. 76 Zone 10, CBP 1-A, 1300 Pasay City, Metro Manila, Philippines
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NOTE 1 : In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

2 : All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.





Statement of Management's Responsibility for Financial Statements

The management of SM Prime Holdings, Inc. and Subsidiaries is responsible for the preparation and fair presentation of the interim condensed consolidated financial statements including the schedules attached therein, as at June 30, 2025, and for the six-months period ended June 30, 2025 and 2024, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of the interim condensed consolidated financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the interim condensed consolidated financial statements, the management is responsible for assessing the Company's ability to continue as going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the interim condensed consolidated financial statements including the schedules attached therein, and submits the same to the stockholders.

SyCip Gorres Velayo & Co., the independent auditors appointed by the stockholders, has reviewed the interim condensed consolidated financial statements of SM Prime Holdings, Inc. and Subsidiaries in accordance with the Philippine Standards on Review Engagements (PSRE) 2410, and in its report to the stockholders, has concluded that nothing has come to their attention that causes them to believe that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with PAS 34, *Interim Financial Reporting*, upon completion of their review.

A large, stylized handwritten signature in black ink, appearing to be 'Henry T. Sy, Jr.'.

Henry T. Sy, Jr.
Chairman

A handwritten signature in black ink, appearing to be 'Jeffrey C. Lim'.
Jeffrey C. Lim
President

A handwritten signature in black ink, appearing to be 'John Nai Peng C. Ong'.

John Nai Peng C. Ong
Chief Finance Officer

Signed this 5th of September, 2025

SM PRIME

MOA Square, Seashell Lane cor. Coral Way,

SUBSCRIBED AND SWORN to before me this SEP 02 2025 at PASAY CITY,
affiants exhibiting to me their Philippine passports, as follows:

NAME	PASSPORT NO.	DATE OF ISSUE	PLACE OF ISSUE
HENRY T. SY, JR.	P4410521B	January 16, 2020	Manila
JEFFREY C. LIM	P8242041B	November 23, 2021	Mandaluyong
JOHN NAI PENG C. ONG	P8736675A	September 13, 2018	Manila

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Page No. 23 ;
Book No. IV ;
Series of 2025




ATTY. RONHEL VINN A. PAPA
Notary Public for Pasay City

Unti December 31, 2026. Commission No. 25-19
IBP OR No. 474452 11/04/2024/ Roll No. 73157
PTR OR No. PC 8849529 01/08/2025/ TIN# 743-448-049
MCLE Compliance No. VIII-0017246 valid until April 14, 2028

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The Stockholders and the Board of Directors
SM Prime Holdings, Inc.
7/F MOA Square
Seashell Lane cor. Coral Way
Mall of Asia Complex, Brgy. 76 Zone 10, CBP 1-A
1300 Pasay City, Metro Manila

Introduction

We have reviewed the accompanying unaudited interim condensed consolidated financial statements of SM Prime Holdings, Inc. and its subsidiaries, which comprise the unaudited interim consolidated balance sheet as at June 30, 2025 and the related unaudited interim consolidated statements of income, comprehensive income, changes in equity and cash flows for six-month periods ended June 30, 2025 and 2024, and other explanatory notes to unaudited interim condensed consolidated financial statements. Management is responsible for the preparation and presentation of these unaudited interim condensed consolidated financial statements in accordance with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting*. Our responsibility is to express a conclusion on these unaudited interim condensed consolidated financial statements based on our review.

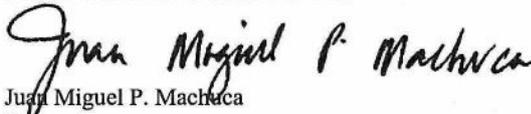
Scope of Review

We conducted our review in accordance with Philippine Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Philippine Standards on Auditing. Consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unaudited interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with PAS 34.

SYCIP GORRES VELAYO & CO.



Juan Miguel P. Machuca
Partner

CPA Certificate No. 116998

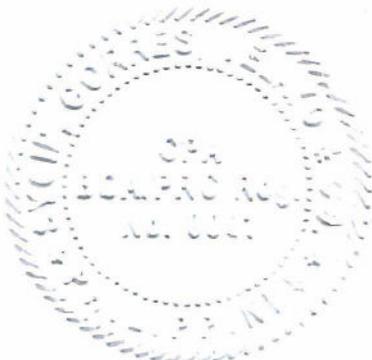
Tax Identification No. 226-074-253

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-140-2024, February 28, 2024, valid until February 27, 2027

PTR No. 10465328, January 2, 2025, Makati City

September 5, 2025



SM PRIME HOLDINGS, INC. AND SUBSIDIARIES**INTERIM CONSOLIDATED BALANCE SHEET****June 30, 2025****(With Comparative Audited Figures as at December 31, 2024)***(Amounts in Thousands)*

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 5, 17, 20 and 21)	₱27,850,239	₱31,246,171
Receivables and contract assets (Notes 6, 17, 20 and 21)	96,250,312	92,506,904
Real estate inventories (Note 7)	75,594,647	76,927,527
Equity instruments at fair value through other comprehensive income (FVOCI) (Notes 8, 20 and 21)	821,378	794,433
Derivative assets (Notes 20 and 21)	2,060,787	780,087
Prepaid expenses and other current assets (Note 9)	29,904,088	28,426,708
Total Current Assets	232,481,451	230,681,830
Noncurrent Assets		
Equity instruments at FVOCI - net of current portion (Notes 8, 17, 20 and 21)	21,235,521	20,392,800
Investment properties (Notes 10 and 21)	628,852,752	601,339,921
Investments in associates and joint ventures (Note 11)	34,528,761	33,108,359
Deferred tax assets - net	1,606,085	1,634,307
Derivative assets - net of current portion (Notes 20 and 21)	173,046	3,990,740
Other noncurrent assets (Notes 12, 17 and 21)	132,022,536	128,282,773
Total Noncurrent Assets	818,418,701	788,748,900
	₱1,050,900,152	₱1,019,430,730

LIABILITIES AND EQUITY**Current Liabilities**

Loans payable (Notes 13, 17, 20 and 21)	₱22,137,842	₱17,312,356
Accounts payable and other current liabilities (Notes 14, 17, 20 and 21)	106,980,484	103,788,961
Current portion of long-term debt (Notes 15, 17, 20 and 21)	105,039,862	89,287,442
Derivative liabilities (Notes 20 and 21)	189,991	-
Income tax payable	1,376,741	1,606,324
Total Current Liabilities	235,724,920	211,995,083

Noncurrent Liabilities

Long-term debt - net of current portion (Notes 15, 17, 20 and 21)	279,767,065	283,320,341
Tenants' and customers' deposits - net of current portion (Notes 14, 20 and 21)	29,454,560	30,528,879
Deferred tax liabilities - net	14,382,883	13,923,287
Derivative liabilities - net of current portion (Notes 20 and 21)	102,655	50,447
Other noncurrent liabilities (Notes 14 and 21)	45,473,457	43,372,203
Total Noncurrent Liabilities	369,180,620	371,195,157
Total Liabilities	604,905,540	583,190,240

(Forward)

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Equity Attributable to Equity Holders of the Parent		
Capital stock (Notes 16 and 23)	₱33,166,300	₱33,166,300
Additional paid-in capital - net	38,164,631	38,164,173
Cumulative translation adjustment	2,877,824	3,135,756
Net fair value changes of equity instruments at FVOCI (Note 8)	18,519,905	17,807,766
Net fair value changes on cash flow hedges	(482,773)	604,031
Remeasurement loss on defined benefit obligation	(792,229)	(792,229)
Retained earnings (Note 16):		
Appropriated	100,000,000	100,000,000
Unappropriated	254,598,490	243,991,970
Treasury stock (Notes 16 and 23)	(3,164,535)	(2,984,695)
Total Equity Attributable to Equity Holders of the Parent	442,887,613	433,093,072
Non-controlling Interests	3,106,999	3,147,418
Total Equity	445,994,612	436,240,490
	₱1,050,900,152	₱1,019,430,730

See accompanying Notes to Interim Condensed Consolidated Financial Statements.



SM PRIME HOLDINGS, INC. AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF INCOME

(Amounts in Thousands, Except Per Share Data)

	Three-Month Periods Ended June 30		Six-Month Periods Ended June 30	
	2025	2024	2025	2024
	(Unaudited)		(Unaudited)	
REVENUES				
Rent (Notes 10 and 17)	₱20,513,084	₱19,296,236	₱40,534,048	₱37,831,521
Real estate sales	10,799,500	10,797,006	20,016,127	19,585,497
Others (Notes 17 and 18)	3,957,456	3,875,531	7,493,360	7,271,227
	35,270,040	33,968,773	68,043,535	64,688,245
COSTS AND EXPENSES (Notes 17 and 19)	17,522,806	17,612,919	33,617,640	33,621,293
INCOME FROM OPERATIONS	17,747,234	16,355,854	34,425,895	31,066,952
OTHER INCOME (CHARGES)				
Interest expense (Notes 6, 13, 15 and 17)	(2,766,023)	(2,701,662)	(6,194,432)	(5,832,086)
Interest and dividend income (Notes 5, 6, 8, 12 and 17)	776,963	594,269	1,437,512	1,112,907
Others - net (Notes 10, 11, 14 and 15)	104,839	(20,333)	574,144	804,901
	(1,884,221)	(2,127,726)	(4,182,776)	(3,914,278)
INCOME BEFORE INCOME TAX	15,863,013	14,228,128	30,243,119	27,152,674
PROVISION FOR INCOME TAX (Note 22)	2,848,058	2,391,831	5,363,685	4,640,160
NET INCOME	₱13,014,955	₱11,836,297	₱24,879,434	₱22,512,514
Attributable to:				
Equity holders of the Parent (Note 23)	₱12,802,101	₱11,603,759	₱24,455,415	₱22,065,958
Non-controlling interests	212,854	232,538	424,019	446,556
	₱13,014,955	₱11,836,297	₱24,879,434	₱22,512,514
Basic/Diluted earnings per share (Note 23)	₱0.444	₱0.402	₱0.848	₱0.765
Dividend per share (Note 16)	₱0.480	₱0.346	₱0.480	₱0.346

See accompanying Notes to Interim Condensed Consolidated Financial Statements.



SM PRIME HOLDINGS, INC. AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Thousands)

	Three-Month Periods Ended June 30		Six-Month Periods Ended June 30	
	2025	2024	2025	2024
	(Unaudited)		(Unaudited)	
NET INCOME	₱13,014,955	₱11,836,297	₱24,879,434	₱22,512,514
OTHER COMPREHENSIVE INCOME (LOSS)				
Item that will not be reclassified to profit or loss in subsequent periods:				
Unrealized gain (loss) due to changes in fair value of financial assets at FVOCI (Note 8)	(193,228)	(3,259,152)	712,139	(972,511)
Items that may be reclassified to profit or loss in subsequent periods:				
Net fair value changes on cash flow hedges	(390,623)	(416,195)	(1,086,804)	(376,101)
Cumulative translation adjustment	(75,993)	1,135,784	(257,932)	1,093,353
	(659,844)	(2,539,563)	(632,597)	(255,259)
TOTAL COMPREHENSIVE INCOME	₱12,355,111	₱9,296,734	₱24,246,837	₱22,257,255
Attributable to:				
Equity holders of the Parent	₱12,142,257	₱9,064,196	₱23,822,818	₱21,810,699
Non-controlling interests	212,854	232,538	424,019	446,556
	₱12,355,111	₱9,296,734	₱24,246,837	₱22,257,255

See accompanying Notes to Interim Condensed Consolidated Financial Statements.



SM PRIME HOLDINGS, INC. AND SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2025 AND 2024

(Amounts in Thousands)

	Equity Attributable to Equity Holders of the Parent											
	Capital Stock (Notes 16 and 23)	Additional Paid-in Capital - Net	Cumulative Translation Adjustment	Net fair value changes of equity instruments at FVOCI (Note 8)	Net Fair Value Changes on Cash Flow Hedges	Remeasurement Loss on Defined Benefit Obligation	Retained Earnings (Note 16)		Treasury Stock (Notes 16 and 23)	Non-controlling Interests		Total Equity
							Appropriated	Unappropriated		Total		
At December 31, 2024 (Audited)	₱33,166,300	₱38,164,173	₱3,135,756	₱17,807,766	₱604,031	(₱792,229)	₱100,000,000	₱243,991,970	(₱2,984,695)	₱433,093,072	₱3,147,418	₱436,240,490
Net income for the period	–	–	–	–	–	–	–	24,455,415	–	24,455,415	424,019	24,879,434
Other comprehensive income (loss)	–	–	(257,932)	712,139	(1,086,804)	–	–	–	–	(632,597)	–	(632,597)
Total comprehensive income (loss) for the period	–	–	(257,932)	712,139	(1,086,804)	–	–	24,455,415	–	23,822,818	424,019	24,246,837
Cash dividends (Note 16)	–	–	–	–	–	–	–	(13,859,849)	–	(13,859,849)	–	(13,859,849)
Cash dividends received by a subsidiary (Note 16)	–	–	–	–	–	–	–	10,954	–	10,954	–	10,954
Cash dividends received by a non-controlling interest	–	–	–	–	–	–	–	–	–	–	(464,580)	(464,580)
Sale of non-controlling interest	–	458	–	–	–	–	–	–	–	458	142	600
Acquisition of treasury shares (Note 16)	–	–	–	–	–	–	–	–	(179,840)	(179,840)	–	(179,840)
At June 30, 2025 (Unaudited)	₱33,166,300	₱38,164,631	₱2,877,824	₱18,519,905	(₱482,773)	(₱792,229)	₱100,000,000	₱254,598,490	(₱3,164,535)	₱442,887,613	₱3,106,999	₱445,994,612
At December 31, 2023 (Audited)	₱33,166,300	₱38,159,900	₱2,556,139	₱16,938,503	₱1,079,094	(₱1,062,437)	₱42,200,000	₱266,143,815	(₱2,984,695)	₱396,196,619	₱2,690,417	₱398,887,036
Net income for the period	–	–	–	–	–	–	–	22,065,958	–	22,065,958	446,556	22,512,514
Other comprehensive income (loss)	–	–	1,093,353	(972,511)	(376,101)	–	–	–	–	(255,259)	–	(255,259)
Total comprehensive income (loss) for the period	–	–	1,093,353	(972,511)	(376,101)	–	–	22,065,958	–	21,810,699	446,556	22,257,255
Cash dividends (Note 16)	–	–	–	–	–	–	–	(9,992,214)	–	(9,992,214)	–	(9,992,214)
Cash dividends received by a subsidiary (Note 16)	–	–	–	–	–	–	–	7,896	–	7,896	–	7,896
Cash dividends received by a non-controlling interest	–	–	–	–	–	–	–	–	–	–	(388,500)	(388,500)
At June 30, 2024 (Unaudited)	₱33,166,300	₱38,159,900	₱3,649,492	₱15,965,992	₱702,993	(₱1,062,437)	₱42,200,000	₱278,225,455	(₱2,984,695)	₱408,023,000	₱2,748,473	₱410,771,473

See accompanying Notes to Interim Condensed Consolidated Financial Statements.



SM PRIME HOLDINGS, INC. AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in Thousands)

	Six-Month Periods Ended June 30	
	2025	2024
	(Unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱30,243,119	₱27,152,674
Adjustments for:		
Depreciation and amortization (Notes 10, 12 and 19)	7,610,386	7,318,594
Interest expense (Notes 6, 13, 15 and 17)	6,194,432	5,832,086
Equity in net earnings of associates and joint ventures (Note 11)	(1,449,890)	(1,244,400)
Interest and dividend income (Notes 5, 6, 8, 12 and 17)	(1,437,512)	(1,112,907)
Loss on unrealized foreign exchange and fair value changes on derivatives - net	110,109	141,603
Operating income before working capital changes	41,270,644	38,087,650
Decrease (increase) in:		
Receivables and contract assets	(6,240,116)	(5,865,400)
Real estate inventories	2,077,005	(1,675,508)
Prepaid expenses and other current assets	(1,486,860)	161,120
Increase (decrease) in:		
Accounts payable and other liabilities	4,286,189	6,282,395
Tenants' and customers' deposits	(1,058,201)	1,490,526
Cash generated from operations	38,848,661	38,480,783
Income tax paid	(5,106,425)	(4,297,613)
Net cash provided by operating activities	33,742,236	34,183,170
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	1,016,519	785,312
Dividends received	343,892	284,257
Net additions to investment properties (Note 10)	(35,030,138)	(29,904,551)
Increase in other noncurrent assets	(1,446,213)	(1,306,303)
Net cash used in investing activities	(35,115,940)	(30,141,285)
CASH FLOWS FROM FINANCING ACTIVITIES		
Availments of interest-bearing debt (Notes 13 and 15)	111,791,595	90,390,152
Proceeds from matured derivatives	154,500	2,501,943
Payments of:		
Interest-bearing debt (Notes 13 and 15)	(92,985,241)	(78,530,237)
Dividends	(14,313,475)	(10,371,738)
Interest excluding capitalized interest	(6,031,133)	(5,643,921)
Lease liabilities	(454,139)	(444,785)
Acquisition of treasury shares (Note 16)	(179,840)	-
Net cash used in financing activities	(2,017,733)	(2,098,586)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		
	(4,495)	17,484
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
	(3,395,932)	1,960,783
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		
	31,246,171	31,816,802
CASH AND CASH EQUIVALENTS AT END OF PERIOD		
	₱27,850,239	₱33,777,585

See accompanying Notes to Interim Condensed Consolidated Financial Statements.



SM PRIME HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS

1. Corporate Information

SM Prime Holdings, Inc. (SMPH or the Parent Company) was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on January 6, 1994. SMPH and its subsidiaries (collectively known as “the Company”) are incorporated to acquire by purchase, exchange, assignment, gift or otherwise, and to own, use, improve, subdivide, operate, enjoy, sell, assign, transfer, exchange, lease, let, develop, mortgage, pledge, traffic, deal in and hold for investment or otherwise, including but not limited to real estate and the right to receive, collect and dispose of, any and all rentals, dividends, interest and income derived therefrom; the right to vote on any proprietary or other interest on any shares of stock, and upon any bonds, debentures, or other securities; and the right to develop, conduct, operate and maintain modernized commercial shopping centers and all the businesses appurtenant thereto, such as but not limited to the conduct, operation and maintenance of shopping center spaces for rent, amusement centers, movie or cinema theatres within the compound or premises of the shopping centers, to construct, erect, manage and administer buildings such as condominium, apartments, hotels, restaurants, stores or other structures for mixed use purposes.

SMPH’s shares of stock are publicly traded in the Philippine Stock Exchange (PSE).

The Company’s ultimate parent company is SM Investments Corporation (SMIC). SMIC is a Philippine corporation whose common shares is listed with the PSE in 2005.

The registered office and principal place of business of the Parent Company is at 7/F MOA Square, Seashell Lane cor. Coral Way, Mall of Asia Complex, Brgy. 76 Zone 10, CBP-1A, 1300 Pasay City, Metro Manila, Philippines.

2. Basis of Preparation

The accompanying interim condensed consolidated financial statements have been prepared on a historical cost basis, except for financial assets at fair value through other comprehensive income (FVOCI) and derivative financial instruments which have been measured at fair value.

The interim condensed consolidated financial statements are presented in Philippine peso, which is the Parent Company’s functional and presentation currency under Philippine Financial Reporting Standards (PFRS) Accounting Standards. All values are rounded to the nearest thousand peso, except when otherwise indicated.

The interim condensed consolidated financial statements have been prepared under the going concern assumption.

Statement of Compliance

The accompanying interim condensed consolidated financial statements have been prepared in accordance with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting*.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Company’s annual audited consolidated financial statements as at December 31, 2024.



Basis of Consolidation

The interim condensed consolidated financial statements include the accounts of the Parent Company and all of its subsidiaries. As at June 30, 2025, there were no significant changes in the composition of the Company and in the Parent Company's ownership interests in its subsidiaries.

Material Accounting Judgments, Estimates and Assumptions

The preparation of the interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. Uncertainty about these estimates and assumptions could result in outcomes that require an adjustment to the carrying amount of the affected asset or liability in the future period.

Except as otherwise disclosed, there were no significant changes in the significant accounting judgments, estimates and assumptions used by the Company for the six-month period ended June 30, 2025.

3. Summary of Material Accounting Policy Information

Changes in Accounting Policies and Disclosures

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended December 31, 2024, except for the adoption of Amendments to PAS 21, *Lack of exchangeability*, which became effective in 2025. The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The adoption of these amendments did not have any material impact on the interim condensed consolidated financial statements.

The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

4. Segment Information

For management purposes, the Company is organized into business units based on their products and services, and has four reportable segments as follows: malls, residential, hotels and convention centers, and commercial and integrated commercial developments.

Malls segment develops, conducts, operates and maintains the business of modern commercial shopping centers and all businesses related thereto such as the conduct, operation and maintenance of shopping center spaces for rent, amusement centers, or cinema theaters within the compound of the shopping centers.

Residential and commercial and integrated commercial developments segments are involved in the development and transformation of major residential, commercial, entertainment and tourism districts through sustained capital investments in buildings and infrastructure.

Hotels and convention centers segment engages in and carry on the business of hotel and convention centers and operates and maintains any and all services and facilities incident thereto.



Management, through the Executive Committee, monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with the operating profit or loss in the interim condensed consolidated financial statements.

The amount of segment assets and liabilities and segment profit or loss are based on measurement principles that are similar to those used in measuring the assets and liabilities and profit or loss in the interim condensed consolidated financial statements, which is in accordance with PFRS Accounting Standards.

Inter-segment Transactions

Inter-segment transactions are eliminated in the interim condensed consolidated financial statements.

Business Segment Data

	June 30, 2025 (Unaudited)					
	Malls	Residential	Hotels and Convention Centers	Commercial and Integrated Commercial Developments	Eliminations	Consolidated Balances
<i>(In Thousands)</i>						
Revenues:						
External customers	₱40,416,595	₱20,919,470	₱4,110,047	₱2,597,423	₱-	₱68,043,535
Inter-segment	64,352	-	-	79,843	(144,195)	-
	₱40,480,947	₱20,919,470	₱4,110,047	₱2,677,266	(₱144,195)	₱68,043,535
Segment results:						
Income before income tax	₱21,079,074	₱6,348,228	₱793,838	₱2,021,979	₱-	₱30,243,119
Provision for income tax	(3,671,701)	(1,210,986)	(158,635)	(322,363)	-	(5,363,685)
Net income	₱17,407,373	₱5,137,242	₱635,203	₱1,699,616	₱-	₱24,879,434
Net income attributable to:						
Equity holders of the Parent	₱16,992,306	₱5,128,290	₱635,203	₱1,699,616	₱-	₱24,455,415
Non-controlling interests	415,067	8,952	-	-	-	424,019
Other information:						
Capital expenditures*	₱15,218,763	₱6,351,285	₱759,222	₱15,007,606	₱-	₱37,336,876
Depreciation and amortization	6,632,547	142,514	405,899	429,426	-	7,610,386

*Excludes capitalized interest

	June 30, 2024 (Unaudited)					
	Malls	Residential	Hotels and Convention Centers	Commercial and Integrated Commercial Developments	Eliminations	Consolidated Balances
<i>(In Thousands)</i>						
Revenues:						
External customers	₱37,899,477	₱20,484,464	₱3,694,815	₱2,609,489	₱-	₱64,688,245
Inter-segment	68,169	2,500	-	61,806	(132,475)	-
	₱37,967,646	₱20,486,964	₱3,694,815	₱2,671,295	(₱132,475)	₱64,688,245
Segment results:						
Income before income tax	₱18,568,078	₱6,105,538	₱669,049	₱1,810,009	₱-	₱27,152,674
Provision for income tax	(3,186,849)	(1,055,173)	(141,793)	(256,345)	-	(4,640,160)
Net income	₱15,381,229	₱5,050,365	₱527,256	₱1,553,664	₱-	₱22,512,514
Net income attributable to:						
Equity holders of the Parent	₱14,942,068	₱5,042,970	₱527,256	₱1,553,664	₱-	₱22,065,958
Non-controlling interests	439,161	7,395	-	-	-	446,556
Other information:						
Capital expenditures*	₱15,117,318	₱11,414,946	₱971,398	₱8,818,425	₱-	₱36,322,087
Depreciation and amortization	6,283,132	126,037	390,498	518,927	-	7,318,594

*Excludes capitalized interest



June 30, 2025 (Unaudited)						
	Malls	Residential	Hotels and Convention Centers	Commercial and Integrated Commercial Developments	Eliminations	Consolidated Balances
<i>(In Thousands)</i>						
June 30, 2025 (Unaudited)						
Segment assets	₱519,008,946	₱379,754,786	₱25,063,675	₱128,513,648	(₱1,440,903)	₱1,050,900,152
Segment liabilities	₱328,734,170	₱210,389,096	₱2,160,257	₱65,062,920	(₱1,440,903)	₱604,905,540
December 31, 2024 (Audited)						
Segment assets	₱486,804,040	₱372,848,649	₱24,482,894	₱137,249,879	(₱1,954,732)	₱1,019,430,730
Segment liabilities	₱322,128,497	₱207,977,024	₱1,982,532	₱53,056,919	(₱1,954,732)	₱583,190,240

For the six-month periods ended June 30, 2025 and 2024, there were no revenue transactions with a single external customer which accounted for 10% or more of the consolidated revenue from external customers. The Company disaggregates its revenue information in the same manner as it reports its segment information.

Seasonality

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

5. Cash and Cash Equivalents

This account consists of:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
<i>(In Thousands)</i>		
Cash on hand and in banks (see Note 17)	₱4,032,932	₱4,396,389
Temporary investments (see Note 17)	23,817,307	26,849,782
	₱27,850,239	₱31,246,171

Interest income earned from cash in banks and temporary investments amounted to ₱808 million and ₱664 million for the six-month periods ended June 30, 2025 and 2024, respectively.



6. Receivables and Contract Assets

This account consists of:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
	<i>(In Thousands)</i>	
Trade:		
Sale of real estate (billed and unbilled)*	₱160,506,998	₱152,492,378
Rent (see Note 17)	12,711,331	14,450,453
Accrued interest (see Note 17)	368,747	370,865
Nontrade and others (see Note 17)	4,928,465	5,031,479
	178,515,541	172,345,175
Less allowance for expected credit loss (ECLs)	747,377	774,250
	177,768,164	171,570,925
Less noncurrent portion of receivables from sale of real estate (see Note 12)	81,517,852	79,064,021
	₱96,250,312	₱92,506,904

**Includes unbilled revenue from sale of real estate amounting to ₱145,955 million and ₱133,475 million as at June 30, 2025 and December 31, 2024, respectively.*

Interest income earned from receivables amounted to ₱152 million and ₱140 million for the six-month periods ended June 30, 2025 and 2024, respectively.

The Company assigned billed and unbilled receivables from sale of real estate on a without recourse basis to local banks amounting to ₱3,111 million and ₱1,178 million for the six-month periods June 30, 2025 and 2024, respectively (see Note 17).

The total cost of related financing recorded under interest expense amounted to ₱151 million and ₱161 million for the six-month periods ended June 30, 2025 and 2024, respectively.

The movements in the allowance for ECLs related to receivables are as follows:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
	<i>(In Thousands)</i>	
At beginning of the period	₱774,250	₱777,378
Reversals - net of provision	(26,873)	(3,128)
At end of the period	₱747,377	₱774,250

Receivables are assessed by the Company's management as not impaired, good and collectible.



7. Real Estate Inventories

The movements in this account are as follows:

	Land and Development	Condominium, Residential Units and Subdivision Lots for Sale	Total
		(In Thousands)	
Balance as at December 31, 2023 (Audited)	₱52,758,337	₱25,128,444	₱77,886,781
Development cost incurred	17,918,601	103,947	18,022,548
Cost of real estate sold	(11,962,498)	(7,178,027)	(19,140,525)
Transfers	(3,074,344)	3,074,344	–
Reclassifications from investment properties (see Note 10)	142,699	–	142,699
Translation adjustment and others	–	16,024	16,024
Balance as at December 31, 2024 (Audited)	55,782,795	21,144,732	76,927,527
Development cost incurred	6,733,266	8,293	6,741,559
Cost of real estate sold (see Note 19)	(5,274,399)	(3,215,612)	(8,490,011)
Transfers	(524,504)	524,504	–
Reclassifications from investment properties (see Note 10)	327,512	–	327,512
Translation adjustment and others	35,960	52,100	88,060
Balance as at June 30, 2025 (Unaudited)	₱57,080,630	₱18,514,017	₱75,594,647

Land and development pertains to the Company's on-going residential units and condominium projects.

Condominium and residential units for sale which pertain to the completed projects are stated at cost as at June 30, 2025 and December 31, 2024.

Contract fulfillment assets, included under land and development, mainly pertain to unamortized portion of land cost totaling ₱2,244 million and ₱2,031 million as at June 30, 2025 and December 31, 2024, respectively.

8. Equity Instruments at FVOCI

This account consists of investments in:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
	(In Thousands)	
Shares of stock:		
Listed (see Note 17)	₱22,051,582	₱21,181,916
Unlisted	5,317	5,317
	22,056,899	21,187,233
Less noncurrent portion	21,235,521	20,392,800
	₱821,378	₱794,433

Dividend income from investments at FVOCI amounted to ₱423 million and ₱253 million for the six-month periods ended June 30, 2025 and 2024, respectively (see Note 17).

Unrealized gain of ₱712 million and unrealized loss of ₱973 million on changes in fair value for the six-month periods ended June 30, 2025 and 2024, respectively were included under other comprehensive income.



9. **Prepaid Expenses and Other Current Assets**

This account consists of:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
	<i>(In Thousands)</i>	
Input and creditable withholding taxes	₱15,396,519	₱14,039,318
Advances and deposits	9,425,258	8,797,734
Prepaid taxes and other prepayments	4,379,364	4,565,703
Supplies, inventories and others	702,947	1,023,953
	₱29,904,088	₱28,426,708



10. Investment Properties

The movements in this account are as follows:

	Land, Building and Leasehold Improvements	Building Equipment, Furniture and Others	ROUA <i>(In Thousands)</i>	Construction in Progress	Total
Cost					
Balance as at December 31, 2023 (Audited)	₱501,242,440	₱61,093,358	₱33,416,089	₱82,002,808	₱677,754,695
Additions	9,244,408	3,621,649	98,291	54,569,894	67,534,242
Reclassifications (see Notes 7 and 12)	16,286,673	2,788,243	–	(16,231,352)	2,843,564
Translation adjustment	917,995	77,636	295,751	124,704	1,416,086
Disposals	(690,721)	(222,151)	–	–	(912,872)
Balance as at December 31, 2024 (Audited)	527,000,795	67,358,735	33,810,131	120,466,054	748,635,715
Additions	5,692,881	1,698,299	2,926	28,553,624	35,947,730
Reclassifications (see Notes 7 and 12)	6,238,657	402,831	–	(6,956,394)	(314,906)
Translation adjustment	(467,631)	(42,253)	(143,230)	(62,488)	(715,602)
Disposals	(204,273)	(18,551)	–	–	(222,824)
Balance as at June 30, 2025 (Unaudited)	₱538,260,429	₱69,399,061	₱33,669,827	₱142,000,796	₱783,330,113
Accumulated Depreciation and Amortization					
Balance as at December 31, 2023 (Audited)	₱90,506,475	₱38,908,252	₱3,265,222	₱–	₱132,679,949
Depreciation and amortization	9,753,913	4,245,234	830,532	–	14,829,679
Translation adjustment	212,105	45,221	11,907	–	269,233
Disposals	(282,864)	(200,203)	–	–	(483,067)
Balance as at December 31, 2024 (Audited)	100,189,629	42,998,504	4,107,661	–	147,295,794
Depreciation and amortization (see Note 19)	4,911,635	2,185,255	405,359	–	7,502,249
Translation adjustment	(121,265)	(16,447)	(8,009)	–	(145,721)
Disposals	(156,892)	(18,069)	–	–	(174,961)
Balance as at June 30, 2025 (Unaudited)	₱104,823,107	₱45,149,243	₱4,505,011	₱–	₱154,477,361
Net Book Value					
As at December 31, 2024 (Audited)	₱426,811,166	₱24,360,231	₱29,702,470	₱120,466,054	₱601,339,921
As at June 30, 2025 (Unaudited)	₱433,437,322	₱24,249,818	₱29,164,816	₱142,000,796	₱628,852,752



The Company disposed certain investment properties in 2025 and 2024. The gain or loss on disposal is recognized in the interim consolidated statements of income under “Others - net” account.

Portions of investment properties located in China with total carrying value of ₱1,473 million and ₱1,539 million as at June 30, 2025 and December 31, 2024, respectively are mortgaged as collaterals to secure domestic borrowings (see Note 15).

Consolidated rent income from investment properties amounted to ₱40,534 million and ₱37,832 million for the six-month periods ended June 30, 2025 and 2024, respectively. Consolidated costs and expenses from investment properties amounted to ₱20,343 million and ₱20,054 million for the six-month periods ended June 30, 2025 and 2024, respectively.

Construction in progress includes integrated commercial development cost, construction of new malls and redevelopment of existing malls amounting to ₱142,001 million and ₱120,466 million as at June 30, 2025 and December 31, 2024, respectively.

The outstanding contracts with various contractors related to the construction of on-going projects are valued at ₱48,647 million and ₱63,362 million as at June 30, 2025 and December 31, 2024, respectively inclusive of overhead, cost of labor and materials and all other costs necessary for the proper execution of the works.

Additions include interest capitalized to the construction of investment properties amounting to ₱4,361 million and ₱7,446 million for the six-month period ended June 30, 2025 and for the year ended December 31, 2024, respectively. Capitalization rates used range from 2.19% to 6.32% and from 2.46% to 5.75% for the six-month period ended June 30, 2025 and for the year ended December 31, 2024, respectively.

The most recent fair value of investment properties is determined by an independent appraiser who holds a recognized and relevant professional qualification. The fair values of investment properties were based on market values using income approach and market value approach. The fair value represents the amount at which the assets can be exchanged between a knowledgeable, willing seller and a knowledgeable, willing buyer in an arm’s length transaction at the date of valuation, in accordance with International Valuation Standards as set out by the International Valuation Standards Committee.

Other than those investment properties held as collateral, the Company has no restriction on the realizability of its investment properties.

11. Investments in Associates and Joint Ventures

The ownership interests in associates and joint ventures are accounted for under the equity method.

As at June 30, 2025, there were no changes in the Company’s ownership interests in its investments in associates and joint ventures.



The movements in this account are as follows:

	Associates	Joint Ventures	Total
	<i>(In Thousands)</i>		
Balance as at December 31, 2023 (Audited)	₱21,983,446	₱10,447,749	₱32,431,195
Equity in net earnings	1,118,823	924,187	2,043,010
Dividends	(1,284,813)	(151,468)	(1,436,281)
Translation and others	22,104	48,331	70,435
Balance as at December 31, 2024 (Audited)	21,839,560	11,268,799	33,108,359
Equity in net earnings	963,032	486,858	1,449,890
Dividends	–	(47,940)	(47,940)
Translation and others	(2,261)	20,713	18,452
Balance as at June 30, 2025 (Unaudited)	₱22,800,331	₱11,728,430	₱34,528,761

The carrying value of investment in Ortigas Land Corporation (OLC) amounted to ₱22,507 million and ₱21,544 million as at June 30, 2025 and December 31, 2024, respectively which consists of its proportionate share in the net assets of OLC and fair value adjustments. The share in profit and total comprehensive income amounted to ₱963 million and ₱801 million for the six-month periods ended June 30, 2025 and 2024, respectively.

The carrying value of investment in Feihua Real Estate (Chongqing) Company Ltd. amounted to ₱293 million and ₱295 million as at June 30, 2025 and December 31, 2024, respectively.

The carrying values of investments in Waltermart amounted to ₱9,001 million and ₱8,710 million as at June 30, 2025 and December 31, 2024, respectively. The aggregate share in profit and total comprehensive income, net of dividends received amounted to ₱291 million and ₱315 million for the six-month periods ended June 30, 2025 and 2024, respectively.

The carrying value of investment in ST 6747 Resources Corporation amounted to ₱2,727 million and ₱2,559 million as at June 30, 2025 and December 31, 2024, respectively. The aggregate share in profit and total comprehensive income amounted to ₱168 million and ₱93 million for the six-month periods ended June 30, 2025 and 2024 respectively.

The Company has no outstanding contingent liabilities or capital commitments related to its investments in associates and joint ventures as at June 30, 2025 and December 31, 2024.

12. Other Noncurrent Assets

This account consists of:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
	<i>(In Thousands)</i>	
Receivables from sale of real estate - net of current portion* (see Note 6)	₱81,517,852	₱79,064,021
Bonds and deposits	44,096,071	42,946,111
Escrow and time deposits (see Note 17)	3,960,249	3,803,029
Property and equipment - net of accumulated depreciation of ₱2,869 million and ₱2,762 million, respectively (see Note 19)	1,561,844	1,493,295
Deferred input tax	550,277	606,950
Others	336,243	369,367
	₱132,022,536	₱128,282,773

*Pertains to noncurrent portion of unbilled revenue from sale of real estate.



Bonds and deposits related to land acquisitions amounting to ₱13 million and ₱2,986 million were reclassified to investment properties as at June 30, 2025 and December 31, 2024, respectively (see Note 10).

Interest income earned from escrow and time deposits amounted to ₱55 million and ₱56 million for the six-month periods ended June 30, 2025 and 2024, respectively.

13. Loans Payable

This account consists of unsecured Philippine peso and China yuan renminbi denominated loans obtained from local and foreign banks amounting to ₱22,138 million and ₱17,312 million as at June 30, 2025 and December 31, 2024, respectively, with due dates of less than one year. These loans bear weighted average interest rates of 5.29% and 5.35% and China loan prime rate (LPR), as at June 30, 2025 and December 31, 2024, respectively.

Interest expense incurred from loans payable amounted to ₱457 million and ₱329 million for the six-month periods ended June 30, 2025 and 2024, respectively.

14. Accounts Payable and Other Current Liabilities

This account consists of:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
	<i>(In Thousands)</i>	
Trade payable (see Note 17)	₱57,365,697	₱58,371,104
Tenants' and customers' deposits*	42,897,941	43,023,059
Accrued operating expenses	18,997,977	17,868,320
Deferred output VAT	18,323,965	17,410,460
Retention payable	13,308,790	11,084,821
Lease liabilities	13,041,227	13,150,290
Liability for purchased land	3,917,894	3,005,332
Accrued interest (see Note 17)	2,838,151	2,674,852
Payable to government agencies	980,647	1,049,077
Nontrade	1,116,301	432,467
Others	2,437,428	2,319,562
	175,226,018	170,389,344
Less noncurrent portion	68,245,534	66,600,383
	₱106,980,484	₱103,788,961

*Includes unearned revenue from sale of real estate amounting to ₱6,832 million and ₱9,023 million as at June 30, 2025 and December 31, 2024, respectively.

Lease liabilities included in "Other noncurrent liabilities" amounted to ₱12,910 million and ₱12,991 million as at June 30, 2025 and December 31, 2024, respectively. Interest on lease liabilities included under "Others - net" in the interim consolidated statements of income amounted to ₱145 million and ₱171 million for the six-month periods ended June 30, 2025 and 2024, respectively.



The undiscounted payments of lease liabilities are scheduled as follows:

	June 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
	<i>(In Thousands)</i>	
Within 1 year	₱896,666	₱889,112
More than 1 year to 5 years	3,481,761	3,547,030
More than 5 years	26,475,127	26,976,527
	₱30,853,554	₱31,412,669

Accrued operating expenses consist of:

	June 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
	<i>(In Thousands)</i>	
Payable to contractors	₱11,146,483	₱11,406,989
Utilities	3,151,891	2,375,023
Marketing, advertising and others	4,699,603	4,086,308
	₱18,997,977	₱17,868,320



15. Long-term Debt

This account consists of:

	Availment Date	Maturity Date	Weighted Average Interest Rate	Outstanding Balance	
				June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
				<i>(In Thousands)</i>	
Philippine peso-denominated loans	November 25, 2015 - June 18, 2025	January 30, 2025 - February 25, 2035	Floating BVAL + margin; Fixed 5.73%	₱312,726,750	₱287,331,190
U.S. dollar-denominated loans*	January 29, 2021 - August 27, 2024	March 21, 2025 - August 10, 2029	SOFR + spread; quarterly	62,925,842	76,161,303
China yuan renminbi-denominated loans**	May 6, 2021 - June 23, 2025	April 20, 2026 - June 24, 2037	LPR; annually; Fixed - 3.65%	11,001,765	10,830,711
				386,654,357	374,323,204
Less debt issue cost				1,847,430	1,715,421
				384,806,927	372,607,783
Less current portion				105,039,862	89,287,442
				₱279,767,065	₱283,320,341

BVAL – Bloomberg Valuation Service

SOFR – Secured Overnight Financing Rate

**Hedged against foreign exchange and interest rate risks using derivative instruments.*

***Secured by portions of investment properties located in China (see Note 10).*



Debt Issue Cost

The movements in unamortized debt issue cost of the Company as follows:

	June 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
	<i>(In Thousands)</i>	
Balance at beginning of the year	₱1,715,421	₱1,885,738
Additions	543,762	655,334
Amortization	(411,753)	(825,651)
Balance at end of the year	₱1,847,430	₱1,715,421

Amortization of debt issue cost is recognized in the interim consolidated statements of income under “Others - net” account.

Repayment Schedule

The repayments of long-term debt are scheduled as follows:

	Gross Loan	Debt Issue Cost	Net
	<i>(In Thousands)</i>		
Within 1 year	₱105,664,118	(₱624,256)	₱105,039,862
More than 1 year to 5 years	210,917,848	(1,113,422)	209,804,426
More than 5 years	70,072,391	(109,752)	69,962,639
	₱386,654,357	(₱1,847,430)	₱384,806,927

The loan agreements of the Company provide certain restrictions and requirements principally with respect to maintenance of required financial ratios and material change in ownership or control. As at June 30, 2025 and December 31, 2024, the Company is in compliance with the terms of its loan covenants.

Interest expense incurred from long-term debt amounted to ₱5,586 million and ₱5,342 million for the six-month periods ended June 30, 2025 and 2024, respectively.

16. Equity

Capital Stock

As at June 30, 2025 and December 31, 2024, the Company has an authorized capital stock of 40,000 million with a par value of ₱1 a share, of which 33,166 million shares were issued (see Note 23).

As at June 30, 2025 and December 31, 2024, the Company has 28,848 million and 28,856 million outstanding shares, respectively.

Retained Earnings

On April 29, 2025, the Company’s Board of Directors (BOD) approved the declaration of cash dividend of ₱0.480 per share or ₱13,860 million to stockholders of record as of May 14, 2025, ₱11 million of which was received by SM Development Corporation (SMDC). This was paid on May 28, 2025.



On April 23, 2024, the BOD approved the declaration of cash dividend of ₱0.346 per share or ₱9,992 million to stockholders of record as of May 8, 2024, ₱8 million of which was received by SMDC. This was paid on May 22, 2024.

On December 9, 2024, the BOD approved the appropriation of retained earnings amounting to ₱100,000 million. On the same date, the BOD approved the reversal of appropriated retained earnings amounting to ₱42,200 million.

As at June 30, 2025 and December 31, 2024, the retained earnings appropriated amounted to ₱100,000 million for planned construction projects and land banking activities. This represents a continuing appropriation to cover the Company's capital expenditures. Approval of expansions and new projects is delegated by the BOD to the Executive Committee of the Company.

The unappropriated retained earnings account is restricted for the payment of dividends to the extent of the accumulated equity in net earnings of subsidiaries, associates and joint ventures and the balance of treasury stock until such time that the Parent Company receives the dividends from its subsidiaries, associates and joint ventures. The retained earnings available for dividend declaration amounted to ₱82,381 million and ₱77,131 million as at June 30, 2025 and December 31, 2024, respectively.

Treasury Stock

On December 9, 2024, the BOD approved a share buyback program ranging from ₱5 billion to ₱10 billion. For the six-month period ending June 30, 2025, the Company has purchased a total of 8 million shares at an average price of ₱22.18 for a total consideration of ₱180 million under its share buyback program.

As at June 30, 2025 and December 31, 2024, the Company has 4,318 million and 4,310 million shares of treasury stock, respectively. This includes reacquired capital stock and shares held by a subsidiary, stated at acquisition cost of ₱3,165 million and ₱2,985 million as at June 30, 2025 and December 31, 2024, respectively.

17. Related Party Transactions

The significant transactions entered into by the Company with its related parties and the amounts included in the accompanying interim condensed consolidated financial statements with respect to these transactions follow:

	Amount of Transactions		Outstanding Amount [Asset (Liability)]		Terms	Conditions
	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)		
<i>(In Thousands)</i>						
Ultimate Parent						
Rent income	₱40,561	₱37,399	₱-	₱-		
Rent receivable	-	-	9,527	9,752	Non-interest bearing	Unsecured; not impaired
Other revenues	13,789	18,292	-	-		
Other receivable	-	-	6,903	3,832	Non-interest bearing	Unsecured; not impaired
Rent expense	34,159	34,433	-	-		
Trade payable	-	-	(48,030)	(72,330)	Non-interest bearing	Unsecured
Equity instruments at FVOCI	-	-	127,403	131,348		
Dividend income	1,899	1,315	-	-		



	Amount of Transactions		Outstanding Amount [Asset (Liability)]		Terms	Conditions
	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)		
<i>(In Thousands)</i>						
Bank and Retail Group						
Cash and cash equivalents	₱111,466,865	₱86,430,414	₱25,063,659	₱28,105,695	Interest bearing based on prevailing rates	Unsecured; not impaired
Rent income	9,262,233	8,748,432	–	–		
Rent receivable	–	–	2,807,361	3,612,659	Non-interest bearing	Unsecured; not impaired
Other revenues	40,630	37,408	–	–		
Other receivable	–	–	7,723	41,002	Non-interest bearing	Unsecured; not impaired
Interest income	788,575	642,356	–	–		
Accrued interest receivable	–	–	172,424	204,768	Non-interest bearing	Unsecured; not impaired
Dividend income	385,483	189,051	–	–		
Equity instruments at FVOCI	–	–	16,658,831	15,556,215		
Escrow and time deposits	209,810	315,610	1,561,760	1,351,950	Interest bearing based on prevailing rates	Unsecured; not impaired
Receivable financed	3,111,036	1,177,783	–	–	Without recourse	Unsecured
Loans payable and long-term debt	26,096,353	5,000,000	(29,912,507)	(28,065,587)	Interest bearing based on prevailing rates	Unsecured
Interest expense	251,211	784,569	–	–		
Accrued interest payable	–	–	(411,065)	(211,032)	Non-interest bearing	Unsecured
Other expense	113,221	110,390	–	–		
Trade payable	–	–	(49,543)	(124,317)	Non-interest bearing	Unsecured
Other Related Parties						
Rent income	230,989	209,236	–	–		
Rent receivable	–	–	86,735	82,581	Non-interest bearing	Unsecured; not impaired
Other revenues	15,660	15,660	–	–		
Other receivable	–	–	7,234	13,613	Non-interest bearing	Unsecured; not impaired
Rent expense	248	223	–	–		
Trade payable	–	–	(6,661)	(23,742)	Non-interest bearing	Unsecured

Compensation of Key Management Personnel

The aggregate compensation and benefits related to key management personnel for the six-month periods ended June 30, 2025 and 2024 consist of short-term employee benefits amounting to ₱840 million and ₱735 million, respectively, and post-employment benefits (pension benefits) amounting to ₱115 million and ₱153 million, respectively.

18. Other Revenues

Details of other revenue follows:

	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)
<i>(In Thousands)</i>		
Cinema and event ticket sales	₱1,899,213	₱2,030,479
Merchandise sales	1,853,162	1,759,075
Food and beverages	1,382,098	1,232,297
Amusement income	691,894	685,790
Bowling and ice skating fees	233,317	234,174
Others (see Note 17)	1,433,676	1,329,412
	₱7,493,360	₱7,271,227



Others include advertising income, service fees, parking terminal, sponsorships, commissions and membership revenue.

19. Costs and Expenses

This account consists of:

	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)
	<i>(In Thousands)</i>	
Cost of real estate sold (see Note 7)	₱8,490,011	₱8,275,398
Administrative	8,276,278	8,539,156
Depreciation and amortization (see Notes 10 and 12)	7,610,386	7,318,594
Business taxes and licenses	3,121,512	3,073,146
Marketing and selling expenses	2,964,850	3,069,081
Film rentals	972,702	1,108,683
Rent (see Note 17)	744,282	700,611
Insurance	234,229	303,457
Others	1,203,390	1,233,167
	₱33,617,640	₱33,621,293

Administrative expenses include utilities, security, janitorial and other outsourced services. Rent expense pertains to variable payments for various lease agreements. Others include bank charges, donations, dues and subscriptions, service fees and transportation and travel.

20. Financial Risk Management Objectives and Policies

The Company's principal financial instruments, other than derivatives, comprise of cash and cash equivalents, accrued interest and other receivables, equity instruments at FVOCI and debt instruments. The main purpose of these financial instruments is to finance the Company's operations. The Company has other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The Company also enters into derivative transactions to manage the interest rate and foreign currency risks arising from operations and its sources of finance (see Note 21).

The main risks arising from the Company's financial instruments are interest rate risk, foreign currency risk, liquidity risk, credit risk and equity price risk. The Company's BOD and management review and agree on the policies for managing each of these risks.

Interest Rate Risk

The Company's policy is to manage its interest cost using a mix of fixed and floating rate debts. To manage this mix in a cost-efficient manner, it enters into interest rate swaps, in which the Company agrees to exchange, at specified intervals, the difference between fixed and floating rate interest amounts calculated by reference to an agreed-upon notional principal amount. These swaps are designated to economically hedge underlying debt obligations. As at June 30, 2025 and December 31, 2024, after considering the effect of interest rate swaps, approximately 57% and 70% of its long-term borrowings, are at a fixed rate of interest.



Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company's policy is to manage its foreign currency risk mainly from its debt issuances which are denominated in U.S. dollars by entering into derivative instruments aimed at reducing and/or managing the adverse impact of changes in foreign exchange rates on financial performance and cash flow.

The Company's foreign currency-denominated monetary net assets amounted to US\$13 million (₱716 million) as at June 30, 2025 and US\$15 million (₱849 million) and December 31, 2024.

In translating the foreign currency-denominated monetary assets to peso amounts, the exchange rates used were ₱56.33 to US\$1.00 and ₱57.85 to US\$1.00, the Philippine peso to US dollar exchange rates as at June 30, 2025 and December 31, 2024, respectively.

Liquidity Risk

Liquidity risk arises from the possibility that the Company may encounter difficulties in raising funds to meet commitments from financial instruments or that a market for derivatives may not exist in some circumstance.

The Company seeks to manage its liquidity profile to be able to finance capital expenditures and service maturing debts. To cover its financing requirements, the Company intends to use internally generated funds and proceeds from debt and equity issues.

As part of its liquidity risk management program, the Company regularly evaluates its projected and actual cash flow information and continuously assesses conditions in the financial markets for opportunities to pursue fund-raising initiatives. These initiatives may include bank loans, debt capital and equity market issues. The Company also has readily available credit facility with banks and affiliates to meet its current and long-term financial liabilities.

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instruments or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Equity Price Risk

Equity price risk arises from the changes in the levels of equity indices and the value of individual stocks traded in the stock exchange.

As a policy, management monitors its equity price risk pertaining to its investments in quoted equity securities which are classified as equity instruments at FVOCI in the interim consolidated balance sheets based on market expectations. Material equity investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by management.

Capital Management

Capital includes equity attributable to the owners of the Parent.

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.



The Company manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, pay-off existing debts, return capital to shareholders or issue new shares.

21. Financial Instruments

The following table sets forth the carrying values and estimated fair values of financial assets and liabilities and nonfinancial assets, by category and by class, other than those whose carrying values are reasonable approximations of fair values:

	June 30, 2025 (Unaudited)				
	Carrying Value	Fair Value	Level 1	Level 2	Level 3
	<i>(In Thousands)</i>				
Financial Assets					
Financial assets at FVTPL:					
Derivative assets	₱2,233,833	₱2,233,833	₱-	₱2,233,833	₱-
Financial assets at amortized cost:					
Escrow and time deposits (included under "Other noncurrent assets")	3,960,249	4,055,547	-	4,055,547	-
Financial assets at FVOCI:					
Equity instruments	22,056,899	22,056,899	22,051,582	-	5,317
Nonfinancial Assets*	628,852,752	2,454,565,677	-	-	2,454,565,677
	₱657,103,733	₱2,482,911,956	₱22,051,582	₱6,289,380	₱2,454,570,994
Financial Liabilities					
Financial liabilities at FVPTL:					
Derivative liabilities	₱292,646	₱292,646	₱-	₱292,646	₱-
Loans and borrowings:					
Long-term debt - net of current portion	279,767,065	272,892,248	-	-	272,892,248
Tenants' deposits - net of current portion**	27,366,225	27,310,207	-	-	27,310,207
Other noncurrent liabilities***	14,519,918	14,254,225	-	-	14,254,225
	₱321,945,854	₱314,749,326	₱-	₱292,646	₱314,456,680

*Consists of investment properties

**Excluding residential customers' deposits amounting to ₱2,088 million

***Excluding lease liabilities and nonfinancial liabilities amounting to ₱30,954 million

	December 31, 2024 (Audited)				
	Carrying Value	Fair Value	Level 1	Level 2	Level 3
	<i>(In Thousands)</i>				
Financial Assets					
Financial assets at FVTPL:					
Derivative assets	₱4,770,827	₱4,770,827	₱-	₱4,770,827	₱-
Financial assets at amortized cost:					
Escrow and time deposits (included under "Other noncurrent assets")	3,803,029	3,886,915	-	3,886,915	-
Financial assets at FVOCI:					
Equity instruments	21,187,233	21,187,233	21,181,916	-	5,317
Nonfinancial Assets*	601,339,921	2,419,846,377	-	-	2,419,846,377
	₱631,101,010	₱2,449,691,352	₱21,181,916	₱8,657,742	₱2,419,851,694
Financial Liabilities					
Financial liabilities at FVTPL:					
Derivative liabilities	₱50,447	₱50,447	₱-	₱50,447	₱-
Loans and borrowings:					
Long-term debt - net of current portion	283,320,341	274,954,185	-	-	274,954,185
Tenants' deposits - net of current portion**	26,823,915	26,464,167	-	-	26,464,167
Other noncurrent liabilities***	13,138,778	13,064,037	-	-	13,064,037
	₱323,333,481	₱314,532,836	₱-	₱50,447	₱314,482,389

*Consists of investment properties

**Excluding residential customers' deposits amounting to ₱3,705 million

***Excluding lease liabilities and nonfinancial liabilities amounting to ₱30,233 million



Fair Value Hierarchy

The Company uses the fair value hierarchy for determining and disclosing the fair value of financial instruments.

During the six-month period ended June 30, 2025 and the year ended December 31, 2024, there were no transfers between Level 1 and Level 2 fair value measurements and no transfers into and out of Level 3 fair value measurements.

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

Derivative Instruments. The fair values are based on quotes obtained from counterparties.

Escrow and Time Deposits. The fair values are based on the discounted value of future cash flows using the prevailing market rates.

Financial assets at FVOCI. The fair value of investments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business.

Nonfinancial Assets. The significant assumptions used in the most recent valuation determined on December 31, 2024 are discount rates of 9.00% to 10.00% and average growth rate of 5.00%. Fair values based on market approach were assessed using sales comparison of similar assets. Management believes that the carrying values of additions to investment properties subsequent to the most recent valuation date would approximate their fair values.

Long-term Debt. Fair value is based on the following:

<u>Debt Type</u>	<u>Fair Value Assumptions</u>
Fixed Rate Loans	Estimated fair value is based on the discounted value of future cash flows using the applicable rates for similar types of loans. Discount rates used is based on the prevailing market rate as at June 30, 2025 and December 31, 2024.
Variable Rate Loans	For variable rate loans that re-price every three months, the carrying value approximates the fair value because of recent and regular repricing based on current market rates. For variable rate loans that re-price every six months, the fair value is determined by discounting the principal amount plus the next interest payment amount using the prevailing market rate as at June 30, 2025 and December 31, 2024 up to the next repricing date. Discount rates used is based on the prevailing market rate.

Tenants' Deposits and Other Noncurrent Liabilities. The estimated fair value is based on the discounted value of future cash flows using the applicable rates. The discount rates used range from 1.34% to 6.91% and 1.08% to 7.03% as at June 30, 2025 and December 31, 2024, respectively.

The Company assessed that the carrying values of cash and cash equivalents, receivables, loans payable and accounts payable and other current liabilities approximate their fair values due to the short-term nature and maturities of these financial instruments.

There were no financial instruments subject to an enforceable master netting arrangement that were not offset in the interim consolidated balance sheets.



Derivative Instruments Accounted for as Cash Flow Hedges

As at June 30, 2025 and December 31, 2024, the Company has outstanding arrangements to hedge both foreign currency and interest rate exposures on its foreign currency denominated debts.

As the terms of the swaps have been negotiated to match the terms of the hedged loans, the hedges were assessed to be effective.

The net movements in fair value of all derivative instruments are as follows:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
	<i>(In Thousands)</i>	
Balance at beginning of period	₱4,720,380	₱5,251,608
Net changes in fair value during the period*	(1,999,106)	1,803,201
Fair value of settled derivatives	(780,087)	(2,334,429)
Balance at end of period	₱1,941,187	₱4,720,380

*Includes fair value changes in other comprehensive income

22. Provision for Income Tax

The details of the Company's provision for income tax are as follows:

	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)
	<i>(In Thousands)</i>	
Provision for current tax	₱4,878,612	₱4,347,700
Provision for deferred tax	485,073	292,460
	₱5,363,685	₱4,640,160

23. EPS Computation

Basic/diluted EPS is computed as follows:

	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)
	<i>(In Thousands, Except Per Share Data)</i>	
Net income attributable to equity holders of the Parent (a)	₱24,455,415	₱22,065,958
Common shares issued (see Note 16)	33,166,300	33,166,300
Less weighted average number of treasury stock	4,312,938	4,309,889
Weighted average number of common shares outstanding (b)	28,853,362	28,856,411
Earnings per share (a/b)	₱0.848	₱0.765

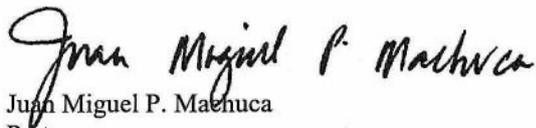


**INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULES**

The Stockholders and the Board of Directors
SM Prime Holdings, Inc.
7/F MOA Square
Seashell Lane cor. Coral Way
Mall of Asia Complex, Brgy. 76 Zone 10, CBP 1-A
1300 Pasay City, Metro Manila

We have reviewed in accordance with Philippine Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, the interim condensed consolidated financial statements of SM Prime Holdings, Inc. and its subsidiaries (the "Company") as at June 30, 2025 and for the six-month periods ended June 30, 2025 and 2024 and have issued our report thereon dated September 5, 2025. Our review was made for the purpose of expressing a conclusion on the basic interim condensed consolidated financial statements taken as whole. The schedules listed in the Index to the Interim Condensed Consolidated Financial Statements and Supplementary Schedules are the responsibility of the Company's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic interim condensed consolidated financial statements. These schedules have been subjected to the procedures applied in the review of the interim condensed consolidated financial statements and, based on our review, nothing has come to our attention that causes us to believe that the information required to be set forth therein has not been prepared, in all material respects, in relation to the basic interim condensed consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Juan Miguel P. Machuca
Partner

CPA Certificate No. 116998

Tax Identification No. 226-074-253

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-140-2024, February 28, 2024, valid until February 27, 2027

PTR No. 10465328, January 2, 2025, Makati City

September 5, 2025



SM Prime Holdings, Inc. and Subsidiaries

INDEX TO THE SUPPLEMENTARY SCHEDULES

Annex A. Reconciliation of Retained Earnings Available for Dividend Declaration

Annex B. Supplementary Schedules Required by Annex 68-J

Schedule A. Financial Assets

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)

Schedule C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements

Schedule D. Long-term Debt

Schedule E. Indebtedness to Related Parties

Schedule F. Guarantees of Securities of Other Issuers

Schedule G. Capital Stock

Annex C. Map Showing the Relationships Between and Among the Company and its Ultimate Parent Company, Middle Parent, Subsidiaries or Co-subsidiaries, Associates, Wherever Located or Registered

ANNEX A

SM Prime Holdings, Inc.
7/F MOA Square, Seashell Lane Cor. Coral Way,
Mall of Asia Complex, Brgy. 76 Zone 10, CBP-1A, Pasay City 1300

**Reconciliation of Retained Earnings Available for Dividend Declaration
June 30, 2025**

Unappropriated Retained Earnings as at January 1, 2025	₱77,130,631
Less: <u>Category B</u>: Items that are directly debited to Unappropriated Retained Earnings	
Dividend declaration during the reporting period	(13,859,849)
Unappropriated Retained Earnings, as adjusted	63,270,782
Add: Net Income for the current year	24,178,914
Less: <u>Category C.1</u>: Unrealized income recognized in the profit or loss during the reporting period (net of tax)	
Equity in net income of subsidiaries, associates and joint ventures, net of dividends declared	(5,054,515)
Add: <u>Category F</u>: Other items that should be excluded from the determination of the amount of available for dividends distribution	
Net movement in deferred tax assets	1,503
Net movement in deferred tax assets and deferred tax liabilities related to set-up of right of use assets and lease liabilities	(15,277)
Subtotal	(5,068,289)
Total Retained Earnings as at June 30, 2025 available for dividend declaration	₱82,381,407

ANNEX B**SM Prime Holdings, Inc.**

7/F MOA Square, Seashell Lane cor. Coral Way,
Mall of Asia Complex, Brgy. 76 Zone 10, CBP 1-A, Pasay City 1300

**Supplementary Schedules As Required by SRC Rule 68, Annex 68-J
June 30, 2025**

Schedule A: Financial Assets

Name of issuing Entity and Association of each issue	Number of Shares or Principal Amount of Bonds and Notes	Amount Shown in the Balance Sheet	Income Received and Accrued
Financial Assets at Amortized Cost*			
<i>(In thousands)</i>			
Temporary investments:			
BDO Unibank, Inc. (BDO)	P22,398,996	P22,398,996	
Metrobank (China) Limited Xiamen Branch	¥62,500	491,494	
China Banking Corporation (CHIB)	P483,041	483,041	
Bank of China (BOC)	¥28,000	220,189	
Industrial and Commercial Bank of China (ICBC)	¥21,600	169,860	
Others	P53,727	53,727	
Escrow and time deposits (under Other Noncurrent Assets)			
BOC	¥205,000	1,612,100	
CHIB	P912,040	912,040	
ICBC	¥100,000	786,389	
BDO	P649,720	649,720	
		P27,777,556	P745,393
<i>*Excluding cash on hand and in banks</i>			
Financial Assets at Fair Value through Profit or Loss			
Derivative assets	P2,233,833	P2,233,833	P-
Financial Assets at Fair Value through Other Comprehensive Income			
BDO	109,023,766 shares	P16,658,831	
Ayala Corporation	7,690,430 shares	4,383,545	
Shang Properties, Inc.	189,350,548 shares	770,657	
SM Investments Corporation	146,104 shares	127,402	
ACEN Corporation	23,071,290 shares	59,755	
Republic Glass Holdings Corporation	14,230,000 shares	41,409	
PICOP Resources, Inc.	40,000,000 shares	8,200	
Benguet Corporation	266,757 shares	1,112	
Prime Media Holdings, Inc.	500,000 shares	665	
Philippine National Bank	112 shares	6	
Others	8,082,270 shares	5,317	
		P22,056,899	P423,112
		P52,068,288	P1,168,505

ANNEX B

Schedule B. Amounts Receivables from Directors, Officers, Employees, and Principal Stockholders (Other than Related Parties)

Not applicable

ANNEX B**Schedule C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements***(Amounts in Thousands)*

Name and Designation of Debtor	Balance at	Net movement	Amounts		Not Current	Balance at
	Beginning of		Written Off	Current		End of
	Period					Period
San Lazaro Holdings Corporation	₱1,397,342	₱-	₱-	₱1,397,342	₱-	₱1,397,342
Costa del Hamilo, Inc. and Subsidiary	760,222	(3,698)	-	756,524	-	756,524
SM Development Corporation and Subsidiaries	684,716	(67,073)	-	617,643	-	617,643
Premier Clark Complex, Inc	355,112	150,032	-	505,144	-	505,144
Mindpro Incorporated	479,210	(2,513)	-	476,697	-	476,697
SM Land (China) Limited and Subsidiaries	319,899	-	-	319,899	-	319,899
Prime Commercial Property Management Corp. and Subsidiaries	254,208	3,664	-	257,872	-	257,872
SM Prime Holdings, Inc.	441,289	(274,960)	-	166,329	-	166,329
Associated Development Corporation	48,304	-	-	48,304	-	48,304
Tagaytay Resort and Development Corporation	35,366	(2,463)	-	32,903	-	32,903
First Asia Realty Development Corporation	22,537	(13,019)	-	9,518	-	9,518
SM Arena Complex Corporation	12,641	(3,820)	-	8,821	-	8,821
MOA Esplanade Port Inc.	9,991	(3,891)	-	6,100	-	6,100
Premier Central, Inc. and Subsidiary	26,673	(22,323)	-	4,350	-	4,350
Consolidated Prime Dev Corp.	9,399	(5,599)	-	3,800	-	3,800
Premier Southern Corp.	4,940	(1,523)	-	3,417	-	3,417
Southernpoint Properties Corp.	4,302	(1,608)	-	2,694	-	2,694
SMPHI SG Holdings Pte. Ltd.	532	1,142	-	1,674	-	1,674
Highlands Prime, Inc.	8,910	(7,546)	-	1,364	-	1,364
SM Hotels and Conventions Corp. and Subsidiaries	11,529	(10,833)	-	696	-	696
CHAS Realty and Development Corporation and Subsidiaries	3,571	(3,570)	-	-	-	-
First Leisure Ventures Group Inc.	2,239	(2,238)	-	-	-	-
Prime Metroestate, Inc.	1,198	(1,200)	-	-	-	-
	₱4,894,130	(₱273,039)	₱-	₱4,621,091	₱-	₱4,621,091

Schedule D. Long-term Debt

Title of the Issue and Type of Obligation	Amount Authorized by Indenture	Availment Date	Maturity Date	Interest Rates	Number of Periodic Installment	Current Portion of Long-term Debt	Long-term Debt - net of Current Portion
	<i>(In Thousands)</i>					<i>(In Thousands)</i>	
Philippine peso-denominated loans	₱361,355,000	November 25, 2015 - June 18, 2025	July 13, 2025 - February 25, 2035	Floating BVAL + margin; Fixed 3.80% - 6.97%	Quarterly/ Annual/ Upon maturity	₱58,797,520	₱253,929,230
U.S. Dollar denominated loans	\$1,200,000	January 29, 2021 - August 27, 2024	January 25, 2026 - August 10, 2029	SOFR + spread; quarterly	Upon maturity	43,374,083	19,551,759
China yuan renminbi-denominated loans	¥2,922,100	May 6, 2021 - June 23, 2025	April 20, 2026 - June 24, 2037	LPR; annually; Fixed - 3.65%	Semi-annual	3,492,515	7,509,250
						₱105,664,118	₱280,990,239
Less debt issue cost						624,256	1,223,174
						₱105,039,862	₱279,767,065

Schedule E. Indebtedness to Related Parties

Not applicable

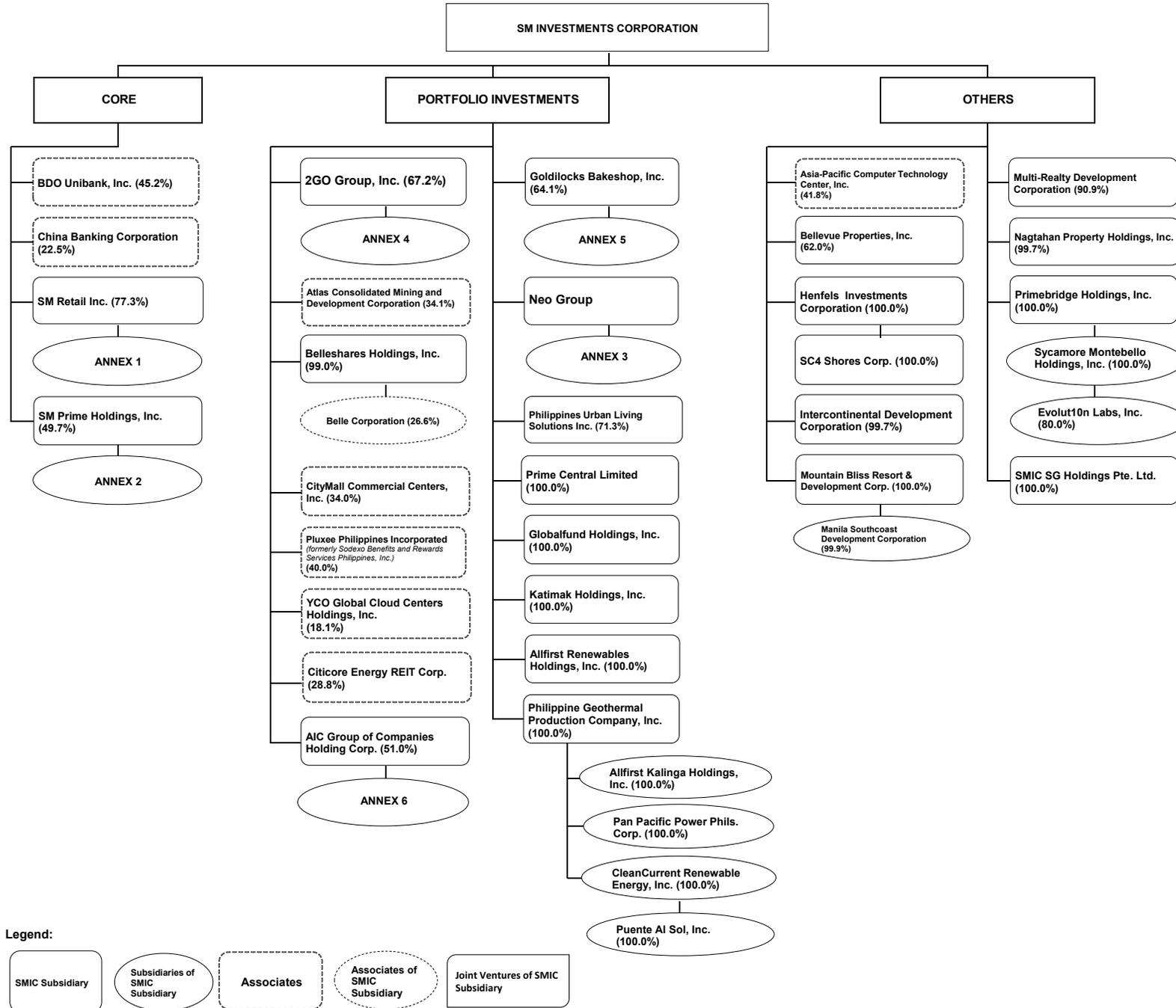
Schedule F. Guarantees of Securities of Other Issuers

Not applicable

Schedule G. Capital Stock

(Shares In Thousands)

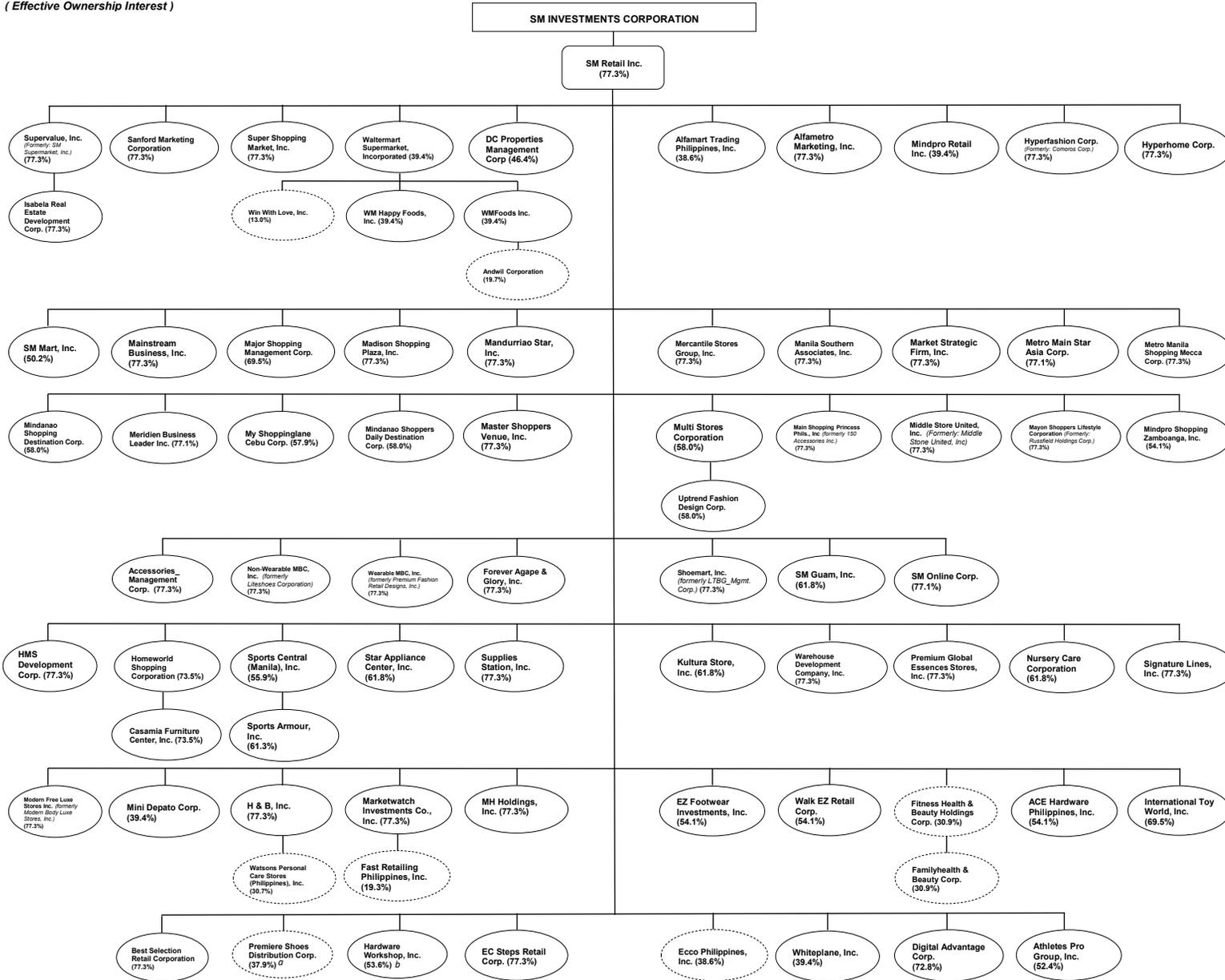
Title of Issue	Number of Shares Authorized	Number of Shares Issued as Shown Under Related Balance Sheet Caption	Number of Shares Outstanding as Shown Under Related Balance Sheet Caption	Number of Shares Held by Related Parties	Directors, Officers and Employees	Others
Common	40,000,000	33,166,300	28,848,302	15,838,582	2,976,636	10,033,084



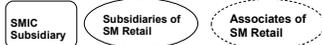
Legend:



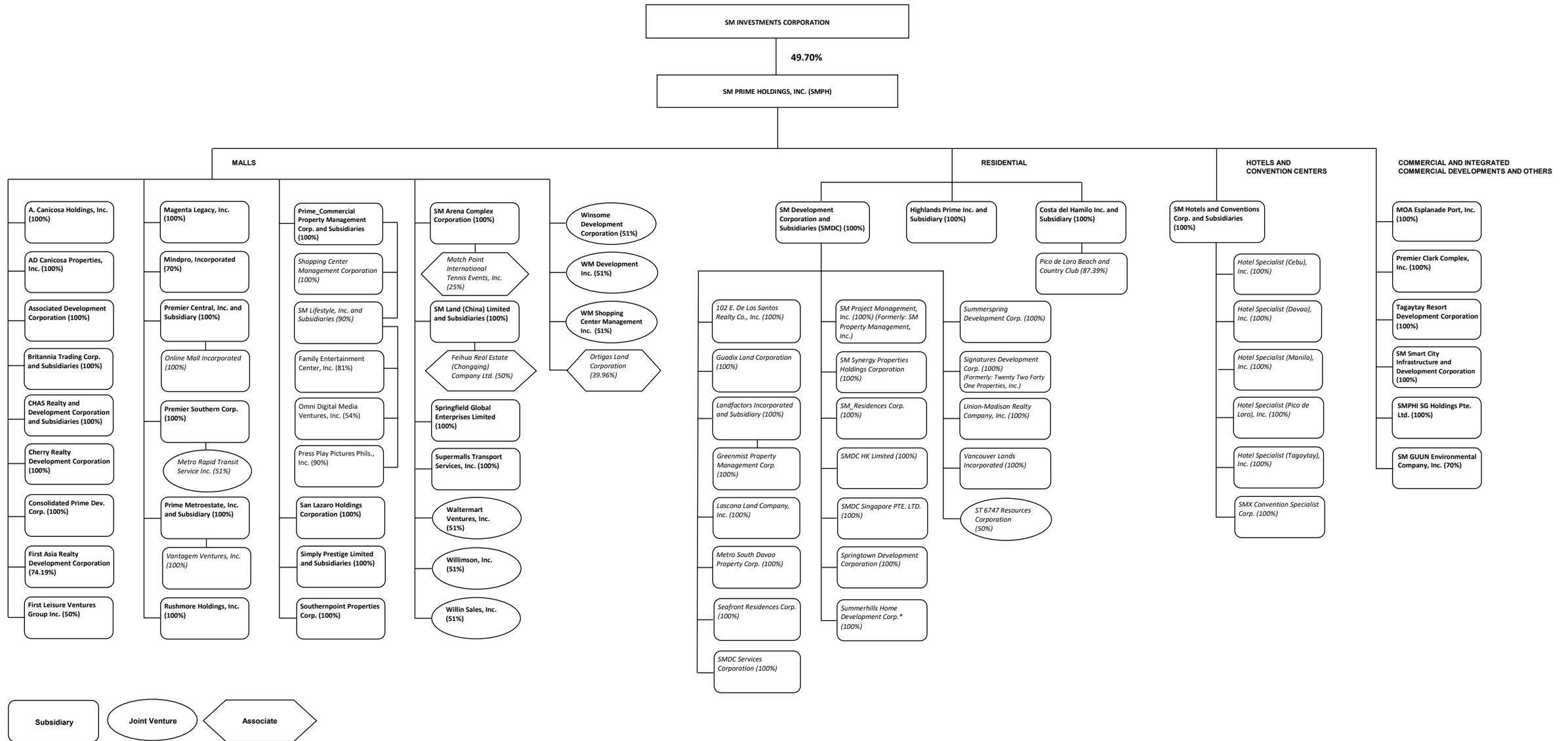
SM INVESTMENTS CORPORATION AND SUBSIDIARIES
CONGLOMERATE MAP
AS AT JUNE 30, 2025
(Effective Ownership Interest)



Legend:

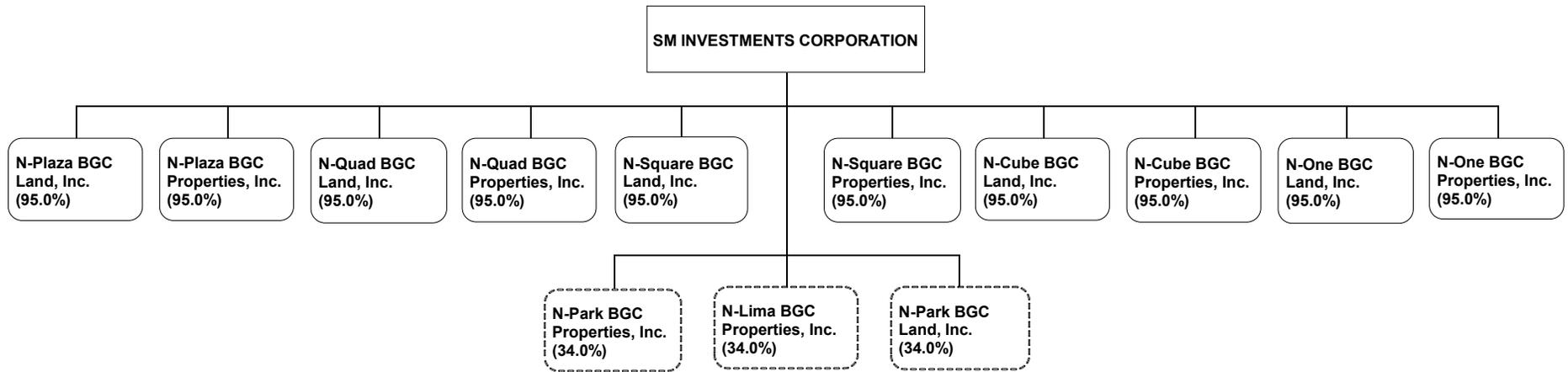


^a Corporate life ended effective November 30, 2023, pending BIR clearance
^b Corporate life ended effective January 31, 2025, pending return of capital

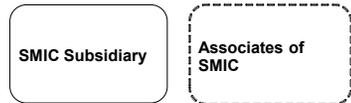


* Summerhills Home Development Corp. is 79.6% owned by SMDC and 20.4% owned by SMPH
Note: % Refers to Effective Ownership

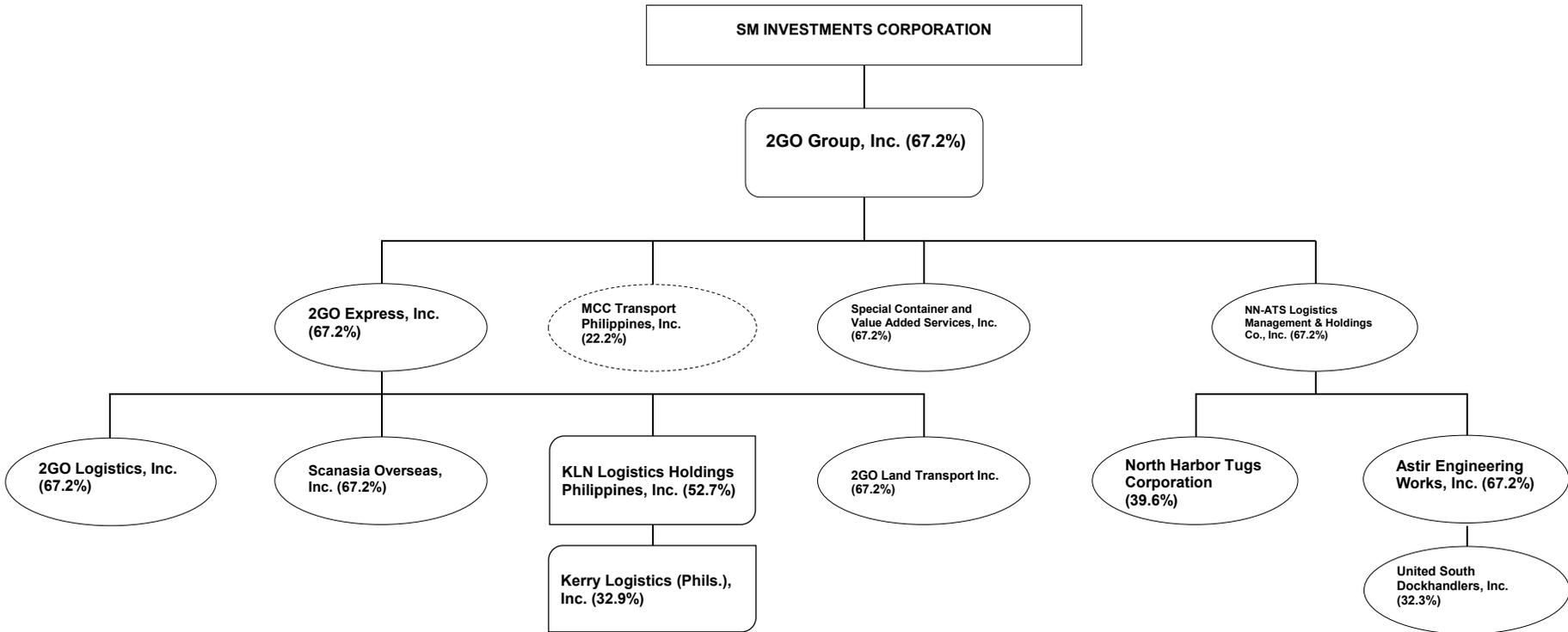
**SM INVESTMENTS CORPORATION AND SUBSIDIARIES
CONGLOMERATE MAP
AS AT JUNE 30, 2025
(Effective Ownership Interest)**



Legend:



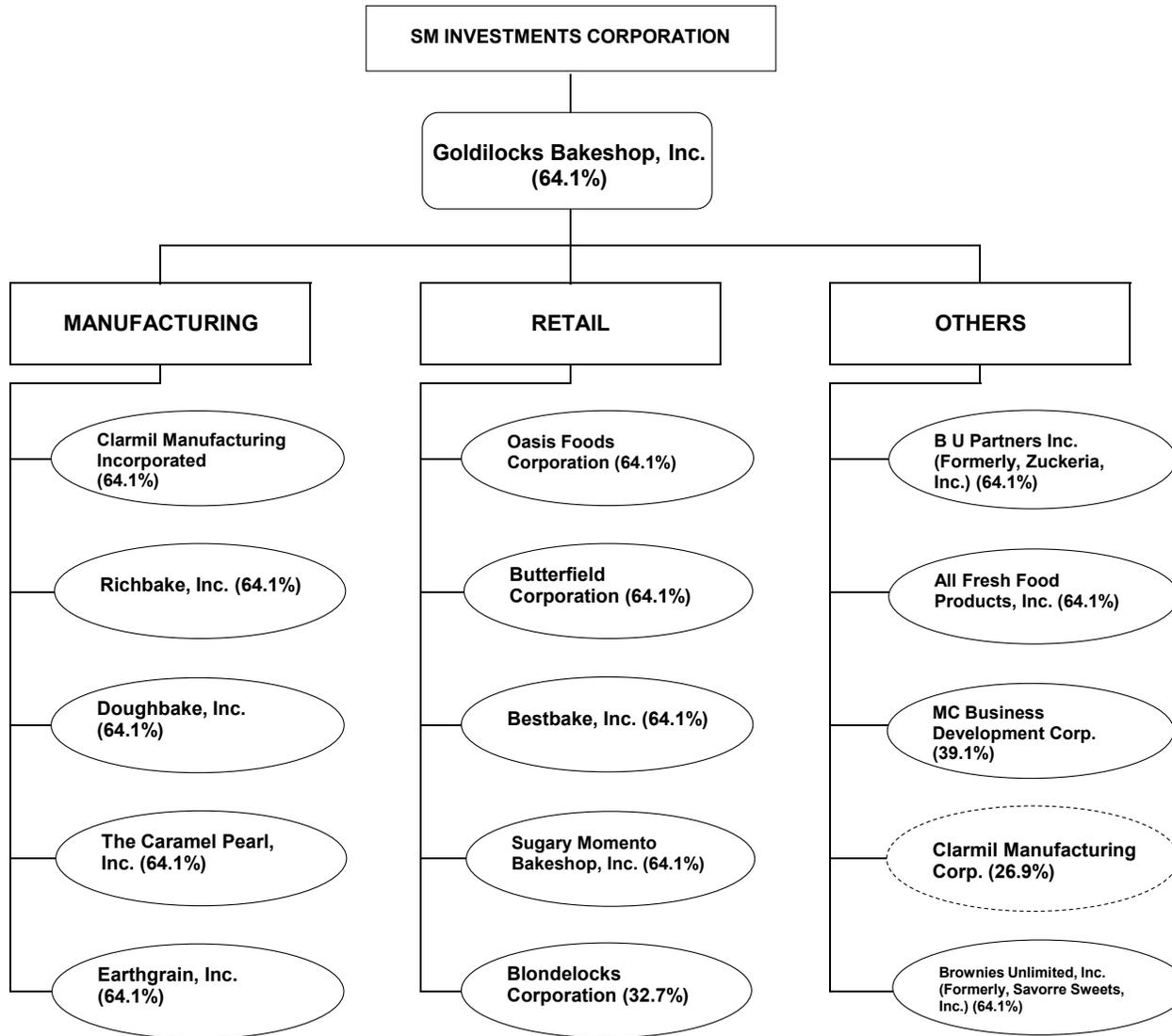
**SM INVESTMENTS CORPORATION AND SUBSIDIARIES
CONGLOMERATE MAP
AS AT JUNE 30, 2025
(Effective Ownership Interest)**



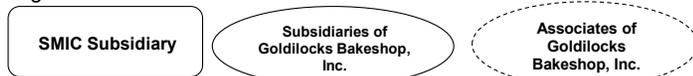
Legend:



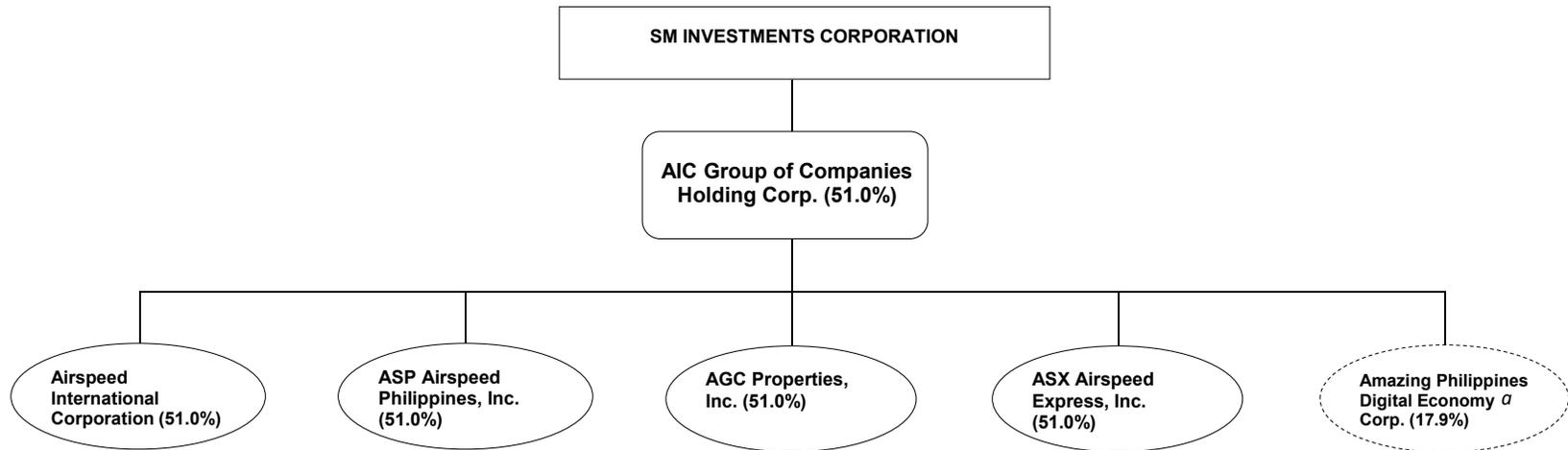
SM INVESTMENTS CORPORATION AND SUBSIDIARIES
CONGLOMERATE MAP
AS AT JUNE 30, 2025
(Effective Ownership Interest)



Legend:



SM INVESTMENTS CORPORATION AND SUBSIDIARIES
CONGLOMERATE MAP
AS AT JUNE 30, 2025
(Effective Ownership Interest)



Legend:



^a Sold in Q2 2025, pending BIR Certificate Authorizing Registration (CAR), which was obtained on July 2, 2025

INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
SM Prime Holdings, Inc.
7/F MOA Square
Seashell Lane cor. Coral Way
Mall of Asia Complex, Brgy. 76 Zone 10, CBP 1-A
1300 Pasay City, Metro Manila

We have reviewed in accordance with Philippine Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, the interim condensed consolidated financial statements of SM Prime Holdings, Inc. and its subsidiaries (the "Company") as at June 30, 2025 and for the six-month periods ended June 30, 2025 and 2024 and have issued our report thereon dated September 5, 2025. Our review was made for the purpose of expressing a conclusion on the interim condensed consolidated financial statements taken as whole. The Supplementary Schedule of Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Company's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for purposes of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not part of the basic interim condensed consolidated financial statements in accordance with PFRS. The components of these financial soundness indicators have been traced to the Company's interim condensed consolidated financial statements as at June 30, 2025 and for the six-month periods ended June 30, 2025 and 2024 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.



Juan Miguel P. Machuca
Partner

CPA Certificate No. 116998

Tax Identification No. 226-074-253

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-140-2024, February 28, 2024, valid until February 27, 2027

PTR No. 10465328, January 2, 2025, Makati City

September 5, 2025



SM PRIME HOLDINGS, INC. AND SUBSIDIARIES
FINANCIAL RATIOS AND KEY PERFORMANCE INDICATORS
AS OF JUNE 30, 2025 and DECEMBER 31, 2024

Ratio	Formula	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
<i>(amounts in thousands, except ratios)</i>			
Current Ratio	Total Current Assets divided by Total Current Liabilities		
	Total current assets	₱232,481,451	₱230,681,830
	Current liabilities	235,724,920	211,995,083
	Less: Loans payable*	(22,137,842)	(17,312,356)
	Current portion of long-term debt*	(105,039,862)	(89,287,442)
	Divide by: Current liabilities excluding loans payable and current portion of long-term debt	108,547,216	105,395,285
	Current ratio	2.14	2.19
	<i>*due for refinancing</i>		
Acid Test Ratio	Quick Assets divided by Total Current Liabilities		
	Cash and cash equivalents	₱27,850,239	₱31,246,171
	Receivables and contract assets	96,250,312	92,506,904
	Equity instruments at fair value through other comprehensive income - current	821,378	794,433
	Quick assets	124,921,929	124,547,508
	Divide by: Current liabilities excluding loans payable and current portion of long-term debt	108,547,216	105,395,285
	Acid test ratio	1.15	1.18
Solvency Ratio	Total Assets divided by Total Liabilities		
	Total assets	₱1,050,900,152	₱1,019,430,730
	Divided by: Total liabilities	604,905,540	583,190,240
	Asset to liabilities ratio	1.74	1.75
Debt-to-Equity Ratio	Total Interest-Bearing Debt divided by Total Equity Attributable to the Equity Holders of the Parent and Total Interest-Bearing Debt		
	Loans payable	₱22,137,842	₱17,312,356
	Current portion of long-term debt	105,039,862	89,287,442
	Long-term debt - net of current portion	279,767,065	283,320,341
	Total interest-bearing debt (a)	406,944,769	389,920,139
	Add: Total equity attributable to equity holders of the parent (b)	442,887,613	433,093,072
	Total interest-bearing debt and equity attributable to equity holders of the parent (c)	849,832,382	823,013,211
	Debt to equity ratio (a/c):(b/c)	48:52	47:53

Ratio	Formula	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
<i>(amounts in thousands, except ratios)</i>			
Net Debt-to-Equity Ratio	Total Interest-Bearing Debt less Cash and Cash Equivalents divided by Total Equity Attributable to the Equity Holders of the Parent		
	Total interest-bearing debt	₱406,944,769	₱389,920,139
	Less: Cash and cash equivalents	(27,850,239)	(31,246,171)
	Total net interest-bearing debt (a)	379,094,530	358,673,968
	Add: Total equity attributable to equity holders of the parent (b)	442,887,613	433,093,072
	Total net interest-bearing debt and equity attributable to equity holders of the parent (c)	821,982,143	791,767,040
	Net debt-to-equity ratio (a/c):(b/c)	46:54	45:55
Return on Equity	Net Income divided by Average Total Equity Attributable to the Equity Holders of the Parent		
	Net income attributable to equity holders of the parent*	₱48,021,220	₱45,631,764
	Divide by: Average total equity attributable to equity holders of the parent	437,990,342	414,644,844
	Return on equity <i>*rolling</i>	11%	11%
Net Income Margin	Net Income divided by Total Revenue		
	Net income attributable to equity holders of the parent	₱24,455,415	₱45,631,764
	Divide by: Total revenue	68,043,535	140,390,872
	Net income margin	36%	33%
Asset to Equity Ratio	Total Assets divided by Total Equity Attributable to the Equity Holders of the Parent		
	Total assets	₱1,050,900,152	₱1,019,430,730
	Divide by: Total equity attributable to equity holders of the parent	442,887,613	433,093,072
	Asset to equity ratio	2.37	2.35
Interest Coverage Ratio	Earnings Before Interest, Taxes and Depreciation and Amortization (EBITDA) divided by Total Interest Expense		
	Income from operations	₱34,425,895	₱68,037,118
	Less: Net income attributable to non-controlling interest	(424,019)	(907,672)
	Add: Depreciation and amortization	7,610,386	15,037,788
	EBITDA	41,612,262	82,167,234
	Divide by: Interest expense	6,194,432	13,934,024
	Interest coverage ratio	6.72	5.90

Ratio	Formula	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
<i>(amounts in thousands, except ratios)</i>			
Debt to EBITDA	Total interest-bearing liabilities divided by EBITDA		
	Total interest-bearing liabilities	₱406,944,769	₱389,920,139
	Divide by: EBITDA*	85,840,505	82,167,234
	Debt to EBITDA	4.74	4.75
	<i>*rolling</i>		

SM PRIME HOLDINGS, INC. AND SUBSIDIARIES
Retail Bond – Series Y, Z and AA Bonds
As of June 30, 2025

(1) Gross and Net Proceeds as Disclosed in the Final Offer Supplement

	<u>Amounts in millions</u>
Gross Proceeds	₱25,000
Estimated Expenses	(284)
Net Proceeds	<u>₱24,716</u>

(2) Actual Gross and Net Proceeds

	<u>Amounts in millions</u>
Gross Proceeds	₱25,000
Actual Expenses	(296)
Net Proceeds	<u>₱24,704</u>

(3) Each Expenditure Item where the Proceeds were Used

The net proceeds were used to finance capital expenditures of the following:

<u>Projects</u>	<u>Amounts in millions</u>
Debt Refinancing	
Retail bond Series I due on March 1, 2025	₱10,000
Retail bond Series K due on March 25, 2025	11,373
New Malls (including Arena)	
SM City Sta. Rosa Yulo	1,393
SM Seaside Cebu Arena	637
SM City La Union	55
Landbank	
Luzon	1,246
TOTAL	<u>₱24,704</u>

As of June 30, 2025, ₱24,704 million of the proceeds from retail bond was used to refinance long-term debt, to fund the construction of new malls (including arena) and acquisition of landbank.



Statement of Management's Responsibility for Financial Statements

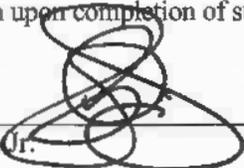
The management of SM Prime Holdings, Inc. and Subsidiaries is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, as at December 31, 2024 and 2023, and for each of the three years in the period ended December 31, 2024, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the consolidated financial statements, the management is responsible for assessing the Company's ability to continue as going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the consolidated financial statements including the schedules attached therein, and submits the same to the stockholders.

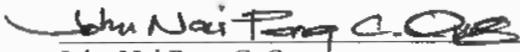
SyCip Gorres Velayo & Co., the independent auditors appointed by the stockholders, has audited the consolidated financial statements of SM Prime Holdings, Inc. and Subsidiaries in accordance with the Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.



Henry T. Sy, Jr.
Chairman



Jeffrey C. Lim
President



John Nai Peng C. Ong
Chief Finance Officer

Signed this 17th of February, 2025

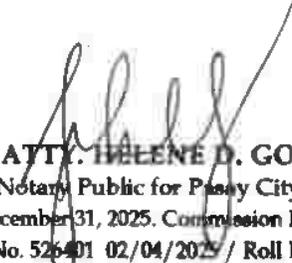
SM PRIME

MOA Square, Seashell Lane cor. Coral Way,

SUBSCRIBED AND SWORN to before me this FEB 17 2025 at PASAY CITY,
affiants exhibiting to me their Philippine passports, as follows:

NAME	PASSPORT NO.	DATE OF ISSUE	PLACE OF ISSUE
HENRY T. SY, JR.	[REDACTED]	[REDACTED]	[REDACTED]
JEFFREY C. LIM	[REDACTED]	[REDACTED]	[REDACTED]
JOHN NAI PENG C. ONG	[REDACTED]	[REDACTED]	[REDACTED]

Doc. No. 182 ;
Page No. 38 ;
Book No. II ;
Series of 2025


ATTY. HELENE D. GO
Notary Public for Pasay City
Until December 31, 2025. Commission No. 24-50
IBP OR No. 526401 02/04/2025 / Roll No. 55874
PTR OR No. 884931 01/08/2025 / TIN# 284-270-554
MCLE Compliance No. VII-0017244 valid until April 14, 2025

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
SM Prime Holdings, Inc.
7/F MOA Square
Seashell Lane cor. Coral Way
Mall of Asia Complex
Brgy. 76 Zone 10, CBP 1-A, Pasay City
Metro Manila, Philippines

Opinion

We have audited the consolidated financial statements of SM Prime Holdings, Inc. and its subsidiaries (the "Company"), which comprise the consolidated balance sheets as at December 31, 2024 and 2023, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2024, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2024 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.



We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Real Estate Revenue and Cost Recognition

The Company's real estate revenue recognition process, policies and procedures are significant to our audit because these involve application of significant judgment and estimation in the following areas: (1) assessment of the probability that the entity will collect the consideration from the buyer; (2) determination of the transaction price; (3) application of the output method as the measure of progress in determining revenue from sale of real estate; (4) determination of the actual costs incurred as cost of real estate sold; and (5) recognition of cost to obtain a contract.

In evaluating whether collectability of the amount of consideration is probable, the Company considers the significance of the buyer's initial payments in relation to the total contract price (or buyer's equity). Collectability is also assessed by considering factors such as history with the buyer, age of the outstanding receivables and pricing of the property. Management regularly evaluates the historical sales cancellations and back-outs if it would still support its current threshold of buyer's equity before commencing revenue recognition.

In determining the transaction price, the Company considers whether the selling price of the real estate property includes significant financing component.

In measuring the progress of its performance obligation over time, the Company uses the output method. This method measures progress of work based on physical proportion of work done, including the impact of customized uninstalled materials, on the real estate project which requires technical determination by the Company's project engineers. This is based on the monthly project accomplishment report prepared by the third-party project managers as approved by the construction managers.

In determining the actual costs incurred to be recognized as cost of real estate sold, the Company estimates costs incurred on materials, labor and overhead which include costs that were incurred but not yet billed by the contractor.

The Company identifies sales commissions after contract inception as cost of obtaining a contract. For contracts which qualified for revenue recognition, the related sales commissions are amortized consistent with the revenue recognition.

The disclosures related to the Company's revenue recognition are included in Note 3 to the consolidated financial statements.

Audit Response

For the buyer's equity, we evaluated management's basis of the buyer's equity by comparing this to the historical analysis of sales cancellations from buyers with accumulated payments above the collection threshold. We traced the analysis to supporting documents such as notice of sales cancellation.



For the determination of the transaction price of real estate sale, we obtained an understanding of the Company's process in the determination of the population of contracts with customers related to real estate sale and election of available practical expedient. We obtained the financing component calculation of management which includes an analysis whether the financing component of the Company's contract with customers is significant. We selected sample contracts from the sales contract database and traced these selected contracts to the calculation prepared by management. For these selected contracts, we traced the underlying data and assumptions used in the financing component calculation such as the contract price, cash discount, payment scheme, payment amortization table, and percentage of completion to the contract provision and projected percentage of completion schedule. We evaluated the Company's application of portfolio approach in the financing component calculation by understanding the rationale and basis of the parameters used (i.e., grouping of performance obligation based on percentage of completion, grouping of contracts based on payment scheme). We test computed the financing component of each portfolio as prepared by management.

For the application of the output method in determining revenue from sale of real estate, we obtained an understanding of the Company's processes for determining the percentage of completion (POC) and performed tests of the relevant controls. We inspected the certified POC reports prepared by the third-party project managers and assessed their competence, capabilities and objectivity by reference to their qualifications, experience and reporting responsibilities. For selected projects, we conducted ocular inspections, made relevant inquiries and inspected the supporting details of POC reports showing the completion of the major activities of the project construction.

For the cost of real estate sold, we obtained an understanding of the Company's cost accumulation process and performed test of controls. For selected projects, we traced costs accumulated, including those incurred but not yet billed costs, to supporting documents such as contractors billing invoices, certificates of progress acceptance, official receipts and accomplishment reports, among others.

For the cost to obtain a contract, we selected sample contracts and agreed the basis for calculating the sales commissions, particularly (a) the percentage of commissions due against contracts with sales agents, (b) the total commissionable amount (e.g., net contract price) against the related contract to sell, and, (c) the POC against the POC used in recognizing the related revenue from sale of real estate.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024, but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024 are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.



Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Juan Miguel P. Machuca.

SYCIP GORRES VELAYO & CO.



Juan Miguel P. Machuca
Partner

CPA Certificate No. 116998

Tax Identification No. 226-074-253

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-140-2024, February 28, 2024, valid until February 27, 2027

PTR No. 10465328, January 2, 2025, Makati City

February 17, 2025



SM PRIME HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Amounts in Thousands)

	December 31	
	2024	2023
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 6, 19, 26 and 27)	₱31,246,171	₱31,816,802
Receivables and contract assets (Notes 7, 14, 19, 26 and 27)	92,506,904	76,952,202
Real estate inventories (Note 8)	76,927,527	77,886,781
Equity instruments at fair value through other comprehensive income (FVOCI) (Notes 9, 26 and 27)	794,433	747,840
Derivative assets (Notes 26 and 27)	780,087	2,247,073
Prepaid expenses and other current assets (Note 10)	28,426,708	27,804,930
Total Current Assets	230,681,830	217,455,628
Noncurrent Assets		
Equity instruments at FVOCI - net of current portion (Notes 9, 19, 26 and 27)	20,392,800	19,570,212
Investment properties (Notes 12, 17, 25 and 27)	601,339,921	545,074,746
Investments in associates and joint ventures (Note 13)	33,108,359	32,431,195
Property and equipment (Note 11)	1,493,295	1,554,990
Deferred tax assets - net (Note 24)	1,634,307	1,492,359
Derivative assets - net of current portion (Notes 26 and 27)	3,990,740	3,276,971
Other noncurrent assets (Notes 7, 14, 19, 23, 26 and 27)	126,789,478	122,471,474
Total Noncurrent Assets	788,748,900	725,871,947
	₱1,019,430,730	₱943,327,575
LIABILITIES AND EQUITY		
Current Liabilities		
Loans payable (Notes 15, 19, 26 and 27)	₱17,312,356	₱4,288,964
Accounts payable and other current liabilities (Notes 16, 19, 26 and 27)	103,788,961	99,084,851
Current portion of long-term debt (Notes 17, 19, 26 and 27)	89,287,442	67,746,351
Income tax payable	1,606,324	1,295,842
Total Current Liabilities	211,995,083	172,416,008
Noncurrent Liabilities		
Long-term debt - net of current portion (Notes 17, 19, 26 and 27)	283,320,341	294,622,256
Tenants' and customers' deposits - net of current portion (Notes 16, 25, 26 and 27)	30,528,879	25,301,504
Deferred tax liabilities - net (Note 24)	13,923,287	12,458,096
Derivative liabilities - net of current portion (Notes 26 and 27)	50,447	265,013
Other noncurrent liabilities (Notes 16, 23, 26 and 27)	43,372,203	39,377,662
Total Noncurrent Liabilities	371,195,157	372,024,531
Total Liabilities	583,190,240	544,440,539

(Forward)



	December 31	
	2024	2023
Equity Attributable to Equity Holders of the Parent		
Capital stock (Notes 18 and 28)	₱33,166,300	₱33,166,300
Additional paid-in capital - net (Notes 5 and 18)	38,164,173	38,159,900
Cumulative translation adjustment	3,135,756	2,556,139
Net fair value changes of equity instruments at FVOCI (Note 9)	17,807,766	16,938,503
Net fair value changes on cash flow hedges (Note 27)	604,031	1,079,094
Remeasurement loss on defined benefit obligation - net (Note 23)	(792,229)	(1,062,437)
Retained earnings (Note 18):		
Appropriated	100,000,000	42,200,000
Unappropriated	243,991,970	266,143,815
Treasury stock (Notes 18 and 28)	(2,984,695)	(2,984,695)
Total Equity Attributable to Equity Holders of the Parent	433,093,072	396,196,619
Non-controlling Interests	3,147,418	2,690,417
Total Equity	436,240,490	398,887,036
	₱1,019,430,730	₱943,327,575

See accompanying Notes to Consolidated Financial Statements.



SM PRIME HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(Amounts in Thousands, Except Per Share Data)

	Years Ended December 31		
	2024	2023	2022
REVENUE			
Rent (Notes 12, 19 and 25)	₱78,673,921	₱72,113,957	₱58,243,913
Real estate sales	45,904,595	42,040,409	39,046,514
Others (Notes 19 and 20)	15,812,356	13,943,175	8,495,208
	140,390,872	128,097,541	105,785,635
COSTS AND EXPENSES (Notes 19, 21 and 23)	72,353,754	66,818,300	56,542,322
INCOME FROM OPERATIONS	68,037,118	61,279,241	49,243,313
OTHER INCOME (CHARGES)			
Interest expense (Notes 7, 15, 17, 19, 22, 26 and 27)	(13,934,024)	(13,963,271)	(11,465,787)
Interest and dividend income (Notes 6, 7, 9, 14, 19 and 22)	2,228,723	2,185,156	1,775,740
Others - net (Notes 11, 12, 13, 16 and 17)	510,648	338,693	(839,262)
	(11,194,653)	(11,439,422)	(10,529,309)
INCOME BEFORE INCOME TAX	56,842,465	49,839,819	38,714,004
PROVISION FOR INCOME TAX (Note 24)			
Current	9,034,395	8,211,259	6,783,913
Deferred	1,268,634	764,715	1,186,962
	10,303,029	8,975,974	7,970,875
NET INCOME	₱46,539,436	₱40,863,845	₱30,743,129
Attributable to:			
Equity holders of the Parent (Notes 18 and 28)	₱45,631,764	₱40,010,501	₱30,099,799
Non-controlling interests (Note 18)	907,672	853,344	643,330
	₱46,539,436	₱40,863,845	₱30,743,129
Basic/Diluted earnings per share (Note 28)	₱1.581	₱1.387	₱1.043
Dividend per share (Note 18)	₱0.346	₱0.237	₱0.097

See accompanying Notes to Consolidated Financial Statements.



SM PRIME HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Thousands)

	Years Ended December 31		
	2024	2023	2022
NET INCOME	₱46,539,436	₱40,863,845	₱30,743,129
OTHER COMPREHENSIVE INCOME (LOSS)			
Items that will not be reclassified to profit or loss in subsequent periods:			
Unrealized gain (loss) due to changes in fair value of financial assets at fair value through other comprehensive income (Note 9)	869,974	2,705,989	(475,854)
Remeasurement gain (loss) on defined benefit obligation (Note 23) - net	272,552	(134,611)	(383,448)
	1,142,526	2,571,378	(859,302)
Items that may be reclassified to profit or loss in subsequent periods:			
Cumulative translation adjustment	579,617	(879,032)	351,987
Net fair value changes on cash flow hedges (Note 27)	(475,063)	(1,905,511)	3,417,488
	1,247,080	(213,165)	2,910,173
TOTAL COMPREHENSIVE INCOME	₱47,786,516	₱40,650,680	₱33,653,302
Attributable to:			
Equity holders of the Parent (Note 18)	₱46,876,500	₱39,798,392	₱33,013,181
Non-controlling interests	910,016	852,288	640,121
	₱47,786,516	₱40,650,680	₱33,653,302

See accompanying Notes to Consolidated Financial Statements.



SM PRIME HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022
(Amounts in Thousands)

	Equity Attributable to Equity Holders of the Parent										Non-controlling Interests		Total Equity
	Capital Stock	Additional Paid-in Capital - Net	Cumulative Translation Income Adjustment	Net fair value changes of equity instruments at fair value through other comprehensive income (FVOCI)	Changes on Cash Flow Hedges	Net Fair Value Remeasurement Gain (Loss) on Defined Benefit Obligation - net	Retained Earnings Appropriated	Retained Earnings Unappropriated	Treasury Stock	Total	Non-controlling Interests		
At January 1, 2024	\$33,166,300	\$38,159,900	\$2,556,139	\$16,938,503	\$1,079,094	(\$1,062,437)	\$42,200,000	\$266,143,815	(\$2,984,695)	\$396,196,619	\$2,690,417	\$398,887,036	
Net income for the year	-	-	-	579,617	-	-	-	45,631,764	-	45,631,764	907,672	46,539,436	
Other comprehensive income (loss)	-	-	-	(869,974)	(475,063)	2,702,208	-	(9,992,214)	-	1,244,736	2,344	1,247,080	
Total comprehensive income (loss) for the year	-	-	-	579,617	(475,063)	2,702,208	-	(9,992,214)	-	46,876,500	910,016	47,786,516	
Cash dividends received by a subsidiary (Note 18)	-	-	-	-	-	-	-	7,894	-	(9,992,214)	-	(9,992,214)	
Cash dividends received by non-controlling interests	-	-	-	-	-	-	-	7,894	-	-	-	7,894	
Cash dividends received by non-controlling interests reclassified to retained earnings	-	-	-	-	-	(711)	-	-	-	-	-	(454,430)	
Net fair value changes of equity instruments at FVOCI	-	-	-	-	-	-	(42,200,000)	42,200,000	-	-	-	-	
Reversal of appropriation	-	-	-	-	-	-	100,000,000	(100,000,000)	-	-	-	-	
Appropriation during the year	-	-	-	-	-	-	-	-	-	-	-	-	
Sale of non-controlling interest (Note 18)	-	-	-	4,273	-	-	-	-	-	4,273	1,415	5,688	
At December 31, 2024	\$33,166,300	\$38,164,173	\$3,135,756	\$17,807,766	\$604,031	(\$792,229)	\$100,000,000	\$243,991,970	(\$2,984,695)	\$433,093,072	\$3,147,418	\$436,240,490	
At January 1, 2023	\$33,166,300	\$38,124,193	\$3,435,171	\$14,232,514	\$2,984,605	(\$928,882)	\$42,200,000	\$232,972,284	(\$2,984,695)	\$363,201,490	\$1,950,116	\$365,151,606	
Net income for the year	-	-	-	(879,032)	-	(1,905,511)	-	40,010,501	-	40,010,501	853,344	40,863,845	
Other comprehensive income (loss)	-	-	-	(879,032)	-	(1,905,511)	-	(133,555)	-	(212,109)	(1,056)	(213,165)	
Total comprehensive income (loss) for the year	-	-	-	(879,032)	-	(1,905,511)	-	40,010,501	-	39,298,392	852,288	40,650,680	
Cash dividends (Note 18)	-	-	-	-	-	-	-	(6,844,378)	-	(6,844,378)	-	(6,844,378)	
Cash dividends received by a subsidiary (Note 18)	-	-	-	-	-	-	-	5,408	-	-	-	5,408	
Cash dividends received by non-controlling interests	-	-	-	-	-	-	-	201,000	-	-	(324,450)	(324,450)	
Additional investment of non-controlling interest (Note 2)	-	-	-	-	-	-	-	-	-	-	201,000	201,000	
Sale of non-controlling interest (Note 18)	-	-	-	35,707	-	-	-	-	-	35,707	11,463	47,170	
At December 31, 2023	\$33,166,300	\$38,159,900	\$2,556,139	\$16,938,503	\$1,079,094	(\$1,062,437)	\$42,200,000	\$266,143,815	(\$2,984,695)	\$396,196,619	\$2,690,417	\$398,887,036	



	Equity Attributable to Equity Holders of the Parent											
	Capital Stock (Notes 18 and 28)	Additional Paid-in Capital - Net (Notes 5 and 18)	Cumulative Translation Adjustment	Net fair value changes of equity instruments at FVOCI (Note 9)	Net Fair Value Changes on Cash Flow Hedges (P432,883)	Remeasurement Gain (Loss) on Defined Benefit Obligation - net (Note 23) (P548,643)	Retained Earnings (Note 18) Appropriated	Unappropriated (Notes 18 and 28)	Treasury Stock (P2,984,695)	Total	Non-controlling Interests (Note 18)	Total Equity
At January 1, 2022, as previously presented	P33,166,300	P38,056,016	P3,083,184	P14,708,368	(P432,883)	(P548,643)	P42,200,000	P205,671,557	(P2,984,695)	P332,919,204	P1,441,569	P334,360,773
Effect of common control business combination (Note 5)	-	44,330	-	-	-	-	-	-	-	44,330	3,277	47,607
At January 1, 2022, as adjusted	33,166,300	38,100,346	3,083,184	14,708,368	(432,883)	(548,643)	42,200,000	205,671,557	(2,984,695)	332,963,534	1,444,846	334,408,380
Net income for the year	-	-	351,987	(475,854)	3,417,488	(380,239)	-	30,099,799	-	2,913,382	(3,209)	30,743,129
Other comprehensive income (loss)	-	-	-	-	-	(380,239)	-	-	-	-	-	2,910,173
Total comprehensive income (loss) for the year	-	-	351,987	(475,854)	3,417,488	(380,239)	-	30,099,799	-	33,013,181	640,121	33,653,302
Cash dividends (Note 18)	-	-	-	-	-	-	-	(2,801,286)	-	(2,801,286)	-	(2,801,286)
Cash dividends received by a subsidiary (Note 18)	-	-	-	-	-	-	-	2,214	-	2,214	-	2,214
Cash dividends received by non-controlling interests	-	-	-	-	-	-	-	-	-	-	(144,050)	(144,050)
Sale of non-controlling interest (Note 18)	-	23,847	-	-	-	-	-	-	-	23,847	9,199	33,046
At December 31, 2022	P33,166,300	P38,124,193	P3,435,171	P14,232,514	P2,984,605	(P92,882)	P42,200,000	P232,972,284	(P2,984,695)	P363,201,490	P1,950,116	P365,151,606

See accompanying Notes to Consolidated Financial Statements.



SM PRIME HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in Thousands)

	Years Ended December 31		
	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱56,842,465	₱49,839,819	₱38,714,004
Adjustments for:			
Depreciation and amortization (Notes 11, 12, 21 and 25)	15,037,788	13,656,773	12,487,763
Interest expense (Notes 7, 15, 17, 19 and 22)	13,934,024	13,963,271	11,465,787
Interest and dividend income (Notes 6, 7, 9, 14, 19 and 22)	(2,228,723)	(2,185,156)	(1,775,740)
Equity in net earnings of associates and joint ventures (Note 13)	(2,043,010)	(2,162,611)	(1,720,116)
Loss (gain) on:			
Disposals of investment properties and retirement of property and equipment (Notes 11 and 12)	(24,556)	148,140	105,701
Unrealized foreign exchange and fair value changes on derivatives - net	417,027	76,370	826,854
Operating income before working capital changes	81,935,015	73,336,606	60,104,253
Decrease (increase) in:			
Receivables and contract assets	(23,886,248)	(16,337,056)	(8,760,236)
Real estate inventories	1,117,977	(5,437,721)	(12,462,748)
Prepaid expenses and other current assets	(1,684,842)	(2,068,144)	(762,618)
Increase in:			
Accounts payable and other liabilities	13,338,858	19,253,318	1,830,216
Tenants' and customers' deposits	5,194,630	1,573,478	2,328,183
Cash generated from operations	76,015,390	70,320,481	42,277,050
Income tax paid	(8,726,437)	(7,665,012)	(6,583,777)
Net cash provided by operating activities	67,288,953	62,655,469	35,693,273
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	1,595,754	1,922,233	1,197,311
Dividends received from investments at FVOCI and in associates and joint ventures	1,960,828	724,446	596,672
Proceeds from disposal of investment properties (Note 12)	464,443	90,067	85,767
Additions to:			
Investment properties (Note 12)	(69,571,345)	(63,772,055)	(38,766,369)
Property and equipment (Note 11)	(154,288)	(341,106)	(198,012)
Decrease (increase) in other noncurrent assets	1,150,456	(5,338,058)	(15,159,670)
Net cash used in investing activities	(64,554,152)	(66,714,473)	(52,244,301)

(Forward)



	Years Ended December 31		
	2024	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES			
Availments of bank loans and long-term debt (Notes 15 and 17)	₱165,601,237	₱111,562,913	₱94,325,945
Payments of:			
Long-term debt (Note 17)	(72,198,246)	(66,701,374)	(43,863,022)
Loans payable (Note 15)	(73,673,067)	(29,563,823)	(19,994,859)
Interest	(14,086,273)	(13,782,271)	(11,029,498)
Dividends (Note 18)	(10,438,750)	(7,163,420)	(2,943,122)
Lease liabilities (Note 16)	(897,760)	(874,140)	(844,353)
Proceeds from matured derivatives - net	2,396,042	294,800	3,274,591
Net cash provided by (used in) financing activities	(3,296,817)	(6,227,315)	18,925,682
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS			
	(8,615)	43,039	(90,424)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
	(570,631)	(10,243,280)	2,284,230
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR			
	31,816,802	42,060,082	39,775,852
CASH AND CASH EQUIVALENTS AT END OF YEAR			
	₱31,246,171	₱31,816,802	₱42,060,082

See accompanying Notes to Consolidated Financial Statements.



SM PRIME HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

SM Prime Holdings, Inc. (SMPH or the Parent Company) was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on January 6, 1994. SMPH and its subsidiaries (collectively known as the “Company”) are incorporated to acquire by purchase, exchange, assignment, gift or otherwise, and to own, use, improve, subdivide, operate, enjoy, sell, assign, transfer, exchange, lease, let, develop, mortgage, pledge, traffic, deal in and hold for investment or otherwise, including but not limited to real estate and the right to receive, collect and dispose of, any and all rentals, dividends, interest and income derived therefrom; the right to vote on any proprietary or other interest on any shares of stock, and upon any bonds, debentures, or other securities; and the right to develop, conduct, operate and maintain modernized commercial shopping centers and all the businesses appurtenant thereto, such as but not limited to the conduct, operation and maintenance of shopping center spaces for rent, amusement centers, movie or cinema theatres within the compound or premises of the shopping centers, to construct, erect, manage and administer buildings such as condominium, apartments, hotels, restaurants, stores or other structures for mixed use purposes.

SMPH’s shares of stock are publicly traded in the Philippine Stock Exchange (PSE).

The Company’s ultimate parent company is SM Investments Corporation (SMIC). SMIC is a Philippine corporation whose common shares is listed with the PSE in 2005. SMIC and all its subsidiaries are herein referred to as the “SM Group”.

The registered office and principal place of business of the Parent Company is at 7/F MOA Square, Seashell Lane cor. Coral Way, Mall of Asia Complex, Brgy. 76 Zone 10, CBP 1-A, Pasay City, Metro Manila, Philippines.

The accompanying consolidated financial statements were approved and authorized for issue in accordance with a resolution by the Board of Directors (BOD) on February 17, 2025.

2. Basis of Preparation

The accompanying consolidated financial statements of the Company have been prepared on a historical cost basis, except for financial assets at fair value through other comprehensive income (FVOCI) and derivative financial instruments which have been measured at fair value. The consolidated financial statements are presented in Philippine peso, which is the Parent Company’s functional and presentation currency under Philippine Financial Reporting Standards (PFRS) Accounting Standards. All values are rounded to the nearest thousand peso, except when otherwise indicated.

The accompanying consolidated financial statements have been prepared under the going concern assumption.



Statement of Compliance

The accompanying consolidated financial statements have been prepared in compliance with PFRS Accounting Standards.

Basis of Consolidation

The consolidated financial statements include the accounts of the Parent Company and the following subsidiaries:

Company	Country of Incorporation	Percentage of Ownership	
		2024	2023
Malls			
A. Canicosa Holdings, Inc.	Philippines	100.0	100.0
AD Canicosa Properties, Inc.	- do -	100.0	100.0
Associated Development Corporation	- do -	100.0	100.0
Britannia Trading Corp. and Subsidiaries (BTC)	- do -	100.0	100.0
CHAS Realty and Development Corporation and Subsidiaries	- do -	100.0	100.0
Cherry Realty Development Corporation	- do -	100.0	100.0
Consolidated Prime Dev. Corp.	- do -	100.0	100.0
Magenta Legacy, Inc.	- do -	100.0	100.0
Premier Central, Inc. and Subsidiary	- do -	100.0	100.0
Premier Southern Corp.	- do -	100.0	100.0
Prime Metroestate, Inc. and Subsidiary	- do -	100.0	100.0
Prime Commercial Property Management Corp. and Subsidiaries	- do -	100.0	100.0
Rushmore Holdings, Inc.	- do -	100.0	100.0
San Lazaro Holdings Corporation	- do -	100.0	100.0
Simply Prestige Limited and Subsidiaries	British Virgin Islands (BVI)	100.0	100.0
SM Arena Complex Corporation	Philippines	100.0	100.0
SM Land (China) Limited and Subsidiaries	Hong Kong	100.0	100.0
Southernpoint Properties Corp.	Philippines	100.0	100.0
Springfield Global Enterprises Limited	BVI	100.0	100.0
Supermalls Transport Services, Inc.	Philippines	100.0	100.0
First Asia Realty Development Corporation	- do -	74.2	74.2
Mindpro, Incorporated*	- do -	70.0	70.0
First Leisure Ventures Group Inc. (FLVGI)	- do -	50.0	50.0
Residential			
SM Development Corporation and Subsidiaries (SMDC)	- do -	100.0	100.0
Costa del Hamilo, Inc. and Subsidiary	- do -	100.0	100.0
Highlands Prime Inc. and Subsidiary	- do -	100.0	100.0
Hotels and Convention Centers			
SM Hotels and Conventions Corp. and Subsidiaries	- do -	100.0	100.0
Commercial, Integrated Property Developments and Others			
MOA Esplanade Port, Inc.	- do -	100.0	100.0
Premier Clark Complex, Inc.	- do -	100.0	100.0
SM Smart City Infrastructure and Development Corporation	- do -	100.0	100.0
Tagaytay Resort Development Corporation	- do -	100.0	100.0
SM GUUN Environmental Company, Inc.**	- do -	70.0	-
SMPHI SG Holdings Pte. Ltd.***	Singapore	100.0	-

*In 2023, the Parent Company and non-controlling interest infused additional investments without change in their ownership interest.

**In 2024, SM GUUN Environmental Company, Inc. was incorporated to be engaged in recycling and repurposing waste of any kind.

***In 2024, the Parent Company incorporated SMPHI SG Holdings Pte. Ltd as an investing and financing company.



FLVGI is accounted for as a subsidiary by virtue of control, as evidenced by the majority members of the BOD representing the Parent Company.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Company and are presented separately in the consolidated statements of income and within equity section in the consolidated balance sheets, separately from equity attributable to equity holders of the parent.

Material Accounting Judgments, Estimates and Assumptions

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. Uncertainty about these estimates and assumptions could result in outcomes that require an adjustment to the carrying amount of the affected asset or liability in the future period.

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most material effect on the amounts recognized in the consolidated financial statements.

Existence of a Contract. The Company's primary document for a contract with a customer is a signed contract to sell or the combination of its other signed documentation such as reservation agreement, official receipts, quotation sheets and other documents, which would contain all the criteria to qualify as contract with the customer under PFRS 15 *Revenue from Contracts with Customers*.

In addition, part of the assessment process of the Company before revenue recognition is to assess the probability that the Company will collect the consideration to which it will be entitled in exchange for the real estate property that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity considers the significance of the buyer's initial payments in relation to the total contract price.

Revenue Recognition Method and Measure of Progress. The Company concluded that revenue from sale of real estate is to be recognized over time because (a) the Company's performance does not create an asset with an alternative use and; (b) the Company has an enforceable right for performance completed to date. The promised property is specifically identified in the contract and the contractual restriction on the Company's ability to direct the promised property for another use is substantive. This is because the property promised to the customer is not interchangeable with other properties without breaching the contract and without incurring significant costs that otherwise would not have been incurred in relation to that contract. In addition, under the current legal framework, the customer is contractually obliged to make payments to the developer up to the performance completed to date. The cost to obtain a contract (e.g., commission) is determined using the percentage of completion.

The Company has determined that output method used in measuring the progress of the performance obligation faithfully depicts the Company's performance in transferring control of real estate development, which include customized uninstalled materials, to the customers. The Company determined that in the case of customized materials, the Company is not just providing a simple procurement service to the customer as it is significantly involved in the design and details of the manufacture of the materials.



Determining Transaction Price of Sale of Real Estate. The Company determines whether a contract contains a significant financing component using portfolio approach by considering (1) the difference, if any, between the amount of promised considerations and the cash selling price of the promised goods or services; and (2) the effect of the expected length of time between when the entity transfers the promised goods or service to the customer and when the customer pays for those goods or services and the prevailing effective interest rate (EIR). The Company applied practical expedient by not adjusting the effect of financing component when the period when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less. The Company determined that its transaction price on sale of real estate recognized over time do not include a significant financing component.

Operating Lease Commitments - as Lessor. The Company has entered into commercial property leases in its investment property portfolio. Management has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of the properties and thus accounts for the contracts as operating leases. The ownership of the asset is not transferred to the lessee by the end of the lease term, the lessee has no option to purchase the asset at a price that is expected to be sufficiently lower than the fair value at the date the option is exercisable, and, the lease term is not for the major part of the asset's economic life.

Lease Modification - as Lessor. Throughout the government-imposed community quarantine, the Company waived rentals and other charges amounting to ₱6,247 million for the year ended December 31, 2022. Such waivers are not accounted as a lease modification under PFRS 16 *Leases* since COVID-19 is a force majeure under the general law.

Determining the Lease Term of Contract. The Company applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate its lease contracts with extension and/or termination options. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. The Company typically exercises its option to renew its leases of various parcels of land since its lease term periods are generally covered by an automatic renewal option. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Determining Taxable Profit, Tax Bases, Unused Tax Losses, Unused Tax Credits and Tax Rates. The Company applies significant judgment in identifying uncertainties over its income tax treatments. The Company determined based on its assessment, in consultation with its tax counsel, that it is probable that its income tax treatments, including for its subsidiaries, will be accepted by the taxation authorities.

Contingencies. The Company is currently involved in various legal and administrative proceedings. The estimate of the probable costs for the resolution of these proceedings has been developed in consultation with in-house as well as outside legal counsel handling defense in these matters and is based upon an analysis of potential results. The Company currently does not believe that these proceedings will have a material adverse effect on its consolidated financial position and performance and no provisions were made in relation to these proceedings. It is possible, however, that future consolidated financial performance could be affected by changes in the estimates or in the effectiveness of strategies relating to these proceedings.



Estimates and Assumptions

The key estimates and assumptions that may have significant risks of causing material adjustments to the carrying amounts of revenues, expenses, assets and liabilities within the next financial period are discussed below.

Measure of Progress. The Company's revenue recognition policy requires management to make use of estimates and assumptions that may affect the reported amounts of revenues and costs. The Company's revenue from real estate sales recognized based on the percentage of completion are measured principally on the basis of physical completion of the real estate projects.

Revenue from sale of real estate amounted to ₱45,905 million, ₱42,040 million and ₱39,047 million for the years ended December 31, 2024, 2023, and 2022, respectively, while the cost of real estate sold amounted to ₱19,141 million, ₱16,661 million and ₱16,899 million for the years ended December 31, 2024, 2023 and 2022, respectively (see Note 21).

Net Realizable Value of Real Estate Inventories. The net realizable value of real estate inventories is assessed with reference to market price at the balance sheet date for similar completed property, less estimate cost to complete the construction and estimated cost to sell. The Company reviews the carrying value regularly for any decline in value due to changes in market price or other causes.

The carrying values of real estate inventories amounted to ₱76,928 million and ₱77,887 million as at December 31, 2024 and 2023, respectively (see Note 8).

Realizability of Deferred Tax Assets. The Company's assessment on the recognition of deferred tax assets on deductible temporary differences and carryforward benefits of excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) and net operating loss carryover (NOLCO) is based on the projected taxable income in future periods.

Deferred tax assets recognized in the consolidated balance sheets amounted to ₱6,047 million and ₱5,329 million as at December 31, 2024 and 2023, respectively (see Note 24). Unrecognized deferred tax assets pertain to NOLCO, amounted to ₱210 million and ₱205 million as at December 31, 2024 and 2023, respectively.

Fair Value of Assets and Liabilities. The Company carries and discloses certain assets and liabilities at fair value, which requires extensive use of accounting judgments and estimates. The significant components of fair value measurement were determined using verifiable objective evidence (i.e., foreign exchange rates, interest rates and volatility rates). The amount of changes in fair value would differ if the Company utilized different valuation methodologies and assumptions. Any changes in the fair value of these assets and liabilities that are carried in the consolidated financial statements would directly affect consolidated statements of income and consolidated other comprehensive income.

The fair value of assets and liabilities are discussed in Note 27.



3. Material Accounting Policy Information

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except that the Company has adopted the following new accounting pronouncements starting January 1, 2024. Adoption of these pronouncements did not have any material impact on the Company's financial position or performance unless otherwise indicated.

- Amendments to Philippine Accounting Standard (PAS) 1, *Classification of Liabilities as Current or Non-current*
- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*
- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

Future Changes in Accounting Policies and Disclosures

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Company does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial statements. The Company intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*
- Amendments to PAS 21, *Lack of exchangeability*

Effective beginning on or after January 1, 2026

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards—Volume 11

The amendments are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversight or conflicts between the requirements in the Accounting Standards. The following is the summary of the Standards involved and their related amendments.

- Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*

The amendments included in paragraphs B5 and B6 of PFRS 1 cross references to the qualifying criteria for hedge accounting in paragraph 6.4.1(a), (b) and (c) of PFRS 9. These are intended to address potential confusion arising from an inconsistency between the wording in PFRS 1 and the requirements for hedge accounting in PFRS 9.

- Amendments to PFRS 7, *Gain or Loss on Derecognition*

The amendments updated the language of paragraph B38 of PFRS 7 on unobservable inputs and included a cross reference to paragraphs 72 and 73 of PFRS 13.



- Amendments to PFRS 9
 - Lessee Derecognition of Lease Liabilities

The amendments to paragraph 2.1 of PFRS 9 clarified that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee is required to apply paragraph 3.3.3 and recognize any resulting gain or loss in profit or loss.
 - Transaction Price

The amendments to paragraph 5.1.3 of PFRS 9 replaced the reference to ‘transaction price as defined by PFRS 15’ with ‘the amount determined by applying PFRS 15’. The term ‘transaction price’ in relation to PFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of PFRS 9.
- Amendments to PFRS 10, *Determination of a ‘De Facto Agent’*

The amendments to paragraph B74 of PFRS 10 clarified that the relationship described in B74 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor.
- Amendments to PAS 7, *Cost Method*

The amendments to paragraph 37 of PAS 7 replaced the term ‘cost method’ with ‘at cost’, following the prior deletion of the definition of ‘cost method’.

Effective beginning on or after January 1, 2027

- PFRS 18, *Presentation and Disclosure in Financial Statements* replaces PAS 1, *Presentation of Financial Statements*, and responds to investors’ demand for better information about companies’ financial performance. The new requirements include:
 - Required totals, subtotals and new categories in the consolidated statement of income
 - Disclosure of management-defined performance measures
 - Guidance on aggregation and disaggregation

The new standard will have an impact on the presentation of income and expenses and additional disclosures on management-defined performance measures but will not have an impact on the recognition and measurement in the consolidated financial statements.
- PFRS 19, *Subsidiaries without Public Accountability*

Deferred Effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*, address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors’ interests in the associate or joint venture.



Determination of Fair Value

A fair value measurement of a nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period and recognizes transfers as at the date of the event or change in circumstances that caused the transfer.

The Company determines the policies and procedures for both recurring and non-recurring fair value measurements. For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

Financial Instruments - Initial Recognition and Subsequent Measurement

Financial Assets

Initial recognition and measurement. Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through profit or loss (FVTPL), and FVOCI.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.



As at December 31, 2024 and 2023, the Company has no debt instruments classified as financial assets at FVOCI.

Subsequent measurement. For purposes of subsequent measurement, financial assets are classified in four categories:

- *Financial assets at amortized cost (debt instruments):* The Company measures financial assets at amortized cost if both of the following conditions are met:
 - The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
 - The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the EIR method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized cost includes cash and cash equivalents, receivables and escrow and time deposits (included under "Other noncurrent assets" account). Other than those financial assets at amortized cost whose carrying values are reasonable approximation of fair values, the aggregate carrying values of financial assets under this category amounted to ₱3,803 million and ₱3,656 million as at December 31, 2024 and 2023, respectively (see Note 27).

- *Financial assets at FVTPL.* Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not SPPI are classified and measured at FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or FVOCI, as described above, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVTPL are carried in the consolidated balance sheet at fair value with net changes in fair value recognized in the consolidated statement of income.

This category includes derivative instruments. The carrying values of financial assets classified under this category amounted to ₱4,771 million and ₱5,524 million as at December 31, 2024 and 2023, respectively (see Note 27).

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at FVTPL. Embedded derivatives are measured at fair value with changes in FVTPL. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the FVTPL category.



A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at FVTPL.

- *Financial assets at FVOCI (equity instruments).* Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments at FVOCI when they meet the definition of equity under PAS 32, *Financial Instruments: Presentation*, and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized in the consolidated statements of income when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income (OCI). Equity instruments at FVOCI are not subject to impairment assessment.

The Company elected to classify irrevocably its investments in equity instruments under this category.

Classified under this category are the investments in shares of stocks of certain companies. The carrying values of financial assets classified under this category amounted to ₱21,187 million and ₱20,318 million as at December 31, 2024 and 2023, respectively (see Note 27).

Derecognition. A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e., removed from the Company's consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or,
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Company evaluates if, and to what extent, it has retained the risks and rewards of ownership. The Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognized an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets. The Company recognizes an allowance for ECLs for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. The Company uses a provision matrix for rent and other receivables, vintage approach for receivables from sale of real estate (billed and unbilled) and general approach for treasury assets to calculate ECLs.



The Company applies provision matrix and has calculated ECLs based on lifetime ECLs. The Company recognizes a loss allowance based on lifetime ECLs at each reporting date, adjusted for forward-looking factors specific to the debtors and the economic environment.

Vintage approach accounts for expected credit losses by calculating the cumulative loss rates of a given real estate receivable pool. It derives the probability of default from the historical data of a homogenous portfolio that share the same origination period. The information on the number of defaults during fixed time intervals of the accounts is utilized to create the probability model. It allows the evaluation of the loan activity from its origination period until the end of the contract period. In addition to life of loan loss data, primary drivers like macroeconomic indicators of qualitative factors such as, but not limited to, forward-looking data on inflation rate was added to the expected loss calculation to reach a forecast supported by both quantitative and qualitative data points. The probability of default is applied to the estimate of the loss arising on default which is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the repossession of the subject real estate property, net of cash outflows. For purposes of calculating loss given default, accounts are segmented based on the type of unit. In calculating the recovery rates, the Company considered collections of cash and/or cash from resale of real estate properties after foreclosure, net of direct costs of obtaining and selling the real estate properties after the default event such as commission, refurbishment, payment required under Maceda law, cost to complete (for incomplete units). As these are future cash flows, these are discounted back to the time of default using the appropriate EIR, usually being the original EIR or an approximation thereof.

The Company considers a financial asset in default generally when contractual payments are 120 days past due or when the sales are cancelled supported by a notarized cancellation letter executed by the Company and unit buyer. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial Liabilities

Initial recognition and measurement. Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings and payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement. The Company classifies its financial liabilities in the following categories:

- *Financial liabilities at FVTPL.* Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Derivatives, including any separated derivatives, are also classified under liabilities at FVTPL, unless these are designated as hedging instruments in an effective hedge or financial guarantee contracts. Gains or losses on liabilities held for trading are recognized in the consolidated statement of income under "Others - net" account. Classified as financial liabilities at FVTPL are the Company's derivative liabilities amounting to ₱50 million and ₱272 million as at December 31, 2024 and 2023, respectively (see Note 27).



- *Loans and borrowings.* This category pertains to financial liabilities that are not held for trading or not designated as at FVTPL upon the inception of the liability. These include liabilities arising from operations or borrowings. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the consolidated statement of income when the loans and borrowings are derecognized, as well as through the amortization process. Loans and borrowings are included under current liabilities if settlement is within twelve months from reporting period. Otherwise, these are classified as noncurrent liabilities.

Classified under this category are loans payable, accounts payable and other current liabilities, long-term debt, tenants' deposits, liability for purchased land and other noncurrent liabilities (except for taxes payables and other payables covered by other accounting standards). Other than those other financial liabilities whose carrying values are reasonable approximation of fair values, the aggregate carrying values of financial liabilities under this category amounted to ₱323,283 million and ₱330,771 million as at December 31, 2024 and 2023, respectively (see Note 27).

Derecognition. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of income.

Debt Issue Costs

Debt issue costs are presented as reduction in long-term debt and are amortized over the terms of the related borrowings using the effective interest method.

Derivative Financial Instruments

Initial recognition and subsequent measurement. The Company uses derivative financial instruments, such as foreign exchange swap, cross currency swaps, interest rate swaps, principal only swaps and non-deliverable forwards contracts to hedge its foreign currency risks and interest rate risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The Company's derivative financial instruments are accounted for as either cash flow hedges or transactions not designated as hedges (see Note 27). These hedge the exposures to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.



The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Company will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge effectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is ‘an economic relationship’ between the hedged item and the hedging instrument.
- The effect of credit risk does not ‘dominate the value changes’ that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Company actually hedges and the quantity of the hedging instrument that the Company actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Cash flow hedges. The effective portion of the gain or loss on the hedging instrument is recognized in OCI in the net fair value changes on cash flow hedges, while any ineffective portion is recognized immediately in the consolidated statement of income. The net fair value changes on cash flow hedges is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Company designates only the elements of the foreign exchange swap, cross currency swaps, interest rate swaps, principal only swaps and non-deliverable forwards contracts as hedging instruments to achieve its risk management objective. These elements, including changes in fair value, are recognized in OCI and accumulated in a separate component of equity under net fair value changes on cash flow hedges.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognized in OCI for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

Other Derivative Instruments Not Accounted for as Hedges. Certain freestanding derivative instruments that provide economic hedges under the Company’s policies either do not qualify for hedge accounting or are not designated as accounting hedges. Changes in the fair values of derivative instruments not designated as hedges are recognized immediately under “Others - net” account in the consolidated statements of income (see Note 27). Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.



Real Estate Inventories

Real estate inventories are stated at the lower of cost and net realizable value. Net realizable value is the selling price in the ordinary course of business, less costs to complete and the estimated cost to make the sale. Real estate inventories include properties being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation.

Cost incurred for the development and improvement of the properties includes the following:

- Land cost;
- Amounts paid to contractors for construction and development; and
- Planning and design costs, costs of site preparation, professional fees, property transfer taxes, construction overheads and other related costs.

Prepaid Expenses and Other Current Assets

Other current assets consist of advances to suppliers and contractors, advances for project development, input tax, creditable withholding taxes, deposits, prepayments, supplies and inventories and others. Advances to suppliers and contractors, advances for project development and deposits are carried at cost. These represent advance payments and deposits to contractors for the construction and development of the projects. These are recouped upon every progress billing payment depending on the percentage of accomplishment. Prepaid taxes and other prepayments are carried at cost less amortized portion. These include prepayments for taxes and licenses, rent, advertising and promotions and insurance.

Common Control Business Combinations

Business combinations involving entities or businesses under common control are business combinations in which all of the entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. Business combinations under common control are accounted for similar to pooling of interests method. Under the pooling of interests method:

- The assets, liabilities and equity of the acquired companies for the reporting period in which the common control business combinations occur and for the comparative periods presented, are included in the consolidated financial statements at their carrying amounts as if the consolidation had occurred from the beginning of the earliest period presented in the financial statements, regardless of the actual date of the acquisition;
- No adjustments are made to reflect the fair values, or recognize any new assets or liabilities at the date of the combination. The only adjustments would be to harmonize accounting policies between the combining entities;
- No 'new' goodwill is recognized as a result of the business combination;
- The excess of the cost of business combinations over the net carrying amounts of the identifiable assets and liabilities of the acquired companies is considered as equity adjustment from business combinations, included under "Additional paid-in capital - net" account in the equity section of the consolidated balance sheet; and
- The consolidated statement of income in the year of acquisition reflects the results of the combining entities for the full year, irrespective of when the combination took place.



Property and Equipment

The Company’s property and equipment consist of land, building, equipment and ROUA. Property and equipment, except land and construction in progress, is stated at cost less accumulated depreciation and amortization and any accumulated impairment in value. Such cost includes the cost of replacing part of the property and equipment at the time that cost is incurred, if the recognition criteria are met, and excludes the costs of day-to-day servicing. Land is stated at cost less any impairment in value.

The initial cost of property and equipment consists of its purchase price, including import duties, taxes and any directly attributable costs necessary in bringing the asset to its working condition and location for its intended use. Cost also includes any related asset retirement obligation and interest incurred during the construction period on funds borrowed to finance the construction of the projects.

Depreciation and amortization are calculated on a straight-line basis over the following estimated useful lives of the assets:

Buildings, land and leasehold improvements	5-25 years	or term of the lease, whichever is shorter
Furniture, fixtures and other equipment	5-10 years	
ROUA - office spaces	10-25 years	or term of the lease, whichever is shorter

Fully depreciated assets are retained in the accounts until they are no longer in use and no further depreciation and amortization is credited or charged to current operations.

An item of property and equipment is derecognized when either it has been disposed or when it is permanently withdrawn from use and no future economic benefits are expected from its use or disposal. Any gains or losses arising on the retirement and disposal of an item of property and equipment are recognized in the consolidated statements of income in the period of retirement or disposal under “Others - net” account.

Investment Properties

These consist of commercial spaces/properties held for rental and/or capital appreciation, ROUA and land held for future development. These accounts are measured initially at cost. The cost of a purchased investment property comprises of its purchase price and any directly attributable costs. Subsequently, these accounts, except land and construction in progress, are measured at cost, less accumulated depreciation and amortization and accumulated impairment in value, if any. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met, and excludes the costs of day-to-day servicing of an investment property. Land is stated at cost less any impairment in value.

Property under construction or development for future use as an investment property is classified as investment property.

Depreciation and amortization are calculated on a straight-line basis over the following estimated useful lives of the assets:

Buildings, land and leasehold improvements	5-40 years	or term of the lease, whichever is shorter
Building equipment, furniture and others	3-15 years	or term of the lease, whichever is shorter
ROUA - land	Remaining lease term	



Construction in progress represents structures under construction and is stated at cost. This includes cost of construction, machineries and equipment, and other direct costs. Cost also includes interest on borrowed funds incurred during the construction period. Construction in progress is not depreciated until such time that the relevant assets are completed and are ready for use.

Investment property is derecognized when either it has been disposed or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the consolidated statement of income in the period of retirement or disposal under "Others - net" account.

Transfers are made from investment property to inventories when, and only when, there is a change in use, as evidenced by an approved plan to construct and develop condominium and residential units for sale. Transfers are made from inventories to investment property when, and only when, there is change in use, as evidenced by commencement of an operating lease to a third party or change in the originally approved plan. The cost of property for subsequent accounting is its carrying value at the date of change in use.

For a transfer from investment property to owner-occupied property, the cost of property for subsequent accounting is its carrying value at the date of change in use. If the property occupied by the Company as an owner-occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use.

Investments in Associates and Joint Ventures

The Company's investments in shares of stocks of associates and joint ventures are accounted for under the equity method of accounting. The consolidated statements of income reflect the share in the result of operations of the associate or joint venture under "Others-net" account.

Appropriate adjustments to the Company's share of the associate's or joint venture's profit or loss after acquisition are made to account for the depreciation of the depreciable assets based on their fair values at the acquisition date and for impairment losses recognized by the associate or joint venture.

The Company discontinues the use of equity method from the date when it ceases to have significant influence or joint control over an associate or joint venture and accounts for the investment in accordance with PFRS 9, from that date, provided the associate or joint venture does not become a subsidiary. When the Company's interest in an investment in associate or joint venture is reduced to zero, additional losses are provided only to the extent that the Company has incurred obligations or made payments on behalf of the associate or joint venture to satisfy obligations of the investee that the Company has guaranteed or otherwise committed. If the associate or joint venture subsequently reports profits, the Company resumes recognizing its share of the profits if it equals the share of net losses not recognized.

Other Noncurrent Assets

Other noncurrent assets consist of bonds and deposits, receivables from sale of real estate - net of current portion, land use rights, escrow and time deposits, deferred input tax and others. Other noncurrent assets are carried at cost.

Impairment of Nonfinancial Assets

The carrying values of investments in associates and joint ventures, property and equipment, investment properties and other noncurrent assets (excluding escrow and time deposits) are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. If any such indication exists, and if the carrying value exceeds the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amounts. The



recoverable amount of the asset is the greater of fair value less costs to sell or value in use. The fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's-length transaction between knowledgeable, willing parties, less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the consolidated statement of income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment loss may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of income. After such a reversal, the depreciation or amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Customers' Deposits

Customers' deposits mainly represent reservation fees and advance payments. These deposits will be recognized as revenue in the consolidated statement of income as the related obligations to the real estate buyers are fulfilled.

Capital Stock and Additional Paid-in Capital

Capital stock is measured at par value for all shares issued. Incremental costs incurred directly attributable to the issuance of new shares are shown in equity as deduction from proceeds, net of tax. Proceeds and/or fair value of considerations received in excess of par value, if any, are recognized as "Additional paid-in capital - net" account.

Retained Earnings

Retained earnings represent accumulated net profits, net of dividend distributions and other capital adjustments.

Treasury Stock

Own equity instruments which are acquired (treasury shares) are deducted from equity and accounted for at cost. No gain or loss is recognized in the consolidated statement of income on the purchase, sale, issuance or cancellation of own equity instruments.

Dividends

Dividends on common shares are recognized as liability and deducted from equity when declared and approved by the BOD. Dividends for the year that are approved after balance sheet date are dealt with as an event after the reporting period.

Revenue Recognition

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as a principal or as an agent. The Company has concluded that it is acting as principal in majority of its revenue arrangements. The



disclosures of material accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 2. The following specific recognition criteria, other than those disclosed in Note 2 to the consolidated financial statements, must also be met before revenue is recognized:

Rent. Revenue is recognized on a straight-line basis over the lease term or based on the terms of the lease as applicable.

Sale of Cinema, Event and Amusement Tickets and Merchandise. Revenue is recognized upon receipt of cash from the customer which coincides with the rendering of services or the delivery of merchandise. Revenue from sale of amusement tickets and merchandise are included in the "Revenue - Others" account in the consolidated statement of income.

Dividend. Revenue is recognized when the Company's right as a shareholder to receive the payment is established. These are included in the "Interest and dividend income" account in the consolidated statement of income.

Management and Service Fees. Revenue is recognized when earned in accordance with the terms of the agreements.

Interest. Revenue is recognized as the interest accrues, taking into account the effective yield on the asset.

Room Rentals, Food and Beverage, and Others. Revenue from room rentals is recognized as part of "Rent" revenue based on actual occupancy, food and beverage sales when orders are served, and other operated departments when the services are rendered. Revenue from other operated departments include, among others, business center, laundry service, and telephone service. Revenue from food and beverage sales and other hotel revenue are included under the "Revenue - Others" account in the consolidated statement of income.

Revenue and Cost from Sale of Real Estate. The Company derives its real estate revenue from sale of lots, house and lot and condominium units. Revenue from the sale of these real estate projects under pre-completion stage are recognized over time during the construction period (or percentage of completion) since based on the terms and conditions of its contract with the buyers, the Company's performance does not create an asset with an alternative use and the Company has an enforceable right to payment for performance completed to date.

In measuring the progress of its performance obligation over time, the Company uses output method. The Company recognizes revenue on the basis of direct measurements of the value to customers of the goods or services transferred to date, relative to the remaining goods or services promised under the contract. Progress is measured using survey of performance completed to date/milestones reached/time elapsed. This method measures progress of work based on physical proportion of the work done, including the impact of customized uninstalled materials, on the real estate project which requires technical determination by the Company's project engineers. This is based on the monthly project accomplishment report prepared by the third-party project managers as approved by the construction managers.

Any excess of progress of work over the right to an amount of consideration that is unconditional, recognized as receivables from sale of real estate, under trade receivables, is accounted for as unbilled revenue from sale of real estate.



Any excess of collections over the total of recognized installment real estate receivables is included in the contract liabilities (or referred also in the consolidated financial statements as “Unearned revenue from sale of real estate”).

Information about the Company’s performance obligation. The Company entered into contracts to sell with one identified performance obligation which is the sale of the real estate unit together with the services to transfer the title to the buyer upon full payment of contract price. The amount of consideration indicated in the contract to sell is fixed and has no variable consideration.

Payment commences upon signing of the contract to sell and the consideration is payable in cash or under a financing scheme entered with the customer. The financing scheme would include payment of certain percentage of the contract price spread over a certain period (e.g. one to five years) at a fixed monthly payment with the remaining balance payable in full at the end of the period either through cash or external financing. The amount due for collection under the amortization schedule for each of the customer does not necessarily coincide with the progress of construction.

The Company has a quality assurance warranty which is not treated as a separate performance obligation.

Cost of Real Estate Sold. The Company recognizes costs relating to satisfied performance obligations as these are incurred taking into consideration the contract fulfillment assets such as land and connection fees. These include costs of development and construction costs, contract fulfillment assets and cost to obtain contract. These costs are allocated to the saleable area, with the portion allocable to the sold area being recognized as costs of real estate sold while the portion allocable to the unsold area being recognized as part of real estate inventories. In addition, the Company recognizes as an asset only costs that give rise to resources that will be used in satisfying performance obligations in the future and that are expected to be recovered.

Contract Balances

Receivables. A receivable represents the Company’s right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract assets. These pertain to unbilled revenue from sale of real estate. This is the right to consideration that is conditional in exchange for goods or services transferred to the customer. This is reclassified as trade receivable from sale of real estate when the monthly amortization of the customer is already due for collection.

Contract liabilities. These pertain to unearned revenue from sale of real estate. This is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. These also include customers’ deposits related to sale of real estate. These are recognized as revenue when the Company performs its obligation under the contract.

Costs to obtain contract. The incremental costs of obtaining a contract with a customer are recognized as an asset if the Company expects to recover them. The Company has determined that commissions paid to brokers and marketing agents on the sale of pre-completed real estate units are deferred when recovery is reasonably expected and are charged to expense in the period in which the related revenue is recognized as earned. Commission expense is included in the “Costs and expenses” account in the consolidated statement of income. Costs incurred prior to obtaining contract with customer are not capitalized but are expensed as incurred.



Contract fulfillment assets. Contract fulfillment costs are divided into: (i) costs that give rise to an asset; and (ii) costs that are expensed as incurred. When determining the appropriate accounting treatment for such costs, the Company firstly considers any other applicable standards. If those standards preclude capitalization of a particular cost, then an asset is not recognized under PFRS 15.

If other standards are not applicable to contract fulfillment costs, the Company applies the following criteria which, if met, result in capitalization: (i) the costs directly relate to a contract or to a specifically identifiable anticipated contract; (ii) the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (iii) the costs are expected to be recovered. The assessment of this criteria requires the application of judgment, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recoverable.

The Company's contract fulfillment assets pertain to cost of land.

Amortization, derecognition and impairment of contract fulfillment assets and capitalized costs to obtain a contract. The Company amortizes contract fulfillment assets and capitalized costs to obtain a contract to cost of sales over the expected construction period using POC following the pattern of real estate revenue recognition. The amortization is included within cost of real estate sold.

A contract fulfillment asset or capitalized costs to obtain a contract is derecognized either when it is disposed of or when no further economic benefits are expected to flow from its use or disposal.

At each reporting date, the Company determines whether there is an indication that contract fulfillment asset or cost to obtain a contract maybe impaired. If such indication exists, the Company makes an estimate by comparing the carrying amount of the assets to the remaining amount of consideration that the Company expects to receive less the costs that relate to providing services under the relevant contract. In determining the estimated amount of consideration, the Company uses the same principles as it does to determine the contract transaction price, except that any constraints used to reduce the transaction price will be removed for the impairment test.

Where the relevant costs are demonstrating indicators of impairment, judgment is required in ascertaining whether or not the future economic benefits from these contracts are sufficient to recover these assets.

Pension Benefits

The Company is a participant in the SM Corporate and Management Companies Multi-Employer Retirement Plan.

Retirement Plan. The plan is a funded, noncontributory defined benefit retirement plan administered by a Board of Trustees covering all regular full-time employees. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. This method reflects service rendered by employees to the date of valuation and incorporates assumptions concerning the employees' projected salaries. The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets, if any, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Defined benefit pension costs comprise the following:

- Service cost;
- Net interest on the net defined benefit obligation or asset; and
- Remeasurements of net defined benefit obligation or asset



Service cost which includes current service costs, past service costs and gains or losses on non-routine settlements are recognized as part of “Costs and expenses” under “Administrative” account in the consolidated statement of income. Past service costs are recognized when plan amendment or curtailment occurs.

Net interest on the net defined benefit obligation or asset is the change during the period in the net defined benefit obligation or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit obligation or asset is recognized as part of “Costs and expenses” under “Administrative” account in the consolidated statement of income.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit obligation) are recognized immediately in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

The Company’s right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

Foreign Currency-denominated Transactions

The consolidated financial statements are presented in Philippine peso, which is SMPH’s functional and presentation currency. Transactions in foreign currencies are initially recorded in the functional currency rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are restated at the functional currency rate of exchange at reporting period. Nonmonetary items denominated in foreign currency are translated using the exchange rates as at the date of initial recognition. All differences are taken to the consolidated statements of income.

Foreign Currency Translation

The assets and liabilities of foreign operations are translated into Philippine peso at the rate of exchange ruling at reporting period and their respective statements of income are translated at the weighted average rates for the year. The exchange differences arising on the translation are included in the consolidated statements of comprehensive income and are presented within the “Cumulative translation adjustment” account in the consolidated statements of changes in equity. On disposal of a foreign entity, the deferred cumulative amount of exchange differences recognized in equity relating to that particular foreign operation is recognized in the profit or loss.

Leases

Company as Lessor. Leases where the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Lease income from operating leases are recognized as income on a straight-line basis over the lease term. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.



Lease Modification. Lease modification is defined as a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease (for example, adding or terminating the right to use one or more underlying assets, or extending or shortening the contractual lease term).

A lessor shall account for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease. If a change in lease payments does not meet the definition of a lease modification, that change would generally be accounted for as a negative variable lease payment. In the case of an operating lease, a lessor recognizes the effect of the rent concession by recognizing lower income from leases.

Company as Lessee. The Company applies a single recognition and measurement approach for all the leases except for low-value assets and short-term leases. The Company recognizes lease liabilities to make lease payments and ROUA representing the right to use the underlying asset.

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments which includes in substance fixed payments. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the IBR at the lease commencement date. After the commencement date, the amount of lease liabilities is adjusted to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Company also recognized ROUA in property and equipment (office spaces) and investment properties (land lease and land use rights) at the commencement date of the lease (i.e., the date the underlying asset is available for use). The initial cost of ROUA includes the amount of lease liabilities recognized less any lease payments made at or before the commencement date.

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the leases of low-value assets recognition exemption to leases of bridgeway, machineries and equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

The Company recognizes deferred tax asset and liability based from the lease liability and ROUA, respectively, on a gross basis, as of balance sheet date.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense. Where the Company expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the receipt of the reimbursement is virtually certain.



Borrowing Costs

Borrowing costs are capitalized if they are directly attributable to the acquisition or construction of a qualifying asset as part of the cost of that asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Borrowing costs are capitalized until the assets are substantially ready for their intended use or sale. Borrowing costs are capitalized when it is probable that they will result in future economic benefits to the Company.

The interest capitalized is calculated using the Company's weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amount capitalized is the gross interest incurred on those borrowings less any investment income arising on the temporary investment of those borrowings. Interest is capitalized from the commencement of the development work until the date of practical completion, i.e., when substantially all of the development work is completed.

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest cost. The Company limits exchange losses taken as amount of borrowing costs to the extent that the total borrowing costs capitalized do not exceed the amount of borrowing costs that would be incurred on functional currency equivalent borrowings. The amount of foreign exchange differences eligible for capitalization is determined for each period separately. Foreign exchange losses that did not meet the criteria for capitalization in previous years are not capitalized in subsequent years. All other borrowing costs are expensed as incurred.

Taxes

Current Tax. Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as at reporting period.

Current income tax relating to item recognized directly in equity is recognized in equity and not in the profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax. Deferred tax is provided, using the balance sheet liability method, on temporary differences at reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- with respect to taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.



Deferred tax assets are recognized for all deductible temporary differences and carryforward benefits of excess MCIT and NOLCO, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carryforward benefits of excess MCIT and NOLCO can be utilized, except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- with respect to deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each reporting period and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at reporting period.

Income tax relating to items recognized directly in the consolidated statement of comprehensive income is recognized in the consolidated statement of comprehensive income and not in the consolidated statement of income.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Value Added Tax (VAT). Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable.

When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as part of "Accounts payable and other current liabilities" account in the consolidated balance sheets. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as part of "Prepaid expenses and other current assets" account in the consolidated balance sheets to the extent of the recoverable amount.

Basic/Diluted Earnings Per Common Share (EPS)

Basic EPS is computed by dividing the net income for the period attributable to owners of the Parent by the weighted-average number of issued and outstanding common shares during the period, with retroactive adjustment for any stock dividends declared.

For the purpose of computing diluted EPS, the net income for the period attributable to owners of the Parent and the weighted-average number of issued and outstanding common shares are adjusted for the effects of all dilutive potential ordinary shares, if any.



Contingencies

Contingent liabilities are not recognized in the consolidated financial statements. They are disclosed in the notes to consolidated financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed in the notes to consolidated financial statements when an inflow of economic benefits is probable.

Events after the Reporting Period

Post year-end events that provide additional information about the Company’s financial position at the end of the reporting period (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

4. Segment Information

For management purposes, the Company is organized into business units based on their products and services, and has four reportable operating segments as follows: mall, residential, commercial and integrated property developments and hotels and convention centers.

Mall segment develops, conducts, operates and maintains the business of modern commercial shopping centers and all businesses related thereto such as the conduct, operation and maintenance of shopping center spaces for rent, amusement centers, or cinema theaters within the compound of the shopping centers.

Residential and commercial and integrated property developments segments are involved in the development and transformation of major residential, commercial, entertainment and tourism districts through sustained capital investments in buildings and infrastructure.

Hotels and convention centers segment engages in and carry on the business of hotel and convention centers and operates and maintains any and all services and facilities incident thereto.

Management, through the Executive Committee, monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with the operating profit or loss in the consolidated financial statements.

The amount of segment assets and liabilities and segment profit or loss are based on measurement principles that are similar to those used in measuring the assets and liabilities and profit or loss in the consolidated financial statements, which is in accordance with PFRS Accounting Standards.

Inter-segment Transactions

Transfer prices between business segments are set on an arm’s length basis similar to transactions with nonrelated parties. Such transfers are eliminated in the consolidated financial statements.

Business Segment Data

	2024					
	Mall	Residential	Commercial and Integrated Property Developments	Hotels and Convention Centers	Eliminations	Consolidated Balances
	<i>(In Thousands)</i>					
Revenue:						
External customers	₱77,195,491	₱47,759,282	₱7,652,770	₱7,783,329	₱-	₱140,390,872
Inter-segment	338,678	4,583	126,834	-	(470,095)	-
	₱77,534,169	₱47,763,865	₱7,779,604	₱7,783,329	(₱470,095)	₱140,390,872



2024						
	Mall	Residential	Commercial and Integrated Property Developments	Hotels and Convention Centers	Eliminations	Consolidated Balances
<i>(In Thousands)</i>						
Segment results:						
Income before income tax	₱34,119,841	₱16,047,506	₱5,098,369	₱1,802,758	(₱226,009)	₱56,842,465
Provision for income tax	(6,411,868)	(2,848,608)	(748,740)	(293,813)	–	(10,303,029)
Net income	₱27,707,973	₱13,198,898	₱4,349,629	₱1,508,945	(₱226,009)	₱46,539,436
Net income attributable to:						
Equity holders of the Parent	₱26,812,180	₱13,187,019	₱4,349,629	₱1,508,945	(₱226,009)	₱45,631,764
Non-controlling interests	895,793	11,879	–	–	–	907,672
Segment assets	₱486,804,040	₱372,848,649	₱137,249,879	₱24,482,894	(₱1,954,732)	₱1,019,430,730
Segment liabilities	₱322,128,497	₱207,977,024	₱53,056,919	₱1,982,532	(₱1,954,732)	₱583,190,240
Other information:						
Capital expenditures	₱35,251,300	₱23,135,964	₱28,373,189*	₱1,936,888	₱–	₱88,697,341
Depreciation and amortization	12,197,435	268,485	1,800,752	771,116	–	15,037,788

*Includes ₱21,360 million integrated property developments

2023						
	Mall	Residential	Commercial and Integrated Property Developments	Hotels and Convention Centers	Eliminations	Consolidated Balances
<i>(In Thousands)</i>						
Revenue:						
External customers	₱70,924,483	₱43,730,565	₱6,781,687	₱6,660,806	₱–	₱128,097,541
Inter-segment	176,623	–	115,067	18,108	(309,798)	–
	₱71,101,106	₱43,730,565	₱6,896,754	₱6,678,914	(₱309,798)	₱128,097,541
Segment results:						
Income before income tax	₱29,443,529	₱14,484,131	₱4,540,688	₱1,563,806	(₱192,335)	₱49,839,819
Provision for income tax	(5,559,995)	(2,408,916)	(715,095)	(291,968)	–	(8,975,974)
Net income	₱23,883,534	₱12,075,215	₱3,825,593	₱1,271,838	(₱192,335)	₱40,863,845
Net income attributable to:						
Equity holders of the Parent	₱23,044,382	₱12,061,023	₱3,825,593	₱1,271,838	(₱192,335)	₱40,010,501
Non-controlling interests	839,152	14,192	–	–	–	853,344
Segment assets	₱469,624,682	₱350,279,425	₱104,377,862	₱20,862,662	(₱1,817,056)	₱943,327,575
Segment liabilities	₱322,448,794	₱196,791,098	₱25,596,386	₱1,421,317	(₱1,817,056)	₱544,440,539
Other information:						
Capital expenditures	₱37,029,372	₱25,633,865	₱23,733,455*	₱1,779,226	₱–	₱88,175,918
Depreciation and amortization	11,225,655	243,022	1,536,430	651,666	–	13,656,773

*Includes ₱17,781 million integrated property developments

2022						
	Mall	Residential	Commercial and Integrated Property Developments	Hotels and Convention Centers	Eliminations	Consolidated Balances
<i>(In Thousands)</i>						
Revenue:						
External customers	₱55,379,678	₱40,077,157	₱5,996,483	₱4,332,317	₱–	₱105,785,635
Inter-segment	160,890	5,417	126,801	11,631	(304,739)	–
	₱55,540,568	₱40,082,574	₱6,123,284	₱4,343,948	(₱304,739)	₱105,785,635
Segment results:						
Income before income tax	₱24,291,544	₱10,905,230	₱3,969,174	₱402,171	(₱854,115)	₱38,714,004
Provision for income tax	(4,857,306)	(2,000,690)	(1,013,584)	(99,295)	–	(7,970,875)
Net income	₱19,434,238	₱8,904,540	₱2,955,590	₱302,876	(₱854,115)	₱30,743,129
Net income attributable to:						
Equity holders of the Parent	₱18,800,574	₱8,894,874	₱2,955,590	₱302,876	(₱854,115)	₱30,099,799
Non-controlling interests	633,664	9,666	–	–	–	643,330
Segment assets	₱461,547,075	₱317,089,509	₱81,047,183	₱16,296,204	(₱1,765,319)	₱874,214,652
Segment liabilities	₱320,311,592	₱180,624,978	₱8,524,126	₱1,367,669	(₱1,765,319)	₱509,063,046



	2022					Consolidated Balances
	Mall	Residential	Commercial and Integrated Property Developments	Hotels and Convention Centers	Eliminations	
	<i>(In Thousands)</i>					
Other information:						
Capital expenditures	₱25,786,080	₱36,345,071	₱12,194,451	₱1,093,268	₱-	₱75,418,870
Depreciation and amortization	10,373,095	138,188	1,347,108	629,371	-	12,487,762

For the years ended December 31, 2024, 2023 and 2022, there were no revenue transactions with a single external customer which accounted for 10% or more of the consolidated revenue from external customers. The main revenues of the Company are substantially earned from the Philippines.

The Company disaggregates its revenue information in the same manner as it reports its segment information.

Seasonality

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

5. Business Combination

In January 2022, the Parent Company acquired 100% of the outstanding shares of BTC. BTC is under common control by the Sy Family. Thus, the acquisition was accounted for using pooling of interest method. Assets acquired and liabilities assumed in January 2022 is ₱1,593 million and ₱1,612 million, respectively. The acquisition resulted to equity reserve adjustment amounting to ₱44 million included under Additional Paid-in Capital - Net account in the equity section of the balance sheet (see Note 18).

6. Cash and Cash Equivalents

This account consists of:

	2024	2023
	<i>(In Thousands)</i>	
Cash on hand and in banks (see Note 19)	₱4,396,389	₱10,239,900
Temporary investments (see Note 19)	26,849,782	21,576,902
	₱31,246,171	₱31,816,802

Cash in banks earn interest at the respective bank deposit rates. Temporary investments are made for varying periods of up to three months depending on the immediate cash requirements of the Company and earn interest at the respective temporary investment rates.

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.



Interest income earned from cash in banks and temporary investments amounted to ₱1,418 million, ₱1,450 million and ₱1,070 million for the years ended December 31, 2024, 2023 and 2022, respectively (see Note 22).

7. Receivables and Contract Assets

This account consists of:

	2024	2023
	<i>(In Thousands)</i>	
Trade:		
Sale of real estate (billed and unbilled)*	₱152,492,378	₱132,177,723
Rent:		
Third parties	10,745,461	9,352,668
Related parties (see Note 19)	3,704,992	3,471,144
Accrued interest (see Note 19)	370,865	265,371
Nontrade and others (see Note 19)	5,031,479	3,062,977
	172,345,175	148,329,883
Less allowance for ECLs	774,250	777,378
	171,570,925	147,552,505
Less noncurrent portion of trade receivables from sale of real estate (see Note 14)	79,064,021	70,600,303
	₱92,506,904	₱76,952,202

*Includes unbilled revenue from sale of real estate amounting to ₱133,475 million and ₱114,898 million as at December 31, 2024 and 2023, respectively.

The terms and conditions of the above receivables are as follows:

- Trade receivables from tenants are non-interest bearing and are normally collectible on a 30 to 90 days' term. Trade receivables from sale of real estate pertain to sold real estate inventories at various terms of payments, which are generally non-interest bearing.

The Company assigned billed and unbilled receivables from sale of real estate on a without recourse basis to local banks amounting to ₱6,967 million and ₱4,131 million for the years ended December 31, 2024 and 2023, respectively (see Note 19).

The Company also has assigned billed and unbilled receivables from real estate on a with recourse basis to local banks. The outstanding balance as at December 31, 2024 and 2023 is nil and ₱217 million, respectively. The fair value of the assigned receivables and the related liability from assigned receivables approximates their costs. The related liability is included in Others under "Accounts payable and other current liabilities" account, bear interest rates of 5.00% to 6.50% as at December 31, 2023 (see Note 16).

The total cost of related financing recorded under interest expense amounted to ₱78 million, ₱717 million and ₱18 million for the years ended December 31, 2024, 2023 and 2022, respectively (see Note 22).

- Accrued interest and other receivables are normally collected throughout the next financial period.



Interest income earned from receivables totaled ₱171 million, ₱232 million and ₱149 million for the years ended December 31, 2024, 2023 and 2022, respectively (see Note 22).

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

There is no allowance for ECLs on unbilled revenue from sale of real estate as of December 31, 2024 and 2023. The movements in the allowance for ECLs related to receivables from rent are as follows:

	2024	2023
	<i>(In Thousands)</i>	
At beginning of year	₱777,378	₱721,482
Provisions (reversals) - net	(3,128)	55,896
At end of year	₱774,250	₱777,378

The aging analysis of receivables and unbilled revenue from sale of real estate as at December 31 are as follows:

	2024	2023
	<i>(In Thousands)</i>	
Neither past due nor impaired	₱152,472,997	₱128,027,966
Past due:		
Less than 30 days	4,696,082	4,805,072
31-90 days	4,941,344	6,044,097
91-120 days	3,363,747	2,142,720
Over 120 days	6,096,755	6,532,650
Impaired	774,250	777,378
	₱172,345,175	₱148,329,883

Receivables, except for those that are impaired, are assessed by the Company's management as not impaired, good and collectible.

The transaction price allocated to the remaining performance obligations totaling ₱41,525 million and ₱38,087 million as at December 31, 2024 and 2023, respectively, are expected to be recognized over the construction period ranging from one to five years.



8. Real Estate Inventories

The movements in this account are as follows:

	Land and Development	Condominium, Residential Units and Subdivision Lots for Sale	Total
<i>(In Thousands)</i>			
Balance as at December 31, 2022	₱43,780,861	₱26,719,164	₱70,500,025
Development cost incurred	22,141,007	–	22,141,007
Cost of real estate sold (see Note 21)	(13,166,920)	(3,493,990)	(16,660,910)
Transfers	(1,902,929)	1,902,929	–
Reclassifications from investment properties (see Note 12)	1,807,712	–	1,807,712
Translation adjustment and others	98,606	341	98,947
Balance as at December 31, 2023	52,758,337	25,128,444	77,886,781
Development cost incurred	17,918,601	103,947	18,022,548
Cost of real estate sold (see Note 21)	(11,962,498)	(7,178,027)	(19,140,525)
Transfers	(3,074,344)	3,074,344	–
Reclassifications from investment properties (see Note 12)	142,699	–	142,699
Translation adjustment	–	16,024	16,024
Balance as at December 31, 2024	₱55,782,795	₱21,144,732	₱76,927,527

Land and development pertains to the Company's on-going residential units and condominium projects. Estimated cost to complete the projects amounted to ₱107,880 million and ₱103,578 million as at December 31, 2024 and 2023, respectively.

Condominium and residential units for sale pertain to completed projects. These are stated at cost as at December 31, 2024 and 2023.

Contract fulfillment assets, included under land and development, pertain to unamortized portion of land cost totaling ₱2,031 million and ₱1,777 million as at December 31, 2024 and 2023, respectively.

9. Equity Instruments at FVOCI

This account consists of investments in:

	2024	2023
<i>(In Thousands)</i>		
Shares of stock:		
Listed (see Note 19)	₱21,181,916	₱20,312,735
Unlisted	5,317	5,317
	21,187,233	20,318,052
Less noncurrent portion	20,392,800	19,570,212
	₱794,433	₱747,840

- Listed shares of stock pertain to investments in publicly listed companies.
- Unlisted shares of stock pertain to stocks of private corporations.



Dividend income from investments at FVOCI amounted to ₱527 million, ₱440 million and ₱456 million for the years ended December 31, 2024, 2023 and 2022, respectively (see Note 19).

The movements in the “Net fair value changes of equity instruments at FVOCI” account are as follows:

	2024	2023
	<i>(In Thousands)</i>	
At beginning of the year	₱16,938,503	₱14,232,514
Unrealized gain due to changes in fair value – net of transfers	869,263	2,705,989
At end of the year	₱17,807,766	₱16,938,503

10. Prepaid Expenses and Other Current Assets

This account consists of:

	2024	2023
	<i>(In Thousands)</i>	
Input and creditable withholding taxes	₱14,039,318	₱12,030,388
Advances and deposits	8,797,734	8,724,322
Prepaid taxes and other prepayments	4,565,703	6,409,923
Supplies and inventories	433,328	420,623
Others	590,625	219,674
	₱28,426,708	₱27,804,930

- Input tax represents VAT paid to suppliers that can be claimed as credit against the future output VAT liabilities without prescription. Creditable withholding tax is the tax withheld by the withholding agents from payments to the Company which can be applied against the income tax payable.
- Advances and deposits pertain to downpayments made to suppliers or contractors to cover preliminary expenses of the contractors in construction projects. The amounts are non-interest bearing and are recouped upon every progress billing payment depending on the percentage of accomplishment. This account also includes construction bonds, rental deposits and advertisements.
- Prepaid taxes and other prepayments consist of prepayments for insurance, real property taxes, rent, and other expenses which are normally utilized within the next financial period.



11. Property and Equipment

The movements in this account are as follows:

	Buildings, Land and Leasehold Improvements	Furniture, Fixtures and Other Equipment	ROUA - Office Spaces	Total
<i>(In Thousands)</i>				
Cost				
Balance at December 31, 2022	₱2,427,006	₱1,390,125	₱7,454	₱3,824,585
Additions	185,262	155,844	–	341,106
Disposals	(16,472)	(2,878)	(7,454)	(26,804)
Balance at December 31, 2023	2,595,796	1,543,091	–	4,138,887
Additions	50,837	103,451	–	154,288
Retirement	(30,173)	(8,188)	–	(38,361)
Balance at December 31, 2024	₱2,616,460	₱1,638,354	₱–	₱4,254,814
Accumulated Depreciation and Amortization				
Balance at December 31, 2022	₱1,250,849	₱1,166,442	₱7,454	₱2,424,745
Depreciation and amortization (see Note 21)	78,545	90,940	–	169,485
Disposals	–	(2,879)	(7,454)	(10,333)
Balance at December 31, 2023	1,329,394	1,254,503	–	2,583,897
Depreciation and amortization (see Note 21)	103,007	105,102	–	208,109
Retirement	(22,331)	(8,156)	–	(30,487)
Balance at December 31, 2024	₱1,410,070	₱1,351,449	₱–	₱2,761,519
Net Book Value				
As at December 31, 2023	₱1,266,402	₱288,588	₱–	₱1,554,990
As at December 31, 2024	₱1,206,390	₱286,905	₱–	₱1,493,295

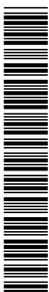
The Company disposed certain properties and equipment in 2024 and 2023. The loss on retirement is recognized in the consolidated statements of income under “Others - net” account



12. Investment Properties

The movements in this account are as follows:

	Land, Building and Leasehold Improvements	Building Equipment, Furniture and Others	ROUA - Land	Construction in Progress	Total
	<i>(In Thousands)</i>				
Cost					
Balance as at December 31, 2022	₱458,285,480	₱56,235,369	₱28,168,127	₱67,097,946	₱609,786,922
Additions	17,022,736	3,108,856	5,719,181	46,548,285	72,399,058
Reclassifications (see Note 8 and 14)	28,178,837	2,449,872	-	(31,252,071)	(623,362)
Translation adjustment	(1,818,843)	(170,288)	(460,661)	(391,352)	(2,841,144)
Disposals	(425,770)	(530,451)	(10,558)	-	(966,779)
Balance as at December 31, 2023	501,242,440	61,093,358	33,416,089	82,002,808	677,754,695
Additions	9,244,408	3,621,649	98,291	54,569,894	67,534,242
Reclassifications (see Note 8 and 14)	16,286,673	2,788,243	-	(16,231,352)	2,843,564
Translation adjustment	917,995	77,636	295,751	124,704	1,416,086
Disposals	(690,721)	(222,151)	-	-	(912,872)
Balance as at December 31, 2024	₱527,000,795	₱67,358,735	₱33,810,131	₱120,466,054	₱748,635,715
Accumulated Depreciation and Amortization					
Balance as at December 31, 2022	₱82,599,898	₱35,389,089	₱2,531,893	₱-	₱120,520,880
Depreciation and amortization (see Note 21)	8,748,034	3,979,841	759,413	-	13,487,288
Translation adjustment	(474,488)	(86,870)	(23,937)	-	(585,295)
Disposals	(366,969)	(373,808)	(2,147)	-	(742,924)
Balance as at December 31, 2023	90,506,475	38,908,252	3,265,222	-	132,679,949
Depreciation and amortization (see Note 21)	9,753,913	4,245,234	830,532	-	14,829,679
Translation adjustment	212,105	45,221	11,907	-	269,233
Disposals	(282,864)	(200,203)	-	-	(483,067)
Balance as at December 31, 2024	₱100,189,629	₱42,998,504	₱4,107,661	₱-	₱147,295,794
Net Book Value					
As at December 31, 2023	₱410,735,965	₱22,185,106	₱30,150,867	₱82,002,808	₱545,074,746
As at December 31, 2024	₱426,811,166	₱24,360,231	₱29,702,470	₱120,466,054	₱601,339,921



The Company disposed certain investment properties in 2024 and 2023. The gain or loss on disposal is recognized in the consolidated statements of income under “Others - net” account.

Portions of investment properties located in China with total carrying value of ₱1,539 million and ₱1,455 million as at December 31, 2024 and 2023, respectively are mortgaged as collaterals to secure domestic borrowings (see Note 17).

Consolidated rent income from investment properties amounted to ₱78,674 million, ₱72,114 million and ₱58,244 million for the years ended December 31, 2024, 2023 and 2022, respectively.

Consolidated operating expenses from investment properties, which generate income, amounted to ₱42,263 million, ₱40,120 million and ₱30,598 million for the years ended December 31, 2024, 2023 and 2022, respectively (see Note 21).

Construction in progress amounting to ₱120,466 million and ₱82,003 million as at December 31, 2024 and 2023, respectively includes shopping mall complex under construction, land and commercial building constructions.

The outstanding contracts with various contractors related to the construction of on-going projects are valued at ₱63,362 million and ₱78,353 million as at December 31, 2024 and 2023, respectively, inclusive of overhead, cost of labor and materials and all other costs necessary for the proper execution of works.

Interest capitalized to the construction of investment properties amounted to ₱7,446 million, ₱5,791 million and ₱4,814 million for the years ended December 31, 2024, 2023 and 2022, respectively. Capitalization rates used range from 2.46% to 5.75%, from 2.27% to 5.38%, and from 2.35% to 5.22% for the years ended December 31, 2024, 2023 and 2022, respectively.

The most recent fair value of investment properties is determined by an independent appraiser who holds a recognized and relevant professional qualification. The fair values of investment properties were based on income approach and sales comparison approach. The fair value represents the amount at which the assets can be exchanged between a knowledgeable, willing seller and a knowledgeable, willing buyer in an arm’s length transaction at the date of valuation, in accordance with International Valuation Standards as set out by the International Valuation Standards Committee.

Other than those investment properties held as collateral, the Company has no restriction on the realizability of its investment properties.



13. Investments in Associates and Joint Ventures

The ownership interests in associates and joint ventures accounted for under the equity method mainly consist of the following:

Company	Country of Incorporation	Percentage of Ownership	
		2024	2023
Associates			
Feihua Real Estate (Chongqing) Company Ltd. (FHREC)	People's Republic of China	50.00	50.00
Ortigas Land Corporation (OLC)	Philippines	39.96	39.96
Joint Ventures			
Winsome Development Corporation*	Philippines	51.00	51.00
Willin Sales, Inc.*	- do -	51.00	51.00
Willimson, Inc. *	- do -	51.00	51.00
Waltermart Ventures, Inc. *	- do -	51.00	51.00
WM Development, Inc. *	- do -	51.00	51.00
WM Shopping Center Management Inc.*	- do -	51.00	51.00
Metro Rapid Transit Service Inc.	- do -	51.00	51.00
ST 6747 Resources Corporation (STRC)	- do -	50.00	50.00

*collectively, Waltermart

The movements in this account are as follows:

	Associates	Joint Ventures	Total
	<i>(In Thousands)</i>		
Balance as at December 31, 2022	₱20,890,859	₱9,687,461	₱30,578,320
Equity in net earnings	1,273,549	889,062	2,162,611
Dividends	(130,928)	(128,774)	(259,702)
Translation	(50,034)	-	(50,034)
Balance as at December 31, 2023	21,983,446	10,447,749	32,431,195
Equity in net earnings	1,118,823	924,187	2,043,010
Dividends	(1,284,813)	(151,468)	(1,436,281)
Translation and others	22,104	48,331	70,435
Balance as at December 31, 2024	₱21,839,560	₱11,268,799	₱33,108,359

The carrying value of investment in OLC amounted to ₱21,544 million and ₱20,615 million as at December 31, 2024 and 2023, respectively, which consists of its proportionate share in the net assets of OLC and fair value adjustments. The share in profit, net of dividend received of OLC amounted to ₱929 million, ₱1,142 million and ₱940 million for the years ended December 31, 2024, 2023 and 2022, respectively.

The carrying value of investment in FHREC amounted to ₱295 million and ₱1,368 million as at December 31, 2024 and 2023, respectively. The dividend received from FHREC amounted to ₱1,095 million and nil as at December 31, 2024 and 2023, respectively.

The carrying values of investments in Waltermart amounted to ₱8,710 million and ₱8,152 million as at December 31, 2024 and 2023, respectively. The aggregate share in profit and total comprehensive income, net of dividends received amounted to ₱558 million, ₱513 million and ₱283 million for the years ended December 31, 2024, 2023 and 2022, respectively.



The carrying value of investment in STRC amounted to ₱2,559 million and ₱2,296 million as at December 31, 2024 and 2023, respectively. The aggregate share in profit and total comprehensive income amounted to ₱263 million, ₱248 million and ₱172 million for the years ended December 31, 2024, 2023 and 2022, respectively.

14. Other Noncurrent Assets

This account consists of:

	2024	2023
	<i>(In Thousands)</i>	
Receivables from sale of real estate - net of current portion* (see Note 7)	₱79,064,021	₱70,600,303
Bonds and deposits	42,946,111	46,894,238
Escrow and time deposits (see Note 19)	3,803,029	3,656,453
Deferred input tax	606,950	779,864
Others (see Note 23)	369,367	540,616
	₱126,789,478	₱122,471,474

*Pertains to noncurrent portion of unbilled revenue from sale of real estate (see Note 7).

- Bonds and deposits consist of deposits to contractors and suppliers to be applied throughout construction and advances, deposits paid for leased properties to be applied at the last term of the lease and advance payments for land acquisitions which will be applied against the purchase price of the properties upon fulfillment by both parties of certain undertakings and conditions. Bonds and deposits related to land acquisitions amounting to ₱2,986 million and ₱1,184 million were reclassified to investment properties as at December 31, 2024 and 2023, respectively (see Note 12).
- Cash in escrow amounting to ₱690 million and ₱711 million as at December 31, 2024 and 2023, respectively, pertains to the amounts deposited in the account of an escrow agent as required by the Department of Human Settlements and Urban Development in connection with the incentive compliance provisions of the Urban Development and Housing Act. Interest income earned from the cash in escrow amounted to ₱40 million, ₱25 million and ₱6 million for the years ended December 31, 2024, 2023 and 2022 respectively (see Note 22).
- Time deposits amounting to ₱3,113 million and ₱2,945 million as at December 31, 2024 and 2023, respectively, were used as collateral for use of credit lines obtained by the Company. Interest income earned amounted to ₱71 million, ₱38 million and ₱94 million for the years ended December 31, 2024, 2023 and 2022, respectively (see Note 22).

15. Loans Payable

This account consists of unsecured Philippine peso and China yuan renminbi denominated loans obtained from local and foreign banks amounting to ₱17,312 million and ₱4,289 million as at December 31, 2024 and 2023, respectively, with due dates of less than one year. These loans bear weighted average interest rates of 5.35% and 3.56% and China loan prime rate (LPR) in 2024 and 2023.

Interest expense incurred from loans payable amounted to ₱662 million, ₱258 million and ₱160 million for the years ended December 31, 2024, 2023 and 2022, respectively (see Note 22).



16. Accounts Payable and Other Current Liabilities

This account consists of:

	2024	2023
	<i>(In Thousands)</i>	
Trade:		
Third parties	₱58,150,715	₱51,450,265
Related parties (see Note 19)	220,389	205,653
Tenants' and customers' deposits* (see Note 25)	43,023,059	39,678,216
Accrued operating expenses	17,868,320	15,834,744
Deferred output VAT	17,410,460	14,411,482
Lease liabilities	13,150,290	13,313,112
Retention payable	11,084,821	8,834,072
Liability for purchased land	3,005,332	5,042,435
Accrued interest (see Note 19)	2,674,852	2,827,101
Payable to government agencies	1,049,077	854,877
Nontrade	432,467	437,049
Others (see Note 7)	2,319,562	2,829,546
	170,389,344	155,718,552
Less noncurrent portion	66,600,383	56,633,701
	₱103,788,961	₱99,084,851

* Includes unearned revenue from sale of real estate amounting to ₱9,023 million and ₱7,018 million as at December 31, 2024 and 2023, respectively, out of which ₱2,095 million and ₱2,129 million were recognized as revenue in 2024 and 2023, respectively.

The terms and conditions of the above liabilities follow:

- Trade payables primarily consist of liabilities to suppliers and contractors, which are non-interest bearing and are normally settled within a 30-day term.
- Accrued operating expenses pertain to accrued selling, general and administrative expenses which are normally settled throughout the financial period. Accrued operating expenses consist of:

	2024	2023
	<i>(In Thousands)</i>	
Payable to contractors	₱11,406,989	₱9,400,962
Utilities	2,375,023	2,468,876
Marketing and advertising and others	4,086,308	3,964,906
	₱17,868,320	₱15,834,744

- Deferred output VAT represents output VAT on unpaid portion of recognized receivable from sale of real estate. This amount is reported as output VAT upon collection of the receivables. Deferred output VAT included in "Other noncurrent liabilities" amounted to ₱16,588 million and ₱13,843 million as at December 31, 2024 and 2023, respectively.
- Lease liabilities included in "Other noncurrent liabilities" amounted to ₱12,991 million and ₱13,181 million as at December 31, 2024 and 2023, respectively. Interest on lease liabilities included under "Others - net" in the consolidated statements of income amounted to ₱336 million, ₱366 million and ₱437 million for the years ended December 31, 2024, 2023 and 2022, respectively.



- Retention payable pertains to the amount withheld by the Company from the contractors' progress billings which will be released after the guarantee period. The retention serves as a security from the contractor should there be defects in the project.
- Liability for purchased land, payable to government agencies, accrued interest and other payables are normally settled throughout the financial period.



17. Long-term Debt

This account consists of:

	Availment Date	Maturity Date	Weighted Average Interest Rate	Outstanding Balance
				2024 <i>(In Thousands)</i>
Philippine peso-denominated loans	September 1, 2014 - December 26, 2024	April 25, 2024 - April 22, 2032	Floating BVAL + margin; Fixed - 5.58%	₱287,331,190
U.S. dollar-denominated loans*	April 15, 2019 - August 27, 2024	February 28, 2024 - August 10, 2029	SOFR + spread; quarterly	76,161,303
China yuan renminbi-denominated loans**	May 6, 2021 - December 27, 2024	April 20, 2026 - June 24, 2037	LPR, SOFR; annually; Fixed - 3.65%	10,830,711
				374,323,204
Less debt issue cost				1,715,421
				372,607,783
Less current portion				89,287,442
				₱283,320,341
				₱294,622,256

B14L – Bloomberg Valuation Service

SOFR – Secured Overnight Financing Rate

**Hedged against foreign exchange and interest rate risks using derivative instruments*

***Secured by portions of investment properties located in China (see Note 12)*



Debt Issue Cost

The movements in unamortized debt issue cost of the Company follow:

	2024	2023
	<i>(In Thousands)</i>	
Balance at beginning of the year	₱1,885,738	₱2,112,928
Additions	655,334	645,502
Amortization	(825,651)	(872,692)
Balance at end of the year	₱1,715,421	₱1,885,738

Amortization of debt issuance costs is recognized in the consolidated statements of income under “Others - net” account.

Repayment and Debt Issue Cost Schedule

The repayments of long-term debt are scheduled as follows:

	Gross	Debt Issue Cost	Net
	<i>(In Thousands)</i>		
Within 1 year	₱89,971,706	₱684,264	₱89,287,442
More than 1 year to 5 years	248,774,402	994,826	247,779,576
More than 5 years	35,577,096	36,331	35,540,765
	₱374,323,204	₱1,715,421	₱372,607,783

The loan agreements of the Company provide certain restrictions and requirements principally with respect to maintenance of required financial ratios and material change in ownership or control. As at December 31, 2024 and 2023, the Company is in compliance with the terms of its loan covenants.

Interest expense from long-term debt charged to profit or loss amounted to ₱13,194 million, ₱12,989 million and ₱11,288 million for the years ended December 31, 2024, 2023 and 2022, respectively (see Note 22).

18. Equity

Capital Stock

As at December 31, 2024 and 2023, the Company has an authorized capital stock of 40,000 million with a par value of ₱1 a share, of which 33,166 million shares were issued. The Company has 28,856 million outstanding shares as at December 31, 2024 and 2023.

The following summarizes the information on SMPH's registration of securities under the Securities Regulation Code:

Date of SEC Approval/ Notification to SEC	Authorized Shares	No. of Shares Issued	Issue/Offer Price
March 15, 1994	10,000,000,000	–	₱–
April 22, 1994	–	6,369,378,049	5.35
May 29, 2007	10,000,000,000	–	–
May 20, 2008	–	912,897,212	11.86
October 14, 2010	–	569,608,700	11.50
October 10, 2013	20,000,000,000	15,773,765,315	19.50



SMPH declared stock dividends in 2012, 2007, 1996 and 1995. The total number of shareholders is 2,313 and 2,330 as at December 31, 2024 and 2023, respectively.

Additional Paid-in Capital - Net

Following represents the nature of the consolidated “Additional paid-in capital - net”:

	2024	2023
	<i>(In Thousands)</i>	
Paid-in subscriptions in excess of par value	₱33,549,808	₱33,549,808
Net equity adjustments from common control business combinations	9,354,060	9,354,060
Arising from net sale (acquisition) of non-controlling interests (see Note 2)	(4,739,695)	(4,743,968)
<u>As presented in the consolidated balance sheets</u>	₱38,164,173	₱38,159,900

Retained Earnings

In 2024, the BOD approved the declaration of cash dividend of ₱0.346 per share or ₱9,992 million to stockholders of record as of May 8, 2024, ₱8 million of which was received by SMDC. This was paid on May 22, 2024. In 2023, the BOD approved the declaration of cash dividend of ₱0.237 per share or ₱6,844 million to stockholders of record as of May 10, 2023, ₱5 million of which was received by SMDC. This was paid on May 24, 2023. In 2022, the BOD approved the declaration of cash dividend of ₱0.097 per share or ₱2,801 million to stockholders of record as of May 11, 2022, ₱2 million of which was received by SMDC. This was paid on May 24, 2022.

On December 9, 2024, the Company’s BOD approved the appropriation of retained earnings amounting to ₱100,000 million. On the same date, the BOD approved the reversal of appropriated retained earnings amounting to ₱42,200 million.

As at December 31, 2024 and 2023, the retained earnings appropriated amounted to ₱100,000 million and ₱42,200 million, respectively, for planned construction projects and land banking activities. This represents a continuing appropriation to cover the Company’s capital expenditures. Approval of expansions and new projects is delegated by the BOD to the Executive Committee of the Company.

The unappropriated retained earnings account is restricted for the payment of dividends to the extent of the accumulated equity in net earnings of subsidiaries, associates and joint ventures and the balance of treasury stock until such time that the Parent Company receives the dividends from its subsidiaries, associates and joint ventures. The retained earnings available for dividend declaration amounted to ₱77,131 million and ₱115,550 million as at December 31, 2024 and 2023, respectively.

Treasury Stock

As at December 31, 2024 and 2023, this includes 4,310 million reacquired capital stock and shares held by a subsidiary stated at acquisition cost of ₱2,985 million.

19. Related Party Transactions

Parties are considered to be related if one party has the ability, directly and indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities.



Terms and Conditions of Transactions with Related Parties

There have been no guarantees/collaterals provided or received for any related party receivables or payables. For the years ended December 31, 2024 and 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial period through examining the financial position of the related party and the market in which the related party operates. Settlement of the outstanding balances normally occur in cash. The Company has approval process and established limits when entering into material related party transactions.

The significant transactions entered into by the Company with its related parties and the amounts included in the accompanying consolidated financial statements with respect to these transactions follow:

	Amount of Transactions			Outstanding Amount [Asset (Liability)]		Terms	Conditions
	2024	2023	2022	2024	2023		
<i>(In Thousands)</i>							
Ultimate Parent							
Rent income	₱75,287	₱69,449	₱64,092	₱-	₱-		
Rent receivable	-	-	-	9,752	7,899	Non-interest bearing	Unsecured; not impaired
Other revenue	36,504	36,414	35,017	-	-		
Other receivable	-	-	-	3,832	2,912	Non-interest bearing	Unsecured; not impaired
Rent expense	67,362	86,787	69,755	-	-		
Trade payable	-	-	-	(72,330)	(34,882)	Non-interest bearing	Unsecured
Dividend income	1,315	1,096	913	-	-		
Equity instruments at FVOCI	-	-	-	131,348	127,403		
Banking and Retail Group							
Cash and cash equivalents	166,265,094	123,293,354	122,886,066	28,105,695	23,451,912	Interest bearing based on prevailing rates	Unsecured; not impaired
Rent income	18,656,542	17,707,839	15,391,640	-	-		
Rent receivable	-	-	-	3,612,659	3,388,569	Non-interest bearing	Unsecured; not impaired
Other revenue	-	90	419	-	-		
Other receivable	-	-	-	8,584	9,355	Non-interest bearing	Unsecured; not impaired
Interest income	1,208,452	1,231,347	664,264	-	-		
Accrued interest receivable	-	-	-	204,768	197,130	Non-interest bearing	Unsecured; not impaired
Dividend income	405,110	324,088	203,455	-	-		
Equity instruments at FVOCI	-	-	-	15,556,215	14,097,820		
Escrow and time deposits	355,967	373,065	196,272	1,351,950	1,277,880	Interest bearing and based on prevailing rates	Unsecured; not impaired
Receivable financed	6,966,786	4,130,907	-	-	-	Without recourse	Unsecured
Loans payable and long-term debt	20,500,000	4,496,888	12,521,075	(28,065,587)	(20,746,834)	Interest bearing	Unsecured
Interest expense	1,436,293	1,716,133	668,384	-	-		
Accrued interest payable	-	-	-	(211,032)	(176,640)	Non-interest bearing	Unsecured
Other expense	225,640	220,182	195,876	-	-		
Trade payable	-	-	-	(124,317)	(159,999)	Non-interest bearing	Unsecured
Other Related Parties							
Rent income	437,784	392,116	314,324	-	-		
Rent receivable	-	-	-	82,581	74,676	Non-interest bearing	Unsecured; not impaired
Other revenue	92,745	90,652	121,004	-	-		
Other receivable	-	-	-	46,031	26,117	Non-interest bearing	Unsecured; not impaired
Rent expense	565	663	410	-	-		
Trade payable	-	-	-	(23,742)	(10,772)	Non-interest bearing	Unsecured



Banking and retail entities and other related parties are affiliate that is neither a parent, subsidiary, nor an associate, with stockholders common to the SM Group or under common control.

Below are the nature of the Company's transactions with the related parties:

Rent

The Company has existing lease agreements for office and commercial spaces with related companies (retail and banking group and other related parties).

Other Revenue

The Company provides management, manpower and other related services.

Dividend Income

The Company's equity instruments at FVOCI of certain affiliates earn income upon the declaration of dividends by the investees.

Cash Placements and Loans

The Company has certain bank accounts and cash placements that are maintained with the banking group. Such accounts earn interest based on prevailing market interest rates (see Note 6).

The Company also availed of bank loans and long-term debt from the banking group and pays interest based on prevailing market interest rates (see Notes 15 and 17).

The Company also entered into financing arrangements with the banking group. There were no assigned receivables on a with recourse basis to the banking group in 2024 and 2023 (see Note 7).

Others

The Company, in the normal course of business, has outstanding receivables from and payables to related companies as at reporting period which are unsecured and normally settled in cash.

Compensation of Key Management Personnel

The aggregate compensation and benefits related to key management personnel for the years ended December 31, 2024, 2023 and 2022 consist of short-term employee benefits amounting to ₱1,531 million, ₱1,495 million and ₱1,130 million, respectively, and post-employment benefits (pension benefits) amounting to ₱222 million, ₱298 million and ₱243 million, respectively.

20. Other Revenues

Details of other revenues follows:

	2024	2023	2022
	<i>(In Thousands)</i>		
Cinema and event ticket sales	₱4,773,138	₱4,020,155	₱2,689,404
Merchandise sales	3,641,275	3,263,194	564,978
Food and beverages	2,661,034	2,339,039	1,786,358
Amusement income	1,328,655	1,337,200	1,093,416
Bowling and ice skating fees	473,092	407,118	335,452
Others (see Note 19)	2,935,162	2,576,469	2,025,600
	₱15,812,356	₱13,943,175	₱8,495,208

Others include advertising income, service fees, parking terminal, sponsorships, commissions and membership revenue.



21. Costs and Expenses

This account consists of:

	2024	2023	2022
	<i>(In Thousands)</i>		
Cost of real estate sold (see Note 8)	₱19,140,525	₱16,660,910	₱16,898,568
Administrative (see Note 23)	17,720,115	17,450,432	12,423,180
Depreciation and amortization (see Notes 11 and 12)	15,037,788	13,656,773	12,487,763
Marketing and selling	6,568,920	7,056,076	5,438,162
Business taxes and licenses	6,126,914	5,303,596	4,658,425
Film rentals	2,538,310	2,036,632	1,399,271
Rent (see Notes 19 and 25)	1,414,534	1,324,430	1,130,559
Insurance	470,513	634,148	541,200
Others	3,336,135	2,695,303	1,565,194
	₱72,353,754	₱66,818,300	₱56,542,322

Administrative expenses include utilities, security, janitorial and other outsourced services. Rent expense pertain to variable payments for various lease agreements. Others include bank charges, donations, dues and subscriptions, services fees and transportation and travel.

22. Interest Income and Interest Expense

The details of the sources of interest income and interest expense follow:

	2024	2023	2022
	<i>(In Thousands)</i>		
Interest income on:			
Cash and cash equivalents (see Note 6)	₱1,418,363	₱1,450,318	₱1,070,051
Escrow and time deposits (see Note 14)	111,485	62,574	100,034
Others (see Note 7)	171,400	232,335	149,253
	₱1,701,248	₱1,745,227	₱1,319,338
	2024	2023	2022
	<i>(In Thousands)</i>		
Interest expense on:			
Long-term debt (see Note 17)	₱13,194,308	₱12,988,734	₱11,288,049
Loans payable (see Note 15)	661,599	257,559	159,904
Others (see Note 7)	78,117	716,978	17,834
	₱13,934,024	₱13,963,271	₱11,465,787

23. Pension Benefits

The Company has funded defined benefit pension plans covering all regular and permanent employees. The benefits are based on employees' projected salaries and number of years of service. The latest actuarial valuation report is as at December 31, 2024.



The following tables summarize the components of the pension plan as at December 31:

Net Pension Cost (included under “Costs and expenses” account under “Administrative”)

	2024	2023	2022
		<i>(In Thousands)</i>	
Current service cost	₱475,599	₱427,647	₱377,990
Past service cost	–	8,897	–
Interest - net	55,459	59,301	28,911
	₱531,058	₱495,845	₱406,901

Net Pension Asset (included under “Other noncurrent assets” account)

	2024	2023
		<i>(In Thousands)</i>
Fair value of plan assets	₱802,116	₱173,807
Defined benefit obligation	(726,507)	(87,475)
Effect of asset ceiling limit	(19,792)	(19,166)
Net pension asset	₱55,817	₱67,166

Net Pension Liability (included under “Other noncurrent liabilities” account)

	2024	2023
		<i>(In Thousands)</i>
Defined benefit obligation	₱4,126,138	₱4,672,036
Fair value of plan assets	(3,471,972)	(3,461,552)
Net pension liability	₱654,166	₱1,210,484

The changes in the present value of the defined benefit obligation are as follows:

	2024	2023
		<i>(In Thousands)</i>
Balance at beginning of the year	₱4,759,511	₱4,107,352
Interest cost	293,221	290,807
Current service cost	475,599	427,647
Past service cost	–	8,897
Actuarial loss (gain) on:		
Experience adjustments	337,380	125,692
Changes in demographic assumptions	29,477	8,277
Changes in financial assumptions	(819,782)	(44,553)
Benefits paid	(226,213)	(183,908)
Transfers	3,452	19,300
Balance at end of the year	₱4,852,645	₱4,759,511



The changes in the fair value of plan assets are as follows:

	2024	2023
	<i>(In Thousands)</i>	
Balance at beginning of year	₱3,635,359	₱3,072,217
Contributions	694,616	570,379
Interest income	238,934	233,738
Transfers	3,452	19,300
Benefits paid	(226,213)	(183,908)
Remeasurement loss	(72,060)	(76,367)
Balance at end of year	₱4,274,088	₱3,635,359

The changes in the effect of asset ceiling limit are as follows:

	2024	2023
	<i>(In Thousands)</i>	
Balance at beginning of year	₱19,166	₱30,264
Interest cost	1,172	2,232
Remeasurement loss	(546)	(13,330)
Balance at end of year	₱19,792	₱19,166

The carrying amounts of the plan assets below equal to its fair values as at December 31, 2024 and 2023.

	2024	2023
	<i>(In Thousands)</i>	
Cash and cash equivalents	₱134,865	₱17,789
Investments in:		
Government securities	2,217,294	1,948,988
Common trust funds	1,591,698	1,267,811
Debt and other securities	297,279	373,905
Other financial assets	32,952	26,866
	₱4,274,088	₱3,635,359

- Cash and cash equivalents include regular savings and time deposits;
- Investments in government securities consist of retail treasury bonds which earn interest based on the prevailing market rates and have maturities ranging from 2026 to 2034;
- Investments in common trust funds pertain to unit investment trust fund;
- Investments in debt and other securities consist of short-term and long-term corporate loans, notes and bonds which earn interest based on the prevailing market rates and have maturities ranging from 2025 to 2029; and
- Other financial assets include accrued interest income on cash deposits held by the Retirement Plan.

Debt and other securities and government securities have quoted prices in active market. The remaining plan assets do not have quoted market prices in active market.

The plan assets have diverse instruments and do not have any concentration of risk.



The following table summarizes the outstanding balances and transactions of the pension plan as at and for the years ended December 31:

	2024	2023
	<i>(In Thousands)</i>	
Cash and cash equivalents	₱134,865	₱17,789
Interest income from cash and cash equivalents	2,962	2,278
Investments in common trust funds	1,591,698	1,267,811
Gain from investments in common trust funds	50,467	73,208

The principal assumptions used in determining pension obligations for the Company's plan are shown below:

	2024	2023
Discount rate	6.0%–6.1%	6.0%–6.4%
Future salary increases	3.0%–6.0%	3.0%–10.0%

Remeasurement effects recognized in OCI at December 31 follow:

	2024	2023	2022
	<i>(In Thousands)</i>		
Actuarial loss (gain)	(₱380,865)	₱165,783	₱414,084
Remeasurement loss (gain) - excluding amounts recognized in net interest cost	(546)	(13,330)	3,585
	(₱381,411)	₱152,453	₱417,669

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as at December 31, 2024 and 2023, respectively, assuming all other assumptions were held constant:

	Increase (Decrease) in Basis Points	Increase (Decrease) in Defined Benefit Obligation
2024	<i>(In Thousands)</i>	
Discount rates	100	(₱297,165)
	(100)	340,850
Future salary increases	100	338,292
	(100)	(301,410)
2023		
Discount rates	100	(₱340,764)
	(100)	392,738
Future salary increases	100	383,921
	(100)	(340,136)

The Company and the pension plan has no specific matching strategies between the pension plan assets and the defined benefit obligation under the pension plan.



Shown below is the maturity analysis of the undiscounted benefit payments as at December 31, 2024 and 2023, respectively:

Year 2024	Amount
	<i>(In Thousands)</i>
2025	₱1,443,278
2026	450,807
2027–2028	906,840
2029–2034	3,486,189
Year 2023	Amount
	<i>(In Thousands)</i>
2024	₱1,100,326
2025	422,482
2026–2027	886,111
2028–2033	3,518,907

The Company expects to contribute about ₱775 million to its defined benefit pension plan in 2025.

The weighted average duration of the defined benefit obligation is 7.7 years and 7.9 years as of December 31, 2024 and 2023, respectively.

24. Income Tax

The current provision for income tax presented in the consolidated statements of income represents RCIT and MCIT.

The details of the Company's deferred tax assets and liabilities are as follows:

	2024	2023
	<i>(In Thousands)</i>	
Deferred tax assets:		
Lease liabilities	₱2,096,231	₱2,118,078
NOLCO	2,153,337	1,352,600
Excess of fair value over cost of investment properties	500,095	523,436
Unrealized foreign exchange losses	409,533	408,343
Excess MCIT over RCIT	504,076	276,526
Unamortized past service cost	58,881	43,969
Provision for ECLs on receivables	21,875	21,624
Others	303,036	584,606
	6,047,064	5,329,182
Deferred tax liabilities:		
Unrealized gross profit on sale of real estate	(13,397,984)	(11,190,690)
Undepreciated capitalized interest	(3,161,603)	(3,264,860)
ROUA	(1,537,389)	(1,633,055)
Pension asset	(24,475)	(23,770)
Unrealized foreign exchange gains	(53)	(9,945)
Others	(214,540)	(172,599)
	(18,336,044)	(16,294,919)
Net deferred tax liabilities	(₱12,288,980)	(₱10,965,737)



The net deferred tax assets and liabilities are presented in the consolidated balance sheets as follows:

	2024	2023
	<i>(In Thousands)</i>	
Deferred tax assets - net	₱1,634,307	₱1,492,359
Deferred tax liabilities - net	(13,923,287)	(12,458,096)
	(₱12,288,980)	(₱10,965,737)

The reconciliation between the statutory tax rates and the effective tax rates on income before income tax as shown in the consolidated statements of income follows:

	2024	2023	2022
Statutory tax rate	25.00%	25.00%	25.00%
Income tax effects of:			
Equity in net earnings of associates and joint ventures	(0.90)	(1.08)	(1.11)
Interest income subjected to final tax and dividend income exempt from income tax	(0.98)	(0.84)	(0.73)
Others - net	(4.99)	(5.07)	(2.57)
Effective tax rates	18.13%	18.01%	20.59%

Applying the provisions of the Corporate Recovery and Tax Incentives for Enterprises Act, the Company have been subjected to the lower tax rate of 15% optional standard deduction (OSD) to 25% (itemized deduction) of taxable income and 1% MCIT of gross income for 3 years or until June 30, 2023.

The Company's certain real estate sales are registered with the Philippine Board of Investments as a new developer of low-cost mass housing projects. Under such registration, the Company is entitled to a three to four-year income tax holiday incentive for certain projects until 2025-2026.

25. Lease Agreements

Company as Lessor

The Company's lease agreements with its mall and commercial property tenants are generally granted for a term of one year, with the exception of some of the larger tenants operating nationally, which are granted initial lease terms of 5 years for mall tenants and 2 to 20 years for commercial property tenants, renewable on an annual basis thereafter. At the inception of the lease agreement, tenants are required to pay certain amounts of deposits. At the termination of the lease contracts, the deposits received by the Company are returned to tenants, reduced by unpaid rental fees, penalties and/or deductions from repairs of damaged leased properties, if any. Tenants likewise pay either a fixed monthly rent, which is calculated by reference to a fixed sum per square meter of area leased, or pay rent on a percentage rental basis, which comprises of a basic monthly amount and a percentage of gross sales or a minimum set amount, whichever is higher.



The Company's future minimum rent receivables for the noncancellable portions of the operating leases follow:

	2024	2023
	<i>(In Thousands)</i>	
Within one year	₱6,169,363	₱6,311,967
After one year but not more than five years	10,138,289	10,974,649
After more than five years	6,517,536	6,717,996
	₱22,825,188	₱24,004,612

Consolidated rent income amounted to ₱78,674 million, ₱72,114 million and ₱58,244 million for the years ended December 31, 2024, 2023 and 2022, respectively.

Company as Lessee

The Company leases certain parcels of land where some of its malls are situated or constructed. The terms of the lease are for periods ranging from 10 to 65 years, renewable for the same period under the same terms and conditions. Rental payments are generally computed based on a certain percentage of the gross rental income or a certain fixed amount, whichever is higher. The Company also has various lease commitments with third party and related parties with noncancellable periods ranging from 5 to 30 years, mostly containing renewal options. Several lease contracts provide for the payment of additional rental based on certain percentage of sales of the tenants.

Amounts recognized in the consolidated statements of income follow:

	2024	2023	2022
	<i>(In Thousands)</i>		
Rent expense (see Note 21)	₱1,414,534	₱1,324,430	₱1,130,559
Depreciation on ROUA (see Notes 11, 12 and 21)	830,528	759,413	818,583
Interest expense on lease liabilities (see Note 16)	335,730	365,867	436,656
	₱2,580,792	₱2,449,710	₱2,385,798

The maturity analysis of the undiscounted lease payments as at December 31, 2024 and 2023, respectively, are presented in Note 26 to the consolidated financial statements.

26. Financial Risk Management Objectives and Policies

The Company's principal financial instruments, other than derivatives, comprise of cash and cash equivalents, accrued interest and other receivables, equity instruments at FVOCI and bank loans. The main purpose of these financial instruments is to finance the Company's operations. The Company has other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The Company also enters into derivative transactions, principally, cross currency swaps, principal only swaps, interest rate swaps, foreign exchange forward swaps and non-deliverable forwards. The purpose is to manage the interest rate and foreign currency risks arising from the Company's operations and its sources of finance (see Note 27).



The main risks arising from the Company's financial instruments are interest rate risk, foreign currency risk, liquidity risk, credit risk and equity price risk. The Company's BOD and management review and agree on the policies for managing each of these risks and they are summarized in the following tables.

Interest Rate Risk

The Company's policy is to manage its interest cost using a mix of fixed and floating rate debts. To manage this mix in a cost-efficient manner, it enters into interest rate swaps, in which the Company agrees to exchange, at specified intervals, the difference between fixed and floating rate interest amounts calculated by reference to an agreed-upon notional principal amount. These swaps are designated to economically hedge underlying debt obligations. As at December 31, 2024 and 2023, after considering the effect of interest rate swaps, approximately 70% and 78%, respectively, of its long-term borrowings, are at a fixed rate of interest (see Note 27).



The following tables set out the carrying amount, by maturity, of the Company's long-term financial liabilities that are exposed to interest rate risk as at December 31, 2024 and 2023:

	Interest Rate	2024					Total
		1-<2 Years	2-<3 Years	3-<4 Years	4-<5 Years	=>5 Years	
Philippine peso-denominated loans	BVAL+margin%	₱5,740,000	₱11,635,000	₱13,623,750	₱23,490,000	₱10,467,500	₱64,956,250
U.S. dollar-denominated loans	SOFR + spread	\$100,000	\$200,000	\$50,000	-	\$280,000	37,405,183
China yuan renminbi-denominated loans	LPR	¥248,957	¥368,623	¥163,283	¥21,102	¥413,556	9,632,512
Less debt issue cost							111,993,945
							632,035
							₱113,619,110
2023							
	Interest Rate	1-<2 Years	2-<3 Years	3-<4 Years	4-<5 Years	=>5 Years	Total
Philippine peso-denominated loans	BVAL+margin%	₱101,250	₱5,740,000	₱11,635,000	₱14,123,750	₱18,557,500	₱50,157,500
U.S. dollar-denominated loans	LIBOR + spread	-	\$100,000	\$200,000	\$100,000	-	22,148,006
China yuan renminbi-denominated loans	LPR	¥168,491	¥277,650	¥366,851	¥156,564	¥212,838	9,221,027
Less debt issue cost							81,526,533
							475,556
							₱81,050,977



Interest Rate Risk Sensitivity Analysis. The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant of the Company's income before income tax.

	Increase (Decrease) in Basis Points	Effect on Income Before Income Tax <i>(In Thousands)</i>
2024	100	(₱64,973)
	50	(32,487)
	(100)	64,973
	(50)	32,487
2023	100	(₱66,447)
	50	(33,223)
	(100)	66,447
	(50)	33,223

Fixed rate debts, although subject to fair value interest rate risk, are not included in the sensitivity analysis as these are carried at amortized costs. The assumed movement in basis points for interest rate sensitivity analysis is based on currently observable market environment, showing a significantly higher volatility as in prior years.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company's policy is to manage its foreign currency risk mainly from its debt issuances which are denominated in U.S. dollars by entering into foreign currency swap contracts, cross currency swaps, principal only swaps and nondeliverable forwards aimed at reducing and/or managing the adverse impact of changes in foreign exchange rates on financial performance and cash flow.

The Company's foreign currency-denominated monetary net assets amounted to US\$15 million (₱849 million) as at December 31, 2024 and US\$18 million (₱1,003 million) as at December 31, 2023

In translating the foreign currency-denominated monetary assets and liabilities to peso amounts, the exchange rates used were ₱57.85 to US\$1.00 and ₱55.37 to US\$1.00, the Philippine peso to U.S. dollar exchange rate as at December 31, 2024 and 2023, respectively.

Foreign Currency Risk Sensitivity Analysis. The following table demonstrates the sensitivity to a reasonably possible change in U.S. dollar to Philippine peso exchange rate with all other variables held constant, of the Company's income before income tax (due to changes in the fair value of monetary assets, including the impact of derivative instruments). There is no impact on the Company's equity.

	Appreciation (Depreciation) of \$	Effect on Income Before Tax <i>(In Thousands)</i>
2024	1.50	₱22,018
	1.00	14,678
	(1.50)	(₱22,018)
	(1.00)	(14,678)



	Appreciation (Depreciation) of \$	Effect on Income Before Tax
		<i>(In Thousands)</i>
2023	1.50	₱27,173
	1.00	18,115
	(1.50)	(₱27,173)
	(1.00)	(18,115)

Liquidity Risk

Liquidity risk arises from the possibility that the Company may encounter difficulties in raising funds to meet commitments from financial instruments or that a market for derivatives may not exist in some circumstance.

The Company seeks to manage its liquidity profile to be able to finance capital expenditures and service maturing debts. To cover its financing requirements, the Company intends to use internally generated funds and proceeds from debt and equity issues.

As part of its liquidity risk management program, the Company regularly evaluates its projected and actual cash flow information and continuously assesses conditions in the financial markets for opportunities to pursue fund-raising initiatives. These initiatives may include bank loans and debt capital and equity market issues.

The Company's financial assets, which have maturities of less than 12 months and used to meet its short-term liquidity needs, include cash and cash equivalents and equity instruments at FVOCI amounting to ₱31,246 million and ₱794 million, respectively, as at December 31, 2024 and ₱31,817 million and ₱748 million, respectively, as at December 31, 2023 (see Notes 6 and 9). The Company also has readily available credit facility with banks and affiliates to meet its long-term financial liabilities.

The tables below summarize the maturity profile of the Company's financial liabilities based on the contractual undiscounted payments as at December 31:

	2024			Total
	Within 1 Year	More than 1 Year to 5 Years	More than 5 Years	
	<i>(In Thousands)</i>			
Loans payable	₱17,363,627	₱-	₱-	₱17,363,627
Accounts payable and other current liabilities*	89,692,528	-	-	89,692,528
Long-term debt (including current portion and interest)	104,984,257	267,950,576	52,683,137	425,617,970
Derivative liabilities	-	50,447	-	50,447
Tenants' deposits - net of current portion**	-	5,703,091	21,120,824	26,823,915
Lease liabilities	889,112	3,547,030	26,976,527	31,412,669
Other noncurrent liabilities***	-	11,052,060	2,086,718	13,138,778
	₱212,929,524	₱288,303,204	₱102,867,206	₱604,099,934

	2023			Total
	Within 1 Year	More than 1 Year to 5 Years	More than 5 Years	
	<i>(In Thousands)</i>			
Loans payable	₱4,384,368	₱-	₱-	₱4,384,368
Accounts payable and other current liabilities*	83,479,886	-	-	83,479,886
Long-term debt (including current portion and interest)	84,426,637	301,795,119	34,890,709	421,112,465
Derivative liabilities	7,423	265,013	-	272,436
Tenants' deposits - net of current portion**	-	24,736,578	269,391	25,005,969
Lease liabilities	874,205	3,539,853	27,505,845	31,919,903
Other noncurrent liabilities***	-	9,039,445	2,103,661	11,143,106
	₱173,172,519	₱339,376,008	₱64,769,606	₱577,318,133

* Excluding nonfinancial liabilities and lease liabilities amounting to ₱14,097 million and ₱15,598 million as at December 31, 2024 and 2023, respectively.

** Excluding residential customers' deposits amounting to ₱3,705 million and ₱296 million as at December 31, 2024 and 2023, respectively.

*** Excluding nonfinancial liabilities and lease liabilities amounting to ₱30,233 million and ₱28,235 million as at December 31, 2024 and 2023, respectively.



Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments (see Notes 6, 7, 9, 10 and 14).

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The fair values of these financial assets are disclosed in Note 27. For receivables from real estate sale, the title of the real estate property is only transferred to the customer if the consideration had been fully paid. In case of default, after enforcement activities, the Company has the right to cancel the sale and enter into another contract to sell to another customer after certain proceedings (e.g. grace period, referral to legal, cancellation process, reimbursement of previous payments) had been completed. Given this, based on the experience of the Company, the maximum exposure to credit risk at the reporting date is nil considering that fair value less cost to repossess of the real estate projects is higher than the exposure at default. The Company evaluates the concentration of risk with respect to trade receivables and unbilled revenue from sale of real estate as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

As at December 31, 2024 and 2023, the financial assets, except for certain receivables, are generally viewed by management as good and collectible considering the credit history of the counterparties (see Note 7). Past due or impaired financial assets are very minimal in relation to the Company’s consolidated total financial assets.

Credit Quality of Financial Assets. The credit quality of financial assets is managed by the Company using high quality and standard quality as internal credit ratings.

High Quality. Pertains to counterparty who is not expected by the Company to default in settling its obligations, thus credit risk exposure is minimal. This normally includes large prime financial institutions, companies and government agencies.

Standard Quality. Other financial assets not belonging to high quality financial assets are included in this category.

As at December 31, 2024 and 2023, the credit quality of the Company’s financial assets is as follows:

	2024			
	Neither High Quality	Past Due Standard Quality	Past Due	Total
	<i>(In Thousands)</i>			
Financial assets at amortized cost				
Cash and cash equivalents*	₱31,135,445	₱-	₱-	₱31,135,445
Receivables**	232,934	18,760,660	19,097,928	38,091,522
Escrow and time deposits (included under “Other noncurrent assets”)	3,803,029	-	-	3,803,029
Financial assets at FVTPL				
Derivative assets	4,770,827	-	-	4,770,827
Financial assets at FVOCI				
Equity instruments	21,181,916	5,317	-	21,187,233
	₱61,124,151	₱18,765,977	₱19,097,928	₱98,988,056

* Excluding cash on hand amounting to ₱111 million

** Excluding nonfinancial assets amounting to ₱54,415 million



	2023			Total
	Neither Past Due nor Impaired		Past Due	
	High Quality	Standard Quality	but not Impaired	
	<i>(In Thousands)</i>			
Financial assets at amortized cost				
Cash and cash equivalents*	₱31,691,014	₱–	₱–	₱31,691,014
Receivables**	201,498	12,928,120	19,524,538	32,654,156
Cash in escrow (included under “Other noncurrent assets”)	3,656,453	–	–	3,656,453
Financial assets at FVTPL				
Derivative assets	5,524,044	–	–	5,524,044
Financial assets at FVOCI				
Equity instruments	20,312,735	5,317	–	20,318,052
	₱61,385,744	₱12,933,437	₱19,524,538	₱93,843,719

* Excluding cash on hand amounting to ₱126 million

** Excluding nonfinancial assets amounting to ₱44,298 million

Equity Price Risk

Equity price risk arises from the changes in the levels of equity indices and the value of individual stocks traded in the stock exchange.

As a policy, management monitors its equity price risk pertaining to its investments in quoted equity securities which are classified as equity instruments designated at FVOCI in the consolidated balance sheets based on market expectations. Material equity investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by management.

The effect on equity after income tax (as a result of change in fair value of equity instruments at FVOCI as at December 31, 2024 and 2023) due to a possible change in equity indices, based on historical trend of PSE index, with all other variables held constant is as follows:

	2024	
	Change in Equity Price	Effect on Equity
	<i>(In Millions)</i>	
Equity instruments at FVOCI	+1.09%	₱242
	-1.09%	(242)
	2023	
	Change in Equity Price	Effect on Equity
	<i>(In Millions)</i>	
Equity instruments at FVOCI	+1.63%	₱298
	-1.63%	(298)

Capital Management

Capital includes equity attributable to the owners of the Parent.

The primary objective of the Company’s capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.



The Company manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, pay-off existing debts, return capital to shareholders or issue new shares.

The Company monitors capital using the gearing ratio below as at December 31:

Net Interest-bearing Debt to Total Capital plus Net Interest-bearing Debt

	2024	2023
	<i>(In Thousands)</i>	
Loans payable	₱17,312,356	₱4,288,964
Current portion of long-term debt	89,287,442	67,746,351
Long-term debt - net of current portion	283,320,341	294,622,256
Less cash and cash equivalents	(31,246,171)	(31,816,802)
Total net interest-bearing debt (a)	358,673,968	334,840,769
Total equity attributable to equity holders of the parent	433,093,072	396,196,619
Total net interest-bearing debt and equity attributable to equity holders of the parent (b)	₱791,767,040	₱731,037,388
Gearing ratio (a/b)	45%	46%

27. Financial Instruments

Fair Values

The following table sets forth the carrying values and estimated fair values of financial assets and liabilities and nonfinancial assets, by category and by class, other than those whose carrying values are reasonable approximations of fair values, as at December 31:

	December 31, 2024				
	Carrying Value	Fair Value	Level 1	Level 2	Level 3
	<i>(In Thousands)</i>				
Financial Assets					
Financial assets at FVTPL:					
Derivative assets	₱4,770,827	₱4,770,827	₱-	₱4,770,827	₱-
Financial assets at amortized cost:					
Escrow and time deposits (included under "Other noncurrent assets")	3,803,029	3,886,915	-	3,886,915	-
Financial assets at FVOCI:					
Equity instruments	21,187,233	21,187,233	21,181,916	-	5,317
Nonfinancial Assets* (see Note 12)	601,339,921	2,419,846,377	-	-	2,419,846,377
	₱631,101,010	₱2,449,691,352	₱21,181,916	₱8,657,742	₱2,419,851,694
Financial Liabilities					
Financial liabilities at FVTPL:					
Derivative liabilities	₱50,447	₱50,447	₱-	₱50,447	₱-
Loans and borrowings:					
Long-term debt - net of current portion	283,320,341	274,954,185	-	-	274,954,185
Tenants' deposits - net of current portion**	26,823,915	26,464,167	-	-	26,464,167
Other noncurrent liabilities***	13,138,778	13,064,037	-	-	13,064,037
	₱323,333,481	₱314,532,836	₱-	₱50,447	₱314,482,389

*Consists of investment properties

**Excluding residential customers' deposits amounting to ₱3,705 million as at December 31, 2024.

***Excluding lease liabilities and nonfinancial liabilities amounting to ₱30,233 million as at December 31, 2024.



December 31, 2023					
	Carrying Value	Fair Value	Level 1	Level 2	Level 3
<i>(In Thousands)</i>					
Financial Assets					
Financial assets at FVTPL:					
Derivative assets	P5,524,044	P5,524,044	P-	P5,524,044	P-
Financial assets at amortized cost:					
Escrow and time deposits (included under "Other noncurrent assets")	3,656,453	3,694,879	-	3,694,879	-
Financial assets at FVOCI:					
Equity instruments	20,318,052	20,318,052	20,312,735	-	5,317
Nonfinancial Assets* (see Note 12)	545,074,746	2,091,266,866	-	-	2,091,266,866
	P574,573,295	P2,120,803,841	P20,312,735	P9,218,923	P2,091,272,183
Financial Liabilities					
Financial liabilities at FVTPL:					
Derivative liabilities	P272,436	P272,436	P-	P272,436	P-
Loans and borrowings:					
Long-term debt - net of current portion	294,622,256	283,353,643	-	-	283,353,643
Tenants' deposits - net of current portion**	25,005,969	24,585,217	-	-	24,585,217
Other noncurrent liabilities***	11,143,107	10,997,477	-	-	10,997,477
	P331,043,768	P319,208,773	P-	P272,436	P318,936,337

*Consists of investment properties

**Excluding residential customers' deposits amounting to P296 million as at December 31, 2023.

***Excluding lease liabilities and nonfinancial liabilities amounting to P28,235 million as at December 31, 2023.

Fair Value Hierarchy

The Company uses the fair value hierarchy discussed in Note 3 for determining and disclosing the fair value of financial instruments.

During the years ended December 31, 2024 and 2023, there were no transfers between Level 1 and Level 2 fair value measurements and no transfers into and out of Level 3 fair value measurements.

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

Derivative Instruments. The fair values are based on quotes obtained from counterparties.

Escrow and Time Deposits The fair values are based on the discounted value of future cash flows using the prevailing market rates.

Equity Instruments at FVOCI. The fair value of investments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business.

Long-term Debt. Fair value is based on the following:

Debt Type	Fair Value Assumptions
Fixed Rate Loans	Estimated fair value is based on the discounted value of future cash flows using the applicable rates for similar types of loans. Discount rates used is based on the prevailing market rate as at December 31, 2024 and 2023.



Debt Type	Fair Value Assumptions
Variable Rate Loans	For variable rate loans that re-price every three months, the carrying value approximates the fair value because of recent and regular repricing based on current market rates. For variable rate loans that re-price every six months, the fair value is determined by discounting the principal amount plus the next interest payment amount using the prevailing market rate as at December 31, 2024 and 2023 up to the next repricing date. Discount rates used is based on the prevailing market rate.

Tenants' Deposits, Liability for Purchased Land and Other Noncurrent Liabilities. The estimated fair value is based on the discounted value of future cash flows using the applicable rates. The discount rates used range from 1.08% to 7.03% and 2.08% to 6.91% as at December 31, 2024 and 2023, respectively.

The Company assessed that the carrying values of cash and cash equivalents, receivables, bank loans and accounts payable and other current liabilities approximate their fair values due to the short-term nature and maturities of these financial instruments.

There were no financial instruments subject to an enforceable master netting arrangement that were not set-off in the consolidated balance sheets.

Nonfinancial Assets. The significant assumptions used in the most recent valuation as at December 31, 2024 and 2021 are discount rates of 9% to 10% and 8.00% to 9.00%, respectively, and average growth rate of 5.00%. Fair values based on market approach were assessed using sales comparison of similar asset.

Derivative Instruments Accounted for as Cash Flow Hedges

As at December 31, 2024, details of outstanding arrangements to hedge both foreign currency and interest rate exposure on its foreign currency denominated debts as follow:

December 31, 2024						
	Notional Amount	Agreed Equivalent	Fair Value	Swap Rate	Interest Rate	Maturity
<i>(In Thousands)</i>						
Interest Rate Swaps	\$670,000	P-	P1,629,075	P-	2.29%-2.66%	2025-2026
Foreign Exchange Forward Swaps	\$800,000	P45,118,895	1,622,679	P55.28-P60.39	-	2025-2026
Principal Only Swaps	\$220,000	¥1,434,535	821,749	¥6.47-¥6.68	-	2026-2027
Cross Currency Swaps	\$280,000	¥1,991,925	646,877	¥7.09-¥7.13	3.39%-3.46%	2029
			P4,720,380			
December 31, 2023						
	Notional Amount	Agreed Equivalent	Fair Value	Swap Rate	Interest Rate	Maturity
<i>(In Thousands)</i>						
Interest Rate Swaps	\$670,000	P-	P2,803,247	-	2.29%-2.66%	2025-2026
Cross Currency Swaps	\$150,000	P7,276,500	1,096,049	P48.50-P48.52	3.64%-3.70%	2024
Cross Currency Swaps	\$286,000	¥1,919,208	962,344	¥6.69-¥6.72	3.86%-3.97%	2024
Principal Only Swaps	\$270,000	¥1,753,285	281,166	¥6.38-¥6.68	-	2026-2027
Foreign Exchange Forward Swaps	\$800,000	P44,725,405	108,802	P53.94-P60.39	-	2024-2026
			P5,251,608			



As the term of the swaps have been negotiated to match the terms of the hedged loans, the hedges were assessed to be effective.

The net movements in fair value of all derivative instruments are as follows:

	December 31, 2024	December 31, 2023
	<i>(In Thousands)</i>	
Balance at beginning of period	₱5,251,608	₱7,024,421
Net changes in fair value during the period*	1,803,201	(1,206,733)
Fair value of settled derivatives	(2,334,429)	(566,080)
Balance at end of year	₱4,720,380	₱5,251,608

*Includes fair value changes recognized in the consolidated statement of income under "Others – net".

28. EPS Computation

Basic/diluted EPS is computed as follows:

	2024	2023	2022
	<i>(In Thousands, Except Per Share Data)</i>		
Net income attributable to equity holders of the parent (a)	₱45,631,764	₱40,010,501	₱30,099,799
Common shares issued (see Note 18)	33,166,300	33,166,300	33,166,300
Less weighted average number treasury stock (see Note 18)	4,309,888	4,309,888	4,309,888
Weighted average number of common shares outstanding (b)	28,856,412	28,856,412	28,856,412
Earnings per share (a/b)	₱1.581	₱1.387	₱1.043

29. Change in Liabilities Arising from Financing Activities

Movements in loans payable, long-term debt and lease liabilities accounts are as follows (see Notes 15, 16 and 17):

	2024			2023		
	Loans Payable	Long-term Debt	Lease Liabilities	Loans Payable	Long-term Debt	Lease Liabilities
	<i>(In Thousands)</i>					
Balance at beginning of year	₱4,288,964	₱362,368,607	₱13,313,112	₱5,422,524	₱346,974,612	₱13,473,170
Availments	86,630,583	78,970,654	–	28,516,941	83,045,972	–
Payments	(73,673,067)	(72,198,246)	(897,760)	(29,563,823)	(66,701,374)	(874,140)
Cumulative translation adjustment and foreign exchange movement	65,876	3,466,768	–	(86,678)	(950,603)	–
Others	–	–	734,938	–	–	714,082
Balance at end of year	₱17,312,356	₱372,607,783	₱13,150,290	₱4,288,964	₱362,368,607	₱13,313,112

There are no non-cash changes in accrued interest and dividends payable.

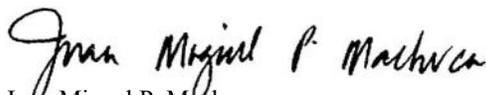


INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
SM Prime Holdings, Inc.
7/F MOA Square
Seashell Lane cor. Coral Way
Mall of Asia Complex
Brgy. 76 Zone 10, CBP 1-A, Pasay City
Metro Manila, Philippines

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of SM Prime Holdings, Inc. and Subsidiaries (the Company) as at December 31, 2024, and for each of the three years in the period ended December 31, 2024, and have issued our report thereon dated February 17, 2025. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Company's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Juan Miguel P. Machuca
Partner

CPA Certificate No. 116998

Tax Identification No. 226-074-253

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-140-2024, February 28, 2024, valid until February 27, 2027

PTR No. 10465328, January 2, 2025, Makati City

February 17, 2025



SM PRIME HOLDINGS, INC. AND SUBSIDIARIES
INDEX TO THE SUPPLEMENTARY SCHEDULES
December 31, 2024

Annex A. Reconciliation of Retained Earnings Available for Dividend Declarations

Annex B. Supplementary Schedules required by Revised SRC Rule 68, Part II Annex 68-J

- Schedule A. Financial Assets
- Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)
- Schedule C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements
- Schedule D. Long-term Debt
- Schedule E. Indebtedness to Related Parties
- Schedule F. Guarantees of Securities of Other Issuers
- Schedule G. Capital Stock

Annex C. Map of Relationship of the Companies within the Group

ANNEX A

SM Prime Holdings, Inc.
7/F MOA Square, Seashell Lane Cor. Coral Way,
Mall of Asia Complex, Brgy. 76 Zone 10, CBP-1A, Pasay City 1300

Reconciliation of Retained Earnings Available for Dividend Declaration December 31, 2024

Unappropriated Retained Earnings as at January 1, 2024	₱115,549,909
Add: <u>Category A</u>: Items that are directly credited to Unappropriated Retained Earnings	
Reversal of Retained Earnings Appropriation	42,200,000
Less: <u>Category B</u>: Items that are directly debited to Unappropriated Retained Earnings	
Dividend declaration during the reporting period	(9,992,214)
Retained Earnings appropriated during the reporting period	<u>(100,000,000)</u> (109,992,214)
Unappropriated Retained Earnings, as adjusted	47,757,695
Add: Net Income for the current year	45,230,296
Less: <u>Category C.1</u>: Unrealized income recognized in the profit or loss during the reporting period (net of tax)	
Equity in net income of subsidiaries, associates and joint ventures, net of dividends declared	(15,875,156)
Add: <u>Category F</u>: Other items that should be excluded from the determination of the amount of available for dividends distribution	
Net movement in deferred tax asset	(103)
Net movement in deferred tax asset and deferred tax liabilities related to set-up of right of use assets and lease liabilities	<u>17,899</u>
Subtotal	<u>(15,857,360)</u>
Total Retained Earnings as at December 31, 2024 available for dividend declaration	<u>₱77,130,631</u>

ANNEX B

SM Prime Holdings, Inc.
7/F MOA Square, Seashell Lane cor. Coral Way,
Mall of Asia Complex, Brgy. 76 Zone 10, CBP 1-A, Pasay City 1300

Supplementary Schedules As Required by SRC Rule 68, Annex 68-J
December 31, 2024

Schedule A: Financial Assets

Name of issuing Entity and association of each issue	Number of Shares or Principal Amount of Bonds and Notes	Amount Shown in the Balance Sheet	Income Received and Accrued
Financial Assets at Amortized Cost*			
Temporary investments:			
BDO Unibank, Inc. (BDO)	₱25,337,636	₱25,337,636	
China Banking Corporation (CHIB)	₱725,535	725,535	
Industrial and Commercial Bank of China (ICBC)	¥400	3,170	
Bank of China	¥70,000	554,722	
Metrobank (China) Limited Xiamen Branch	¥20,000	158,492	
Others	₱70,227	70,227	
Escrow and time deposits on hold (under Other Noncurrent Assets)			
ICBC	¥309,300	2,451,079	
BDO	₱647,462	647,462	
CHIB	₱704,488	704,488	
		₱30,652,811	₱1,521,916
<i>*Excluding cash on hand and in banks</i>			
Financial Assets at Fair Value through Profit or Loss			
Derivative assets	₱4,770,827	₱4,770,827	₱-
Financial Assets at Fair Value through Other Comprehensive Income			
BDO Unibank, Inc.	108,029,274 shares	₱15,556,215	
Ayala Corporation	7,690,430 shares	4,606,568	
Shang Properties, Inc.	189,350,548 shares	746,041	
SM Investments Corporation	146,104 shares	131,347	
ACEN Corporation	23,071,290 shares	92,285	
Republic Glass Holdings Corporation	14,230,000 shares	39,133	
Picop Resources, Inc.	40,000,00 shares	8,200	
Prime Media Holdings, Inc.	500,000 shares	1,065	
Benguet Corporation	266,757 shares	1,059	
Philippine National Bank	112 shares	3	
Others	8,082,270 shares	5,317	
		₱21,187,233	₱527,475
		₱56,610,871	₱2,049,391

ANNEX B

Schedule B. Amounts Receivables from Directors, Officers, Employees, and Principal Stockholders (Other than Related Parties) - Not Applicable

Schedule C: Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements

(Amounts in Thousands)

Name and Designation of Debtor	Balance at	Net movement	Amounts		Current	Not Current		Balance at
	Beginning of Period		Written Off	Current		Not Current	End of Period	
San Lazaro Holdings Corporation	P1,364,862	P32,480	P-	P1,397,342	P-	P-	P1,397,342	
Costa del Hamilo, Inc. and Subsidiary	768,802	(8,580)	-	760,222	-	-	760,222	
SJM Development Corporation and Subsidiaries	733,793	(49,077)	-	684,716	-	-	684,716	
Mindpro Incorporated	480,999	(1,789)	-	479,210	-	-	479,210	
SJM Prime Holdings, Inc.	286,425	154,864	-	441,289	-	-	441,289	
Premier Clark Complex, Inc	170,300	184,812	-	355,112	-	-	355,112	
SJM Land (China) Limited and Subsidiaries	3,863,544	(3,543,645)	-	319,899	-	-	319,899	
Prime Commercial Property Management Corp. and Subsidiaries	276,578	(22,370)	-	254,208	-	-	254,208	
Associated Development Corporation	48,310	(6)	-	48,304	-	-	48,304	
Tagaytay Resort and Development Corporation	36,603	(1,237)	-	35,366	-	-	35,366	
Premier Central, Inc. and Subsidiary	78,213	(51,540)	-	26,673	-	-	26,673	
First Asia Realty Development Corporation	33,120	(10,583)	-	22,537	-	-	22,537	
SJM Arena Complex Corporation	50,545	(37,904)	-	12,641	-	-	12,641	
SJM Hotels and Conventions Corp. and Subsidiaries	57,479	(45,950)	-	11,529	-	-	11,529	
MOA Esplanade Port Inc.	6,081	3,910	-	9,991	-	-	9,991	
Consolidated Prime Dev Corp.	13,743	(4,344)	-	9,399	-	-	9,399	
HIGHLANDS PRIME, INC.	13,255	(4,345)	-	8,910	-	-	8,910	
Premier Southern Corp.	28,938	(23,998)	-	4,940	-	-	4,940	
Southernpoint Properties Corp.	42,185	(37,883)	-	4,302	-	-	4,302	
CHAS Realty and Development Corporation and Subsidiaries	3,718	(147)	-	3,571	-	-	3,571	
First Leisure Ventures Group Inc.	3,721	(1,482)	-	2,239	-	-	2,239	
Prime Metrostate, Inc.	4,272	(3,074)	-	1,198	-	-	1,198	
SMPH SG Holdings Pte. Ltd.	-	532	-	532	-	-	532	
	P8,365,486	(P3,471,356)	P-	P4,984,130	P-	P-	P4,984,130	

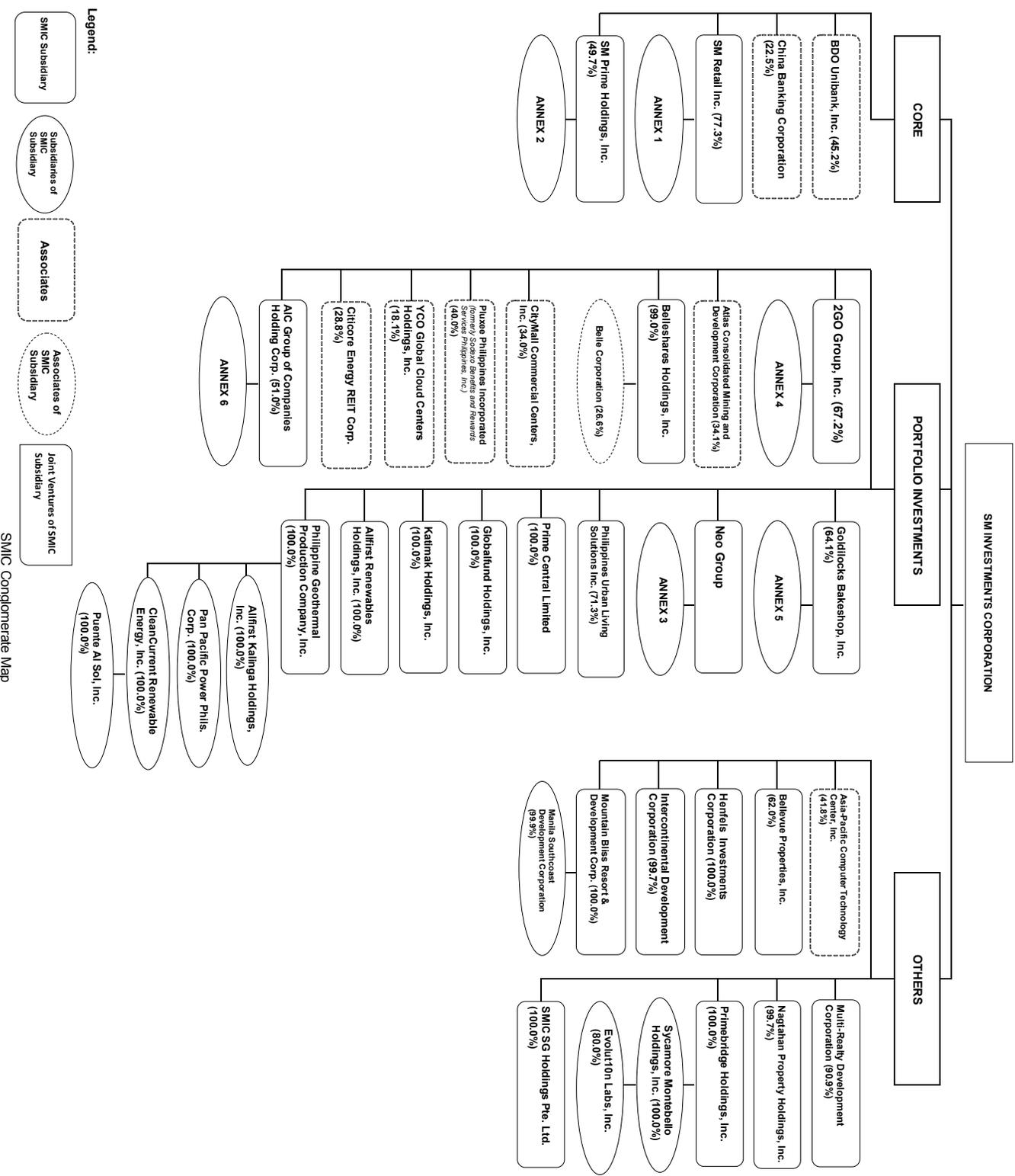
Schedule D. Long Term Debt

Title of the Issue and Type of Obligation	Amount Authorized by Indenture	Availment Date	Maturity Date	Interest Rates	Number of Periodic Installment	Current Portion of Long-term Debt	net of Current Portion
Philippine peso-denominated loans	₱33,455,000	November 25, 2015 – December 26, 2024	January 30, 2025 - April 22, 2032	Floating BVAL + margin: Fixed 3.80% - 6.97%	Quarterly/ Annual/ Upon maturity	₱76,236,460	₱211,094,730
U.S. Dollar denominated loans	\$1,450,000	January 29, 2021 - August 27, 2024	March 21, 2025 - August 10, 2029	SOFI + spread; quarterly	Upon maturity	11,569,000	64,592,303
China yuan renminbi-denominated loans	¥2,922,100	May 6, 2021 – December 27, 2024	April 20, 2026 - June 24, 2037	LPR; annually; Fixed - 3.65%	Semi-annual/ Annual	2,166,246	8,664,465
Less debt issue cost						89,971,706	284,351,498
						684,264	1,031,157
						₱99,287,442	₱283,320,341

Schedule E. Indebtedness to Related Parties*Not Applicable***Schedule F. Guarantees of Securities of Other Issuers***Not Applicable***Schedule G. Capital Stock***(Shares in Thousand)*

Title of Issue	Number of Shares Authorized	Number of Shares Issued as Shown Under Related Balance Sheet Caption	Number of Shares Outstanding as Shown Under Related Balance Sheet Caption	Number of Shares Held by Related Parties	Directors, Officers and Employees	Others
Common	40,000,000	33,166,300	28,856,411	15,838,582	2,976,315	10,041,514

SM INVESTMENTS CORPORATION AND SUBSIDIARIES
 CONGLOMERATE MAP
 AS AT DECEMBER 31, 2024
 (Effective Ownership Interest)

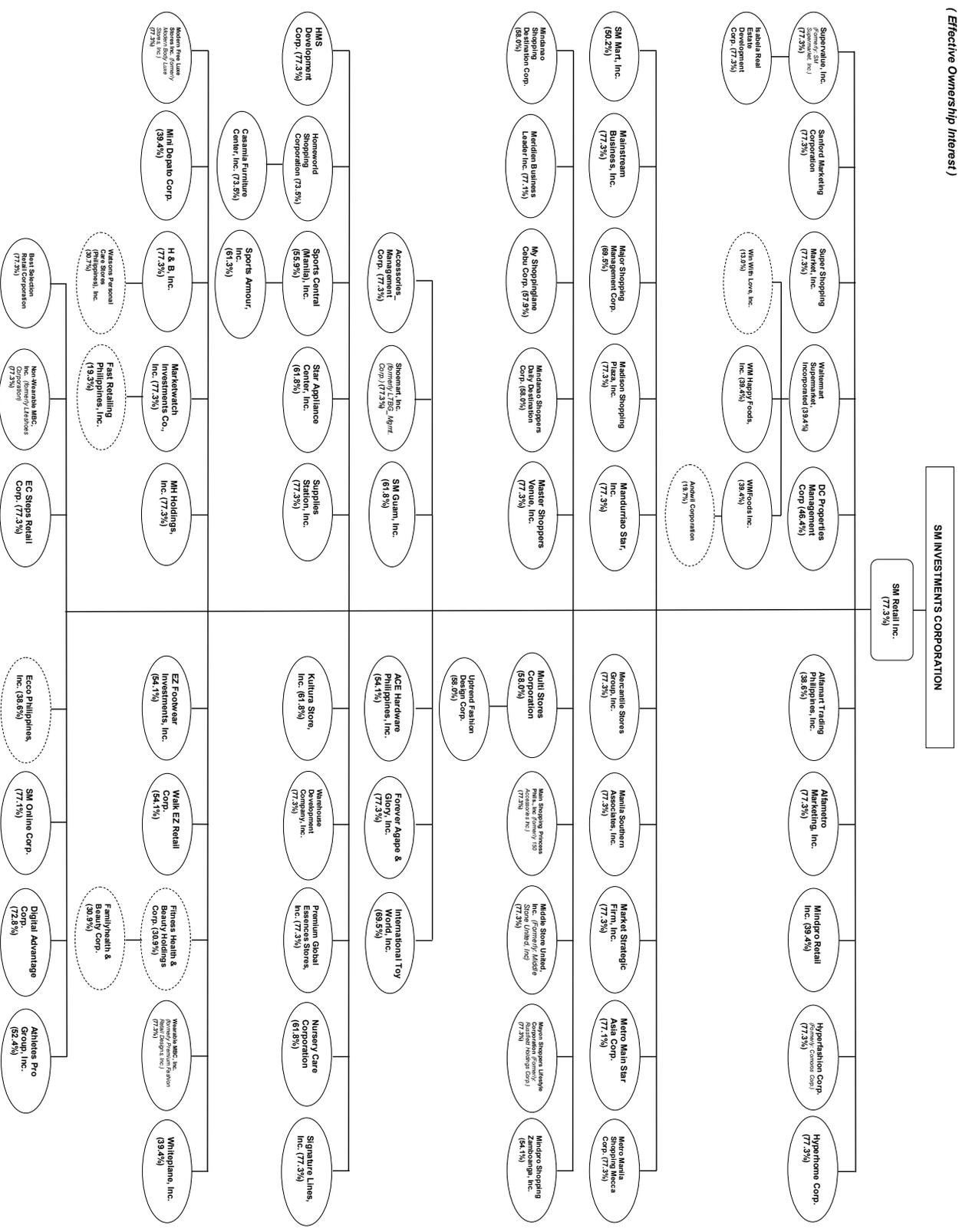


Legend:



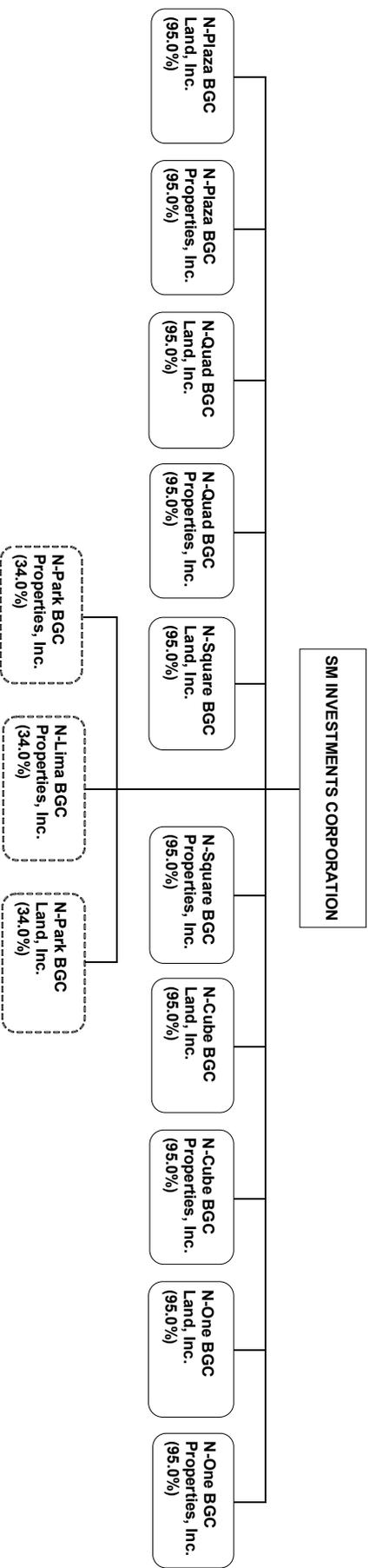
SMIC Conglomerate Map

SM INVESTMENTS CORPORATION AND SUBSIDIARIES
 CONGLOMERATE MAP
 AS AT DECEMBER 31, 2024
 (Effective Ownership Interest)

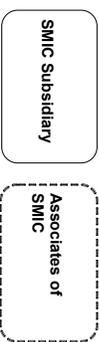


Legend:
 ○ Subsidiaries of SM Retail
 ○ Associates of SM Retail

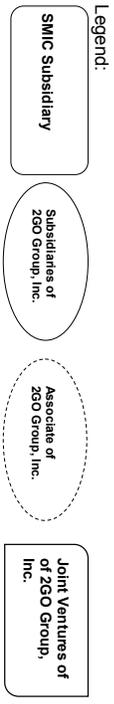
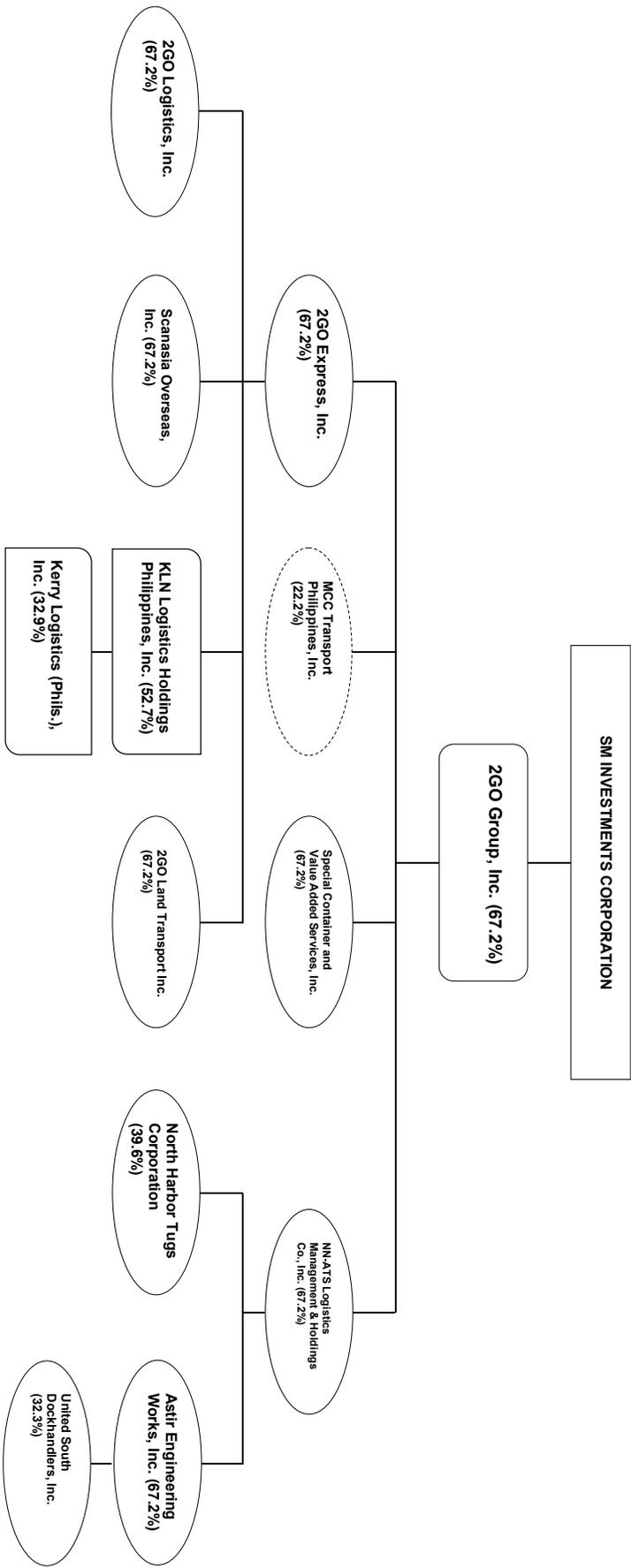
SM INVESTMENTS CORPORATION AND SUBSIDIARIES
CONGLOMERATE MAP
AS AT DECEMBER 31, 2024
(Effective Ownership Interest)



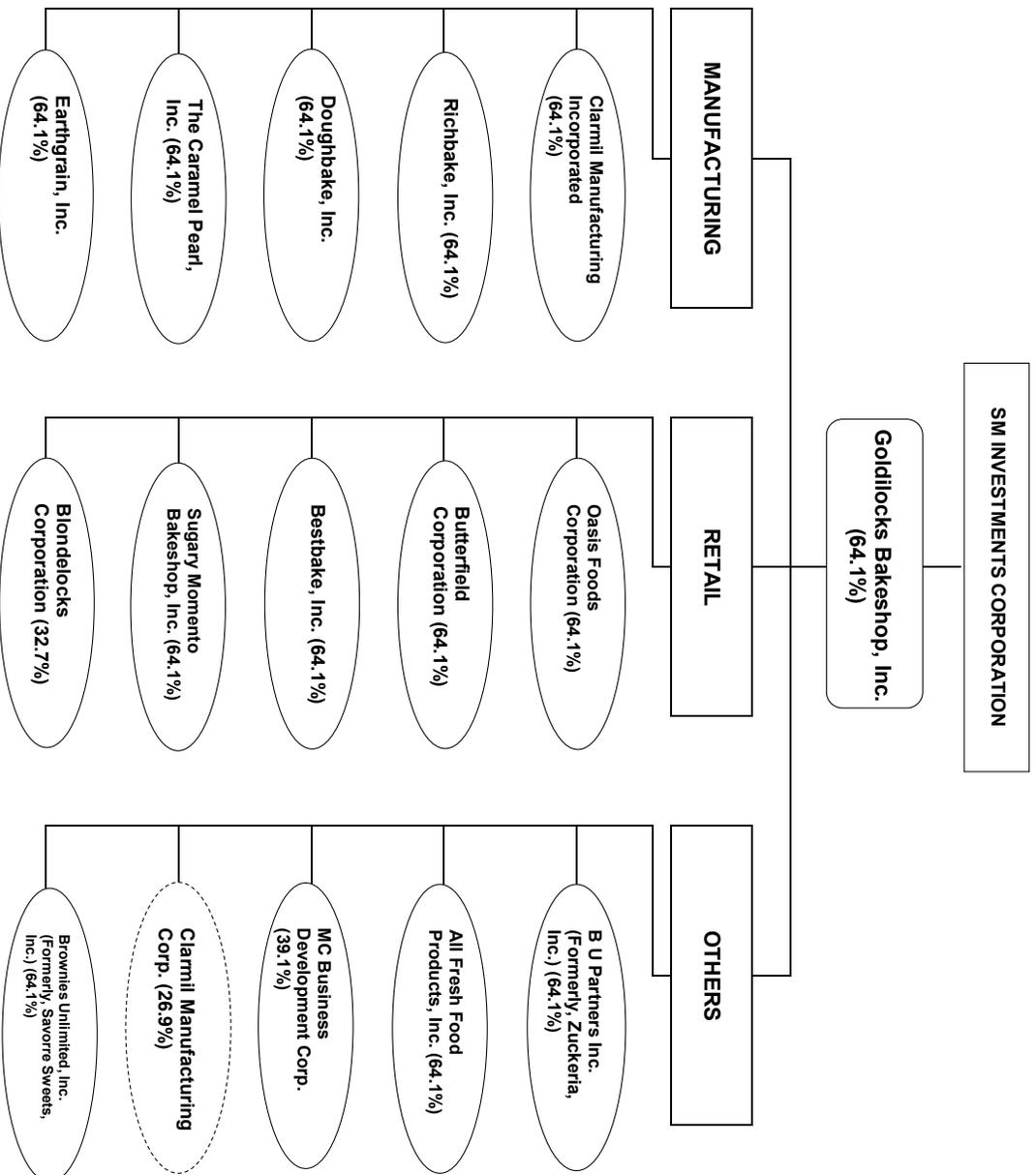
Legend:



**SM INVESTMENTS CORPORATION AND SUBSIDIARIES
CONGLOMERATE MAP
AS AT DECEMBER 31, 2024
(Effective Ownership Interest)**



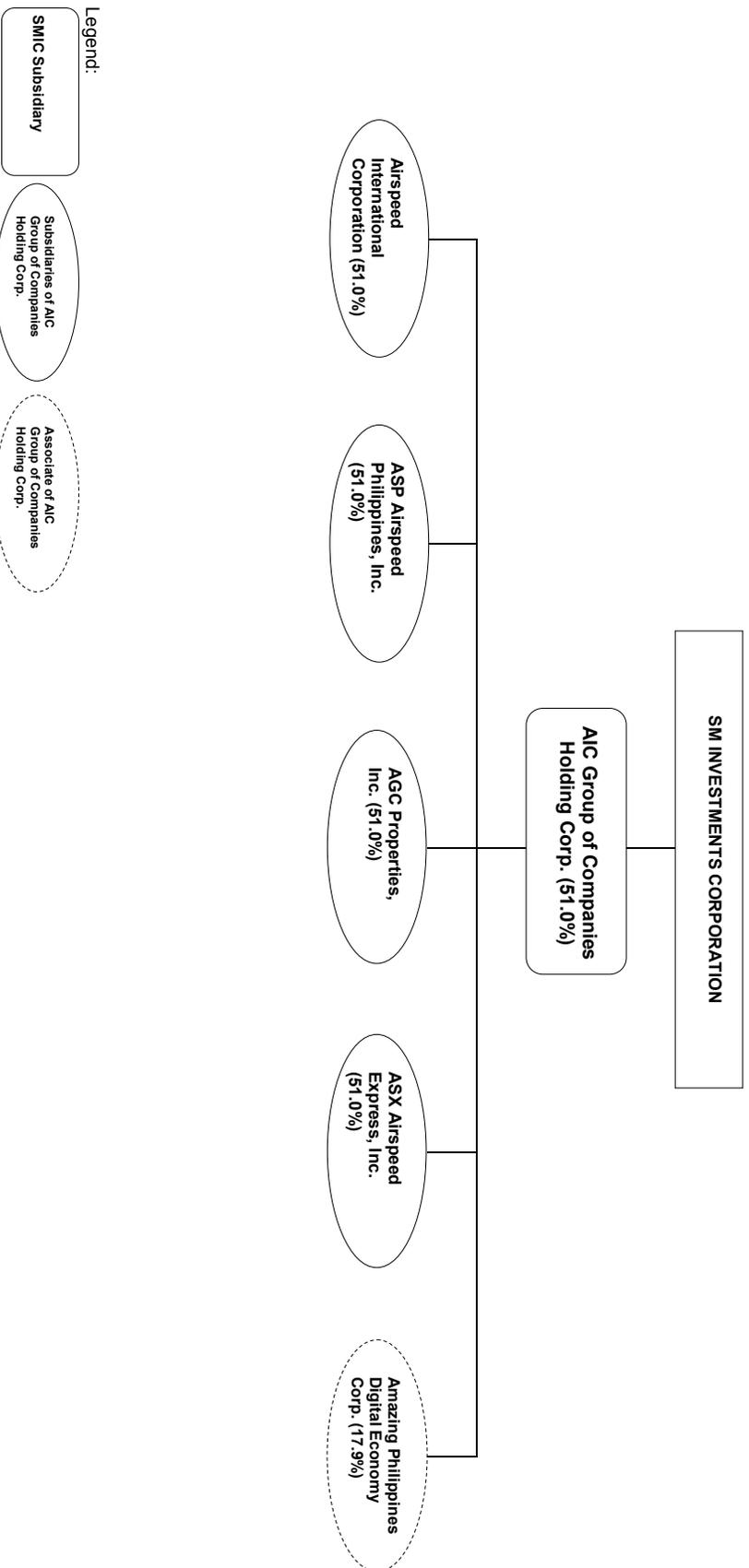
SM INVESTMENTS CORPORATION AND SUBSIDIARIES
CONGLOMERATE MAP
AS AT DECEMBER 31, 2024
(Effective Ownership Interest)



Legend:



**SM INVESTMENTS CORPORATION AND SUBSIDIARIES
CONGLOMERATE MAP
AS AT DECEMBER 31, 2024
(Effective Ownership Interest)**

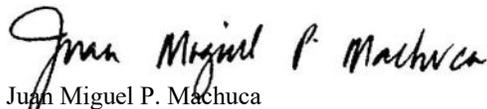


INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
SM Prime Holdings, Inc.
7/F MOA Square
Seashell Lane cor. Coral Way
Mall of Asia Complex
Brgy. 76 Zone 10, CBP 1-A, Pasay City
Metro Manila, Philippines

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of SM Prime Holdings, Inc. and Subsidiaries (the Company) as at December 31, 2024 and for each of the three years in the period ended December 31, 2024, and have issued our report thereon dated February 17, 2025. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Company's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Company's consolidated financial statements as at December 31, 2024 and for each of the three years in the period ended December 31, 2024 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.



Juan Miguel P. Machuca
Partner

CPA Certificate No. 116998

Tax Identification No. 226-074-253

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-140-2024, February 28, 2024, valid until February 27, 2027

PTR No. 10465328, January 2, 2025, Makati City

February 17, 2025



SM PRIME HOLDINGS, INC. AND SUBSIDIARIES
FINANCIAL RATIOS - KEY PERFORMANCE INDICATORS
AS OF DECEMBER 31, 2024 and DECEMBER 31, 2023

Ratio	Formula	December 31, 2024 (Audited)	December 31, 2023 (Audited)
<i>(amounts in thousands, except ratios)</i>			
Current Ratio	Total Current Assets divided by Total Current Liabilities		
	Total current assets	₱230,681,830	₱217,455,628
	Current liabilities	211,995,083	172,416,008
	Less: Loans payable*	(17,312,356)	(4,288,964)
	Current portion of long-term debt*	(89,287,442)	(67,746,351)
	Divide by: Current liabilities excluding loans payable and current portion of long-term debt	105,395,285	100,380,693
	Current ratio	2.19	2.17
	<i>*due for refinancing</i>		
Acid Test Ratio	Quick Assets divided by Total Current Liabilities		
	Cash and cash equivalents	₱31,246,171	₱31,816,802
	Receivables and contract assets	92,506,904	76,952,202
	Equity instruments at fair value through other comprehensive income - current	794,433	747,840
	Quick assets	124,547,508	109,516,844
	Divide by: Current liabilities excluding loans payable and current portion of long-term debt	105,395,285	100,380,693
	Acid test ratio	1.18	1.09
Solvency Ratio	Total Assets divided by Total Liabilities		
	Total assets	₱1,019,430,730	₱943,327,575
	Divided by: Total liabilities	583,190,240	544,440,539
	Asset to liabilities ratio	1.75	1.73
Debt-to-Equity Ratio	Total Interest-Bearing Debt divided by Total Equity Attributable to the Equity Holders of the Parent and Total Interest-Bearing Debt		
	Loans payable	₱17,312,356	₱4,288,964
	Current portion of long-term debt	89,287,442	67,746,351
	Long-term debt - net of current portion	283,320,341	294,622,256
	Total interest-bearing debt (a)	389,920,139	366,657,571
	Add: Total equity attributable to equity holders of the parent (b)	433,093,072	396,196,619
	Total interest-bearing debt and equity attributable to equity holders of the parent (c)	823,013,211	762,854,190
	Debt to equity ratio (a/c):(b/c)	47:53	48:52

Ratio	Formula	December 31, 2024 (Audited)	December 31, 2023 (Audited)
<i>(amounts in thousands, except ratios)</i>			
Net Debt-to-Equity Ratio	Total Interest-Bearing Debt less Cash and Cash Equivalents divided by Total Equity Attributable to the Equity Holders of the Parent		
	Total interest-bearing debt	P389,920,139	P366,657,571
	Less: Cash and cash equivalents	(31,246,171)	(31,816,802)
	Total net interest-bearing debt (a)	358,673,968	334,840,769
	Add: Total equity attributable to equity holders of the parent (b)	433,093,072	396,196,619
	Total net interest-bearing debt and equity attributable to equity holders of the parent (c)	791,767,040	731,037,388
	Net debt-to-equity ratio (a/c):(b/c)	45:55	46:54
Return on Equity	Net Income divided by Average Total Equity Attributable to the Equity Holders of the Parent		
	Net income attributable to equity holders of the parent	P45,631,764	P40,010,501
	Divide by: Average total equity attributable to equity holders of the parent	414,644,844	379,699,054
	Return on equity	11.0%	10.5%
Net Income Margin	Net Income divided by Total Revenue		
	Net income attributable to equity holders of the parent	P45,631,764	P40,010,501
	Divide by: Total revenue	140,390,872	128,097,541
	Net income margin	33%	31%
Asset to Equity Ratio	Total Assets divided by Total Equity Attributable to the Equity Holders of the Parent		
	Total assets	P1,019,430,730	P943,327,575
	Divide by: Total equity attributable to equity holders of the parent	433,093,072	396,196,619
	Asset to equity ratio	2.35	2.38
Interest Coverage Ratio	Earnings Before Interest, Taxes and Depreciation and Amortization (EBITDA) divided by Total Interest Expense		
	Income from operations	P68,037,118	P61,279,241
	Less: Net income attributable to non-controlling interest	(907,672)	(853,344)
	Add: Depreciation and amortization	15,037,788	13,656,773
	EBITDA	82,167,234	74,082,670
	Divide by: Interest expense	13,934,024	13,963,271
	Interest coverage ratio	5.90	5.31

Ratio	Formula	December 31, 2024 (Audited)	December 31, 2023 (Audited)
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(amounts in thousands, except ratios)

Debt to EBITDA Total interest-bearing liabilities divided by EBITDA

Total interest-bearing liabilities	₱389,920,139	₱366,657,571
Divide by: EBITDA	82,167,234	74,082,670
Debt to EBITDA	4.75	4.95

**Return on
Investment
Properties**

Net Income divided by Average Investment Properties

Net income attributable to equity holders of the parent	₱45,631,764	₱40,010,501
Divide by: Total average investment properties (excluding construction in progress)	471,972,903	442,620,017
Return on investment properties	9.7%	9.0%

SM Prime Holdings, Inc.
7/F MOA Square, Seashell Lane cor. Coral Way,
Mall of Asia Complex, Brgy. 76 Zone 10, CBP 1-A, Pasay City 1300

Supplementary Schedule of External Auditor Fee-Related Information
December 31, 2024

	<u>2024</u>	<u>2023</u>
	<i>(In Millions)</i>	
Total Audit Fees	₱17	₱17
Non-audit service fees:		
Other assurance services	3	3
Tax services	1	2
Total Non-audit Fees	4	5
Total Audit and Non-audit Fees	₱21	₱22

SM PRIME HOLDINGS, INC. AND SUBSIDIARIES
Retail Bond – Series S, T and U Bonds
As of December 31, 2024

(1) Gross and Net Proceeds as Disclosed in the Final Offer Supplement

	<u>Amounts in millions</u>
Gross Proceeds	₱35,000
Estimated Expenses	(394)
Net Proceeds	<u>₱34,606</u>

(2) Actual Gross and Net Proceeds

	<u>Amounts in millions</u>
Gross Proceeds	₱33,300
Actual Expenses	(385)
Net Proceeds	<u>₱32,915</u>

(3) Each Expenditure Item where the Proceeds were Used

The net proceeds were used to finance capital expenditures of the following:

<u>Projects</u>	<u>Amounts in millions</u>
Debt Refinancing	
Retail bond Series M due on August 5, 2023	₱7,500
Dollar Loan due on June 14, 2023	6,153
New Malls	
SM City Sta. Rosa Yulo	1,460
SM City Caloocan	1,384
SM City Laoag	1,266
SM City J Mall	927
New BPO Towers	
SM City Bacolod BPO Office	842
SM City Sta. Rosa The Core	454
SM City Iloilo Strata Tower 2	350
SM City Fairview BPO Office	347
New Hotels and Convention Centers	
SMX Convention Center Cebu	436
Mall Expansions	
SM City East Ortigas Expansion	984
SM City Bicutan Expansion	629
SM City Davao Expansion	586
Landbank	
Visayas	7,154
Metro Manila	1,500
Luzon	943
TOTAL	<u>₱32,915</u>

- (4)** As of December 31, 2024, ₱32,915 million of the proceeds from retail bond was used to refinance long-term debt and to fund the construction of new malls, BPO towers, hotels and convention centers, expansion of existing malls and acquisition of landbank.

SM PRIME HOLDINGS, INC. AND SUBSIDIARIES
Retail Bond – Series V, W and X Bonds
As of December 31, 2024

(1) Gross and Net Proceeds as Disclosed in the Final Offer Supplement

	<u>Amounts in millions</u>
Gross Proceeds	₱25,000
Estimated Expenses	(284)
Net Proceeds	<u>₱24,716</u>

(2) Actual Gross and Net Proceeds

	<u>Amounts in millions</u>
Gross Proceeds	₱25,000
Actual Expenses	(285)
Net Proceeds	<u>₱24,715</u>

(3) Each Expenditure Item where the Proceeds were Used

The net proceeds were used to finance capital expenditures of the following:

<u>Projects</u>	<u>Amounts in millions</u>
Debt Refinancing	
Bridge loans used for refinancing the Series G Bonds due 2024 (Lenders: Philippine National Bank and Bank of the Philippine Islands)	₱20,000
Retail bond Series C due on September 1, 2024	2,602
New Malls	
SM City La Union	1,114
SM Seaside City Arena	849
Offices	
Six E-Com	150
TOTAL	<u>₱24,715</u>

- (4)** As of December 31, 2024, ₱24,715 million of the proceeds from retail bond was used to refinance long-term debt and to fund the construction of new malls and offices.



Statement of Management's Responsibility for Financial Statements

The management of SM Prime Holdings, Inc. and Subsidiaries is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, as at December 31, 2023 and 2022, and for each of the three years in the period ended December 31, 2023, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the consolidated financial statements, the management is responsible for assessing the Company's ability to continue as going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

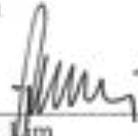
The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the consolidated financial statements including the schedules attached therein, and submits the same to the stockholders.

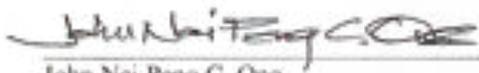
SyCip Gorres Velayo & Co., the independent auditors appointed by the stockholders, has audited the consolidated financial statements of SM Prime Holdings, Inc. and Subsidiaries in accordance with the Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.



Henry T. Sy, Jr.
Chairman



Jeffrey C. Lim
President



John Nai Peng C. Ong
Chief Finance Officer

Signed this 19th of February, 2024

SM PRIME

MOA Square, Seashell Lane cor. Card Way,
Mall of Asia Complex, Pasay City 1300, Philippines

SUBSCRIBED AND SWORN to before me this FEB 26 2024 at PASAY CITY
affiants exhibiting to me their Philippine passports, as follows:

NAME	PASSPORT NO.	DATE OF ISSUE	PLACE OF ISSUE
HENRY T. SY, JR.	P4410521B	January 16, 2020	Manila valid until 01-15-20
JEFFREY C. LIM	P8242041B	November 23, 2021	Mandaluyong valid until 11-23-21
JOHN NAI PENG C. ONG	P8736675A	September 13, 2018	Manila valid until 09-13-18

Doc. No. 246 ;
Page No. 51 ;
Book No. III ;
Series of 2024



ATTY. RONHEL VINN A. PAPA

Notary Public for Pasay City

Until December 31, 2024

IBP OR No. 324349/ 04-Dec-2023 / Roll No. 73157

PTR OR No. 8457592 1/04/24 / TINN 743-448-049

MCLE Compliance No. VI-0025922 valid until 14 April 2025

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
SM Prime Holdings, Inc.

Opinion

We have audited the consolidated financial statements of SM Prime Holdings, Inc. and its subsidiaries (the "Company"), which comprise the consolidated balance sheets as at December 31, 2023 and 2022, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2023, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2023 in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.



Real Estate Revenue and Cost Recognition

The Company's real estate revenue recognition process, policies and procedures are significant to our audit because these involve application of significant judgment and estimation in the following areas: (1) assessment of the probability that the entity will collect the consideration from the buyer; (2) determination of the transaction price; (3) application of the output method as the measure of progress in determining revenue from sale of real estate; (4) determination of the actual costs incurred as cost of real estate sold; and (5) recognition of cost to obtain a contract.

In evaluating whether collectability of the amount of consideration is probable, the Company considers the significance of the buyer's initial payments in relation to the total contract price (or buyer's equity). Collectability is also assessed by considering factors such as history with the buyer, age of the outstanding receivables and pricing of the property. Management regularly evaluates the historical sales cancellations and back-outs if it would still support its current threshold of buyer's equity before commencing revenue recognition.

In determining the transaction price, the Company considers whether the selling price of the real estate property includes significant financing component.

In measuring the progress of its performance obligation over time, the Company uses the output method. This method measures progress of work based on physical proportion of work done, including the impact of customized uninstalled materials, on the real estate project which requires technical determination by the Company's project engineers. This is based on the monthly project accomplishment report prepared by the third-party project managers as approved by the construction managers.

In determining the actual costs incurred to be recognized as cost of real estate sold, the Company estimates costs incurred on materials, labor and overhead which have not yet been billed by the contractor.

The Company identifies sales commissions after contract inception as cost of obtaining a contract. For contracts which qualified for revenue recognition, the Company capitalizes the total sales commissions due to sales agent as cost to obtain a contract and recognizes the related commissions payable. The Company uses percentage of completion (POC) method in amortizing sales commissions consistent with the Company's revenue recognition policy.

The disclosures related to the Company's revenue recognition are included in Note 3 to the consolidated financial statements.

Audit Response

We obtained an understanding of the Company's real estate revenue and cost recognition process.

For the buyer's equity, we evaluated management's basis of the buyer's equity by comparing this to the historical analysis of sales cancellations from buyers with accumulated payments above the collection threshold. We traced the analysis to supporting documents such as notice of sales cancellation.



For the determination of the transaction price of real estate sale, we obtained an understanding of the Company's process in assessing whether a contract contains a financing component and whether that financing component is significant to the contract. We selected sample contracts from the sales contract database and identified their payment terms. We traced these selected contracts to the financing component calculation prepared by management, which covers the calculation on whether the financing component of the Company's contract with customers is significant. For these selected contracts, we traced the underlying data and assumptions used in the financing component calculation such as transaction price, cash discount, payment scheme, payment amortization table, and percentage of completion to the contract provision and projected percentage of completion schedule. We evaluated the Company's application of portfolio approach in the financing component calculation by understanding the rationale and basis of the parameters used (i.e., grouping of performance obligation based on percentage of completion, grouping of contracts based on payment scheme). We test computed the financing component of each portfolio as prepared by management.

For the application of the output method in determining revenue from sale of real estate, we obtained an understanding of the Company's processes for determining the POC and performed tests of the relevant controls. We inspected the certified POC reports prepared by the third-party project managers and assessed their competence, capabilities and objectivity by reference to their qualifications, experience and reporting responsibilities. For selected projects, we conducted ocular inspections, made relevant inquiries and inspected the supporting details of POC reports showing the completion of the major activities of the project construction.

For the cost of real estate sold, we obtained an understanding of the Company's cost accumulation process. For selected projects, we traced costs accumulated, including those incurred but not yet billed costs, to supporting documents such as contractors billing invoices, certificates of progress acceptance, official receipts and accomplishment reports, among others.

For the recognition of cost to obtain a contract, we obtained an understanding of the sales commissions process. For selected contracts, we agreed the basis for calculating the sales commissions capitalized and portion recognized in profit or loss, particularly (a) the percentage of commissions due against contracts with sales agents, (b) the total commissionable amount (e.g., net contract price) against the related contract to sell, and, (c) the POC against the POC used in recognizing the related revenue from sale of real estate.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2023, but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2023 are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.



Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Juan Miguel P. Machuca.

SYCIP GORRES VELAYO & CO.



Juan Miguel P. Machuca
Partner

CPA Certificate No. 116998

Tax Identification No. 226-074-253

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

BIR Accreditation No. 08-001998-140-2021, April 27, 2021, valid until April 26, 2024

PTR No. 10079963, January 6, 2024, Makati City

February 19, 2024



SM PRIME HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Amounts in Thousands)

	December 31	
	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 6, 19, 26 and 27)	₱31,816,802	₱42,060,082
Receivables and contract assets (Notes 7, 14, 19, 26 and 27)	76,952,202	82,560,354
Real estate inventories (Note 8)	77,886,781	70,500,025
Equity instruments at fair value through other comprehensive income (FVOCI) (Notes 9, 26 and 27)	747,840	534,865
Derivative assets (Notes 26 and 27)	2,247,073	585,576
Prepaid expenses and other current assets (Note 10)	27,804,930	25,767,334
Total Current Assets	217,455,628	222,008,236
Noncurrent Assets		
Equity instruments at FVOCI - net of current portion (Notes 9, 19, 26 and 27)	19,570,212	17,077,198
Investment properties (Notes 12, 17, 25 and 27)	545,074,746	489,266,042
Investments in associates and joint ventures (Note 13)	32,431,195	30,578,320
Property and equipment (Notes 11 and 25)	1,554,990	1,399,840
Deferred tax assets - net (Note 24)	1,492,359	931,366
Derivative assets - net of current portion (Notes 26 and 27)	3,276,971	6,752,744
Other noncurrent assets (Notes 7, 14, 19, 23, 26 and 27)	122,471,474	106,200,906
Total Noncurrent Assets	725,871,947	652,206,416
	₱943,327,575	₱874,214,652
LIABILITIES AND EQUITY		
Current Liabilities		
Loans payable (Notes 15, 26 and 27)	₱4,288,964	₱5,422,524
Accounts payable and other current liabilities (Notes 16, 19, 26 and 27)	99,077,428	88,122,597
Current portion of long-term debt (Notes 17, 19, 26 and 27)	67,746,351	50,839,776
Derivative liabilities (Notes 26 and 27)	7,423	19,496
Income tax payable	1,295,842	765,909
Total Current Liabilities	172,416,008	145,170,302
Noncurrent Liabilities		
Long-term debt - net of current portion (Notes 17, 19, 26 and 27)	294,622,256	296,134,836
Tenants' and customers' deposits - net of current portion (Notes 16, 25, 26 and 27)	25,301,504	23,799,162
Liability for purchased land - net of current portion (Notes 16, 26 and 27)	539,959	1,129,719
Deferred tax liabilities - net (Note 24)	12,458,096	11,140,040
Derivative liabilities - net of current portion (Notes 26 and 27)	265,013	294,403
Other noncurrent liabilities (Notes 16, 23, 26 and 27)	38,837,703	31,394,584
Total Noncurrent Liabilities	372,024,531	363,892,744
Total Liabilities	544,440,539	509,063,046



	December 31	
	2023	2022
Equity Attributable to Equity Holders of the Parent		
Capital stock (Notes 18 and 28)	₱33,166,300	₱33,166,300
Additional paid-in capital - net (Notes 5 and 18)	38,159,900	38,124,193
Cumulative translation adjustment	2,556,139	3,435,171
Net fair value changes of equity instruments at FVOCI (Note 9)	16,938,503	14,232,514
Net fair value changes on cash flow hedges (Note 27)	1,079,094	2,984,605
Remeasurement loss on defined benefit obligation (Note 23)	(1,062,437)	(928,882)
Retained earnings (Note 18):		
Appropriated	42,200,000	42,200,000
Unappropriated	266,143,815	232,972,284
Treasury stock (Notes 18 and 28)	(2,984,695)	(2,984,695)
Total Equity Attributable to Equity Holders of the Parent	396,196,619	363,201,490
Non-controlling Interests	2,690,417	1,950,116
Total Equity	398,887,036	365,151,606
	₱943,327,575	₱874,214,652

See accompanying Notes to Consolidated Financial Statements.



SM PRIME HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(Amounts in Thousands, Except Per Share Data)

	Years Ended December 31		
	2023	2022	2021
REVENUE			
Rent (Notes 12, 19 and 25)	₱72,113,957	₱58,243,913	₱34,694,185
Real estate sales	42,040,409	39,046,514	45,116,120
Others (Notes 19 and 20)	13,943,175	8,495,208	2,505,179
	128,097,541	105,785,635	82,315,484
COSTS AND EXPENSES (Notes 19, 21 and 23)			
	66,818,300	56,542,322	49,900,933
INCOME FROM OPERATIONS			
	61,279,241	49,243,313	32,414,551
OTHER INCOME (CHARGES)			
Interest expense (Notes 7, 15, 17, 19, 22, 26 and 27)	(13,963,271)	(11,465,787)	(9,357,616)
Interest and dividend income (Notes 6, 7, 9, 14, 19 and 22)	2,185,156	1,775,740	1,025,066
Others - net (Notes 12, 13, 16, 17 and 27)	338,693	(839,262)	3,651,524
	(11,439,422)	(10,529,309)	(4,681,026)
INCOME BEFORE INCOME TAX			
	49,839,819	38,714,004	27,733,525
PROVISION FOR INCOME TAX (Note 24)			
Current	8,211,259	6,783,913	2,816,720
Deferred	764,715	1,186,962	3,005,402
	8,975,974	7,970,875	5,822,122
NET INCOME			
	₱40,863,845	₱30,743,129	₱21,911,403
Attributable to:			
Equity holders of the Parent (Notes 18 and 28)	₱40,010,501	₱30,099,799	₱21,786,516
Non-controlling interests (Note 18)	853,344	643,330	124,887
	₱40,863,845	₱30,743,129	₱21,911,403
Basic/Diluted earnings per share (Note 28)			
	₱1.387	₱1.043	₱0.755
Dividend per share (Note 18)			
	₱0.237	₱0.097	₱0.082

See accompanying Notes to Consolidated Financial Statements.



SM PRIME HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Thousands)

	Years Ended December 31		
	2023	2022	2021
NET INCOME	₱40,863,845	₱30,743,129	₱21,911,403
OTHER COMPREHENSIVE INCOME (LOSS)			
Items that will not be reclassified to profit or loss in subsequent periods:			
Unrealized gain (loss) due to changes in fair value of financial assets at fair value through other comprehensive income (Note 9)	2,705,989	(475,854)	1,247,699
Remeasurement gain (loss) on defined benefit obligation (Note 23)	(134,611)	(383,448)	38,020
	2,571,378	(859,302)	1,285,719
Items that may be reclassified to profit or loss in subsequent periods:			
Cumulative translation adjustment	(879,032)	351,987	1,558,745
Net fair value changes on cash flow hedges (Note 27)	(1,905,511)	3,417,488	1,336,147
	(213,165)	2,910,173	4,180,611
TOTAL COMPREHENSIVE INCOME	₱40,650,680	₱33,653,302	₱26,092,014
Attributable to:			
Equity holders of the Parent (Note 18)	₱39,798,392	₱33,013,181	₱25,968,260
Non-controlling interests	852,288	640,121	123,754
	₱40,650,680	₱33,653,302	₱26,092,014

See accompanying Notes to Consolidated Financial Statements.



SM PRIME HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021
(Amounts in Thousands)

	Equity Attributable to Equity Holders of the Parent										Non-controlling Interests (Note 18)	Total Equity
	Net fair value changes of equity instruments at fair value through other comprehensive income (FVOCI) (Note 9)	Net Fair Value Changes on Cash Flow Hedges (Note 27)	Loss on Defined Benefit Obligation (Note 23)	Retained Earnings (Note 18) Appropriated	Unappropriated	Treasury Stock (Notes 18 and 28)	Total	Net fair value changes of equity instruments at fair value through other comprehensive income (FVOCI) (Note 9)	Net Fair Value Changes on Cash Flow Hedges (Note 27)	Loss on Defined Benefit Obligation (Note 23)		
At January 1, 2023	\$33,166,300	\$38,124,193	\$3,435,171	\$14,232,514	\$2,984,605	(\$928,882)	\$42,200,000	\$232,972,284	(\$2,984,695)	\$363,201,490	\$1,950,116	\$365,151,606
Net income for the year	-	-	-	2,705,989	(1,905,511)	-	-	40,010,501	-	40,010,501	853,344	40,863,845
Other comprehensive income (loss)	-	-	(879,032)	2,705,989	(1,905,511)	(133,555)	-	40,010,501	-	39,298,392	(1,056)	40,650,680
Total comprehensive income (loss) for the year	-	-	(879,032)	2,705,989	(1,905,511)	(133,555)	-	40,010,501	-	39,298,392	(1,056)	40,650,680
Cash dividends received by a subsidiary (Note 18)	-	-	-	-	-	-	-	(6,844,378)	-	(6,844,378)	-	(6,844,378)
Cash dividends received by non-controlling interests	-	-	-	-	-	-	-	5,408	-	5,408	-	5,408
Additional investment of non-controlling interest (Note 2)	-	-	-	-	-	-	-	-	-	-	(324,450)	(324,450)
Sale of non-controlling interest (Note 2)	-	-	35,707	-	-	-	-	-	-	35,707	11,463	47,170
At December 31, 2023	\$33,166,300	\$38,159,900	\$2,556,139	\$16,938,503	\$1,079,094	(\$1,062,437)	\$42,200,000	\$266,143,815	(\$2,984,695)	\$396,196,619	\$2,690,417	\$398,887,036
At January 1, 2022, as previously presented	\$33,166,300	\$38,056,016	\$3,083,184	\$14,708,368	(\$432,883)	(\$548,643)	\$42,200,000	\$205,671,557	(\$2,984,695)	\$332,919,204	\$1,441,569	\$334,360,773
Effect of common control business combination (Note 5)	-	44,330	-	-	-	-	-	-	-	-	3,277	47,607
At January 1, 2022, as adjusted	\$33,166,300	\$38,100,346	\$3,083,184	\$14,708,368	(432,883)	(548,643)	\$42,200,000	\$205,671,557	(2,984,695)	\$332,965,534	\$1,444,846	\$334,408,380
Net income for the year	-	-	-	3,511,987	(4,751,854)	(3,801,239)	-	30,099,799	-	30,099,799	643,330	30,743,129
Other comprehensive income (loss)	-	-	-	3,511,987	(4,751,854)	(3,801,239)	-	30,099,799	-	2,913,382	(3,209)	2,910,173
Total comprehensive income (loss) for the year	-	-	-	3,511,987	(4,751,854)	(3,801,239)	-	30,099,799	-	33,013,181	640,121	33,653,302
Cash dividends (Note 18)	-	-	-	-	-	-	-	(2,801,286)	-	(2,801,286)	-	(2,801,286)
Cash dividends received by a subsidiary (Note 18)	-	-	-	-	-	-	-	2,214	-	2,214	-	2,214
Cash dividends received by non-controlling interests	-	-	-	-	-	-	-	-	-	-	(144,050)	(144,050)
Sale of non-controlling interest (Note 2)	-	-	23,847	-	-	-	-	-	-	23,847	9,199	33,046
At December 31, 2022	\$33,166,300	\$38,124,193	\$3,435,171	\$14,232,514	\$2,984,605	(\$928,882)	\$42,200,000	\$232,972,284	(\$2,984,695)	\$363,201,490	\$1,950,116	\$365,151,606



	Equity Attributable to Equity Holders of the Parent										Non-controlling Interests (Note 18)	Total Equity
	Capital Stock (Notes 18 and 28)	Additional Paid-in Capital - Net (Notes 5 and 18)	Cumulative Translation Adjustment	Net fair value changes of equity instruments at FVOCI (Note 9)	Net Fair Value Changes on Cash Flow Hedges (Note 27)	Remeasurement Gain (Loss) on Defined Benefit Obligation (Note 23)	Retained Earnings (Note 18) Appropriated	Unappropriated	Treasury Stock (Notes 18 and 28)	Total		
At January 1, 2021	P33,166,300	P38,022,913	P1,524,439	P13,460,669	(P1,769,030)	(P587,796)	P42,200,000	P186,251,267	(P2,984,695)	P309,284,067	P1,433,561	P310,717,628
Net income for the year	-	-	1,558,745	1,247,699	1,336,147	39,153	-	21,786,516	-	21,786,516	124,887	21,911,403
Other comprehensive income (loss)	-	-	1,558,745	1,247,699	1,336,147	39,153	-	(2,368,097)	-	4,181,744	(1,133)	4,180,611
Total comprehensive income for the year	-	-	1,558,745	1,247,699	1,336,147	39,153	-	(2,368,097)	-	25,968,260	123,754	26,092,014
Cash dividends (Note 18)	-	-	-	-	-	-	-	1,871	-	-	-	(2,368,097)
Cash dividends received by a subsidiary	-	-	-	-	-	-	-	1,871	-	-	-	1,871
Cash dividends received by non-controlling interests	-	-	-	-	-	-	-	-	-	-	(129,050)	(129,050)
Sale of non-controlling interest (Note 2)	-	33,103	-	-	-	-	-	-	-	33,103	13,304	46,407
At December 31, 2021	P33,166,300	P38,056,016	P3,083,184	P14,708,368	(P432,883)	(P548,643)	P42,200,000	P205,671,557	(P2,984,695)	P332,919,204	P1,441,569	P334,360,773

See accompanying Notes to Consolidated Financial Statements.



SM PRIME HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in Thousands)

	Years Ended December 31		
	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱49,839,819	₱38,714,004	₱27,733,525
Adjustments for:			
Depreciation and amortization (Notes 11, 12, 21 and 25)	13,656,773	12,487,763	10,816,869
Interest expense (Notes 7, 15, 17, 19 and 22)	13,963,271	11,465,787	9,357,616
Interest and dividend income (Notes 6, 7, 9, 14, 19 and 22)	(2,185,156)	(1,775,740)	(1,025,066)
Equity in net earnings of associates and joint ventures (Note 13)	(2,162,611)	(1,720,116)	(1,187,419)
Loss (gain) on:			
Disposal of property and equipment and investment properties (Notes 11 and 12)	148,140	105,701	(551,974)
Unrealized foreign exchange and fair value changes on derivatives - net	76,370	826,854	(623,782)
Operating income before working capital changes	73,336,606	60,104,253	44,519,769
Increase in:			
Receivables and contract assets	(16,337,056)	(8,760,236)	(16,304,309)
Real estate inventories	(5,437,721)	(12,462,748)	(4,696,521)
Prepaid expenses and other current assets	(2,068,144)	(762,618)	(1,639,817)
Increase (decrease) in:			
Accounts payable and other liabilities	18,539,236	1,070,155	12,048,707
Tenants' and customers' deposits	1,573,478	2,328,183	(28,558)
Cash generated from operations	69,606,399	41,516,989	33,899,271
Income tax paid	(7,665,012)	(6,583,777)	(3,232,110)
Net cash provided by operating activities	61,941,387	34,933,212	30,667,161
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	1,922,233	1,197,311	648,143
Dividends received	724,446	596,672	292,898
Proceeds from disposal of property and equipment and investment properties (Notes 11 and 12)	90,067	85,767	453,298
Additions to:			
Investment properties (Note 12)	(63,772,055)	(38,766,369)	(39,294,964)
Property and equipment (Note 11)	(341,106)	(198,012)	(168,077)
Increase in other noncurrent assets	(5,338,058)	(15,159,670)	(6,044,976)
Net cash used in investing activities	(66,714,473)	(52,244,301)	(44,113,678)

(Forward)



	Years Ended December 31		
	2023	2022	2021
CASH FLOWS FROM FINANCING ACTIVITIES			
Availments of bank loans and long-term debt (Notes 15 and 17)	₱111,562,913	₱94,325,945	₱86,849,381
Payments of:			
Long-term debt (Note 17)	(66,701,374)	(43,863,022)	(35,336,466)
Bank loans (Note 15)	(29,563,823)	(19,994,859)	(15,959,528)
Interest	(13,782,271)	(11,029,498)	(9,837,833)
Dividends (Note 18)	(7,163,420)	(2,943,122)	(2,675,277)
Lease liabilities (Notes 16 and 25)	(160,058)	(84,292)	(47,933)
Proceeds from (payments of) matured derivatives - net	294,800	3,274,591	(368,799)
Net cash provided by (used in) financing activities	(5,513,233)	19,685,743	22,623,545
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS			
	43,039	(90,424)	(62,790)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(10,243,280)	2,284,230	9,114,238
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	42,060,082	39,775,852	30,661,614
CASH AND CASH EQUIVALENTS AT END OF YEAR	₱31,816,802	₱42,060,082	₱39,775,852

See accompanying Notes to Consolidated Financial Statements.



SM PRIME HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

SM Prime Holdings, Inc. (SMPH or the Parent Company) was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on January 6, 1994. SMPH and its subsidiaries (collectively known as the “Company”) are incorporated to acquire by purchase, exchange, assignment, gift or otherwise, and to own, use, improve, subdivide, operate, enjoy, sell, assign, transfer, exchange, lease, let, develop, mortgage, pledge, traffic, deal in and hold for investment or otherwise, including but not limited to real estate and the right to receive, collect and dispose of, any and all rentals, dividends, interest and income derived therefrom; the right to vote on any proprietary or other interest on any shares of stock, and upon any bonds, debentures, or other securities; and the right to develop, conduct, operate and maintain modernized commercial shopping centers and all the businesses appurtenant thereto, such as but not limited to the conduct, operation and maintenance of shopping center spaces for rent, amusement centers, movie or cinema theatres within the compound or premises of the shopping centers, to construct, erect, manage and administer buildings such as condominium, apartments, hotels, restaurants, stores or other structures for mixed use purposes.

SMPH’s shares of stock are publicly traded in the Philippine Stock Exchange (PSE).

The Company’s ultimate parent company is SM Investments Corporation (SMIC). SMIC is a Philippine corporation whose common shares is listed with the PSE in 2005. SMIC and all its subsidiaries are herein referred to as the “SM Group”.

The registered office and principal place of business of the Parent Company is at 7/F MOA Square, Seashell Lane cor. Coral Way, Mall of Asia Complex, Brgy. 76 Zone 10, CBP 1-A, Pasay City, Metro Manila, Philippines.

The accompanying consolidated financial statements were approved and authorized for issue in accordance with a resolution by the Board of Directors (BOD) on February 19, 2024.

2. Basis of Preparation

The accompanying consolidated financial statements of the Company have been prepared on a historical cost basis, except for financial assets at fair value through other comprehensive income (FVOCI) and derivative financial instruments which have been measured at fair value. The consolidated financial statements are presented in Philippine peso, which is the Parent Company’s functional and presentation currency under Philippine Financial Reporting Standards (PFRS). All values are rounded to the nearest thousand peso, except when otherwise indicated.

The accompanying consolidated financial statements have been prepared under the going concern assumption.



Statement of Compliance

The accompanying consolidated financial statements have been prepared in compliance with PFRS.

Basis of Consolidation

The consolidated financial statements include the accounts of the Parent Company and the following subsidiaries:

Company	Country of Incorporation	Percentage of Ownership	
		2023	2022
<i>Mall</i>			
A. Canicosa Holdings, Inc.	Philippines	100.0	100.0
AD Canicosa Properties, Inc.	- do -	100.0	100.0
Associated Development Corporation	- do -	100.0	100.0
Britannia Trading Corp. and Subsidiaries (BTC)	- do -	100.0	100.0
CHAS Realty and Development Corporation and Subsidiaries	- do -	100.0	100.0
Cherry Realty Development Corporation	- do -	100.0	100.0
Consolidated Prime Dev. Corp.	- do -	100.0	100.0
Magenta Legacy, Inc.	- do -	100.0	100.0
Premier Central, Inc. and Subsidiary	- do -	100.0	100.0
Premier Southern Corp.	- do -	100.0	100.0
Prime Metroestate, Inc. and Subsidiary	- do -	100.0	100.0
Prime Commercial Property Management Corp. and Subsidiaries	- do -	100.0	100.0
Rushmore Holdings, Inc.	- do -	100.0	100.0
San Lazaro Holdings Corporation	- do -	100.0	100.0
Simply Prestige Limited and Subsidiaries	- do -	100.0	100.0
SM Arena Complex Corporation	- do -	100.0	100.0
SM Land (China) Limited and Subsidiaries	Hong Kong	100.0	100.0
Southernpoint Properties Corp.	Philippines	100.0	100.0
Springfield Global Enterprises Limited	- do -	100.0	100.0
Supermalls Transport Services, Inc.	- do -	100.0	100.0
First Asia Realty Development Corporation	- do -	74.2	74.2
Mindpro, Incorporated*	- do -	70.0	70.0
First Leisure Ventures Group Inc. (FLVGI)	- do -	50.0	50.0
<i>Residential</i>			
SM Development Corporation and Subsidiaries (SMDC)	- do -	100.0	100.0
Costa del Hamilo, Inc. and Subsidiary	- do -	100.0	100.0
Highlands Prime Inc. and Subsidiary	- do -	100.0	100.0
<i>Commercial</i>			
MOA Esplanade Port, Inc.	- do -	100.0	100.0
Premier Clark Complex, Inc.	- do -	100.0	100.0
SM Smart City Infrastructure and Development Corporation	- do -	100.0	100.0
Tagaytay Resort Development Corporation	- do -	100.0	100.0
<i>Hotels and Convention Centers</i>			
SM Hotels and Conventions Corp. and Subsidiaries	- do -	100.0	100.0

**In 2023, the Parent Company and non-controlling interest infused additional investments without change in their ownership interest.*

FLVGI is accounted for as a subsidiary by virtue of control, as evidenced by the majority members of the BOD representing the Parent Company.



Non-controlling interests represent the portion of profit or loss and net assets not held by the Company and are presented separately in the consolidated statements of income and within equity section in the consolidated balance sheets, separately from equity attributable to equity holders of the parent.

Material Accounting Judgments, Estimates and Assumptions

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. Uncertainty about these estimates and assumptions could result in outcomes that require an adjustment to the carrying amount of the affected asset or liability in the future period.

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most material effect on the amounts recognized in the consolidated financial statements.

Existence of a Contract. The Company's primary document for a contract with a customer is a signed contract to sell or the combination of its other signed documentation such as reservation agreement, official receipts, quotation sheets and other documents, would contain all the criteria to qualify as contract with the customer under PFRS 15.

In addition, part of the assessment process of the Company before revenue recognition is to assess the probability that the Company will collect the consideration to which it will be entitled in exchange for the real estate property that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity considers the significance of the buyer's initial payments in relation to the total contract price.

Revenue Recognition Method and Measure of Progress. The Company concluded that revenue from sale of real estate is to be recognized over time because (a) the Company's performance does not create an asset with an alternative use and; (b) the Company has an enforceable right for performance completed to date. The promised property is specifically identified in the contract and the contractual restriction on the Company's ability to direct the promised property for another use is substantive. This is because the property promised to the customer is not interchangeable with other properties without breaching the contract and without incurring significant costs that otherwise would not have been incurred in relation to that contract. In addition, under the current legal framework, the customer is contractually obliged to make payments to the developer up to the performance completed to date. The cost to obtain a contract (e.g., commission) is determined using the percentage of completion.

The Company has determined that output method used in measuring the progress of the performance obligation faithfully depicts the Company's performance in transferring control of real estate development, which include customized uninstalled materials, to the customers. The Company determined that in the case of customized materials, the Company is not just providing a simple procurement service to the customer as it is significantly involved in the design and details of the manufacture of the materials.

Determining Transaction Price of Sale of Real Estate. The Company determines whether a contract contains a significant financing component using portfolio approach by considering (1) the difference, if any, between the amount of promised considerations and the cash selling price of the promised goods or services; and (2) the effect of the expected length of time between when the entity transfers the promised goods or service to the customer and when the customer pays for those goods



or services and the prevailing effective interest rate (EIR). The Company applied practical expedient by not adjusting the effect of financing component when the period when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less. The Company determined that its transaction price on sale of real estate recognized over time do not include a significant financing component.

Operating Lease Commitments - as Lessor. The Company has entered into commercial property leases in its investment property portfolio. Management has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of the properties and thus accounts for the contracts as operating leases. The ownership of the asset is not transferred to the lessee by the end of the lease term, the lessee has no option to purchase the asset at a price that is expected to be sufficiently lower than the fair value at the date the option is exercisable, and, the lease term is not for the major part of the asset's economic life.

Lease Modification - as Lessor. Throughout the government-imposed community quarantine, the Company waived rentals and other charges amounting to nil, ₱6,247 million and ₱20,781 million for the years ended December 31, 2023, 2022 and 2021, respectively. Such waivers are not accounted as a lease modification under PFRS 16 since COVID-19 is a force majeure under the general law.

Determining the Lease Term of Contract. The Company applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate its lease contracts with extension and/or termination options. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. The Company typically exercises its option to renew its leases of various parcels of land since its lease term periods are generally covered by an automatic renewal option. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Determining Taxable Profit, Tax Bases, Unused Tax Losses, Unused Tax Credits and Tax Rates. The Company applies significant judgment in identifying uncertainties over its income tax treatments. The Company determined based on its assessment, in consultation with its tax counsel, that it is probable that its income tax treatments, including for its subsidiaries, will be accepted by the taxation authorities.

Estimates and Assumptions

The key estimates and assumptions that may have significant risks of causing material adjustments to the carrying amounts of revenues, expenses, assets and liabilities within the next financial period are discussed below.

Measure of Progress. The Company's revenue recognition policy requires management to make use of estimates and assumptions that may affect the reported amounts of revenues and costs. The Company's revenue from real estate sales recognized based on the percentage of completion are measured principally on the basis of physical completion of the real estate projects.

Revenue from sale of real estate amounted to ₱42,040 million, ₱39,047 million and ₱45,116 million for the years ended December 31, 2023, 2022, and 2021, respectively, while the cost of real estate sold amounted to ₱16,661 million, ₱16,899 million and ₱18,687 million for the years ended December 31, 2023, 2022 and 2021, respectively (see Note 21).

Provision for Expected Credit Losses (ECL) of Receivables and Contract Assets (or referred also in the consolidated financial statements as "Unbilled revenue from sale of real estate"). The Company maintains an allowance for ECL at a level considered adequate to provide for potential uncollectible receivables. The Company uses a provision matrix for rent and other receivables and vintage



approach for receivable from sale of real estate (billed and unbilled) to calculate ECLs. The Company performs a regular review of the age and status of these accounts, designed to identify accounts for impairment. The assessment of the correlation between historical observed default rates, forecasted economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions.

The allowance for ECLs amounted to ₱777 million and ₱721 million as at December 31, 2023 and 2022, respectively (see Note 7).

Net Realizable Value of Real Estate Inventories. The net realizable value of real estate inventories is assessed with reference to market price at the balance sheet date for similar completed property, less estimate cost to complete the construction and estimated cost to sell. The Company reviews the carrying value regularly for any decline in value due to changes in market price or other causes.

The carrying values of real estate inventories amounted to ₱77,887 million and ₱70,500 million as at December 31, 2023 and 2022, respectively (see Note 8).

Estimated Useful Lives of Property and Equipment and Investment Properties (except for Right-of-use Asset (ROUA)). The useful life of each of the Company's property and equipment and investment properties, excluding ROUA, is estimated based on the period over which the asset is expected to be available for use. Such estimation is based on a collective assessment of industry practice, internal technical evaluation and experience with similar assets. The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limitations on the use of the asset. It is possible, however, that future financial performance could be materially affected by changes in the amounts and timing of recorded expenses brought about by changes in the factors mentioned above. A reduction in the estimated useful life of any property and equipment and investment properties, excluding ROUA, would increase the recorded costs and expenses and decrease noncurrent assets.

The aggregate carrying values of property and equipment and investment properties, excluding ROUA, amounted to ₱516,479 million and ₱465,030 million as at December 31, 2023 and 2022, respectively (see Notes 11 and 12).

Realizability of Deferred Tax Assets. The Company's assessment on the recognition of deferred tax assets on deductible temporary differences and carryforward benefits of excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) and net operating loss carryover (NOLCO) is based on the projected taxable income in future periods.

Deferred tax assets recognized in the consolidated balance sheets amounted to ₱5,329 million and ₱3,864 million as at December 31, 2023 and 2022, respectively (see Note 24). Unrecognized deferred tax assets pertain to NOLCO, amounted to ₱205 million and ₱133 million as at December 31, 2023 and 2022, respectively.

Fair Value of Assets and Liabilities. The Company carries and discloses certain assets and liabilities at fair value, which requires extensive use of accounting judgments and estimates. The significant components of fair value measurement were determined using verifiable objective evidence (i.e., foreign exchange rates, interest rates and volatility rates). The amount of changes in fair value would differ if the Company utilized different valuation methodologies and assumptions. Any change in the fair value of these assets and liabilities that are carried in the consolidated financial statements would directly affect consolidated statements of income and consolidated other comprehensive income.



The fair value of assets and liabilities are discussed in Note 27.

Contingencies. The Company is currently involved in various legal and administrative proceedings. The estimate of the probable costs for the resolution of these proceedings has been developed in consultation with in-house as well as outside legal counsel handling defense in these matters and is based upon an analysis of potential results. The Company currently does not believe that these proceedings will have a material adverse effect on its consolidated financial position and performance and no provisions were made in relation to these proceedings. It is possible, however, that future consolidated financial performance could be affected by changes in the estimates or in the effectiveness of strategies relating to these proceedings.

Estimating Incremental Borrowing Rate (IBR) for Leases. The Company uses its IBR to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain the asset of similar value in a similar economic environment. The Company estimates the IBR using the available market interest rates adjusted with the Company's credit rating.

3. Summary of Material Accounting Policy Information

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except that the Company has adopted the following new accounting pronouncements starting January 1, 2023. Adoption of these pronouncements did not have any material impact on the Company's financial position or performance unless otherwise indicated.

- Amendments to Philippine Accounting Standards (PAS) 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*, narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense).

- Amendments to PAS 12, *International Tax Reform – Pillar Two Model Rules*

The amendments introduce a mandatory exception in PAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes.

The amendments also clarify that PAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development, including tax law that implements qualified domestic minimum top-up taxes. Such tax legislation, and the income taxes arising from it, are referred to as 'Pillar Two legislation' and 'Pillar Two income taxes', respectively.

The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception, apply immediately and retrospectively upon adoption of the amendments in June 2023. The Company is yet to apply the temporary exception because the Company's entities are operating in jurisdictions which Pillar Two legislation has not yet been enacted or substantially enacted.



- Amendments to PAS 8, *Definition of Accounting Estimates*, introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.
- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*, provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:
 - Replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies; and
 - Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to the Practice Statement provide non-mandatory guidance. The amendments have had an impact on the Company’s disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company’s financial statements

Future Changes in Accounting Policies and Disclosures

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Company does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial statements. The Company intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2024

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*, clarify:
 - That only covenants with which an entity must comply on or before reporting date will affect a liability’s classification as current or non-current.
 - That classification is unaffected by the likelihood that an entity will exercise its deferral right
 - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments must be applied retrospectively.

- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*, specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.

The amendments must be applied retrospectively. Earlier adoption is permitted and that fact must be disclosed.



- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*
- Amendments to PAS 21, *Lack of exchangeability*

Deferred Effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*, address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

Determination of Fair Value

A fair value measurement of a nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period and recognizes transfers as at the date of the event or change in circumstances that caused the transfer.



The Company determines the policies and procedures for both recurring and non-recurring fair value measurements. For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

Financial Instruments - Initial Recognition and Subsequent Measurement

Financial Assets

Initial recognition and measurement. Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through profit or loss (FVTPL), and FVOCI.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

As at December 31, 2023 and 2022, the Company has no debt instruments classified as financial assets at FVOCI.

Subsequent measurement. For purposes of subsequent measurement, financial assets are classified in four categories:

- *Financial assets at amortized cost (debt instruments):* The Company measures financial assets at amortized cost if both of the following conditions are met:
 - The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
 - The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the EIR method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized cost includes cash and cash equivalents, receivables and escrow and time deposits (included under "Other noncurrent assets" account). Other than those financial assets at amortized cost whose carrying values are reasonable approximation of fair values, the aggregate carrying values of financial assets under this category amounted to ₱3,656 million and ₱5,105 million as at December 31, 2023 and 2022, respectively (see Note 27).



- *Financial assets at FVTPL.* Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not SPPI are classified and measured at FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or FVOCI, as described above, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVTPL are carried in the consolidated balance sheet at fair value with net changes in fair value recognized in the consolidated statement of income.

This category includes derivative instruments. The carrying values of financial assets classified under this category amounted to ₱5,524 million and ₱7,338 million as at December 31, 2023 and 2022, respectively (see Note 27).

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at FVTPL. Embedded derivatives are measured at fair value with changes in FVTPL. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the FVTPL category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at FVTPL.

- *Financial assets at FVOCI (equity instruments).* Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments at FVOCI when they meet the definition of equity under PAS 32, *Financial Instruments: Presentation*, and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized in the consolidated statements of income when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income (OCI). Equity instruments at FVOCI are not subject to impairment assessment.

The Company elected to classify irrevocably its investments in equity instruments under this category.

Classified under this category are the investments in shares of stocks of certain companies. The carrying values of financial assets classified under this category amounted to ₱20,318 million and ₱17,612 million as at December 31, 2023 and 2022, respectively (see Note 27).



Derecognition. A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e., removed from the Company's consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or,
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Company evaluates if, and to what extent, it has retained the risks and rewards of ownership. The Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognized an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets. The Company recognizes an allowance for ECLs for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. The Company uses a provision matrix for rent and other receivables, vintage approach for receivables from sale of real estate (billed and unbilled) and general approach for treasury assets to calculate ECLs.

The Company applies provision matrix and has calculated ECLs based on lifetime ECLs. The Company recognizes a loss allowance based on lifetime ECLs at each reporting date, adjusted for forward-looking factors specific to the debtors and the economic environment.

Vintage approach accounts for expected credit losses by calculating the cumulative loss rates of a given real estate receivable pool. It derives the probability of default from the historical data of a homogenous portfolio that share the same origination period. The information on the number of defaults during fixed time intervals of the accounts is utilized to create the probability model. It allows the evaluation of the loan activity from its origination period until the end of the contract period. In addition to life of loan loss data, primary drivers like macroeconomic indicators of qualitative factors such as, but not limited to, forward-looking data on inflation rate was added to the expected loss calculation to reach a forecast supported by both quantitative and qualitative data points. The probability of default is applied to the estimate of the loss arising on default which is based on the difference between the contractual cash flows due and those that the Company would expect to receive, including from the repossession of the subject real estate property, net of cash outflows. For purposes of calculating loss given default, accounts are segmented based on the type of unit. In calculating the recovery rates, the Company considered collections of cash and/or cash from resale of real estate properties after foreclosure, net of direct costs of obtaining and selling the real estate properties after the default event such as commission, refurbishment, payment required under Maceda law, cost to complete (for incomplete units). As these are future cash flows, these are discounted back to the time of default using the appropriate EIR, usually being the original EIR or an approximation thereof.



The Company considers a financial asset in default generally when contractual payments are 120 days past due or when the sales are cancelled supported by a notarized cancellation letter executed by the Company and unit buyer. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial Liabilities

Initial recognition and measurement. Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings and payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement. The Company classifies its financial liabilities in the following categories:

- *Financial liabilities at FVTPL.* Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Derivatives, including any separated derivatives, are also classified under liabilities at FVTPL, unless these are designated as hedging instruments in an effective hedge or financial guarantee contracts. Gains or losses on liabilities held for trading are recognized in the consolidated statement of income under “Others - net” account. Classified as financial liabilities at FVTPL are the Company’s derivative liabilities amounting to ₱272 million and ₱314 million as at December 31, 2023 and 2022, respectively (see Note 27).

- *Loans and borrowings.* This category pertains to financial liabilities that are not held for trading or not designated as at FVTPL upon the inception of the liability. These include liabilities arising from operations or borrowings. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the consolidated statement of income when the loans and borrowings are derecognized, as well as through the amortization process. Loans and borrowings are included under current liabilities if settlement is within twelve months from reporting period. Otherwise, these are classified as noncurrent liabilities.

Classified under this category are loans payable, accounts payable and other current liabilities, long-term debt, tenants’ deposits, liability for purchased land and other noncurrent liabilities (except for taxes payables and other payables covered by other accounting standards). Other than those other financial liabilities whose carrying values are reasonable approximation of fair values, the aggregate carrying values of financial liabilities under this category amounted to ₱330,771 million and ₱327,175 million as at December 31, 2023 and 2022, respectively (see Note 27).

Derecognition. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially



modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of income.

Debt Issue Costs

Debt issue costs are presented as reduction in long-term debt and are amortized over the terms of the related borrowings using the effective interest method.

Derivative Financial Instruments

Initial recognition and subsequent measurement. The Company uses derivative financial instruments, such as foreign exchange swap, cross currency swaps, interest rate swaps, principal only swaps and non-deliverable forwards contracts to hedge its foreign currency risks and interest rate risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The Company's derivative financial instruments are accounted for as either cash flow hedges or transactions not designated as hedges (see Note 27). These hedge the exposures to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Company will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge effectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Company actually hedges and the quantity of the hedging instrument that the Company actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Cash flow hedges. The effective portion of the gain or loss on the hedging instrument is recognized in OCI in the net fair value changes on cash flow hedges, while any ineffective portion is recognized immediately in the consolidated statement of income. The net fair value changes on cash flow hedges is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.



The Company designates only the elements of the foreign exchange swap, cross currency swaps, interest rate swaps, principal only swaps and non-deliverable forwards contracts as hedging instruments to achieve its risk management objective. These elements, including changes in fair value, are recognized in OCI and accumulated in a separate component of equity under net fair value changes on cash flow hedges.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognized in OCI for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

Other Derivative Instruments Not Accounted for as Hedges. Certain freestanding derivative instruments that provide economic hedges under the Company's policies either do not qualify for hedge accounting or are not designated as accounting hedges. Changes in the fair values of derivative instruments not designated as hedges are recognized immediately under "Others - net" account in the consolidated statements of income (see Note 27). Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Real Estate Inventories

Real estate inventories are stated at the lower of cost and net realizable value. Net realizable value is the selling price in the ordinary course of business, less costs to complete and the estimated cost to make the sale. Real estate inventories include properties being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation.

Cost incurred for the development and improvement of the properties includes the following:

- Land cost;
- Amounts paid to contractors for construction and development; and
- Planning and design costs, costs of site preparation, professional fees, property transfer taxes, construction overheads and other related costs.

Prepaid Expenses and Other Current Assets

Other current assets consist of advances to suppliers and contractors, advances for project development, input tax, creditable withholding taxes, deposits, prepayments, supplies and inventories and others. Advances to suppliers and contractors, advances for project development and deposits are carried at cost. These represent advance payments and deposits to contractors for the construction and development of the projects. These are recouped upon every progress billing payment depending on the percentage of accomplishment. Prepaid taxes and other prepayments are carried at cost less amortized portion. These include prepayments for taxes and licenses, rent, advertising and promotions and insurance.



Common Control Business Combinations

Business combinations involving entities or businesses under common control are business combinations in which all of the entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. Business combinations under common control are accounted for similar to pooling of interests method. Under the pooling of interests method:

- The assets, liabilities and equity of the acquired companies for the reporting period in which the common control business combinations occur and for the comparative periods presented, are included in the consolidated financial statements at their carrying amounts as if the consolidation had occurred from the beginning of the earliest period presented in the financial statements, regardless of the actual date of the acquisition;
- No adjustments are made to reflect the fair values, or recognize any new assets or liabilities at the date of the combination. The only adjustments would be to harmonize accounting policies between the combining entities;
- No 'new' goodwill is recognized as a result of the business combination;
- The excess of the cost of business combinations over the net carrying amounts of the identifiable assets and liabilities of the acquired companies is considered as equity adjustment from business combinations, included under "Additional paid-in capital - net" account in the equity section of the consolidated balance sheet; and
- The consolidated statement of income in the year of acquisition reflects the results of the combining entities for the full year, irrespective of when the combination took place.

Property and Equipment

The Company's property and equipment consist of land, building, equipment and ROUA. Property and equipment, except land and construction in progress, is stated at cost less accumulated depreciation and amortization and any accumulated impairment in value. Such cost includes the cost of replacing part of the property and equipment at the time that cost is incurred, if the recognition criteria are met, and excludes the costs of day-to-day servicing. Land is stated at cost less any impairment in value.

The initial cost of property and equipment consists of its purchase price, including import duties, taxes and any directly attributable costs necessary in bringing the asset to its working condition and location for its intended use. Cost also includes any related asset retirement obligation and interest incurred during the construction period on funds borrowed to finance the construction of the projects.

Depreciation and amortization are calculated on a straight-line basis over the following estimated useful lives of the assets:

Buildings, land and leasehold improvements	5-25 years	or term of the lease, whichever is shorter
Furniture, fixtures and other equipment	5-10 years	
ROUA - Office spaces	10-25 years	or term of the lease, whichever is shorter

Fully depreciated assets are retained in the accounts until they are no longer in use and no further depreciation and amortization is credited or charged to current operations.



An item of property and equipment is derecognized when either it has been disposed or when it is permanently withdrawn from use and no future economic benefits are expected from its use or disposal. Any gains or losses arising on the retirement and disposal of an item of property and equipment are recognized in the consolidated statements of income in the period of retirement or disposal under "Others - net" account.

Investment Properties

These consist of commercial spaces/properties held for rental and/or capital appreciation, ROUA and land held for future development. These accounts are measured initially at cost. The cost of a purchased investment property comprises of its purchase price and any directly attributable costs. Subsequently, these accounts, except land and construction in progress, are measured at cost, less accumulated depreciation and amortization and accumulated impairment in value, if any. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met, and excludes the costs of day-to-day servicing of an investment property. Land is stated at cost less any impairment in value.

Property under construction or development for future use as an investment property is classified as investment property.

Depreciation and amortization are calculated on a straight-line basis over the following estimated useful lives of the assets:

Land, building and leasehold improvements	5-40 years or term of the lease, whichever is shorter
Building equipment, furniture and others	3-15 years or term of the lease, whichever is shorter
ROUA - Land	Remaining lease term

Construction in progress represents structures under construction and is stated at cost. This includes cost of construction, machineries and equipment, and other direct costs. Cost also includes interest on borrowed funds incurred during the construction period. Construction in progress is not depreciated until such time that the relevant assets are completed and are ready for use.

Investment property is derecognized when either it has been disposed or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the consolidated statement of income in the period of retirement or disposal under "Others - net" account.

Transfers are made from investment property to inventories when, and only when, there is a change in use, as evidenced by an approved plan to construct and develop condominium and residential units for sale. Transfers are made from inventories to investment property when, and only when, there is change in use, as evidenced by commencement of an operating lease to a third party or change in the originally approved plan. The cost of property for subsequent accounting is its carrying value at the date of change in use.

For a transfer from investment property to owner-occupied property, the cost of property for subsequent accounting is its carrying value at the date of change in use. If the property occupied by the Company as an owner-occupied property becomes an investment property, the Company accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use.



Investments in Associates and Joint Ventures

The Company's investments in shares of stocks of associates and joint ventures are accounted for under the equity method of accounting. The consolidated statements of income reflect the share in the result of operations of the associate or joint venture under "Others-net" account. On acquisition of the investment, any difference between the cost of the investment and the investor's share in the net fair value of the associate's identifiable assets, liabilities and contingent liabilities is accounted for as follows:

- Goodwill relating to an associate or joint venture is included in the carrying amount of the investment. However, amortization of that goodwill is not permitted and is therefore not included in the determination of the Company's share in the associate's or joint venture's profits or losses.
- Any excess of the Company's share in the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the investor's share in the associate's or joint venture's profit or loss in the period in which the investment is acquired.

Also, appropriate adjustments to the Company's share of the associate's or joint venture's profit or loss after acquisition are made to account for the depreciation of the depreciable assets based on their fair values at the acquisition date and for impairment losses recognized by the associate or joint venture.

The Company discontinues the use of equity method from the date when it ceases to have significant influence or joint control over an associate or joint venture and accounts for the investment in accordance with PFRS 9, from that date, provided the associate or joint venture does not become a subsidiary. When the Company's interest in an investment in associate or joint venture is reduced to zero, additional losses are provided only to the extent that the Company has incurred obligations or made payments on behalf of the associate or joint venture to satisfy obligations of the investee that the Company has guaranteed or otherwise committed. If the associate or joint venture subsequently reports profits, the Company resumes recognizing its share of the profits if it equals the share of net losses not recognized.

Other Noncurrent Assets

Other noncurrent assets consist of bonds and deposits, receivables from sale of real estate - net of current portion, land use rights, escrow and time deposits, deferred input tax and others. Other noncurrent assets are carried at cost.

Impairment of Nonfinancial Assets

The carrying values of investments in associates and joint ventures, property and equipment, investment properties and other noncurrent assets (excluding escrow and time deposits) are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. If any such indication exists, and if the carrying value exceeds the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amounts. The recoverable amount of the asset is the greater of fair value less costs to sell or value in use. The fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's-length transaction between knowledgeable, willing parties, less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the consolidated statement of income in those expense categories consistent with the function of the impaired asset.



An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment loss may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of income. After such a reversal, the depreciation or amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Customers' Deposits

Customers' deposits mainly represent reservation fees and advance payments. These deposits will be recognized as revenue in the consolidated statement of income as the related obligations to the real estate buyers are fulfilled.

Capital Stock and Additional Paid-in Capital

Capital stock is measured at par value for all shares issued. Incremental costs incurred directly attributable to the issuance of new shares are shown in equity as deduction from proceeds, net of tax. Proceeds and/or fair value of considerations received in excess of par value, if any, are recognized as "Additional paid-in capital - net" account.

Retained Earnings

Retained earnings represent accumulated net profits, net of dividend distributions and other capital adjustments.

Treasury Stock

Own equity instruments which are acquired (treasury shares) are deducted from equity and accounted for at cost. No gain or loss is recognized in the consolidated statement of income on the purchase, sale, issuance or cancellation of own equity instruments.

Dividends

Dividends on common shares are recognized as liability and deducted from equity when declared and approved by the BOD. Dividends for the year that are approved after balance sheet date are dealt with as an event after the reporting period.

Revenue Recognition

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as a principal or as an agent. The Company has concluded that it is acting as principal in majority of its revenue arrangements. The disclosures of material accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 2. The following specific recognition criteria, other than those disclosed in Note 2 to the consolidated financial statements, must also be met before revenue is recognized:

Rent. Revenue is recognized on a straight-line basis over the lease term or based on the terms of the lease as applicable.



Sale of Amusement Tickets and Merchandise. Revenue is recognized upon receipt of cash from the customer which coincides with the rendering of services or the delivery of merchandise. Revenue from sale of amusement tickets and merchandise are included in the “Revenue - Others” account in the consolidated statement of income.

Dividend. Revenue is recognized when the Company’s right as a shareholder to receive the payment is established. These are included in the “Interest and dividend income” account in the consolidated statement of income.

Management and Service Fees. Revenue is recognized when earned in accordance with the terms of the agreements.

Interest. Revenue is recognized as the interest accrues, taking into account the effective yield on the asset.

Room Rentals, Food and Beverage, and Others. Revenue from room rentals is recognized on actual occupancy, food and beverage sales when orders are served, and other operated departments when the services are rendered. Revenue from other operated departments include, among others, business center, laundry service, and telephone service. Revenue from food and beverage sales and other hotel revenue are included under the “Revenue - Others” account in the consolidated statement of income.

Revenue and Cost from Sale of Real Estate. The Company derives its real estate revenue from sale of lots, house and lot and condominium units. Revenue from the sale of these real estate projects under pre-completion stage are recognized over time during the construction period (or percentage of completion) since based on the terms and conditions of its contract with the buyers, the Company’s performance does not create an asset with an alternative use and the Company has an enforceable right to payment for performance completed to date.

In measuring the progress of its performance obligation over time, the Company uses output method. The Company recognizes revenue on the basis of direct measurements of the value to customers of the goods or services transferred to date, relative to the remaining goods or services promised under the contract. Progress is measured using survey of performance completed to date/milestones reached/time elapsed. This is based on the monthly project accomplishment report prepared by the third-party project managers as approved by the construction managers which integrates the surveys of performance to date of the construction activities.

Any excess of progress of work over the right to an amount of consideration that is unconditional, recognized as receivables from sale of real estate, under trade receivables, is accounted for as unbilled revenue from sale of real estate.

Any excess of collections over the total of recognized installment real estate receivables is included in the contract liabilities (or referred also in the consolidated financial statements as “Unearned revenue from sale of real estate”).

Information about the Company’s performance obligation. The Company entered into contracts to sell with one identified performance obligation which is the sale of the real estate unit together with the services to transfer the title to the buyer upon full payment of contract price. The amount of consideration indicated in the contract to sell is fixed and has no variable consideration.

Payment commences upon signing of the contract to sell and the consideration is payable in cash or under a financing scheme entered with the customer. The financing scheme would include payment of certain percentage of the contract price spread over a certain period (e.g. one to five years) at a



fixed monthly payment with the remaining balance payable in full at the end of the period either through cash or external financing. The amount due for collection under the amortization schedule for each of the customer does not necessarily coincide with the progress of construction.

The Company has a quality assurance warranty which is not treated as a separate performance obligation.

Cost of Real Estate Sold. The Company recognizes costs relating to satisfied performance obligations as these are incurred taking into consideration the contract fulfillment assets such as land and connection fees. These include costs of land, land development costs, building costs, professional fees, depreciation and permits and licenses. These costs are allocated to the saleable area, with the portion allocable to the sold area being recognized as costs of real estate sold while the portion allocable to the unsold area being recognized as part of real estate inventories. In addition, the Company recognizes as an asset only costs that give rise to resources that will be used in satisfying performance obligations in the future and that are expected to be recovered.

Contract Balances

Receivables. A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract assets. These pertain to unbilled revenue from sale of real estate. This is the right to consideration that is conditional in exchange for goods or services transferred to the customer. This is reclassified as trade receivable from sale of real estate when the monthly amortization of the customer is already due for collection.

Contract liabilities. These pertain to unearned revenue from sale of real estate. This is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. These also include customers' deposits related to sale of real estate. These are recognized as revenue when the Company performs its obligation under the contract.

Costs to obtain contract. The incremental costs of obtaining a contract with a customer are recognized as an asset if the Company expects to recover them. The Company has determined that commissions paid to brokers and marketing agents on the sale of pre-completed real estate units are deferred when recovery is reasonably expected and are charged to expense in the period in which the related revenue is recognized as earned. Commission expense is included in the "Costs and expenses" account in the consolidated statement of income. Costs incurred prior to obtaining contract with customer are not capitalized but are expensed as incurred.

Contract fulfillment assets. Contract fulfillment costs are divided into: (i) costs that give rise to an asset; and (ii) costs that are expensed as incurred. When determining the appropriate accounting treatment for such costs, the Company firstly considers any other applicable standards. If those standards preclude capitalization of a particular cost, then an asset is not recognized under PFRS 15.

If other standards are not applicable to contract fulfillment costs, the Company applies the following criteria which, if met, result in capitalization: (i) the costs directly relate to a contract or to a specifically identifiable anticipated contract; (ii) the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (iii) the costs are expected to be recovered. The assessment of this criteria requires the application of judgment, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recoverable.



The Company's contract fulfillment assets mainly pertain to land acquisition costs (included under real estate inventories).

Amortization, derecognition and impairment of contract fulfillment assets and capitalized costs to obtain a contract. The Company amortizes contract fulfillment assets and capitalized costs to obtain a contract to cost of sales over the expected construction period using POC following the pattern of real estate revenue recognition. The amortization is included within cost of real estate sold.

A contract fulfillment asset or capitalized costs to obtain a contract is derecognized either when it is disposed of or when no further economic benefits are expected to flow from its use or disposal.

At each reporting date, the Company determines whether there is an indication that contract fulfillment asset or cost to obtain a contract maybe impaired. If such indication exists, the Company makes an estimate by comparing the carrying amount of the assets to the remaining amount of consideration that the Company expects to receive less the costs that relate to providing services under the relevant contract. In determining the estimated amount of consideration, the Company uses the same principles as it does to determine the contract transaction price, except that any constraints used to reduce the transaction price will be removed for the impairment test.

Where the relevant costs are demonstrating indicators of impairment, judgment is required in ascertaining whether or not the future economic benefits from these contracts are sufficient to recover these assets.

Pension Benefits

The Company is a participant in the SM Corporate and Management Companies Multi-Employer Retirement Plan.

Retirement Plan. The plan is a funded, noncontributory defined benefit retirement plan administered by a Board of Trustees covering all regular full-time employees. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. This method reflects service rendered by employees to the date of valuation and incorporates assumptions concerning the employees' projected salaries. The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets, if any, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Defined benefit pension costs comprise the following:

- Service cost;
- Net interest on the net defined benefit obligation or asset; and
- Remeasurements of net defined benefit obligation or asset

Service cost which includes current service costs, past service costs and gains or losses on non-routine settlements are recognized as part of "Costs and expenses" under "Administrative" account in the consolidated statement of income. Past service costs are recognized when plan amendment or curtailment occurs.

Net interest on the net defined benefit obligation or asset is the change during the period in the net defined benefit obligation or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit obligation or asset is recognized as part of "Costs and expenses" under "Administrative" account in the consolidated statement of income.



Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit obligation) are recognized immediately in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

The Company's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

Foreign Currency-denominated Transactions

The consolidated financial statements are presented in Philippine peso, which is SMPH's functional and presentation currency. Transactions in foreign currencies are initially recorded in the functional currency rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are restated at the functional currency rate of exchange at reporting period. Nonmonetary items denominated in foreign currency are translated using the exchange rates as at the date of initial recognition. All differences are taken to the consolidated statements of income.

Foreign Currency Translation

The assets and liabilities of foreign operations are translated into Philippine peso at the rate of exchange ruling at reporting period and their respective statements of income are translated at the weighted average rates for the year. The exchange differences arising on the translation are included in the consolidated statements of comprehensive income and are presented within the "Cumulative translation adjustment" account in the consolidated statements of changes in equity. On disposal of a foreign entity, the deferred cumulative amount of exchange differences recognized in equity relating to that particular foreign operation is recognized in the profit or loss.

Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Company as Lessor. Leases where the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Lease income from operating leases are recognized as income on a straight-line basis over the lease term. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Lease Modification. Lease modification is defined as a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease (for example, adding or terminating the right to use one or more underlying assets, or extending or shortening the contractual lease term).

A lessor shall account for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease. If a change in lease payments does not meet the



definition of a lease modification, that change would generally be accounted for as a negative variable lease payment. In the case of an operating lease, a lessor recognizes the effect of the rent concession by recognizing lower income from leases.

Company as Lessee. The Company applies a single recognition and measurement approach for all the leases except for low-value assets and short-term leases. The Company recognizes lease liabilities to make lease payments and ROUA representing the right to use the underlying asset.

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments which includes in substance fixed payments. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the IBR at the lease commencement date. After the commencement date, the amount of lease liabilities is adjusted to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Company also recognized ROUA in property and equipment (office spaces) and investment properties (land lease and land use rights) at the commencement date of the lease (i.e., the date the underlying asset is available for use). The initial cost of ROUA includes the amount of lease liabilities recognized less any lease payments made at or before the commencement date.

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the leases of low-value assets recognition exemption to leases of bridgetway, machineries and equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

The Company recognizes deferred tax asset and liability based from the lease liability and ROUA, respectively, on a gross basis, as of balance sheet date.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense. Where the Company expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the receipt of the reimbursement is virtually certain.

Borrowing Costs

Borrowing costs are capitalized if they are directly attributable to the acquisition or construction of a qualifying asset as part of the cost of that asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Borrowing costs are capitalized until the assets are substantially ready for their intended use or sale.



Borrowing costs are capitalized when it is probable that they will result in future economic benefits to the Company.

The interest capitalized is calculated using the Company's weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amount capitalized is the gross interest incurred on those borrowings less any investment income arising on the temporary investment of those borrowings. Interest is capitalized from the commencement of the development work until the date of practical completion, i.e., when substantially all of the development work is completed.

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest cost. The Company limits exchange losses taken as amount of borrowing costs to the extent that the total borrowing costs capitalized do not exceed the amount of borrowing costs that would be incurred on functional currency equivalent borrowings. The amount of foreign exchange differences eligible for capitalization is determined for each period separately. Foreign exchange losses that did not meet the criteria for capitalization in previous years are not capitalized in subsequent years. All other borrowing costs are expensed as incurred.

Taxes

Current Tax. Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as at reporting period.

Current income tax relating to item recognized directly in equity is recognized in equity and not in the profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax. Deferred tax is provided, using the balance sheet liability method, on temporary differences at reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- with respect to taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences and carryforward benefits of excess MCIT and NOLCO, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carryforward benefits of excess MCIT and NOLCO can be utilized, except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and



- with respect to deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each reporting period and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at reporting period.

Income tax relating to items recognized directly in the consolidated statement of comprehensive income is recognized in the consolidated statement of comprehensive income and not in the consolidated statement of income.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Value Added Tax (VAT). Revenues, expenses, and assets are recognized net of the amount of VAT, if applicable.

When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as part of "Accounts payable and other current liabilities" account in the consolidated balance sheets. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as part of "Prepaid expenses and other current assets" account in the consolidated balance sheets to the extent of the recoverable amount.

Business Segments

The Company is organized and managed separately according to the nature of business. The four operating business segments are mall, residential, commercial and hotels and convention centers. These operating businesses are the basis upon which the Company reports its segment information presented in Note 4 to the consolidated financial statements.

Basic/Diluted Earnings Per Common Share (EPS)

Basic EPS is computed by dividing the net income for the period attributable to owners of the Parent by the weighted-average number of issued and outstanding common shares during the period, with retroactive adjustment for any stock dividends declared.

For the purpose of computing diluted EPS, the net income for the period attributable to owners of the Parent and the weighted-average number of issued and outstanding common shares are adjusted for the effects of all dilutive potential ordinary shares, if any.



Contingencies

Contingent liabilities are not recognized in the consolidated financial statements. They are disclosed in the notes to consolidated financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed in the notes to consolidated financial statements when an inflow of economic benefits is probable.

Events after the Reporting Period

Post year-end events that provide additional information about the Company's financial position at the end of the reporting period (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

4. Segment Information

For management purposes, the Company is organized into business units based on their products and services, and has four reportable operating segments as follows: mall, residential, commercial and hotels and convention centers.

Mall segment develops, conducts, operates and maintains the business of modern commercial shopping centers and all businesses related thereto such as the conduct, operation and maintenance of shopping center spaces for rent, amusement centers, or cinema theaters within the compound of the shopping centers.

Residential and commercial segments are involved in the development and transformation of major residential, commercial, entertainment and tourism districts through sustained capital investments in buildings and infrastructure.

Hotels and convention centers segment engages in and carry on the business of hotel and convention centers and operates and maintains any and all services and facilities incident thereto.

Management, through the Executive Committee, monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with the operating profit or loss in the consolidated financial statements.

The amount of segment assets and liabilities and segment profit or loss are based on measurement principles that are similar to those used in measuring the assets and liabilities and profit or loss in the consolidated financial statements, which is in accordance with PFRS.

Inter-segment Transactions

Transfer prices between business segments are set on an arm's length basis similar to transactions with nonrelated parties. Such transfers are eliminated in the consolidated financial statements.



Business Segment Data

2023						
	Mall	Residential	Commercial	Hotels and Convention Centers	Eliminations	Consolidated Balances
<i>(In Thousands)</i>						
Revenue:						
External customers	₱71,946,036	₱43,100,208	₱6,781,687	₱6,269,610	₱-	₱128,097,541
Inter-segment	176,623	-	115,067	18,108	(309,798)	-
	<u>₱72,122,659</u>	<u>₱43,100,208</u>	<u>₱6,896,754</u>	<u>₱6,287,718</u>	<u>(₱309,798)</u>	<u>₱128,097,541</u>
Segment results:						
Income before income tax	₱30,123,686	₱13,980,341	₱4,440,189	₱1,510,564	(₱214,961)	₱49,839,819
Provision for income tax	(5,690,732)	(2,292,182)	(715,095)	(277,965)	-	(8,975,974)
Net income	<u>₱24,432,954</u>	<u>₱11,688,159</u>	<u>₱3,725,094</u>	<u>₱1,232,599</u>	<u>(₱214,961)</u>	<u>₱40,863,845</u>
Net income attributable to:						
Equity holders of the Parent	₱23,593,802	₱11,673,967	₱3,725,094	₱1,232,599	(₱214,961)	₱40,010,501
Non-controlling interests	839,152	14,192	-	-	-	853,344
Segment assets	<u>₱473,704,969</u>	<u>₱344,557,303</u>	<u>₱109,171,158</u>	<u>₱17,711,201</u>	<u>(₱1,817,056)</u>	<u>₱943,327,575</u>
Segment liabilities	<u>₱323,926,223</u>	<u>₱195,426,558</u>	<u>₱25,596,386</u>	<u>₱1,308,428</u>	<u>(₱1,817,056)</u>	<u>₱544,440,539</u>
Other information:						
Capital expenditures	₱37,253,756	₱25,436,310	₱23,733,455	₱1,752,397	₱-	₱88,175,918
Depreciation and amortization	11,371,327	131,347	1,536,430	617,669	-	13,656,773
2022						
	Mall	Residential	Commercial	Hotels and Convention Centers	Eliminations	Consolidated Balances
<i>(In Thousands)</i>						
Revenue:						
External customers	₱55,379,678	₱40,077,157	₱5,996,483	₱4,332,317	₱-	₱105,785,635
Inter-segment	160,890	5,417	126,801	11,631	(304,739)	-
	<u>₱55,540,568</u>	<u>₱40,082,574</u>	<u>₱6,123,284</u>	<u>₱4,343,948</u>	<u>(₱304,739)</u>	<u>₱105,785,635</u>
Segment results:						
Income before income tax	₱24,291,544	₱10,905,230	₱3,969,174	₱402,171	(₱854,115)	₱38,714,004
Provision for income tax	(4,857,306)	(2,000,690)	(1,013,584)	(99,295)	-	(7,970,875)
Net income	<u>₱19,434,238</u>	<u>₱8,904,540</u>	<u>₱2,955,590</u>	<u>₱302,876</u>	<u>(₱854,115)</u>	<u>₱30,743,129</u>
Net income attributable to:						
Equity holders of the Parent	₱18,800,574	₱8,894,874	₱2,955,590	₱302,876	(₱854,115)	₱30,099,799
Non-controlling interests	633,664	9,666	-	-	-	643,330
Segment assets	<u>₱461,547,075</u>	<u>₱317,089,509</u>	<u>₱81,047,183</u>	<u>₱16,296,204</u>	<u>(₱1,765,319)</u>	<u>₱874,214,652</u>
Segment liabilities	<u>₱320,311,592</u>	<u>₱180,624,978</u>	<u>₱8,524,126</u>	<u>₱1,367,669</u>	<u>(₱1,765,319)</u>	<u>₱509,063,046</u>
Other information:						
Capital expenditures	₱25,786,080	₱36,345,071	₱12,194,451	₱1,093,268	₱-	₱75,418,870
Depreciation and amortization	10,373,095	138,188	1,347,108	629,371	-	12,487,762
2021						
	Mall	Residential	Commercial	Hotels and Convention Centers	Eliminations	Consolidated Balances
<i>(In Thousands)</i>						
Revenue:						
External customers	₱29,919,619	₱45,895,228	₱4,920,521	₱1,580,116	₱-	₱82,315,484
Inter-segment	159,270	1,799	89,389	7,364	(257,822)	-
	<u>₱30,078,889</u>	<u>₱45,897,027</u>	<u>₱5,009,910</u>	<u>₱1,587,480</u>	<u>(₱257,822)</u>	<u>₱82,315,484</u>
Segment results:						
Income (loss) before income tax	₱6,649,817	₱19,175,121	₱3,244,353	(₱924,580)	(₱411,186)	₱27,733,525
Provision for income tax	(1,122,152)	(3,948,973)	(750,997)	-	-	(5,822,122)
Net income (loss)	<u>₱5,527,665</u>	<u>₱15,226,148</u>	<u>₱2,493,356</u>	<u>(₱924,580)</u>	<u>(₱411,186)</u>	<u>₱21,911,403</u>



	2021					Consolidated Balances
	Mall	Residential	Commercial	Hotels and Convention Centers	Eliminations	
Net income (loss) attributable to:						
Equity holders of the Parent	₱5,406,970	₱15,221,956	₱2,493,356	(₱924,580)	(₱411,186)	₱21,786,516
Non-controlling interests	120,695	4,192	-	-	-	124,887
Segment assets	₱429,925,281	₱291,750,749	₱69,761,727	₱14,930,876	(₱1,965,353)	₱804,403,280
Segment liabilities	₱297,139,809	₱166,632,085	₱7,395,124	₱840,842	(₱1,965,353)	₱470,042,507
Other information:						
Capital expenditures	₱26,005,686	₱33,710,404	₱3,659,529	₱1,542,416	₱-	₱64,918,035
Depreciation and amortization	9,006,617	120,416	1,046,814	643,022	-	10,816,869

For the years ended December 31, 2023, 2022 and 2021, there were no revenue transactions with a single external customer which accounted for 10% or more of the consolidated revenue from external customers. The main revenues of the Company are substantially earned from the Philippines.

The Company disaggregates its revenue information in the same manner as it reports its segment information.

Seasonality

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

5. Business Combination

In January 2022, the Parent Company acquired 100% of the outstanding shares of BTC. BTC is under common control by the Sy Family. Thus, the acquisition was accounted for using pooling of interest method. Assets acquired and liabilities assumed in January 2022 is ₱1,593 million and ₱1,612 million, respectively. The acquisition resulted to equity reserve adjustment amounting to ₱44 million included under Additional Paid-in Capital - Net account in the equity section of the balance sheet (see Note 18).

6. Cash and Cash Equivalents

This account consists of:

	2023	2022
	<i>(In Thousands)</i>	
Cash on hand and in banks (see Note 19)	₱10,239,900	₱8,595,584
Temporary investments (see Note 19)	21,576,902	33,464,498
	₱31,816,802	₱42,060,082

Cash in banks earn interest at the respective bank deposit rates. Temporary investments are made for varying periods of up to three months depending on the immediate cash requirements of the Company and earn interest at the respective temporary investment rates.



Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

Interest income earned from cash in banks and temporary investments amounted to ₱1,450 million, ₱1,070 million and ₱627 million for the years ended December 31, 2023, 2022 and 2021, respectively (see Note 22).

7. Receivables and Contract Assets

This account consists of:

	2023	2022
	<i>(In Thousands)</i>	
Trade (billed and unbilled):		
Sale of real estate*	₱132,177,723	₱114,005,269
Rent:		
Third parties	9,352,668	10,217,117
Related parties (see Note 19)	3,471,144	3,427,264
Accrued interest (see Note 19)	265,371	442,377
Nontrade and others (see Note 19)	3,062,977	4,119,332
	148,329,883	132,211,359
Less allowance for ECLs	777,378	721,482
	147,552,505	131,489,877
Less noncurrent portion of trade receivables from sale of real estate (see Note 14)	70,600,303	48,929,523
	₱76,952,202	₱82,560,354

*Includes unbilled revenue from sale of real estate amounting to ₱114,898 million and ₱100,157 million as at December 31, 2023 and 2022, respectively.

The terms and conditions of the above receivables are as follows:

- Trade receivables from tenants are non-interest bearing and are normally collectible on a 30 to 90 days' term. Trade receivables from sale of real estate pertain to sold real estate inventories at various terms of payments, which are interest bearing and non-interest bearing.

The Company assigned billed and unbilled receivables from sale of real estate on a without recourse basis to local banks amounting to ₱4,131 million and nil for the years ended December 31, 2023 and 2022, respectively (see Note 19).

The Company also has assigned billed and unbilled receivables from real estate on a with recourse basis to local banks with outstanding balance of ₱217 million and ₱1,182 million as at December 31, 2023 and 2022, respectively. The related liability from assigned receivables, which is of equal amount with the assigned receivables, bear interest rates of 5.00% to 6.50% in 2023 and 3.75% to 5.00% in 2022. The fair value of the assigned receivables and liability from assigned receivables approximates their costs.

The total cost of related financing recorded under interest expense amounted to ₱717 million and ₱18 million and ₱33 million for the years ended December 31, 2023, 2022 and 2021, respectively (see Note 22).



- Accrued interest and other receivables are normally collected throughout the next financial period.

Interest income earned from receivables totaled ₱232 million, ₱149 million and ₱86 million for the years ended December 31, 2023, 2022 and 2021, respectively (see Note 22).

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

There is no allowance for ECLs on unbilled revenue from sale of real estate as of December 31, 2023 and 2022. The movements in the allowance for ECLs related to receivables from rent are as follows:

	2023	2022
	<i>(In Thousands)</i>	
At beginning of year	₱721,482	₱723,319
Provisions (reversals) - net (see Note 21)	55,896	(1,837)
At end of year	₱777,378	₱721,482

The aging analysis of receivables and unbilled revenue from sale of real estate as at December 31 are as follows:

	2023	2022
	<i>(In Thousands)</i>	
Neither past due nor impaired	₱128,027,966	₱115,020,835
Past due:		
Less than 30 days	4,805,072	4,906,282
31-90 days	6,044,097	3,211,588
91-120 days	2,142,720	2,411,591
Over 120 days	6,532,650	5,939,581
Impaired	777,378	721,482
	₱148,329,883	₱132,211,359

Receivables, except for those that are impaired, are assessed by the Company's management as not impaired, good and collectible.

The transaction price allocated to the remaining performance obligations totaling ₱38,087 million and ₱25,392 million as at December 31, 2023 and 2022, respectively are expected to be recognized over the construction period ranging from one to five years.



8. Real Estate Inventories

The movements in this account are as follows:

	Land and Development	Condominium, Residential Units and Subdivision Lots for Sale	Total
<i>(In Thousands)</i>			
Balance as at December 31, 2021	₱37,229,526	₱19,345,521	₱56,575,047
Development cost incurred	27,956,439	–	27,956,439
Cost of real estate sold (see Note 21)	(11,153,550)	(5,745,018)	(16,898,568)
Transfers	(12,643,521)	12,643,521	–
Reclassifications from investment properties (see Note 12)	2,204,897	–	2,204,897
Translation adjustment and others	187,070	475,140	662,210
Balance as at December 31, 2022	43,780,861	26,719,164	70,500,025
Development cost incurred	22,141,007	–	22,141,007
Cost of real estate sold (see Note 21)	(13,166,920)	(3,493,990)	(16,660,910)
Transfers	(1,902,929)	1,902,929	–
Reclassifications from investment properties (see Note 12)	1,807,712	–	1,807,712
Translation adjustment and others	98,606	341	98,947
Balance as at December 31, 2023	₱52,758,337	₱25,128,444	₱77,886,781

Land and development pertains to the Company's on-going residential units and condominium projects. Estimated cost to complete the projects amounted to ₱103,578 million and ₱106,894 million as at December 31, 2023 and 2022, respectively.

Condominium and residential units for sale pertain to completed projects. These are stated at cost as at December 31, 2023 and 2022.

Contract fulfillment assets, included under land and development, mainly pertain to unamortized portion of land cost totaling ₱1,777 million and ₱959 million as at December 31, 2023 and 2022, respectively.

9. Equity Instruments at FVOCI

This account consists of investments in:

	2023	2022
<i>(In Thousands)</i>		
Shares of stock:		
Listed (see Note 19)	₱20,312,735	₱17,606,746
Unlisted	5,317	5,317
	20,318,052	17,612,063
Less noncurrent portion	19,570,212	17,077,198
	₱747,840	₱534,865

- Listed shares of stock pertain to investments in publicly listed companies.
- Unlisted shares of stock pertain to stocks of private corporations.

Dividend income from investments at FVOCI amounted to ₱440 million, ₱456 million and ₱186 million for the years ended December 31, 2023, 2022 and 2021, respectively (see Note 19).



The movements in the “Net fair value changes of equity instruments at FVOCI” account are as follows:

	2023	2022
	<i>(In Thousands)</i>	
At beginning of the year	₱14,232,514	₱14,708,368
Unrealized gain (loss) due to changes in fair value	2,705,989	(475,854)
At end of the year	₱16,938,503	₱14,232,514

10. Prepaid Expenses and Other Current Assets

This account consists of:

	2023	2022
	<i>(In Thousands)</i>	
Input and creditable withholding taxes	₱12,030,388	₱11,386,654
Advances and deposits	8,724,322	8,925,364
Prepaid taxes and other prepayments	6,409,923	4,788,282
Supplies and inventories	420,623	424,361
Others	219,674	242,673
	₱27,804,930	₱25,767,334

- Input tax represents VAT paid to suppliers that can be claimed as credit against the future output VAT liabilities without prescription. Creditable withholding tax is the tax withheld by the withholding agents from payments to the Company which can be applied against the income tax payable.
- Advances and deposits pertain to downpayments made to suppliers or contractors to cover preliminary expenses of the contractors in construction projects. The amounts are non-interest bearing and are recouped upon every progress billing payment depending on the percentage of accomplishment. This account also includes construction bonds, rental deposits and deposits for utilities and advertisements.
- Prepaid taxes and other prepayments consist of prepayments for insurance, real property taxes, rent, and other expenses which are normally utilized within the next financial period.



11. Property and Equipment

The movements in this account are as follows:

	Buildings, Land and Leasehold Improvements	Furniture, Fixtures and Other Equipment	ROUA - Office Spaces	Total
<i>(In Thousands)</i>				
Cost				
Balance at December 31, 2021	₱2,316,525	₱1,307,981	₱7,454	₱3,631,960
Additions	110,481	87,587	–	198,068
Disposals	–	(5,443)	–	(5,443)
Balance at December 31, 2022	2,427,006	1,390,125	7,454	3,824,585
Additions	185,262	155,844	–	341,106
Disposals	(16,472)	(2,878)	(7,454)	(26,804)
Balance at December 31, 2023	₱2,595,796	₱1,543,091	₱–	₱4,138,887
Accumulated Depreciation and Amortization				
Balance at December 31, 2021	₱1,160,671	₱1,093,624	₱5,389	₱2,259,684
Depreciation and amortization (see Note 21)	90,178	78,205	2,065	170,448
Disposals	–	(5,387)	–	(5,387)
Balance at December 31, 2022	1,250,849	1,166,442	7,454	2,424,745
Depreciation and amortization (see Note 21)	78,545	90,940	–	169,485
Disposals	–	(2,879)	(7,454)	(10,333)
Balance at December 31, 2023	₱1,329,394	₱1,254,503	₱–	₱2,583,897
Net Book Value				
As at December 31, 2022	₱1,176,157	₱223,683	₱–	₱1,399,840
As at December 31, 2023	₱1,266,402	₱288,588	₱–	₱1,554,990

The company disposed certain properties and equipment in 2023 and 2022. The loss on disposal is recognized in the consolidated statements of income under “Others - net” account



12. Investment Properties

The movements in this account are as follows:

Cost	Land, Building and	Building Equipment,	ROU A - Land	Construction	Total
	Leasehold Improvements	Furniture and Others		in Progress	
Balance as at December 31, 2021	₱423,907,337	₱49,094,257	₱28,203,524	₱74,517,670	₱575,722,788
Additions	7,654,606	2,626,045	1,138,124	23,705,364	35,124,139
Effect of common control business combination (see Note 5)	189,431	430,872	-	363,091	983,394
Reclassifications (see Note 8)	26,545,451	4,103,090	(1,280,292)	(31,573,146)	(2,204,897)
Translation adjustment	358,622	27,723	106,771	84,967	578,083
Disposals	(369,967)	(46,618)	-	-	(416,585)
Balance as at December 31, 2022	458,285,480	56,235,369	28,168,127	67,097,946	609,786,922
Additions	18,207,086	3,108,856	5,719,181	46,548,285	73,583,408
Reclassifications (see Note 8)	26,994,487	2,449,872	-	(31,252,071)	(1,807,712)
Translation adjustment	(1,818,843)	(170,288)	(460,661)	(391,352)	(2,841,144)
Disposals	(425,770)	(530,451)	(10,558)	-	(966,779)
Balance as at December 31, 2023	₱501,242,440	₱61,093,358	₱33,416,089	₱82,002,808	₱677,754,695
Accumulated Depreciation and Amortization					
Balance as at December 31, 2021	₱74,597,796	₱32,020,231	₱1,712,773	₱-	₱108,330,800
Depreciation and amortization (see Note 21)	8,107,549	3,393,248	816,518	-	12,317,315
Translation adjustment	79,345	15,935	2,602	-	97,882
Disposals	(184,792)	(40,325)	-	-	(225,117)
Balance as at December 31, 2022	82,599,898	35,389,089	2,531,893	-	120,520,880
Depreciation and amortization (see Note 21)	8,748,034	3,979,841	759,413	-	13,487,288
Translation adjustment	(474,488)	(86,870)	(23,937)	-	(585,295)
Disposals	(366,969)	(373,808)	(2,147)	-	(742,924)
Balance as at December 31, 2023	₱90,506,475	₱38,908,252	₱3,265,222	₱-	₱132,679,949
Net Book Value					
As at December 31, 2022	₱375,685,582	₱20,846,280	₱25,636,234	₱67,097,946	₱489,266,042
As at December 31, 2023	₱410,735,965	₱22,185,106	₱30,150,867	₱82,002,808	₱545,074,746



The company disposed certain investment properties in 2023 and 2022. The loss on disposal is recognized in the consolidated statements of income under “Others - net” account.

Portions of investment properties located in China with total carrying value of ₱1,455 million and ₱1,624 million as at December 31, 2023 and 2022, respectively are mortgaged as collaterals to secure domestic borrowings (see Note 17).

Consolidated rent income from investment properties amounted to ₱72,114 million, ₱58,244 million and ₱34,694 million for the years ended December 31, 2023, 2022 and 2021, respectively.

Consolidated costs and expenses from investment properties, which generate income, amounted to ₱40,120 million, ₱30,598 million and ₱23,665 million for the years ended December 31, 2023, 2022 and 2021, respectively (see Note 21).

Construction in progress amounting to ₱82,003 million and ₱67,098 million as at December 31, 2023 and 2022, respectively includes shopping mall complex under construction, land and commercial building constructions.

The outstanding contracts with various contractors related to the construction of on-going projects are valued at ₱78,353 million and ₱79,532 million as at December 31, 2023 and 2022, respectively, inclusive of overhead, cost of labor and materials and all other costs necessary for the proper execution of works.

Interest capitalized to the construction of investment properties amounted to ₱5,791 million, ₱4,814 million and ₱4,005 million for the years ended December 31, 2023, 2022 and 2021, respectively. Capitalization rates used range from 2.27% to 5.38%, from 2.35% to 5.22%, and from 2.35% to 4.58% for the years ended December 31, 2023, 2022 and 2021, respectively.

The most recent fair value of investment properties is determined by an independent appraiser who holds a recognized and relevant professional qualification. The valuation of investment properties was based on market values using income approach and market value approach. The fair value represents the amount at which the assets can be exchanged between a knowledgeable, willing seller and a knowledgeable, willing buyer in an arm’s length transaction at the date of valuation, in accordance with International Valuation Standards as set out by the International Valuation Standards Committee.

Other than those investment properties held as collateral, the Company has no restriction on the realizability of its investment properties.

13. Investments in Associates and Joint Ventures

The ownership interests in associates and joint ventures accounted for under the equity method mainly consist of the following:

Company	Country of Incorporation	Percentage of Ownership	
		2023	2022
<i>Associates</i>			
Feihua Real Estate (Chongqing) Company Ltd. (FHREC)	People's Republic of China	50.00	50.00
Ortigas Land Corporation (OLC)	Philippines	39.96	39.96



Company	Country of Incorporation	Percentage of Ownership	
		2023	2022
Joint Ventures			
Winsome Development Corporation*	Philippines	51.00	51.00
Willin Sales, Inc.*	- do -	51.00	51.00
Willimson, Inc. *	- do -	51.00	51.00
Waltermart Ventures, Inc. *	- do -	51.00	51.00
WM Development, Inc. *	- do -	51.00	51.00
WM Shopping Center Management Inc.*	- do -	51.00	51.00
Metro Rapid Transit Service Inc.	- do -	51.00	51.00
ST 6747 Resources Corporation (STRC)	- do -	50.00	50.00

*collectively, Waltermart

The movements in this account are as follows:

	Associates	Joint Ventures		Total
		<i>(In Thousands)</i>		
Balance as at December 31, 2021	₱19,940,320	₱9,247,115	₱29,187,435	
Equity in net earnings	1,082,911	637,205	1,720,116	
Dividends	(142,933)	(196,859)	(339,792)	
Translation	10,561	-	10,561	
Balance as at December 31, 2022	20,890,859	9,687,461	30,578,320	
Equity in net earnings	1,273,549	889,062	2,162,611	
Dividends	(130,928)	(128,774)	(259,702)	
Translation	(50,034)	-	(50,034)	
Balance as at December 31, 2023	₱21,983,446	₱10,447,749	₱32,431,195	

The carrying value of investment in OLC amounted to ₱20,615 million and ₱19,473 million as at December 31, 2023 and 2022, respectively, which consists of its proportionate share in the net assets of OLC and fair value adjustments. The share in profit, net of dividend received of OLC amounted to ₱1,142 million, ₱940 million and ₱698 million for the years ended December 31, 2023, 2022 and 2021, respectively.

The carrying value of investment in FHREC amounted to ₱1,368 million and ₱1,418 million as at December 31, 2023 and 2022, respectively, with cumulative equity in net earnings amounting to ₱1,070 million and ₱1,109 million as at December 31, 2023 and 2022, respectively.

The carrying values of investments in Waltermart amounted to ₱8,152 million and ₱7,639 million as at December 31, 2023 and 2022, respectively. The aggregate share in profit and total comprehensive income, net of dividends received amounted to ₱513 million, ₱283 million and ₱216 million for the years ended December 31, 2023, 2022 and 2021, respectively.

The carrying value of investment in STRC amounted to ₱2,296 million and ₱2,048 million as at December 31, 2023 and 2022, respectively. The aggregate share in profit and total comprehensive income amounted to ₱248 million, ₱172 million and ₱198 million for the years ended December 31, 2023, 2022 and 2021, respectively.

The Company has no outstanding contingent liabilities or capital commitments related to its investments in associates and joint ventures as at December 31, 2023 and 2022.



14. Other Noncurrent Assets

This account consists of:

	2023	2022
	<i>(In Thousands)</i>	
Receivables from sale of real estate - net of current portion* (see Note 7)	₱70,600,303	₱48,929,523
Bonds and deposits	46,894,238	50,541,286
Escrow and time deposits (see Note 19)	3,656,453	5,105,361
Deferred input tax	779,864	1,069,739
Others (see Note 23)	540,616	554,997
	₱122,471,474	₱106,200,906

*Pertains to noncurrent portion of unbilled revenue from sale of real estate (see Note 7).

- Bonds and deposits consist of deposits to contractors and suppliers to be applied throughout construction and advances, deposits paid for leased properties to be applied at the last term of the lease and advance payments for land acquisitions which will be applied against the purchase price of the properties upon fulfillment by both parties of certain undertakings and conditions.
- Cash in escrow amounting to ₱711 million and ₱489 million as at December 31, 2023 and 2022, respectively, pertains to the amounts deposited in the account of an escrow agent as required by the Department of Human Settlements and Urban Development in connection with the incentive compliance provisions of the Urban Development and Housing Act. Interest income earned from the cash in escrow amounted to ₱25 million, ₱6 million and ₱1 million for the years ended December 31, 2023, 2022 and 2021 respectively (see Note 22).
- Time deposits amounting to ₱2,945 million and ₱4,616 million as at December 31, 2023 and 2022, respectively, were used as collateral for use of credit lines obtained by the Company. Interest income earned amounted to ₱38 million, ₱94 million and ₱125 million for the years ended December 31, 2023, 2022 and 2021, respectively (see Note 22).

15. Loans Payable

This account consists of unsecured Philippine peso and China yuan renminbi denominated loans obtained from local and foreign banks amounting to ₱4,289 million and ₱5,423 million as at December 31, 2023 and 2022, respectively, with due dates of less than one year. These loans bear weighted average interest rates of 3.56% and China loan prime rate (LPR) in 2023 and 2022.

Interest expense incurred from loans payable amounted to ₱258 million, ₱160 million and ₱177 million for the years ended December 31, 2023, 2022 and 2021, respectively (see Note 22).



16. Accounts Payable and Other Current Liabilities

This account consists of:

	2023	2022
	<i>(In Thousands)</i>	
Trade:		
Third parties	₱51,450,265	₱41,044,372
Related parties (see Note 19)	205,653	166,076
Tenants' and customers' deposits* (see Note 25)	39,678,216	37,056,004
Accrued operating expenses	15,834,744	15,171,483
Deferred output VAT	14,411,482	10,920,582
Lease liabilities	13,313,112	13,473,170
Retention payable	8,834,072	7,206,273
Liability for purchased land	5,042,435	5,678,474
Accrued interest (see Note 19)	2,827,101	2,646,101
Payable to government agencies	854,877	1,606,431
Nontrade	437,049	354,153
Liability from assigned receivables and others (see Note 7)	2,822,122	3,808,517
	155,711,128	139,131,636
Less noncurrent portion	56,633,700	51,009,039
	₱99,077,428	₱88,122,597

* Includes unearned revenue from sale of real estate amounting to ₱7,018 million and ₱5,452 million as at December 31, 2023 and 2022, respectively, out of which ₱2,129 million and ₱4,343 million were recognized as revenue in 2023 and 2022, respectively.

The terms and conditions of the above liabilities follow:

- Trade payables primarily consist of liabilities to suppliers and contractors, which are non-interest bearing and are normally settled within a 30-day term.
- Accrued operating expenses pertain to accrued selling, general and administrative expenses which are normally settled throughout the financial period. Accrued operating expenses consist of:

	2023	2022
	<i>(In Thousands)</i>	
Payable to contractors	₱9,400,962	₱9,133,293
Utilities	2,468,876	2,385,215
Marketing and advertising and others	3,964,906	3,652,975
	₱15,834,744	₱15,171,483

- Deferred output VAT represents output VAT on unpaid portion of recognized receivable from sale of real estate. This amount is reported as output VAT upon collection of the receivables.
- Lease liabilities included in "Other noncurrent liabilities" amounted to ₱13,181 million and ₱13,342 million as at December 31, 2023 and 2022, respectively. Interest on lease liabilities included under "Others - net" in the consolidated statements of income amounted to ₱366 million, ₱437 million and ₱404 million for the years ended December 31, 2023, 2022 and 2021, respectively.



- Retention payable pertains to the amount withheld by the Company from the contractors' progress billings which will be released after the guarantee period. The retention serves as a security from the contractor should there be defects in the project.
- Liability for purchased land, payable to government agencies, accrued interest and other payables are normally settled throughout the financial period.



Debt Issue Cost

The movements in unamortized debt issue cost of the Company follow:

	2023	2022
	<i>(In Thousands)</i>	
Balance at beginning of the year	₱2,112,928	₱1,966,100
Additions	645,502	884,484
Amortization	(872,692)	(737,656)
Balance at end of the year	₱1,885,738	₱2,112,928

Amortization of debt issuance costs is recognized in the consolidated statements of income under “Others - net” account.

Repayment and Debt Issue Cost Schedule

The repayments of long-term debt are scheduled as follows:

	Gross	Debt Issue Cost	Net
	<i>(In Thousands)</i>		
Within 1 year	₱68,491,059	(₱744,708)	₱67,746,351
More than 1 year to 5 years	263,585,992	(1,094,991)	262,491,001
More than 5 years	32,177,294	(46,039)	32,131,255
	₱364,254,345	(₱1,885,738)	₱362,368,607

The loan agreements of the Company provide certain restrictions and requirements principally with respect to maintenance of required financial ratios and material change in ownership or control. As at December 31, 2023 and 2022, the Company is in compliance with the terms of its loan covenants.

Interest expense from long-term debt charged to profit or loss amounted to ₱12,989 million, ₱11,288 million and ₱9,148 million for the years ended December 31, 2023, 2022 and 2021, respectively (see Note 22).

18. Equity

Capital Stock

As at December 31, 2023 and 2022, the Company has an authorized capital stock of 40,000 million with a par value of ₱1 a share, of which 33,166 million shares were issued. The Company has 28,856 million outstanding shares as at December 31, 2023 and 2022.

The following summarizes the information on SMPH's registration of securities under the Securities Regulation Code:

Date of SEC Approval/ Notification to SEC	Authorized Shares	No. of Shares Issued	Issue/Offer Price
March 15, 1994	10,000,000,000	–	₱–
April 22, 1994	–	6,369,378,049	5.35
May 29, 2007	10,000,000,000	–	–
May 20, 2008	–	912,897,212	11.86
October 14, 2010	–	569,608,700	11.50
October 10, 2013	20,000,000,000	15,773,765,315	19.50



SMPH declared stock dividends in 2012, 2007, 1996 and 1995. The total number of shareholders is 2,330 as at December 31, 2023.

Additional Paid-in Capital - Net

Following represents the nature of the consolidated “Additional paid-in capital - net”:

	2023	2022
	<i>(In Thousands)</i>	
Paid-in subscriptions in excess of par value	₱33,549,808	₱33,549,808
Net equity adjustments from common control business combinations	9,354,060	9,354,060
Arising from net sale (acquisition) of non-controlling interests (see Note 2)	(4,743,968)	(4,779,675)
<u>As presented in the consolidated balance sheets</u>	₱38,159,900	₱38,124,193

Retained Earnings

In 2023, the BOD approved the declaration of cash dividend of ₱0.237 per share or ₱6,844 million to stockholders of record as of May 10, 2023, ₱5 million of which was received by SMDC. This was paid on May 24, 2023. In 2022, the BOD approved the declaration of cash dividend of ₱0.097 per share or ₱2,801 million to stockholders of record as of May 11, 2022, ₱2 million of which was received by SMDC. This was paid on May 24, 2022. In 2021, the BOD approved the declaration of cash dividend of ₱0.082 per share or ₱2,368 million to stockholders of record as of May 5, 2021, ₱2 million of which was received by SMDC. This was paid on May 19, 2021.

As at December 31, 2023 and 2022, the amount of retained earnings appropriated for the corporate and mall expansions amounted to ₱42,200 million. This represents appropriation for land banking activities and planned construction projects for the next two to three years. The appropriation is being fully utilized to cover part of the annual capital expenditure requirement of the Company. Approval of malls expansions and new projects is delegated by the BOD to the Executive Committee of the Company.

For the year 2024, the Company is looking at ₱100,000 million for its capital expenditure program.

The unappropriated retained earnings account is restricted for the payment of dividends to the extent of the accumulated equity in net earnings of subsidiaries, associates and joint ventures and the balance of treasury stock until such time that the Parent Company receives the dividends from its subsidiaries, associates and joint ventures. The retained earnings available for dividend declaration amounted to ₱115,550 million and ₱96,642 million as at December 31, 2023 and 2022, respectively.

Treasury Stock

As at December 31, 2023 and 2022, this includes 4,310 million reacquired capital stock and shares held by a subsidiary stated at acquisition cost of ₱2,985 million.



19. Related Party Transactions

Parties are considered to be related if one party has the ability, directly and indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities.

Terms and Conditions of Transactions with Related Parties

There have been no guarantees/collaterals provided or received for any related party receivables or payables. For the years ended December 31, 2023 and 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial period through examining the financial position of the related party and the market in which the related party operates. Settlement of the outstanding balances normally occur in cash. The Company has approval process and established limits when entering into material related party transactions.

The significant transactions entered into by the Company with its related parties and the amounts included in the accompanying consolidated financial statements with respect to these transactions follow:

	Amount of Transactions			Outstanding Amount [Asset (Liability)]		Terms	Conditions
	2023	2022	2021	2023	2022		
	<i>(In Thousands)</i>						
Ultimate Parent							
Rent income	₱69,449	₱64,092	₱59,175	₱-	₱-		
Rent receivable	-	-	-	7,899	7,396	Non-interest bearing	Unsecured; not impaired
Other revenue	36,414	35,017	41,600	-	-		
Other receivable	-	-	-	2,912	2,912	Non-interest bearing	Unsecured; not impaired
Rent expense	86,787	69,755	25,298	-	-		
Trade payable	-	-	-	(34,882)	(30,068)	Non-interest bearing	Unsecured
Dividend income	1,096	913	621	-	-		
Equity instruments at FVOCI	-	-	-	127,403	131,494		
Banking and Retail Entities							
Cash and cash equivalents	123,293,354	122,886,066	127,864,300	23,451,912	34,031,170	Interest bearing based on prevailing rates	Unsecured; not impaired
Rent income	17,707,839	15,391,640	10,107,826	-	-		
Rent receivable	-	-	-	3,388,569	3,359,255	Non-interest bearing	Unsecured; not impaired
Other revenue	90	419	159	-	-		
Other receivable	-	-	-	9,355	8,941	Non-interest bearing	Unsecured; not impaired
Interest income	1,231,347	664,264	213,906	-	-		
Accrued interest receivable	-	-	-	197,130	119,002	Non-interest bearing	Unsecured; not impaired
Receivable financed	4,130,907	-	358,861	-	-	Without recourse	Unsecured
Dividend income	324,088	203,455	108,029	-	-		
Equity instruments at FVOCI	-	-	-	14,097,820	11,418,694		
Escrow and time deposits	373,065	196,272	161,034	1,277,880	1,046,262	Interest bearing and based on prevailing rates	Unsecured; not impaired
Long-term debt	4,496,888	12,521,075	1,700,000	(20,746,834)	(20,730,765)	Interest bearing	Unsecured
Interest expense	1,716,133	668,384	503,515	-	-		
Accrued interest payable	-	-	-	(176,640)	(157,668)	Non-interest bearing	Unsecured
Other expense	220,182	195,876	159,418	-	-		
Trade payable	-	-	-	(159,999)	(115,922)	Non-interest bearing	Unsecured



	Amount of Transactions			Outstanding Amount [Asset (Liability)]		Terms	Conditions
	2023	2022	2021	2023	2022		
	<i>(In Thousands)</i>						
Other Related Parties							
Rent income	₱392,116	₱314,324	₱120,962	₱-	₱-		
Rent receivable	-	-	-	74,676	60,613	Non-interest bearing	Unsecured; not impaired
Other revenue	90,652	121,004	155,683	-	-		
Other receivable	-	-	-	17,148	25,058	Non-interest bearing	Unsecured; not impaired
Rent expense	663	410	376	-	-		
Trade payable	-	-	-	(10,772)	(20,086)	Non-interest bearing	Unsecured

Affiliate refers to an entity that is neither a parent, subsidiary, nor an associate, with stockholders common to the SM Group or under common control.

Below are the nature of the Company's transactions with the related parties:

Rent

The Company has existing lease agreements for office and commercial spaces with related companies (retail and banking group and other related parties).

Other Revenue

The Company provides management, manpower and other related services.

Dividend Income

The Company's equity instruments at FVOCI of certain affiliates earn income upon the declaration of dividends by the investees.

Cash Placements and Loans

The Company has certain bank accounts and cash placements that are maintained with the banking group. Such accounts earn interest based on prevailing market interest rates (see Note 6).

The Company also availed of bank loans and long-term debt from the banking group and pays interest based on prevailing market interest rates (see Notes 15 and 17).

The Company also entered into financing arrangements with the banking group. There were no assigned receivables on a with recourse basis to the banking group in 2023 and 2022 (see Note 7).

Others

The Company, in the normal course of business, has outstanding receivables from and payables to related companies as at reporting period which are unsecured and normally settled in cash.

Compensation of Key Management Personnel

The aggregate compensation and benefits related to key management personnel for the years ended December 31, 2023, 2022 and 2021 consist of short-term employee benefits amounting to ₱1,495 million, ₱1,130 million and ₱1,059 million, respectively, and post-employment benefits (pension benefits) amounting to ₱298 million, ₱243 million and ₱229 million, respectively.



20. Other Revenue

Details of other revenue follows:

	2023	2022	2021
	<i>(In Thousands)</i>		
Cinema and event ticket sales	₱4,020,155	₱2,689,404	₱56,868
Merchandise sales	3,263,194	564,978	193,278
Food and beverages	2,339,039	1,786,358	611,751
Amusement income	1,337,200	1,093,416	226,423
Bowling and ice skating fees	407,118	335,452	29,301
Advertising income	190,557	99,912	87,155
Others (see Note 19)	2,385,912	1,925,688	1,300,403
	₱13,943,175	₱8,495,208	₱2,505,179

Others include service fees, parking terminal, sponsorships, commissions, and membership revenue.

21. Costs and Expenses

This account consists of:

	2023	2022	2021
	<i>(In Thousands)</i>		
Administrative (see Notes 19 and 23)	₱17,450,432	₱12,423,180	₱7,967,372
Cost of real estate sold (see Note 8)	16,660,910	16,898,568	18,686,708
Depreciation and amortization (see Notes 11 and 12)	13,656,773	12,487,763	10,816,869
Marketing and selling	7,056,076	5,438,162	5,445,482
Business taxes and licenses	5,303,596	4,658,425	5,141,919
Film rentals	2,036,632	1,399,271	20,539
Rent (see Notes 19 and 25)	1,324,430	1,130,559	581,803
Insurance	634,148	541,200	497,387
Others	2,695,303	1,565,194	742,854
	₱66,818,300	₱56,542,322	₱49,900,933

Administrative expenses include utilities, security, janitorial and other outsourced services. Rent expense pertain to variable payments for various lease agreements. Others include bank charges, donations, dues and subscriptions, services fees and transportation and travel.

22. Interest Income and Interest Expense

The details of the sources of interest income and interest expense follow:

	2023	2022	2021
	<i>(In Thousands)</i>		
Interest income on:			
Cash and cash equivalents (see Note 6)	₱1,450,318	₱1,070,051	₱627,033
Escrow and time deposits (see Note 14)	62,574	100,034	125,458
Others (see Note 7)	232,335	149,253	86,776
	₱1,745,227	₱1,319,338	₱839,267



	2023	2022	2021
	<i>(In Thousands)</i>		
Interest expense on:			
Long-term debt (see Note 17)	₱12,988,734	₱11,288,049	₱9,147,532
Loans payable (see Note 15)	257,559	159,904	176,792
Others (see Note 7)	716,978	17,834	33,292
	₱13,963,271	₱11,465,787	₱9,357,616

23. Pension Benefits

The Company has funded defined benefit pension plans covering all regular and permanent employees. The benefits are based on employees' projected salaries and number of years of service. The latest actuarial valuation report is as at December 31, 2023.

The following tables summarize the components of the pension plan as at December 31:

Net Pension Cost (included under "Costs and expenses" account under "Administrative")

	2023	2022	2021
	<i>(In Thousands)</i>		
Current service cost	₱427,647	₱377,990	₱376,779
Past service cost	8,897	-	-
Interest - net and others	59,301	28,911	8,348
	₱495,845	₱406,901	₱385,127

Net Pension Asset (included under "Other noncurrent assets" account)

	2023	2022
	<i>(In Thousands)</i>	
Fair value of plan assets	₱173,807	₱821,454
Defined benefit obligation	(87,475)	(725,095)
Effect of asset ceiling limit	(19,166)	(30,264)
Net pension asset	₱67,166	₱66,095

Net Pension Liability (included under "Other noncurrent liabilities" account)

	2023	2022
	<i>(In Thousands)</i>	
Defined benefit obligation	₱4,672,036	₱3,382,257
Fair value of plan assets	(3,461,552)	(2,250,763)
Net pension liability	₱1,210,484	₱1,131,494



The changes in the present value of the defined benefit obligation are as follows:

	2023	2022
	<i>(In Thousands)</i>	
Balance at beginning of the year	₱4,107,352	₱3,405,858
Interest cost and others	290,807	467,022
Current service cost	427,647	377,990
Past service cost	8,897	-
Actuarial loss (gain) on:		
Experience adjustments	125,692	(30,723)
Changes in demographic assumptions	8,277	(34,416)
Changes in financial assumptions	(44,553)	219,213
Benefits paid	(183,908)	(310,269)
Transfers	19,300	12,677
Balance at end of the year	₱4,759,511	₱4,107,352

The changes in the fair value of plan assets are as follows:

	2023	2022
	<i>(In Thousands)</i>	
Balance at beginning of year	₱3,072,217	₱2,984,973
Contributions	570,379	336,366
Interest income and others	233,738	308,480
Transfers	19,300	12,677
Benefits paid from assets	(183,908)	(310,269)
Remeasurement loss	(76,367)	(260,010)
Balance at end of year	₱3,635,359	₱3,072,217

The changes in the effect of asset ceiling limit are as follows:

	2023	2022
	<i>(In Thousands)</i>	
Balance at beginning of year	₱30,264	₱25,477
Interest cost	2,232	1,202
Remeasurement gain (loss)	(13,330)	3,585
Balance at end of year	₱19,166	₱30,264

The carrying amounts of the plan assets below equal to its fair values as at December 31, 2023 and 2022.

	2023	2022
	<i>(In Thousands)</i>	
Cash and cash equivalents	₱17,789	₱26,290
Investments in:		
Government securities	1,948,988	1,347,626
Common trust funds	1,267,811	1,143,227
Debt and other securities	373,905	528,448
Equity securities	-	11,496
Other financial assets	26,866	15,130
Total	₱3,635,359	₱3,072,217



- Cash and cash equivalents include regular savings and time deposits;
- Investments in government securities consist of retail treasury bonds which earn interest based on the prevailing market rates and have maturities ranging from 2024 to 2033;
- Investments in common trust funds pertain to unit investment trust fund;
- Investments in debt and other securities consist of short-term and long-term corporate loans, notes and bonds which earn interest based on the prevailing market rates and have maturities ranging from 2024 to 2029;
- Investments in equity securities consist of listed and unlisted equity securities; and
- Other financial assets include accrued interest income on cash deposits held by the Retirement Plan.

Debt and other securities, equity securities and government securities have quoted prices in active market. The remaining plan assets do not have quoted market prices in active market.

The plan assets have diverse instruments and do not have any concentration of risk.

The following table summarizes the outstanding balances and transactions of the pension plan as at and for the years ended December 31:

	2023	2022
	<i>(In Thousands)</i>	
Cash and cash equivalents	₱17,789	₱26,290
Interest income from cash and cash equivalents	2,278	137
Investments in common trust funds	1,267,811	1,143,227
Gain (loss) from investments in common trust funds	73,208	(131,927)

The principal assumptions used in determining pension obligations for the Company's plan are shown below:

	2023	2022
Discount rate	6.0%–6.4%	6.8%–7.3%
Future salary increases	3.0%–10.0%	3.0%–10.0%

Remeasurement effects recognized in OCI at December 31 follow:

	2023	2022	2021
	<i>(In Thousands)</i>		
Actuarial loss (gain)	₱165,783	₱414,084	(₱108,575)
Remeasurement loss (gain) - excluding amounts recognized in net interest cost	(13,330)	3,585	14,437
	₱152,453	₱417,669	(₱94,138)



The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as at December 31, 2023 and 2022, respectively, assuming all other assumptions were held constant:

	Increase (Decrease) in Basis Points	Increase (Decrease) in Defined Benefit Obligation
2023		<i>(In Thousands)</i>
Discount rates	50	(₱340,764)
	(50)	392,738
Future salary increases	100	383,921
	(100)	(340,136)
2022		
Discount rates	50	(₱307,539)
	(50)	355,952
Future salary increases	100	344,704
	(100)	(304,331)

The Company and the pension plan has no specific matching strategies between the pension plan assets and the defined benefit obligation under the pension plan.

Shown below is the maturity analysis of the undiscounted benefit payments as at December 31, 2023 and 2022, respectively:

Year 2023	Amount
	<i>(In Thousands)</i>
2024	₱1,100,326
2025	422,482
2026–2027	886,111
2028–2033	3,518,907
Year 2022	Amount
	<i>(In Thousands)</i>
2023	₱938,840
2024	337,030
2025–2026	815,147
2027–2032	3,173,913

The Company expects to contribute about ₱733 million to its defined benefit pension plan in 2024.

The weighted average duration of the defined benefit obligation is 7.9 years as of December 31, 2023 and 2022.



24. Income Tax

The current provision for income tax presented in the consolidated statements of income represents RCIT and MCIT.

The details of the Company's deferred tax assets and liabilities are as follows:

	2023	2022
	<i>(In Thousands)</i>	
Deferred tax assets:		
Lease liabilities	₱2,118,078	₱2,145,193
NOLCO	1,352,600	335,693
Excess of fair value over cost of investment properties and others	523,436	252,069
Unrealized foreign exchange losses	408,343	408,426
Excess MCIT over RCIT	276,526	102,702
Unamortized past service cost	43,969	33,127
Provision for ECLs on receivables	21,624	21,626
Others	584,606	565,136
	5,329,182	3,863,972
Deferred tax liabilities:		
Unrealized gross profit on sale of real estate	(11,190,690)	(8,896,471)
Undepreciated capitalized interest, unrealized foreign exchange gains and others	(3,276,002)	(3,308,502)
ROUA	(1,633,055)	(1,693,636)
Pension asset	(23,770)	(22,543)
Others	(171,402)	(151,494)
	(16,294,919)	(14,072,646)
Net deferred tax liabilities	(₱10,965,737)	(₱10,208,674)

The net deferred tax assets and liabilities are presented in the consolidated balance sheets as follows:

	2023	2022
	<i>(In Thousands)</i>	
Deferred tax assets - net	₱1,492,359	₱931,366
Deferred tax liabilities - net	(12,458,096)	(11,140,040)
	(₱10,965,737)	(₱10,208,674)

Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act

On March 26, 2021, President Rodrigo Duterte signed into law the CREATE Act to attract more investments and maintain fiscal prudence and stability in the Philippines. Republic Act 11534 or the CREATE Act introduces reforms to the corporate income tax and incentives systems. It took effect 15 days after its complete publication in the Official Gazette or in a newspaper of general circulation or April 11, 2021.



The following are the key changes to the Philippine tax law pursuant to the CREATE Act which have an impact on the Company:

- Effective July 1, 2020, RCIT rate is reduced from 30% to 25%. For entities with net taxable income not exceeding ₱5 million and with total assets not exceeding ₱100 million (excluding land on which the business entity’s office, plant and equipment are situated) during the taxable year, the RCIT rate is reduced to 20%.
- MCIT rate reduced from 2% to 1% of gross income for 3 years or until June 30, 2023.
- Imposition of improperly accumulated earnings tax is repealed.

Applying the provisions of the CREATE Act, the Company have been subjected to the lower tax rate of 15% (optional standard deduction (OSD) to 25% (itemized deduction) of taxable income and 1% MCIT of gross income for 3 years or until June 30, 2023.

The Company recognized one-time impact of CREATE in the consolidated statement of comprehensive income for the period ended December 31, 2021 amounting to ₱293 million and ₱39 million for provision for income tax (current and deferred) and remeasurement loss on defined benefit obligation, respectively. Deferred tax liabilities - net also decreased by ₱218 million.

The reconciliation between the statutory tax rates and the effective tax rates on income before income tax as shown in the consolidated statements of income follows:

	2023	2022	2021
Statutory tax rate	25.00%	25.00%	25.00%
Income tax effects of:			
Equity in net earnings of associates and joint ventures	(1.08)	(1.11)	(1.07)
Interest income subjected to final tax and dividend income exempt from income tax	(0.84)	(0.73)	(0.33)
Others - net	(5.07)	(2.57)	(2.61)
Effective tax rates	18.01%	20.59%	20.99%

The Company’s certain real estate sales are registered with the Philippine Board of Investments as a new developer of low-cost mass housing projects. Under such registration, the Company is entitled to a three to four-year income tax holiday incentive for certain projects.

25. Lease Agreements

Company as Lessor

The Company’s lease agreements with its mall and commercial property tenants are generally granted for a term of one year, with the exception of some of the larger tenants operating nationally, which are granted initial lease terms of 5 years for mall tenants and 2 to 20 years for commercial property tenants, renewable on an annual basis thereafter. At the inception of the lease agreement, tenants are required to pay certain amounts of deposits. At the termination of the lease contracts, the deposits received by the Company are returned to tenants, reduced by unpaid rental fees, penalties and/or deductions from repairs of damaged leased properties, if any. Tenants likewise pay either a fixed monthly rent, which is calculated by reference to a fixed sum per square meter of area leased, or pay rent on a percentage rental basis, which comprises of a basic monthly amount and a percentage of gross sales or a minimum set amount, whichever is higher.



The Company's future minimum rent receivables for the noncancellable portions of the operating leases follow:

	2023	2022
	<i>(In Millions)</i>	
Within one year	₱6,312	₱7,261
After one year but not more than five years	10,975	11,807
After more than five years	6,718	6,878
	₱24,005	₱25,946

Consolidated rent income amounted to ₱72,114 million, ₱58,244 million and ₱34,694 million for the years ended December 31, 2023, 2022 and 2021, respectively.

Company as Lessee

The Company leases certain parcels of land where some of its malls are situated or constructed. The terms of the lease are for periods ranging from 5 to 65 years, renewable for the same period under the same terms and conditions. Rental payments are generally computed based on a certain percentage of the gross rental income or a certain fixed amount, whichever is higher. The Company also has various operating lease commitments with third party and related parties with noncancellable periods ranging from 2 to 30 years, mostly containing renewal options. Several lease contracts provide for the payment of additional rental based on certain percentage of sales of the tenants.

Amounts recognized in the consolidated statements of income follow:

	2023	2022	2021
	<i>(In Millions)</i>		
Rent expense (see Note 21)	₱1,324	₱1,131	₱582
Depreciation on ROUA (see Notes 11, 12 and 21)	759	819	633
Interest expense on lease liabilities (see Note 16)	366	437	404
	₱2,449	₱2,387	₱1,619

The maturity analysis of the undiscounted lease payments as at December 31, 2023 and 2022, respectively, are presented in Note 26 to the consolidated financial statements.

26. Financial Risk Management Objectives and Policies

The Company's principal financial instruments, other than derivatives, comprise of cash and cash equivalents, accrued interest and other receivables, equity instruments at FVOCI and bank loans. The main purpose of these financial instruments is to finance the Company's operations. The Company has other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The Company also enters into derivative transactions, principally, cross currency swaps, principal only swaps, interest rate swaps, foreign exchange forward swaps and non-deliverable forwards. The purpose is to manage the interest rate and foreign currency risks arising from the Company's operations and its sources of finance (see Note 27).



The main risks arising from the Company's financial instruments are interest rate risk, foreign currency risk, liquidity risk, credit risk and equity price risk. The Company's BOD and management review and agree on the policies for managing each of these risks and they are summarized in the following tables.

Interest Rate Risk

The Company's policy is to manage its interest cost using a mix of fixed and floating rate debts. To manage this mix in a cost-efficient manner, it enters into interest rate swaps, in which the Company agrees to exchange, at specified intervals, the difference between fixed and floating rate interest amounts calculated by reference to an agreed-upon notional principal amount. These swaps are designated to economically hedge underlying debt obligations. As at December 31, 2023 and 2022, after considering the effect of interest rate swaps, approximately 78% of its long-term borrowings, are at a fixed rate of interest (see Note 27).



The following tables set out the carrying amount, by maturity, of the Company's long-term financial liabilities that are exposed to interest rate risk as at December 31, 2023 and 2022:

	Interest Rate	2023					Total
		1-<2 Years	2-<3 Years	3-<4 Years	4-<5 Years	=>5 Years	
Philippine peso-denominated loans	BVAL+margin%	₱101,250	₱5,740,000	₱11,635,000	₱14,123,750	₱18,557,500	₱50,157,500
U.S. dollar-denominated loans	LIBOR + spread	-	\$100,000	\$200,000	\$100,000	-	22,148,006
China yuan renminbi-denominated loans	LPR	¥168,491	¥277,650	¥366,851	¥156,564	¥212,838	9,221,027
Less debt issue cost							81,526,533
							475,556
							₱81,050,977
2022							
	Interest Rate	1-<2 Years	2-<3 Years	3-<4 Years	4-<5 Years	=>5 Years	Total
Philippine peso-denominated loans	BVAL+margin%	₱14,730,000	₱101,250	₱5,740,000	₱11,635,000	₱14,281,250	₱46,487,500
U.S. dollar-denominated loans	LIBOR + spread	-	-	\$100,000	\$200,000	\$100,000	22,301,978
China yuan renminbi-denominated loans	LPR	¥69,803	¥168,491	¥277,631	¥365,355	¥214,382	8,857,113
Less debt issue cost							77,646,591
							493,338
							₱77,153,253



Interest Rate Risk Sensitivity Analysis. The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant of the Company's income before income tax.

	Increase (Decrease) in Basis Points	Effect on Income Before Income Tax
<i>(In Thousands)</i>		
2023	100	(P66,447)
	50	(33,223)
	(100)	66,447
	(50)	33,223
2022	100	(P34,942)
	50	(17,471)
	(100)	34,942
	(50)	17,471

Fixed rate debts, although subject to fair value interest rate risk, are not included in the sensitivity analysis as these are carried at amortized costs. The assumed movement in basis points for interest rate sensitivity analysis is based on currently observable market environment, showing a significantly higher volatility as in prior years.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company's policy is to manage its foreign currency risk mainly from its debt issuances which are denominated in U.S. dollars by entering into foreign currency swap contracts, cross currency swaps, principal only swaps and non-deliverable forwards aimed at reducing and/or managing the adverse impact of changes in foreign exchange rates on financial performance and cash flow.

The Company's foreign currency-denominated monetary net assets amounted to US\$18 million (P1,003 million) as at December 31, 2023 and US\$19 million (P1,034 million) as at December 31, 2022.

In translating the foreign currency-denominated monetary assets and liabilities to peso amounts, the exchange rates used were P55.37 to US\$1.00 and P55.76 to US\$1.00, the Philippine peso to U.S. dollar exchange rate as at December 31, 2023 and 2022, respectively.

Foreign Currency Risk Sensitivity Analysis. The following table demonstrates the sensitivity to a reasonably possible change in U.S. dollar to Philippine peso exchange rate with all other variables held constant, of the Company's income before income tax (due to changes in the fair value of monetary assets, including the impact of derivative instruments). There is no impact on the Company's equity.

	Appreciation (Depreciation) of \$	Effect on Income Before Tax
<i>(In Thousands)</i>		
2023	1.50	P27,173
	1.00	18,115
	(1.50)	(P27,173)
	(1.00)	(18,115)



	Appreciation (Depreciation) of \$	Effect on Income Before Tax
		<i>(In Thousands)</i>
2022	1.50	₱27,826
	1.00	18,550
	(1.50)	(₱27,826)
	(1.00)	(18,550)

Liquidity Risk

Liquidity risk arises from the possibility that the Company may encounter difficulties in raising funds to meet commitments from financial instruments or that a market for derivatives may not exist in some circumstance.

The Company seeks to manage its liquidity profile to be able to finance capital expenditures and service maturing debts. To cover its financing requirements, the Company intends to use internally generated funds and proceeds from debt and equity issues.

As part of its liquidity risk management program, the Company regularly evaluates its projected and actual cash flow information and continuously assesses conditions in the financial markets for opportunities to pursue fund-raising initiatives. These initiatives may include bank loans and debt capital and equity market issues.

The Company's financial assets, which have maturities of less than 12 months and used to meet its short-term liquidity needs, include cash and cash equivalents and equity instruments at FVOCI amounting to ₱31,817 million and ₱748 million, respectively, as at December 31, 2023 and ₱42,060 million and ₱535 million, respectively, as at December 31, 2022 (see Notes 6 and 9). The Company also has readily available credit facility with banks and affiliates to meet its long-term financial liabilities.

The tables below summarize the maturity profile of the Company's financial liabilities based on the contractual undiscounted payments as at December 31:

	2023			Total
	Within 1 Year	More than 1 Year to 5 Years	More than 5 Years	
	<i>(In Thousands)</i>			
Loans payable	₱4,384,368	₱-	₱-	₱4,384,368
Accounts payable and other current liabilities*	83,479,886	-	-	83,479,886
Long-term debt (including current portion and interest)	109,537,322	301,795,119	34,890,709	446,223,150
Derivative liabilities	7,423	265,013	-	272,436
Liability for purchased land - net of current portion	-	539,959	-	539,959
Tenants' deposits - net of current portion**	-	24,736,578	269,391	25,005,969
Lease liabilities	874,205	3,539,853	27,505,845	31,919,903
Other noncurrent liabilities***	-	8,499,486	2,103,661	10,603,147
	₱198,283,204	₱339,376,008	₱64,769,606	₱602,428,818



	2022			Total
	Within 1 Year	More than 1 Year to 5 Years	More than 5 Years	
	(In Thousands)			
Loans payable	₱5,493,870	₱—	₱—	₱5,493,870
Accounts payable and other current liabilities*	72,841,522	—	—	72,841,522
Long-term debt (including current portion and interest)	66,498,851	300,418,234	38,218,018	405,135,103
Derivative liabilities	19,496	294,403	—	313,899
Liability for purchased land - net of current portion	—	1,129,719	—	1,129,719
Tenants' deposits - net of current portion**	—	2,017,519	21,543,716	23,561,235
Lease liabilities	900,370	3,734,664	31,127,968	35,763,002
Other noncurrent liabilities***	—	1,744,519	4,604,226	6,348,745
	₱145,754,109	₱309,339,058	₱95,493,928	₱550,587,095

* Excluding nonfinancial liabilities and lease liabilities amounting to ₱15,598 million and ₱15,281 million as at December 31, 2023 and 2022, respectively.

** Excluding residential customers' deposits amounting to ₱296 million and ₱238 million as at December 31, 2023 and 2022, respectively.

*** Excluding nonfinancial liabilities and lease liabilities amounting to ₱28,235 million and ₱25,046 million as at December 31, 2023 and 2022, respectively.

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments (see Notes 6, 7, 9, 10 and 14).

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The fair values of these financial assets are disclosed in Note 27. For receivables from real estate sale, the title of the real estate property is only transferred to the customer if the consideration had been fully paid. In case of default, after enforcement activities, the Company has the right to cancel the sale and enter into another contract to sell to another customer after certain proceedings (e.g. grace period, referral to legal, cancellation process, reimbursement of previous payments) had been completed. Given this, based on the experience of the Company, the maximum exposure to credit risk at the reporting date is nil considering that fair value less cost to repossess of the real estate projects is higher than the exposure at default. The Company evaluates the concentration of risk with respect to trade receivables and unbilled revenue from sale of real estate as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

As at December 31, 2023 and 2022, the financial assets, except for certain receivables, are generally viewed by management as good and collectible considering the credit history of the counterparties (see Note 7). Past due or impaired financial assets are very minimal in relation to the Company's consolidated total financial assets.

Credit Quality of Financial Assets. The credit quality of financial assets is managed by the Company using high quality and standard quality as internal credit ratings.

High Quality. Pertains to counterparty who is not expected by the Company to default in settling its obligations, thus credit risk exposure is minimal. This normally includes large prime financial institutions, companies and government agencies.

Standard Quality. Other financial assets not belonging to high quality financial assets are included in this category.



As at December 31, 2023 and 2022, the credit quality of the Company's financial assets is as follows:

	2023			
	Neither Past Due nor Impaired			Total
	High Quality	Standard Quality	Past Due	
	<i>(In Thousands)</i>			
Financial assets at amortized cost				
Cash and cash equivalents*	₱31,691,014	₱–	₱–	₱31,691,014
Receivables**	201,498	12,928,120	19,524,538	32,654,156
Escrow and time deposits (included under “Other noncurrent assets”)	3,656,453	–	–	3,656,453
Financial assets at FVTPL				
Derivative assets	5,524,044	–	–	5,524,044
Financial assets at FVOCI				
Equity instruments	20,312,735	5,317	–	20,318,052
	₱61,385,744	₱12,933,437	₱19,524,538	₱93,843,719

* Excluding cash on hand amounting to ₱126 million

** Excluding nonfinancial assets amounting to ₱44,298 million

	2022			
	Neither Past Due nor Impaired		Past Due but not Impaired	Total
	High Quality	Standard Quality		
	<i>(In Thousands)</i>			
Financial assets at amortized cost				
Cash and cash equivalents*	₱41,977,231	₱–	₱–	₱41,977,231
Receivables**	167,795	14,696,502	16,469,042	31,333,339
Cash in escrow (included under “Prepaid expenses and other current assets”)	5,105,361	–	–	5,105,361
Financial assets at FVTPL				
Derivative assets	7,338,320	–	–	7,338,320
Financial assets at FVOCI				
Equity instruments	17,606,746	5,317	–	17,612,063
	₱72,195,453	₱14,701,819	₱16,469,042	₱103,366,314

* Excluding cash on hand amounting to ₱83 million

** Excluding nonfinancial assets amounting to ₱51,227 million

Equity Price Risk

Equity price risk arises from the changes in the levels of equity indices and the value of individual stocks traded in the stock exchange.

As a policy, management monitors its equity price risk pertaining to its investments in quoted equity securities which are classified as equity instruments designated at FVOCI in the consolidated balance sheets based on market expectations. Material equity investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by management.



The effect on equity after income tax (as a result of change in fair value of equity instruments at FVOCI as at December 31, 2023 and 2022) due to a possible change in equity indices, based on historical trend of PSE index, with all other variables held constant is as follows:

	2023	
	Change in Equity Price	Effect on Equity
		<i>(In Millions)</i>
Equity instruments at FVOCI	+1.63%	₱298
	-1.63%	(298)
	2022	
	Change in Equity Price	Effect on Equity
		<i>(In Millions)</i>
Equity instruments at FVOCI	+2.43%	₱397
	-2.43%	(397)

Capital Management

Capital includes equity attributable to the owners of the Parent.

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Company manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, pay-off existing debts, return capital to shareholders or issue new shares.

The Company monitors capital using the gearing ratio below as at December 31:

Net Interest-bearing Debt to Total Capital plus Net Interest-bearing Debt

	2023	2022
	<i>(In Thousands)</i>	
Loans payable	₱4,288,964	₱5,422,524
Current portion of long-term debt	67,746,351	50,839,776
Long-term debt - net of current portion	294,622,256	296,134,836
Less cash and cash equivalents	(31,816,802)	(42,060,082)
Total net interest-bearing debt (a)	334,840,769	310,337,054
Total equity attributable to equity holders of the parent	396,196,619	363,201,490
Total net interest-bearing debt and equity attributable to equity holders of the parent (b)	₱731,037,388	₱673,538,544
Gearing ratio (a/b)	46%	46%



27. Financial Instruments

Fair Values

The following table sets forth the carrying values and estimated fair values of financial assets and liabilities and nonfinancial assets, by category and by class, other than those whose carrying values are reasonable approximations of fair values, as at December 31:

	December 31, 2023				
	Carrying Value	Fair Value	Level 1	Level 2	Level 3
	<i>(In Thousands)</i>				
Financial Assets					
Financial assets at FVTPL:					
Derivative assets	₱5,524,044	₱5,524,044	₱-	₱5,524,044	₱-
Financial assets at amortized cost:					
Escrow and time deposits (included under "Other noncurrent assets")	3,656,453	3,694,879	-	3,694,879	-
Financial assets at FVOCI:					
Equity instruments	20,318,052	20,318,052	20,312,735	-	5,317
Nonfinancial Assets* (see Note 12)	545,074,746	2,091,266,866	-	-	2,091,266,866
	₱574,573,295	₱2,120,803,841	₱20,312,735	₱9,218,923	₱2,091,272,183
Financial Liabilities					
Financial liabilities at FVTPL:					
Derivative liabilities	₱272,436	₱272,436	₱-	₱272,436	₱-
Loans and borrowings:					
Liability for purchased land - net of current portion	539,959	514,635	-	-	514,635
Long-term debt - net of current portion	294,622,256	283,353,643	-	-	283,353,643
Tenants' deposits - net of current portion**	25,005,969	24,585,217	-	-	24,585,217
Other noncurrent liabilities***	10,603,148	10,482,842	-	-	10,482,842
	₱331,043,768	₱319,208,773	₱-	₱272,436	₱318,936,337

*Consists of investment properties

** Excluding residential customers' deposits amounting to ₱296 million as at December 31, 2023.

*** Excluding lease liabilities and nonfinancial liabilities amounting to ₱28,235 million as at December 31, 2023.

	December 31, 2022				
	Carrying Value	Fair Value	Level 1	Level 2	Level 3
	<i>(In Thousands)</i>				
Financial Assets					
Financial assets at FVTPL:					
Derivative assets	₱7,338,320	₱7,338,320	₱-	₱7,338,320	₱-
Financial assets at amortized cost:					
Time deposits (included under "Other noncurrent assets")	5,105,361	5,118,038	-	5,118,038	-
Financial assets at FVOCI:					
Equity instruments	17,612,063	17,612,063	17,606,746	-	5,317
Nonfinancial Assets* (see Note 12)	489,266,042	2,022,778,236	-	-	2,022,778,236
	₱519,321,786	₱2,052,846,657	₱17,606,746	₱12,456,358	₱2,022,783,553
Financial Liabilities					
Financial liabilities at FVTPL:					
Derivative liabilities	₱313,899	₱313,899	₱-	₱313,899	₱-
Loans and borrowings:					
Liability for purchased land - net of current portion	1,129,719	1,063,631	-	-	1,063,631
Long-term debt - net of current portion	296,134,836	279,936,370	-	-	279,936,370
Tenants' deposits - net of current portion**	23,561,234	22,780,505	-	-	22,780,505
Other noncurrent liabilities***	6,348,745	6,117,632	-	-	6,117,632
	₱327,488,433	₱310,212,037	₱-	₱313,899	₱309,898,138

*Consists of investment properties

** Excluding residential customers' deposits amounting to ₱238 million as at December 31, 2022.

*** Excluding lease liabilities and nonfinancial liabilities amounting to ₱25,046 million as at December 31, 2022.



Fair Value Hierarchy

The Company uses the fair value hierarchy discussed in Note 3 for determining and disclosing the fair value of financial instruments.

During the years ended December 31, 2023 and 2022, there were no transfers between Level 1 and Level 2 fair value measurements and no transfers into and out of Level 3 fair value measurements.

The following methods and assumptions were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

Derivative Instruments. The fair values are based on quotes obtained from counterparties.

Escrow and Time Deposits The fair values are based on the discounted value of future cash flows using the prevailing market rates.

Equity Instruments at FVOCI. The fair value of investments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business.

Long-term Debt. Fair value is based on the following:

<u>Debt Type</u>	<u>Fair Value Assumptions</u>
Fixed Rate Loans	Estimated fair value is based on the discounted value of future cash flows using the applicable rates for similar types of loans. Discount rates used is based on the prevailing market rate as at December 31, 2023 and 2022.
Variable Rate Loans	For variable rate loans that re-price every three months, the carrying value approximates the fair value because of recent and regular repricing based on current market rates. For variable rate loans that re-price every six months, the fair value is determined by discounting the principal amount plus the next interest payment amount using the prevailing market rate as at December 31, 2023 and 2022 up to the next repricing date. Discount rates used is based on the prevailing market rate.

Tenants' Deposits, Liability for Purchased Land and Other Noncurrent Liabilities. The estimated fair value is based on the discounted value of future cash flows using the applicable rates. The discount rates used range from 2.08% to 6.91% and 2.74% to 6.94% as at December 31, 2023 and 2022, respectively.

The Company assessed that the carrying values of cash and cash equivalents, receivables, bank loans and accounts payable and other current liabilities approximate their fair values due to the short-term nature and maturities of these financial instruments.

There were no financial instruments subject to an enforceable master netting arrangement that were not set-off in the consolidated balance sheets.



Nonfinancial Assets. The significant assumptions used in the most recent valuation as at December 31, 2021 are discount rates of 8.00% to 9.00% and average growth rate of 5.00%, respectively. Fair values based on market approach were assessed using sales comparison of similar asset. As at December 31, 2023 and 2022, management believes that the fair values from the most recent valuation did not change significantly and the carrying values of additions to investment properties subsequent to the most recent valuation date would approximate their fair values.

Derivative Instruments Accounted for as Cash Flow Hedges

As at December 31, 2023, details of outstanding arrangements to hedge both foreign currency and interest rate exposure on its foreign currency denominated debts as follow:

December 31, 2023						
	Notional Amount	Agreed Equivalent	Fair Value	Swap Rate	Interest Rate	Maturity
<i>(In Thousands)</i>						
Cross Currency Swaps	\$150,000	₱7,276,500	₱1,096,049	₱48.50-₱48.52	3.64%- 3.70%	2024
Cross Currency Swaps	\$286,000	¥1,919,208	962,344	¥6.69-¥6.72	3.86%- 3.97%	2024
Principal Only Swaps	\$270,000	¥1,753,285	281,166	¥6.38-¥6.68	-	2026-2027
Foreign Exchange Forward Swaps	\$800,000	₱44,725,405	108,802	₱53.94-₱60.39	-	2024-2026
Interest Rate Swaps	\$670,000	-	2,803,247	-	2.28%- 2.63%	2025-2026
			₱5,251,608			

December 31, 2022						
	Notional Amount	Agreed Equivalent	Fair Value	Swap Rate	Interest Rate	Maturity
<i>(In Thousands)</i>						
Cross Currency Swaps	\$260,000	₱13,142,200	₱1,644,111	₱48.50-₱53.33	3.64%-6.39%	2023-2024
Cross Currency Swaps	\$286,000	¥1,919,208	568,337	¥6.69-¥6.72	3.86%-3.97%	2024
Principal Only Swaps	\$270,000	¥1,753,285	(220,140)	¥6.38-¥6.68	-	2026-2027
Foreign Exchange Forward Swaps	\$715,000	₱39,820,155	1,148,261	₱53.94-₱60.39	-	2023-2026
Interest Rate Swaps	\$670,000	-	3,883,852	-	2.28%-2.63%	2025-2026
			₱7,024,421			

As the term of the swaps have been negotiated to match the terms of the hedged loans, the hedges were assessed to be effective.

The net movements in fair value of all derivative instruments are as follows:

	December 31, 2023	December 31, 2022
<i>(In Thousands)</i>		
Balance at beginning of period	₱7,024,421	(₱286,377)
Net changes in fair value during the period*	(1,206,733)	7,728,937
Fair value of settled derivatives	(566,080)	(418,139)
Balance at end of year	₱5,251,608	₱7,024,421

*Includes fair value changes recognized in the consolidated statement of income under "Others – net".



28. EPS Computation

Basic/diluted EPS is computed as follows:

	2023	2022	2021
	<i>(In Thousands, Except Per Share Data)</i>		
Net income attributable to equity holders of the parent (a)	₱40,010,501	₱30,099,799	₱21,786,516
Common shares issued (see Note 18)	33,166,300	33,166,300	33,166,300
Less weighted average number treasury stock (see Note 18)	4,309,888	4,309,888	4,309,888
Weighted average number of common shares outstanding (b)	28,856,412	28,856,412	28,856,412
Earnings per share (a/b)	₱1.387	₱1.043	₱0.755

29. Change in Liabilities Arising from Financing Activities

Movements in loans payable, long-term debt and lease liabilities accounts are as follows
(see Notes 15, 16 and 17):

	2023			2022		
	Loans Payable	Long-term Debt	Lease Liabilities <i>(In Thousands)</i>	Loans Payable	Long-term Debt	Lease Liabilities
Balance at beginning of year	₱5,422,524	₱346,974,612	₱13,473,170	₱6,487,427	₱307,230,817	₱12,419,338
Availments/Additions	28,516,941	83,045,972	-	18,924,421	75,401,524	1,138,124
Payments	(29,563,823)	(66,701,374)	(160,058)	(19,994,859)	(43,863,022)	(84,292)
Cumulative translation adjustment	(86,678)	(1,470,678)	-	5,535	283,079	-
Foreign exchange movement	-	520,075	-	-	7,922,214	-
Balance at end of year	₱4,288,964	₱362,368,607	₱13,313,112	₱5,422,524	₱346,974,612	₱13,473,170

There are no non-cash changes in accrued interest and dividends payable.



INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
SM Prime Holdings, Inc.
7/F MOA Square
Seashell Lane cor. Coral Way
Mall of Asia Complex
Brgy. 76 Zone 10, CBP 1-A, Pasay City
Metro Manila, Philippines

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of SM Prime Holdings, Inc. and Subsidiaries (the Company) as at December 31, 2023, and for each of the three years in the period ended December 31, 2023, and have issued our report thereon dated February 19, 2024. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Company's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Juan Miguel P. Machuca
Partner

CPA Certificate No. 116998

Tax Identification No. 226-074-253

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

BIR Accreditation No. 08-001998-140-2021, April 27, 2021, valid until April 26, 2024

PTR No. 10079963, January 6, 2024, Makati City

February 19, 2024



SM Prime Holdings, Inc. and Subsidiaries
INDEX TO THE SUPPLEMENTARY SCHEDULES

Annex A: Reconciliation of Retained Earnings Available for Dividend Declaration

Annex B: Supplementary Schedules Required by Annex 68-J

- Schedule A. Financial Assets
- Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)
- Schedule C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements
- Schedule D. Long-term Debt
- Schedule E. Indebtedness to Related Parties
- Schedule F. Guarantees of Securities of Other Issuers
- Schedule G. Capital Stock

Annex C: Map Showing the Relationships Between and Among the Company and its Ultimate Parent Company, Middle Parent, Subsidiaries or Co-subsidiaries, Associates, Wherever Located or Registered

ANNEX A

SM Prime Holdings, Inc.

7/F MOA Square, Seashell Lane cor. Coral Way,
Mall of Asia Complex, Brgy. 76 Zone 10, CBP 1-A, Pasay City 1300
(Amounts in Thousands)

Unappropriated retained earnings as at January 1, 2023	₱96,641,743
Less: <u>Category B</u>: Items that are directly debited to Unappropriated Retained Earnings	
Dividend declaration during the reporting period	<u>(6,844,378)</u>
Unappropriated Retained Earnings, as adjusted	89,797,365
Add: Net Income for the current year	38,948,382
Less: <u>Category C.1</u>: Unrealized income recognized in the profit or loss during the reporting period (net of tax)	
Equity in net income of subsidiaries, associate and joint venture, net of dividend declared	(13,213,806)
Add: <u>Category F</u>: Other items that should be excluded from the determination of the amount of available for dividends distribution	
Net movement of deferred tax asset	<u>17,968</u>
Subtotal	<u>(13,195,838)</u>
Total Retained Earnings as at December 31, 2023 available for dividend declaration	<u>₱115,549,909</u>

ANNEX B

SM Prime Holdings, Inc.
7/F MOA Square, Seashell Lane cor. Coral Way,
Mall of Asia Complex, Brgy. 76 Zone 10, CBP 1-A, Pasay City 1300

Supplementary Schedules As Required by SRC Rule 68, Annex 68-J
December 31, 2023

Schedule A: Financial Assets

Name of issuing Entity and association of each issue	Number of shares or principal bonds and notes	Amounts shown in the balance sheet	Income received and accrued
Financial Assets at Amortized Cost*			
Temporary investments:			
BDO Unibank, Inc. (BDO)	₱19,021,201	₱19,021,201	
China Banking Corporation (CHIB)	₱2,243,197	2,243,197	
Industrial and Commercial Bank of China (ICBC)	¥400	3,119	
China Industrial Bank	¥33,000	257,354	
Others	₱52,031	52,031	
Escrow and time deposits on hold (under Other Noncurrent Assets)			
ICBC	¥305,000	2,378,573	
BDO	₱551,324	551,324	
CHIB	₱726,556	726,556	
		₱25,233,355	₱1,496,896
Financial Assets at Fair Value through Profit or Loss			
Derivative assets	₱5,524,044	₱5,524,044	₱-
Financial Assets at Fair Value through Other Comprehensive Income			
BDO Unibank, Inc.	108,029,274 shares	₱14,097,820	
Ayala Corporation	7,690,430 shares	5,237,183	
Shang Properties, Inc.	189,550,548 shares	695,651	
SM Investments Corporation	146,104 shares	127,403	
ACEN Corporation	23,071,290 shares	101,052	
Republic Glass Holdings Corporation	14,230,000 shares	42,690	
Picop Resources, Inc.	40,000,00 shares	8,200	
Prime Media Holdings, Inc.	500,000 shares	1,435	
Benguet Corporation	266,757 shares	1,299	
Philippine National Bank	112 shares	2	
Others	8,082,270 shares	5,317	
		₱20,318,052	₱439,929

*excluding cash on hand and in banks

ANNEX B

**Schedule B. Amounts Receivables from Directors, Officers, Employees, and Principal Stockholders
(Other than Related Parties) - Not Applicable**

ANNEX B

Schedule C: Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements

(Amounts in Thousands)

Name and Designation of Debtor	Balance at	Net movement	Amounts		Balance at	
	Beginning of Period		Written Off	Current		Not Current
SMLand (China) Limited and Subsidiaries	₱2,285,125	₱1,578,419	₱-	₱3,863,544	₱-	₱3,863,544
San Lazaro Holdings Corporation	2,064,543	(699,681)	-	1,364,862	-	1,364,862
Costa del Hamilo, Inc. and Subsidiary	777,271	(8,469)	-	768,802	-	768,802
SML Development Corporation and Subsidiaries	691,778	42,015	-	733,793	-	733,793
Mindpro Incorporated	477,445	3,554	-	480,999	-	480,999
SM Prime Holdings, Inc.	349,854	(63,429)	-	286,425	-	286,425
Prime Commercial Property Management Corp. and Subsidiaries	275,854	724	-	276,578	-	276,578
Premier Clark Complex, Inc	134,141	36,159	-	170,300	-	170,300
Premier Central, Inc. and Subsidiary	183,096	(104,883)	-	78,213	-	78,213
SML Hotels and Conventions Corp. and Subsidiaries	14,822	42,657	-	57,479	-	57,479
SML Arena Complex Corporation	56,993	(6,448)	-	50,545	-	50,545
Associated Development Corporation	54,306	(5,996)	-	48,310	-	48,310
Southernpoint Properties Corp.	9,369	32,816	-	42,185	-	42,185
Tagaytay Resort and Development Corporation	36,603	-	-	36,603	-	36,603
First Asia Realty Development Corporation	58,542	(25,422)	-	33,120	-	33,120
Premier Southern Corp.	34,976	(6,038)	-	28,938	-	28,938
Consolidated Prime Dev Corp.	12,552	1,191	-	13,743	-	13,743
Highlands Prime, Inc.	1,119	12,136	-	13,255	-	13,255
MOA Esplanade Port Inc.	7,242	(1,161)	-	6,081	-	6,081
Prime Metrostate, Inc.	596	3,676	-	4,272	-	4,272
First Leisure Ventures Group Inc.	16,352	(12,631)	-	3,721	-	3,721
CHAS Realty and Development Corporation and Subsidiaries	364	3,354	-	3,718	-	3,718
SM Smart City Infrastructure and Development Corporation	9,091,202	(9,091,202)	-	-	-	-
	₱16,634,145	(₱8,268,659)	₱-	₱8,365,486	₱-	₱8,365,486

Schedule D. Long Term Debt

Title of the Issue and Type of Obligation	Amount Authorized by Indenture	Availment Date	Maturity Date	Interest Rate	Number of Periodic Installment	Current Portion of Long-term Debt	Long-term Debt - net of Current Portion
Philippine peso-denominated loans	₱323,255,000	June 3, 2013 - December 28, 2023	March 1, 2023 - April 22, 2032	Floating BVVAL + margin; Fixed 2.93 - 6.54	Quarterly/ Annual/ Upon maturity	₱41,882,550	₱227,431,190
U.S. Dollar denominated loans	\$1,606,000	July 30, 2018 - June 30, 2022	June 14, 2023 - June 9, 2027	LIBOR + spread; semi-annual/quarterly; SOFR + spread; quarterly	Upon maturity	25,104,228	59,245,916
China Yuan renminbi-denominated loans	¥2,922,100	May 6, 2021 - December 19, 2023	April 20, 2026 - June 24, 2037	LPR; annually; Fixed - 3.65%	Semi-annual	1,504,281	9,086,180
Less debt issue cost						68,491,059	295,763,286
						744,708	1,141,030
						₱67,746,351	₱294,622,256

Schedule E. Indebtedness to Related Parties

Not Applicable

Schedule F. Guarantees of Securities of Other Issuers

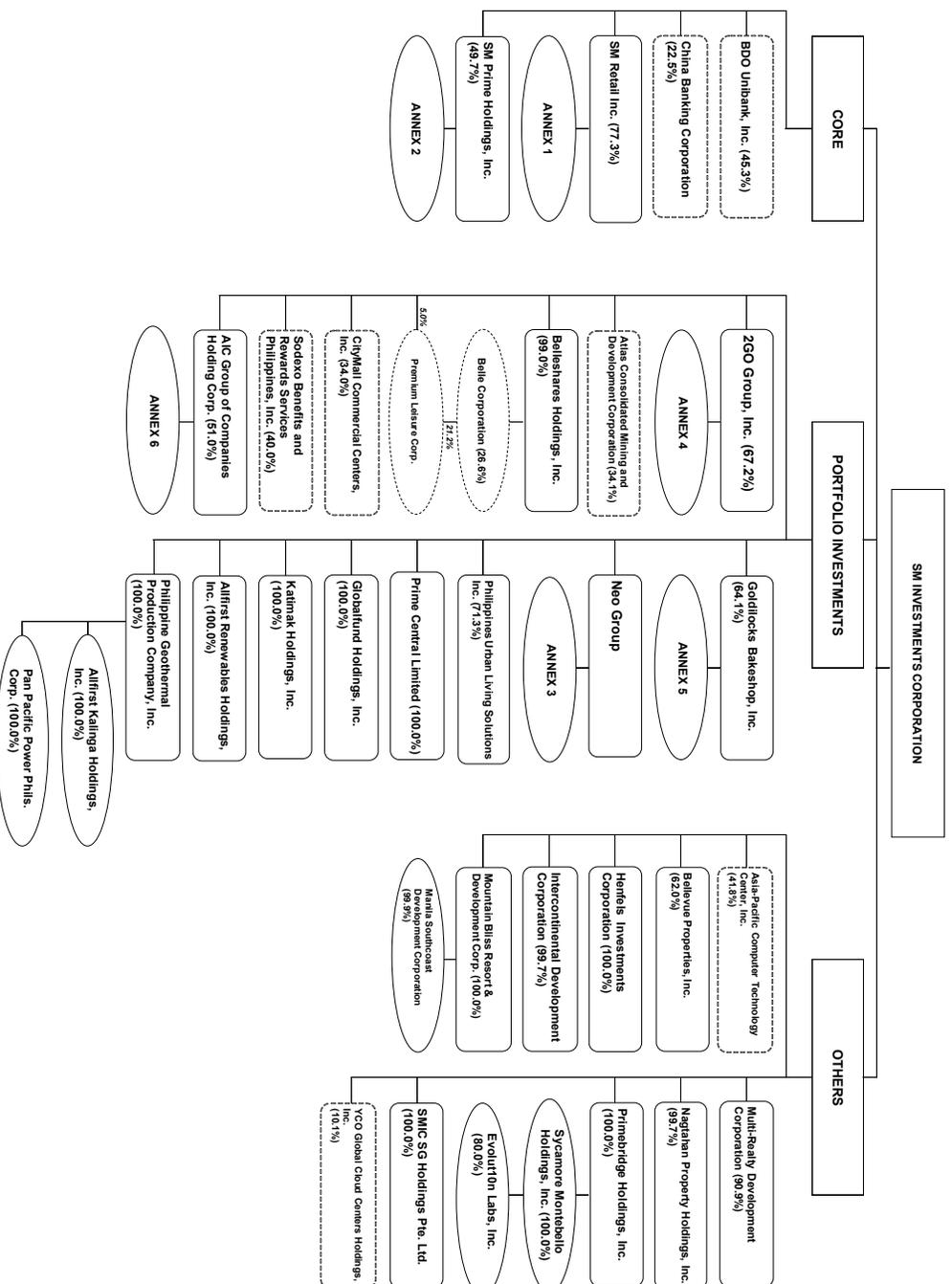
Not Applicable

Schedule G. Capital Stock
(Shares in Thousand)

ANNEX B

Title of Issue	Number of Shares Authorized	Number of Shares Issued as Shown Under Related Balance Sheet Caption	Number of Shares Outstanding as Shown Under Related Balance Sheet Caption	Number of Shares Held by Related Parties	Directors, Officers and Employees	Others
Common	40,000,000	33,166,300	28,856,411	15,838,582	2,976,102	10,041,727

SM INVESTMENTS CORPORATION AND SUBSIDIARIES
 CONGLOMERATE MAP
 AS AT DECEMBER 31, 2023
 (Effective Ownership Interest of SM Investments Corporation)

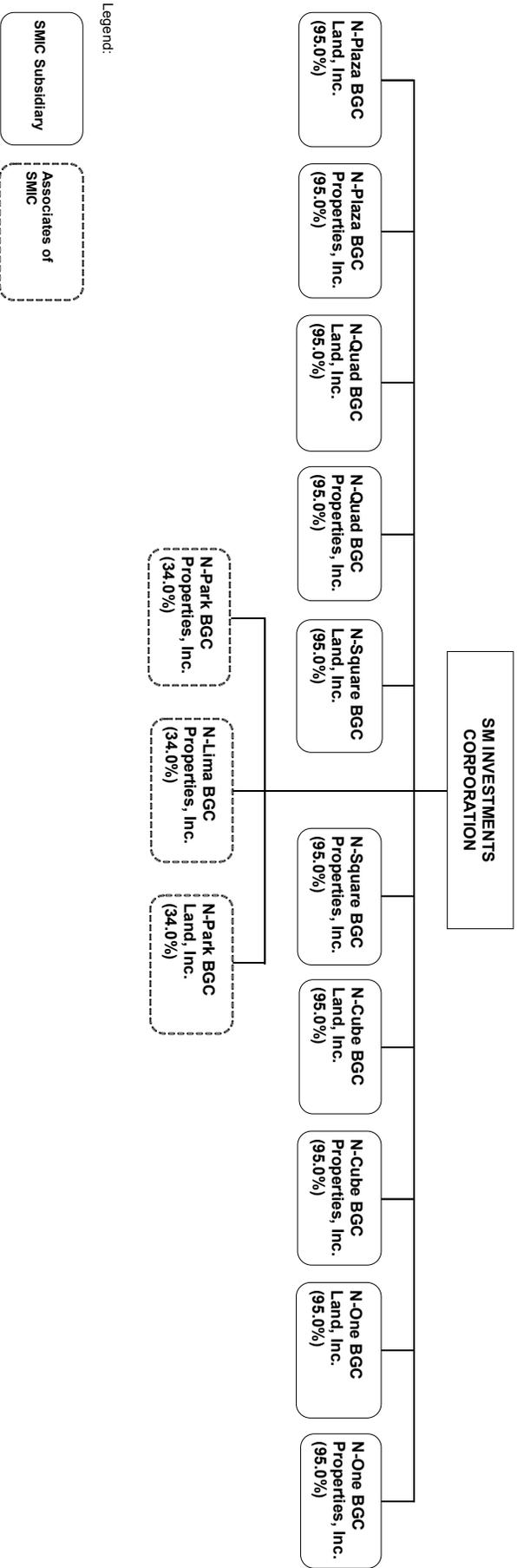


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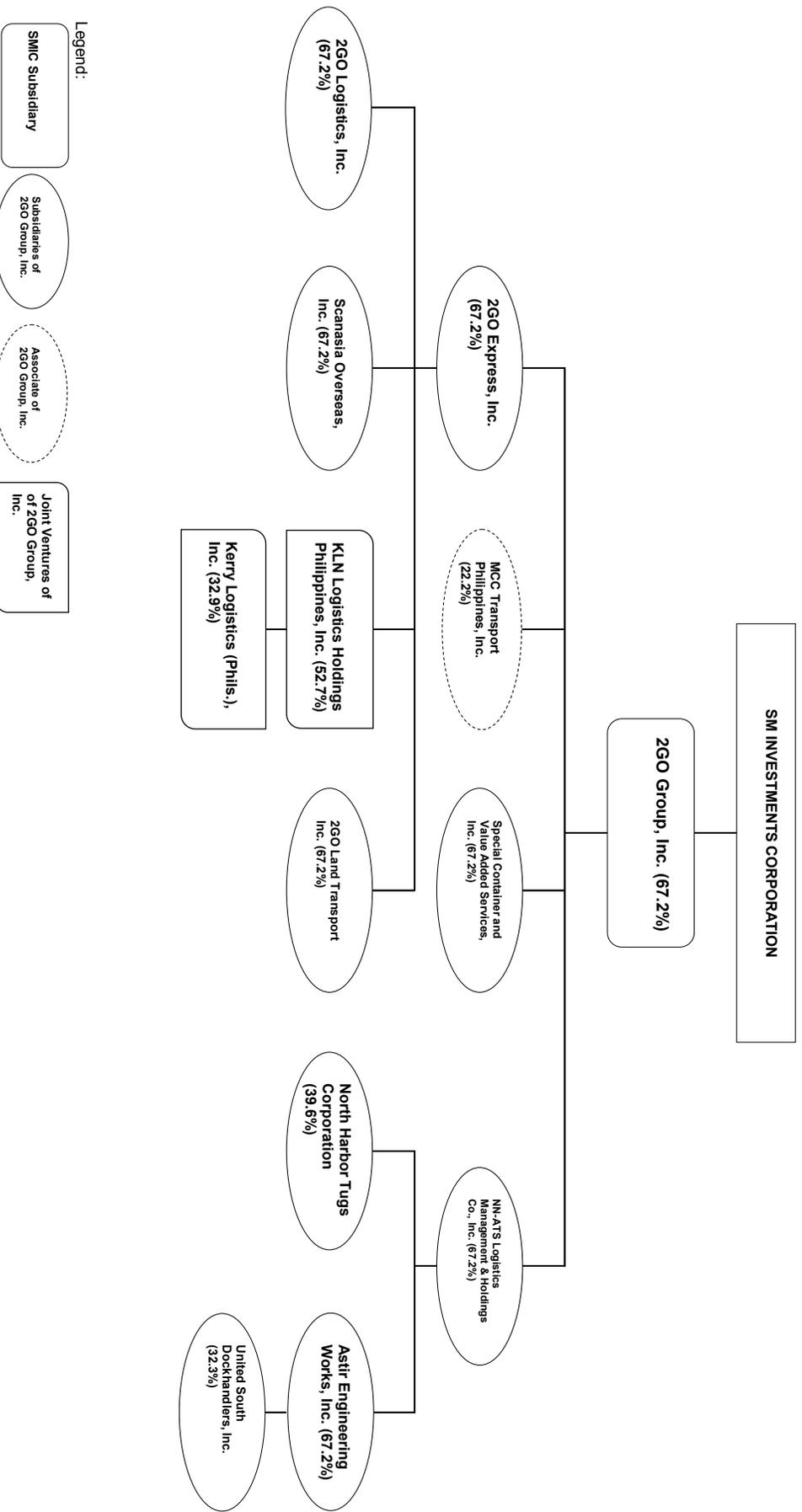


SMIC Conglomerate Map

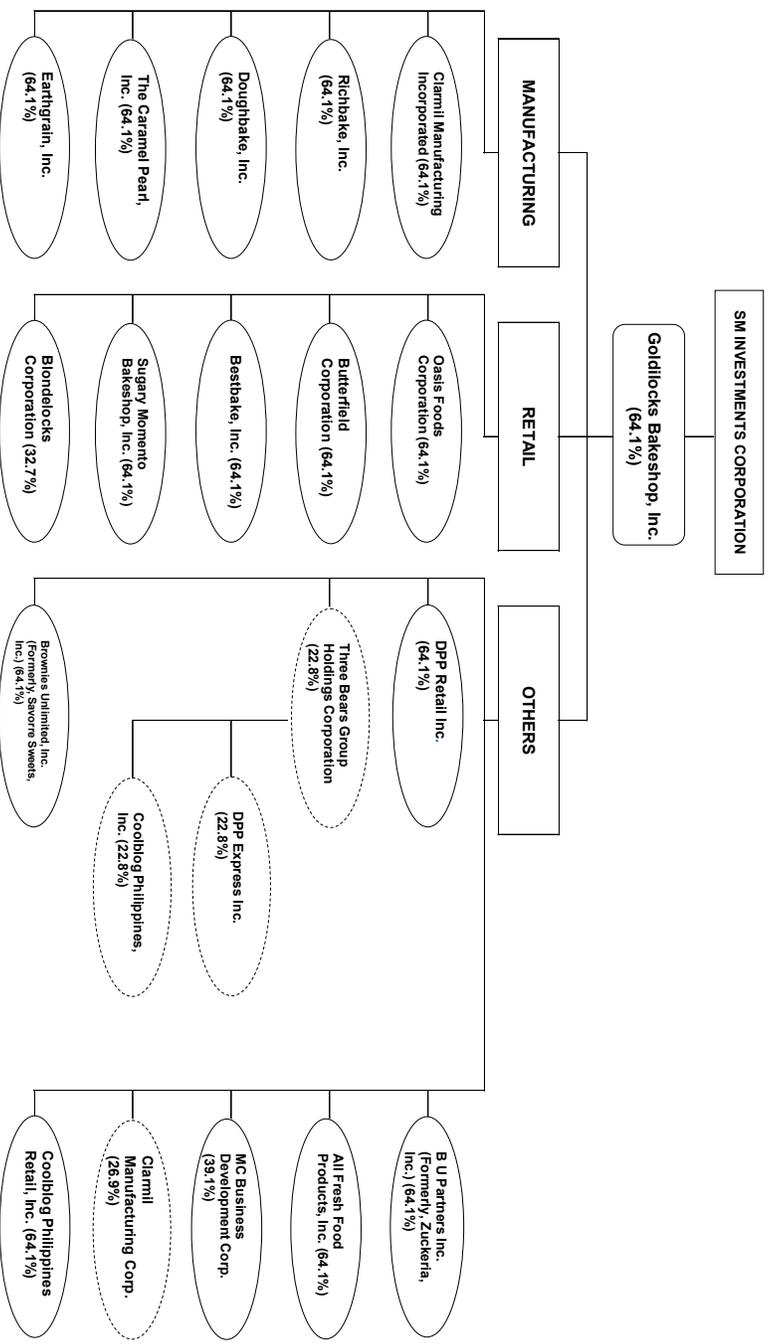
**SM INVESTMENTS CORPORATION AND SUBSIDIARIES
CONGLOMERATE MAP
AS AT DECEMBER 31, 2023
(Effective Ownership Interest of SM Investments Corporation)**



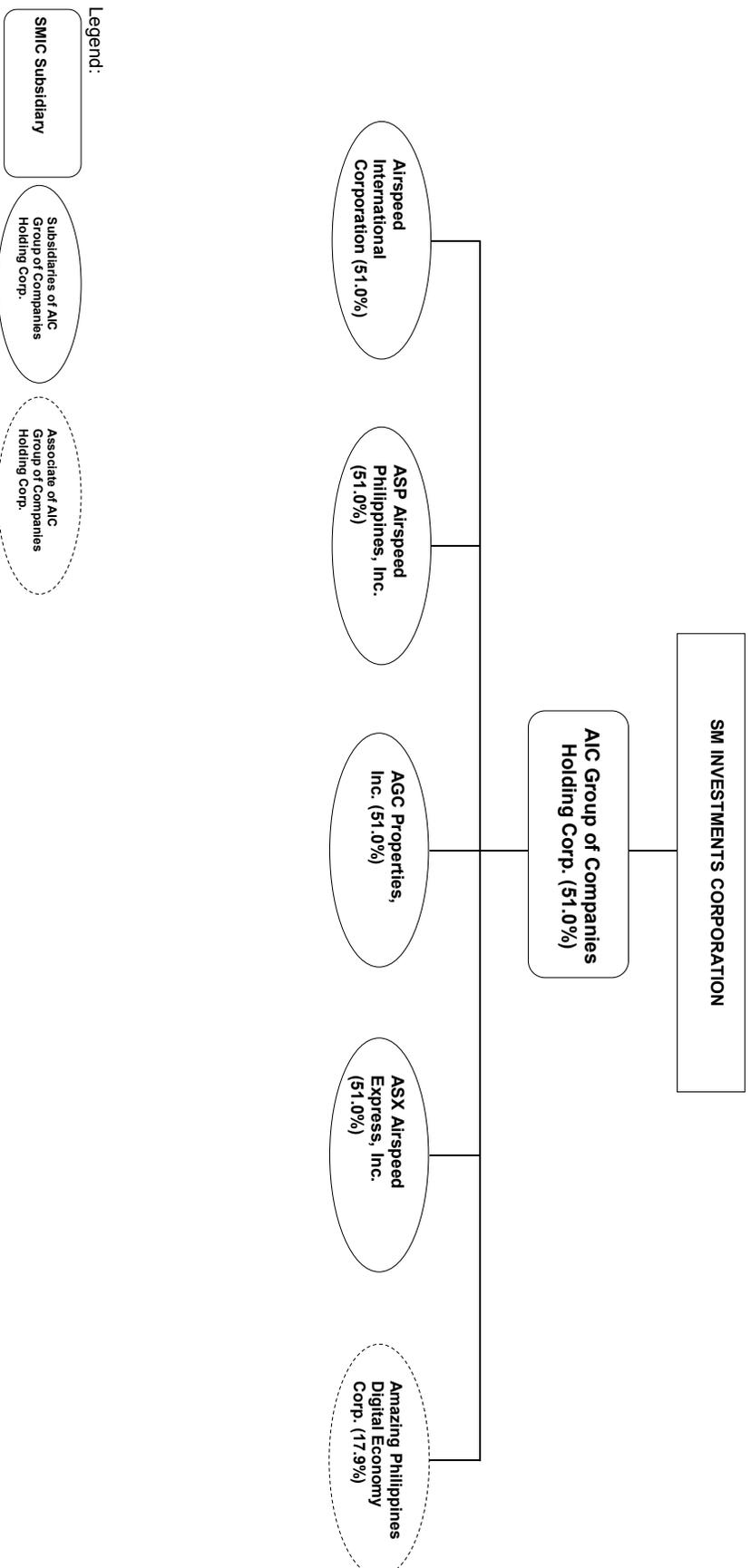
**SM INVESTMENTS CORPORATION AND SUBSIDIARIES
CONGLOMERATE MAP
AS AT DECEMBER 31, 2023
(Effective Ownership Interest of SM Investments Corporation)**



SM INVESTMENTS CORPORATION AND SUBSIDIARIES
 CONGLOMERATE MAP
 AS AT DECEMBER 31, 2023
 (Effective Ownership Interest of SM Investments Corporation)



**SM INVESTMENTS CORPORATION AND SUBSIDIARIES
CONGLOMERATE MAP
AS AT DECEMBER 31, 2023
(Effective Ownership Interest of SM Investments Corporation)**



INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
SM Prime Holdings, Inc.
7/F MOA Square
Seashell Lane cor. Coral Way
Mall of Asia Complex
Brgy. 76 Zone 10, CBP 1-A, Pasay City
Metro Manila, Philippines

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of SM Prime Holdings, Inc. and Subsidiaries (the Company) as at December 31, 2023 and for each of the three years in the period ended December 31, 2023, and have issued our report thereon dated February 19, 2024. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Company's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRSs) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission and is not a required part of the basic consolidated financial statements prepared in accordance with PFRSs. The components of these financial soundness indicators have been traced to the Company's consolidated financial statements as at December 31, 2023 and for each of the three years in the period ended December 31, 2023 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.



Juan Miguel P. Machuca
Partner

CPA Certificate No. 116998

Tax Identification No. 226-074-253

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

BIR Accreditation No. 08-001998-140-2021, April 27, 2021, valid until April 26, 2024

PTR No. 10079963, January 6, 2024, Makati City

February 19, 2024



SM PRIME HOLDINGS, INC. AND SUBSIDIARIES
FINANCIAL RATIOS – KEY PERFORMANCE INDICATORS
AS OF DECEMBER 31, 2023 and DECEMBER 31, 2022

Ratio	Formula	December 31, 2023 (Audited)	December 31, 2022 (Audited)
	<i>(In Thousands)</i>		
Current Ratio	Total Current Assets divided by Total Current Liabilities	1.26	1.53
	Total current assets	P217,455,628	
	Divide by: Total current liabilities	172,416,008	
	Current Ratio	1.26	
Acid Test Ratio	Quick assets divided by Total Current Liabilities	0.64	0.87
	Cash and cash equivalents	P31,816,802	
	Receivables and contract assets	76,952,202	
	Equity instruments at fair value through other comprehensive income - current	747,840	
	Quick assets	109,516,844	
	Divide by: Total current liabilities	172,416,008	
	Acid test ratio	0.64	
Solvency Ratio	Total Assets divided by Total Liabilities	1.73	1.72
	Total assets	P943,327,575	
	Divide by: Total Liabilities	544,440,539	
	Asset to liabilities ratio	1.73	
Debt-to-Equity Ratio	Total Interest-Bearing Debt divided by Total Equity Attributable to the Equity Holders of the Parent and Total Interest-Bearing Debt	48:52	49:51
	Loans Payable	P4,288,964	
	Current portion of long-term debt	67,746,351	
	Long-term debt - net of current portion	294,622,256	
	Total interest-bearing debt (a)	366,657,571	
	Add: Total equity attributable to equity holders of the parent (b)	396,196,619	
	Total interest-bearing debt and equity attributable to equity holders of the parent (c)	762,854,190	
	Debt to equity ratio (a/c):(b/c)	48:52	

Ratio	Formula	December 31, 2023 (Audited)	December 31, 2022 (Audited)
	<i>(In Thousands)</i>		
Net Debt-to-Equity Ratio	Total Interest-Bearing Debt less Cash and Cash Equivalents and Investment Securities divided by Total Equity Attributable to the Equity Holders of the Parent	46:54	46:54
	Total interest-bearing debt	₱366,657,571	
	Less: Cash and cash equivalents	(31,816,802)	
	Total net interest-bearing debt (a)	334,840,769	
	Add: Total equity attributable to equity holders of the parent (b)	396,196,619	
	Total net interest-bearing debt and equity attributable to equity holders of the parent (c)	731,037,388	
	Net debt-to-equity ratio (a/c):(b/c)	46:54	
Asset to Equity Ratio	Total assets divided by Total Equity Attributable to the Equity Holders of the Parent	2.38	2.41
	Total assets	₱943,327,575	
	Divide by: Total equity attributable to equity holders of the parent	396,196,619	
	Asset to equity ratio	2.38	
Return on Equity	Net Income divided by Average Total Equity Attributable to the Equity Holders of the Parent	11%	9%
	Net income attributable to equity holders of the parent	₱40,010,501	
	Divide by: Average total equity attributable to equity holders of the parent	379,699,054	
	Return on Equity	11%	
Net Income Margin	Net Income divided by Total Revenue	31%	28%
	Net income attributable to equity holders of the parent	₱40,010,501	
	Divide by: Total revenue	128,097,541	
	Net Income Margin	31%	
Interest Rate Coverage Ratio	Earnings Before Interest, Taxes and Depreciation and Amortization (EBITDA) divided by Total Interest Expense	5.31	5.33
	Income from operations	₱61,279,241	
	Less: Net income attributable to non-controlling interest	(853,344)	
	Add: Depreciation and amortization	13,656,773	
	EBITDA	74,082,670	
	Divide by: Interest expense	13,963,271	
	Interest rate coverage ratio	5.31	

Ratio	Formula	December 31, 2023 (Audited)	December 31, 2022 (Audited)
	<i>(In Thousands)</i>		
Debt to EBITDA	Total interest-bearing liabilities divided by EBITDA	4.95	5.77
	Total interest-bearing liabilities	₱366,657,571	
	Divide by: EBITDA	74,082,670	
	Debt to EBITDA	4.95	
Return on Investment Properties	Net Income divided by Average Investment Properties	9%	7%
	Net income attributable to equity holders of the parent	₱40,010,501	
	Divide by: Total average investment properties (excluding construction in progress)	442,620,017	
	Return on Investment Properties	9%	

PARTIES TO THE OFFER

Issuer

SM Prime Holdings, Inc.

Joint Issue Managers, Joint Lead Underwriters and Bookrunners

BDO Capital & Investment Corporation
China Bank Capital Corporation

Joint Lead Underwriters and Bookrunners

BDO Capital & Investment Corporation
China Bank Capital Corporation
BPI Capital Corporation
East West Banking Corporation
First Metro Investment Corporation
Security Bank Capital Investment Corporation

Trustee

Philippine National Bank – Trust Banking Group

Registrar and Paying Agent

Philippine Depository & Trust Corp.

Legal Counsel to the Issuer

Issuer's Legal Affairs Division

Legal Counsel to the Joint Lead Underwriters and Bookrunners

Angara Abello Concepcion Regala & Cruz

Independent Auditor

SGV & Co.