SECURITIES AND EXCHANGE COMMISSION

Form 17-A

PHILIPPINE REALTY AND HOLDINGS CORPORATION

Annual Report Pursuant to Section 17
of the Securities Regulation Code and Section 141
of the Corporation Code of the Philippines

1. For the fiscal year ended: 31st December 2024

2. SEC Identification No.: 99905

3. BIR Tax Identification No.: 116-000-188-233

4. Registrant: Philippine Realty and Holdings Corporation

5. Country of Incorporation: Philippines

6. Industry Classification Code: Real Estate Developer

7. Address of principal office: One Balete, 1 Balete Drive corner N. Domingo St., Brgy. Kaunlaran Quezon City
   Satellite Office: Unit No. 1609, 16th Floor PSE Centre East Tower, Exchange Road, Ortigas Center Pasig City

8. Registrant's telephone no.: 8631-3179

9. The Registrant has not changed its corporate name and fiscal year.

10. Securities registered pursuant to Sections 4 and 8 of the RSA

Title of Class	No. of shares of common stock outstanding	Debt Outstanding
Common	9,100,102,685 shares	₱0.00

11. The Registrant's common shares are listed on the Philippine Stock Exchange

12. The Registrant has filed all reports required to be filed by Section 17 of the Securities Regulation Code and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporate Code during the preceding 12 months.

    The Registrant has been subject to such filing requirements for the past 90 days.

13. The aggregate market value of voting stocks held by non-affiliates representing 2,617,165,277 of outstanding common shares is ₱327,145,660 computed on the basis of ₱0.125 per common share as of close of December 31, 2024.

14. The Registrant has filed all documents and reports required to be filed by Section 17 of the Code.

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PART I

BUSINESS AND GENERAL INFORMATION

Item 1. <u>Business</u>

Philippine Realty and Holdings Corporation (hereinafter referred to by its trading symbol **RLT** or the "**Parent Company**") was incorporated and registered with the Philippine Securities and Exchange Commission (**SEC**) on July 13, 1981 with a corporate life of fifty (50) years, and an initial capitalization of ₱2,000,000.00.

On September 7, 1987, the Parent Company was listed in the Philippine Stock Exchange (**PSE**).

The Board of Directors approved on April 18, 2018 the amendment of the Parent Company's Articles of Incorporation (**AOI**) for the purpose of increasing RLT's Authorized Capital Stock (**ACS**) that was necessary to accommodate the issuance of new, primary shares from the increased capital stock in favor of Greenhills Properties, Inc. (**GPI**), a corporation incorporated under the laws of the Philippines, in exchange for prime real properties that GPI will contribute into RLT as capital.

The property-for-share swap transaction involved the contribution by GPI into RLT of two (2) vacant lots located in the Bonifacio Global City (**BGC**) more particularly described as follows: 1) Lot 1 Block 8 containing 1,600 sq.m., located at the corner of 6th Avenue and 24th Street; and 2) Lot 4 Block 8 also containing 1,600 sq.m., located at 6th Avenue corner 25th Street. Lot 1 Block 8 is registered under the name of GPI. GPI also acquired Lot 4 Block 8 from its wholly owned subsidiary, Lochinver Assets Inc. (**LAI**), by way of merger approved by the SEC on 28 November 2012, with GPI as the Surviving Corporation and LAI as the Absorbed Corporation.

The said transaction also involved the issuance by RLT of 4,177,777,778 new common shares from the increase in its ACS, in favor of GPI in exchange for the two (2) vacant lots in BGC that GPI contributed into RLT as capital.

In the above-described transaction, RLT engaged the services of a PSE-accredited firm to come up with a Valuation and Fairness Opinion Report. The said PSE-accredited firm expressed the opinion that the method employed by RLT is a fair basis in determining the transaction price (and the transaction value) for the issuance of new shares from the increase in the ACS.

On May 14, 2019, the SEC approved the increase in the Parent Company's ACS from ₱4,000,000,000.00 divided into 8,000,000,000 shares with par value of ₱0.50 per share to ₱8,000,000,000.00 divided into 16,000,000,000 shares with par value of ₱0.50 per share. This was after the approval by a majority of the Board of Directors on April 18, 2018, and by the vote of the stockholders owning or representing at least two-thirds (2/3) of the outstanding capital stock on July 23, 2018.

On 22 June 22, 2021, the tax-free exchange of properties for shares transaction by and between RLT and GPI was completed.

On 22 June 22, 2021, RLT, through its external legal counsels, received from the Registry of Deeds for Taguig City, the land titles covering the two (2) vacant lots located in the BGC as described above, contributed by GPI as equity into RLT, already registered under the name of RLT.

Also on 22 June 22, 2021, in exchange for the two (2) BGC vacant lots, RLT issued 4,177,777,778 new common shares from its increased capital stock, in favor of GPI.

With the issuance of new shares in its favor, GPI now owns 5,933,556,844 shares in RLT, bringing its percentage ownership to 65.20% from 35.67%. The remaining shares of RLT are owned by various individuals and institutional stockholders.

As of December 31, 2024, 9,100,102,685 shares are subscribed and outstanding.

The principal activities of the Parent Company include the acquisition, development, sale and lease of all kinds of real estate and personal properties, and as an investment and holding company.

The Parent Company's registered office is at One Balete, 1 Balete Drive Corner N. Domingo Street, Barangay Kaunlaran, District 4, Quezon City 1111, Philippines.

Subsidiaries

RLT has organized/invested in the following subsidiaries and affiliates (RLT together with its subsidiaries and affiliates are referred herein as "**RLT Group of Companies**" or simply "**RLT Group**").

PRHC Property Managers, Inc. (100% owned)

PRHC Property Managers, Inc. (**PPMI**) was incorporated in May 1991 to oversee the administration, operation and monitoring of RLT's growing number of real estate properties. Its clients include, among others, The Philippine Stock Exchange Centre Condominium Corporation, Andrea North Condominium Corporation, The Nobel Plaza Condominium Corporation, LTA Condominium Corporation, Seibu Tower Condominium Corporation, etc.

PPMI ensures that the properties are managed according to the established requirements and standards in the industry. PPMI is also engaged in the management, operation and lease of real estate properties.

Tektite Insurance Brokers, Inc. (100% owned)

Tektite Insurance Brokers, Inc. (**TIBI**) was incorporated in January 1989 as Philrealty Insurance Agency. TIBI's major clients include: The RLT Group of Companies, RG Meditron, Philippine Stock Exchange Centre Condominium Corporation, and Icon Plaza Condominium Corporation, etc.

Universal Travel Corporation (81.53% owned)

Universal Travel Corporation (**UTC**) was incorporated in October 1993 and was engaged in the business of travel services by providing, arranging, marketing, engaging or rendering advisory and consultancy services relating to tours and tour packages. UTC catered principally to the offices at the Tektite Towers (formerly Philippine Stock Exchange Centre). In August 2018, the Company announced that it ceased its travel agency business operations on a voluntary basis due to continuing losses and increasing capital deficiency. The terminated employees of UTC were all paid their separation benefits and all creditors were also paid prior to the temporary cessation of its business operations. This move is part of the business rationalization process presently being undertaken by RLT wherein the Parent Company sought to explore new investment/business opportunities while at the same time lightening up on existing unrelated or unprofitable investments.

Sultan Power Inc. (100% owned)

Sultan Power, Inc. (**SPI**) was incorporated under Philippine laws and registered with the SEC on March 19, 2015 as a holding company. SPI achieved majority ownership in Recon-X Energy Corporation ("**Recon-X**") by acquiring 51% of the total issued and outstanding shares of the latter company.

RECON-X was incorporated under Philippine laws and registered with the SEC on June 27, 2014 to engage in the business of recycling and converting plastics into fuel (gasoline, diesel and kerosene) using patented technology. The process was duly certified on November 2, 2015, by the Intellectual Property Office of the Philippines ("**IPOPHL**") for "Improved Method of Converting Land-Filled Plastic Wastes into Hydrocarbon Fuel", certified by the Department of Science and Technology (**DOST**) and by the Department of Energy (**DOE**). As of December 31, 2021, Recon-X was able to procure the additional catalysts and materials needed for the plastic diesel conversion plant to be used to process wastes into fuel. In 2023, Recon-X has started introduction of feedstocks, performance testing and testing of fuel compliance with National Standards and securing plastic waste supply from a plastic waste aggregator, that can provide the plant production requirements. Recon-X has yet to commence commercial operations.

Three Corners Realty Corporation (100% owned)

Three Corners Realty Corporation was incorporated under Philippine laws and registered with the SEC on September 16, 2024 primarily to invest in, purchase, or otherwise dispose of real or personal property. The Company is a wholly-owned subsidiary of Philippine Realty and Holdings Corporation (**RLT**).

The Company's registered office, which is also its principal place of business, is located at Unit No. 10A, Podium 10th Level, The Icon Plaza (Retail.Office.Residences), 26th Street, Bonifacio Global City, Taguig City

Products and Services

The principal products or services of RLT, which are derived from domestic sales and their relative contribution to total revenues, are as follows:

	2024	2023	2022
Sale of Condominium Units	14.16%	24.00%	25.62%
Leasing	20.41%	9.01%	6.41%
Property Management	11.20%	5.67%	3.95%
Insurance Brokerage	2.69%	0.72%	0.63%
Other Income	51.54%	60.60%	61.58%
Total	100%	100%	100%

Sale of Condominium units

RLT develops and sells high-end condominium units located at One Balete Drive corner N. Domingo Street, Quezon City and is now developing additional high-end residential towers in the BGC, in addition to the completed Skyline Tower and the SkyVillas Tower.

In addition, the Parent Company entered into two (2) joint venture arrangements with Xcell Property Ventures Inc. (**Xcell**) for the development of the Icon Residences (a 2-tower residential condominium building) and Icon Plaza (residential/commercial condominium building). RLT contributed the parcels of land located at the Bonifacio Global City (**BGC**) where the Icon Residences Towers and the Icon Plaza Tower were constructed thereon. Xcell provided the funds for the construction of the condominium towers. The Parent Company has several units for lease at Icon Residences and at Icon Plaza at the BGC.

Leasing

RLT has investment properties, such as residential and commercial office and storage units and parking slots, for lease at the following locations: 1) Tektite Towers (formerly Philippine Stock Exchange Centre) located at Exchange Road, Ortigas Center Pasig City; 2) Icon Plaza located at 26th Street, BGC, Taguig City; 3) Icon Residences Tower 1; 4) Skyline Tower; 5) SkyVillas Tower; and 6) the “El Retiro” compound in Baguio City. The Skyline and SkyVillas Towers are located at the One Balete Compound, Balete Drive corner N. Domingo Street, Quezon City. The contracts of lease are renewable for periods ranging from six months to five years.

The Company is also sub-leasing two (2) parcels of land with total area of 3,200 square meters located along 5th Avenue BGC, Taguig City where one (1) parcel of land houses commercial units.

RLT is also leasing to tenants more than 706 sq.m. of the Ground Floor space of the One Balete Building located at One Balete Drive corner N. Domingo Street, Quezon City.

On December 16, 2020, RLT and PPMI entered into a Lease and Hotel Management Services Agreement, wherein the latter agreed to lease, operate, and manage RLT’s “El Retiro” property located in Baguio City.

Property Management

RLT's Property Management Department oversees the administration, management and monitoring of the company's real estate assets. While RLT's property management subsidiary, PPMI, oversees the administration, operation and monitoring of real estate assets of other companies.

Insurance Brokerage

TIBI operates as an insurance agency firm for RLT and other companies.

Employees

RLT has a total workforce of 60 employees as of December 31, 2024, classified as follows:

Staff	30
Managerial	19
Executive	12
Total	**61**

The Company expects to more or less maintain its number of employees in the next 12 months. There is no existing Collective Bargaining Agreement (**CBA**) between the Company and its employees as there is no labor union in the Company. The Parent Company has the following supplemental benefits for its employees: (a) Health Care; (b) Group Life Insurance; (c) Retirement Plan and (d) Profit-sharing based on the Parent Company's By-Laws.

Item 2. Properties and Projects

The Parent Company's Projects

RLT has developed unique and trend setting projects, such as the following:

1. ***The Alexandra***. The Alexandra was the first to offer consumers the combination of high-rise condominium and subdivision living. It is a luxury mid-rise development with a ratio of one sq.m. of land for every two sq.m. of sold floor area. As the first gated vertical community in Metro Manila, The Alexandra was one of the most coveted addresses in its heyday. The community is composed of 11 buildings that range from 5 to 14-storeys high. There are only 360 units in the 4.2 ha. property, all of which are 3-bedroom apartments with floor areas ranging from 182 to 250 sq.m. The narra flooring, marble baths, landscaped gardens, and the ratio of space to the number of occupants, all right in the Ortigas Center central business district made this a community like no other.

2. ***Tektite Towers (formerly Philippine Stock Exchange Centre)***. Launched as Tektite Towers in 1989 and fully completed in January 1996, it was renamed The Philippine Stock Exchange Centre (**PSEC**) and held that name for several years. The buildings reverted back to the name Tektite Towers upon the request of the Philippine Stock Exchange Inc. (**PSE**) when the offices of the PSE transferred to BGC. Tektite Towers held the title as the **largest office building complex for decades after its completion** with its twin towers consisting of 33 stories each, more than 1,700 parking spaces,

wide hallways, spacious offices, combine to encompass more than 18 has. of covered space. Bridging the East and West Towers is the 4-storey former official headquarters of the PSE until it moved to its new location in BGC in 2018. On the ground floor, directly beneath what used to be the PSE trading floor is a multi-purpose auditorium with a 400-person capacity.

3. ***La Isla Condominium***. La Isla Condominium has only 28 units ranging from 270 sq.m. 2-bedroom units to 580 sq.m. loft apartments, 2 units per floor, with elevators that open directly to the unit owner's own foyer. Solid narra floors, marble baths, 2 to 4 parking spaces per unit, and extra storage space in the basement. La Isla Condominium is still among the most exclusive residential development in the metropolis, with units still in great demand close to two decades after its completion. The building was named for its 360^{o} view, never to be impeded by a neighboring building. It is an island in the heart of the Ortigas Central Business District (**CBD**).

4. ***The Alexis***, a low-rise condominium within an upscale subdivision.

5. ***Casa Miguel***. A 4-storey walk-up residential condominium in San Juan, Metro Manila.

6. ***One Balete Compound***. Formerly known as Andrea North Complex, RLT's One Balete Compound, located in a 2.8 ha. property in New Manila, Quezon City, which used to be the Pepsi Cola complex, was launched after the full completion of Tektite Towers in January 1996. It is situated at the corner of Balete Drive and N. Domingo Street. The Complex will be comprised of a 5-tower luxury development. This project is an Alexandra-type upscale and high-rise condominium complex.

   The first tower, Skyline Tower, was completed in September 2011, and the second tower, started on November 16, 2012, now also completed, is SkyVillas Tower, a 31-storey luxury condominium that features only 2 to 8 units per floor.

7. ***The Icon Residences***. A completed 2-Tower condominium joint venture project with Xcell located in the BGC, consists of minimum saleable areas (excluding parking) of 18,640 sq.m. and 219 parking units.

8. ***The Icon Plaza***. A completed mixed-use condominium building which was started in mid-2010, is comprised of commercial/retail spaces, office suites and residential units with a minimum saleable area (excluding parking) of 28,043 sq.m. and parking spaces of 350 units. The Icon Plaza was another joint venture project with Xcell located in the BGC.

9. ***El Retiro, Baguio City***. El Retiro is a premier luxury serviced residence and events venue in Baguio, offering an exclusive and luxurious way for families and large groups to spend a relaxing vacation in the City of Pines. El Retiro is a project of RLT and PPMI, and is located at 20 Outlook Drive, Barangay Outlook, Baguio City. El Retiro provides easy access to restaurants, shops, and popular tourist landmarks such as The Mansion, Wright Park, Mines View, St. Joseph's Church, Camp John Hay, Baguio Country Club, and everything else Baguio has to offer.

   With a rich history, El Retiro retains the charms of a heritage home combined with modern conveniences and a traditional farmhouse interior. The beautifully restored mid-century mansion preserved its original structure and natural surroundings. The

1.6-hectare property is also home to one of the oldest trees in Baguio. Once the ancestral home of affluent families, El Retiro provides visitors a glimpse into the past, creating a sense of nostalgia.

The Parent Company's Properties

Land bank

The Parent Company's land bank are as follows:

Properties	Location	Area in sqm.
One Balete Compound	Quezon City, Metro Manila	8,968.87
El Retiro Estate	Baguio City	16,158.00
Lots 1 and 4, Block 8	BGC, Taguig City	3,200.00
San Fernando City, La Union	San Fernando City, La Union	33,122.00

Leased Properties

The Parent Company has an existing lease contract with GPI which allows RLT to sublease, two parcels of land located along 5th Avenue at the BGC, with a total area of 3,200 sq.m. more or less. The lease agreement is for a period of 15 years.

Rental Properties

The Parent Company's properties for lease are largely office and storage units, parking slots, commercial spaces, commercial strips and residential condominium units. These are as follows:

Tektite Towers condominium units located at Ortigas Center, Pasig City

Units for Lease	Number of units
Office condominium units	27
Commercial condominium units	19
Storage spaces	62
Parking spaces	328

Icon Plaza condominium units located at BGC, Taguig City

Units for Lease	Number of units
Condominium units	10
Storage spaces	2

Majority of the units in Tektite Towers, Icon Plaza, Skyline Tower, Icon Showroom Building and SkyVillas Tower as well as a portion of the One Balete Building are leased out to individuals and corporate entities. In 2024, the Parent Company generated a total of ₱78.50 Million lease income from these properties.

El Retiro property in Baguio City

On December 16, 2020, RLT and PPMI entered into a Lease and Hotel Management Services Agreement, wherein the latter leased the said property from the former, with the end in view of operating and managing El Retiro into a luxury, serviced residence and to cater to special events and functions such as weddings and baptisms.

Mortgage, lien or encumbrance over some properties

The Parent Company has some parcels of land and condominium units in SkyVillas Tower and in Tektite Towers that are mortgaged with the Philippine Bank of Communications (**PBCOM**) and certain parcels of land with the Philippine National Bank (**PNB**).

Item 3. Legal Proceedings

The Parent Company is involved in certain claims and pending lawsuits arising in the ordinary course of business which are either pending decision by the courts or under negotiation.

Certain subsidiaries are defendants or parties in various lawsuits and claims involving civil and labor cases. In the opinion of the subsidiaries' management, these lawsuits and claims, if decided adversely, will not involve sums having material effect on the subsidiaries' financial position or results of operations.

Management believes that the final settlement, if any, of the foregoing lawsuits or claims would not adversely affect the Parent Company's financial position or results of operations.

Item 4. Submission of Matters to a Vote of Security Holders

There were no matters submitted to a vote of security holders during the fourth quarter of the calendar year covered by this report.

Part II
SECURITIES OF THE REGISTRANT

Item 5. Market for Registrant's Common Shares and Related Stockholder Matters

Market Information

Principal market for the Registrant's Common shares: Philippine Stock Exchange

High and Low Sales Prices for each quarter for years 2022, 2023, and 2024 based on Philippine Stock Exchange's Daily Quotation Report

	2022		2023		2024	
	High	High	High	Low	High	Low
1st Quarter	0.24	0.27	0.21	0.19	0.14	0.14
2nd Quarter	0.24	0.24	0.14	0.13	0.16	0.15
3rd Quarter	0.21	0.21	0.19	0.18	0.14	0.13
4th Quarter	0.20	0.31	0.14	0.14	0.13	0.12

Holders

As of December 31, 2024, the Parent Company has 2,303 stockholders. The list of the top 20 stockholders of the Parent Company as of December 31, 2024 appears below:

Name of Stockholder	Citizenship	No. of Shares	Percentage (%)
Greenhills Properties, Inc.	Filipino	5,933,556,844	64.63%
PCD Nominee Corporation	Filipino	2,180,196,361	23.75%
Campos, Lanuza & Co., Inc.	Filipino	275,196,201	3.00%
Gerardo Domenico Antonio V. Lanuza	Filipino	219,843,366	2.39%
PCD Nominee Corporation - NF	Filipino	71,277,192	0.78%
Belson Securities, Inc.	Filipino	30,580,956	0.33%
Socorro C. Ramos	Filipino	21,291,750	0.23%
Brisot Economic Dev. Corp	Filipino	15,280,621	0.17%
Vulcan Industrial & Mining Corp.	Filipino	15,159,434	0.17%
Ramon de Leon	Filipino	11,810,854	0.13%
Calixto Laureano	Filipino	11,810,854	0.13%
Ricardo Leong	Filipino	11,810,854	0.13%
Oscar S. Cu ITF Anthony Cu	Filipino	7,390,000	0.08%
Meridian Securities	Filipino	6,269,888	0.07%
Guoco Sec (Phils) Inc.	Filipino	5,961,532	0.06%
Guild Securities	Filipino	5,598,162	0.06%
E. Chua Chiaco Securities, Inc.	Filipino	5,538,016	0.06%
Citisecurities, Inc.	Filipino	5,408,078	0.06%
National Bookstore, Inc.	Filipino	5,393,450	0.06%
Wellington Chan	Filipino	5,185,801	0.06%
Total		**8,844,560,214**	**96.35%**

Dividends

No dividend was declared by the Parent Company since its last declaration on October 24, 1995. There have been no unappropriated retained earnings distributed to stockholders since 1997. In 1996, the Board of Directors approved the appropriation of ₱250 Million of the Parent Company's retained earnings for the purchase of its own capital stock. In 2018, the Board of Directors approved the reclassification of ₱140.3 Million Appropriated Retained Earnings for Treasury Stock Acquisitions to Unappropriated Retained Earnings.

Recent Sales of Unregistered Securities

For the year 2024, the Parent Company had no sales of unregistered securities.

Part III
FINANCIAL INFORMATION

Item 6. <u>Management's Discussion and Analysis of Financial Condition or Results of Operation</u>

I. <u>REVIEW OF CONSOLIDATED STATEMENT OF INCOME FOR THE PERIOD ENDING DECEMBER 31, 2024 VS. DECEMBER 31, 2023</u>

For the years ended December 31 (In millions)				
	2024 (Audited)	**2023 (Audited)**	**Change in Peso**	**Change in Percentage**
<u>Revenue</u>				
Sales of real estate	₱54	₱175	(₱121)	(69%)
Rent	78	65	13	20%
Management fees	43	41	3	7%
Interest income	11	14	(3)	(21%)
Commission	10	5	5	100%
Other income	187	427	(240)	(56%)
TOTAL	**383**	**727**	**(344)**	**(47%)**
<u>Costs and Expenses</u>				
Cost of real estate sold	34	90	(56)	(62%)
Cost of services	79	75	4	5%
General and administrative	260	308	(48)	(16%)
Finance cost	89	70	19	27%
Equity in net loss of associates	2	2	0	0%
Other expenses	-	5	(5)	(100%)
TOTAL	**464**	**550**	**(86)**	**(17%)**
INCOME BEFORE INCOME TAX	(81)	177	(258)	(146%)
INCOME TAX EXPENSE	40	64	(24)	(38%)
NET INCOME	**(₱121)**	**₱113**	**(₱234)**	**(₱207%)**
OTHER COMPREHENSIVE INCOME (LOSS)	8	(9)	17	189%
TOTAL COMPREHENSIVE INCOME	**(₱113)**	**₱104**	**(₱217)**	**(209%)**

1. **<u>Consolidated net income after tax</u>**. Philippine Realty and Holdings Corporation posted net loss after tax of **₱113 Million** for the 12 months ended December 31, 2024 compared to ₱104 Million net income after tax for the same period last year. The decrease in the Company's profitability is explained below.

   a. **<u>Income</u>**

      1. **<u>Sales of real estate</u>.** Sales of real estate decreased by ₱121 Million or by 69% for the 12 months ended December 31, 2024 compared to the sales of real estate for the same period in 2023. Sales of real estate pertains to units sold at the Skyline and SkyVillas Towers located in Quezon City, and at The Icon Plaza located in Bonifacio Global City.

      2. **<u>Rent</u>.** Rental Income increased by ₱13 Million or 20% due to the origination of new lease contracts.

3. **Management fees.** Property management fees increased by ₱3 Million or by 7% due to the higher fees earned PRHC Property Managers, Inc. (**PPMI**) during the year.

4. **Interest income.** Interest income decreased by 21% due to lower interest income and late payment penalties collected in 2024 from buyers compared to last year.

5. **Commission income.** Commission income increased by ₱5 Million or 100% due to the increase in the number of clients of Tektite Insurance Brokers, Inc. (**TIBI**).

6. **Other income.** Other income for the twelve months ended December 31, 2024 decreased by ₱240 Million or by 56% compared to the twelve months ended December 31, 2023. Other income consists largely of Gain on fair value changes in Investment Properties that decreased by ₱101 Million in 2024 or by 39% compared to 2023. Investment Properties consist largely of land, commercial, office, storage condominium units as well as office and residential parking spaces held to earn rentals or for capital appreciation (or both). The Group's properties that are located in the Tektite Towers, a vacant lot in the Bonifacio Global City (**BGC**), residential and office/commercial units in The Icon Plaza located in the BGC, The El Retiro Mansion in Baguio City, and commercial lots in San Fernando City, La Union, are classified as Investment Properties.

b. Costs and Expenses

1. **Cost of real estate sold**. In terms of percentage to Sales of real estate, Cost of real estate sold increased to 63% in 2024 whereas it was at 51% of Sales of real estate for the same period in 2023.

2. **Cost of services.** The cost of service increased to ₱79 Million from ₱75 Million for the same period last year due to higher expenses incurred by the Parent Company and its property management subsidiary such as Repairs and maintenance, Condominium dues, Real property taxes, and Other costs in the year 2024.

3. **General and administrative expenses.** General and administrative expenses decreased by ₱48 Million or by 16%, mainly due to decrease in Commission expense and implementation of cost rationalization measures.

4. **Finance cost.** The increase in Finance Cost in the amount of ₱19 million was due to full charging of Interest Expense to operations compared to previous years where part of interest payments was capitalized to real estate projects considered as qualifying assets.

5. **Other expenses.** The ₱5 million decrease in Other Expenses is explained by the loss on repossession of real estate properties recorded in 2023 and whereas none was incurred in 2024.

6. **<u>Income Tax expense</u>.** The decrease in Income Tax Expense by ₱24 Million was due to the lower fair value gain in 2024 that resulted as well in lower deferred tax liability in 2024.

c. **<u>Other Comprehensive income (loss)</u>.** The increase in Other comprehensive income was due to remeasurement gain on retirement benefit obligations and unrealized holding gain on financial assets at Fair Value through Other Comprehensive Income (FVOCI).

d. **<u>Subsidiaries</u>.**

The contributions of the Parent Company's subsidiaries to revenues and net income are shown below.

1. **<u>PRHC Property Managers, Inc. (PPMI)</u>**. The Parent Company's property management subsidiary registered a Total Comprehensive income of ₱9.0 Million for the twelve months ended December 31, 2024. It is higher by ₱10.9 Million compared to the Total Comprehensive loss of ₱1.9 Million registered by PPMI for the same period last year.

2. **<u>Tektite Insurance Brokers, Inc. (TIBI)</u>**. The Group's insurance brokerage firm posted Total Comprehensive Income of ₱4.3 Million for the twelve months ended December 31, 2024 which is higher by ₱4.03 Million compared to the ₱0.3 Million Total Comprehensive income registered by TIBI for the same period last year.

II. REVIEW OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDING DECEMBER 31, 2024 VS. DECEMBER 31, 2023

As of December 31 (In millions)				
	2024 (Audited)	2023 (Audited)	Change in Peso	Change in Percentage
Assets				
Cash and cash equivalents	₱212	₱283	(₱71)	(25%)
Financial assets	35	42	(7)	(17%)
Trade and other receivables – net	379	563	(184)	(33%)
Real estate inventories	2,396	2,074	372	(18%)
Prepayments and other assets – net	995	463	532	115%
Investments in and advances to associates - net	54	56	(2)	(4%)
Property and equipment – net	84	92	(8)	(9%)
Investment properties – net	5,326	5,164	162	3%
Other Assets	249	275	(26)	(9%)
TOTAL ASSETS	**₱9,730**	**₱9,012**	**₱718**	**8%**
Liabilities				
Trade and other payables	₱306	₱139	₱167	120%
Loans and Notes Payable	1,842	1,202	640	53%
Retirement benefit obligation	91	86	5	6%
Other liabilities	975	956	19	2%
TOTAL	**3,214**	**2,383**	**831**	**35%**
Equity				
Capital stock	5,056	5,056	-	0%
Reserves	55	56	(1)	(2%)
Retained Earnings	1,557	1,669	112	7%
Treasury Stock	(110)	(110)	-	0%
Equity attributable to equity holders of the parent	**6,558**	**6,671**	**(113)**	**(2%)**
Minority interest	(42)	(42)	-	0%
TOTAL	**₱6,516**	**₱6,629**	**(₱113)**	**2%**
TOTAL LIABILITIES AND EQUITY	**₱9,730**	**₱9,012**	**₱718**	**8%**

1. **Total assets**. The Group's Total assets stood at ₱9.7 Billion as of December 31, 2024, higher by ₱718 Million compared to the ₱9.0 Billion level of Total assets as of December 31, 2023.

   Cash and cash equivalents decreased by ₱71 Million due to the payment of loans, advances made to Contractors for the ongoing construction of Project Unico, Finance Costs paid, and net operating costs paid.

   Prepayments and Other Assets increased by 115% due to the payment of taxes and advance payments made to contractors in accordance with contracts executed.

   Property and Equipment decreased by 9% due to depreciation expenses.

Investment properties increased by ₱162 Million or from ₱5.2 Billion in 2023 to ₱5.3 Billion in 2024 largely due to recognition of Gain on fair value on the Group's existing Investment Properties.

Other assets decreased by 9% due to various adjustments made pertaining to the adoption of new accounting standards.

2. **Total liabilities.** Total liabilities increased by ₱831 Million largely due to additional loans acquired by the Parent Company, and increase in trade payables, due to the ongoing construction of RLT's Unico Project in the BGC.

Trade and other payables increased by ₱167 million due to the increase in the Parent Company's obligations to contractors in connection with the Unico Project.

Loans and notes payable increase by 53% because of additional Loans availed by the Parent Company in 2024.

Retirement benefit obligation increased to ₱91 million from ₱86 million due to the increase in the present value of the Group's defined retirement benefit obligations.

Other Liabilities are comprised of Lease Liability and Deferred Tax Liability. The increase was mainly due to the higher Deferred tax liabilities caused by the additional recognition of Gain on Change in Fair Value of the Group's Investment Properties.

3. **Total Equity.** Total equity was recorded at ₱6.52 Billion as of December 31, 2024, lower by ₱113 Million compared to ₱6.33 Billion as of December 31, 2023.

Retained Earnings decreased by ₱113 million due to the Net loss reported by the Parent Company.

III. Performance Indicators

The table below presents the comparative performance indicators of the Parent Company and its subsidiaries.

Performance Indicators	31 December 2024 Audited	31 December 2023 Audited
Current ratio[1]	3.28:1	3.52:1
Debt-to-equity ratio[2]	0.49:1	0.36:1
Asset-to-equity ratio[3]	1.49:1	1.36:1
Book value per share[4]	₱0.75	₱0.76
Earnings (loss) per share[5]	(₱0.01)	₱0.01

[1] *Current assets / current liabilities*
[2] *Total debt / consolidated stockholders' equity*
[3] *Total assets / Total stockholders' equity*
[4] *Total stockholders' equity plus Subscriptions receivable / No. of shares outstanding*
[5] *Net income attributable to equity holders of Parent Company / Weighted average no. of common shares issued and outstanding*

The table above reflects the consistent favorable performance of the RLT Group in terms of solvency, liquidity, and profitability. The steady performance of debt-to-equity ratios and asset-to-equity ratios of the RLT Group for the periods under review demonstrate that the Parent Company's real estate business is currently being managed prudently.

1. **Current ratio. T**he Group's current ratio remains healthy despite showing a decrease from 3.52:1 in December 2023 to 3.28:1 in December 2024.

2. **Debt-to-equity ratio.** The RLT Group's debt-to-equity ratio in spite of incurring additional loans remained acceptable and very conservative at 0.49:1 as of end-2024 and 0.36: 1 as of end-2023.

3. **Asset-to-equity ratio.** Similarly, the asset-to-equity ratio of the Company also remained very conservative at 1.49:1 in December 2024 from 1.36:1 as of December 2023.

4. **Book value per share.** The performance of the RLT Group's Book value per share has also been a very encouraging as it showed decrease from ₱0.76 per share as of end-December 2023 to ₱0.75 per share as of 31 December 20244.

   There was no issuance, repurchase or payment/repayment of either debt and equity securities nor dividends during the year 2024.

   As of this report, there is no other known event that will trigger direct or contingent financial obligation that is material to the Company. Moreover, there is no material off-balance sheet transaction, arrangement, obligation, and other relationship of the Company with unconsolidated entities or other persons created during this period.

5. **Earnings (loss) per share**. The Company registered a (₱0.01) loss per share as of year-end 2024.

There are no known events, trends or uncertainties that have material impact on liquidity and will trigger direct or contingent financial obligations including any default or acceleration of an obligation for the twelve months ended period December 31, 2024. Moreover, for this period there is also no known material:

i. Off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons;
ii. Commitments for capital expenditures, general purpose of such commitments, expected sources of funds for such expenditures;
iii. Events, trends or uncertainties that have material impact on Sales;
iv. Any significant elements of income or loss that did not arise from the registrant's continuing operations;
v. Seasonal aspects that have material effect on the financial statements.

Item 7. 2024 Consolidated Financial Statements of Philippine Realty and Holdings Corporation and its Subsidiaries.

Please refer to ANNEX B

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosures

The auditing and accounting firm of Maceda Valencia & Co. is the Parent Company's and the RLT Group's Independent Certified Public Accountants appointed in the 2024 Annual Stockholders' Meeting. There was no event where Maceda Valencia & Co. and the Company had any disagreement regarding any matter relating to accounting principles or practices, financial statement disclosure or auditing scope or procedure.

Audit and Audit Related Fees

The professional fees of independent auditors Maceda Valencia & Co. for 2024 and 2023 amounted ₱1,125,000 exclusive of VAT, for both years. Out of pocket expenses are pegged at 15% of audit fees for 2024 and for 2023.

Tax Fees

In 2024, the Parent Company did not engage the services of Maceda Valencia & Co. for tax consulting services.

PART IV
MANAGEMENT AND CERTAIN SECURITY HOLDERS

Item 9. Directors and Executive Officers of the Registrant

The write-ups below include positions held as of December 31, 2024 and in the past five years, and personal data as of December 31, 2024 of directors and executive officers.

Board of Directors

Gerardo Domenico Antonio V. Lanuza*	Chairman
Renato G. Nuñez	Vice-Chairman / Independent Director
Gerardo O. Lanuza, Jr.	Chairman Emeritus
Antonio O. Olbes	Vice-Chairman Emeritus
Edmundo C. Medrano*	Member
Gregory G. Yang	Member
Andrew C. Ng	Member
Amador C. Bacani	Member
Chiara Rosario Julia V. Lanuza-Paredes	Member
Jomark O. Arollado	Independent Director
Alfonso Martin E. Eizmendi	Independent Director

Gerardo Domenico Antonio V. Lanuza / 41 – Filipino

Chairman of the Board of Philippine Realty and Holdings Corporation since June 2019 and a member of the Board of Directors since January 2009. He was Executive Vice President and Chief Operating Officer of Philippine Realty and Holdings Corporation from 2014 to 2019 and was Vice President for Special Projects in 2010. He is a director at various companies such as Greenhills Properties Inc., British United Automotive Corp., A. Brown Co. Inc., Klassik Motors Corp., and Campos, Lanuza & Co. Inc., where he also serves as the Vice President for Sales. He earned his Bachelor of Science degree in Legal Management at the De La Salle University, Manila in 2006.

Renato G. Nuñez / 55 (Independent Director) - Filipino

Vice-Chairman and Independent Director of Philippine Realty and Holdings Corporation since 2015. Mr. Nuñez is also the current Chairman and Independent Director of PRHC Property Managers Inc. He was the President of CATS Motors, Inc. until June 30, 2023. He is currently the President of Techglobal Data Center, Inc., Techzone Philippines, Inc., LIA Philfoods, Inc., and Everland Estate Development Corp. Moreover, he is also a current Director of All British Cars, Inc., Cambie Property, Inc. Coventry Motors Corp., and Total Consolidated Asset Management, Inc. Previously, he served as Vice President of Leisure & Resorts World Corp., as well as Vice President of Midas Hotel & Casino. He was once the Managing Director of Blue Chip Gaming & Leisure Corp., Vice President and Director of AB Leisure Global, Inc., President of Arwen Gaming & Leisure Specialist, Inc., Vice President for Finance of Binondo Leisure and Resort Corp., and Vice President of AB Leisure Exponent., Inc. He completed his BS Industrial Management Engineering degree Minor in Mechanical Engineering at De La Salle University in 1991.

Gerardo Lanuza, Jr. / 78 – Spanish / Filipino

Chairman Emeritus of the Board of Philippine Realty and Holdings Corporation. Mr. Lanuza has been a Director of Philippine Realty and Holdings Corporation since 1981. He is the Chairman of the Board of Universal Travel Corporation and Chairman and President of Greenhills Properties Inc. He sits as a Director in the following corporations: Gerzon Management Corporation, Broadford Property Holdings Inc., Merdom Corporation, Al Husn Manila, Inc., Domera Trading Corporation, Chiamil Trading Corporation, Nicora Trading Corporation, Xcell Property Ventures Inc., Julnad Assets Holdings Inc., Mernic Assets Holdings Inc., La Bodequita del Medio Inc., Merlan Holdings Inc., Peridot Asset Holdings Inc., Penzance Properties Holdings Corporation, Ju-Lan Assets Holdings Co. Inc., and Stonehaven Realty Services Inc. He is the nominee of Campos Lanuza & Co. Inc. to the Philippine Stock Exchange. He also serves as Treasurer of Lanuza Asset Holding Co. He was formerly Chairman of International Exchange Bank (**IBank**), Vice Chairman of Philippine Racing Club Inc., Vice President and Director of Makati Stock Exchange, Inc. and Director of Vulcan Industrial & Mining Corporation, Golden Arrow Mining Co., Inc., Apex Mining Co. Inc., Concrete Aggregates Corp., Philippine Overseas Drilling and Oil Development Corp., Surigao Consolidated Mining Co., Inc. and A. Brown Company, Inc. He is a member of the Pasay-Makati Realtors Board, Inc. and Chamber of Real Estate and Builders Association, Inc. He graduated from De La Salle College with a degree in Bachelor of Science in Mechanical Engineering in 1969.

Antonio O. Olbes / 78 - Filipino

Vice-Chairman Emeritus of the Philippine Realty and Holdings Corporation. Mr. Olbes has been a Director of RLT since 1986. He had previously served as Chairman and President of Meridian Assurance Corp. from 1994-2008, and President of Raco Trading Phils., Inc. He was formerly a manager at Sycip, Gorres, Velayo & Co., and was Executive Vice President, in charge of trading, at Francisco de Asia and Co. He held a number of directorships, which includes seats in the following groups: PRHC Property Managers, Inc., Greenhills Properties Inc. (Treasurer), Universal Travel Corporation (Vice-Chairman), ICON Tower Residences, Green Vista Development Corporation, SEBLO Business Holdings Corporation, and Xcell Properties. He was also named Honorary Consul General (in the Philippines) for the Republic of Nicaragua. He earned his Bachelor of Arts degree in Economics at Holy Cross College, Massachusetts, USA, and his master’s degree in business administration from Bobson College, Massachusetts, USA. He completed his Advanced Management Program at Oxford University, United Kingdom, in July 1995.

Edmundo C. Medrano / 71 – Filipino

Mr. Medrano, a Director of Philippine Realty and Holdings Corporation since June 2019. He was appointed as President of the Company on June 30, 2023. Previously, he was appointed as Executive Vice President and Treasurer and Compliance Officer of the Company and prior to that, as Senior Vice President and Treasurer and Compliance Officer. He was elected in 2018 as an Independent Director at Credit Information Corporation representing the private sector and Chairman of its Audit Committee. He is currently a member of the Board of Directors of PRHC Property Managers, Inc., Universal Travel Corporation, Sultan’s Power Inc. and Recon-X Energy Corporation. He previously held the positions of Executive Vice President at Philtrust Bank; Vice Chairman, President and Chief Operating Officer at Producers Savings Bank Corporation; Senior Vice President at Asiatrust Development Bank; Senior Vice President at AB Capital and Investment Corporation and Head of Investment

Banking and concurrently General Manager of AB Leasing and Finance Corporation; and First Vice President at AsianBank Corporation. He took his Masters of Business Management at the Asian Institute of Management from 1974 to 1976. He graduated from De La Salle College with a Degree of Bachelor of Science in Commerce major in Accounting in 1974, ***Cum Laude***, and Bachelor of Arts major in Economics in 1974, ***Cum Laude***.

<u>Gregory G. Yang / 68 – Filipino</u>

Mr. Yang has been a member of Board of Directors of RLT since August 2009. Formerly Senior Vice President and General Manager of the operating company, McGeorge Food Industries (local licensee of McDonald's). He opened the first McDonald's in 1981, having trained in Hong Kong and USA for one year and earning a degree in hamburgerology from McDonald's Hamburger University. His previous work experience includes serving as Assistant Manager of the International Corporate Bank, from 1978 to 1980, and Account Officer at the Makati Leasing and Financing Corporation from 1976 to 1978. He graduated from University of the Philippines in 1976 with a BS Business Administration degree.

<u>Andrew C. Ng / 41 – Filipino</u>

Mr. Ng was first elected as Director of RLT on August 2009. He is Vice President of Alpha Alleanza Manufacturing, Inc. Philippines since 2009. He was formerly the Assistant Operations Manager Trainee of Pinncale Foods, Inc., Philippines, serving from 2005 to 2009, and was a Management Trainee at Procter & Gamble Philippines in 2004. He earned his Bachelor of Science degree in Industrial Engineering at De La Salle University, Manila in 2005.

<u>Amador C. Bacani / 76 – Filipino</u>

Mr. Bacani has served as a Director of RLT since 1998. He was formerly the President of Philippine Realty and Holdings Corporation from 2002 to 2014. He also worked in the same Company as Executive Vice President from 1995 to 2002. He is currently the President of Xcell Property Ventures, Inc. (a joint venture partner of the Company). Previously, he was First Vice President and Head of Consumer Banking Group of Rizal Commercial Banking Corporation and served as First Vice President & Head of Branches Operations Support Division as well. He held several other high-level positions in Campos, Lanuza & Co. Inc., Decision Systems Corporation, Security Bank and Trust Company, Allied Banking Corporation, Asian Merchant Finance Inc., Bank of the Philippine Islands, Citibank, N.A. (Manila), and Procter & Gamble Phils., Inc. He graduated with a Bachelor of Science degree in Mechanical Engineering, ***Summa Cum Laude***, from De La Salle College in 1969, and earned his Master of Science in Industrial Administration degree at the Carnegie-Mellon, USA, in 1972.

<u>Jomark O. Arollado / 41 (Independent Director) – Filipino</u>

Mr. Arollado has been an Independent Director of RLT since June 2017. Served as Plant Manager and Strategic Business Unit (**SBU**) Head of Rapid Forming Corporation since 2013. Previously, he was also a Plant Manager of Silangan Philtrade Corporation, serving from 2011 to 2012. His first professional stint at Rapid Forming Corporation was in 2006 as the SBU head. Prior, he worked as the ISO Document Controller at SGV & Co. in 2004. He graduated with a Bachelor of Science degree in Industrial Engineering at Dela Salle University Manila in 2005.

<u>Alfonso Martin E. Eizmendi / 60 (Independent Director) - Filipino</u>

Mr. Eizmendi has been an Independent Director of RLT since June 2017. President and CEO of Royal Link Industries Inc., Yields Financial Corporation, Park Cent Tower Realty Corp., and WGP Villa Realty Corp. Aside from Philippine Realty and Holdings Corp., he is also a Director of Meridian Assurance Corp. Secret 6 Inc., CleanPro, Director and President of The Icon Plaza Condominium Corp., Frimar Realty and Frimar USA. He was formerly the Vice-Chairman of Vi@je Corp. from 2000 to 2001, and Chairman of Blue Star Insurance Brokerage from 1998 to 2001. He graduated from De La Salle University in 1986 with a bachelor's degree in Political Science.

<u>Chiara Rosario Julia L. Paredes /34 (Director) - Filipino</u>

Ms. Paredes was elected as Director in the June 30, 2023 annual stockholders meeting. She is currently a member of the Board of Director of Recon–X Energy Corporation and Vice President of Sultan's Power Inc. She is currently a Research Assistant at De La Salle University and she was an Assistant Instructor in the same university. She graduated with a Bachelor of Science in Physics with Specialization in Materials Science, ***Summa Cum Laude***, from De La Salle University in 2013, and earned her Master of Science in Physics at De La Salle University in 2016. She finished her Doctoral degree (Doctor of Philosophy in Physics) from De La Salle University in 2022.

Key Executive Officers

Gerardo Domenico Antonio V. Lanuza	Chairman and President
Edmundo C. Medrano	Director and President
Erwin V. Ciar	Vice President and Head, Project Construction and Management
Adeline Susan C. Carag	Vice President and Head, Property Management Services
Carlos Miguel T. Paca	Vice President and Head, Business Development and Investment Relations Officer
Richard Nicolas K. Go	Vice President and Head, Sales
Marissa S. Bontogon	Vice President and Treasurer and Risk Officer
Mark Anthony M. Ramos	Vice President and Controller and Compliance Officer

<u>Erwin V. Ciar / 50 – Filipino</u>

Vice President and Head, Project Construction and Management of Philippine Realty and Holdings Corporation since September 2014. He is a Director, and the President, of Charcoal Food Services Inc. He is also Member of Board of Directors and Treasurer of PRHC Property Managers Inc. He is a Director at Andrea North Condominium Corporation, and Recon-X Energy Corporation. Mr. Ciar has extensive work experience for twenty-three years in the fields of project and construction management, construction supervision and contract management. He was the Vice Director for PCMD at Bitexco Group of Companies from 2008 to 2014. He graduated from the Pamantasan ng Lungsod ng Maynila in 1996 with a Bachelor of Science Degree in Civil Engineering.

<u>Adeline Susan C. Carag / 67 – Filipino</u>

Ms. Carag is currently Vice President and Head, Property Management Services of Philippine Realty and Holdings Corporation. She held this position since November 2016. She was formerly the President of PRHC Property Managers Inc. She graduated from Eulogio "Amang" Rodriguez Institute of Science and Technology (**EARIST**) in 1978 with a degree of Bachelor of Science in Chemical Engineering and Bachelor of Science in Industrial Education.

<u>Carlos Miguel T. Paca / 50 – Filipino</u>

Mr. Paca concurrently holds the positions of Vice President Head, Business Development, and Investor Relations Officer of Philippine Realty and Holdings Corporation. He held this position since March 2017. He is also the General Manager of PRHC Property Managers Inc. He also holds the position as Member of the Board of Directors of Philippine Stock Exchange Centre Condominium Corporation, Hola Comerciantes, Inc., and Meridian Assurance Corp. He graduated from De La Salle University with a degree of Bachelor of Science in Industrial Engineering with Minor in Mechanical Engineering in 1995.

<u>Richard Nicolas K. Go / 42 – Filipino</u>

Mr. Go is currently the Vice President and Head of Sales of Philippine Realty and Holdings Corporation. He held this position since June 2017. He previously worked as Sales Manager at Arthaland Corporation. He graduated from De La Salle University College of Saint Benilde in 2004 with a degree in Hotel, Restaurant and Institution Management.

<u>Marissa S. Bontogon / 52 – Filipino</u>

Vice President and Treasurer and Risk Officer of Philippine Realty and Holdings Corporation. She held her position as Vice President since August 2020 and as Treasurer and Risk Officer since June 30, 2023. She is a Certified Public Accountant and Certified Financial Consultant. She received her Bachelor of Science in Accountancy Degree from De La Salle University in 1992.

<u>Atty. Rex P. Bonifacio / 53 – Filipino</u>

Atty. Bonifacio is the current Corporate Secretary of Philippine Realty and Holdings Corporation. Concurrently, he is also the Corporate Secretary of Philippine Stock Exchange Centre Condominium Corporation and a Partner at Pastelero Law Office. He finished his Pre law at San Sebastian College Recoletos Manila in 1992 with a degree of AB Political Science, ***Cum Laude***. In 1996, he completed his Bachelor of Laws degree in San Sebastian College of Law.

<u>Mark Anthony M. Ramos / 41 – Filipino</u>

Mr. Ramos concurrently holds the positions of Vice President and Controller and Compliance Officer. He is a Certified Public Accountant and Certified Internal Auditor. He earned his Masters in Business Administration from Ateneo Graduate School of Business. He graduated from the Philippine School of Business Administration with a Degree of Bachelor of Science in Accountancy in 2003, ***Cum Laude.***

He was appointed by the Board of Directors of Philippine Realty and Holdings Corporation for the positions of Vice President and Controller and Compliance Officer on June 30, 2023.

Significant Employees

Any director or officer who may be elected is expected to make significant contributions to the operations and business of the Corporation. Likewise, each employee is expected to do his share in achieving the Company's set goals.

Family Relationships

Mr. Gerardo Lanuza, Jr., Chairman Emeritus of the Board, is the first cousin of Mr. Antonio O. Olbes, and father of Chairman of the Board, Mr. Gerardo Domenico Antonio V. Lanuza, as well as of Director Chiara Rosario Julia L. Paredes. Mr. Gregory Yang is the father-in-law of, and Ms. Chiara Rosario Julia L. Paredes is the sister of, Mr. Gerardo Domenico Antonio V. Lanuza, respectively.

Involvement in Certain Legal Proceedings (over the past five years)

None of the Directors or Executive Officers is involved in any material pending legal proceedings in any court or administrative agency of the government.

Item 10. Executive Compensation

	Year	Salary	Bonus	Per Diem	Other Annual Compensation	Total
(i). CEO and all individuals serving as the registrant's CEO or acting in a similar capacity during the last completed fiscal year.						
*Gerardo Domenico Antonio V. Lanuza **Alfredo S. Del Rosario, Jr. ***Edmundo C. Medrano	2022- Actual 2023- Actual 2024- Actual	₱16.5M 13.5M 13.5M	None None None	0.07M 0.07M 0.07M	None None None	₱16.57M 13.57M 13.57M
(ii) the registrant's four most highly compensated executive officers other than the CEO who were serving as executive officers at the end of the last completed fiscal year						
Carlos T. Paca (VP Business Development); Erwin V. Ciar (VP Project and Construction Mgt); Marissa S. Bontogon (VP Controller); Susan S. Carag (VP Property Management)	2022- Actual 2023- Actual 2024- Actual	₱12.36M 12.36M 12.36M	None None None	None None None	None None None	₱12.36M 12.36M 12.36M

	Year	Salary	Bonus	Per Diem	Other Annual Compensation	Total
(iii) All other officers and directors as a group unnamed	2022-Actual 2023- Actual 2024- Actual	₱3.33M 3.33M 3.33M	None None None	None None None	None None None	₱3.33M 3.33M 3.33M

**On February 21, 2023, the Board of Directors approved the resignation of Mr. Alfredo S. Del Rosario, Jr. as Director, President and Chief Executive Officer for health reasons effective February 28, 2023;*
***Election of Mr. Gerardo Domenico Antonio V. Lanuza as President to serve the unexpired term of Mr. Del Rosario Jr.;*
**** Mr. Edmundo C. Medrano was elected as President vice Mr. Gerardo Domenico Antonio V. Lanuza on June 30, 2023.*

The Executive Officers are elected annually by the Board of Directors, at its first meeting following the annual stockholders' meeting. Every officer, including the President, is subject to removal at any time by the Board of Directors. All officers hold office for one year and until their successors shall have been duly elected and qualified; *Provided* that any officer elected to fill any vacancy shall hold office only for the unexpired term of the office filled.

The compensation of the Company's executive officers is fixed by the Board of Directors. They are covered by contract of employment and as such they are entitled to all the benefits accruing to salaried employees of the Company.

Compensation of Directors

Directors are entitled to a per diem of ₱6,000 and ₱4,000 allowance for meals and transportation for board meetings attended except for Independent Directors who receive per diem of ₱20,000.00. In addition, the Board of Directors is entitled to a portion of the 5% of Net Income before Tax as profit-sharing incentive for directors, officers and staff.

The directors of the Registrant received per diem in the amount of ₱1,220,000, ₱1,254,000, and ₱1,414,000, for 2024, 2023, and 2022, respectively.

Item 11. <u>Security Ownership of Certain Beneficial Owners and Management</u>

a. **The following persons are known to the Company to be directly or indirectly the record or beneficial owner of more than 5% of the Company's voting security as at December 31, 2024.**

Title	Name and Address of Record / Beneficial Owner	Record / Beneficial Ownership	Citizenship	Number of Shares Owned	% Owned
Common	Greenhills Properties, Inc. E-2003B, PSE Centre Exchange Road, Pasig City	"B"	Filipino	5,933,556,844 shares	64.63%
Common	PCD Nominee Corp. MSE Bldg., Ayala Avenue, Makati	"R"	Filipino / Non Filipino	2,180,196,361 shares	23.75%
Common	Campos, Lanuza & Co., Inc E-2003B, PSE Centre Exchange Road, Pasig City	"R" / "B"	Filipino / American / Spanish / Others	1,664,584,872 shares	18.29%

Note: Greenhills Properties, Inc. is represented by its President, Gerardo O. Lanuza, Jr. and

Treasurer, Antonio O. Olbes.

Campos, Lanuza & Co., Inc. is represented by its Chairman, Corazon V. Lanuza and its President and CEO, Antonio U. Reyes-Cuerva.

PCD Nominee holds 24.72% interest. PCD Nominee is the registered owner of shares beneficially owned by participants in the PCD. Campos, Lanuza & Co. Inc., is a participant of PCD owning 18.29% of the Parent Company's voting securities.

b. Shares held by Directors and Executive Officers as reported by Transfer Agent as of 31st December 2024

Title of Class	Name of Beneficial Owner	Amount and Nature of Class		Citizenship	% Owned
		Direct	Indirect		
Common	Gerardo O. Lanuza, Jr.	2,174,024	204,911,203	Spanish/Filipino	2.28
Common	Antonio O. Olbes	506,388		Filipino	0.00
Common	Gerardo Domenico Antonio V. Lanuza	226,786,043	65,083,203	Filipino	3.21
Common	Edmundo C. Medrano	6,000,000	-	Filipino	0.07
Common	Gregory G. Yang	1,831,000	-	Filipino	0.02
Common	Andrew C. Ng	84,000	-	Filipino	0.00
Common	Amador C. Bacani	229,980	-	Filipino	0.00
Common	Renato G. Nuñez	10,000	-	Filipino	0.00
Common	Jomark O. Arollado	10,000	-	Filipino	0.00
Common	Alfonso Martin E. Eizmendi	10,000	-	Filipino	0.00
Common	Chiara Rosario Julia L. Paredes	15,150,000	5,000,000	Filipino	0.22
	Total	**252,791,435**	**274,994,406**		**5.80**

c. Voting Trust Holders of 5% or more

RLT does not know of any person/s holding more than 5% of RLT common shares under a voting trust or similar arrangement.

d. Change in Control

At present, there is neither change in control nor is the Parent Company aware of any arrangement that may result in a change in control of the Parent Company since the beginning of the last fiscal year.

Item 12. <u>Certain Relationships and Related Transaction</u>

<u>Related Party Transactions</u>

The Parent Company and its subsidiaries, in their regular conduct of business, have entered into transactions with associates and other related parties principally consisting of advances and reimbursement of expenses. These transactions with subsidiaries, management, leasing and administrative service agreements, purchase of services to and from related parties are made on an arm's length basis and at current market prices at the time of the transactions.

The RLT Group's related party transactions were made in an arm's length basis. There was no special pricing policy between related parties. Further disclosures were made in the Notes to Financial Statements in Note No. 18. The Parent Company is leasing the "El Retiro" property to its subsidiary, PPMI. PPMI, on the other hand, purchased a condominium unit back in 1996 from the Parent Company, which is fully paid as of this date. The Parent Company also secures insurance through subsidiary, TIBI. The Parent Company is given 90-day period within which to settle the premiums, the same period granted to other customers. Also, the Parent Company extends financial assistance to its subsidiary, PPMI for working capital purposes from time to time.

In the transaction involving the exchange of prime real properties of GPI for shares in RLT, two (2) independent property appraisal companies accredited with both the SEC and the PSE were used (and not just one property appraisal company) to determine the fair market values of the properties to be exchanged. Also, the valuation of the RLT common shares was based on the historical 120-day arithmetic average (and not just based on a couple of days) of the Volume Weighted Average Price (**VWAP**) of RLT obtained on a daily basis. Daily volume weighted average prices were used, and 120 days data set was used, to smoothen the peaks and valleys in the said data set.

R. G. Manabat & Co. was also engaged to render a Valuation and Fairness Opinion Report. The result of the Valuation and Fairness Opinion Report prepared for RLT by R. G. Manabat & Co. determined that the transaction price (and the transaction value) for the issuance of new shares from an increase in the authorized capital stock in favor of GPI in exchange for properties that the GPI will infuse into RLT, is fair.

The Company has not entered into any material transaction nor is it a party to any transaction in which any director, executive officer or significant shareholder of the Company or any member of the immediate family of any of the persons mentioned in the foregoing had or is to have a direct or indirect material interest.

Suppliers

The Company has a broad base of suppliers, contractors and consultants, both local and foreign. The Company is not dependent on one or a limited number of suppliers.

Customers

The Company sells its condominium units to natural and juridical persons.

<u>Government Regulations</u>

Condominium development is governed primarily by P.D. 957 as amended (Regulating the Sales of Subdivision Lots and Condominiums), R.A. No. 4726 (Condominium Act) and R.A. No. 7160 (Local Government Code). Projects are subject to zoning laws of the city or municipality where they are located. Developers are also required to obtain a development permit from the Housing and Land Use Regulatory Board which is also in charge of issuing License to Sell and Certificate of Registration. An Environmental Clearance Certificate must also be secured from the Department of Environment and Natural Resources. The Company has complied with all governmental requirements and there is no pending application with any government agency that requires approval.

Compliance with Corporate Governance (deleted pursuant to SEC Memorandum Circular No. 5 Series of 2013)

PART V
EXHIBITS AND SCHEDULES

Item 13. <u>Exhibits and Reports on SEC Form 11- C</u>

1. **Exhibits/Annex**

   A. 2024 Sustainability report
   B. 2024 Consolidated Financial Statements of Philippine Realty and Holdings Corporation and its Subsidiaries
   C. Subsidiaries of the Registrant

2. **Reports on SEC Form 17-C**

1.	February 21, 2024	RLT's notice on the Annual Stockholder's Meeting for year 2024.
2.	April 17, 2024	Approval of the Board of Directors on the extension of the term of the Lead Independent Director.
3.	May 22, 2024	Board approval of the formation or incorporation of a wholly owned subsidiary that, shortly after incorporation, will issue shares in favor of RLT in exchange for Lot 4 Block 8 located at the corner of 6th Avenue and 25th Street, Bonifacio Global City, containing an area of 1,600 sq. m. more or less, that will be transferred by RLT in its favor.
4.	July 01, 2024	Result of Annual Stockholders Meeting and new set of Directors for ensuing year.

SIGNATURES

Pursuant to Section 17 of the SRC and Section 141 of the Corporation Code the Registrant has duly caused this report to be signed in behalf of the undersigned, thereunto duly authorized in Quezon City on ___________________, 2025.

PHILIPPINE REALTY AND HOLDINGS CORPORATION
Registrant

Pursuant to the requirements of the SRC, this Annual Report has been signed by the following persons in the capacities indicated.

EDMUNDO C. MEDRANO
Director and President

MARISSA S. BONTOGON
Vice President and Treasurer and Risk Officer

MARK ANTHONY M. RAMOS
Vice President and Controller and Compliance Officer

REX P. BONIFACIO
Corporate Secretary

SUBSCRIBED AND SWORN to before me this ______ day of APR 29 2025, 2025, affiants exhibiting to me their government-issued identification cards, as follows:

Names	ID Number	Date of Issue	Place of Issue
Edmundo C. Medrano	TIN: 134-515-229		
Marissa S. Bontogon	TIN: 162-411-720		
Mark Anthony M. Ramos	TIN: 232-385-404		
Rex P. Bonifacio	TIN: 236-070-936		

NOTARY PUBLIC

ATTY. MARIELLE JONELLE L. LAGUERTA
Notary Public for City of Manila- Until Dec. 31, 2025
Notarial Commission No. 2024-179
Tower 3, 3K, No. 181 N. Lopez St., Ermita, Manila
I.B.P. NO. 488207- Dec. 27, 2024 for the year 2025
PTR. NO. 2041441- Jan. 2, 2025 at Manila
MCLE No. VIII-0010660- Valid until 4-14-2028
ROLL NO. 88314

Doc. No. 201 ;
Page No. 37 ;
Book No. XII ;
Series of 2025.

ANNEX C

SUBSIDIARIES OF THE REGISTRANT
(as of December 31, 2024)

Name	% of Ownership
Tektite Insurance Brokers, Inc.	100.00%
PRHC Property Managers, Inc.	100.00%
Sultan's Power Inc.	100.00%
Three Corners Realty Corporation	100.00%
Universal Travel Corporation	81.53%
Le Cheval Holdings, Inc.	45.00%
Alexandra (U.S.A.), Inc.	45.00%

Annex A: 2024 Sustainability Report

Contextual Information

Company Details	
Name of Organization	Philippine Realty and Holdings Corporation (**RLT** or the "**Company**")
Location of Headquarters	One Balete Building, 1 Balete Drive corner N. Domingo Street, Barangay Kaunlaran, District 4, Quezon City 1111, Philippines
Location of Operations	▪ New Manila, Quezon City ▪ Ortigas Center, Pasig City ▪ Bonifacio Global City, Taguig City
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	▪ PRHC Property Managers, Inc. (**PPMI**) ▪ Tektite Insurance Brokers Inc. (**TIBI**) ▪ Sultan's Power Inc. (**SPI**) ▪ Universal Travel Corporation (**UTC**) ▪ Three Corners Realty Corporation (**TCRC**)
Business Model, including Primary Activities, Brands, Products, and Services	To act as a holding company and to invest in, acquire, develop, utilize and dispose of real properties and all kinds of personal property. Specifically, RLT is engaged in: ▪ Investments in businesses ▪ Real estate acquisition and development of premium residential and commercial condominium units for sale or for lease
Reporting Period	1 January 2024 to 31 December 2024
Highest Ranking Person responsible for this report	Edmundo C. Medrano President

**If you are a holding company, you could have an option whether to report on the holding company only or include the subsidiaries. However, please consider the principle of materiality when defining your report boundary.*

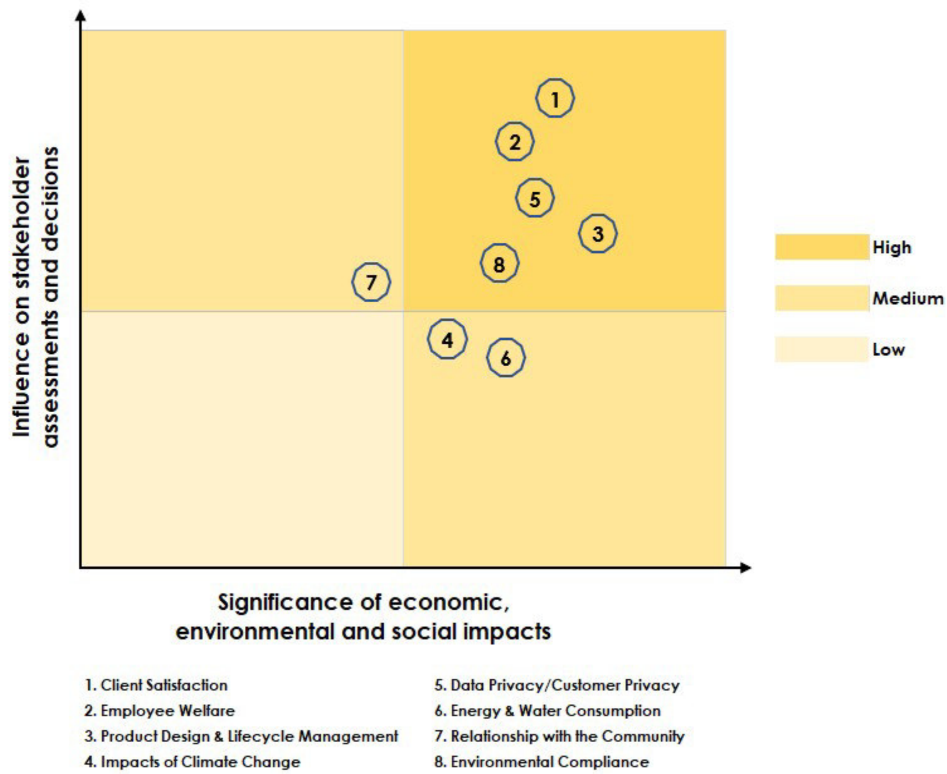
Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics.[1]
Philippine Realty and Holdings Corporation ("**RLT**" or the "**Company**") is a premium property development company in the Philippines. The topics of material importance deal with enhancing equitable and fair return to shareholders, delivering excellent customer value by way of sustainable and energy-efficient development, giving just and equitable compensation to employees. RLT values enduring relationship with its stakeholders and commits to assist underprivileged sectors of society in improving the quality of their lives. With this mission in mind and for purposes of sustainability report, the management team has carefully identified relevant topics and have been evaluated using the global standards/frameworks on materiality assessment which take into consideration the following:

[1] See *GRI 102-46* (2016) for more guidance.

- Influence on stakeholder assessments and decisions; and
- Significance of economic, environmental and social impacts

These sustainability issues have been analyzed using the materiality matrix in the guidelines (for sustainability reporting) provided by SEC in its Memo No. 4 Series of 2019.



The material topics selected (*see table above*) were arranged from low, medium and high as assessed by the Company's management team. RLT believes that these issues are most likely to affect our business with respect to economic, environmental, social and governance matters.

ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	Amount	Units
Direct economic value generated (revenue)	**186 million**	₱
Direct economic value distributed:		
a. Operating costs	**114 million**	₱
b. Employee wages and benefits	68 million	₱
c. Payments to suppliers, other operating costs	517 million	₱
d. Dividends given to stockholders and interest payments to loan providers	**119 million**	₱
e. Taxes given to government	**36 million**	₱
f. Investments to community (e.g. donations, CSR)	0	₱

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
RLT is a property development which is engaged primarily in development of real estate properties, sale of premium residential units and commercial condominium units and leasing. It is also invested in enterprises engaged in property management, insurance brokerage and conversion of plastic wastes into fuel (diesel). RLT's activities impacts the following: ▪ Direct and indirect employment of people ▪ Support of SMEs among its suppliers and service providers ▪ Advance payment of income and other taxes in its operations as required by existing regulations	▪ Employees ▪ Contractors ▪ Suppliers ▪ Service Providers ▪ Customers ▪ Stockholders ▪ Creditors ▪ Government ▪ General Public ▪ Communities	RLT has for its objective to continue to provide premium / high-end residential condominium units and commercial units. Its residential condominium units are ideal as home replacement alternatives. RLT makes every effort to ensure that its customers are satisfied in the units that they purchase or lease in terms of quality and property management. The Company also recognizes the risks associated in its activities such as industry competitors, economic trends, events, etc., which may affect the ability of the Company to sustain revenues. Thus, RLT ensures that it is also able to also expand its portfolio of properties for lease to eventually achieve a balance between

<table>
<tr><td>Long-term objective of making use of plastics for conversion to fuel</td><td></td><td>revenues contributed by sales and revenues contributed by leases.

RLT aims to be ahead of the industry in terms of product design, which involves research and development and is managed by a team of seasoned professionals that adheres to the principles of best practices and/or business ethics.</td></tr>
<tr><th>What is the Risk/s Identified?</th><th>Which stakeholders are affected?</th><th>Management Approach</th></tr>
<tr><td>Risk of calamities such as major typhoon, earthquake, fire, global and local health crisis such as pandemics, etc., that may cause disruption of business operations, damages to building structures, accidents or illness to significant number of its employees, residents and tenants in its projects.</td><td>Employees,
Customers,
Suppliers,
Contractors</td><td>To mitigate the possible impact of the risk, RLT put in place programs/policies such as:
Continuity of business and disaster recovery plan
Cloud-based Computerized Accounting System (“CAS”)
Set-up work from home video conferencing protocols to be able to continue to function remotely.
Set up pertinent policies and employee trainings/seminars on handling emergency situations.
Emergency first-aid facilities and a full-time Company nurse and Company doctor.
Strict adherence to health protocols prescribed by health authorities and best practices.
In place building and equipment maintenance program.
Property all-risk insurance.</td></tr>
<tr><td>Reputational risk that may result in negative publicity, public perception</td><td>Stockholders
Management
Employees
Suppliers
Contractors
Customers</td><td>To mitigate and minimize possible impact of reputational risk, RLT ensures that:
The BOD maintains effective oversight over the operations of the Company
The BOD and Management maintains high ethical conduct in line with set corporate values</td></tr>
</table>

		▪ Employees are required to maintain high level of professionalism in dealing with other stakeholders (i.e. customers and suppliers/contractors) ▪ Customer feedback and complaints are seriously taken as feedback mechanism to improve the Company's business. ▪ Reputable suppliers/contractors are being engaged as "partners" in the development of its projects. ▪ The marketing and sales teams of RLT spearhead drive to promote community programs. ▪ Data privacy (as required by law) is in place and observed by RLT employees.
Uncontrollable events that may have an adverse impact on RLT's operations and revenue generating capability, such as the COVID-19 pandemic.	▪ Stockholders ▪ Management ▪ Employees ▪ Suppliers ▪ Contractors ▪ Customers	▪ RLT set in motion and activated its continuity of business plan. ▪ Prioritized the health of its employees and the residents in its projects. ▪ The Company retained all its employees in spite of very challenging business conditions.
What is the Opportunity/ies Identified?	**Which stakeholders are affected?**	**Management Approach**
The opportunities identified are: ▪ Prioritize development in areas and markets where there is need for RLT's products. ▪ Repackage commercial areas for lease to cater to companies looking for alternative office sites and/or offsite disaster recovery sites in the event of city-wide lockdowns.	▪ Customers (existing and potential) ▪ Suppliers ▪ Contractors	▪ RLT's management approach is consultative. ▪ It is very customer-centric. ▪ Because it has a lean organization, it is a very nimble organization and is able to generate consensus very quickly.

Climate-related risks and opportunities[2]

Governance Disclose the organization's governance around climate-related risks and opportunities	
a.) Describe the board's oversight of climate-related risks and opportunities	RLT's Board Risk Oversight Committee shall be responsible for the development and oversight of the risk management program. It shall be composed of at least three (3) members of the BOD including one (1) independent director, and a chairperson who is a non-executive member. RLT's Board Risk Oversight Committee Charter (**BROC**) are disclosed in its website: http://www.philrealty.com.ph/wp-content/uploads/2019/01/Board-Committee-Charters.pdf Currently, the BROC is composed of five (5) members, three (3) of which are independent directors, including the Chairman. RLT's BROC duties and responsibilities are disclosed in the latest Manual on Corporate Governance: http://www.philrealty.com.ph/wp-content/uploads/2019/06/Manual-on-Corporate-Governance-Amended-compressed.pdf The Board has mandated that subject to cost-reward considerations, future projects should be energy-efficient and preferably certified as "green-certified" buildings especially for commercial buildings. At the very least, the Company is very committed to strictly comply with the requirements of The Philippine Green Building Code.
b.) Describe management's role in assessing and managing climate-related risks and opportunities	RLT's management team conducts regular discussions/meetings which include monitoring of compliance with government regulations such as in the case of sewage treatment facilities for its buildings that are mostly managed by RLT's subsidiary. RLT's management is also very conscious of the Board's preference for "green" buildings in the projects that are being planned for construction, development and sale (or lease).

[2] Adopted from the Recommendations of the Task Force on Climate-Related Financial Disclosures. The TCFD Recommendations apply to non-financial companies and financial-sector organizations, including banks, insurance companies, asset managers and asset owners.

Strategy Disclose the actual and potential impacts[3] of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material	
a.) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term	For the Company's new projects, it is ensured that the location/s is not prone to flooding given historical rainfall records. Earthquake, wind, ventilation and glass curtain consultants are engaged to improve the safety and comfort of future occupants. Climate risks such as very strong typhoons, flooding, earthquakes, strong wind and wind tunnels, extreme heat, etc. that may cause property damage and damage to the building occupants, are being studied seriously.
b.) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning	▪ Mitigation of climate-related risks must be built-in into the architectural and engineering and construction planning. ▪ A well-designed and building structure enhances marketability of the units for sale. ▪ A "green-certified" building enhances attractiveness for investors, buyers and lenders (for project financing and end-user buyer consumer loans).
c.) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios including a 2°C or lower scenario	These are built into the project planning. Being a developer of high-end to luxury condominium units, top caliber foreign and local architects and topnotch, mostly foreign MEPF consultants are engaged to ensure the safety, luxury and environmentally-efficient designs, construction and materials are used.

Risk Management Disclose how the organization identifies, assesses, and manages climate-related risks	
a.) Describe the organization's processes for identifying and assessing climate-related risks	RLT's management and those charged with governance (BOD) has an Enterprise Risk Management plan which contains (1) well-defined risk management goals, objectives and goals, (2) designing and implementing risk management strategies, and (3) continuing assessments to improve risk strategies, processes and measures.
b.) Describe the organization's processes for managing climate-related risks	RLT's identified risks are reviewed at least annually, for risk appetite levels and risk tolerance limits based on changes and developments in the business, the regulatory framework, the external economic and business environment, and when major events occur **(climate-related risks)** that are considered that may have major impacts on the Company.
c.) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	Identification, assessments, and management of risks (including **climate-related**) are integrated in the Company's Enterprise Risk Management plan. The Risk Officer, assisted by the Compliance Officer, reviews and assesses compliance and effectiveness of the ERM system and submits an assessment to the Audit Committee and the Board Risk Oversight Committee.

Procurement Practices

Proportion of spending on local suppliers

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	25% (75% of budget are for foreign brands or supplied materials but purchased from domestic outlets)	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The impact is in the Company's major consultants, contractors, suppliers of labor and materials and equipment and providers of services and materials sourced from locally based companies but are carrying imported equipment and materials.	▪ Consultants ▪ Contractors ▪ Suppliers of labor and materials and equipment	▪ RLT follows strict prequalification and bidding procedures in dealing with its architects, consultants, suppliers and contractors. ▪ RLT has established terms of references and database of reputable architects, consultants, suppliers and contractors that can perform the necessary services with high standards and ensure that materials sourced are of first-class quality.
What are the Risks Identified?	**Which stakeholders are affected?**	**Management Approach**
Poor project management of suppliers/contractors/sub-contractors in terms of delayed delivery of services and/or materials that would result in increases in project costs and/or delayed project completion.	Customers	To address this risk, RLT decided to monitor projects using well-established, reputable and experienced construction manager and quality control / quality assurance manager, as well as its in-house project management and monitoring team to ensure quality management.
What are the Opportunities Identified?	**Which stakeholders are affected?**	**Management Approach**
Performance is assured in contract management and penalties are imposed for	▪ Architects ▪ Consultants ▪ Contractors	▪ Most of the architects, consultants, suppliers and contractors of RLT are well known to the Company as

[3] For this disclosure, impact refers to the impact of climate-related issues on the Company.

non-performance or delayed performance	▪ Suppliers	reliable, having been its partners from past projects. ▪ In spite of this, prudent contract management is being observed to protect the interest of the Company

Anti-corruption

Training on Anti-corruption Policies and Procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of directors and management that have received anti-corruption training	0	%
Percentage of employees that have received anti-corruption training	0	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The impact occurs at the primary business operations level in terms of obtaining permits, licenses, payments of taxes, property registrations, etc.	▪ Employees ▪ Customers	▪ RLT has established code of conduct and behavior which include provisions on anti-corruption guidelines. ▪ The BOD and Management ensures that all RLT personnel perform their duties in accordance with best practices and with integrity. ▪ A policy on conflict of interest and related party transactions have been formulated and approved by the Board.
What are the Risks Identified?	**Which stakeholders are affected?**	**Management Approach**
Delays in obtaining requisite documents, licenses, clearances, approvals, permits, tax clearances, registration	▪ Stockholders ▪ Management ▪ Employees ▪ Customers ▪ Suppliers ▪ Contractors	▪ RLT ensures that its documentation is always complete. ▪ Employees are required to observe business ethics with its dealings with government agencies, customers and suppliers/contractors. ▪ A feedback mechanism is in place so that our employees will abide with

		best practices in the performance of their duties. ▪ Employees are made aware that the Company will have zero tolerance with regards to corruption activities.
What are the Opportunities Identified?	**Which stakeholders are affected?**	**Management Approach**
Provide seminars, trainings and workshop to strengthen awareness among employees relative to anti-corruption programs	Employees	▪ RLT has a policy on the development of its employees which include strengthening professional standard of conduct and behavior. ▪ A "no gifts" policy will be instituted to prohibit employees from accepting gifts of any kind directly or indirectly from customers and/or suppliers/contractors.

Incidents of Corruption

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	0	#
Number of incidents in which employees were dismissed or disciplined for corruption	0	#
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Which stakeholders are affected?**	**Management Approach**
Issue of personal integrity in the reporting of attendance. The offense was uncovered by the audit process.	▪ Employees ▪ Management	▪ Reiteration of policy on the importance of integrity ▪ All possible incidence of corruption will ultimately be discovered and shall be dealt with accordingly subject to observance of laws and regulations and due process.
What are the Risks Identified?	**Which stakeholders are affected?**	**Management Approach**
No significant risks identified		
What are the Opportunities Identified?	**Which stakeholders are affected?**	**Management Approach**

▪ Emphasis on importance of integrity and honesty in day-to-day operations ▪ Reiteration of the adage "crime does not pay"	▪ Employees ▪ Management	▪ RLT is committed to subscribe to all applicable laws and regulations, ethical standards and industry best practices in its operations. ▪ RLT expects no less from its Board of Directors, Management, employees and business partners.

ENVIRONMENT

Resource Management

Energy consumption within the organization:

Disclosure	Quantity	Units
Energy consumption (renewable sources)	0	GJ
Energy consumption (gasoline)	0	GJ
Energy consumption (LPG)	50	GJ
Energy consumption (diesel)	16	GJ
Energy consumption (electricity)	275,640	kWh

Reduction of energy consumption

Disclosure	Quantity	Units
Energy reduction (gasoline)	-	GJ
Energy reduction (LPG)	-	GJ
Energy reduction (diesel)	-	GJ
Energy reduction (electricity)	Not readily available	kWh
Energy reduction (gasoline)	-	GJ

RLT has no comparable data available for year-on-year comparison.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
▪ The business model of RLT involves the construction, development and sale of condominium units. In the process, RLT transfers unto the condominium corporations formed the titles to the land and all the common areas of the project. The buildings/projects are then managed by the said condominium corporations that are independent from the influences of RLT. ▪ Thus, RLT has no influence in the management of the condominium buildings that it constructs, once	▪ Customers ▪ Condominium corporations ▪ Suppliers ▪ Contractors (in terms of workmanship warranties)	▪ In the future, RLT shall seriously consider renewable sources of energy and environmentally friendly and sustainable ways of generating and conserving power in its projects.

the buildings/projects are already turned over. ▪ However, before the common areas are turned over to the condominium corporations, all the requirements imposed by laws and regulations, such as compliant sewage treatment plants, standby power generators, etc. are properly put in place.		
What are the Risks Identified?	**Which stakeholders are affected?**	**Management Approach**
▪ Less than adequate monitoring of power consumption and vital facilities by the condominium corporations ▪ Lack of regular performance audit of key personnel of the condominium corporations	▪ Customers / residents of RLT's developments ▪ Condominium corporations ▪ Employees, consultants, suppliers, contractors of the condominium corporations	▪ As unit owner, RLT can work on having a representative/s elected to the boards of trustees of the condominium corporations to be able to provide advice on proper management of facilities leading to more efficient use of energy. ▪ Introduce its contractors who may be very familiar with the workings of the facilities installed in the buildings/projects
What are the Opportunities Identified?	**Which stakeholders are affected?**	**Management Approach**
Raise awareness within the RLT projects to conserve energy consumption	▪ Customers / residents of RLT's developments ▪ Condominium corporations ▪ Employees, consultants, suppliers, contractors of the condominium corporations	▪ RLT to exert influence on its property management subsidiary to ensure that optimal and efficient use of energy is observed in the developments/buildings that it is managing. ▪ For future projects, serious efforts shall be exerted to design use of indigenous, renewable and green energy sources in its developments

Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawal	0	Cubic meters
Water consumption	2,996	Cubic meters
Water recycled and reused	0	Cubic meters

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
▪ The business model of RLT involves the construction, development and sale of condominium units. In the process, RLT transfers unto the condominium corporation formed the titles to the land and all the common areas of the project. The buildings/projects are then managed by the said condominium corporations that are independent from the influences of RLT. ▪ Thus, RLT has no influence in the management of the condominium buildings that it constructs, once the buildings/projects are already turned over. ▪ However, before the common areas are turned over to the condominium corporations, all the requirements imposed by laws and regulations, such as compliant sewage treatment plants, standby power generators, etc. are properly put in place.	▪ Customers ▪ Condominium corporations ▪ Suppliers ▪ Contractors (in terms of workmanship warranties)	▪ In the future, RLT shall seriously consider renewable sources of energy and environmentally friendly and sustainable ways of generating and conserving water in its projects.
What are the Risks Identified?	**Which stakeholders are affected?**	**Management Approach**
No significant risks identified		
What are the Opportunities Identified?	**Which stakeholders are affected?**	**Management Approach**
No significant opportunities identified		

Materials used by the organization

Disclosure	Quantity	Units
Materials used by weight or volume	Negligible	
▪ renewable	Negligible	kg/liters
▪ non-renewable	Negligible	kg/liters
Percentage of recycled input materials used to manufacture the organization's primary products and services	Negligible	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
RLT's market niche is high-end, luxury residential condominium units. Thus, for its past/completed projects, its choice of materials had to be of high quality and not coming from recycled materials.	▪ Customers ▪ Architects ▪ Contractors ▪ Suppliers ▪ Sales personnel	For future projects, RLT will very seriously consider the use of renewable energy sources in its projects.
What are the Risks Identified?	**Which stakeholders are affected?**	**Management Approach**
No significant risks identified		
What are the Opportunities Identified?	**Which stakeholders are affected?**	**Management Approach**
▪ The opportunities are in being able to make use of sustainable design principles to include the ability to: ○ optimize site potential; ○ minimize non-renewable energy consumption; ○ use environmentally preferable products; ○ protect and conserve water; ○ enhance indoor environmental quality;	▪ Stockholders ▪ Management ▪ Customers ▪ Architects ▪ Consultants	▪ To explore possibilities in constructing and offering for sale environmentally friendly buildings and facilities ▪ To achieve more attractive financing terms for its projects by making use of "green" and sustainable design principles

○ optimize operational and maintenance practices. ▪ Obtaining more favorable terms for financing projects that will quality for "green" projects.		

Ecosystems and biodiversity (whether in upland/watershed or coastal/marine)

Disclosure	Quantity	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	None	
Habitats protected or restored	None	Has.
IUCN[4] Red List species and national conservation list species with habitats in areas affected by operations	None	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Not applicable at this time	Not applicable at this time	Not applicable at this time
What are the Risks Identified?	**Which stakeholders are affected?**	**Management Approach**
No significant risks identified		
What are the Opportunities Identified?	**Which stakeholders are affected?**	**Management Approach**
No significant opportunities identified		

Environmental impact management

Air Emissions

GHG

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions	0	Tonnes CO_2e
Energy indirect (Scope 2) GHG Emissions	0	Tonnes CO_2e
Emissions of ozone-depleting substances (ODS)	0	Tonnes

[4] International Union for Conservation of Nature

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Not applicable at this time	Not applicable at this time	Not applicable at this time
What are the Risks Identified?	**Which stakeholders are affected?**	**Management Approach**
No significant risks identified		
What are the Opportunities Identified?	**Which stakeholders are affected?**	**Management Approach**
No significant opportunities identified		

Air pollutants

Disclosure	Quantity	Units
NO_x	0	kg
SO_x	0	kg
Persistent organic pollutants (POPs)	0	kg
Volatile organic compounds (VOCs)	0	kg
Hazardous air pollutants (HAPs)	0	kg
Particulate matter (PM)	0	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Not applicable at this time	Not applicable at this time	Not applicable at this time
What are the Risks Identified?	**Which stakeholders are affected?**	**Management Approach**
No significant risks identified		
What are the Opportunities Identified?	**Which stakeholders are affected?**	**Management Approach**
No significant opportunities identified		

Solid and Hazardous Wastes

Solid Waste

Disclosure	Quantity	Units
Total solid waste generated	0	kg
Reusable	0	kg
Recyclable	0	kg
Composted	0	kg
Incinerated	0	kg
Residuals/Landfilled	0	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
▪ RLT itself does not generate solid wastes. ▪ The independent condominium corporations possibly generate solid waste but there are regular contractors hauling these solid wastes.	▪ Community ▪ Condominium corporations ▪ Residents ▪ Garbage contractors	▪ To provide assistance to property management subsidiary insofar as hauling of plastic wastes are concerned in the properties that the latter is managing. ▪ These plastic waste products can be used as raw material by Recon-X Energy Corporation ("Recon-X"), a subsidiary of RLT's subsidiary, Sultan's Power Corp., in converting plastics to diesel using a patented process.
What are the Risks Identified?	**Which stakeholders are affected?**	**Management Approach**
There are no significant risks identified insofar as RLT itself is concerned.		
What are the Opportunities Identified?	**Which stakeholders are affected?**	**Management Approach**
The identified opportunities for RLT concerns the subsidiary of its subsidiary, Recon-X Energy Corporation that converts plastics to diesel using a patented process.	▪ Condominium corporations ▪ Recon-X Energy Corporation	To formalize arrangements between PRHC Property Managers Inc. ("PPMI") and Recon-X for the latter to haul solid wastes (plastic) for conversion to fuel which should redound to the benefit of both Recon-X and the condominium projects that PPMI is managing.

Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	0	kg
Total weight of hazardous waste transported	0	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Not applicable at this time	None at this time	None at this time
What are the Risks Identified?	**Which stakeholders are affected?**	**Management Approach**
There are no significant risks identified insofar as RLT itself is concerned.		
What are the Opportunities Identified?	**Which stakeholders are affected?**	**Management Approach**
There are also no significant opportunities identified insofar as RLT itself is concerned.		

Effluents

Disclosure	Quantity	Units
Total volume of water discharges	0	Cubic meters
Percent of wastewater recycled	0	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
▪ RLT itself does not generate solid wastes. ▪ The turned-over projects/buildings managed by independent condominium corporations possibly generate solid waste but there are regular contractors hauling these solid wastes.	▪ Community ▪ Condominium corporations ▪ Residents	To provide assistance to PPMI for the projects/condominium corporations being managed by PPMI as Property Manager, if necessary.
What are the Risks Identified?	**Which stakeholders are affected?**	**Management Approach**

There are no significant risks identified insofar as RLT itself is concerned.		
What are the Opportunities Identified?	**Which stakeholders are affected?**	**Management Approach**
There are also no significant opportunities identified insofar as RLT itself is concerned.		

Environmental compliance

Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	0	₱
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	#
No. of cases resolved through dispute resolution mechanism	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
RLT's construction of projects are impacted by various environmental regulations; RLT fully understands that any noncompliance will result to financial and non-financial penalties, stoppage of operations on its on-going projects.	▪ Board of Directors ▪ Management ▪ Suppliers ▪ Contractors ▪ Government ▪ Community	▪ RLT ensures that it observes and complies with all governmental and regulatory requirements in its projects. Prior to any project development, all environmental clearances are secured and/or complied with such as the Environmental Clearance Certificate (ECC), Laguna Lake Development Authority (LLDA) Clearance and others, as deemed necessary. ▪ Our Project Construction Management Group (PCMG) ensures and monitors compliance calendar in all of the Company's on-going projects. ▪ For 2021, RLT has complied with all environmental regulations.
What are the Risks Identified?	**Which stakeholders are affected?**	**Management Approach**
Violation of any regulations such as local ordinances and national laws with respect to the environment may result in	▪ Board of Directors ▪ Management ▪ Suppliers ▪ Contractors	RLT ensures compliance with all existing and new regulations that are imposed by local and national

penalties and/or suspension of business activities.	▪ Government ▪ Community	authorities which would have an impact on business activities
What are the Opportunities Identified?	**Which stakeholders are affected?**	**Management Approach**
Environmental regulations imposed by local and national regulatory agencies tend to improve overall quality of a building structure and improve sustainability.	▪ Board of Directors ▪ Management ▪ Suppliers ▪ Contractors ▪ Government ▪ Community	As mentioned, RLT is committed to follow the rules and regulations imposed by government and subscribe to industry best practices for the purpose of improving the buildings that it builds and will build in the future.

SOCIAL

Employee Management

Employee Hiring and Benefits

Employee data

Disclosure	Quantity	Units
Total number of employees[5]		
a. Number of female employees	**27**	#
b. Number of male employees	**34**	#
Attrition rate[6]	**4**	rate
Ratio of lowest paid employee against minimum wage	**0**	ratio

Employee benefits

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	**Y**	**8%**	**3%**
PhilHealth	**Y**	**3%**	**5%**
Pag-IBIG	**Y**	**8%**	**8%**
Parental leaves	**Y**	**13%**	**20%**
Vacation leaves	**Y**	**100%**	**100%**
Sick leaves	**Y**	**100%**	**100%**
Medical benefits (aside from PhilHealth))	**Y**	**100%**	**100%**
Housing assistance (aside from Pag-IBIG)	**N**	**NA**	**NA**
Retirement fund (aside from SSS)	**Y**	**0%**	**0%**
Further education support	**N**	**NA**	**NA**
Company stock options	**Y**	**0**	**0**
Telecommuting	**N**	**NA**	**NA**
Flexible-working Hours	**Y**	**100%**	**100%**
(Others)	**-**	**-**	**-**

[5] Employees are individuals who are in an employment relationship with the organization, according to national law or its application (GRI Standards 2016 Glossary)

[6] Attrition are = (no. of new hires – no. of turnover)/(average of total no. of employees of previous year and total no. of employees of current year)

What is the impact and where does it occur? What is the organization’s involvement in the impact?	Management Approach
The Company understands that its Employees/Workforce are its most important resource in achieving its goals. Thus, RLT provides its employees with competitive compensation package, performance bonuses and an extremely generous retirement plan as a way of motivating them to be productive.	RLT’s benefits to its employees are: ▪ Competitive salary packages including performance bonuses and performance-based salary increments ▪ HMO health benefits (including at least one qualified dependent) ▪ Allowances for meals and transportation ▪ Rice subsidy and laundry allowance ▪ Annual credit leaves (Vacation and Sick Leave) ▪ Extremely generous Retirement Plan ▪ Car Plan for senior officers and Subsidized Car Loan for junior to middle level officers
RLT also promotes wellness among its employees	RLT has instituted policies that give our employees additional benefits, as follows: ▪ Access to basic medical supplies, including consultations with Company doctor. ▪ Company nurse who attends to basic health needs of our employee such as blood pressure monitoring, sugar count monitoring and others. ▪ Complete annual physical examination (APE) including eye check-up ▪ Annual reimbursement of dental expenses up to a certain amount ▪ Group life insurance ▪ Pays for seminars to be attended by our directors, senior officers and professionals (i.e., Annual Continuing Professional Development, Annual Corporate Governance Seminars, Anti-Money Laundering Seminars, etc.) ▪ Free parking ▪ Company outings and/or team building and sports activities to promote camaraderie among employees.
What are the Risks Identified?	**Management Approach**
Employee retention of trained and reliable experts due to better opportunities especially outside of the country	Succession planning is practiced not only to address possibility of employee turnover but also to manage continuity and in the event the Company undertakes simultaneous projects

	Identified potential successors are given mentorship trainings and allowed to assume greater job responsibilities. Annual performance evaluation is a significant component in communicating Management's plan/s for key managers/employees so their career paths can be laid out clearly for them.
What are the Opportunities Identified?	**Management Approach**
Employee turnover rate is quite low. Thus, opportunities for implementing succession plan or for manning lateral organizational growth is present in case of simultaneous commencement of projects.	The Company shall continue its programs designed to retain "must keep" employees, such as: ▪ Service awards to honor loyal employees ▪ Recognition and incentives to qualified employees (i.e., sales personnel) ▪ Performance-based promotions for deserving employees ▪ Flexible work arrangements to accommodate employees who may be taking higher academic degrees

Employee Training and Development

Disclosure	Quantity	Units
Total training hours provided to employees		
a. Female employees	4	hours
b. Male employees	24	hours
Average training hours provided to employees		
a. Female employees	0.1	hours/employee
b. Male employees	0.4	hours/employee

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The impact is improved knowledge of directors, senior management and employees that translate to better quality work and overall performance.	▪ RLT spends for the training of its directors, senior management and professional employees. A sample of this are as follows: ▪ Annually, the Company sponsors a Corporate Governance seminar for its directors and key officers ▪ In 2021, the senior officers of the Company and those who will be involved in reporting covered and suspicious transactions attended an Anti-Money Laundering

	Seminar conducted by the Anti-Money Laundering Council (and in 2022, the Company sponsored an Anti-Money Laundering Seminar for all its directors, senior officers and senior officers of its subsidiaries and associate companies). ▪ The Company also shoulders the costs of seminars relating to Continuing Professional Development of its licensed professionals such as Certified Public Accountants, Engineers, etc. ▪ RLT also encourages its key officers and employees to attend seminars that will keep them abreast with developments, such as the periodic Listing and Disclosures Seminars conducted by the Philippine Stock Exchange, Inc., etc. ▪ Our Department Heads and Managers conduct trainings to improve the skills of our employees (e.g., improving proficiency in Excel, oral and written communication skills, etc.) ▪ Fire and Safety seminars and drills are regularly conducted
What are the Risks Identified?	**Management Approach**
There are no significant risks identified.	
What are the Opportunities Identified?	**Management Approach**
There are no significant opportunities identified.	

Labor-Management Relations

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements	0	%
Number of consultations conducted with employees concerning employee-related policies	Town Hall meetings are conducted regularly	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
RLT has no labor union. Thus, it has no Collective Bargaining Agreement with the representatives of its employees. The employees have found no reason to establish a labor union. Nevertheless, the Company always seek to create equitable and fair labor practices, ensuring that our employees' welfare and rights are protected.	▪ In spite of the absence of a labor union, the Company is committed to protect the welfare and rights of its employees. ▪ RLT ensures that it observes DOLE advisories on labor and labor-related matters (i.e., compensation, work hours, increases in minimum wage, etc.). ▪ The Company always seeks to create equitable and fair labor practices, ensuring that our employees' welfare and rights are protected. A case in point is the recent COVID-19 pandemic. The Company instituted work-from-home arrangements and looked after the welfare of the employees by not terminating a single employee and paying their salaries and without reducing their leave credits. ▪ For employee concerns, these can be ventilated during Town Hall meetings. ▪ The Company gives priority to hiring relatives of retiring employees, as what recently happened when a long-time messenger of the Company retired. His vacated post was given to his son.
What are the Risks Identified?	**Management Approach**
Discontent among the employees due to unfair labor practices will lead to a formation of a labor union.	▪ Due to the initiatives of Management as expounded above, and the genuine concern of the Board of Directors and senior management for the welfare of the employees, RLT's employees have found no reason to establish a labor union.
What are the Opportunities Identified?	**Management Approach**
The opportunities are in the area of continued industrial peace that allows our employees and Management to concentrate on their work.	To continue Management practices as they are working perfectly well.

Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce	**44**	%
% of male workers in the workforce	**56**	%
Number of employees from indigenous communities and/or vulnerable sector*	**3**	#

**Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).*

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Management Approach**
▪ The impact is in its primary business operations. ▪ In RLT's senior management, three (3) are senior citizens and one (1) is a PWD ▪ Several key departments are headed by women, including in the area of engineering. ▪ RLT has also hired LGBTs, including solo parents and those coming from poorer communities provided qualified.	▪ RLT does not discriminate against any employee or job applicant because of race, color, religion, national origin, sex, physical or mental disability, or age. ▪ In short, RLT is an equal opportunity employer. ▪ Promotion is strictly based on merit and performance.
What are the Risks Identified?	**Management Approach**
Reputational risk if the Company discriminates in its hiring of applicants (and in the promotion of existing employees) as a result of race, color, religion, national origin, sex, physical or mental disability, or age.	RLT is exercising due care in dealing with individuals or group of individuals (that includes those in the employ of its suppliers, contractors and business partners) so as not to perceived as prejudicial against other people.
What are the Opportunities Identified?	**Management Approach**
Hiring is improved as the best qualified can be hired without having to be confined to certain choices due to set limitations.	Continue and adhere to the principle of being an equal opportunity employer.

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours	**0**	Man-hours
No. of work-related injuries	**0**	#
No. of work-related fatalities	**0**	#
No. of work-related ill-health	**0**	#
No. of safety drills	**0**	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
▪ In general, any construction work is done by outside contractors. ▪ However, the employees of the contractors might be involved in any work-related accidents/injury. As a result, disruption of business operations or certain construction activity might be imposed.	▪ RLT and its Management ensure that safe environment, workplace and working conditions are observed by its contractors and consultants. ▪ RLT requires its contractors to observe DOLE and local government orders and ordinances with respect to occupational safety and health standards.
What are the Risks Identified?	**Management Approach**
▪ For the workers, the risks they face are accidents and getting contaminated by illnesses of fellow workers (such as COVID-19). ▪ Lack of training and experience could be the causes of accidents.	▪ RLT in its prequalification of contractors require observance of safety standards in the work areas and for workers. ▪ RLT also ascertains that appropriate insurance coverage (such as Contractors All Risk Insurance) is procured by the contractor/s to cover any eventuality ▪ In the case of the COVID-19 pandemic, RLT requires its contractors to adhere fully to the requirements set by the DOH, the DOLE, the DPWH, the municipality/city government and the barangay concerned.
What are the Opportunities Identified?	**Management Approach**
There are no significant opportunities identified.	

Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	0	#

Do you have policies that explicitly disallows violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

Topic	Y/N	If Yes, cite reference in the Company policy
Forced labor	N	None
Child labor	N	None
Human Rights	N	None

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Forced labor, child labor and violation of human rights are not specifically mentioned in Company policies as they are presumed not to be allowed at any instance.	These will be explicitly included in Company policies
What are the Risks Identified?	**Management Approach**
There are no significant risks identified.	
What are the Opportunities Identified?	**Management Approach**
There are no significant opportunities identified.	

Supply Chain Management

Do you have a supplier accreditation policy? If yes, please attach the policy or link to the policy:

RLT does not have a formal supplier accreditation policy. However, terms of reference for each undertaking are clearly issued to potential bidders and prequalification procedures are being followed as part of best practices to ensure acceptability of suppliers/contractors.

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If yes, cite reference in the supplier policy
Environmental performance	N	
Forced labor	N	
Child labor	N	
Human rights	N	
Bribery and corruption	Y	RLT observes industry best practices when dealing with its suppliers/contractors. Our employees when dealing with our suppliers/contractors are properly advised, guided and mindful that bribery and corruption will not be tolerated in the Company.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
RLT engages the services of well-known, reputable suppliers that do not engage in forced labor, child labor and other illegal practices.	RLT is into development of premium condominium buildings. As such it also deals with premium and quality suppliers and contractors. Most of them are repeat contractors and suppliers. Over time, RLT is able to assure itself that it is dealing with reputable suppliers and contractors.
What are the Risks Identified?	**Management Approach**
No significant risks are identified.	
What are the Opportunities Identified?	**Management Approach**
No significant opportunities are identified.	

Relationship with Community

Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable)*	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
The premium projects completed by RLT improved the community in terms of aesthetic considerations and enhancement of the property values in the surrounding areas.	Projects are located in premium locations that allows for easier accessibility	Residential condominium projects of RLT have provisions for senior assisted living. This is because RLT's residential condominium buildings are meant to be home-replacement	No.	Condominium corporations are conscious about taking care of its residents, especially senior citizens.	Not applicable

		alternatives for senior citizens.			

**Vulnerable sector includes children and youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E)*

For operations that are affecting IPs, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certification Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available: _____________

Certificates	Quantity	Units
FPIC process is still undergoing	TBD	#
CP secured	None yet	#

RLT operations do not have significant impact on vulnerable groups in the society.

What are the Risks Identified?	Management Approach
No significant risks are identified.	
What are the Opportunities Identified?	**Management Approach**
No significant opportunities are identified.	

Customer Management

Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction	Not available	N

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Being a developer-seller of premium condominium units, RLT is very concerned about customer satisfaction, ensuring that units delivered / transferred to its buyers are based on specifications.	▪ RLT employees, particularly our Sales Group, Sales Support Group and most especially our Property Management Group and Project Construction Management Group, are trained to ensure quality of work at RLT developments. ▪ Buyers of units of RLT projects are given a one-year warranty period, and all repairs and workmanship re-work are done free-of-charge. ▪ Our Sales Group and Sales Support Group assist customers complete documentary

	requirements to fast-track transfer of ownerships to the said customers. ▪ Our Property Management Group and Project Construction Management Group ensure that installed appliances in the units are of good quality and in good working condition. ▪ Maintenance in the common areas of the condominium buildings are properly monitored i.e. lightings, elevators, etc., by the Condominium Corporation.
What are the Risks Identified?	**Management Approach**
Customer satisfaction is a very key element in successful selling of high-end condominium units as negative news gets around very fast, especially with the advent of social media. Thus, it must be taken very seriously because of the harm that can be caused by negative publicity.	The Company treats customer satisfaction very seriously as can be shown by the fact that there have been a lot of repeat buyers of RLT's projects over the years. This is in spite of very limited marketing collateral in the selling of the units in RLT's projects.
What are the Opportunities Identified?	**Management Approach**
Satisfied customers have been the best "sales agents" of RLT. Word of mouth and positive responses insofar as customer satisfaction is concerned have helped in the marketing of RLT's projects.	Customer service is a serious matter in RLT. Residents' complaints, issues or requests for repairs are taken up in weekly meetings of the Project Committee for those units still under a one-year warranty period and in the board meetings of the Condominium Corporations.

Health and Safety

Disclosure	**Quantity**	**Units**
No. of substantiated complaints on product or service health and safety*	0	#
No. of complaints addressed	0	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	**Management Approach**
▪ RLT ensures that all its contractors follow strict policies, rules and regulations on safety imposed by regulatory agencies in the construction of its projects (residential or commercial condominium buildings).	▪ RLT believes in the principle of protecting the health and safety of its employees as well as those of the employees of its consultants, contractors and suppliers. ▪ RLT fully subscribes to all applicable rules and regulations imposed by regulatory agencies in

▪ In terms of the COVID-19 pandemic, RLT is strictly following the protocols prescribed by the DOH, DOLE, DPWH, the local government units covering RLT's areas of operations, including but not limited to the following: ○ Requirement on returning employees or workers of contractors of presenting either results of rapid tests conducted on them or barangay health certification prior to allowing them entry to office or building premises; ○ Constructing an isolation tent for employees, residents or workers of contractors who may be exhibiting symptoms of COVID-19; ○ Presence of a full-time nurse for consultation and as liaison to hospitals and testing centers	making sure that its contractors comply with building construction safety protocols. ▪ RLT's concern for the health and safety of its employees and those of its contractors extends to making them safe from COVID-19.
What are the Risks Identified?	**Management Approach**
▪ Accidents in building construction site/s due to negligence or non-conformance to prescribed rules and regulations imposed by regulatory authorities ▪ Property damages as a result of substandard workmanship ▪ Major damages caused by lack of adequate testing (e.g., caused by earthquakes, etc.)	RLT ensures that its projects are designed by world-class architects and consultants specializing in earthquakes (e.g., design can withstand globally acceptable/tolerable earthquake intensity), wind flows, building heat management, energy efficiency, etc., to prevent damages due to the elements or disasters.
What are the Opportunities Identified?	**Management Approach**
▪ Enhanced reputation for quality products (condominium units) and services ▪ Growing the Company's loyal customer base	Continue to turn out value-for-money premium developments that are well thought-out and exquisitely designed that in the future will make use of sustainable design principles

Marketing and labelling

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labelling*	0	#
No. of complaints addressed	0	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
RLT advertises subtly through billboards, brochures, online ads and makes use of social media page	▪ RLT's marketing is subtle and low-key in approach. ▪ It is focused more on getting prospective buyers to see the actual product being offered for sale. ▪ For those who express interest, a soft copy of the units for sale is provided the prospective buyer as well as classy brochures. ▪ RLT has engaged consultants to help the Company further enhance its brand image and well-conceived overall marketing plan.
What are the Risks Identified?	**Management Approach**
Making commitments or promises that cannot be delivered enhance reputational risk.	RLT fully subscribes to "truth in advertising".
What are the Opportunities Identified?	**Management Approach**
No significant opportunities are identified.	

Customer privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy*	0	#
No. of complaints addressed	0	#
No. of customers, users and account holders whose information is used for secondary purposes	More than 100 but less than 250	#

**Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The impact is in the customer base of the Company.	RLT is committed to protect the privacy of the Company's employees, consultants, contractors, suppliers and most especially its active customers. This is contained in the Company's Data Privacy Manual.

	http://www.philrealty.com.ph/wp-content/uploads/2019/06/PRHC_Data_Privacy_Manual_min-1.pdf Under the said manual – ▪ Collection of information/data from customers are with consent. ▪ Storing of data are kept secured. ▪ All data obtained from customers are kept confidential.
What are the Risks Identified?	**Management Approach**
The risk is the release of information on the Company's data subjects without their prior consent.	▪ The Board has appointed a Data Protection Officer. ▪ The Data Protection Officer oversees the compliance of the Company with the Data Privacy Act, its IRR, and other related policies, including the implementation of security measures, security incident and data breach protocol, and the inquiry and complaints procedure.
What are the Opportunities Identified?	**Management Approach**
No significant opportunities are identified.	

Data Security

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts and losses of data	0	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The impact is in the security of the information on the customer base of the Company.	RLT is committed to protect the privacy of the Company's employees, consultants, contractors, suppliers and most especially its active customers. This is contained in the Company's Data Privacy Manual. http://www.philrealty.com.ph/wp-content/uploads/2019/06/PRHC_Data_Privacy_Manual_min-1.pdf

	Under the said manual – ▪ Collection of information/data from customers are with consent. ▪ Storing of data are kept secured. ▪ All data obtained from customers are kept confidential.
What are the Risks Identified?	**Management Approach**
The risk is the release of information on the Company's data subjects without their prior consent due to lack of security protocols.	▪ The Board has appointed a Data Protection Officer. ▪ The Data Protection Officer oversees the compliance of the Company with the Data Privacy Act, its IRR, and other related policies, including the implementation of security measures, security incident and data breach protocol, and the inquiry and complaints procedure.
What are the Opportunities Identified?	**Management Approach**
Feeling of comfort and security of the Company's data subjects would tend to attract more customers for RLT, both from prospective buyers of condominium units or prospective lessees.	Full compliance and adherence to laws and regulations; in this instance the Data Privacy Act.

UN SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to UN SDGs

Key products and services and its contribution to sustainable development.

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Property Development	**SDG 8** "Decent Work and Economic Growth" **SDG 9** "Industry Innovation and Infrastructure" **SDG 12** "Responsible Consumption and Production"	▪ Underage laborers from our third-party contractors. ▪ Risk of accidents and injury. ▪ Impact on environment due to industry and infrastructure development. ▪ Increase consumption of energy and water due to project development.	▪ Ensure that contractors are observing laws and government directives. ▪ Ensure that contractors are practicing responsible and safe construction methodologies (i.e., safety protocols are observed). ▪ Ensure that necessary environmental clearances are obtained prior to start of project construction. ▪ Ensure that developments are able to attain efficiencies in terms of energy consumption and optimization of use of water resources.
Sale and lease of property (residential and commercial)	**SDG 6** "Clean Water and Sanitation" **SDG 11** "Sustainable Cities and Community"	▪ Increased water and energy consumption as a direct consequence of increases in units constructed and sold ▪ Potential increase in pollution and waste matter due to increased no. of households	▪ Use of efficient sewage treatment facilities ▪ For future projects, the Company will make use of sustainable design principles to include the ability to: ○ optimize site potential; ○ minimize non-renewable energy consumption; ○ use environmentally preferable products;

			○ protect and conserve water; ○ enhance indoor environmental quality; ○ optimize operational and maintenance practices.

** None/Not Applicable is not an acceptable answer. For holding companies, the services and products of its subsidiaries may be disclosed.*

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

0 0 0 0 0 9 9 9 0 5

Company Name

P H I L I P P I N E R E A L T Y A N D H O L D I N G S

C O R P O R A T I O N A N D S U B S I D I A R I E S

Principal Office (No./Street/Barangay/City/Town)Province)

O N E B A L E T E , 1 B A L E T E D R I V E

C O R N E R N . D O M I N G O S T . B R G Y .

K A U N L A R A N D I S T R I C T 4 , Q U E Z O N

C I T Y

Form Type	Department requiring the report	Secondary License Type, If Applicable
A A F S	S E C	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
mark.ramos@philrealty.com.ph	02-86313179	0917-509-6326

No. of Stockholders	Annual Meeting Month/Day	Calendar Year Month/Day
2,303	2nd week of June	December 31

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
Mark Anthony A. Ramos	mark.ramos@philrealty.com.ph	02-86313179	0917-509-6326

Contact Person's Address

One Balete, 1 Balete Drive cor. N. Domingo Street Brgy. Kaunlaran District 4, Quezon City

Note 1: In case of death, resgination 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.

BUREAU OF INTERNAL REVENUE
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Apr 11, 2025 04:42 PM

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Amyleen Joy Dayrit

From:	Mark Anthony Ramos
Sent:	Friday, April 11, 2025 4:55 PM
To:	Amyleen Joy Dayrit
Subject:	FW: Your BIR AFS eSubmission uploads were received

FYC

Thanks and best regards

MARK ANTHONY M. RAMOS
Vice President and Controller and Compliance Officer
PHILIPPINE REALTY AND HOLDINGS CORPORATION
Head Office (632) 8631 3179 / Satellite Office (632) 532 7538
✉ mark.ramos@philrealty.com.ph
www.philrealty.com.ph

From: eafs@bir.gov.ph <eafs@bir.gov.ph>
Sent: Friday, April 11, 2025 4:42 PM
To: Mark Anthony Ramos <MARK.RAMOS@PHILREALTY.COM.PH>
Cc: Mark Anthony Ramos <MARK.RAMOS@PHILREALTY.COM.PH>
Subject: Your BIR AFS eSubmission uploads were received

Hi PHILIPPINE REALTY AND HOLDINGS CORPORATION,

Valid files

- EAFS000188233ITRTY122024.pdf
- EAFS000188233RPTTY122024.pdf
- EAFS000188233OTHTY122024.pdf
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- EAFS000188233AFSTY122024.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-NRW2NVQ20AJEF9B89Q4SPV2TZ0NZ2RMQQ2**
Submission Date/Time: **Apr 11, 2025 04:42 PM**
Company TIN: **000-188-233**

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- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

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PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2024, 2023 and 2022

Philippine Realty & Holdings Corporation

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **PHILIPPINE REALTY AND HOLDINGS CORPORATION and SUBSIDIARIES (the Group)** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2024, 2023 and 2022, in accordance with the prescribed financial reporting framework indicated therein, for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud and error.

In preparing the 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 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.

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

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

Maceda Valencia and Co., the independent auditor appointed by the stockholders, has audited the financial statements of the Company in accordance with 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.

GERARDO DOMENICO ANTONIO V. LANUZA
Chairman

EDMUNDO C. MEDRANO
President

MARISSA S. BONTOGON
Vice President and Treasurer

Signed this 18th day of March 2025.

MAR 24 2025

SUBSCRIBED AND SWORN to before me this ______ day of ______________, 2025, affiants exhibiting to me their Tax Identification Nos., as follows:

Name	Tax Identification No.
Gerardo Domenico Antonio V. Lanuza	243-616-771
Edmundo C. Medrano	134-515-229
Marissa S. Bontogon	162-411-720

ATTY. BRYAN G. PEKAS
Notary Public for Quezon City
Valid until December 31, 2025
Roll of Attorney No. 60393
IBP No. 491739 / 02 January 2025, Q.C.
Admin Matter No. NP-347 / TIN 284-671-758
PTR No. 10095447, 01-02-2025, Marikina City
MCLE Compliance No. VII-0025903; 01-30-2023
603 EDSA Diamond Finance Bldg. Brgy. SMDP Cubao, Q.C.

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SERIES OF 2025

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REPORT OF INDEPENDENT AUDITORS TO ACCOMPANY FINANCIAL STATEMENTS FOR FILING WITH THE SECURITIES AND EXCHANGE COMMISSION

The Shareholders and Board of Directors
Philippine Realty and Holdings Corporation
One Balete, 1 Balete Drive corner N. Domingo Street
Brgy. Kaunlaran District 4
Quezon City

We have audited the consolidated financial statements of Philippine Realty and Holdings Corporation and Subsidiaries as at and for the year ended December 31, 2024, on which we have rendered our report dated March 18, 2025.

In compliance with Revised Securities Regulation Code Rule 68 and based on the certification received from the Parent Company's corporate secretary and the results of our work done, as at December 31, 2024, we are stating that the said Parent Company has two thousand two hundred sixty-seven (2,267) shareholders owning one hundred (100) or more shares.

MACEDA VALENCIA & CO.

JOSE T. VALENCIA
Partner
CPA License No. 32659
Tax Identification No. 119-894-676-000
PTR No. 10476168
Issued on January 9, 2025 at Makati City
BOA/PRC Reg. No. 4748 valid until August 7, 2027
BIR Accreditation No. 08-005063-000-2024 (firm); 08-005063-001-2024 (individual)
Issued on March 26, 2024; valid until March 25, 2027

March 18, 2025
Makati City

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REPORT OF INDEPENDENT AUDITORS

The Shareholders and Board of Directors
Philippine Realty and Holdings Corporation
One Balete, 1 Balete Drive corner N. Domingo Street
Brgy. Kaunlaran District 4
Quezon City

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Philippine Realty and Holdings Corporation and Subsidiaries (the "Group"), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of total comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the three years in the period ended December 31, 2024, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the three years in the period ended December 31, 2024 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 Financial Statements* section of our report. We are independent of the Group 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 audits of the 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 a basis for our opinion.
Provide

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 consolidated opinion on these matters.

The Risk

Real Estate Revenue Recognition and Determination of Related Cost

The Group's revenue recognition process, policies and procedures on real estate sales are material to our audit because these involve the application of material judgment and estimation. In addition, real estate sales amounted to P54.28 million or 14% of Revenues and Other Income while costs of real estate sales amounted to P33.97 million or 7% of Cost and Expenses for the year ended December 31, 2024. The areas affected by revenue recognition, which requires material judgments and estimates, include determining when a contract will qualify for revenue recognition. These areas were material to our audit as an error in application of judgments and estimates could cause a material misstatement in the financial statements.

The Group's policy for revenue recognition on real estate sales are more fully described in Note 30 to the financial statements. The material judgments applied, and estimates used by management related to revenue recognition are more fully described in Note 31 to the financial statements.

Our Response

We obtained an understanding of the revenue and cost recognition policy on real estate sales transactions. We performed risk assessment procedures to obtain audit evidence about the design and implementation of relevant controls. We performed a walkthrough as part of obtaining an understanding of the revenue and cost recognition process to identify and further understand what could go wrong in the process and to identify relevant controls that management has implemented to address what could go wrong. In performing walkthroughs, we obtained sufficient information to be able to evaluate the design and implementation of relevant controls and tested for operating effectiveness over revenue and cost recognition process and financial reporting close process.

On the revenue recognition process, the following controls, among others, were identified and tested for operating effectiveness.

- Control over initiation – sales reservation and payment scheme are based on valid transactions and sales cancellations are issued based on cancellation policy;
- Control over authorization – (a) Reservation and payment scheme, Contract to Sell, and Deed of Absolute Sale and (b) Notice of Cancellation for cancellation are approved by authorized officer;
- Control over recording and processing - Sales are systems generated at point of recognition and are counterchecked by responsible finance officer and cancellations are manually recognized based on approved Notice of Cancellation.

On the cost recognition process, the following key controls, among others, were tested for operating effectiveness.

- Control over initiation - Project costs are initiated based on budget.
- Control over authorization - (a) Budgets are approved by management and the Board; (b) Project spendings are made based on approved letters of award; (c) Recommendations for payment are compared with letter of award and approved by authorized officer; and (d) Changes in contract are approved by authorized officer;
- Control over recording and processing - (a) Payments are recorded based on approved recommendation of payment; (b) Costs are systems generated on point of recognition based on approved standard cost; and (c) Other capitalized costs such as interest cost are manually recorded based on policy.

On financial reporting close process, controls over preparation of relevant disclosures were tested for operating effectiveness. Financial statements and relevant disclosures are prepared and reviewed by authorized finance officer.

We also performed substantive test procedures on selected sales and cancellations transactions during the year by examining the approved payment scheme, Contract to Sell or Deed of Absolute Sale or Notice of Cancellation, and reperformed calculation of sales or cancellations recognized.

Valuation of Real Estate Inventories

The Risk

Real estate inventories constitute a material component in the Group's statements of financial position. Real estate inventories amounted to P2.40 billion representing 25% of the total assets as at December 31, 2024. Real estate inventories include properties under construction and acquired properties that are held for sale in the ordinary course of business and land held for development. Real estate inventories are valued at the lower of cost or market and net realizable value.

The valuation of real estate inventories is influenced by assumptions and estimates regarding construction costs to be incurred, and future selling prices. Weak demand and the consequential over supply of residential units might exert downward pressure on transaction volumes and selling prices of residential properties.

Our Response

Based on the controls over cost recognition process, we examined supporting documents of transactions of sampled projects to ensure that costs are complete and accurate and relates to the project and any spending noted outside the budgeted costs, including capitalized interest, are explained.

We reperformed standard cost calculation for selected projects and compared it with the standard cost used to cost inventories. We compared standard cost against net realizable values of selected projects through inspection of most recent sales contracts and expected sales proceeds from the remaining properties. We also tested the basis of percentage of completion for a project completed during the year.

Allowance for Impairment Losses on Trade and Other Receivables

The Risk

The allowance for impairment losses on trade and other receivables is considered to be a matter of significance as it requires the application of judgment and use of subjective assumptions by management. As of December 31, 2024, trade and other receivables amounted to of P379 million, contributing 4% to the Group's total assets.

Our Response

We tested the calculation methodology which is based on cash flows of future payments considering historical data of collections and defaults including the value of repossessed inventories and possible refunds. We also tested the assumptions including interest rates used in computing for the expected credit loss.

Valuation of Investment Properties

The Risk

Investment properties is considered to be a matter of significance as it requires the application of valuation judgment and use of assumptions by management. As of December 31, 2024, investment property has a total carrying amount of P5.33 billion contributing 55% to the Group's total assets.

Our Response

To validate additions to investment properties, we examined supporting documents such as contracts, Deeds of Absolute Sale, supplier invoices and/or official receipts.

To determine fair value adjustments, we obtained the latest appraisal report and evaluated appropriateness of assumptions and valuation method, and completeness of the information used.

We also evaluated the competence and objectivity of the external expert engaged by the management to value the investment properties by ensuring the expert is an accredited appraiser by the Securities and Exchange Commission (SEC).

Presentation of Loans and Capitalization of Borrowing Costs

The Risk

The Group has a material loan balance of P1.81 billion as of December 31, 2024, which is material to the financial statements. Interest costs of P36.92 million have been capitalized during the year in relation to the ongoing project. The capitalization of interest is accounted for under PAS 23 Borrowing Costs. We identified this as a key audit matter due to the magnitude of the loan and capitalized interest relative to the Group's financial position, the complexity involved in determining the amount of interest eligible for capitalization, and the material judgments required. These judgments include assessing which expenditures qualify for capitalization, determining the appropriate capitalization rate, and ensuring the capitalization period aligns with the construction timeline of the related assets. There is an inherent risk of misstatement if these judgments are not appropriately applied or if the underlying assumptions are unreasonable.

Our Response

We reviewed loan agreements and the terms and conditions such as but not limited to debt covenants, guarantees, payment, schedule and interest, and determined appropriateness of disclosures in the financial statements.

We obtained an understanding of the terms of the loan agreement and management's process for identifying qualifying assets and calculating capitalized interest.

We tested the accuracy of the interest capitalization calculation, including the interest rate applied and the period of capitalization, by agreeing inputs to loan documentation and project timelines.

We evaluated the appropriateness of management's judgments regarding the eligibility of assets for interest capitalization, including corroborating the status of construction projects with supporting evidence such as progress reports and contractor invoices.

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 audit of the consolidated financial statements, our responsibility is to read the other information identified above when it become 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, otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group'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 Group'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 and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast material doubt on the Group'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 Group 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 Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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 material audit findings, including any material 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 Jose T. Valencia.

MACEDA VALENCIA & CO.

JOSE T. VALENCIA
Partner
CPA License No. 32659
Tax Identification No. 119-894-676-000
PTR No. 10476168
Issued on January 9, 2025 at Makati City
BOA/PRC Reg. No. 4748 valid until August 7, 2027
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March 18, 2025
Makati City

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023

	Note	2024	2023
ASSETS			
Current Assets			
Cash and cash equivalents	*3*	**P212,525,104**	P283,145,676
Financial assets at fair value through profit or loss (FVPL)	*4*	**6,750,000**	6,750,000
Trade and other receivables - current portion	*6*	**310,056,766**	355,309,445
Real estate inventories	*7*	**2,395,612,671**	2,073,624,267
Prepayments and other current assets – net	*8*	**995,291,809**	463,159,351
Investment in finance lease – current portion	*12*	**16,798,904**	15,606,638
Total Current Assets		**3,937,035,254**	3,197,595,377
Non-current Assets			
Financial assets at fair value through other comprehensive income (FVOCI)	*5*	**27,925,315**	35,197,203
Trade and other receivables – net of current portion	*6*	**68,744,092**	207,967,647
Investments in and advances to associates – net	*9*	**54,301,261**	56,436,750
Investment properties	*10*	**5,326,432,281**	5,163,547,388
Property and equipment – net	*11*	**83,892,120**	91,481,034
Right-of-use assets – net	*12*	**76,909,906**	87,619,912
Investment in finance lease – net of current portion	*12*	**155,173,275**	171,970,892
Other non-current assets		**53,386**	53,386
Total Non-current Assets		**5,793,431,636**	5,814,274,212
		P9,730,466,890	P9,011,869,589

	Note	2024	2023
LIABILITIES AND EQUITY			
LIABILITIES			
Current Liabilities			
Trade and other payables - current portion	*13*	**P201,192,447**	P63,237,619
Loans and note payable - current portion	*14*	**984,428,257**	829,668,150
Lease liability - current portion	*12*	**16,367,703**	15,570,165
Total Current Liabilities		**1,201,988,407**	908,475,934
Non-current Liabilities			
Trade and other payables - net of current portion	*13*	**104,872,422**	76,059,054
Loans and note payable - net of current portion	*14*	**857,491,696**	372,351,579
Retirement benefit obligation	*16*	**90,759,285**	85,635,684
Deferred tax liabilities – net	*24*	**790,887,733**	753,432,863
Lease liability – net of current portion	*12*	**126,725,111**	143,092,814
Deferred rent income	*12*	**41,405,086**	43,608,343
Total Non-current Liabilities		**2,012,141,333**	1,474,180,337
Total Liabilities		**P3,214,129,740**	P2,382,656,271

Forward

	Note	2024	2023
EQUITY			
Equity Attributable to Equity Holders of the Parent Company			
Capital stock	25	**P4,275,721,448**	P4,275,721,448
Additional paid-in capital	25	**780,630,029**	780,630,029
Reserves	26	**54,362,518**	56,177,322
Retained earnings		**1,557,228,901**	1,668,286,406
Treasury stock	25	**(110,049,633)**	(110,049,633)
		6,557,893,263	6,670,765,572
Equity Attributable to Non-Controlling Interests	27	**(41,556,113)**	(41,552,254)
		6,516,337,150	6,629,213,318
		P9,730,466,890	P9,011,869,589

See Notes to the Consolidated Financial Statements.

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF TOTAL COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

	Notes	2024	2023	2022
INCOME				
Sales of real estate		**P54,281,940**	P174,460,724	P224,998,917
Rent	*12*	**78,226,430**	65,161,614	56,370,168
Management fees	*17*	**42,928,666**	41,203,464	34,655,944
Interest	*19*	**10,840,037**	14,050,801	15,924,493
Commission	*18*	**10,313,645**	5,215,928	5,567,455
Other income	*20*	**186,653,703**	426,546,957	540,509,715
		383,244,421	726,639,488	878,026,692
COSTS AND EXPENSES				
Cost of real estate sold	*7*	**33,972,600**	90,154,100	106,296,787
Cost of services	*21*	**79,282,634**	74,604,569	62,246,466
General and administrative expenses	*22*	**259,703,091**	307,660,262	338,465,029
Finance costs	*12,14*	**89,057,427**	70,157,474	63,809,071
Equity in net loss of an associate	*9*	**2,135,489**	1,799,380	1,431,300
Other expenses	*23*	**200,543**	4,898,497	230,051
		464,351,784	549,274,282	572,478,704
INCOME (LOSS) BEFORE INCOME TAX		**(81,107,363)**	177,365,206	305,547,988
INCOME TAX EXPENSE	*24*	**40,132,029**	64,496,247	125,159,497
NET INCOME (LOSS)		**(P121,239,392)**	P112,868,959	P180,388,491
Attributable to:				
Equity holders of the parent	*28*	**(P121,235,533)**	P112,880,755	P183,087,318
Non-controlling interest	*27*	**(3,859)**	(11,796)	(2,698,827)
		(P121,239,392)	P112,868,959	P180,388,491
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified to profit or loss				
Remeasurement gain (loss) on defined benefit obligation, net of tax	*26*	**P3,510,610**	(P8,521,221)	P14,897,978
Unrealized holding gain (loss) on financial assets at FVOCI	*5,26*	**4,852,614**	(878,903)	(1,568,430)
		8,363,224	(9,400,124)	13,329,548
TOTAL COMPREHENSIVE INCOME (LOSS)		**(P112,876,168)**	P103,468,835	P193,718,039
BASIC EARNINGS (LOSS) PER SHARE	*28*	**(P0.01)**	P0.01	P0.02

See Notes to the Consolidated Financial Statements.

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

	Equity Attributable to Equity Holders of the Parent Company							
	Capital Stock (Note 25)	Additional Paid-in Capital (Note 25)	Reserves (Note 26)	Retained Earnings	Treasury Stock (Note 25)	Total	Non-controlling Interests (Note 27)	Total Equity
Balance at January 1, 2022	P4,275,698,948	P780,630,029	P52,201,114	P1,368,606,555	(P110,049,633)	P6,367,087,013	(P38,841,631)	P6,328,245,382
Comprehensive income (loss)								
Net income (loss) for the year	-	-	-	183,087,317	-	183,087,317	(2,698,827)	180,388,490
Other comprehensive income for the year	-	-	13,329,548	-	-	13,329,548	-	13,329,548
Adjustments	-	-	-	3,711,779	-	3,711,779	-	3,711,779
Total comprehensive income (loss) for the year	-	-	13,329,548	186,799,096	-	200,128,644	(2,698,827)	197,429,817
Transaction with owners								
Collection of subscription receivable	22,500	-	-	-	-	22,500	-	22,500
Balance at December 31, 2022	4,275,721,448	780,630,029	65,530,662	1,555,405,651	(110,049,633)	6,567,238,157	(41,540,458)	6,525,697,699
Comprehensive income (loss)								
Net income (loss) for the year	-	-	-	112,880,755	-	112,880,755	(11,796)	112,868,959
Other comprehensive loss for the year	-	-	(9,400,124)	-	-	(9,400,124)	-	(9,400,124)
Adjustments	-	-	46,784	-	-	46,784	-	46,784
Total comprehensive income (loss) for the year	-	-	(9,353,340)	112,880,755	-	103,527,415	(11,796)	103,515,619
Balance at December 31, 2023	P4,275,721,448	P780,630,029	P56,177,322	P1,668,286,406	(P110,049,633)	P6,670,765,572	(P41,552,254)	P6,629,213,318
Comprehensive income (loss)								
Net loss for the year	-	-	-	(121,235,533)	-	(121,235,533)	(3,859)	(121,239,392)
Other comprehensive income for the year	-	-	8,363,224	-	-	8,363,224	-	8,363,224
Total comprehensive income (loss) for the year	-	-	8,363,224	(121,235,533)	-	(112,872,309)	(3,859)	(112,876,168)
Disposal of Financial Asset at FVOCI	-	-	(10,178,028)	10,178,028	-	-	-	-
Balance at December 31, 2024	**P4,275,721,448**	**P780,630,029**	**P54,362,518**	**P1,557,228,901**	**(P110,049,633)**	**P6,557,893,263**	**(P41,556,113)**	**P6,516,337,150**

See Notes to the Consolidated Financial Statements.

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF TOTAL CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

	Notes	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before (loss) income tax		**(P81,107,363)**	P177,365,206	P305,547,988
Adjustments for:				
Finance costs	*12,14*	**89,057,427**	70,157,474	63,809,071
Depreciation and amortization	*21,22*	**25,964,742**	19,410,315	27,990,961
Provision for retirement benefits	*16,20,22*	**12,157,585**	14,813,508	15,631,169
Equity in net loss of an associate	*9*	**2,135,489**	1,799,380	1,431,300
Loss (gain) on repossession of real estate inventories	*20,23*	**-**	3,524,627	(1,498,643)
Gain on sale of investment properties		**-**	(128,065,333)	-
Foreign exchange loss (gain) – net	*20,23*	**(812,642)**	402,230	(1,952,441)
Dividend income	*5,20*	**(1,637,722)**	-	(1,953,910)
Provision for (reversal of) impairment loss on trade and other receivables	*6,20,22*	**(7,130,236)**	(22,136,446)	27,589,342
Interest income	*19*	**(10,840,037)**	(14,050,801)	(15,924,493)
Gain on change in fair value of investment properties	*10,20*	**(158,384,893)**	(259,380,144)	(526,868,292)
Operating loss before working capital changes		**(130,597,650)**	(136,159,984)	(106,197,948)
Decrease (increase) in:				
Trade and other receivables		**184,404,735**	47,982,799	18,515,029
Prepayments and other current assets		**(534,071,280)**	(48,950,129)	2,783,533
Real estate inventories		**(289,515,518)**	35,211,279	69,979,015
Increase (decrease) in:				
Trade and other payables		**177,994,362**	(57,931,774)	(26,867,654)
Other non-current liabilities		**(2,203,252)**	2,601,128	(544,808)
Cash absorbed by operations		**(593,988,603)**	(157,246,681)	(42,332,833)
Interest received	*19*	**1,719,953**	14,050,801	15,924,493
Dividends received	*20*	**1,637,722**	-	1,953,910
Contributions to retirement fund	*16*	**(2,500,000)**	(7,000,000)	-
Net cash used in operating activities		**(593,130,928)**	(150,195,880)	(24,454,430)
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to property and equipment	*11*	**(7,954,948)**	(40,698,040)	(4,768,327)
Additions to investment properties	*10*	-	(3,939,956)	(30,030,586)
Proceeds from sale of investment in stock	*5*	**12,124,501**	-	-
Proceeds from sale of investment properties		-	62,036,427	-
Proceeds from disposal of property and equipment		**244,482**	776,528	24,135
Net cash from (used in) investing activities		**4,414,035**	18,174,959	(34,774,778)

Forward

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF TOTAL CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

	Note	2024	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from availment of loans	*14*	**P3,132,611,060**	P2,018,581,702	P1,013,706,633
Collection of lease receivables		**24,449,088**	23,672,896	23,284,800
Lease liability payments		**(22,972,049)**	(22,972,049)	(22,941,000)
Finance cost paid		**(124,093,584)**	(56,615,119)	(63,809,071)
Payments of loans and note payable	*14*	**(2,492,710,836)**	(1,710,985,337)	(931,743,558)
Proceeds from collection of subscriptions receivable		**-**	-	22,500
Net cash from financing activities		**517,283,679**	251,682,093	18,520,304
EFFECTS OF EXCHANGE RATE CHANGES IN CASH AND CASH EQUIVALENTS		**812,642**	(402,230)	1,952,441
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**(70,620,572)**	119,258,942	(38,756,464)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	*3*	**283,145,676**	163,886,734	202,643,198
CASH AND CASH EQUIVALENTS AT END OF YEAR	*3*	**P212,525,104**	P283,145,676	P163,886,734

See Notes to the Consolidated Financial Statements.

1. Corporate Information

Philippine Realty and Holdings Corporation (the "Parent Company") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on July 13, 1981. The principal activities of the Parent Company include the acquisition, development, sale and lease of all kinds of real estate and personal properties, and as an investment and holding company.

The Parent Company was listed with the Philippine Stock Exchange (PSE) on September 7, 1987.

The Parent Company's registered office is at One Balete, 1 Balete Drive corner N. Domingo St. Brgy. Kaunlaran, District 4, Quezon City 1111, Philippines.

The consolidated financial statements include the accounts of the Parent Company and the following domestic subsidiaries:

	Principal Activities		Ownership Interest 2024	2023
PRHC Property Managers, Inc. (PPMI)	Property Management	Direct	**100%**	100%
Tektite Insurance Brokers, Inc. (TIBI)	Insurance Brokerage	Direct	**100%**	100%
Sultan's Power, Inc. (SPI)	Holding Company	Direct	**100%**	100%
Three Corners Realty Corporation (TCRC)	Real Estate	Direct	**100%**	-
Universal Travel Corporation (UTC)	Travel and Tours Agency	Direct	**81.53%**	81.53%
Recon-X Energy Corporation	Waste Management	Indirect	**51%**	51%

2. Basis of Preparation

Statement of Compliance

The consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). PFRS includes all applicable PFRS, Philippine Accounting Standards (PAS), and interpretations of the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC), as approved by the Philippine Financial Sustainability Reporting Standards Council (FSRSC) and adopted by the SEC.

Approval of Financial Statements

The accompanying consolidated financial statements as at and for the year ended December 31, 2024 were approved and authorized for issuance by the Board of Directors (BOD) of the parent company on March 18, 2025.

Basis of Measurement
The consolidated financial statements have been prepared under the historical cost convention, except for the following which are measured using alternative basis at each reporting date:

Financial assets at FVPL	Fair value
Financial assets at FVOCI	Fair value
Investment properties	Fair value
Retirement benefit obligation	Present value of the defined benefit obligation less fair value of plan assets

Functional and Presentation Currency
The consolidated financial statements are presented in Philippine peso, which is the presentation and functional currency of the Group. All financial information presented have been rounded to the nearest peso, unless otherwise stated.

Use of Estimates and Judgments
The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

In particular, information about material areas of estimation uncertainty and critical judgments in applying accounting policies that have the most material effect on the amounts recognized in the consolidated financial statements are described in Notes 30 and 31.

3. Cash and Cash Equivalents

This account consists of:

	2024	2023
Cash on hand	**P1,051,000**	P45,000
Cash in banks	**41,728,474**	271,847,207
Cash equivalents	**169,745,630**	11,253,469
	P212,525,104	P283,145,676

Cash in banks earned an average annual interest of 0.04% and 0.05% in 2024 and 2023. Cash equivalents represent money market placements or short-term investments with maturities up to three months and annual interests ranging from 2.25% to 5.12% and 2.25% to 5.00% in 2024 and 2023, respectively.

Interest income recognized amounted to P1.00 million, P1.33 million and P0.49 million in 2024, 2023 and 2022, respectively (see Note 19).

4. Financial Assets at Fair Value Through Profit or Loss (FVPL)

This account is composed of listed equity securities that are held for trading. The fair values of these securities totaling P6,750,000 are based on quoted market prices.

5. Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI)

As at December 31, financial assets at FVOCI consist of investments in:

		For the Years Ended December 31, 2024 and 2023		
	Note	Golf and country club shares	Listed shares of stock	Total
Cost				
December 31, 2023		P3,350,000	P58,332,808	P61,682,808
Disposals		-	(1,946,473)	(1,946,473)
December 31, 2024		**P3,350,000**	**P56,386,335**	**P59,736,335**
Accumulated unrealized holding gain (loss)				
January 1, 2023		(P950,000)	(P24,656,703)	(P25,606,703)
Unrealized holding loss	*26*	-	(878,903)	(878,903)
December 31, 2023		(950,000)	(25,535,606)	(26,485,606)
Unrealized holding gain (loss)	*26*	6,600,000	(1,747,386)	4,852,614
Disposals	*26*	-	(10,178,028)	(10,178,028)
December 31, 2024		**5,650,000**	**(37,461,020)**	**(31,811,020)**
Carrying amount December 31, 2023		P2,400,000	P32,797,203	P35,197,203
Carrying amount December 31, 2024		**P9,000,000**	**P18,925,315**	**P27,925,315**

The investments in shares of stock of various listed equity securities present the Parent Company with opportunity for return through dividend income. The above investments in equity instruments are not held for trading and the Group irrevocably elected to present subsequent changes in fair values in OCI.

The fair values of these investments are based on quoted market prices. Unrealized holding gains or losses from market value fluctuations are recognized as part of the Group's reserves.

In 2024, the Parent Company sold its shares in Premium Leisure Corporation with carrying amount of P10,178,028.

Unrealized holding gain (loss) recognized in other comprehensive income from financial assets at FVOCI amounted to P4.85 million in 2024, P0.88 million in 2023 and P1.57 million in 2022 (see Note 26).

Dividend income recognized in profit or loss amounted to P1,637,722, nil and P1,953,910 in 2024, 2023 and 2022, respectively (see Note 20).

6. Trade and Other Receivables

This account is composed of:

	Note	2024	2023
Trade:			
Sale of real estate		**P405,485,246**	P503,026,750
Lease		**29,571,731**	20,797,969
Management fees		**8,726,074**	5,526,833
Commission		**8,484,851**	4,431,572
Advances		**3,857,475**	82,745,378
Premiums receivable		**3,637,023**	4,012,287
Other receivables	*15*	**38,266,244**	69,094,325
		498,028,644	689,635,114
Less: allowance for impairment loss		**119,227,786**	126,358,022
		378,800,858	563,277,092
Less: non-current portion		**68,744,092**	207,967,647
Trade and other receivables- current portion		**P310,056,766**	P355,309,445

Trade receivables from sale of real estate include amounts due from buyers of the Parent Company's condominium projects, generally over a period of two (2) to three (3) years. The condominium certificates of title remain in the possession of the Parent Company until full payment has been made by the customers. Trade receivables for restructured accounts carry yield-to-maturity interest rates of 1.5% per month in 2024 and 2023. Total Interest income recognized from trade receivables amounted to P718,376, P3,134,708 and P4,737,419 in 2024, 2023 and 2022, respectively (see Note 19). Certain trade receivables with total carrying value of P95 million and P216 million as at December 31, 2024 and 2023, respectively, are pledged to a local bank as collateral to the Company's loans payable (see Note 14).

Advances – others consist mainly of advances to officers and employees that are settled either through liquidation or salary deduction.

Receivables amounting to P119.23 million and P126.36 million as of December 31, 2024 and 2023, respectively, were fully provided with allowance. The movements in the allowance for Expected Credit Losses (ECL) on receivables are as follows:

2024							
	Sale of real estate	**Lease**	**Management fees**	**Premiums receivable**	**Advances**	**Other receivables**	**Total**
Beginning balance	**P73,462,630**	**P4,787,074**	**P3,189,750**	**P2,899,963**	**P862,891**	**P41,155,714**	**P126,358,022**
Provisions	**-**	**2,247,620**	**-**	**-**	**-**	**1,056,518**	**3,304,138**
(Reversals)	**(4,804,515)**	**-**	**-**	**-**	**-**	**(5,629,859)**	**(10,434,374)**
	P68,658,115	**P7,034,694**	**P3,189,750**	**P2,899,963**	**P862,891**	**P36,582,373**	**P119,227,786**

2023							
	Sale of real estate	Lease	Management fees	Premiums receivable	Advances	Other receivables	Total
Beginning balance	P83,512,900	P5,478,810	P 3,189,750	P5,082,902	P862,891	P52,550,154	P150,677,407
Provisions	-	-	-	-	-	2,863,554	2,863,554
(Reversals)	(10,050,270)	(691,736)	-	(2,182,939)	-	(14,257,994)	(27,182,939)
	P73,462,630	P4,787,074	P3,189,750	P2,899,963	P862,891	P41,155,714	P126,358,022

7. Real Estate Inventories

This account consists of:

	2024	2023
In progress:		
BGC Project	**P2,052,612,439**	P1,694,007,543
Andrea North Estate	**117,572,442**	115,191,934
	2,170,184,881	1,809,199,477
Completed units:		
Andrea North SkyVillas Tower	**37,678,000**	42,177,734
Andrea North Skyline Tower	**14,362,111**	24,927,304
The Icon Plaza	**38,020,766**	54,790,767
Casa Miguel	-	7,192,072
	90,060,877	129,087,877
Land held for development:		
New Manila, Quezon City	**135,366,913**	135,336,913
	P2,395,612,671	P2,073,624,267

BGC Project pertains to the Unico Project, a 40-storey upscale residential condominium located in Bonifacio South District in Taguig City. The project broke ground on March 5, 2024. The carrying amount represents the cost of the land, and all other costs incurred in the planning and preparation, site preparation, foundation and structural framework. Accumulated cost also includes capitalized interest.

Certain real estate inventories are mortgaged as collaterals to loans (see Note 14).

The cost of real estate inventories sold recognized in the consolidated statements of total comprehensive income amounted to P33,972,600, P90,154,100 and P106,296,787 in 2024, 2023 and 2022, respectively.

8. Prepayments and Other Current Assets

This account consists of:

	2024	2023
Creditable withholding tax	**P303,612,516**	P320,913,002
Prepaid expenses	**493,584,701**	67,986,287
Prepaid taxes	**78,576,033**	52,218,439
Input tax	**65,652,616**	5,733,603
Investment in escrow	**31,552,471**	-
Others	**22,313,472**	16,308,020
	P995,291,809	P463,159,351

Creditable withholding tax pertains to taxes withheld by the Group's customers in accordance with tax regulations which remained unutilized as at the end of the reporting period. This can be utilized by the Group as a deduction from future income tax obligations.

Prepaid expenses consist of advance payment to contractors, rent, real property tax, insurance premium and membership dues.

Prepaid taxes include unutilized creditable withholding taxes which the Company opted for refund with the Bureau of Internal Revenue and tax certificates.

Input tax refers to the value-added tax (VAT) that a Company pays on goods or services purchased for its operations.

Investment in escrow pertains to the Parent Company's account in PBCom in connection with the escrow agreement with Department of Human Settlements and Urban Development for the construction of Project UNICO.

9. Investments in and Advances to Associates

Details of the ownership interests in associates as at December 31 are as follows:

	2024	2023
Meridian Assurance Corporation (MAC)	**30%**	30%
Le Cheval Holdings, Inc. (LCHI)	**45%**	45%
Alexandra (USA), Inc. (AUI)	**45%**	45%

Details of investments in and advances to associates are as follows:

	2024	2023
Meridian Assurance Corporation		
Investment - acquisition cost	**P88,875,080**	P88,875,080
Release of investment	**(7,045,222)**	(7,045,222)
Investment - acquisition cost	**81,829,858**	81,829,858
Accumulated equity in net loss:		
Balance at beginning of year	**(25,518,257)**	(23,718,877)
Equity in net loss for the year	**(2,135,489)**	(1,799,380)
Balance at end of year	**(27,653,746)**	(25,518,257)
	P54,176,112	P56,311,601
Le Cheval Holdings, Inc.		
Investment - acquisition cost	**P11,250**	P11,250
Allowance for impairment loss	**(11,250)**	(11,250)
	P -	P -
Accumulated equity in net loss:		
Balance at end of year	**P125,149**	P125,149
Alexandra (USA), Inc.		
Investment - acquisition cost	**P14,184,150**	P14,184,150
Allowance for impairment loss	**(14,184,150)**	(14,184,150)
	-	-
Advances to AUI	**132,417,765**	132,417,765
Allowance for unrecoverable advances	**(132,417,765)**	(132,417,765)
	-	-
	P54,301,261	P56,436,750

Allowance for impairment loss pertains to the company's investments in associates that have ceased operations or in process of liquidation.

Aggregated amounts relating to associates are as follows:

	2024	2023
Meridian Assurance Corporation (MAC)		
Total assets	**P351,969,981**	P351,413,031
Total liabilities	**(27,149,697)**	(26,887,253)
Net assets	**324,820,284**	324,525,778
Income	**659,480**	2,811,091
Cost and expenses	**(7,777,777)**	(15,818,365)
Net loss	**(P7,118,297)**	P13,007,274
Le Cheval Holdings, Inc. (LCHI)		
Total assets	**P45,362**	P45,362
Total liabilities	**142,248**	142,248
Net liabilities	**(96,886)**	(96,886)
Income	**-**	-
Cost and expenses	**-**	-
Net loss	**P -**	P -

The following are the principal activities of the Group's Associates:

Meridian Assurance Corporation

MAC was incorporated and registered with the SEC on March 16, 1960, renewed on November 13, 2007, primarily to engage in the business of insurance and guarantee of any kind and in all branches except life insurance, for consideration, to indemnify any person, firm or corporation against loss, damage or liability arising from any unknown or contingent event, and to guarantee liabilities and obligations of any person, firm or corporation and to do all such acts and exercise all such powers as may be reasonably necessary to accomplish the above purposes which may be incidental.

On July 7, 2021, MAC received a letter from the Insurance Commission (IC) confirming MAC's withdrawal from the insurance business. It is also stated in the letter that MAC is no longer required to submit annual financial statements and other documentary requirements to the commission starting financial year-end 2021. As at December 31, 2022, MAC is in the process of preparing the necessary documents for the amendment of its Articles of Incorporation and By-laws for filing with the SEC and IC. Thereafter, the Company plans to engage in the business of asset management. As of December 31, 2024, the Company's application for amendment of its Articles of Incorporation and By-laws is still in process with SEC.

The registered office of MAC is Unit E-2003B East Tower, Tektite Towers (formerly Philippine Stock Exchange Centre), Exchange Road, Ortigas Center, Pasig City.

Le Cheval Holdings, Inc.

LCHI, which was incorporated and registered with the SEC on August 30, 1994 as a holding company is inactive.

Alexandra (USA), Inc.

AUI was incorporated in the United States of America (USA). AUI is involved in property development in Florida, USA. AUI is jointly owned with GPI (45%) and Warrenton Enterprises Corporation (10%) of William Cu-Unjieng. AUI is in the process of liquidation.

10. Investment Properties

Investment properties consist of:

	2024	2023
Cost		
Land	**P879,859,578**	P879,859,578
Land and building	**402,443,016**	402,443,016
Condominium units and parking slots	**789,567,537**	785,067,537
	2,071,870,131	2,067,370,131
Accumulated unrealized holding gain	**3,254,562,150**	3,096,177,257
	P5,326,432,281	P5,163,547,388

Land
This pertains to a lot in BGC, Taguig and San Fernando, La Union which are presently being held for capital appreciation.

Land and building
This property pertains to a land and building located in Baguio which is being leased to PPMI under a lease agreement which is renewed annually.

Condominium units and parking slots
These are condominium units and parking spaces at the East Tower and West Tower of Tektite Towers held for rental.

Details of the accumulated unrealized fair value gain are as follows:

	2024	2023
Accumulated unrealized holding gain		
Land	**P1,059,827,822**	P1,049,947,822
Land and building	**161,143,984**	151,492,984
Condominium units and parking slots	**2,033,590,344**	1,894,736,451
	P3,254,562,150	P3,096,177,257

The movements in accumulated unrealized fair value gain in 2024 and 2023 are as follows:

	Note	2024	2023
Beginning balance		**P3,096,177,257**	P2,836,797,113
Changes in fair value during the year	*20*	**158,384,893**	259,380,144
Total		**P3,254,562,150**	P3,096,177,257

Details of the carrying amount of investment properties are as follows:

	2024	2023
Carrying amount of investment properties		
Land	**P1,939,687,400**	P1,929,807,400
Land and building	**563,587,000**	553,936,000
Condominium units and parking slots	**2,823,157,881**	2,679,803,988
	P5,326,432,281	P5,163,547,388

An independent valuation of the Company's investment properties was performed by qualified appraisers as of December 3, 6, 13, and 14, 2024 and February 13, 2025 to determine their fair values. The external independent appraiser used sales comparison approach in arriving at the value of the properties. In this approach, the values of the properties were determined based on sales and listings of comparable properties. This is done by adjusting the differences between the subject property and those actual sales and listings regarded as comparable. The properties used as bases of comparison are situated within the immediate vicinity or at a different floor level of the same building. Comparison would be premised on factors such as location, size and physical attributes, selling terms, facilities offered and time element.

Rental income recognized from the investment properties in 2024, 2023 and in 2022 amounted to P78,497,780, P65,466,246 and P56,674,800, respectively. Real property taxes attributable to the investment properties in 2024, 2023 and 2022 amounted to P7,027,242, P6,970,788 and P7,870,171, respectively and are included as part of taxes and licenses in cost of services. Condominium dues attributable to the investment properties in 2024, 2023 and 2022 amounted to P8,797,869, P10,254,996 and P8,395,079, respectively and are included also in cost of services.

Certain investment properties are mortgaged as collateral to loans (see Note 14).

11. Property and Equipment

The details of the carrying amounts of property and equipment, the gross carrying amounts, and accumulated depreciation and amortization of property and equipment are shown below:

	For the Years Ended December 31, 2024 and 2023				
	Condominium Units, Building and Building Improvements	Office Furniture, Fixtures and Equipment	Transportation, Machinery and Other Equipment	Leasehold and Office Improvements	Total
Cost					
January 1, 2023	P104,577,213	P30,632,356	P63,686,024	P1,221,181	P200,116,774
Additions	-	2,551,328	38,146,712	-	40,698,040
Disposals	-	(58,482)	(11,404,302)	-	(11,462,784)
December 31, 2023	104,577,213	33,125,202	90,428,434	1,221,181	229,352,030
Additions	2,184,552	1,107,700	4,662,696	-	7,954,948
Disposals	-	(6,937,431)	(26,620,700)	-	(33,558,131)
December 31, 2024	**106,761,765**	**27,295,471**	**68,470,430**	**1,221,181**	**203,748,847**
Accumulated depreciation					
January 1, 2023	49,574,352	29,842,676	59,156,599	1,221,181	139,794,808
Provision	3,138,362	1,468,008	4,156,074	-	8,762,444
Disposals	-	(38,988)	(10,647,268)	-	(10,686,256)
December 31, 2023	52,712,714	31,271,696	52,665,405	1,221,181	137,870,996
Provision	4,828,108	1,922,359	8,548,913	-	15,299,380
Disposals	-	(6,930,109)	(26,383,540)	-	(33,313,649)
December 31, 2024	**57,540,822**	**26,263,946**	**34,830,778**	**1,221,181**	**119,856,727**
Carrying Amount					
At December 31, 2023	P51,864,499	P1,853,506	P37,763,029	P -	P91,481,034
At December 31, 2024	**P49,220,943**	**P1,031,525**	**P33,639,652**	**P -**	**P83,892,120**

Certain transportation equipment of the Group with total carrying value of P31.89 million and P35.96 million as at December 31, 2024 and 2023, respectively are pledged as security under chattel mortgage (see Note 14).

12. Leases

A. Rights-of-use assets

The Parent Company leases two parcels of land located at 5th Avenue corner 24th Street and 5th avenue corner 25th Street, Bonifacio Global City, Taguig City. These contracts have a term of fifteen (15) years, renewable for another ten (10) years upon submission of a written notice to renew at least ninety days prior to the expiration of the original term, with terms and conditions mutually agreed by both parties.

The Parent Company also leases Unit 10A in Icon Plaza located 26th Street, Bonifacio Global City, Taguig City. The contract has a term of five (5) years and is renewable upon mutual agreement of both parties.

The carrying amount of right-of-use assets as at December 31, 2024 and 2023 is shown below:

	2024	2023
Right-of-use assets	**P133,796,186**	P133,840,828
Accumulated depreciation	**(56,886,280)**	(46,220,916)
	P76,909,906	P87,619,912

Amounts recognized in profit or loss:

	Notes	2024	2023	2022
Depreciation expense	*21,22*	**P10,665,362**	P10,647,871	P10,496,270
Interest expense		**7,401,885**	8,131,867	8,824,235

B. Investment in finance leases

The Parent Company entered into a sublease contract relating to one of the parcels of land being leased in BGC as discussed above. This agreement was assessed by the management to be of a finance lease and is renewable at the end of the lease term of initially fifteen (15) years upon mutual consent of the parties.

Amounts receivable under finance lease	2024	2023
Year 1	**P24,856,576**	P24,449,088
Year 2	**25,671,552**	24,856,576
Year 3	**26,099,392**	25,671,552
Year 4	**26,955,072**	26,099,392
Year 5	**27,404,352**	26,955,072
Onwards	**76,889,472**	104,293,824
Undiscounted lease payments	**207,876,416**	232,325,504
Present value of minimum lease payments receivable	**P171,972,179**	P187,577,530
Less: current portion	**16,798,904**	15,606,638
Investment in finance lease – net of current portion	**P155,173,275**	P171,970,892

Interest income recognized in profit or loss amounted to P8,843,737, P9,573,151 and P10,229,536 in 2024, 2023 and 2022, respectively (see Note 19).

C. Lease liabilities

A maturity analysis of lease liabilities under both lessee and lessor based on the total cash flows is reported in the table below:

	2024		2023	
	Undiscounted	**Discounted**	Undiscounted	Discounted
Right-of-use assets				
Less than 1 year	**P11,844,653**	**P8,521,596**	P11,812,050	P8,098,430
More than 1 year	**74,400,000**	**63,362,555**	86,244,653	71,884,151
	86,244,653	**71,884,151**	98,056,703	79,982,581
Finance lease				
Less than 1 year	**11,160,000**	**7,846,107**	11,160,000	7,471,735
More than 1 year	**74,400,000**	**63,362,556**	85,560,000	71,208,663
	85,560,000	**71,208,663**	96,720,000	78,680,398
	P171,804,653	**P143,092,814**	P194,776,703	P158,662,979

D. Short-term operating leases as lessor

The Group entered into short-term lease agreements including condominium units, office spaces, food plaza spaces and parking spaces. The lease contracts between the Group and its lessees have a term of one (1) year which are renewable annually.

Total rental income earned in 2024, 2023 and 2022 amounted to P78,226,430, P65,161,614 and P56,370,168, respectively.

Deferred rental income amounting to P41,405,086 and P43,608,343 as of December 31, 2024 and 2023, respectively, pertains to advance rent received from lessees to be applied on the last three (3) months of the lease contract.

Refundable deposits on these lease agreements amounted to P19,389,920 and P19,306,580 in 2024 and 2023, respectively, and are included as part of trade and other payables (see Note 13).

13. Trade and Other Payables

This account consists of:

	Note	2023	2022
Trade payables		**P149,981,540**	P2,050,231
Non-trade payables		**44,914,260**	54,628,754
Retention fee payable		**38,664,663**	14,629,535
Accrued expenses		**32,801,182**	26,033,544
Refundable deposits	*12*	**19,389,920**	19,306,580
Customers' deposits		**11,504,762**	16,593,017
Due to government agencies		**8,223,796**	5,782,849
Others		**584,746**	272,163
		306,064,869	139,296,673
Less: non-current portion		**104,872,422**	76,059,054
		P201,192,447	P63,237,619

Trade payables consist mainly of amount due to contractors and suppliers relating to the Unico Project.

Non-trade payables consist of transfer fees and retention commission payable.

Retention fee payable pertains to retention fees withheld from the contractors of ongoing projects.

Accrued expenses consist of accrual for costs of outside services, insurance, supplies, tax and other legal expenses.

Customers' deposits consist of down payments representing less than 25% of the contract price of the condominium units sold which are deductible from the total contract price.

Due to government agencies consist mainly of payable to the Bureau of Internal Revenue, SSS, HDMF and PhilHealth.

14. Loans and Note Payable

The movements in the loans and note payable are summarized as follows:

	2024	2023
Balance at beginning of year	**P1,202,019,729**	P894,423,364
Availments of loan	**3,132,611,060**	2,018,581,702
Payments of principal	**(2,492,710,836)**	(1,710,985,337)
Balance at end of year	**P1,841,919,953**	P1,202,019,729

The loans and note payable are composed of the following:

	2024	2023
Payable within one year:		
Parent Company		
Philippine National Bank	**P355,784,313**	P350,000,000
Philippine Bank of Communications	**621,391,611**	472,985,126
Union Bank of the Philippines	**6,773,656**	5,927,594
RCBC Savings Bank	**478,677**	596,175
Subsidiary		
RCBC Savings Bank	-	159,255
	P984,428,257	P829,668,150
Payable after one year:		
Parent Company		
Philippine Bank of Communications	**P833,346,880**	P344,794,867
Union Bank of the Philippines	**19,975,771**	26,152,493
Philippine National Bank	**3,233,668**	-
RCBC Savings Bank	**935,377**	1,404,219
	857,491,696	372,351,579
	P1,841,919,953	P1,202,019,729

Philippine National Bank (PNB)
The Parent Company availed new interest-bearing loans with total principal amount of P1.5 billion and P1.4 billion in 2024 and 2023, respectively, payable within three (3) months subject to extension upon lapse of the maturity date. These loans are secured by certain real estate inventories with the carrying amount of P135.4 million (see Note 7).

Philippine Bank of Communications (PBCom)
In 2019, the Parent Company entered into a long-term credit facility agreement with PBCom. PBCom approved an interest-bearing Term Loan under which the Parent Company drew down P500 million in 2019. These loans are payable within six (6) years from the date of drawdown payable quarterly in arrears and secured by certain investment properties mortgaged in favor of PBCom with the total carrying amount of P633.8 million and P606.4 million as of December 31, 2024 and 2023, respectively.

In 2020, PBCom approved an interest-bearing Loan Line amounting to P300 million available for drawings in the form of 180-day promissory notes (PNs) payable at maturity of the PNs. The principal payment is on the maturity date of the PNs.

In 2021, PBCom approved an interest-bearing Contract to Sell Financing line amounting to P300 million available for drawings. The Parent Company drew down P64.72 million and P141.83 million in 2024 and 2023, respectively, payable at maturity of the deed of undertaking and are secured by certain receivables assigned in favor of PBCom amounting to P95 million and P216 million as at December 31, 2024 and 2023, respectively (see Note 6).

In 2023, PBCom approved an interest-bearing Term Loan amounting to P3.8 billion. The Company drew down P640 million and P150 million in 2024 and 2023, respectively, payable in 5 years. This loan was availed specifically to fund the Unico Project.

The loan includes a covenant in which the Parent Company shall maintain a maximum debt-to-equity ratio of 2:1 at all times. As at December 31, 2024 and 2023, the Parent Company is compliant with the loan covenant.

In 2023, PBCom approved an interest-bearing Loan Line amounting to P300 million available for drawings in the form of 180-day promissory notes (PNs) payable at maturity of the PNs.

Union Bank of the Philippines (UBP)
In 2024 and 2023, the Parent Company availed interest-bearing car loans from Union Bank payable in installment within sixty (60) months. These loans are secured by the vehicle acquired under this facility (see Note 11).

RCBC Savings Bank (RCBC)
Parent
In 2023, the Parent Company availed interest-bearing car loans from RCBC Savings Bank payable in installment within sixty (60) months. These loans are secured the vehicles acquired under this facility (see Note 11).

Total interest on the above loan agreements charged to profit or loss amounted to P81,652,640, P61,951,600 and P54,819,311 in 2024, 2023 and 2022, respectively. Interest on loans payable capitalized as part of the cost of real estate development amounted to P36,928,244 and P15,383,994 in 2024 and 2023, respectively. The capitalization rate used was 8.19% and 7.43% in 2024 and 2023, respectively.

Subsidiary
In 2019, PPMI availed of a five-year interest-bearing note payable amounting to P3,744,000 from a local bank to finance the purchase of transportation equipment. The loan was obtained in February 2019 and will mature in February 2024. The loan was fully paid on February 15, 2024.

Interest expense charged to profit or loss amounted to P2,902 and P74,007 in 2024 and 2023, respectively.

15. Related Party Transactions

The details of related party transactions and balances are as follows:

As at and for the year ended December 31, 2024:	Transactions	Outstanding balance	Terms and conditions
Trade receivables			The receivables are secured with related units until full payment.
Ultimate Parent Company			
Greenhills Properties, Inc.			
Sale of parking space	P -		
Collections during the year	-	P51,892,140	
Other receivables			Other receivables are secured with related units until full payment.
Affiliates			
Collections during the year	(5,414,714)	11,722,798	
Officers			
Collections during the year	(896,186)	620,722	
Principal Shareholder			
Greenhills Properties, Inc.			
Collections during the year	(10,156,557)	659,068	

Forward

Advances			Advances to subsidiaries and associates are unsecured, non-interest bearing and to be settled in cash.
Associates			
Alexandra (USA), Inc.	-	132,417,765	
Le Cheval Holdings, Inc.	-	122,248	
Less: Allowance for impairment loss	-	132,540,013	
Balance, net	-	-	
Key management personnel			Key management includes directors (executive and non-executive) and executive officers. Short-term benefits are payable monthly and post-employment benefits are payable upon retirement
Short-term benefits			
Salaries and other short-term employee benefits	P36,803,995		
Post-employment benefits			
Provision for retirement benefits/PVO	6,965,696		

As at and for the year ended December 31, 2023:	Transactions	Outstanding balance	Terms and conditions
Trade receivables			The receivables are secured with related units until full payment.
Ultimate Parent Company			
Greenhills Properties, Inc.			
Sale of parking space	P -		
Collections during the year	-	P51,892,140	
Other receivables			Other receivables are secured with related units until full payment.
Affiliates			
Addition during the year	646,157	17,137,513	
Officers			
Collections during the year	(5,634,469)	1,052,146	
Principal Shareholder			
Greenhills Properties, Inc.			
Addition during the year	159,892	10,815,625	
Advances			Advances to subsidiaries and associates are unsecured, non-interest bearing and to be settled in cash.
Associates			
Alexandra (USA), Inc	-	132,417,765	
Le Cheval Holdings, Inc.	-	122,248	
Less: Allowance for impairment loss	-	132,540,013	
Balance, net	-	-	
Key management personnel			Key management includes directors (executive and non-executive) and executive officers. Short-term benefits are payable monthly and post-employment benefits are payable upon retirement
Short-term benefits	-		
Salaries and other short-term employee benefits	P38,481,536		
Post-employment benefits	-		
Provision for retirement benefits/PVO	7,466,814		

Advances to related parties

The Parent Company's substantial receivables from AUI, an associate, which is intended to fund the latter's working capital requirement, represents non-interest-bearing advances with no fixed term with the option to convert to equity in case of increase in capital. Advances contributed by AUI's stockholders were in accordance with the percentage of ownership of the stockholders in AUI. As previously mentioned, AUI is in the process of liquidation (see Note 9).

16. Retirement Benefit Plans

The Parent Company and Tektite Insurance Brokers, Inc. (TIBI) operate funded, non-contributory defined benefit retirement plans covering substantially all of their regular employees. The plans are administered by local banks as trustee and provide for a lump-sum benefit payment upon retirement. The benefits are based on the employees' monthly salary at retirement date multiplied by years of credited service. No other post-retirement benefits are provided.

PPMI has an unfunded, noncontributory defined benefit retirement plan.

Through their defined benefit retirement plans, the Group is exposed to a number of risks, the most material of which are detailed below:

- *Asset volatility* - The plan liabilities are calculated using a discount rate set with reference to corporate bond yields; if plan assets underperform this yield, this will create a deficit.

- *Inflation risk* - Some of the Group retirement obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation). The majority of the plans' assets are either unaffected by (fixed interest bonds) or loosely correlated with (equities) inflation, meaning that an increase in inflation will also increase the deficit.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out by an independent actuary on February 05, 2024, February 19, 2024 and March 11, 2025 for the year ended December 31, 2024 and February 23, 2024, February 28, 2024 and March 1, 2024 for the year ended December 31, 2023. The present value of the defined benefit obligation, and the related current service cost were measured using the Projected Unit Credit Method.

Key assumptions used for the Parent Company:

	Valuation at	
	2024	2023
Discount rate	**6.10%**	6.10%
Future salary increase	**4.00%**	4.00%

Key assumptions used for PPMI:

	Valuation at	
	2024	2023
Discount rate	6.08%	6.10%
Future salary increase	6.00%	6.00%

Key assumptions used for TIBI:

	Valuation at	
	2024	2023
Discount rate	**6.19%**	5.87%
Future salary increase	**5.00%**	5.00%

Assumptions regarding future mortality and disability are set based on actuarial advice in accordance with published statistics and experience.

The reconciliation of the present value of the defined benefit obligation (DBO) and the fair value of the plan assets to the recognized liability presented as accrued retirement liability in the consolidated statements of financial position is as follows:

	2024	2023
Present value of defined benefit obligation	**P118,763,464**	P121,003,805
Fair value of plan assets	**(28,004,179)**	(35,368,121)
Recognized liability	**P90,759,285**	P85,635,684

A Plan amendment by PPMI during the year changed the benefit payable under the Plan, which resulted in the recognition of reversal of past service cost for the year.

The movements in the present value of defined benefit obligation are shown below:

	2024	2023
Liability at beginning of year	**P121,003,805**	P94,301,784
Current service cost	**10,069,909**	10,309,836
Interest cost	**6,704,063**	6,602,564
Remeasurement gains		
Changes in financial assumptions	**(33,278)**	11,266,396
Changes based on experience	**(5,178,925)**	(937,495)
Benefits paid from company reserves	**(13,802,110)**	(539,280)
Liability at end of year	**P118,763,464**	P121,003,805

The movements in the plan assets are shown below:

	2024	2023
Fair value of plan assets at beginning of year	**P35,368,121**	P27,348,299
Interest income	**1,881,640**	2,098,892
Actual contribution	**2,500,000**	7,000,000
Benefits paid	**(11,067,363)**	-
Remeasurement loss	**(218,159)**	(1,079,070)
Return on plan assets, excluding amounts included in interest income	**(460,060)**	-
Fair value of plan assets at end of year	**P28,004,179**	P35,368,121

The main categories of plan assets as at December 31, 2024 and 2023 are as follows:

	2024	2023
Cash and cash equivalents	**P22,938,086**	P28,873,687
Equity instruments	**5,020,397**	6,480,332
Accrued interest	**94,333**	63,821
Liabilities	**(48,637)**	(49,719)
	P28,004,179	P35,368,121

The retirement expense - net recognized in profit or loss consists of:

	2024	2023	2022
Current service cost	**P9,580,682**	P10,309,836	P12,174,121
Past service cost	**(2,734,747)**	-	-
Net interest on defined benefit liability	**5,311,650**	4,503,672	3,457,048
	P12,157,585	P14,813,508	P15,631,169

The reversal of provision for retirement benefits and provision for retirement benefits is recognized under other income and, general and administrative expenses, respectively, in the consolidated statements of total comprehensive income (see Notes 20 and 22).

The sensitivity analysis of the defined benefit obligation is:

	Increase (decrease) in basis points	**Effect on defined benefit obligation**
Discount rate	1.00%	(P11,200,231)
	(1.00%)	13,209,953
Future salary increase	1.00%	13,329,428
	(1.00%)	(11,487,526)

The above sensitivity analyses are based on changes in principal assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to material actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the retirement liability recognized in the consolidated statements of financial position.

The BOD reviews the level of funding required for the retirement fund for the parent company. This includes the asset-liability matching (ALM) strategy and investment risk management policy. The Group's ALM objective is to match maturities of the plan assets to the retirement benefit obligation as they fall due. The Group monitors how the duration and expected yield of the investments are matching the expected cash outflows arising from the retirement benefit obligation.

As of December 31, 2024, the weighted average duration of defined benefit obligation are 11.00 years, 11.30 years and 2.30 years for Parent Company, PPMI and TIBI, respectively (2023: 9.90 years, 12.50 years and 2.50 years, respectively).

17. Management Fees and Other Services Fees

The Group provides general management services and financial management and supervision over the janitorial and security services through PPMI. In consideration for the said services, PPMI charges the property owners a fixed monthly amount with a 10% escalation rate annually. These management contracts are renewable for a period of two (2) to three (3) years upon mutual agreement of both PPMI and the property owners. PPMI is entitled to fixed reimbursement of actual cost of the on-site staff. The total income from management fees and other services fees amounted to P42.93 million, P41.20 million and P34.66 million in 2024, 2023 and 2022, respectively.

18. Commission

The Group derives commission income from insurance brokerage through TIBI which amounted to P10.31 million, P5.22 million and P5.57 million in 2024, 2023 and 2022, respectively.

19. Interest Income

The Group's interest income was derived from the following:

	Note	2024	2023	2022
Sublease	*12*	**P8,843,737**	P9,573,151	P10,229,536
Cash and cash equivalents	*3*	**1,001,577**	1,327,085	494,516
Penalty for late payments	*6*	**517,759**	2,815,144	4,305,819
Trade receivables	*6*	**200,617**	319,564	431,600
Others		**276,347**	15,857	463,022
		P10,840,037	P14,050,801	P15,924,493

20. Other Income

The account consists of:

	Note	2024	2023	2022
Gain on change in fair value of investment properties	*10*	**P158,384,893**	P259,380,144	P526,868,292
Reversal of allowance for impairment losses on receivables	*6*	**10,434,374**	25,000,000	-
Dividend income	*5*	**1,637,722**	-	1,953,910
Reversal of retirement expense	*16*	**909,560**	-	-
Foreign exchange gain		**812,642**	-	1,952,441
Gain on sale of investment properties		-	128,065,333	-
Gain on money market investments		**1,483**	61,811	-
Gain on repossession of real estate inventories		-	-	1,498,643
Others		**14,473,029**	14,039,669	8,236,429
		P186,653,703	P426,546,957	P540,509,715

Others mainly pertain to billings of the Parent Company to affiliates for shared service fee.

21. Cost of Services

The account consists of:

	Note	2024	2023	2022
Salaries, wages, and other benefits		**P22,963,870**	P22,332,559	P18,387,056
Depreciation and amortization on ROU assets	*12*	**10,057,962**	9,937,930	8,763,860
Outside services		**9,269,645**	8,238,708	6,774,278
Condominium dues	*10*	**8,797,869**	10,254,996	8,395,079
Taxes and licenses		**7,034,449**	7,082,369	7,949,813
Utilities		**6,115,060**	6,405,401	4,804,628
Repairs and maintenance		**4,535,462**	1,423,249	649,308
Commission		**3,723,830**	3,054,398	1,630,729
Insurance and bond premiums		**2,491,399**	2,155,302	2,052,286

Forward

	2024	2023	2022
SSS, Pag-IBIG and other contributions	**2,491,356**	2,031,418	1,459,167
Communication	**471,709**	492,331	532,221
Employees' welfare	**35,882**	53,753	64,823
Others	**1,294,141**	1,142,155	783,218
	P79,282,634	P74,604,569	P62,246,466

Others include various expenses that are individually immaterial.

22. General and Administrative Expenses

The account consists of:

	Note	2024	2023	2022
Salaries, wages, and other benefits		**P67,631,868**	P65,670,871	P71,586,651
Taxes and licenses		**29,085,906**	92,729,926	64,020,284
Professional fees		**22,691,261**	28,917,983	21,799,851
Transportation and travel		**19,387,636**	16,694,189	34,324,100
Depreciation and amortization				
Property and equipment	*11*	**15,299,380**	8,762,444	17,494,691
ROU assets	*12*	**607,400**	709,941	1,732,410
Marketing expense		**13,572,046**	26,435,882	33,285,461
Provision for retirement benefits	*16*	**13,067,145**	14,813,508	15,631,169
Outside services		**12,688,231**	8,004,499	6,726,186
Repairs and maintenance		**12,606,871**	4,320,622	5,461,617
Representation and entertainment		**10,586,080**	870,586	916,823
Insurance and bond premiums		**9,370,547**	8,012,471	7,295,002
SSS, Pag-IBIG, Medicare and other benefits		**6,883,141**	8,127,483	5,528,706
Condominium dues		**4,664,829**	4,408,640	5,351,072
Utilities		**3,380,716**	2,569,246	1,838,399
Provision for impairment loss on trade and other receivables	*6*	**3,304,138**	2,863,554	27,589,342
Postage and communication		**2,438,410**	2,459,827	2,455,107
Supplies and materials		**115,218**	323,620	168,221
Rental		**40,909**	40,909	516,225
Membership dues		**-**	-	697,754
Miscellaneous		**12,281,359**	10,924,061	14,045,958
		P259,703,091	P307,660,262	P338,465,029

23. Other Expenses

The account consists of:

	2024	2023	2022
Bank charges	**P200,543**	P971,640	P144,637
Loss on repossession of real estate properties	**-**	3,524,627	-
Foreign exchange loss	**-**	402,230	-
Loss on money market investment	-	-	85,414
	P200,543	P4,898,497	P230,051

24. Income Taxes

The components of income tax expense are as follows:

	2024	2023	2022
Current	**P3,700,533**	P4,874,336	P1,755,527
Deferred	**36,431,496**	59,621,911	123,403,970
	P40,132,029	P64,496,247	P125,159,497

The reconciliation of the provision for income tax expense computed at the statutory rate to the provision shown in the consolidated statements of total comprehensive income is as follows:

	2024	2023	2022
Income (loss) before income tax	**(P81,107,363)**	P177,365,206	P305,547,988
Income tax expense using statutory tax rate	**(P20,513,435)**	P44,341,301	P76,336,592
Additions to (reductions in) income tax resulting from the tax effects of:			
Non-deductible expenses	**15,923,465**	17,534,397	18,144,504
Movement on unrecognized deferred tax assets	**45,177,036**	1,959,011	31,723,767
Unrecognized net operating loss carry-over (NOLCO)	**373,278**	1,120,162	1,120,162
Limit on interest expense	**55,215**	78,884	30,250
Expired MCIT	**-**	-	135,344
Retirement obligation	**-**	-	46,860
Dividend income	**(409,431)**	-	(488,478)
Gain on changes in fair value of investment property of a subsidiary	**(229,500)**	(217,600)	(1,766,400)
Interest income subjected to final tax	**(244,599)**	(319,908)	(123,104)
	P40,132,029	P64,496,247	P125,159,497

The components of the deferred income tax assets (liabilities) recognized by the Group are as follows:

	2024		2023	
	Tax Base	**Deferred Tax**	Tax Base	Deferred Tax
Deferred Tax Assets:				
Retirement benefit obligation	**P87,231,212**	**P21,807,803**	P81,503,968	P19,689,834
Capitalized interest charged to NOLCO	**36,928,244**	**9,232,061**	-	-
Deferred rent income	**33,205,900**	**8,301,475**	43,608,343	10,897,159
Book and tax basis difference under PFRS 16	**12,944,144**	**3,236,036**	10,550,723	2,628,999
Impairment loss on receivables	**3,189,752**	**797,438**	3,189,750	637,950
Unrealized foreign exchange loss	**-**	**-**	52,732	13,183
	173,499,252	**43,374,813**	138,905,516	33,867,125

Forward

	2024		2023	
	Tax Base	Deferred Tax	Tax Base	Deferred Tax
Deferred Tax Liabilities:				
Gain on change in fair value of investment properties	(P3,211,797,991)	(P802,949,498)	(P3,054,331,098)	(P763,582,774)
Gain on sublease	(76,501,030)	(19,125,257)	(83,858,576)	(20,964,644)
Capitalized interest	(36,928,244)	(9,232,061)	-	-
Unrealized gain on repossession of real estate inventories	(9,244,982)	(2,311,246)	(9,244,982)	(2,311,246)
Accrued rent receivable	(1,765,295)	(441,324)	(1,765,295)	(441,324)
Unrealized foreign exchange gain	(812,642)	(203,160)	-	-
	(3,337,050,184)	(834,262,546)	(3,149,199,951)	(787,299,988)
	(P3,163,550,932)	(P790,887,733)	(P3,010,294,435)	(P753,432,863)

The recognized deferred tax assets were from the Parent Company and PPMI.

The Group's unrecognized deferred tax assets pertain to the following:

	2024		2023	
	Tax Base	Deferred Tax	Tax Base	Deferred Tax
NOLCO	P684,061,805	P170,963,719	P496,152,562	P89,138,108
Allowance for impairment loss on receivables	354,173,134	88,168,366	361,308,516	124,796,819
Allowance for impairment loss on investments in subsidiaries and associates	-	-	55,618,196	12,119,549
MCIT	6,800,699	6,800,699	6,711,389	6,711,389
Accrued retirement benefit expense	3,968,563	793,713	4,131,716	826,343
	P1,049,004,201	P266,726,497	P923,922,379	P233,592,208

Detail of the Group's NOLCO which can be claimed as deduction from future taxable income is as follows:

Year Incurred	Expiry date	Amount	Applied	Expired	Balance
2024	2027	P185,765,906	P -	P -	P185,765,906
2023	2026	31,902,967	(1,536,920)	-	30,366,047
2022	2025	95,688,923	-	-	95,688,923
2021	2026	255,773,127	-	-	255,773,127
2020	2025	112,815,045	-	-	112,815,045
		P681,945,968	(P1,536,920)	P -	P680,409,048

In accordance to Section 4 of Revenue Regulations No. 25-2020 issued on September 30, 2020, the business or enterprise which incurred net operating loss for taxable years 2020 and 2021 shall be allowed to carry over the same as a deduction from its gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

Details of the Group's MCIT which can be claimed as deduction from future taxable income is as follows:

Year Incurred	Expiry date	Amount	Applied	Expired	Balance
2024	2027	P1,453,903	P -	P -	P1,453,903
2023	2026	3,915,279	(80,714)	-	3,834,565
2022	2025	1,625,890	-	-	1,625,890
2021	2024	867,849	(46,145)	(821,704)	-
		P7,862,921	(P126,859)	(P821,704)	P6,914,358

25. Capital and Treasury Stock

Movements in the Group's capital stock are as follows:

	2024	2023	2022
Authorized			
16,000,000,000 common shares at P0.50 par value	**P8,000,000,000**	P8,000,000,000	P8,000,000,000
Issued and outstanding			
7,866,647,523 shares in 2023 and 2022			
3,688,869,745 shares in 2020	**3,933,323,762**	3,933,323,762	3,933,323,762
Subscribed			
1,314,711,262 shares	**657,355,632**	657,355,632	657,355,632
Subscriptions receivable – Capital Stock	**(157,478,973)**	(157,478,973)	(157,478,973)
Subscription receivable – APIC	**(157,478,973)**	(157,478,973)	(157,478,973)
	342,397,686	342,397,686	342,397,686
Capital Stock	**4,275,721,448**	4,275,721,448	4,275,721,448
Additional paid-in capital	**780,630,029**	780,630,029	780,630,029
Total Capital Stock	**P5,056,351,477**	P5,056,351,477	P5,056,351,477

On July 23, 2018, the Stockholders of the parent company approved the amendment of Article VII of the Company's Articles of Incorporation increasing the Company's authorized capital stock from 8,000,000,000 common shares with a par value of P0.50 per share to 16,000,000,000 common shares with a par value of P0.50 per share. The Company's application with the SEC for the increase in authorized capital was approved on May 14, 2019.

From the increased capital stock, on June 22, 2022, the Company issued 4,177,777,778 new common shares valued at P0.54 per share based on 120-day Volume Weighted Average Price for the period October 6, 2017 to April 6, 2018, in favor of Greenhills Properties, Inc. (GPI) in exchange for two (2) vacant lots in Bonifacio Global City (see Note 11). The Company obtained a Valuation and Fairness Opinion Report from a PSE-Accredited Firm on the property-for-share swap transaction for the reason that the parties to the said transaction are related parties. The above-described transaction resulted in Additional Paid-in Capital of P167,111,111 before deducting transaction costs of P100,985,622 or a net amount of P66,125,489. Transaction costs include SEC filing fees, legal and other professional fees, documentary stamps tax on primary issue of common stocks, transfer taxes and registration fees.

Details of the Group's treasury stock are as follows:

	2024	2023	2022
Treasury Stock			
82,049,497 common shares with average cost of P1.34 per share	**P110,049,633**	P110,049,633	P110,049,633

26. Reserves

This account consists of:

	Note	2024	2023	2022
Appropriated retained earnings for:				
Treasury stock acquisitions		**P109,712,439**	P109,712,439	P109,712,438
Revaluation on FVOCI				
Balance at beginning of year		**(26,485,605)**	(25,606,702)	(24,038,272)
Changes in fair value during the year	*5*	**4,852,614**	(878,903)	(1,568,430)
Disposal	*5*	**(10,178,029)**	-	-
Balance at end of year	*5*	**(31,811,020)**	(26,485,605)	(25,606,702)
Remeasurement gain (loss) on retirement benefit obligation				
Balance at beginning of year		**(27,049,512)**	(18,575,075)	(33,473,053)
Adjustment		-	46,784	-
Actuarial gain (loss) during the year – gross		**4,543,955**	(11,395,861)	19,519,617
Tax effect		**(1,033,344)**	2,874,640	(4,621,639)
Balance at end of year		**(23,538,901)**	(27,049,512)	(18,575,075)
		P54,362,518	P56,177,322	P65,530,662

The Parent Company's retained earnings amounting to P109,712,439 is appropriated to cover the cost of the treasury shares.

27. Non-controlling Interest

This pertains to equity in subsidiaries not attributable, directly or indirectly, to the parent.

Details are as follows:

	2024	2023	2022
Universal Travel Corporation			
January 1	**(P7,252,254)**	(P7,240,458)	(P7,230,871)
Share in net loss	**(3,859)**	(11,796)	(9,587)
December 31	**(7,256,113)**	(7,252,254)	(7,240,458)
Recon-X Energy Corporation			
January 1	**(34,300,000)**	(34,300,000)	(31,610,760)
Share in net loss	**-**	-	(2,689,240)
December 31	**(34,300,000)**	(34,300,000)	(34,300,000)
	(P41,556,113)	(P41,552,254)	(P41,540,458)

28. Basic Earnings Per Share

	2024	2023	2022
Net income (loss) attributable to equity holders of Parent Company	**(P121,235,533)**	P112,880,755	P183,087,318
Weighted average no. of common shares issued and outstanding	**9,099,309,288**	9,099,309,288	9,099,309,288
Basic earnings (loss) per share	**(P0.01)**	P0.01	P0.02

The weighted average number of common shares issued and outstanding was computed as follows:

	2024	2023	2022
Issued and outstanding shares	**7,866,647,523**	7,866,647,523	7,866,647,523
Subscribed shares	**1,314,711,262**	1,314,711,262	1,314,711,262
Treasury shares	**(82,049,497)**	(82,049,497)	(82,049,497)
Average number of shares	**9,099,309,288**	9,099,309,288	9,099,309,288

The Group has no potential dilutive shares as at December 31, 2024, 2023 and 2022.

29. Provisions and Contingencies

The Group is a party to legal claims that arise in the ordinary course of business, the outcome of which is not presently determinable. The Group and its legal counsel, however, believe that final settlement, if any, will not be material to the Group's financial results.

30. Material Accounting Policies

Adoption of Amendments to Standards

The accounting policies adopted in the preparation of the financial statements are consistent with those of the Company's financial statements for the year ended December 31, 2023 except for the adoption of the following new standards and amended PFRS which became effective beginning January 1, 2024. Unless otherwise indicated, none of these had a material effect on the financial statements.

- Amendments to PAS 1, Classification of Liabilities as Current or Non-current affect only the presentation of liabilities in the statement of financial position — not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. They:

    - clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability;

    - clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and

- make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

New and Amended Standards Not Yet Adopted
A number of new and amended standards and interpretations are effective for annual periods beginning after January 1, 2024 and have not been applied in preparing the financial statements. Unless otherwise indicated, none of these is expected to have a material effect on the financial statements. The Company will adopt the following new and amended standards and interpretations on the respective effective dates:

- Annual Improvements to PFRS Accounting Standards – Volume 11:
    - PFRS 1, *First-time Adoption of Philippine Financial Reporting Standards.* The amendment addresses a potential confusion arising from an inconsistency in wording between paragraph B6 of PFRS 1 and requirements for hedge accounting in PFRS 9, Financial Instruments.

    - PFRS 7, *Financial Instruments: Disclosures.* The amendment addresses a potential confusion in paragraph B38 of PFRS 7 arising from an obsolete reference to a paragraph that was deleted from the standard when PFRS 13 Fair Value Measurement was issued. Implementation guidance was also amended to address: (a) an inconsistency between paragraph 28 of PFRS 7 and its accompanying implementation guidance that arose when a consequential amendment resulting from the issuance of PFRS 13 was made to paragraph 28, but not to the corresponding paragraph in the implementation guidance; and (b) a potential confusion by clarifying in paragraph IG1 that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of PFRS 7 and by simplifying some explanations.

    - PFRS 9, *Financial Instruments.* The amendment addresses a potential lack of clarity in the application of the requirements in PFRS 9 to account for an extinguishment of a lessee's lease liability that arises because paragraph 2.1(b)(ii) of PFRS 9 includes a cross-reference to paragraph 3.3.1, but not also to paragraph 3.3.3 of PFRS 9.

      An amendment was also made to address a potential confusion arising from a reference in Appendix A to PFRS 9 to the definition of 'transaction price' in PFRS 15, Revenue from Contracts with Customers while term 'transaction price' is used in particular paragraphs of PFRS 9 with a meaning that is not necessarily consistent with the definition of that term in PFRS 15.

    - PFRS 10, *Consolidated Financial Statements.* The amendment addresses a potential confusion arising from an inconsistency between paragraphs B73 and B74 of PFRS 10 related to an investor determining whether another party is acting on its behalf by aligning the language in both paragraphs.

    - PAS 7, *Statement of Cash Flows.* The amendment addresses a potential confusion in applying paragraph 37 of PAS 7 that arises from the use of the term 'cost method' that is no longer defined in PFRS Accounting Standards.

  The amendments are effective for annual periods beginning on January 1, 2026.

- PFRS 18, *Presentation and Disclosure in Financial Statements* will supersede PAS 1, Presentation of Financial Statements. The standard is effective for annual periods beginning on January 1, 2027.

- PFRS 19, *Subsidiaries without Public Accountability: Disclosures* allows eligible entities to elect to apply PFRS 19's reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other PFRS accounting standards. The application of the standard is optional for eligible entities. The standard is effective for annual reporting periods beginning on or after January 1, 2027 with earlier application permitted.

New Standard and Amendments to Standards Effective on or after January 1, 2024 but Not Applicable to the Company

- PFRS 17, *Insurance Contracts*
- PAS 21, *Lack of Exchangeability*
- PFRS 9 and PFRS 7, *Contracts Referencing Nature-dependent Electricity*

The accounting policies set out below have been applied consistently to all periods presented in the separate financial statements.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Parent Company and entities controlled by the Parent Company, the subsidiaries, up to December 31 each year. Details of the subsidiaries are shown in Note 35.

The consolidated financial statements were prepared using uniform accounting policies for like transactions and other events in similar circumstances. Inter-company balances and transactions, including inter-company profits and unrealized profits and losses, are eliminated.

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Parent Company controls an entity when the Parent Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Parent Company. They are deconsolidated from the date that control ceases.

On acquisition, the assets and liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognized as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired i.e. discount on acquisition is credited to profit and loss in the period of acquisition. The interest of minority shareholders is stated at the minority's proportion of the fair values of the assets and liabilities recognized. Subsequently, any losses applicable to the minority interest in excess of the minority interest are allocated against the interests of the Parent Company.

Acquisition-related costs are expensed as incurred.

Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Associates
An associate is an entity over which the Parent Company is in a position to exercise material influence, but not control or joint control, through participation in the financial and operating policy decisions of the investee.

A joint arrangement is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, and a joint venture is a joint arrangement that involves the establishment of a separate entity in which each venturer has an interest.

An investment is accounted for using the equity method from the day it becomes an associate or joint venture. The investment is initially recognized at cost. On acquisition of investment, the excess of the cost of investment over the investor's share in the net fair value of the investee's identifiable assets, liabilities and contingent liabilities is accounted for as goodwill and included in the carrying amount of the investment and not amortized. Any excess of the investor's share of 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 share in the earnings of the investees.

Under the equity method, the investments in the investee companies are carried in the consolidated statements of financial position at cost plus post-acquisition changes in the Parent Company's share in the net assets of the investee companies, less any impairment losses. The consolidated statements of total comprehensive income reflect the share of the results of the operations of the investee companies. The Parent Company's share of post-acquisition movements in the investee's equity reserves is recognized directly in equity. Profits and losses resulting from transactions between the Parent Company and the investee companies are eliminated to the extent of the interest in the investee companies and for unrealized losses to the extent that there is no evidence of impairment of the asset transferred. Dividends received are treated as a reduction of the carrying value of the investment.

The Group discontinues applying the equity method when their investments in investee companies are reduced to zero. Accordingly, additional losses are not recognized unless the Group has guaranteed certain obligations of the investee companies. When the investee companies subsequently report net income, the Group will resume applying the equity method but only after its share of that net income equals the share of net losses not recognized during the period the equity method was suspended.

The reporting dates of the investee companies and the Group are identical and the investee companies' accounting policies conform to those used by the Group for like transactions and events in similar circumstances. Upon loss of material influence over the associate, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of material influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss.

Business Combination
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree at fair value of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses. When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognized in accordance with PAS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Segment Information

The Group's operating segments are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Financial information on operating segments is presented in Note 35 to the financial statements. The Chief Executive Officer (the chief operating decision maker) reviews management reports on a regular basis.

The measurement policies the Group used for segment reporting under PFRS 8 are the same as those used in the financial statements. There have been no changes in the measurement methods used to determine reported segment profit or loss from prior periods. All inter-segment transfers are carried out at arm's length prices.

Segment revenues, expenses and performance include sales and purchases between business segments. Such sales and purchases are eliminated in consolidation.

For management purposes, the Group is currently organized into five business segments. These divisions are the basis on which the Group reports its primary segment formation.

The Group's principal business segments are as follows:

a. Sale of Real Estate and Leasing
b. Property Management
c. Insurance Brokerage
d. Holding Company
e. Travel Services (discontinued as of July 31, 2018)

The Group's resources producing revenues are all located in the Philippines. Therefore, geographical segment information is not presented.

Financial Assets and Liabilities

Financial Assets

Initial recognition and Measurement

The Group recognizes a financial asset in the consolidated statements of financial position when it becomes a party to the contractual provisions of a financial instrument. In the case of a regular way purchase or sale of financial assets, recognition is done using settlement date accounting. Financial assets are recognized initially at fair value of the consideration given. The initial measurement of financial assets, except for those designated as at FVPL, includes transaction costs.

Classification
The Group classifies its financial assets, at initial recognition, in the following categories: financial assets at amortized cost, financial assets at FVOCI and financial assets at FVPL. The classification depends on the business model of the Group for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Financial assets are not reclassified subsequent to initial recognition unless the Group changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the reporting period following the change in the business model.

Financial Assets at Amortized Cost. A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVPL:

- it is held within a business model whose objective is to hold financial assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, the financial assets are subsequently measured at amortized cost using the effective interest method, less any allowance for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition, and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are reclassified to FVPL, impaired or derecognized, as well as through the amortization process.

The Group's cash and cash equivalents, trade and other receivables and refundable deposits are included under this category.

Financial Assets at FVOCI (equity instruments). Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI 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 as other income in the consolidated statement of total comprehensive income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group's financial assets at fair value through OCI include investments in quoted and unquoted equity instruments and proprietary club shares.

Financial Assets at FVPL. Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, 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 solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or materialy reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the consolidated statements of financial position at fair value with net changes in fair value recognized in profit or loss.

The Group's investments in equity instruments at FVPL are classified under this category.

Derecognition
A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when:

- The right to receive cash flows from the asset has expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; and either: (a) has transferred substantially all the risks and rewards of the asset; or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes the associated liability. The transferred asset and the associated liability are measured on the basis that reflects the rights and obligations that the Group 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 Group is required to repay.

Impairment
The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. 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 effective interest rate. 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.

For trade receivables on sale of real estate, the Group applies a general approach in calculating ECLs. Under the general approach, ECLs are recognized in three (3) stages as follows:

- Stage 1: For credit exposures for which there has not been a material increase in credit risk since initial recognition and there is no default that occurred, a 12-month ECL is provided for credit losses that result from default events that are possible within the next 12 months.

- Stage 2: For credit exposures for which there has been a material increase in credit risk since initial recognition and there is still no default that occurred, a loss allowance equivalent to lifetime ECL is required for credit losses expected over the remaining life of the exposure.
- Stage 3: For credit exposures for which there has been a material increase in credit risk since initial recognition and for which an actual default has also occurred, a loss allowance equivalent to lifetime ECL is required for credit losses expected over the remaining life of the exposure.

The key inputs in the model include the Group's definition of default and historical data of two (2) material projects with an average of five (5) years for the origination, maturity date and default date. The Group considers trade receivables on sale of real estate in default when contractual payment are 90 days past due, except for certain circumstances when the reason for being past due is due to reconciliation with customers of payment records which are administrative in nature which may extend the definition of default to 90 days and beyond. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

At each reporting date, the Group assesses whether there has been a material increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis.

The Group considers that there has been a material increase in credit risk when contractual payments are more than 90 days past due.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed material increase in credit risk since origination, then the loss allowance measurement reverts from lifetime ECL to 12- months ECL.

For cash and cash equivalents, the Group applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. However, when there has been a material increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from publicly available sources to determine whether the debt instrument has materially increased in credit risk and to estimate ECLs.

The Group considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

For trade receivables on lease and other financial assets such as accrued receivable, receivable from related parties and advances to other companies, impairment provisions would be based on the assumption that the receivable is demanded at the reporting date and it would reflect the losses (if any) that would result from this. Since the receivables are collectible on demand, the contractual period is the very short period needed to transfer the cash once demanded. Discounting would have immaterial effect in the balances.

Financial Liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, 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.

The Group's financial liabilities include trade and other payables, finance lease liability and loans payable.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings
This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of total comprehensive income.

This category generally applies to short term and long term debt.

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. 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 statements of total comprehensive income.

Determination of Fair Value
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is material to the fair value measurement as a whole:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: inputs for the asset or liability that are not based on observable market data.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing the categorization at the end of each reporting period.

Offsetting Financial Instruments
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

Prepayments
Prepayments represent expenses not yet incurred but already paid in cash. Prepayments are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are charged to income as they are consumed in operations or expire with the passage of time.

Prepayments are classified in the consolidated statements of financial position as current asset when the cost of goods or services related to the prepayment are expected to be incurred within one (1) year or the Group's normal operating cycle, whichever is longer. Otherwise, prepayments are classified as non-current assets.

Investments in Associates
An associate is an entity over which the Company is in a position to exercise material influence, but not control or joint control, through participation in the financial and operating policy decisions of the investee.

In the separate financial statements of the Company, investment in shares of stock of associates is accounted for using the cost method. The reporting dates of the investee companies and the Company are identical and the investee companies' accounting policies conform to those used by the Company for like transactions and events in similar circumstances. Upon loss of material influence over the associate, the Company measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of material influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss.

Real Estate Inventories
Property acquired or being developed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory and is measured at the lower of cost and net realizable value.

Cost includes amounts paid to contractors for construction, borrowing costs, planning and design costs, costs of site preparation, professional fees, property transfer taxes, construction overheads and other related costs.

Net realizable value is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less costs to complete and the estimated costs to sell.

The cost of inventory recognized in profit or loss on disposal is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

The provision account, if any, is reviewed on a monthly basis to reflect the reasonable valuation of the Group's inventories. Inventory items identified to be no longer recoverable is written-off and charged as expense for the period.

Real estate held for development is measured at lower of cost and NRV. Expenditures for development and improvements of land are capitalized as part of the cost of the land. Directly identifiable borrowing costs are capitalized while the development and construction is in progress.

Property and Equipment
Property and equipment are initially measured at cost which consists of its purchase price and costs directly attributable to bringing the asset to its working condition for its intended use and are subsequently measured at cost less any accumulated depreciation, amortization and impairment losses, if any.

Subsequent expenditures relating to an item of property and equipment that have already been recognized are added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group. All other subsequent expenditures are recognized as expenses in the period in which those are incurred.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

	Number of years
Condominium units	20
Building	25
Building improvements	5 to 10
Office furniture, fixtures and equipment	3 to 10
Transportation and other equipment	5
Leasehold and office improvements	5

The assets' residual values, estimated useful lives and depreciation and amortization methods are reviewed periodically to ensure that the amounts, periods and methods of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property and equipment.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further charge for depreciation is made in respect of those assets.

Derecognition
An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal at which time, the cost and their related accumulated depreciation are removed from the accounts. Gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Investment Properties
Investment properties comprised completed property and property under development or re-development that are held to earn rentals or capital appreciation or both and that are not occupied by the Group. Investment property is initially measured at cost incurred in acquiring the asset and subsequently stated at fair value. Revaluations are made with sufficient regularity by external independent appraisers to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the period. The external independent appraiser uses sales comparison approach in arriving at the value of the properties. In this approach, the value of the properties is based on sales and listings of comparable properties. This is done by adjusting, the differences between the subject property and those actual sales and listings regarded as comparable. The properties used as bases of comparison are situated within the immediate vicinity or at different floor levels of the same building. Comparison would be premised on factors such as location, size and physical attributes, selling terms, facilities offered and time element.

A gain or loss arising from a change in the fair value of investment property is recognized in profit or loss for the period in which it arises.

A transfer is made to investment property when there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. A transfer is made from investment property when and only when there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. A transfer between investment property, owner-occupied property and inventory does not change the carrying amount of the property transferred nor does it change the cost of that property for measurement or disclosure purposes.

Derecognition
Investment properties are derecognized when either they have been disposed of, or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognized in the consolidated statements of total comprehensive income in the year of retirement or disposal.

Impairment of Non-financial Assets
At each reporting date, the Group assesses whether there is any indication that any of its non-financial assets may have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

The recoverable amount of the non-financial asset is the higher of fair value less costs of disposal and value-in-use. 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 which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized as an expense.

When an impairment loss reverses subsequently, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized in prior years. A reversal of an impairment loss is recognized in profit or loss.

Equity
An equity instrument is any contract that evidences a residual interest in the assets of the Parent Company after deducting all of its liabilities. Distribution to the Parent Company's shareholders is recognized as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the Parent Company's Board of Directors.

Capital stock
Capital stock is classified as equity when there is no obligation to the transfer of cash or other assets. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

Additional paid-in capital
Additional paid-in capital pertains to premium paid over the par value of shares.

Retained earnings
Retained earnings include all the accumulated income (loss) of the Group, dividends declared and share issuance costs. Retained earnings is net of amount offset from additional paid-in capital arising from the quasi-reorganization.

Treasury stock
The Parent Company's equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in the consolidated statements of total comprehensive income on the purchase, sale, issue or cancellation of the Parent Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in additional paid-in capital. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively. When the shares are retired, the capital stock account is reduced by its par value and the excess of cost over par value upon retirement is debited to additional paid-in capital when the shares were issued and to retained earnings for the remaining balance.

Employee Benefits

Short-term benefits
The Group recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. Short-term benefits given by the Group to its employees include salaries and wages, social security contributions, short-term compensated absences, bonuses and non-monetary benefits.

Post-employment benefits
The Group's net obligation in respect of its defined benefit plan is calculated by estimating the amount of the future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of the defined benefit obligation (DBO) is performed on a periodic basis by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the DBO at the beginning of the annual period to the then net defined benefit liability (asset), taking into account any changes in the net defined liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to the defined benefit plan are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss.

The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Revenue Recognition

Revenue from contracts with customers

Revenue from real estate sales
The Parent Company primarily derives its real estate revenue from the sale of vertical real estate projects. 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 Parent Company expects to be entitled in exchange for those goods or services.

The disclosures of material accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 31.

The Parent Company derives its real estate revenue from sale of 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 Parent Company's performance does not create an asset with an alternative use and the Parent Company has an enforceable right to payment for performance completed to date.

In measuring the progress of its performance obligation over time, the Parent Company uses the output method. The Parent 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. This is based on the monthly project accomplishment report prepared by the third-party surveyor as approved by the construction manager which integrates the surveys of performance to date of the construction activities for both sub-contracted and those that are fulfilled by the developer itself.

Revenue from sales of completed real estate projects is accounted for using the full accrual method.

Any excess of collections over the recognized receivables are included in the "Deposits and other current liabilities" account in the liabilities section of the consolidated statements of financial position.

If any of the criteria under the full accrual or percentage-of-completion method is not met, the deposit method is applied until all the conditions for recording a sale are met. Pending recognition of sale, cash received from buyers are presented under the "Deposits and other current liabilities" account in the liabilities section of the consolidated statements of financial position.

Cancellation of real estate sales
The Group reverses the previously recognized revenue and related costs.

The Group also derives its revenue from management fee, commission, rental and interest income for which the Group assessed that there is only one performance obligation. Revenue from contracts with customers is recognized at a point in time when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Management fee
Management fee is recognized when the related services have been performed in accordance with the terms and conditions of the management agreement and applicable policies.

Commission income
Commission income is recognized when the real estate and insurance brokering services have been performed in accordance with the terms and conditions of the agreement, commission scheme and applicable policies. Commission income recognized is the amount earned as an agent and excludes amounts collected on behalf of the principal.

Interest income
Interest income is accrued on a time proportion basis by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Rental income
Rent income from operating leases is recognized as income on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

Miscellaneous income
Miscellaneous income is recognized when earned.

Cost recognition from real estate sales
Cost of real estate sales is recognized consistent with the revenue recognition method applied and is determined with reference to the specific, including estimated costs, on the property allocated to sold area. Cost of residential and commercial lots and units sold before the completion of the development is determined on the basis of the acquisition cost of the land plus its full development costs, which include estimated costs for future development works, as determined by the Parent Company's in-house technical staff.

Estimated development costs include direct land development, shared development cost, building cost, external development cost, professional fees, post construction, contingency, miscellaneous and socialized housing. Miscellaneous costs include payments such as permits and licenses, business permits, development charges and claims from third parties which are attributable to the project. Contingency includes fund reserved for unforeseen expenses and/ or cost adjustments. Revisions in estimated development costs brought about by increases in projected costs in excess of the original budgeted amounts are considered as special budget appropriations that are approved by management and are made to form part of total project costs on a prospective basis and allocated between costs of sales and real estate inventories.

Cost and Expense Recognition
Costs and expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. Costs and expenses are recognized in profit or loss on the basis of: (i) a direct association between the costs incurred and the earning of specific items of income; (ii) systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined; or (iii) immediately when an expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify or cease to qualify for recognition in the consolidated statements of financial position as an asset.

Cost and expenses in the consolidated statements of total comprehensive income are presented using the function of expense method. General and administrative expenses are costs attributable to general, administrative and other business activities of the Group.

Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period in which they were incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs are capitalized from the commencement of the development work until the date of practical completion. The capitalization of borrowing costs is suspended if there are prolonged periods when development activity is interrupted. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recorded.

The capitalization rate is calculated as the weighted average of the borrowing costs applicable to the entity's outstanding borrowings during the period, excluding borrowings made specifically for the qualifying asset. This rate is then applied to the expenditures on the qualifying asset to determine the borrowing costs eligible for capitalization.

Leases

The Group as Lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statements of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a material event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under PAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statements of financial position.

The Group applies PAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property and Equipment' policy.

Short-term leases with terms of less than 12 months or lease of low value assets are expensed as incurred.

The Group as Lessor
The Group enters into lease agreements as a lessor with respect to some of its investment properties.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

When a contract includes lease and non-lease components, the Group applies PFRS 15 to allocate the consideration under the contract to each component.

The Group as Sub-lessor
The Group is a sub-lessor (intermediate lessor) to one of its right-of-use assets.

An intermediate lessor classifies the sublease as a finance lease or an operating lease as follows:

- If the head lease is a short-term lease, the sublease is classified as an operating lease
- Otherwise, the sublease is classified by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset. A lease is classified as a finance lease if it transfers substantially all the risks and rewards from the right-of-use asset resulting from the head lease; otherwise, it is classified as an operating lease.

For subleases classified as a finance lease, the intermediate lessor derecognizes the right-of-use asset relating to the head lease that is transfers to the sublessee and recognizes the net investment in the sublease; any difference between the right-of-use assets and the investment in the finance sublease is recognized in profit or loss. At the commencement date, net investment in the finance lease is measured at an amount equal to the present value of the lease payments for the underlying right-of-use assets during the lease term. The lessor recognizes finance income over the lease term, based on a pattern reflecting a constant period rate of return on the lessor's net investment in the lease.

For subleases classified as operating lease, the intermediate lessor recognizes the lease income from operating leases on a straight-line basis over the lease term. The respective leased asset is included in the statement of financial position based on its nature.

Income Tax
Income tax expense for the year comprises current and deferred tax. Income tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax expense is calculated on the basis of the tax laws enacted at the reporting date. Management periodically evaluates positions in income tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized on temporary difference arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the reporting date and are expected to apply when related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax losses (net operating loss carryover or NOLCO) and unused tax credits (excess minimum corporate income tax or MCIT) to the extent that it is probable that future taxable profit will be available against which the temporary differences, unused tax losses and unused tax credits can be utilized. The Group reassesses at each reporting date the need to recognize a previously unrecognized deferred income tax asset.

Deferred income tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority and the same taxable entity.

Uncertainty over Income Tax Treatments

The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty is followed.

The Group considers whether it is probable that the relevant authority will accept each tax treatment, or group of tax treatments, that it used or plans to use in its income tax filing.

If the Group concludes that it is probable that a particular tax treatment is accepted, the Company determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment included in its income tax filings.

If the Group concludes that it is not probable that a particular tax treatment is accepted, the Group uses the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The decision should be based on which method provides better predictions of the resolution of the uncertainty.

Provisions and Contingencies

Provisions are recognized when the Group has a present obligation, either legal or constructive, as a result of a past event; when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and; when the amount of the obligation can be estimated reliably. When the Group expects reimbursement of some or all of the expenditure required to settle a provision, the entity recognizes a separate asset for the reimbursement only when it is virtually certain that reimbursement will be received when the obligation is settled.

The amount of the provision recognized is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. A provision is measured using the cash flows estimated to settle the present obligation; its carrying amount is the present value of those cash flows.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingent liabilities are not recognized because their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent liabilities are disclosed, 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 when an inflow of economic benefits is probable.

Related Party Relationships and Transactions
Related party relationship exists when one party has the ability to control, directly, or indirectly through one or more intermediaries, the other party or exercise material influence over the other party in making financial and operating decisions. Such relationship also exists between and/or among entities which are under common control with the reporting enterprise, or between, and/or among the reporting enterprise and its key management personnel, directors, or its shareholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Earnings per Share

Basic earnings per share
The Group computes its basic earnings per share by dividing net profit attributable to common equity holders of the Parent Company by the weighted average number of common shares issued and outstanding during the period.

Diluted earnings per share
Diluted earnings per share is calculated by adjusting the weighted average number of common shares outstanding to assume conversion of all dilutive potential common shares.

Events After the Reporting Date
The Group identifies events after the reporting date as events that occurred after the reporting date but before the date the consolidated financial statements were authorized for issue. Any subsequent event that provides additional information about the Group's financial position at the reporting date is reflected in the consolidated financial statements. Non-adjusting subsequent events are disclosed in the notes to the consolidated financial statements when material.

31. Critical Accounting Judgments and Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a material risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical Accounting Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a material risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Revenue and cost recognition on real estate projects
The Parent Company's revenue recognition and cost policies require management to make use of estimates and assumptions that may affect the reported amounts of revenues and costs. The Parent Company's revenue from real estate and construction contracts is recognized based on the percentage of completion and are measured principally on the basis of the estimated completion of a physical proportion of the contract work. Apart from involving material estimates in determining the quantity of inputs such as materials, labor and equipment needed, the assessment process for the POC is complex and the estimated project development costs requires technical determination by management's specialists (project engineers).

Similarly, the commission is determined using the percentage of completion.

Provision for expected credit losses of trade receivables
The Group uses historical loss rates as input to assess credit risk characteristics. The Group determines the appropriate receivables groupings based on shared credit risk characteristics such as revenue type, collateral or type of customer. The historical loss rates are adjusted to reflect the expected future changes in the portfolio condition and performance based on economic conditions and indicators such as inflation and interest rates that are available as at the reporting date.

The assessment of the correlation between historical observed default rates, forecast economic conditions (inflation and interest rates) and ECLs is a material estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The information about the ECLs on the Group's trade receivables is disclosed in Notes 6 and 33.

Evaluation of net realizable value of real estate inventories
The Parent Company adjusts the cost of its real estate inventories to net realizable value based on its assessment of the recoverability of the assets. In determining the recoverability of the assets, management considers whether those assets are damaged or if their selling prices have declined. Likewise, management also considers whether the estimated costs of completion or the estimated costs to be incurred to make the sale have increased. The amount and timing of recorded expenses for any period would differ if different judgments were made or different estimates were utilized.

Results of management's assessment disclosed that there is no need for provision for impairment of inventories as at December 31, 2024 and 2023.

Estimating useful lives of assets
The useful lives of assets are estimated based on the period over which the assets are expected to be available for use. The estimated useful lives of assets are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the Group's assets. In addition, the estimation of the useful lives is based on the Group's collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of assets would increase the recognized operating expenses and decrease non-current assets.

Post-employment and other employee benefits
The present value of the retirement obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of retirement obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the retirement obligations. In determining the appropriate discount rate, the Group considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related retirement obligation.

Other key assumptions for retirement obligations are based in part on current market conditions. Additional information is disclosed in Note 16.

Retirement obligation as at December 31, 2024 and 2023 amounted to P90,759,285 and P85,635,684, respectively.

Estimating fair value of investment property
The Group obtained the services of an independent valuer who holds a recognized and relevant professional qualification and has recent experience in the location and category of the investment properties being valued. An independent valuation of the Group's investment properties was performed by appraisers to determine their fair values. The valuation was determined by reference to sales and listing of comparable properties.

Recoverability of deferred tax assets
The Group reviews the carrying amounts at each reporting date and reduces deferred tax assets to the extent that it may be more prudent and conservative not to make a determination when these deferred tax assets can be utilized. The Group considers that it is impracticable to disclose with sufficient reliability the possible effects of sensitivities surrounding the utilization of deferred tax assets.

Total unrecognized deferred tax assets amounted to P266,726,497 and P233,592,208 as at December 31, 2024 and 2023, respectively (see Note 24).

Impairment losses on non-financial assets
The Group performs an impairment review when certain impairment indicators are present. Determining the fair value of non-financial assets, which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Group to make estimates and assumptions that can materially affect the consolidated financial statements. Future events could cause the Group to conclude that non-financial assets are impaired. Any resulting impairment loss could have a material adverse impact on the financial position and results of operations.

Critical Accounting Judgments

In the process of applying the Group'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 Parent Company's primary document for a contract with a customer is a signed contract to sell. It has determined, however, that in cases wherein contract to sell are not signed by both parties, the combination of its other signed documentation such as reservation agreement, official receipts, buyers' computation sheets and invoices, would contain all the criteria to qualify as contract with the customer under PFRS 15.

In addition, part of the assessment process of the Parent Company before revenue recognition is to assess the probability that the Parent 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.

Collectability
In evaluating whether collectability of an amount of consideration is probable, an entity considers the significance of the customer's initial payments in relation to the total contract price. Collectability is also assessed by considering factors such as past history with the customer, age and pricing of the property. Management regularly evaluates the historical cancellations and back-outs if it would still support its current threshold of customers' equity before commencing revenue recognition.

Revenue recognition method and measure of progress
The Parent Company concluded that revenue for real estate sales is to be recognized over time because: (a) the Parent Company's performance does not create an asset with an alternative use and; (b) the Parent 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 Parent 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 material 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. In addition, the Parent Company requires a certain percentage of buyer's payments of total selling price (buyer's equity), to be collected as one of the criteria in order to initiate revenue recognition. Reaching this level of collection is an indication of buyer's continuing commitment and the probability that economic benefits will flow to the Parent Company. The Parent Company considers that the initial and continuing investments by the buyer of about 25% would demonstrate the buyer's commitment to pay.

The Parent Company has determined that output method used in measuring the progress of the performance obligation faithfully depicts the Parent Company's performance in transferring control of real estate development to the customers.

Distinction between investment properties and owner-occupied properties and real estate inventories and held for development

The Group determines whether a property qualifies as investment property. In making this judgment, the Group considers whether the property generates cash flows largely independent of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to property but also to the other assets used in the production or supply process.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions cannot be sold separately at the reporting date, the property is accounted for as investment property only if an immaterial portion is held for use in the production or supply of goods or services or for administrative purposes. Judgment is applied in determining whether ancillary services are so material that a property does not qualify as investment property. The Group considers each property separately in making its judgment.

The Group determines that a property will also be classified as real estate inventory when it will be sold in the normal operating cycle or it will be treated as part of the Group's strategic land activities for development in the medium or long-term.

Contingencies
The Group is currently involved in various legal proceedings and tax assessments. Estimates of probable costs for the resolution of these claims has been developed in consultation with outside counsel handling the defense in these matters and is based upon an analysis of potential results. The Group currently does not believe these proceedings will have a material adverse effect on the financial position. It is possible, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the Group's strategies relating to these proceedings.

32. Fair Value Measurement

The fair values of the Group's financial instruments are equal to the carrying amounts in the consolidated statements of financial position as at December 31, 2024 and 2023.

Fair values have been determined for measurement and disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values are disclosed in the notes to the consolidated financial statements specific to that asset or liability.

The methods and assumptions used by the Group in estimating the fair value of the financial instruments are as follows:

Cash and cash equivalents and trade and other receivables – current portion carrying amounts approximate fair values due to the relatively short-term maturities of these items.

Trade and other receivables-non-current portion carrying amounts approximate their fair values as they are either priced using prevailing market rates or that the effect of discounting has been considered.

Financial assets at FVPL and FVOCI – these are investments in equity securities, fair value for quoted equity securities is based on quoted prices published in markets as of reporting dates.

Trade and other payables – the carrying value of trade and other payables approximate its fair value either because of the short-term nature of these financial liabilities.

Loans payable – carrying amounts approximate their fair values as they are either priced using prevailing market rates or that the effect of discounting is not material.

The table below analyzes financial and non-financial assets measured at fair value at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorized:

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVPL				
Equity investments	P6,750,000	P -	P -	P6,750,000
Financial assets at FVOCI				
Equity investments	27,925,315	-	-	27,925,315

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVPL				
Equity investments	P6,750,000	P -	P -	P6,750,000
Financial asset at FVOCI				
Equity investments	35,197,203	-	-	35,197,203

33. Financial Risk Management Objectives and Policies

The Group's activities expose it to a variety of financial risks: market risk, liquidity risk and credit risk. The Group's overall risk management program seeks to minimize potential adverse effects on the financial performance of the Group. The policies for managing specific risks are summarized below.

The BOD of the parent company has overall responsibility for the establishment and oversight of the Group's risk management framework. It monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. Risk management policies and systems are reviewed regularly to reflect changes in market conditions.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Market Risk

Foreign exchange risk
The Group undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise with respect to transactions denominated in US dollar. Foreign exchange risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Group's functional currency. Material fluctuation in the exchange rates could materially affect the Group's financial position.

Foreign exchange risk exposure of the Group is limited to its cash and cash equivalents. Currently, the Group has a policy not to incur liabilities in foreign currency. Construction and supply contracts, which may have import components, are normally denominated in Philippine peso.

The amounts of the Group's foreign currency denominated monetary assets at the reporting date are as follows:

	2024		2023	
	US dollar Deposit	**Peso Equivalent**	US dollar Deposit	Peso Equivalent
Cash and cash equivalents	**$332,909**	**P19,313,377**	$328,389	P18,247,604

The closing rates applicable as at December 31, 2024 and 2023 are P58.01 and P55.57 to US$1, respectively.

The following table demonstrates the sensitivity to a reasonably possible change in the US Dollar exchange rate, with all other variables held constant, of the Group's income in 2023 and 2022. The percentage changes in rates have been determined based on the average market volatility in exchange rates, using standard deviation, in the previous 12 months at a 99% confidence level.

	+/-	Effect on Equity
2024	**0.19%**	**P36,118**
2023	0.19%	34,939

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The primary source of the Group's interest rate risk relates to its cash and cash equivalents, and loans and note payable. The interest rates on cash and cash equivalents and loans and note payable are disclosed in Notes 3 and 14, respectively.

Cash and cash equivalents are short-term in nature and with the current interest rate level, any variation in the interest will not have a material impact on the profit or loss of the Group.

Management is responsible for monitoring the prevailing market-based interest rate and ensures that the mark-up charged on its borrowings are optimal and benchmarked against the rates charged by other creditor banks.

The following table illustrates the sensitivity of the Group's profit or loss to a reasonably possible change in interest rates of its cash and cash equivalents and loan with all other variables held constant.

	2024		2023	
	+/-%	**Effect on Profit or Loss**	+/-%	Effect on Profit or Loss
Cash in bank	**0.10%**	**P41,728**	0.16%	P434,956
Cash equivalents	**0.08%**	**135,797**	0.07%	7,877
Loans and note payable	**1.27%**	**(23,392,383)**	1.19%	(14,304,035)
		(P23,214,858)		(P13,861,202)

Price risk
Price risk is the risk that the fair value of the financial instrument particularly equity instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether caused by factors specific to an individual investment, its issuer or factors affecting all instruments traded in the market.

The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. The Parent Company's Board of Directors reviews and approves all equity investment decisions.

At December 31, 2024, the impact of 2.72% increase/decrease in the price of listed equity securities, with all other variables held constant, would have been an increase/decrease of in the Group's total comprehensive income and equity for the year of 2024 – P176,995 and 2023 – P28,356. The Group's sensitivity analysis takes into account the historical performance of the stock market.

Liquidity risk

Liquidity risk refers to the risk in which the Group encounters difficulties in meeting its short-term obligations.

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Group maintains adequate highly liquid assets in the form of cash and cash equivalents to assure necessary liquidity.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

		Contractual Obligation			
	Carrying Amount	Less than One Year	One to Five Years	More than Five Years	Total
2024			**(In Thousand Pesos)**		
Trade and other payables*	**P300,053**	**P217,517**	**P79,630**	**P2,906**	**P300,053**
Loans and note payable	**1,841,919**	**1,059,210**	**956,334**	**-**	**2,015,544**
2023			(In Thousand Pesos)		
Trade and other payables*	P133,514	P53,813	P72,289	P7,412	P133,514
Loans and note payable	1,202,020	861,004	416,765	-	1,277,769

**Excluding payables to government.*

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

The Group's credit risk is primarily attributable to its cash and cash equivalents and trade and other receivables as disclosed in Notes 3 and 6, respectively. The Group has adopted stringent procedure in evaluating and accepting risk by setting counterparty and transaction limits. In addition, the Group has policies in place to ensure that sales are made to customers with an appropriate credit history.

In respect of installments receivable from the sale of properties, credit risk is managed primarily through credit reviews and an analysis of receivables on a continuous basis. The Group also undertakes supplemental credit review procedures for certain installment payment structures. The Group's stringent customer requirements and policies in place contribute to lower customer default than its competitors. Customer payments are facilitated through various collection modes including the use of postdated checks and auto-debit arrangements. Exposure to bad debts is not material as title to real estate properties are not transferred to the buyers until full payment has been made and the requirement for remedial procedures is minimal given the profile of buyers.

Credit risk arising from rental income from leasing properties is primarily managed through a tenant selection process. Prospective tenants are evaluated on the basis of payment track record and other credit information. In accordance with the provisions of the lease contracts, the lessees are required to deposit with the Group security deposits and advance rentals which helps reduce the Group's credit risk exposure in case of defaults by the tenants. For existing tenants, the Group has put in place a monitoring and follow-up system. Receivables are aged and analyzed on a continuous basis to minimize credit risk associated with these receivables.

Regular meetings with tenants are also undertaken to provide opportunities for counseling and further assessment of paying capacity.

Other financial assets are comprised of cash and cash equivalents excluding cash on hand, financial assets at FVPL, financial assets at FVOCI and advances to associates. The Group adheres to fixed limits and guidelines in its dealings with counterparty banks and its investment in financial instruments. Bank limits are established on the basis of an internal rating system that principally covers the areas of liquidity, capital adequacy and financial stability. The rating system likewise makes use of available international credit ratings. Given the high credit standing of its accredited counterparty banks, management does not expect any of these financial institutions to fail in meeting their obligations.

Nevertheless, the Group closely monitors developments over counterparty banks and adjusts its exposure accordingly while adhering to pre-set limits.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at December 31 are as follows:

	2024	2023
Cash and cash equivalents excluding cash on hand	**P211,474,104**	P283,100,676
Trade and other receivables	**378,800,858**	563,277,092
	P590,274,962	P846,377,768

The credit quality of financial assets which are neither past due nor impaired is discussed below:

(a) Cash in banks and cash equivalents

The Group deposits its cash balance in reputable banks to minimize credit risk exposure amounting to P211,474,104 and P283,100,676 as at December 31, 2024 and 2023, respectively (see Note 3). Cash deposits are considered to be of high grade.

For cash and cash equivalents, the Group applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. However, when there has been a material increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from publicly available sources to determine whether the debt instrument has materialy increased in credit risk and to estimate ECLs.

Receivables amounting to P119.23 million and P126.36 million as of December 31, 2024 and 2023, respectively (see Note 6), were impaired and fully provided for. The allowance for doubtful accounts for receivables has been determined as follows:

	2024	2023
Trade:		
Sale of real estate	**P68,658,115**	P73,462,630
Lease	**7,034,694**	4,787,074
Management fees	**3,189,750**	3,189,750
Premiums receivable	**2,899,963**	2,899,963
Advances	**862,891**	862,891
Other receivables	**36,582,373**	41,155,714
	P119,227,786	P126,358,022

(b.1.) Trade receivables on real estate

2024	Stage 1	Stage 2	Stage 3	Total
Trade receivables				
High grade	**P183,970,406**	**P -**	**P -**	**P183,970,406**
Sub-standard	-	**2,274,286**	-	**2,274,286**
Low grade	-	-	**208,606,683**	**208,606,683**
Individually impaired	-	-	**10,633,871**	**10,633,871**
	183,970,406	**2,274,286**	**219,240,554**	**405,485,246**

2024	Stage 1	Stage 2	Stage 3	Total
Provision				
High grade	**P1,453,872**	**P -**	**P -**	**P1,453,872**
Sub-standard	-	-	**56,570,372**	**56,570,372**
Low grade	-	-	**10,633,871**	**10,633,871**
	1,453,872	-	**67,204,243**	**68,658,115**
	P182,516,534	**P2,274,286**	**P152,036,311**	**P336,827,131**

2023	Stage 1	Stage 2	Stage 3	Total
Trade receivables				
High grade	P215,548,097	P -	P -	P215,548,097
Sub-standard	-	10,953,547	-	10,953,547
Low grade	-	-	181,395,021	181,395,021
Individually impaired	-	-	95,130,085	95,130,085
	P215,548,097	P10,953,547	P276,525,106	P503,026,750
Provision				
High grade	P4,087,405	P -	P -	P4,087,405
Sub-standard	-	3,820,559	-	3,820,559
Low grade	-	-	9,532,005	9,532,005
Individually impaired	-	-	56,022,661	56,022,661
	4,087,405	3,820,559	65,554,666	73,462,630
	P211,460,692	P7,132,988	P210,970,440	P429,564,120

High grade exposures are loans that do not have greater-than-normal credit risk. The buyer has the apparent ability and willingness to satisfy his obligation in full and therefore no loss in ultimate collection is anticipated.

Sub-standard grade exposures are receivables that have normal credit risk and have past due above 30 days but below 90 days.

Low grade exposures are receivables that are past due date beyond 90 days and have approached greater-than-normal credit risk.

Individually impaired exposures are receivables that are past due beyond 90 days, have approached greater-than normal credit risk.

For trade receivables on sale of real estate, the Parent Company applies a general approach in calculating ECLs. Under the general approach, ECLs are recognized in three (3) stages as follows:

- Stage 1: For credit exposures for which there has not been a material increase in credit risk since initial recognition and there is no default that occurred, a 12-month ECL is provided for credit losses that result from default events that are possible within the next 12 months.

- Stage 2: For credit exposures for which there has been a material increase in credit risk since initial recognition and there is still no default that occurred, a loss allowance equivalent to lifetime ECL is required for credit losses expected over the remaining life of the exposure.
- Stage 3: For credit exposures for which there has been a material increase in credit risk since initial recognition and for which an actual default has also occurred, a loss allowance equivalent to lifetime ECL is required for credit losses expected over the remaining life of the exposure.

b.2 For trade receivables on lease and other financial assets such as accrued receivable, receivable from related parties and advances to other companies, impairment provisions would be based on the assumption that the receivable is demanded at the reporting date and it would reflect the losses (if any) that would result from this. Since the receivables are collectible on demand, the contractual period is the very short period needed to transfer the cash once demanded. Discounting would have immaterial effect in the balances.

	2024				
	Lease	Management fees	Premiums receivable	Advances	Other receivables
Gross amount	P29,571,731	P8,726,074	P3,637,023	P3,857,475	P46,751,095
Provisions	7,034,694	3,189,750	2,899,963	862,891	36,582,373
Carrying Amount	P22,537,037	P5,536,324	P737,060	P2,994,584	P10,168,722

	2023				
	Lease	Management fees	Premiums receivable	Advances	Other receivables
Gross amount	P20,797,696	P5,226,833	P4,012,287	P82,745,379	P69,094,324
Provisions	4,787,074	3,189,750	2,899,963	862,891	41,155,714
Carrying Amount	P16,010,622	P2,037,083	P1,112,324	P81,882,488	P27,938,610

34. Capital Management

The Parent Company manages its capital to ensure that the Parent Company is able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance.

The capital structure of the Parent Company consists of equity, which comprises of issued capital, additional paid-in capital, reserves, retained earnings and treasury stocks.

Management reviews the capital structure on a quarterly basis. As part of this review, management considers the cost of capital and the risks associated with it.

There were no changes in the Parent Company's approach to capital management during the year.

The Company has capital requirements on their loans payable in which they shall maintain a maximum debt-to-equity ratio of 2:1 at all times. As at December 31, 2024 and 2023, the Company is within the requirement of the loan (see Note 14).

As part of the reforms of the Philippine Stock Exchange (PSE) to expand capital market and improve transparency among listed firms, PSE requires listed entities to maintain a minimum of ten percent (10%) of their issued and outstanding shares, exclusive of any treasury shares, held by the public. The Parent Company has fully complied with this requirement in 2024 and 2023.

Tektite Insurance Brokers, Inc.
TIBI was incorporated and registered with the SEC on January 2, 1989 to engage in the business of insurance brokerage. On May 24, 2022, the BOD of TIBI approved the amendment of the Company's Articles of Incorporation and By-laws to conform with the IC's requirements in changing its business activities from that of an insurance broker to an insurance agent. As of reporting period, TIBI is in the process of finalizing all the requirements to change its IC registration from a broker to an agent.

The registered office address of TIBI is at the 20th Floor, East Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center, Pasig City.

35. Segment Information

The segment assets and liabilities as of December 31, 2024, 2023 and 2022 and the results of operations of the reportable segments for the years ended December 31, 2024, 2023 and 2022 are as follows:

	2024							
	Parent Company	Subsidiaries						
	Sale of Real Estate and Leasing	Property Management	Insurance Brokerage	Holding Company	Real Estate	Travel Services	Intersegment adjustments	Consolidated
	(In Thousand Pesos)							
Revenue								
Revenue from contracts with customers	P54,282	P42,928	P10,314	P -	P -	P -	P -	P107,524
Rental income	78,332	151	15	-	-	-	-	78,498
Intersegment sales	-	739	-	-	-	-	(739)	-
Total revenue	132,614	43,818	10,329	-	-	-	(739)	186,022
Real estate costs and expenses	326,927	39,194	5,853	1,866	58	71	(739)	373,230
Equity in net loss of an associate	-	-	-	-	-	-	2,135	2,135
Gross income (loss)	(194,313)	4,624	4,476	(1,866)	(58)	(71)	(2,135)	(189,343)
Interest income	10,722	2	66	-	-	50	-	10,840
Finance costs	(89,055)	(3)	-	-	-	-	-	(89,058)
Other income	182,208	4,446	-	-	-	-	-	186,654
Other expenses	(201)	-	-	-	-	-	-	(201)
Provision for income tax	(38,268)	(1,233)	(644)	-	-	-	-	(40,145)
Net income (loss)	(128,907)	7,836	3,898	(1,866)	(58)	(21)	(2,135)	(121,253)
Net loss attributable to:								
Equity holders of PRHC								(121,249)
Non-controlling interests								(4)
								(121,253)
Other information								
Segment assets	9,581,060	102,111	16,508	62	1,000	1,302	(25,891)	9,676,152
Investment in associates	101,930	-	-	-	-	-	(47,629)	54,301
Total assets	9,682,990	102,111	16,508	62	1,000	1,302	(73,520)	9,730,453
Segment liabilities	2,374,505	34,265	6,665	81,523	58	30,251	(104,025)	2,423,242
Deferred tax liabilities	794,502	(3,614)	-	-	-	-	-	790,888
Total liabilities	P3,169,007	P30,651	P6,665	P81,523	P58	P30,251	(P104,025)	P3,214,130

Forward

	2024							
	Parent Company		Subsidiaries					
	Sale of Real Estate and Leasing	Property Management	Insurance Brokerage	Holding Company	Real Estate	Travel Services	Intersegment adjustments	Consolidated
	(In Thousand Pesos)							
Segment additions to:								
Property and equipment	P7,919	P36	P -	P -	P -	P -	P -	P7,955
Investment properties	-	-	-	-	-	-	-	-
Depreciation and amortization	15,135	88	77	-	-	-	-	15,300
Non-cash expenses other than depreciation and amortization	P12,730	(P910)	P337	P -	P -	P -	P -	P12,157
Impairment losses	P2,248	P -	P1,057	P1,762	P -	P -	P -	P5,067

	2023							
	Parent Company	Subsidiaries						
	Sale of Real Estate and Leasing	Property Management	Insurance Brokerage	Holding Company	Real Estate	Travel Services	Intersegment adjustments	Consolidated
	(In Thousand Pesos)							
Revenue								
Revenue from contracts with customers	P174,461	P41,203	P5,216	P -	P -	P -	P -	P220,880
Rental income	65,150	151	165	-	-	-	-	65,466
Intersegment sales	-	434	-	-	-	-	(434)	-
Total revenue	239,611	41,788	5,381	-	-	-	(434)	286,346
Real estate costs and expenses	422,081	45,858	5,051	61	-	107	(434)	472,724
Equity in net loss of an associate	-	-	-	-	-	-	1,799	1,799
Gross income (loss)	(182,470)	(4,070)	330	(61)	-	(107)	(1,799)	(188,177)
Interest income	13,986	2	20	-	-	43	-	14,051
Finance costs	(70,083)	(74)	-	-	-	-	-	(70,158)
Other income	424,107	2,440	-	-	-	-	-	426,547
Other expenses	(4,899)	-	-	-	-	-	-	(4,899)
Provision for income tax	(63,823)	(592)	(81)	-	-	-	-	(64,496)
Net income (loss)	116,820	(2,294)	269	(61)	-	(64)	(1,799)	112,868
Net income attributable to:								
Equity holders of PRHC								112,880
Non-controlling interests								(12)
								112,868
Other information								
Segment assets	8,868,520	95,780	12,796	119	-	1,297	(23,080)	8,955,432
Investment in associates	100,930	-	-	-	-	-	(44,493)	56,437
Total assets	8,969,450	95,780	12,796	119	-	1,297	(67,573)	9,011,869
Segment liabilities	1,576,411	36,796	7,280	-	-	30,225	(21,489)	1,629,223
Deferred tax liabilities	756,870	(3,437)	-	-	-	-	-	753,433
Total liabilities	P2,333,281	P33,359	P7,280	P -	P-	P30,225	(P21,489)	P2,382,656

Forward

	2023							
	Parent Company	Subsidiaries						
	Sale of Real Estate and Leasing	Property Management	Insurance Brokerage	Holding Company	Real Estate	Travel Services	Intersegment adjustments	Consolidated
	(In Thousand Pesos)							
Segment additions to:								
Property and equipment	P40,698	P-	P-	P -	P -	P -	P -	P40,698
Investment properties	3,940	-	-	-	-	-	-	3,940
Depreciation and amortization	8,593	84	85	-	-	-	-	8,762
Non-cash expenses other than depreciation and amortization	P12,385	P2,112	P316	P -	P -	P -	P -	P14,813
Impairment losses	P2,864	P -	P -	P -	P -	P -	P -	P2,864

	2022							
	Parent Company	Subsidiaries						
	Sale of Real Estate and Leasing	Property Management	Insurance Brokerage	Holding Company	Real estate	Travel Services	Intersegment adjustments	Consolidated
	(In Thousand Pesos)							
Revenue								
Revenue from contracts with customers	P224,999	P34,656	P5,567	P -	P -	P -	P -	P265,222
Rental income	56,344	151	180	-	-	-	-	56,675
Intersegment sales	-	669	-	-	-	-	(669)	-
Total revenue	281,343	35,476	5,747	-	-	-	(669)	321,897
Real estate costs and expenses	462,212	40,738	4,981	-	-	52	(669)	507,314
Equity in net loss of an associate	-	-	-	-	-	-	1,431	1,431
Gross income (loss)	(180,869)	(5,262)	766	-	-	(52)	(1,431)	(186,848)
Interest income	15,914	2	8	-	-	-	-	15,924
Finance costs	(63,644)	(166)	-	-	-	-	-	(63,810)
Other income	530,682	9,828	-	-	-	-	-	540,510
Other expenses	(230)	-	-	-	-	-	-	(230)
Provision for income tax	(125,623)	417	47	-	-	-	-	(125,159)
Net income (loss)	176,230	4,819	821	-	-	(52)	(1,431)	180,387
Net income attributable to:								
Equity holders of PRHC								183,087
Non-controlling interests								(2,699)
								180,388
Other information								
Segment assets	8,499,110	91,673	9,364	367	-	1,271	(67,108)	8,534,677
Investment in associates	100,930	-	-	-	-	-	(42,694)	58,236
Total assets	8,600,040	91,673	9,364	367	-	1,271	(109,802)	8,592,913
Segment liabilities	1,328,245	30,556	4,119	-	-	30,144	(22,552)	1,370,512
Deferred tax liabilities	699,939	(3,236)	-	-	-	-	-	696,703
Total liabilities	P2,028,184	P27,320	P4,119	P -	P -	P30,144	(P22,552)	P2,067,215

Forward

	2022							
	Parent Company	Subsidiaries						
	Sale of Real Estate and Leasing	Property Management	Insurance Brokerage	Holding Company	Real Estate	Travel Services	Intersegment adjustments	Consolidated
	(In Thousand Pesos)							
Segment additions to:								
Property and equipment	P1,546	P511	P36	P -	P -	P -	P -	P2,093
Investment properties	30,031	-	-	-				30,031
Depreciation and amortization	12,338	1,985	80	3,090	-	-	-	17,493
Non-cash expenses other than depreciation and amortization	P12,757	P2,640	P234	P -	P -	P -	P -	P15,631
Impairment losses	P25,000	P2,589	P -	P -	P -	P -	P -	P27,589

The following are the principal activities of the Parent Company's subsidiaries:

PRHC Property Managers, Inc. (PPMI)
PPMI was incorporated and registered with the SEC on May 24, 1991 to engage in the business of managing, operating, developing, buying, leasing and selling real and personal property either for itself and/or for others.

The registered office address of PPMI is at Unit E2003B, 20th Floor East Tower, Tektite Towers, Exchange Road, Ortigas Center, Pasig City.

Tektite Insurance Brokers, Inc. (TIBI)
TIBI was incorporated and registered with the SEC on January 2, 1989 to engage in the business of insurance brokerage. On May 24, 2022, the BOD of TIBI approved the amendment of the Company's Articles of Incorporation and By-laws to conform with the IC's requirements in changing its business activities from that of an insurance broker to an insurance agent. As of reporting period, TIBI is in the process of finalizing all the requirements to change its IC registration from a broker to an agent.

The registered office address of TIBI is at the 20th Floor, East Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center, Pasig City.

Universal Travel Corporation (UTC)
UTC was incorporated and registered with the SEC on November 9, 1993 to engage in the business of travel services by providing, arranging, marketing, engaging or rendering advisory and consultancy services relating to tours and tour packages. On March 15, 2018, the Board of Directors of UTC approved the resolution on the cessation of operations effective July 31, 2018. Thereafter, the Company became inactive.

The registered office address of UTC is Unit E2003B, 20th Floor East Tower, Tektite Towers, Exchange Road, Ortigas Center, Pasig City.

Sultan's Power, Inc. (SPI)
Sultan Power, Inc. ("SPI") was incorporated under Philippine laws and registered with the SEC on March 19, 2015 as a holding company. SPI acquired 51% of the total issued and outstanding shares of RECON-X Energy Corporation ("RECON-X") in 2021.

RECON-X was incorporated under Philippine laws and registered with the SEC on June 27, 2014 to engage in the business of recycling and converting plastics into fuel (gasoline, diesel and kerosene) using patented technology. The process was duly certified on November 2, 2015, by the Intellectual Property Office of the Philippines ("IPOPHL") for "Improved Method of Converting Land-Filled Plastic Wastes into Hydrocarbon Fuel", certified by the Department of Science and Technology ("DOST") and by the Department of Energy ("DOE"). As of December 31, 2021, RECON-X was able to procure the additional catalysts and materials needed for the plastic diesel conversion plant to be used to process waste materials into fuel. In 2023, RECON-X has started introduction of feedstocks, performance testing and testing of fuel compliance with National Standards and securing plastic waste supply from a plastic waste aggregator and is still the same in 2024. RECON-X is continuing its efforts in streamlining its operations and sourcing technical staff for production.

The registered office address of SPI is Unit E2003B, 20th Floor East Tower, Tektite Towers, Exchange Road, Ortigas Center, Pasig City.

Three Corners Realty Corporation (TCRC)
Three Corners Realty Corporation (the "Company") was registered with the Philippine Securities and Exchange Commission (SEC) on September 16, 2024 primarily to invest in,

purchase, or otherwise dispose of real or personal property.

The Company's registered office, which is also its principal place of business, is located at Unit No.10A, Podium 10th Level, The Icon Plaza, 26th Street, Bonifacio Global City, Taguig City.

MVCo
Certified Public Accountants and Management Consultants
Member of Nexia

5F Don Jacinto Building
Dela Rosa corner Salcedo Streets
Legaspi Village, Makati City
1229 Philippines
Telephone + 63 (2) 8403 7229 to 30
Fax + 63 (2) 8553 4909

MVCo@MVCo.com.ph
www.MVCo.com.ph
www.nexia.com

STATEMENTS REQUIRED BY THE REVISED SECURITIES REGULATION CODE (SRC) RULE 68, ON OCTOBER 3, 2019

The Shareholders and Board of Directors
Philippine Realty and Holdings Corporation
One Balete, 1 Balete Drive corner N. Domingo Street
Brgy. Kaunlaran District 4
Quezon City

We have audited the accompanying consolidated financial statements of Philippine Realty and Holdings Corporation and Subsidiaries as at and for the year ended December 31, 2024, on which we have rendered our report dated March 18, 2025. The supplementary information shown in the Reconciliation of Retained Earnings Available for Dividend Declaration (Part 1, 5B and Annex 68-D), Financial Soundness Indicators (Part 1, 5C and Annex 68-E), and Map of Relationships Between and Among the Related Parties (Part 1, 5G) as additional components required by Part I, Section 5 of the Revised SRC Rule 68 and Schedules A, B, C, D, E, F, G and H, as required by Part II, Section 7 and Annex 68-J of the Securities Regulation Code, are presented for purposes of filing with the Securities and Exchange Commission and are not a required part of the basic consolidated financial statements.

Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements. In our opinion, the supplementary information has been prepared in accordance with Part I, Section 5 and Part II, Section 7 of the Revised SRC Rule 68.

MACEDA VALENCIA & CO.

JOSE T. VALENCIA
Partner
CPA License No. 32659
Tax Identification No. 119-894-676-000
PTR No. 10476168
Issued on January 9, 2025 at Makati City
BOA/PRC Reg. No. 4748 valid until August 7, 2027
BIR Accreditation No. 08-005063-000-2024 (firm); 08-005063-001-2024 (individual)
Issued on March 26, 2024; valid until March 25, 2027

March 18, 2025
Makati City

"Annex A"

Reconciliation of Retained Earnings Availabole for Dividend Declaration
For the reporting period ended December 31, 2024

Philippine Realty And Holdings Corporation
One Balete, 1 Balete Drive Corner N. Domingo St.
Brgy. Kaunlaran, Dirtrict 4, Quezon City 1111, Philippines

Unappropriated Retained Earnings, beginning of the reporting period		**P1,668,286,406**
Adjustments for:		
Accumulated Deferred Tax		**753,432,863**
Accumulated unrealized gain on fair market value		**(3,096,177,257)**
		(674,457,988)
Less: Items that are directly debited to Unapppropriated Retained Earnings		
Dividend declaration during the reporting period	-	
Retained Earnings appropriated during the reporting period	-	
Effect of restatements or prior-period adjustments	-	
Others (describe nature)	-	-
Unappropriated Retained Earnings, as adjusted		**(674,457,988)**
Add: Net Loss for the current year		**(121,235,533)**
Add: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to cash and cash equivalents	-	
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	**(158,384,893)**	
Realized fair value gain of Investment Property	-	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under PFRS (describe nature)	-	**(158,384,893)**
Add/Less: Adjustments related to relief granted in SEC and BSP		
Net movement of treasury shares (except for reacquisition of redeemable shares	-	
Net movement of deferred tax asset not considered in reconciling items under the previous categories	-	
Net movement of deferred tax asset and deferred tax liabilities related to same transaction, e.g. set-up of right of use asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	**37,454,870**	
Adjustment to deviation from PFRS/GAAP – gain (loss)	-	**37,454,870**

Total Retained Earnings, end of the reporting period available for dividend	**(P916,623,544)**

SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
As of December 31, 2024

Philippine Realty And Holdings Corporation
One Balete, 1 Balete Drive Corner N. Domingo St.
Brgy. Kaunlaran, District 4, Quezon City 1111, Philippines

	2024	2023	2022
Current Ratio[1]	**3.28**	3.52	3.61
Acid Test Ratio[2]	**1.28**	1.24	1.32
Debt to Equity Ratio[3]	**0.49**	0.36	0.32
Asset to Equity Ratio[4]	**1.49**	1.36	1.32
Interest Coverage Ratio[5]	**0.09**	3.53	5.80
Net Profit Margin Ratio[6]	**(0.65)**	0.39	0.56
Return on Assets[7]	**(0.01)**	0.01	0.02
Return on Equity[8]	**(0.02)**	0.02	0.03
Solvency Ratio[9]	**(0.03)**	0.06	0.09

(1) *Current ratio is measured as current assets divided by current liabilities.*

(2) *Acid test ratio is measured as current assets less inventory divided by current liabilities.*

(3) *Debt to equity ratio is measured as total liabilities divided by total equity.*

(4) *Asset to equity ratio is measured as total assets divided by total equity.*

(5) *Interest coverage ratio is measured by EBIT, or earnings before interest and taxes, divided by total financing costs.*

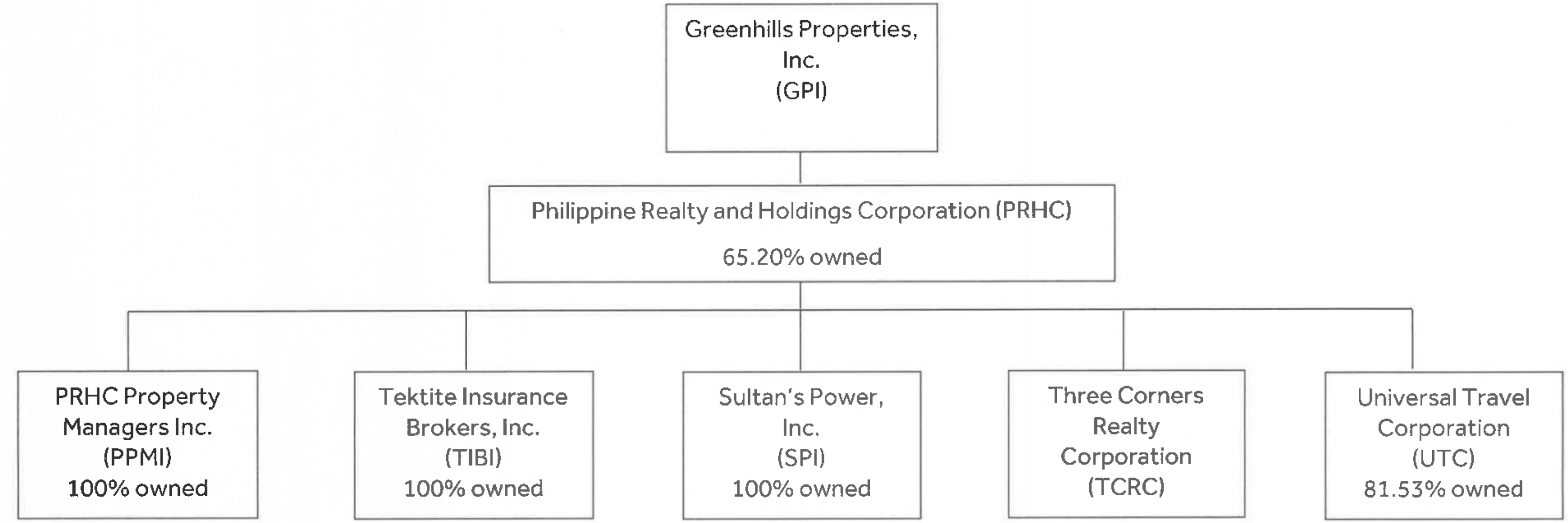
(6) *Net profit margin ratio is derived by dividing net profit with total revenue.*

(7) *Return on assets is measured by dividing net income after tax with total assets.*

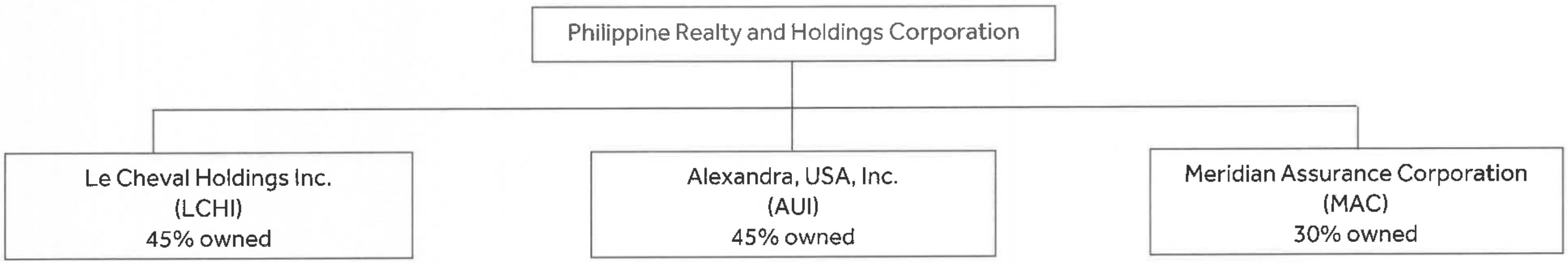
(8) *Return on equity is measured by dividing net income after tax with total capital accounts.*

(9) *Solvency ratio is measured by dividing net income after tax plus depreciation with total liabilities.*

PHILIPPINE REALTY AND HOLDINGS CORPORATION
SUBSIDIARIES, AFFILIATES GROUP STRUCTURE
As of December 31, 2024



Associates:



ANNEX 68-I

Schedule for Listed Companies with a Recent Offering of Securities to the Public
As of December 31, 2024

Philippine Realty And Holdings Corporation
One Balete, 1 Balete Drive Corner N. Domingo St.
Brgy. Kaunlaran, District 4, Quezon City 1111, Philippines

1. Gross and net proceeds as disclosed in the final prospectus

   Not applicable

2. Actual gross and net proceeds

   Not applicable

3. Each expenditure item where the proceeds were used

   Not applicable

4. Balance of the proceeds as of end reporting period

   Not applicable

PPHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES
Schedule A – Financial Assets
December 31, 2024

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds or notes	Amount shown in the Statement of Financial Position	Valued based on market quotation at end of reporting period	Income received and accrued
Financial assets at fair value through profit or loss				
Tagaytay Properties	6,750,000 shares	P6,750,000	P6,750,000	P -
Financial Assets at Fair Value through OCI				
Equity securities				
A. Brown Company, Inc.	36,840,000 shares	P18,918,707	P18,918,707	P -
Philippine Racing Club (PRC)	944 shares	6,608	6,608	-
Orchard Golf & Country Club CLASS "C" Shares	1 share	4,000,000	4,000,000	-
Valley Golf Country Club	1 share	5,000,000	5,000,000	-
	36,840,946 shares	P27,925,315	P27,925,315	P -
Trade and other receivables - net		P378,800,315	P378,800,315	P718,376
		P413,476,173	P413,476,173	P718,376

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES
Schedule B –Amounts Receivable from Director, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
December 31, 2024

Name of Debtor	Balance at the beginning of the period	Additions	Amounts collected	Amounts written-off	Current	Non-current	Balance at the end of period
ABUYAN, JOHN MARK	P8,580	102,965	(102,965)	-	8,580	-	8,580
ALKUINO, MA ZELAINE	170	-	(170)	-	-	-	-
AGUILAR, DENNIS	37,857	50,702	(54,758)	-	33,801	-	33,801
AGUSTIN,OLIVER	9,415	-	(9,415)	-	-	-	-
ALMEROL, CARLA	47,499	97,423	(118,265)	-	26,657	-	26,657
AVILA, JESSICA	8,000	-	(8,000)	-	-	-	-
BONTOGON, MARISSA	74,063	276,666	(350,729)	-	-	-	-
CALANOG, DANTE	400,496	148,426	(227,273)	-	93,497	228,152	321,649
CALUBAYAN, MARIE JOYCE	1,904	-	(1,904)	-	-	-	-
CARAG, ADELINE SUSAN	25,000	-	(4,200)	-	20,800	-	20,800
CARTAGENA, AILENE	31,865	42,697	(46,097)	-	28,465	-	28,465
CATACUTAN, MIGUEL	551,343	36,518.06	(125,375)	-	112,900	349,586	462,486
CIAR, ERWIN	110,539	156,266	(260,805)	-	6,000	-	6,000
CRUZ, ROSELLE	22,006	76,832	(81,936)	-	16,902	-	16,902
DAYRIT, AMYLEEN JOY	-	724,647	(191,613)	-	101,265	431,769	533,034
DEOCAMPO, DEXTER JAN	23,042	59,338	(59,341)	-	23,039	-	23,039
DURAN, AILEEN	655,067	3,380,650	(3,149,862)	-	885,855	-	885,855
DURAN, NORMALENE	95,382	2,747	(81,218)	-	16,912	-	16,912
ENRIQUEZ, EDILYNDA	459	590,040	(16,037)	-	103,368	471,094	574,462
GAGTAN, ALAIN FLORA	-	4,500	(1,125)	-	3,375	-	3,375
GATCHALIAN, VILLAMOR	18,059	-	(18,059)	-	-	-	-

Forward

Name of Debtor	Balance at the beginning of the period	Additions	Amounts collected	Amounts written-off	Current	Non-current	Balance at the end of period
GO, RICHARD NICOLAS KO	129,335	221,932	(223,374)	-	127,893	-	127,893
GOZO, CAROL JOY	-	69,064	(69,064)	-	-	-	-
ISNIT, JOSEFINA	191,358	402,165	(493,523)	-	-	100,000	100,000
LAMPAS, ROCHELLE JOY	28,562	118,747	(115,372)	-	31,937	-	31,937
LANUZA, CAMILLE	67,495	-	-	-	67,495	-	67,495
LANUZA, GERARDO DOMENICO	235,649	-	-	-	235,649	-	235,649
LAROYA, JOHN CEDRICK	-	35,000	-	-	35,000	-	35,000
LAURINO, ROSE ANN	80,929	64,880	(145,809)	-	-	-	-
MAGPAYO, GILBERT	5,284	63,409	(63,409)	-	5,284	-	5,284
MAGPAYO, JERRY	1,281	-	(1,281)	-	-	-	-
MEDRANO, EDMUNDO	172,838	599,036	(769,608)	-	2,266	-	2,266
MIRANDE, MIKE	10,961	1,191	(12,152)	-	-	-	-
OLBES, ANTONIO	233,000	-	-	-	233,000	-	233,000
PACA, CARLOS MIGUEL	15,831	283,602	(299,433)	-	-	-	-
PANESA, MARIA TERESA	27,000	350,321	(377,321)	-	-	-	-
PERILLO, MARIA CHRISTINA	927,317	168,005	(509,359)	-	206,722	379,241	585,963
RAMOS, MARK ANTHONY	52	247,468	(247,520)	-	-	-	-
REYES, REINHARD	-	64,534	(64,534)	-	-	-	-
SANTOS, ROZANO	297,942	693,365	(556,743)	-	426,719	7,845	434,564
SANTOS, LEONARD ROSS	229,494	399,780	(509,274)	-	120,000	-	120,000
SUMBELING, HAZEL KATE	-	27,400	(17,900)	-	9,500	-	9,500
TABAJEN, CHRISTIAN	1,377	30,395	(31,772)	-	-	-	-
TABLADA, DEXTER	-	37,000	(37,000)	-	-	-	-

Forward

Name of Debtor	Balance at the beginning of the period	Additions	Amounts collected	Amounts written-off	Current	Non-current	Balance at the end of period
TABORLUPA, MARGIE	63,967	925,456	(594,393)	-	109,633	285,396	395,029
TAMANG, CHARLIE	-	78,009	(70,059)	-	7,950	-	7,950
TAN, KRISTINE	563,454	79,921	(127,554)	-	515,821	-	515,821
UMAYAM,RODRIGO	66,315	-	(66,315)	-	-	-	-
VALENTIN, RHONALD	570,541	305,247	(434,426)	-	113,258	328,104	441,362
VEDAÑA, FERDERICK	15,943	51,162	(67,105)	-	-	-	-
VERCELES, REGANDOR	86,063	7,989	(92,292)	-	1,760	-	1,760
Others	-	5,617	-	-	5,617	-	5,617
	P6,142,734	**P11,081,112**	**(P10,905,739)**	**P -**	**P3,736,920**	**P2,581,187**	**P6,318,107**

Note: Receivables from Directors, Officers, Employees, Related Parties and Principal Stockholders are subject to usual terms in the normal course of business.

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES
Schedule C – Amounts Receivable from Related Parties which are eliminated during the consolidation of financial statement
December 31, 2024

Name of Debtor	Balance at the beginning of the period	Additions	Amounts collected (i)	Amounts written-off (ii)	Current	Non-current	Balance at the end of period
Universal Travel Corporation, Subsidiary	P30,117,113	P73,911	P -	P -	P -	P30,191,024	P30,191,024
PRHC Property Managers, Inc., Subsidiary	17,580,002	-	2,730,951	-	14,849,051	-	14,849,051
Sultan's Power, Inc., Subsidiary	76,600,158	68,077	-	-	-	76,668,235	76,668,235
	P124,297,273	P141,988	P2,730,951	P -	P14,849,051	P106,859,259	P121,708,310

i. If collected was other than in cash, explain.

ii. Give reasons to write-off.

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES
Schedule D – Long Term Debt
December 31, 2024

Title of issue and type of obligation (i)	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt in related Statement of Financial Position " (ii)	Amount shown under caption "Long-term debt in related Statement of Financial Position " (iii)	Interest Rate %	Maturity Date
Car loan	36,272,861	6,773,656	19,975,771	8.14% - 9.10%	March 2028 – April 2029
Car loan	2,983,110	478,677	935,377	8.31% - 9.46%	January 2025 – August 2028
Car loan	4,496,800	784,313	3,233,668	9.43% - 9.44%	March 2029 – October 2029
Real estate mortgage	903,495,938	621,391,611	833,346,880	7.00% - 8.97%	November 2025 – December 2029
Real estate mortgage	355,000,000	355,000,000	-	7.75% - 8.00%	January 2025 – March 2025

i. Include in this column each type of obligation authorized.
ii. This column is to be totalled to correspond to the related Statements of Financial Position caption.
iii. Include in this column details as to interest rates, amounts or numbers of periodic instalments, and maturity dates.

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES
Schedule E – Indebtedness to Related Parties
(included in the Consolidated Financial Statement of Position)
December 31, 2024

Name of Related Parties (i)	Balance at the beginning of the period	Balance at the end of the period (ii)

None to report.

i. The related party shall be grouped as in Schedule C. The information called for shall be stated for any persons whose investments shown in separately in such related schedule.
ii. For each affiliate named in the first column, explain in a note hereto the nature and purpose of any material increase during the period that is in excess of 10% of the related balance at either the beginning or end of the period.

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES
Schedule F – Guarantees of Securities of Other Issuers
December 31, 2024

Name of the issuing entity of securities guaranteed by the company for which this statement is fled	Title of issue of each class of securities guaranteed	Total amount of guaranteed and outstanding (i)	Amount owned by person of which statement is filed	Nature of Guarantee (ii)

None to report.

---

i. Indicate in the note any significant changes since the date of the last balance sheet file. If this schedule is filed in support of consolidated financial statements, there shall be set forth guarantees by any person included in the consolidation except such guarantees of securities which are included in the consolidated balance sheet.

ii. There must be a brief statement of the nature of the guarantee, such as "Guarantee of Principal and Interest"', "Guarantee of Interest" or "Guarantee of Dividend". If the guarantee is of interest, dividends, or both, state the annual aggregate amount of interest or dividends so guaranteed.

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES
Schedule G – Capital Stock
December 31, 2024

Title of Issue (i)	Number of shares authorized	Number of shares issued and outstanding as shown under the related Statement of Financial Position caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties (ii)	Directors, officers and employees	Others (iii)
Common	16,000,000,000	7,866,647,523	-	-	545,785,841	-

i. Include in this column each type of issue authorized
ii. Related parties referred to include persons for which separate financial statements are filed and those included in the consolidated financial statements, other than the issuer of the particular security.
iii. Indicate in a note any significant changes since the date of the last balance sheet filed.

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES
Schedule H – External Auditor Fees
For the year ended December 31, 2024 and 2023

	2024	2023
Total Audit Fees	P1,595,000	P1,540,000
Total Non-audit Services Fees	-	-
Total Audit and Non-audit Fees	**P1,595,000**	P1,540,000

The following document has been received:

Receiving: ICTD ERMD
Receipt Date and Time: April 11, 2025 05:20:15 PM

Company Information

SEC Registration No.: 0000099905
Company Name: PHILIPPINE REALTY AND HOLDINGS CORPORATION
Industry Classification: K70200
Company Type: Stock Corporation

Document Information

Document ID: OST10411202583163357
Document Type: Financial Statement
Document Code: FS
Period Covered: December 31, 2024
Submission Type: Parent
Remarks: None

Acceptance of this document is subject to review of forms and contents

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

0	0	0	0	0	9	9	9	0	5	

Company Name

PHILIPPINE REALTY AND HOLDINGS CORPORATION

Principal Office (No./Street/Barangay/City/Town)Province)

ONE BALETE, 1 BALETE DRIVE CORNER N. DOMINGO ST. BRGY. KAUNLARAN DISTRICT 4, QUEZON CITY

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS	SEC	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
mark.ramos@philrealty.com.ph	02-86313179	0917-509-6326

No. of Stockholders	Annual Meeting Month/Day	Calendar Year Month/Day
2,303	June 30, 2024	December 31

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
Mark Anthony A. Ramos	mark.ramos@philrealty.com.ph	02-86313179	0917-509-6326

Contact Person's Address

One Balete, 1 Balete Drive cor. N. Domingo Street Brgy. Kaunlaran District 4, Quezon City

Note 1: In case of death, resgination 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.

PHILIPPINE REALTY AND HOLDINGS CORPORATION

SEPARATE FINANCIAL STATEMENTS
December 31, 2024, 2023 AND 2022

Amyleen Joy Dayrit

From:	Mark Anthony Ramos
Sent:	Friday, April 11, 2025 4:55 PM
To:	Amyleen Joy Dayrit
Subject:	FW: Your BIR AFS eSubmission uploads were received

FYC

Thanks and best regards

MARK ANTHONY M. RAMOS
Vice President and Controller and Compliance Officer
PHILIPPINE REALTY AND HOLDINGS CORPORATION
Head Office (632) 8631 3179 / Satellite Office (632) 532 7538
✉ mark.ramos@philrealty.com.ph
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From: eafs@bir.gov.ph <eafs@bir.gov.ph>
Sent: Friday, April 11, 2025 4:42 PM
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Cc: Mark Anthony Ramos <MARK.RAMOS@PHILREALTY.COM.PH>
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Philippine Realty & Holdings Corporation

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **PHILIPPINE REALTY AND HOLDINGS CORPORATION** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2024, 2023 and 2022, in accordance with the prescribed financial reporting framework indicated therein, for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud and error.

In preparing the 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 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.

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

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

Maceda Valencia and Co., the independent auditor appointed by the stockholders, has audited the financial statements of the Company in accordance with 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.

GERARDO DOMENICO ANTONIO V. LANUZA
Chairman

EDMUNDO C. MEDRANO
President

MARISSA S. BONTOGON
Vice President and Treasurer

Signed this 18th day of March 2025.

SUBSCRIBED AND SWORN to before me this MAR 24 2025 day of ____________, 2025, affiants exhibiting to me their Tax Identification Nos., as follows:

Name	Tax Identification No.
Gerardo Domenico Antonio V. Lanuza	243-616-771
Edmundo C. Medrano	134-515-229
Marissa S. Bontogon	162-411-720

ATTY. BRYAN G. PERAS
Notary Public for Quezon City
Valid until December 31, 2025
Roll of Attorney No. 66303
IBP No. 481736 ; 02 January 2025, Q.C.

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Page No. 99
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Series of 2025

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REPORT OF INDEPENDENT AUDITORS TO ACCOMPANY FINANCIAL STATEMENTS FOR FILING WITH THE SECURITIES AND EXCHANGE COMMISSION

The Shareholders and Board of Directors
Philippine Realty and Holdings Corporation
One Balete, 1 Balete Drive corner N. Domingo Street
Brgy. Kaunlaran District 4
Quezon City

We have audited the separate financial statements of Philippine Realty and Holdings Corporation as at and for the year ended December 31, 2024, on which we have rendered our report dated March 18, 2025.

In compliance with Revised Securities Regulation Code Rule 68 and based on the certification received from the Company's corporate secretary and the results of our work done, as at December 31, 2024, we are stating that the said Company has two thousand two hundred sixty-seven (2,267) shareholders owning one hundred (100) or more shares.

MACEDA VALENCIA & CO.

JOSE T. VALENCIA
Partner
CPA License No. 32659
Tax Identification No. 119-894-676-000
PTR No. 10476168
Issued on January 9, 2025 at Makati City
BOA/PRC Reg. No. 4748 valid until August 7, 2027
BIR Accreditation No. 08-005063-000-2024 (firm); 08-005063-001-2024 (individual)
Issued on March 26, 2024; valid until March 25, 2027

March 18, 2025
Makati City

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REPORT OF INDEPENDENT AUDITORS

The Shareholders and Board of Directors
Philippine Realty and Holdings Corporation
One Balete, 1 Balete Drive corner N. Domingo Street
Brgy. Kaunlaran District 4
Quezon City

Report on the Audit of the Separate Financial Statements

Opinion

We have audited the separate financial statements of Philippine Realty and Holdings Corporation (the "Company"), which comprise the separate statements of financial position as at December 31, 2024 and 2023, and the separate statements of total comprehensive income, separate statements of changes in equity and separate statements of cash flows for the three years in the period ended December 31, 2024, and notes to the separate financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the unconsolidated financial position of the Company as at December 31, 2024 and 2023, and its unconsolidated financial performance and its unconsolidated cash flows for the three years in the period ended December 31, 2024 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 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 audits of the 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 separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The Risk

Real Estate Revenue Recognition and Determination of Related Cost

The Company's revenue recognition process, policies and procedures on real estate sales are material to our audit because these involve the application of material judgment and estimation. In addition, real estate sales amounted to P54.28 million or 17% of Revenues and Other Income while costs of real estate sales amounted to P33.97 million or 8% of Cost and Expenses for the year ended December 31, 2024. The areas affected by revenue recognition, which requires material judgments and estimates, include determining when a contract will qualify for revenue recognition. These areas were material to our audit as an error in application of judgments and estimates could cause a material misstatement in the financial statements.

The Company's policy for revenue recognition on real estate sales are more fully described in Note 27 to the financial statements. The material judgments applied, and estimates used by management related to revenue recognition are more fully described in Note 28 to the financial statements.

Our Response

We obtained an understanding of the revenue and cost recognition policy on real estate sales transactions. We performed risk assessment procedures to obtain audit evidence about the design and implementation of relevant controls. We performed a walkthrough as part of obtaining an understanding of the revenue and cost recognition process to identify and further understand what could go wrong in the process and to identify relevant controls that management has implemented to address what could go wrong. In performing walkthroughs, we obtained sufficient information to be able to evaluate the design and implementation of relevant controls and tested for operating effectiveness over revenue and cost recognition process and financial reporting close process.

On the revenue recognition process, the following controls, among others, were identified and tested for operating effectiveness.

- Control over initiation – sales reservation and payment scheme are based on valid transactions and sales cancellations are issued based on cancellation policy;
- Control over authorization – (a) Reservation and payment scheme, Contract to Sell, and Deed of Absolute Sale and (b) Notice of Cancellation for cancellation are approved by authorized officer;
- Control over recording and processing - Sales are systems generated at point of recognition and are counterchecked by responsible finance officer and cancellations are manually recognized based on approved Notice of Cancellation.

On the cost recognition process, the following key controls, among others, were tested for operating effectiveness.

- Control over initiation - Project costs are initiated based on budget.
- Control over authorization - (a) Budgets are approved by management and the Board; (b) Project spendings are made based on approved letters of award; (c) Recommendations for payment are compared with letter of award and approved by authorized officer; and (d) Changes in contract are approved by authorized officer;
- Control over recording and processing - (a) Payments are recorded based on approved recommendation of payment; (b) Costs are systems generated on point of recognition based on approved standard cost; and (c) Other capitalized costs such as interest cost are manually recorded based on policy.

On financial reporting close process, controls over preparation of relevant disclosures were tested for operating effectiveness. Financial statements and relevant disclosures are prepared and reviewed by authorized finance officer.

We also performed substantive test procedures on selected sales and cancellations transactions during the year by examining the approved payment scheme, Contract to Sell or Deed of Absolute Sale or Notice of Cancellation, and reperformed calculation of sales or cancellations recognized.

Valuation of Real Estate Inventories

The Risk

Real estate inventories constitute a material component in the Company's statements of financial position. Real estate inventories amounted to P2.40 billion representing 25% of the total assets as at December 31, 2024. Real estate inventories include properties under construction and acquired properties that are held for sale in the ordinary course of business and land held for development. Real estate inventories are valued at the lower of cost or market and net realizable value.

The valuation of real estate inventories is influenced by assumptions and estimates regarding construction costs to be incurred, and future selling prices. Weak demand and the consequential over supply of residential units might exert downward pressure on transaction volumes and selling prices of residential properties.

Our Response

Based on the controls over cost recognition process, we examined supporting documents of transactions of sampled projects to ensure that costs are complete and accurate and relates to the project and any spending noted outside the budgeted costs, including capitalized interest, are explained.

We reperformed standard cost calculation for selected projects and compared it with the standard cost used to cost inventories. We compared standard cost against net realizable values of selected projects through inspection of most recent sales contracts and expected sales proceeds from the remaining properties. We also tested the basis of percentage of completion for a project completed during the year.

Allowance for Impairment Losses on Trade and Other Receivables

The Risk

The allowance for impairment losses on trade and other receivables is considered to be a matter of significance as it requires the application of judgment and use of subjective assumptions by management. As of December 31, 2024, trade and other receivables amounted to of P394 million, contributing 4% to the Company's total assets.

Our Response

We tested the calculation methodology which is based on cash flows of future payments considering historical data of collections and defaults including the value of repossessed inventories and possible refunds. We also tested the assumptions including interest rates used in computing for the expected credit loss.

Valuation of Investment Properties

The Risk

Investment properties is considered to be a matter of significance as it requires the application of valuation judgment and use of assumptions by management. As of December 31, 2024, investment property has a total carrying amount of P5.28 billion contributing 55% to the Company's total assets.

Our Response

To validate additions to investment properties, we examined supporting documents such as contracts, Deeds of Absolute Sale, supplier invoices and/or official receipts.

To determine fair value adjustments, we obtained the latest appraisal report and evaluated appropriateness of assumptions and valuation method, and completeness of the information used.

We also evaluated the competence and objectivity of the external expert engaged by the management to value the investment properties by ensuring the expert is an accredited appraiser by the Securities and Exchange Commission (SEC).

Presentation of Loans and Capitalization of Borrowing Costs

The Risk

The Company has a significant loan balance of P1.81 billion as of December 31, 2024, which is material to the financial statements. Interest costs of P36.92 million have been capitalized during the year in relation to the ongoing project. The capitalization of interest is accounted for under PAS 23 Borrowing Costs. We identified this as a key audit matter due to the magnitude of the loan and capitalized interest relative to the Company's financial position, the complexity involved in determining the amount of interest eligible for capitalization, and the significant judgments required. These judgments include assessing which expenditures qualify for capitalization, determining the appropriate capitalization rate, and ensuring the capitalization period aligns with the construction timeline of the related assets. There is an inherent risk of misstatement if these judgments are not appropriately applied or if the underlying assumptions are unreasonable.

Our Response

We reviewed loan agreements and the terms and conditions such as but not limited to debt covenants, guarantees, payment, schedule and interest, and determined appropriateness of disclosures in the financial statements.

We obtained an understanding of the terms of the loan agreement and management's process for identifying qualifying assets and calculating capitalized interest.

We tested the accuracy of the interest capitalization calculation, including the interest rate applied and the period of capitalization, by agreeing inputs to loan documentation and project timelines.

We evaluated the appropriateness of management's judgments regarding the eligibility of assets for interest capitalization, including corroborating the status of construction projects with supporting evidence such as progress reports and contractor invoices.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate 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 Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate 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 separate 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 separate 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 and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast material 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 separate 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 separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and material audit findings, including any material 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 separate 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.

Report on the Supplementary Information Required by the Bureau of Internal Revenue

Our audits were conducted for the purpose of forming an opinion on the basic separate financial statements taken as a whole. The supplementary information on taxes and license fees required for purposes of filing with the Bureau of Internal Revenue is presented by the management of Philippine Realty and Holdings Corporation in a separate schedule. Revenue Regulation 2-2014 and 15-2010 requires the information to be presented in the notes to the separate financial statements. Such information is the responsibility of management and is not a required part of the basic separate financial statements. Our opinion on the basic separate financial statements is not affected by the presentation of the information in a separate schedule.

The engagement partner on the audit resulting in this independent auditor's report is Jose T. Valencia.

MACEDA VALENCIA & CO.

JOSE T. VALENCIA
Partner
CPA License No. 32659
Tax Identification No. 119-894-676-000
PTR No. 10476168
Issued on January 9, 2025 at Makati City
BOA/PRC Reg. No. 4748 valid until August 7, 2027
BIR Accreditation No. 08-005063-000-2024 (firm); 08-005063-001-2024 (individual)
Issued on March 26, 2024; valid until March 25, 2027

March 18, 2025
Makati City

PHILIPPINE REALTY AND HOLDINGS CORPORATION

SEPARATE STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2024 AND 2023

	Notes	2024	2023
ASSETS			
Current Assets			
Cash and cash equivalents	3	**P202,864,054**	P275,515,646
Financial assets at fair value through profit or loss (FVPL)	4,29	**6,750,000**	6,750,000
Trade and other receivables - current portion	6,30	**325,377,343**	373,457,027
Real estate inventories	7	**2,395,612,671**	2,073,624,267
Prepayments and other current assets – net	8	**939,427,536**	409,841,097
Investment in finance lease - current portion	13	**16,798,904**	15,606,638
Total Current Assets		**3,886,830,508**	3,154,794,675
Non-current Assets			
Financial assets at fair value through other comprehensive income (FVOCI)	5,29	**27,925,315**	35,197,203
Trade and other receivables - net of current portion	6,30	**68,744,092**	207,967,646
Investments in subsidiaries	9	**20,100,000**	19,100,000
Investments in associates	10	**81,829,857**	81,829,857
Investment properties – net	11	**5,281,682,281**	5,119,715,388
Property and equipment – net	12	**83,794,433**	91,254,330
Investment in finance lease - net of current portion	13	**155,173,275**	171,970,892
Right-of-use asset – net	13	**76,909,906**	87,619,912
Total Non-current Assets		**5,796,159,159**	5,814,655,228
		P9,682,989,667	P8,969,449,903
LIABILITIES AND EQUITY			
LIABILITIES			
Current Liabilities			
Trade and other payables - current portion	14	**P167,515,480**	P28,537,217
Loans payable - current portion	15	**984,428,257**	829,508,895
Lease liability - current portion	13	**16,367,703**	15,570,165
Total Current Liabilities		**1,168,311,440**	873,616,277
Non-current Liabilities			
Trade and other payables - net of current portion	14	**104,872,421**	76,059,053
Loans payable - net of current portion	15	**857,491,696**	372,351,579
Retirement benefit obligation	17	**76,019,988**	67,780,803
Lease liability - net of current portion	13	**126,725,111**	143,092,814
Deferred rental income	13	**41,084,561**	43,509,817
Deferred tax liabilities – net	23	**794,501,517**	756,869,878
Total Non-current Liabilities		**2,000,695,294**	1,459,663,944
Total Liabilities		**P3,169,006,734**	P2,333,280,221

Forward

PHILIPPINE REALTY AND HOLDINGS CORPORATION

SEPARATE STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2024 AND 2023

	Note	2024	2023
EQUITY			
Capital stock	*24*	**P4,275,721,448**	P4,275,721,448
Additional paid-in capital	*24*	**780,630,029**	780,630,029
Reserves	*25*	**40,804,309**	44,261,390
Retained earnings		**1,526,539,586**	1,645,269,254
Treasury stock	*24*	**(109,712,439)**	(109,712,439)
Total Equity		**6,513,982,933**	6,636,169,682
		P9,682,989,667	P8,969,449,903

See Notes to the Separate Financial Statements.

PHILIPPINE REALTY AND HOLDINGS CORPORATION

SEPARATE STATEMENTS OF TOTAL COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

	Notes	2024	2023	2022
INCOME				
Sales of real estate		**P54,281,940**	P174,460,724	P224,998,917
Rent	*11,13*	**78,331,580**	65,150,046	56,343,600
Interest	*18*	**10,721,900**	13,985,855	15,913,983
Other income	*19*	**182,207,724**	424,106,895	530,682,061
		325,543,144	677,703,520	827,938,561
COSTS AND EXPENSES				
Cost of real estate sold	*7*	**33,972,600**	90,154,100	106,296,787
Cost of services	*20*	**48,969,810**	46,285,853	39,043,111
General and administrative expenses	*21*	**243,984,973**	285,640,196	311,322,564
Finance costs	*13,15*	**89,054,525**	70,083,467	63,643,546
Other expenses	*22*	**200,540**	4,898,496	230,051
		416,182,448	497,062,112	520,536,059
INCOME (LOSS) BEFORE INCOME TAX		**(90,639,304)**	180,641,408	307,402,502
INCOME TAX EXPENSE	*23*	**38,268,392**	63,823,067	125,623,453
NET INCOME (LOSS)		**(128,907,696)**	116,818,341	181,779,049
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will never be reclassified to profit or loss				
Remeasurement gain (loss) on retirement benefit obligation, net of tax	*25*	**1,868,333**	(8,932,019)	10,765,737
Unrealized holding gain (loss) on financial assets at FVOCI	*5,25*	**4,852,614**	(878,903)	(1,568,430)
		6,720,947	(9,810,922)	9,197,307
TOTAL COMPREHENSIVE INCOME (LOSS)		**(P122,186,749)**	P107,007,419	P190,976,356
BASIC EARNINGS (LOSS) PER SHARE	*26*	**(P0.01)**	P0.01	P0.02

See Notes to the Separate Financial Statements.

PHILIPPINE REALTY AND HOLDINGS CORPORATION

SEPARATE STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

	Capital Stock (Note 24)	Additional Paid-in Capital (Note 24)	Reserves (Note 25)	Retained Earnings	Treasury Stock (Note 24)	Total Equity
Balance as at January 1, 2022	P4,275,698,948	P780,630,029	P44,875,005	P1,346,671,864	(P109,712,439)	P6,338,163,407
Comprehensive income						
Net income for the year	-	-	-	181,779,049	-	181,779,049
Other comprehensive income for the year	-	-	9,197,307	-	-	9,197,307
Total comprehensive income for the year	-	-	9,197,307	181,779,049	-	190,976,356
Transaction with owners						
Collection of subscription receivable	22,500	-	-	-	-	22,500
Balance as at December 31, 2022	4,275,721,448	780,630,029	54,072,312	1,528,450,913	(109,712,439)	6,529,162,263
Comprehensive income (loss)						
Net income for the year	-	-	-	116,818,341	-	116,818,341
Other comprehensive loss for the year	-	-	(9,810,922)	-	-	(9,810,922)
Total comprehensive income (loss) for the year	-	-	(9,810,922)	116,818,341	-	107,007,419
Balance as at December 31, 2023	4,275,721,448	780,630,029	44,261,390	1,645,269,254	(109,712,439)	6,636,169,682
Comprehensive income (loss)						
Net loss for the year	-	-	-	(128,907,696)	-	(128,907,696)
Other comprehensive income for the year	-	-	6,720,947	-	-	6,720,947
Total comprehensive income (loss) for the year	-	-	6,720,947	(128,907,696)	-	(122,186,749)
Disposal of Financial Asset at FVOCI	-	-	(10,178,028)	10,178,028	-	-
Balance as at December 31, 2024	**P4,275,721,448**	**P780,630,029**	**P40,804,309**	**P1,526,539,586**	**(P109,712,439)**	**P6,513,982,933**

See Notes to Separate Financial Statements.

PHILIPPINE REALTY AND HOLDINGS CORPORATION

SEPARATE STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

	Notes	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Income (loss) before income tax		**(P90,639,304)**	P180,641,408	P307,402,502
Adjustments for:				
Finance costs	*13,15*	**89,054,525**	70,083,467	63,643,546
Depreciation and amortization	*12,13,20,21*	**25,800,100**	19,241,347	22,834,520
Provision for retirement benefits	*17*	**12,730,296**	12,385,392	12,757,280
Loss (gain) on repossession of real estate inventories	*19,22*	**-**	3,524,627	(1,498,643)
Impairment loss on investment in subsidiaries	*21*	**-**	-	1,000,000
Gain on sale of investment properties	*19*	**-**	(128,065,333)	-
Foreign exchange loss (gain)	*19,22*	**(812,642)**	402,230	(1,952,441)
Dividend income	*5,19*	**(1,637,722)**	-	(1,953,910)
Provision for (reversal of) impairment loss on trade and other receivables	*6,19,21*	**(8,186,754)**	(22,136,446)	25,000,000
Interest income	*3,6,13,18*	**(10,721,900)**	(13,985,855)	(15,913,983)
Gain on change in fair value of investment properties – net	*11,19*	**(157,466,893)**	(258,292,144)	(518,036,292)
Operating loss before working capital changes		**(141,880,294)**	(136,201,307)	(106,717,421)
Decrease (increase) in:				
Trade and other receivables		**195,765,516**	69,788,298	18,006,765
Prepayments and other current assets		**(530,845,145)**	(44,961,114)	1,628,314
Real estate inventories		**(289,515,518)**	35,211,279	69,979,015
Increase (decrease) in:				
Trade and other payables		**173,301,428**	(76,936,539)	(24,758,508)
Other non-current liabilities		**(2,425,255)**	3,084,407	(544,809)
Net cash used in operations		**(595,599,268)**	(150,014,976)	(42,406,644)
Dividends received	*5,19*	**1,637,722**	-	-
Interest received	*18*	**1,601,816**	4,396,847	5,221,425
Contributions to retirement fund	*17*	**(2,000,000)**	(7,000,000)	-
Net cash used in operating activities		**(P594,359,730)**	(P152,618,129)	(P37,185,219)

Forward

PHILIPPINE REALTY AND HOLDINGS CORPORATION

SEPARATE STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

	Note	2024	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of investment in stock	5	**P12,124,501**	P -	P -
Proceeds on disposal of property and equipment		**244,482**	776,528	24,135
Proceeds from disposal of investment property	11	**-**	62,036,427	-
Additions to investment properties	11	**-**	(3,939,956)	(30,030,586)
Investment in a subsidiary	9	**(1,000,000)**	-	-
Additions to property and equipment	12	**(7,919,323)**	(40,698,040)	(1,545,778)
Net cash provided by (used in) investing activities		**3,449,660**	18,174,959	(31,552,229)
CASH FLOWS FROM FINANCING ACTIVITIES				
Availment of loans	15	**3,132,611,060**	2,018,581,702	1,013,706,633
Collection of lease receivables		**24,449,088**	23,672,896	23,284,800
Proceeds from collections of subscriptions receivable		**-**	-	22,500
Payments of lease liabilities		**(22,972,049)**	(22,972,049)	(22,941,000)
Finance costs paid		**(124,090,682)**	(56,541,112)	(52,116,608)
Payments of loans principal	15	**(2,492,551,581)**	(1,710,088,533)	(930,940,131)
Net cash provided by (used in) financing activities		**517,445,836**	252,652,904	31,016,194
EFFECTS OF EXCHANGE RATE CHANGES IN CASH AND CASH EQUIVALENTS		**812,642**	(402,230)	1,952,441
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**(72,651,592)**	117,807,504	(35,768,813)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	3	**275,515,646**	157,708,142	193,476,955
CASH AND CASH EQUIVALENTS AT END OF YEAR	3	**P202,864,054**	P275,515,646	P157,708,142

See Notes to the Separate Financial Statements.

1. Corporate Information

Philippine Realty and Holdings Corporation (the "Company") was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on July 13, 1981. The principal activities of the Company include the acquisition, development, sale and lease of all kinds of real estate and personal properties, and that of an investment and holding company.

The Company was listed with the Philippine Stock Exchange (PSE) on September 7, 1987.

The Company's registered address is at One Balete, 1 Balete Drive Corner N. Domingo St. Brgy. Kaunlaran, District 4, Quezon City 1111, Philippines.

2. Basis of Preparation

Statement of Compliance

The separate financial statements of the Company have been prepared in compliance with Philippine Financial Reporting Standards (PFRS). PFRS includes all applicable PFRS, Philippine Accounting Standards (PAS), and interpretations of the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC), as approved by the Philippine Financial Sustainability Reporting Standards Council (FSRSC) and adopted by the SEC.

The Company also prepares and issues consolidated financial statements for the same period in which it consolidates all its investments in subsidiaries. Such consolidated financial statements provide information about the economic activities of the group of which the Company is the parent.

Approval of Financial Statements

The separate financial statements as of and for the year ended December 31, 2024 were reviewed by the Company's Audit Committee and authorized for issuance by the Board of Directors (BOD) on March 18, 2025.

Basis of Measurement

The Company's separate financial statements have been prepared under the historical cost convention, except for the following which are measured using alternative basis at each reporting date:

Account name	Measurement Bases
Financial assets at FVPL	Fair value
Financial assets at FVOCI	Fair value
Investment properties	Fair value
Retirement benefit obligation	Present value of the defined benefit obligation less fair value of plan assets

Functional and Presentation Currency

The separate financial statements are presented in Philippine peso, which is the presentation and functional currency of the Company. All financial information presented have been rounded to the nearest peso, unless otherwise stated.

Use of Estimates and Judgments

The preparation of the separate financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

In particular information about material areas of estimation uncertainty and critical judgments in applying accounting policies that have the most material effect on the amounts recognized in the separate financial statements are described in Note 28.

3. Cash and Cash Equivalents

This account consists of:

	2024	2023
Cash on hand	**P20,000**	P20,000
Cash in banks	**35,830,228**	266,861,943
Cash equivalents	**167,013,826**	8,633,703
	P202,864,054	P275,515,646

Cash in banks earned an average annual interest of 0.04% and 0.05% in 2024 and 2023. Cash equivalents represent money market placements or short-term investments with maturities up to three months and annual interests ranging from 2.25% to 5.12% and 2.25% to 5.00% in 2024 and 2023, respectively.

Interest income recognized amounted to P883,440, P1,262,139, and P484,006 in 2024, 2023 and 2022, respectively (see Note 18).

4. Financial Assets at Fair Value Through Profit or Loss (FVPL)

This account is composed of listed equity securities that are held for trading. The fair values of these securities totaling P6,750,000 are based on quoted market price.

5. Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI)

As at December 31, financial assets at FVOCI consist of investments in:

	For the Years Ended December 31, 2024 and 2023		
	Golf and country club shares	Listed shares of stock	Total
Cost			
Beginning balance	P3,350,000	P58,332,808	P61,682,808
Disposals	-	(1,946,473)	(1,946,473)
Ending balance	P3,350,000	P56,386,335	P59,736,335

Forward

Accumulated unrealized holding gain (loss)				
January 1, 2023		(P950,000)	(P24,656,703)	(P25,606,703)
Unrealized holding loss	25	-	(878,903)	(878,903)
December 31, 2023		(950,000)	(25,535,606)	(26,485,606)
Unrealized holding gain (loss)	25	6,600,000	(1,747,386)	4,852,614
Disposals	25	-	(10,178,028)	(10,178,028)
December 31, 2024		5,650,000	(37,461,020)	(31,811,020)
Carrying amount December 31, 2023		P2,400,000	P32,797,203	P35,197,203
Carrying amount December 31, 2024		**P9,000,000**	**P18,925,315**	**P27,925,315**

The investments in shares of stock of various listed equity securities present the Company with opportunity for return through dividend income. The above investments in equity instruments are not held for trading and the Company irrevocably elected to present subsequent changes in fair values in OCI. The fair values of these investments are based on quoted market prices. Unrealized holding gains or losses from market value fluctuations are recognized as part of the Company's reserves.

In 2024, the Company sold its shares from Premium Leisure Corporation with carrying amount of P10,178,028.

Unrealized holding gain (loss) recognized in other comprehensive income from FVOCI financial assets amounted to P4,852,614 in 2024, P878,903 in 2023 and P1,568,430 in 2022 (see Note 25).

Dividend income recognized in profit or loss amounted to P1,637,722, nil and P1,953,910 in 2024, 2023 and 2022, respectively (see Note 19).

6. Trade and Other Receivables

This account consists of:

	Note	2024	2023
Trade:			
Sale of real estate	16	**P405,485,246**	P503,026,750
Lease		**29,571,731**	20,797,969
Advances to subsidiaries and associates	16	**254,248,323**	256,837,286
Advances – others	16	**6,872,735**	85,705,086
Other receivables	16	**43,597,608**	68,898,544
		739,775,643	935,265,635
Less: allowance for impairment loss		**(345,654,208)**	(353,840,962)
		394,121,435	581,424,673
Less: non-current portion		**68,744,092**	207,967,646
Trade and other receivables - current portion		**P325,377,343**	P373,457,027

Trade receivables include amounts due from buyers of the Company's condominium projects, generally over a period of two (2) to three (3) years. The condominium certificates of title remain in the possession of the Company until full payment has been made by the customers. Trade receivables for restructured accounts carry interest rates of 1.5% per month in 2024 and 2023. Total Interest income recognized from trade receivables amounted to P718,376, P3,134,708 and P4,737,419 in 2024, 2023 and 2022, respectively (see Note 18). Certain trade receivables with total carrying amount of P95 million and P216 million as at December 31, 2024 and 2023, respectively, are pledged to a local bank as collateral to the Company's loans payable (see Note 15).

Advances - others consist mainly of advances to officers and employees that are settled either through liquidation or salary deduction.

Receivables amounting to P345.65 million and P353.84 million as of December 31, 2024 and 2023, respectively, were fully provided with allowance. The movements in the allowance for Expected Credit Losses (ECL) on receivables are as follows:

			2024			
	Sale of real estate	Lease	Advances to subsidiaries and associates	Advances	Other receivables	Total
Beginning balance	P73,462,630	P4,787,074	P237,135,099	P862,891	P37,593,268	P353,840,962
Provisions	-	2,247,620	-	-	-	2,247,620
(Reversals)	(4,804,515)	-	-	-	(5,629,859)	(10,434,374)
	P68,658,115	P7,034,694	P237,135,099	P862,891	P31,963,409	P345,654,208

			2023			
	Sale of real estate	Lease	Advances to subsidiaries and associates	Advances	Other receivables	Total
Beginning balance	P83,512,900	P5,478,810	P237,135,099	P862,891	P48,987,708	P375,977,408
Provisions	-	-	-	-	2,863,554	2,863,554
(Reversals)	(10,050,270)	(691,736)	-	-	(14,257,994)	(25,000,000)
	P73,462,630	P4,787,074	P237,135,099	P862,891	P37,593,268	P353,840,962

7. Real Estate Inventories

This account consists of:

	2024	2023
In progress:		
BGC Project	**P2,052,612,439**	P1,694,007,543
Andrea North Estate	**117,572,442**	115,191,934
	2,170,184,881	1,809,199,477
Completed units:		
Andrea North SkyVillas Tower	**37,678,000**	42,177,734
Andrea North Skyline Tower	**14,362,111**	24,927,304
The Icon Plaza	**38,020,766**	54,790,767
Casa Miguel	**-**	7,192,072
	90,060,877	129,087,877
Land held for development:		
New Manila, Quezon City	**135,366,913**	135,336,913
	P2,395,612,671	P2,073,624,267

BGC Project pertains to the Unico Project, a 40-storey upscale residential condominium located in Bonifacio South District in Taguig City. The project broke ground on March 5, 2024. The carrying amount represents the cost of the land, and all other costs incurred in the planning and preparation, site preparation, foundation and structural framework. Accumulated cost also includes capitalized interest.

Certain real estate inventories are mortgaged as collateral to loans (see Note 15).

The cost of real estate inventories sold recognized in the separate statements of total comprehensive income amounted to P33,972,600, P90,154,100 and P106,296,787 in 2024, 2023 and 2022, respectively.

8. Prepayments and Other Current Assets

This account consists of:

	2024	2023
Creditable withholding tax	**P259,254,203**	P279,072,046
Prepaid expenses	**493,426,762**	67,826,484
Prepaid taxes	**67,592,028**	41,234,433
Input tax	**65,542,801**	5,658,932
Escrow fee	**31,552,471**	-
Others	**22,059,271**	16,049,202
	P939,427,536	P409,841,097

Creditable withholding tax pertains to taxes withheld by the Company's customers in accordance with tax regulations which remained unutilized as at the end of the reporting period. This can be utilized by the Company as a deduction from future income tax obligations.

Prepaid expenses consist of advance payment to contractors, rent, real property tax, insurance premium and membership dues.

Prepaid taxes are unutilized creditable withholding taxes in which the Company opted to file a claim for refund with the Bureau of Internal Revenue.

Input tax refers to the value-added tax (VAT) that a Company pays on goods or services purchased for its operations.

Escrow fee pertains to the account in PBCom in connection with the escrow agreement with Department of Human Settlements and Urban Development for the construction of Project UNICO

9. Investments in Subsidiaries

Details of the Company's ownership interest in subsidiaries as of December 31 are as follows:

	2024	2023
PRHC Property Managers, Inc. (PPMI)	100%	100%
Tektite Insurance Brokers, Inc. (TIBI)	100%	100%
Sultan's Power, Inc. (SPI)	100%	100%
Three Corners Realty Corporation (TCRC)	100%	-
Universal Travel Corporation (UTC)	81.53%	81.53%

The details of the Company's investments in subsidiaries are as follows:

	2024	2023
Tektite Insurance Brokers, Inc. (TIBI)	**P13,900,000**	P13,900,000
Universal Travel Corporation (UTC)	**5,722,796**	5,722,796
PRHC Property Managers, Inc. (PPMI)	**5,200,000**	5,200,000
Sultan's Power, Inc. (SPI)	**1,000,000**	1,000,000
Three Corners Realty Corporation (TCRC)	**1,000,000**	-
	26,822,796	25,822,796
Allowance for impairment loss	**(6,722,796)**	(6,722,796)
	P20,100,000	P19,100,000

Universal Travel Corporation (UTC) has ceased operations while Sultan's Power, Inc. (SPI) operates as a holding Company. Both subsidiaries reported losses and a capital deficiency in 2024 and 2023. These conditions indicate impairment on the Company's investment in these subsidiaries. Accordingly, the Company provided an allowance for impairment loss totaling P6,722,796.

Financial information of the subsidiaries are summarized as follows:

	2024	2023
PRHC Property Managers, Inc. (PPMI)		
Total assets	**P105,317,048**	P99,217,277
Total liabilities	**(34,264,537)**	(36,796,301)
Net assets	**71,052,511**	62,420,976
Income	**48,263,849**	44,592,679
Cost and expenses	**(39,192,832)**	(46,524,967)
Net income (loss)	**P9,071,017**	(P1,932,288)
Tektite Insurance Brokers, Inc. (TIBI)		
Total assets	**P16,507,451**	P12,795,506
Total liabilities	**(6,664,250)**	(7,280,353)
Net assets	**9,843,201**	5,515,153
Income	**10,835,038**	5,449,245
Cost and expenses	**(6,506,989)**	(5,178,464)
Net income	**P4,328,049**	P270,781

Universal Travel Corporation (UTC)		
Total assets	**P1,302,329**	P1,297,150
Total liabilities	**(30,251,358)**	(30,225,288)
Net liabilities	**(28,949,029)**	(28,928,138)
Income	**50,009**	43,083
Cost and expenses	**(70,900)**	(106,949)
Net loss	**(P20,891)**	(P63,866)
Sultan's Power, Inc. (SPI)		
Total assets	**P62,280**	P1,881,191
Total liabilities	**(77,071,521)**	(77,024,044)
Net liabilities	**(77,009,241)**	(75,142,853)
Income	-	-
Cost and expenses	**(1,866,388)**	(60,642)
Net loss	**(P1,866,388)**	(P60,642)
Three Corners Realty Corporation (TCRC)		
Total assets	**P1,000,000**	P -
Total liabilities	**(57,960)**	-
Net liabilities	**942,040**	-
Income	-	-
Cost and expenses	**(57,960)**	-
Net loss	**(P57,960)**	P-

The following are the principal activities of the Company's subsidiaries:

<u>PRHC Property Managers, Inc.</u>
PPMI was incorporated and registered with the SEC on May 24, 1991 to engage in the business of managing, operating, developing, buying, leasing and selling real and personal property either for itself and/or for others.

The registered office of PPMI is Unit E-2003B East Tower, Tektite Towers (formerly Philippine Stock Exchange Centre), Exchange Road, Ortigas Center, Pasig City.

<u>Tektite Insurance Brokers, Inc.</u>
TIBI was incorporated and registered with the SEC on January 2, 1989 to engage in the business of insurance brokerage. On May 24, 2022, the BOD of TIBI approved the amendment of the Company's Articles of Incorporation and By-laws to conform with the IC's requirements in changing its business activities from that of an insurance broker to an insurance agent. As of reporting period, TIBI is in the process of finalizing all the requirements to change its IC registration from a broker to an agent.

The registered office of TIBI is Unit E-2004A East Tower, Tektite Towers (formerly Philippine Stock Exchange Centre), Exchange Road, Ortigas Center, Pasig City.

<u>Universal Travel Corporation</u>
UTC was incorporated and registered with the SEC on November 9, 1993 to engage in the business of travel services by providing, arranging, marketing, engaging or rendering advisory and consultancy services relating to tours and tour packages. On March 15, 2018, the Board of Directors of UTC approved the resolution on the cessation of operations effective July 31, 2018.

Thereafter, the Company became inactive.

The registered office address of the Company is Unit E-2003B, 20th Floor East Tower, Tektite Towers, Exchange Road, Ortigas Center, Pasig City.

Sultan's Power, Inc.
Sultan Power, Inc. ("SPI") was incorporated under Philippine laws and registered with the SEC on March 19, 2015 as a holding company. SPI acquired 51% of the total issued and outstanding shares of RECON-X Energy Corporation ("RECON-X") in 2021.

RECON-X was incorporated under Philippine laws and registered with the SEC on June 27, 2014 to engage in the business of recycling and converting plastics into fuel (gasoline, diesel and kerosene) using patented technology. The process was duly certified on November 2, 2015, by the Intellectual Property Office of the Philippines ("IPOPHL") for "Improved Method of Converting Land-Filled Plastic Wastes into Hydrocarbon Fuel", certified by the Department of Science and Technology ("DOST") and by the Department of Energy ("DOE"). As of December 31, 2021, RECON-X was able to procure the additional catalysts and materials needed for the plastic diesel conversion plant to be used to process waste materials into fuel. In 2023, RECON-X has started introduction of feedstocks, performance testing and testing of fuel compliance with National Standards and securing plastic waste supply from a plastic waste aggregator and is still the same in 2024. RECON-X is continuing its efforts in streamlining its operations and sourcing technical staff for production.

The Company's registered office is at Units E-2003B 20th Floor East Tower, Tektite Towers, Exchange Road, Ortigas Center, Pasig City.

Three Corners Realty Corporation
Three Corners Realty Corporation (the "Company") was registered with the Philippine Securities and Exchange Commission (SEC) on September 16, 2024 primarily to invest in, purchase, or otherwise dispose of real or personal property.

The Company's registered office, which is also its principal place of business, is located at Unit No.10A, Podium 10th Level, The Icon Plaza, 26th Street, Bonifacio Global City, Taguig City.

10. Investments in Associates

Details of the Company's ownership interest in associates as at December 31 are as follows:

	2024	2023
Meridian Assurance Corporation (MAC)	**30%**	30%
Alexandra (USA), Inc. (AUI)	**45%**	45%
Le Cheval Holdings, Inc. (LCHI)	**45%**	45%

The details of the Company's investments in associates are as follows:

	2024	2023
Investments in Associates:		
Meridian Assurance Corporation (MAC)	**P81,829,857**	P81,829,857
Alexandra (USA), Inc. (AUI)	**14,184,150**	14,184,150
Le Cheval Holdings, Inc. (LCHI)	**11,250**	11,250
	96,025,257	96,025,257
Allowance for impairment loss	**(14,195,400)**	(14,195,400)
	P81,829,857	P81,829,857

Allowance for impairment loss pertains to the company's investments in associates that have ceased operations or in process of liquidation.

Financial information of the associates are summarized as follows:

	2024	2023
Meridian Assurance Corporation (MAC)		
Total assets	P351,969,981	P351,413,031
Total liabilities	27,149,697	26,887,253
Net assets	324,820,284	324,525,778
Income	659,480	2,811,091
Cost and expenses	(7,777,777)	(15,818,365)
Net loss	(P7,118,297)	(P13,007,274)
Le Cheval Holdings, Inc. (LCHI)		
Total assets	P45,362	P45,362
Total liabilities	142,248	142,248
Net liabilities	(96,886)	(96,886)
Income	-	-
Cost and expenses	-	-
Net loss	P -	P -

The following are the principal activities of the Company's associates:

Meridian Assurance Corporation
MAC was incorporated and registered with the SEC on March 16, 1960, renewed on November 13, 2007, primarily to engage in the business of insurance and guarantee of any kind and in all branches except life insurance, for consideration, to indemnify any person, firm or corporation against loss, damage or liability arising from any unknown or contingent event, and to guarantee liabilities and obligations of any person, firm or corporation and to do all such acts and exercise all such powers as may be reasonably necessary to accomplish the above purposes which may be incidental.

On July 7, 2021, MAC received a letter from the insurance commission confirming MAC's withdrawal from the insurance business. It is also stated in the letter that MAC is no longer required to submit annual financial statements and other documentary requirements to the commission starting financial year-end 2021. As at December 31, 2022, MAC is in the process of preparing the necessary documents for the amendment of its Articles of Incorporation and By-laws for filing with the SEC and IC. Thereafter, the Company plans to engage in the business of asset management. In 2024 and 2023, the Company's application for amendment of its Articles of Incorporation and By-laws is still in process with SEC.

The registered office of MAC is Unit E-2003B East Tower, Tektite Towers (formerly Philippine Stock Exchange Centre), Exchange Road, Ortigas Center, Pasig City.

Le Cheval Holdings, Inc.
LCHI, which was incorporated and registered with the SEC on August 30, 1994 as a holding company is inactive.

Alexandra (USA), Inc.
AUI was incorporated in the United States of America (USA). AUI is involved in property development in Florida, USA. AUI is jointly owned with GPI (45%) and Warrenton Enterprises Corporation (10%) of William Cu-Unjeng. AUI is in the process of liquidation.

11. Investment Properties

Investment properties consist of:

	2024	2023
Cost		
Land	**P879,859,578**	P879,859,578
Land and building	**402,443,016**	402,443,016
Condominium units and parking slots	**787,581,696**	783,081,696
	2,069,884,290	2,065,384,290
Accumulated unrealized holding gain	**3,211,797,991**	3,054,331,098
	P5,281,682,281	P5,119,715,388

Land
This pertains to a lot in BGC, Taguig and San Fernando, La Union which are presently being held for capital appreciation.

Land and building
This property pertains to a land and building located in Baguio which is being leased to PPMI under a lease agreement which is renewed annually (see Note 16).

Condominium units and parking slots
These are condominium units and parking spaces at the East Tower and West Tower of Tektite Towers held for rental.

Details of the accumulated unrealized fair value gain are as follows:

	2024	2023
Accumulated unrealized holding gain		
Land	**P1,059,827,822**	P1,049,947,822
Land and building	**161,143,984**	151,492,984
Condominium units and parking slots	**1,990,826,185**	1,852,890,292
	P3,211,797,991	P3,054,331,098

The movements in accumulated unrealized fair value gain in 2024 and 2023 are as follows:

	Note	2024	2023
Beginning balance		**P3,054,331,098**	P2,796,038,954
Changes in fair value during the year	*19*	**157,466,893**	258,292,144
Total		**P3,211,797,991**	P3,054,331,098

Details of the carrying amount of investment properties are as follows:

	2024	2023
Carrying amount of investment properties		
Land	**P1,939,687,400**	P1,929,807,400
Land and building	**563,587,000**	553,936,000
Condominium units and parking slots	**2,778,407,881**	2,635,971,988
	P5,281,682,281	P5,119,715,388

An independent valuation of the Company's investment properties was performed by qualified appraisers as of December 3, 6, 13, and 14, 2024 to determine their fair values. The external independent appraiser used sales comparison approach in arriving at the value of the properties. In this approach, the values of the properties were determined based on sales and listings of comparable properties. This is done by adjusting the differences between the subject property and those actual sales and listings regarded as comparable. The properties used as bases of comparison are situated within the immediate vicinity or at a different floor level of the same building. Comparison would be premised on factors such as location, size and physical attributes, selling terms, facilities offered and time element.

Rental income recognized from the investment properties in 2024, 2023 and 2022 amounted to P78,331,580, P65,150,046 and P56,343,600, respectively. Real property taxes attributable to the investment properties in 2024, 2023 and 2022 amounted to P6,899,327, P6,848,385 and P7,870,171, respectively and are included as part of taxes and licenses in cost of services. Condominium dues attributable to the investment properties in 2024, 2023 and 2022 amounted to P8,797,869, P10,254,997 and P8,395,079 (see Note 20), respectively and are included also in cost of services.

Certain investment properties are mortgaged as collateral to loans (see Note 15).

12. Property and Equipment

The details of the carrying amounts of property and equipment, the gross carrying amounts, and accumulated depreciation and amortization of property and equipment are shown below:

	For the Years Ended December 31, 2024 and 2023			
	Building and Building Improvements	Office Furniture, Fixtures and Equipment	Transportation and Other Equipment	Total
Cost				
January 1, 2023	P88,178,580	P29,650,904	P50,511,803	P168,341,287
Additions	-	2,551,328	38,146,712	40,698,040
Disposals	-	(58,482)	(11,404,302)	(11,462,784)
December 31, 2023	88,178,580	32,143,750	77,254,213	197,576,543
Additions	2,184,552	1,072,075	4,662,696	7,919,323
Disposals	-	(6,937,431)	(26,620,700)	(33,558,131)
December 31, 2024	**90,363,132**	**26,278,394**	**55,296,209**	**171,937,735**
Accumulated Depreciation and Amortization				
January 1, 2023	32,883,220	27,695,522	47,836,250	108,414,992
Provision	3,138,362	1,352,390	4,102,725	8,593,477
Disposals	-	(38,988)	(10,647,268)	(10,686,256)
December 31, 2023	36,021,582	29,008,924	41,291,707	106,322,213
Provision	4,828,107	1,810,754	8,495,877	15,134,738
Disposals	-	(6,930,109)	(26,383,540)	(33,313,649)
December 31, 2024	**40,849,689**	**23,889,569**	**23,404,044**	**88,143,302**
Carrying Amount December 31, 2023	P52,156,998	P3,134,826	P35,962,506	P91,254,330
Carrying Amount December 31, 2024	**P49,513,443**	**P2,388,825**	**P31,892,165**	**P83,794,433**

Certain transportation equipment of the Company with total carrying value of P31.89 million and P35.96 million as at December 31, 2024 and 2023, respectively, are pledged as security under chattel mortgage (see Note 15).

13. Leases

A. Rights-of -use assets

The Company leases two parcels of land located at 5th Avenue corner 24th Street and 5th Avenue corner 25th Street, Bonifacio Global City, Taguig City. These contracts have a term of fifteen (15) years, renewable for another ten (10) years upon submission of a written notice to renew at least ninety days prior to the expiration of the original term, with terms and conditions mutually agreed by both parties.

The Company also leases Unit 10A in Icon Plaza located at 26th Street, Bonifacio Global City, Taguig City. The contract has a term of five (5) years and is renewable upon mutual agreement of both parties.

The carrying amount of right-of-use assets as at December 31, 2024 and 2023 is shown below.

	2024	2023
Right-of-use assets	**P133,796,186**	P133,840,828
Accumulated depreciation	**(56,886,280)**	(46,220,916)
	P76,909,906	P87,619,912

Amounts recognized in profit or loss:

	Notes	**2024**	2023	2022
Depreciation expense	*20,21*	**P10,665,362**	P10,647,870	P10,496,270
Interest expense		**7,401,885**	8,131,867	8,824,235

B. Investment in finance lease

The Company entered into a sublease contract relating to one of the parcels of land being leased in BGC as discussed in item A above. This agreement was assessed by the management to be of a finance lease. This agreement is renewable at the end of the lease term of initially fifteen (15) years upon mutual consent of the parties.

Amounts receivable under finance lease	**2024**	2023
Year 1	**P24,856,576**	P24,449,088
Year 2	**25,671,552**	24,856,576
Year 3	**26,099,392**	25,671,552
Year 4	**26,955,072**	26,099,392
Year 5	**27,404,352**	26,955,072
Onwards	**76,889,472**	104,293,824
Undiscounted lease payments	**207,876,416**	232,325,504
Present value of minimum lease payments receivable	**171,972,179**	187,577,530
Less: current portion	**16,798,904**	15,606,638
Investment in finance lease – net of current portion	**P155,173,275**	P171,970,892

Interest income recognized in profit or loss amounted to P8,843,737, P9,573,151 and P10,229,536 in 2024, 2023 and 2022, respectively (see Note 18).

C. Lease liabilities

A maturity analysis of lease liabilities based on the total cash flows is reported in the table below:

	2024		2023	
	Undiscounted	Discounted	Undiscounted	Discounted
Right-of-use assets				
Less than 1 year	**P11,844,653**	**P8,521,596**	P11,812,050	P8,098,430
More than 1 year	**74,400,000**	**63,362,555**	86,244,653	71,884,151
	86,244,653	**71,884,151**	98,056,703	79,982,581
Finance lease				
Less than 1 year	**11,160,000**	**7,846,107**	11,160,000	7,471,735
More than 1 year	**74,400,000**	**63,362,556**	85,560,000	71,208,663
	85,560,000	**71,208,663**	96,720,000	78,680,398
	P171,804,653	**P143,092,814**	P194,776,703	P158,662,979

D. Short-term operating lease

The Company entered into short-term operating lease agreements including condominium units, office spaces and food plaza spaces. The lease contracts between the Company and its lessees have a term of one year which are renewable annually.

Total rental income earned in 2024, 2023 and 2022 amounted to P78,331,580, P65,150,046 and P56,343,600, respectively.

Deferred rental income classified under other non-current liabilities amounting to P41,084,561 and P43,509,817 as of December 31, 2024 and 2023, respectively, pertains to advance rent received from lessees to be applied on the last three (3) months of the lease contract.

Refundable deposits on these lease agreements amounted to P19,389,920 and P19,306,580 in 2024 and 2023, respectively, and are included as part of trade and other payables (see Note 14).

14. Trade and Other Payables

This account consists of:

	Note	2024	2023
Trade payables		**P148,983,815**	P1,544,489
Retention fee payable		**38,664,663**	14,629,535
Non-trade payables		**24,844,652**	28,420,517
Accrued expenses		**23,336,590**	20,552,995
Refundable deposits	*13*	**19,389,920**	19,306,580
Customers' deposits		**11,504,762**	16,593,017
Due to government agencies		**5,663,499**	3,549,137
		272,387,901	104,596,270
Less: non-current portion		**104,872,421**	76,059,053
		P167,515,480	P28,537,217

Trade payables consist mainly of amount due to contractors and suppliers relating to the Unico Project.

Retention fee payable pertains to retention fees withheld from the contractors of ongoing projects.

Non-trade payables consist of transfer fees and retention commission payable.

Accrued expenses consist of accrual for outside services, insurance, supplies, tax and other legal expenses.

Customers' deposits consist of down payments representing less than 25% of the contract price of the condominium units sold which are deductible from the total contract price.

Due to government agencies consist mainly of payable to the Bureau of Internal Revenue, SSS, HDMF and PhilHealth.

15. Loans Payable

The movements in the loans payable are summarized as follows:

	2024	2023
Balance at beginning of year	**P1,201,860,474**	P893,367,305
Availments of loan	**3,132,611,060**	2,018,581,702
Payments of principal	**(2,492,551,581)**	(1,710,088,533)
Balance at end of year	**P1,841,919,953**	P1,201,860,474

This account is composed of the following:

	2024	2023
Payable within one year:		
Philippine National Bank	**P355,784,313**	P350,000,000
Philippine Bank of Communications	**621,391,611**	472,985,126
Union Bank of the Philippines	**6,773,656**	5,927,594
RCBC Savings Bank	**478,677**	596,175
	984,428,257	829,508,895
Payable after one year:		
Philippine Bank of Communications	**833,346,880**	344,794,867
Union Bank of the Philippines	**19,975,771**	26,152,493
Philippine National Bank	**3,233,668**	-
RCBC Savings Bank	**935,377**	1,404,219
	857,491,696	372,351,579
	P1,841,919,953	P1,201,860,474

Philippine National Bank (PNB)

The Company availed of interest-bearing loans with total principal amount of P1.5 billion and P1.4 billion in 2024 and 2023, respectively, payable within three (3) months subject to extension upon lapse of the maturity date. These loans are secured by certain real estate inventories with the carrying amount of P135.4 million (see Note 7).

Philippine Bank of Communications (PBCom)
In 2019, the Company entered into a long-term credit facility agreement with PBCom. PBCom approved an interest-bearing Term Loan under which the Company drew down P500 million in 2019. These loans are payable within six (6) years from the date of drawdown payable quarterly in arrears and secured by certain investment properties mortgaged in favor of PBCom with the total carrying amount of P633.8 million and P606.4 million as of December 31, 2024 and 2023, respectively.

In 2020, PBCom approved an interest-bearing Loan Line amounting to P300 million available for drawings in the form of 180-day promissory notes (PNs) payable at maturity of the PNs. The principal payment is on the maturity date of the PNs.

In 2021, PBCOM approved an interest-bearing Contract to Sell Financing line amounting to P300 million available for drawings. The Company drew down P64.72 million and P141.83 million in 2024 and 2023, respectively, payable at maturity of the deed of undertaking and are secured by certain receivables assigned in favor of PBCom amounting to P95 million and P216 million as at December 31, 2024 and 2023, respectively (see Note 6).

In 2023, PBCom approved an interest-bearing Term Loan amounting to P3.8 billion. The Company drew down P640 million and P150 million in 2024 and 2023, respectively, payable in 5 years. This loan was availed specifically to fund the Unico Project.

The loan includes a covenant in which the Company shall maintain a maximum debt-to-equity ratio of 2:1 at all times. As at December 31, 2024 and 2023, the Company is compliant with the loan covenant.

In 2023, PBCom approved an interest-bearing Loan Line amounting to P300 million available for drawings in the form of 180-day promissory notes (PNs) payable at maturity of the PNs.

Union Bank of the Philippines (UBP)
In 2024 and 2023, the Company availed interest-bearing car loans from Union Bank payable in installment within sixty (60) months. These loans are secured by the vehicle acquired under this facility (see Note 12).

RCBC Savings Bank (RCBC)
In 2023, the Company availed interest-bearing car loans from RCBC Savings Bank payable in installment within sixty (60) months. These loans are secured the vehicles acquired under this facility (see Note 12).

Total interest on the above loan agreements charged to profit or loss amounted to P81,652,640, P61,951,600 and P54,819,311 in 2024, 2023 and 2022, respectively. Interest on loans payable capitalized as part of the cost of real estate development amounted to P36,928,244 and P15,383,994 in 2024 and 2023, respectively. The capitalization rate used was 8.19% and 7.43% in 2024 and 2023, respectively.

16. Related Party Transactions

In the normal course of business, the Company entered into various transactions with related parties. Transactions with related parties follow:

As at and for the year ended December 31, 2024	Transactions	Outstanding balance	Terms and conditions
Trade receivables			The receivables are secured with related units until full payment.
Principal Shareholder			
Greenhills Properties, Inc.			
Sale of parking space	P -		
Collections during the year	-	P51,892,140	
Officers			
Sale of condo units and parking space	8,860,633		
Collections during the year	(5,830,080)	5,984,329	
Other receivables			Other receivables are secured with related units until full payment.
Affiliates			
Collections during the year	(P5,414,714)	P11,722,798	
Officers			
Collections during the year	(896,186)	620,722	
Principal Shareholder			
Greenhills Properties, Inc.			
Collections during the year	(10,156,557)	659,068	
Subsidiary			
PRHC Property Managers, Inc.			
Addition during the year	4,537,532		
Collections during the year	(1,916,197)	5,320,988	
Lease receivables			These receivables are unsecured and bear no interest and settled in cash.
Subsidiary			
PRHC Property Management, Inc.			
Rent Income	537,600		
Collections	(537,600)	89,600	
Purchase of services			Purchase of services is negotiated with related parties on a cost-plus basis and is due 30 days after the end of the month. These payables are unsecured and bear no interest and settled in cash.
Subsidiary			
Tektite Insurance Brokers, Inc.			
Purchase of services	21,570,544		
Payments during the year	(21,570,544)	-	
PRHC Property Managers, Inc.			
Purchase of services	738,683		
Payments during the year	(738,683)	-	
Advances			Advances to subsidiaries and associates are unsecured, non-interest bearing and to be settled in cash (see Note 6).
Associates			
Alexandra (USA), Inc.	-	132,417,765	
Le Cheval Holdings, Inc.	-	122,248	
Subsidiaries			
Sultan's Power, Inc.	68,077	76,668,235	
Universal Travel Corporation	73,911	30,191,024	
PRHC Property Managers, Inc.	(2,730,951)	14,849,051	
Less: Allowance for impairment loss	-	(237,135,099)	
Balance, net		P17,113,224	

Forward

Advances - others			Advances to officers are unsecured, non-interest bearing and to be settled through expense liquidation (see Note 6).
Officers	**(11,791,505)**	**1,456,731**	
Key management personnel			Key management includes directors (executive and non-executive) and executive officers. Short-term benefits are payable monthly and termination benefits are payable upon retirement.
Short-term benefits			
Salaries and other short-term employee benefits	**P33,857,795**		
Termination benefits			
Provision for retirement benefits/PVO	**7,069,335**		

As at and for the year ended December 31, 2023	Transactions	Outstanding balance	Terms and conditions
Trade receivables			The receivables are secured with related units until full payment.
Principal Shareholder			
Greenhills Properties, Inc.			
Sale of parking space	P -		
Collection during the year	-	P51,892,140	
Officers			
Sale of condo units and parking space	-		
Collections during the year	(513,700)	2,953,776	
Other receivables			Other receivables are secured with related units until full payment.
Affiliates			
Addition during the year	646,157	17,137,513	
Officers			
Collections during the year	(5,634,469)	1,052,146	
Principal Shareholder			
Greenhills Properties, Inc.			
Addition during the year	159,892	10,815,625	
Subsidiary			
PRHC Property Managers, Inc.			
Addition during the year	1,414,651		
Collections during the year	(752,592)	2,699,653	
Lease receivables			These receivables are unsecured and bear no interest and settled in cash.
Subsidiary			
PRHC Property Management, Inc.			
Rent Income	537,600		
Collections	(520,000)	89,600	
Purchase of services			Purchase of services is negotiated with related parties on a cost-plus basis and is due 30 days after the end of the month. These payables are unsecured and bear no interest and settled in cash.
Subsidiary			
Tektite Insurance Brokers, Inc.			
Purchase of services	8,021,687		
Payments during the year	(8,021,687)	-	
PRHC Property Managers, Inc.			
Purchase of services	699,872		
Payments during the year	(699,872)	-	

Forward

Advances			Advances to subsidiaries and associates are unsecured, non-interest bearing and to be settled in cash (see Note 6).
Associate			
Alexandra (USA), Inc.,	-	132,417,765	
Le Cheval Holdings, Inc.	-	122,248	
Subsidiaries			
Sultan's Power, Inc.	15,122	76,600,158	
Universal Travel Corporation	41,304	30,117,113	
PRHC Property Managers, Inc.	3,295,462	17,580,002	
Tektite Insurance Brokers, Inc.	(6,177,176)	-	
Less: Allowance for impairment loss	-	(237,135,099)	
Balance, net		P19,702,187	
Advances - others			Advances to officers are unsecured, non-interest bearing and to be settled through expense liquidation (see Note 6).
Officers	3,084,844	1,592,236	
Key management personnel			Key management includes directors (executive and non-executive) and executive officers. Short-term benefits are payable monthly and termination benefits are payable upon retirement.
Short-term benefits	P36,378,536		
Salaries and other short-term employee benefits			
Termination benefits			
Provision for retirement benefits/PVO	7,210,297		

Purchase of services
The Company has an existing agreement with PPMI, a subsidiary, for the latter to manage its real estate properties. In consideration thereof, the Company pays PPMI a fee as stipulated in the management agreement.

In the normal course of business, the Company purchases insurance policies through TIBI.

Lease Income
The Company has an existing agreement with PPMI, a subsidiary, to lease its investment property in Baguio.

Advances to related parties
The Company's receivables from AUI, an associate, which was intended to fund the latter's working capital requirements, represents non-interest-bearing advances with no fixed term with the option to convert to equity in case of increase in capital. Advances contributed by AUI's stockholders were in accordance with the percentage of ownership of the stockholders in AUI. As previously mentioned, AUI is in the process of liquidation (See Note 10).

17. Retirement Benefit Plan

The Company maintains a funded, non-contributory defined benefit retirement plan covering substantially all of its regular employees. The plan is administered by a local bank as trustee and provides for a lump-sum benefit payment upon retirement. The benefits are based on the employees' monthly salary at retirement date multiplied by years of credited service. No other post-retirement benefits are provided.

Through its defined benefit retirement plan, the Company is exposed to a number of risks, the most material of which are detailed below:

- *Asset volatility* - The plan liabilities are calculated using a discount rate set with reference to corporate bond yields; if plan assets underperform this yield, this will create a deficit.

- *Inflation risk* - Some of the Company's retirement obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation). The majority of the plan's assets are either unaffected by (fixed interest bonds) or loosely correlated with (equities) inflation, meaning that an increase in inflation will also increase the deficit.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out by an independent actuary on February 05, 2025 for the year ended December 31, 2024 and February 28, 2024 for the year ended December 31, 2023. The present value of the defined benefit obligation, and the related current service cost were measured using the Projected Unit Credit Method.

The reconciliation of the present value of the defined benefit obligation (PVO) and the fair value of the plan assets to the recognized liability presented as retirement benefit obligation in the separate statements of financial position is as follows:

	2024	2023
Present value of defined benefit obligation	**P97,312,532**	P97,089,494
Fair value of plan assets	**(21,292,544)**	(29,308,691)
Recognized liability	**P76,019,988**	P67,780,803

The movements in the present value of defined benefit obligation are shown below:

	2024	2023
Liability at beginning of year	**P97,089,494**	P71,448,524
Current service cost	**8,319,113**	8,992,999
Interest cost	**5,922,459**	5,158,583
Benefits paid	**(11,067,363)**	-
Remeasurement losses (gains)		
Changes in financial assumptions	-	9,726,684
Experience adjustments	**(2,951,171)**	1,762,704
Liability at end of year	**P97,312,532**	P97,089,494

The movements in the plan assets are shown below:

	2024	2023
Fair value of plan assets at beginning of year	**P29,308,691**	P20,962,472
Interest income	**1,511,276**	1,766,190
Contribution	**2,000,000**	7,000,000
Benefits paid	**(11,067,363)**	-
Remeasurement loss		
Return on plan assets, excluding amounts included in interest income	**(460,060)**	(419,971)
Fair value of plan assets at end of year	**P21,292,544**	P29,308,691

The main categories of plan assets as at December 31, 2024 and 2023 are as follows:

	2024	2023
Cash and cash equivalents	**P18,606,397**	P26,814,693
Equity instruments	**2,640,451**	2,479,896
Accrued interest	**94,333**	63,821
Liabilities	**(48,637)**	(49,719)
	P21,292,544	P29,308,691

The retirement expense recognized in profit or loss consists of:

	2024	2023	2022
Current service cost	**P8,319,113**	P8,992,999	P10,137,501
Net interest on defined benefit liability	**4,411,183**	3,392,393	2,619,779
	P12,730,296	P12,385,392	P12,757,280

The retirement expense is recognized as part of employees' benefits under operating expenses in the separate statements of total comprehensive income (see Note 21).

The principal assumptions used to determine retirement benefits obligation of the Company are as follows:

	2024	2023
Discount rate	**6.10%**	6.10%
Future salary increase	**4.00%**	4.00%

Assumptions regarding future mortality and disability are set based on actuarial advice in accordance with published statistics and experience.

The sensitivity analysis of the defined benefit obligation is:

	Increase (decrease) in basis points	Effect on defined benefit obligation
Discount rate	1.00	(P9,830,111)
	(1.00)	11,587,817
Future salary increase	1.00	11,719,817
	(1.00)	(10,102,165)

The above sensitivity analyses are based on changes in principal assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to material actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the retirement liability recognized in the separate statements of financial position.

The BOD reviews the level of funding required for the retirement fund. This includes the asset-liability matching (ALM) strategy and investment risk management policy. The Company's ALM objective is to match maturities of the plan assets to the retirement benefit obligation as they fall due. The Company monitors how the duration and expected yield of the investments are matching the expected cash outflows arising from the retirement benefit obligation.

As of December 31, 2024, the weighted average duration of defined benefit obligation is 11.0 years (2023: 9.9 years).

18. Interest Income

This account consists of interest from:

	Note	2024	2023	2022
Sublease	*13*	**P8,843,737**	P9,573,151	P10,229,536
Penalty for late payments	*6*	**517,759**	2,815,144	4,305,819
Cash and cash equivalents	*3*	**883,440**	1,262,139	484,006
Trade receivables	*6*	**200,617**	319,564	431,600
Others		**276,347**	15,857	463,022
		P10,721,900	P13,985,855	P15,913,983

19. Other Income

This account consists of:

	Note	2024	2023	2022
Gain on change in fair value of investment properties - net	*11*	**P157,466,893**	P258,292,144	P518,036,292
Reversal of allowance for impairment losses on receivables	*6*	**10,434,374**	25,000,000	-
Dividend income	*5*	**1,637,722**	-	1,953,910
Unrealized foreign exchange gain		**812,642**	-	349,498
Gain on money market investment		**1,483**	61,811	-
Realized foreign exchange gain		**-**	-	1,602,943
Gain on repossession of real estate inventories		-	-	1,498,643
Gain on sale of investment properties		-	128,065,333	-
Miscellaneous		**11,854,610**	12,687,607	7,240,775
		P182,207,724	P424,106,895	P530,682,061

20. Cost of Services

This account consists of:

	Note	2024	2023	2022
Depreciation expense	*13*	**P10,057,962**	P9,937,930	P8,763,860
Condominium dues	*11*	**8,797,869**	10,254,997	8,395,079
Taxes and licenses		**7,034,449**	7,082,369	7,949,813
Utilities		**6,115,060**	6,405,401	4,804,628
Outside services		**5,185,885**	4,845,240	4,038,390
Repairs and maintenance		**4,269,215**	1,408,063	625,108
Commission		**3,723,830**	3,054,398	1,630,729

Forward

	2024	2023	2022
Insurance and bond premiums	**2,491,399**	2,155,302	2,052,286
Others	**1,294,141**	1,142,153	783,218
	P48,969,810	P46,285,853	P39,043,111

21. General and Administrative Expenses

This account consists of:

	Note	2024	2023	2022
Salaries and wages		**P64,961,668**	P63,000,671	P68,356,662
Taxes and licenses		**28,382,878**	91,300,440	63,261,455
Professional fees		**21,788,342**	27,749,445	20,172,443
Transportation and travel		**17,756,411**	15,547,680	32,464,232
Depreciation and amortization:				
Property and equipment	*12*	**15,134,738**	8,593,477	12,338,250
ROU asset	*13*	**607,400**	709,940	1,732,410
Marketing expenses		**13,572,046**	26,435,882	33,285,461
Provision for retirement benefits	*17*	**12,730,296**	12,385,392	12,757,280
Repairs and maintenance		**12,463,128**	4,228,938	5,255,760
Outside services		**11,144,182**	6,256,053	4,870,604
Representation and entertainment		**10,260,736**	206,603	385,899
Insurance and bond premiums		**7,634,879**	6,202,200	5,857,452
SSS, Pag-ibig, Medicare and other short-term benefits		**6,793,762**	8,127,483	5,663,244
Condominium dues		**3,597,882**	4,408,640	5,351,072
Utilities		**3,035,550**	2,342,722	1,561,943
Postage and communication		**2,438,410**	2,459,827	2,361,606
Provision for impairment loss on trade and other receivables	*6*	**2,247,620**	2,863,554	25,000,000
Impairment loss on investment in subsidiaries	*9*	**-**	-	1,000,000
Miscellaneous		**9,435,045**	2,821,249	9,646,791
		P243,984,973	P285,640,196	P311,322,564

22. Other Expenses

This account consists of:

	2024	2023	2022
Bank charges	**P200,540**	P971,639	P144,637
Loss on repossession of real estate properties	**-**	3,524,627	-
Unrealized foreign exchange loss	**-**	402,230	-
Loss on money market investment	**-**	-	85,414
	P200,540	P4,898,496	P230,051

23. Income Taxes

Components of income tax expense are as follows:

	2024	2023	2022
Current	**P1,259,531**	P3,915,279	P1,625,890
Deferred	**37,008,861**	59,907,788	123,997,563
	P38,268,392	P63,823,067	P125,623,453

The reconciliation of the provision for income tax expense computed at the statutory rate to the provision shown in the separate statements of total comprehensive income is as follows:

	2024	2023	2022
Accounting income (loss) before income tax	**(P90,639,304)**	P180,641,408	P307,402,502
Income tax expense using statutory tax rate	**(P22,659,826)**	P45,160,352	P76,850,625
Additions to (reductions in) income tax resulting from the tax effects of:			
Nondeductible expenses	**15,036,971**	16,955,072	17,332,078
Movement on unrecognized deferred tax assets	**46,466,323**	1,944,294	32,019,980
Limit on interest expense	**55,215**	78,884	30,250
Dividend income	**(409,431)**	-	(488,478)
Interest income subjected to final tax	**(220,860)**	(315,535)	(121,002)
	P38,268,392	P63,823,067	P125,623,453

Deferred income tax assets (liabilities) recognized by the Company consists of:

	2024		2023	
	Tax Base	Deferred Tax	Tax Base	Deferred Tax
Deferred Tax Assets				
Retirement benefit obligation	**P76,019,988**	**P19,004,997**	P67,780,803	P16,945,201
Capitalized interest charged to NOLCO	**36,928,244**	**9,232,061**	-	-
Deferred rent income	**33,151,740**	**8,287,935**	43,509,817	10,877,454
Book and tax basis difference under PFRS 16	**12,944,144**	**3,236,036**	10,377,088	2,594,272
Unrealized foreign exchange loss	-	-	52,732	13,183
	159,044,116	**39,761,029**	121,720,440	30,430,110
Deferred Tax Liabilities				
Gain on change in fair value of investment properties	**(3,211,797,991)**	**(802,949,498)**	(3,054,331,098)	(763,582,774)
Gain on sublease	**(76,501,030)**	**(19,125,257)**	(83,858,576)	(20,964,644)
Capitalized interest	**(36,928,244)**	**(9,232,061)**	-	-
Unrealized gain on repossession of real estate inventories	**(9,244,982)**	**(2,311,246)**	(9,244,982)	(2,311,246)
Accrued rent receivable	**(1,765,295)**	**(441,321)**	(1,765,295)	(441,324)
Unrealized foreign exchange gain	**(812,642)**	**(203,163)**	-	-
	(3,337,050,184)	**(834,262,546)**	(3,149,199,951)	(787,299,988)
	(P3,178,006,068)	**(P794,501,517)**	(P3,027,479,511)	(P756,869,878)

The Company's unrecognized deferred tax assets pertain to the following:

	2024		2023	
	Tax Base	**Deferred Tax**	Tax Base	Deferred Tax
Net operating loss carry-over (NOLCO)	**P683,027,155**	**P170,756,788**	P494,013,228	P123,503,308
Allowance for impairment loss on trade and other receivables	**346,654,208**	**86,663,552**	354,840,963	88,710,241
MCIT	**6,800,699**	**6,800,699**	6,362,873	6,362,873
Total	**P1,036,482,062**	**P264,221,040**	P855,217,064	P218,576,422

Deferred tax assets have not been recognized by management in respect of the above items because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

The Company has NOLCO which can be claimed as deduction from future taxable income as follows:

Year incurred	Amount incurred	Amount applied	Amount expired	Remaining balance	Valid until
2024	P225,942,170	P-	P-	P225,942,170	2027
2023	30,198,455	-	-	30,198,455	2026
2022	95,576,356	-	-	95,576,356	2025
2021	255,596,842	-	-	255,596,842	2026
2020	112,641,575	-	-	112,641,575	2025
	P719,955,398	P -	P -	P719,955,398	

In accordance with the Revenue Regulations No. 25-2020 Section 4 issued on September 30, 2020, the business or enterprise which incurred net operating loss for taxable years 2020 and 2021 shall be allowed to carry over the same as a deduction from its gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

Details of the Company's MCIT which can be claimed as deduction against future taxable income is as follows:

Year incurred	Amount incurred	Amount applied	Amount expired	Remaining balance	Valid until
2024	P1,259,530	P -	P -	P1,259,530	2027
2023	3,915,279	-	-	3,915,279	2026
2022	1,625,890	-	-	1,625,890	2025
2021	821,704	-	821,704	-	2024
	P7,622,403	P -	P821,704	P6,800,699	

24. Capital and Treasury Stock

Movements in the Company's capital stock are as follows:

	2024	2023	2022
Authorized			
16,000,000,000 common shares at P0.50 par value	**P8,000,000,000**	P8,000,000,000	P8,000,000,000
Issued and outstanding			
7,866,647,523 shares in 2023 and 2022			
3,688,869,745 shares in 2020	**3,933,323,762**	3,933,323,762	3,933,323,762
Subscribed			
1,314,711,262 shares	**657,355,632**	657,355,632	657,355,632
Subscriptions receivable – Capital Stock	**(157,478,973)**	(157,478,973)	(157,478,973)
Subscription receivable - APIC	**(157,478,973)**	(157,478,973)	(157,478,973)
	342,397,686	342,397,686	342,397,686
Capital Stock	**4,275,721,448**	4,275,721,448	4,275,721,448
Additional paid-in capital	**780,630,029**	780,630,029	780,630,029
Total Paid-in Capital	**P5,056,351,477**	P5,056,351,477	P5,056,351,477

On July 23, 2018, the Stockholders approved the amendment of Article VII of the Company's Articles of Incorporation increasing the Company's authorized capital stock from 8,000,000,000 common shares with a par value of P0.50 per share to 16,000,000,000 common shares with a par value of P0.50 per share. The Company's application with the SEC for the increase in authorized capital was approved on May 14, 2019.

From the increased capital stock, on June 22, 2022, the Company issued 4,177,777,778 new common shares valued at P0.54 per share based on 120-day Volume Weighted Average Price for the period October 6, 2017 to April 6, 2018, in favor of Greenhills Properties, Inc. (GPI) in exchange for two (2) vacant lots in Bonifacio Global City (see Note 11). The Company obtained a Valuation and Fairness Opinion Report from a PSE-Accredited Firm on the property-for-share swap transaction for the reason that the parties to the said transaction are related parties. The above-described transaction resulted in Additional Paid-in Capital of P167,111,111 before deducting transaction costs of P100,985,622 or a net amount of P66,125,489. Transaction costs include SEC filing fees, legal and other professional fees, documentary stamps tax on primary issue of common stocks, transfer taxes and registration fees.

Details of the Company's treasury stock are as follows:

	2024	2023	2022
Treasury Stock			
81,256,100 common shares with average cost of P1.35 per share	**P109,712,439**	P109,712,439	P109,712,439

25. Reserves

This account consists of:

	Note	2024	2023	2022
Revaluation on FVOCI				
Balance at beginning of year		**(P26,485,606)**	(P25,606,702)	(P24,038,272)
Changes in fair value during the year	5	**4,852,614**	(878,903)	(1,568,430)
Disposal	5	**(10,178,028)**	-	-
Balance at end of year	5	**(31,811,020)**	(26,485,605)	(25,606,702)
Remeasurement gain (loss) on retirement benefit obligation				
Balance at beginning of year		**(38,965,444)**	(30,033,425)	(40,799,162)
Actuarial gain (loss) during the year – gross		**2,491,111**	(11,909,359)	14,354,316
Tax effect		**(622,778)**	2,977,340	(3,588,579)
Balance at end of year		**(37,097,111)**	(38,965,444)	(30,033,425)
Appropriated retained earnings		**109,712,439**	109,712,439	109,712,439
		P40,804,309	P44,261,390	P54,072,312

The Company's retained earnings amounting to P109,712,439 was appropriated to cover the cost of the treasury shares.

26. Basic Earnings Per Share

	2024	2023	2022
Net income	**(P128,907,696)**	P116,818,341	P181,779,049
Weighted average no. of common shares - issued and outstanding	**9,100,102,685**	9,100,102,685	9,100,102,685
Basic earnings (loss) per share	**(P0.01)**	P0.01	P0.02

The weighted average number of common shares issued and outstanding was computed as follows:

	Note	2024	2023	2022
Issued and outstanding	24	**7,866,647,523**	7,866,647,523	7,866,647,523
Subscribed shares	24	**1,314,711,262**	1,314,711,262	1,314,711,262
Treasury shares	24	**(81,256,100)**	(81,256,100)	(81,256,100)
Average number of shares		**9,100,102,685**	9,100,102,685	9,100,102,685

The Company has no potential dilutive shares as at December 31, 2024, 2023 and 2022.

27. Material Accounting Policies

Adoption of Amendments to Standards
The accounting policies adopted in the preparation of the financial statements are consistent with those of the Company's financial statements for the year ended December 31, 2023 except for the adoption of the following new standards and amended PFRS which became effective beginning January 1, 2024. Unless otherwise indicated, none of these had a material effect on the financial statements.

- Amendments to PAS 1, Classification of Liabilities as Current or Non-current affect only the presentation of liabilities in the statement of financial position — not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. They:

  - clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability;

  - clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and

  - make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

New and Amended Standards Not Yet Adopted
A number of new and amended standards and interpretations are effective for annual periods beginning after January 1, 2024 and have not been applied in preparing the financial statements. Unless otherwise indicated, none of these is expected to have a material effect on the financial statements. The Company will adopt the following new and amended standards and interpretations on the respective effective dates:

- Annual Improvements to PFRS Accounting Standards – Volume 11:
  - PFRS 1, *First-time Adoption of Philippine Financial Reporting Standards*. The amendment addresses a potential confusion arising from an inconsistency in wording between paragraph B6 of PFRS 1 and requirements for hedge accounting in PFRS 9, Financial Instruments.

  - PFRS 7, *Financial Instruments: Disclosures*. The amendment addresses a potential confusion in paragraph B38 of PFRS 7 arising from an obsolete reference to a paragraph that was deleted from the standard when PFRS 13 Fair Value Measurement was issued. Implementation guidance was also amended to address: (a) an inconsistency between paragraph 28 of PFRS 7 and its accompanying implementation guidance that arose when a consequential amendment resulting from the issuance of PFRS 13 was made to paragraph 28, but not to the corresponding paragraph in the implementation guidance; and (b) a potential confusion by clarifying in paragraph IG1 that the guidance does not necessarily illustrate all the requirements in the referenced paragraphs of PFRS 7 and by simplifying some explanations.

  - PFRS 9, *Financial Instruments*. The amendment addresses a potential lack of clarity in the application of the requirements in PFRS 9 to account for an extinguishment of a lessee's lease liability that arises because paragraph 2.1(b)(ii) of PFRS 9 includes a cross-reference to paragraph 3.3.1, but not also to paragraph 3.3.3 of PFRS 9.

An amendment was also made to address a potential confusion arising from a reference in Appendix A to PFRS 9 to the definition of 'transaction price' in PFRS 15, Revenue from Contracts with Customers while term 'transaction price' is used in particular paragraphs of PFRS 9 with a meaning that is not necessarily consistent with the definition of that term in PFRS 15.

- PFRS 10, *Consolidated Financial Statements.* The amendment addresses a potential confusion arising from an inconsistency between paragraphs B73 and B74 of PFRS 10 related to an investor determining whether another party is acting on its behalf by aligning the language in both paragraphs.

- PAS 7, *Statement of Cash Flows.* The amendment addresses a potential confusion in applying paragraph 37 of PAS 7 that arises from the use of the term 'cost method' that is no longer defined in PFRS Accounting Standards.

The amendments are effective for annual periods beginning on January 1, 2026.

- PFRS 18, *Presentation and Disclosure in Financial Statements* will supersede PAS 1, Presentation of Financial Statements. The standard is effective for annual periods beginning on January 1, 2027.

- PFRS 19, *Subsidiaries without Public Accountability: Disclosures* allows eligible entities to elect to apply PFRS 19's reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other PFRS accounting standards. The application of the standard is optional for eligible entities. The standard is effective for annual reporting periods beginning on or after January 1, 2027 with earlier application permitted.

New Standard and Amendments to Standards Effective on or after January 1, 2024 but Not Applicable to the Company

- PFRS 17, *Insurance Contracts*
- PAS 21, *Lack of Exchangeability*
- PFRS 9 and PFRS 7, *Contracts Referencing Nature-dependent Electricity*

The accounting policies set out below have been applied consistently to all periods presented in the separate financial statements.

<u>Financial Assets and Financial Liabilities</u>

Financial Assets

Recognition
The Company recognizes a financial asset in the separate statements of financial position when it becomes a party to the contractual provisions of a financial instrument. In the case of a regular way purchase or sale of financial assets, recognition is done using settlement date accounting.

Financial assets are recognized initially at fair value of the consideration given. The initial measurement of financial assets, except for those designated as at FVPL, includes transaction costs.

Classification
The Company classifies its financial assets, at initial recognition, in the following categories: financial assets at amortized cost, financial assets at FVOCI and financial assets at FVPL. The classification depends on the business model of the Company for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Financial assets are not reclassified subsequent to initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the reporting period following the change in the business model.

Financial Assets at Amortized Cost. A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVPL:

- it is held within a business model whose objective is to hold financial assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, the financial assets are subsequently measured at amortized cost using the effective interest method, less any allowance for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition, and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are reclassified to FVPL, impaired or derecognized, as well as through the amortization process.

The Company's cash and cash equivalents, trade and other receivables and refundable deposits are included under this category.

Financial Assets at FVOCI (equity instruments). Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI 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 as other income in the separate statement of total comprehensive 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 OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company's financial assets at fair value through OCI include investments in quoted and unquoted equity instruments and proprietary club shares.

Financial Assets at FVPL. Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, 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 solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or materialy reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the separate statements of financial position at fair value with net changes in fair value recognized in profit or loss.

The Company's investments in equity instruments at FVPL are classified under this category.

Derecognition
A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when:

- The right to receive cash flows from the asset has expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; and either: (a) has transferred substantially all the risks and rewards of the asset; or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes the associated liability. The transferred asset and the associated liability are measured on the 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 is required to repay.

Impairment
The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. 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 effective interest rate. 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.

For trade receivables on sale of real estate, the Company applies a general approach in calculating ECLs. Under the general approach, ECLs are recognized in three (3) stages as follows:

- Stage 1: For credit exposures for which there has not been a material increase in credit risk since initial recognition and there is no default that occurred, a 12-month ECL is provided for credit losses that result from default events that are possible within the next 12 months.
- Stage 2: For credit exposures for which there has been a material increase in credit risk since initial recognition and there is still no default that occurred, a loss allowance equivalent to lifetime ECL is required for credit losses expected over the remaining life of the exposure.
- Stage 3: For credit exposures for which there has been a material increase in credit risk since initial recognition and for which an actual default has also occurred, a loss allowance equivalent to lifetime ECL is required for credit losses expected over the remaining life of the exposure.

The key inputs in the model include the Company's definition of default and historical data of two (2) material projects with an average of five (5) years for the origination, maturity date and default date. The Company considers trade receivables on sale of real estate in default when contractual payment are 90 days past due, except for certain circumstances when the reason for being past due is due to reconciliation with customers of payment records which are administrative in nature which may extend the definition of default to 90 days and beyond. 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.

At each reporting date, the Company assesses whether there has been a material increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Company considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis.

The Company considers that there has been a material increase in credit risk when contractual payments are more than 90 days past due.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed material increase in credit risk since origination, then the loss allowance measurement reverts from lifetime ECL to 12-months ECL.

For cash and cash equivalents, the Company applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. However, when there has been a material increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Company uses the ratings from publicly available sources to determine whether the debt instrument has materialy increased in credit risk and to estimate ECLs.

The Company considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

For trade receivables on lease and other financial assets such as accrued receivable, receivable from related parties and advances to other companies, impairment provisions would be based on the assumption that the receivable is demanded at the reporting date and it would reflect the losses (if any) that would result from this. Since the receivables are collectible on demand, the contractual period is the very short period needed to transfer the cash once demanded.

Discounting would have immaterial effect in the balances.

Financial Liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, 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.

The Company's financial liabilities include trade and other payables, finance lease liability and loans payable.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings
This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of total comprehensive income.

This category generally applies to short term and long term debt.

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. 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 statement of total comprehensive income.

Determination of Fair Value
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is material to the fair value measurement as a whole:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: inputs for the asset or liability that are not based on observable market data.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing the categorization at the end of each reporting period.

Offsetting Financial Instruments
Financial assets and financial liabilities are offset and the net amount is reported in the separate statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

Prepayments
Prepayments represent expenses not yet incurred but already paid in cash. Prepayments are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are charged to income as they are consumed in operations or expire with the passage of time.

Prepayments are classified in the separate statements of financial position as current asset when the cost of goods or services related to the prepayment are expected to be incurred within one (1) year or the Company's normal operating cycle, whichever is longer. Otherwise, prepayments are classified as non-current assets.

Investments in Subsidiaries
Subsidiaries are all entities (including structured entities) over which the Company has control. The Company has control as an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

Investment in shares of stock of subsidiaries is accounted for using the cost method in the separate financial statements. Under this method, investments are recognized at cost and income from investment is recognized in profit or loss only to the extent that the investor receives distribution from accumulated profits of the investee arising after the acquisition date. Distributions received in excess of such profits are regarded as a recovery of investment and are recognized as a reduction of the cost of the investment.

Investments in Associates
An associate is an entity over which the Company is in a position to exercise material influence, but not control or joint control, through participation in the financial and operating policy decisions of the investee.

In the separate financial statements of the Company, investment in shares of stock of associates is accounted for using the cost method. The reporting dates of the investee companies and the Company are identical and the investee companies' accounting policies conform to those used by the Company for like transactions and events in similar circumstances. Upon loss of material influence over the associate, the Company measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of material influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss.

Real Estate Inventories
Property acquired or being developed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory and is measured at the lower of cost and net realizable value.

Cost includes amounts paid to contractors for construction, borrowing costs, planning and design costs, costs of site preparation, professional fees, property transfer taxes, construction overheads and other related costs.

Net realizable value (NRV) is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less costs to complete and the estimated costs to sell.

The cost of inventory recognized in profit or loss on disposal is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

The provision account, if any, is reviewed on a monthly basis to reflect the reasonable valuation of the Company's inventories. Inventory items identified to be no longer recoverable is written-off and charged as expense for the period.

Real estate held for development is measured at lower of cost and NRV. Expenditures for development and improvements of land are capitalized as part of the cost of the land. Directly identifiable borrowing costs are capitalized while the development and construction is in progress.

Property and Equipment

Property and equipment are initially measured at cost which consists of its purchase price and costs directly attributable to bringing the asset to its working condition for its intended use and are subsequently measured at cost less any accumulated depreciation, amortization and impairment losses, if any.

Subsequent expenditures relating to an item of property and equipment that have already been recognized are added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Company. All other subsequent expenditures are recognized as expenses in the period in which those are incurred.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

	Number of years
Building	25
Building improvements	5 to 10
Office furniture, fixtures and equipment	3 to 10
Transportation and other equipment	5

The assets' residual values, estimated useful lives and depreciation and amortization methods are reviewed periodically to ensure that the amounts, periods and methods of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property and equipment.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further charge for depreciation is made in respect of those assets.

Derecognition

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal at which time, the cost and their related accumulated depreciation are removed from the accounts. Gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Investment Properties

Investment properties comprised completed property and property under development or re-development that are held to earn rentals or capital appreciation or both and that are not occupied by the Company. Investment property is initially measured at cost incurred in acquiring the asset and subsequently stated at fair value. Subsequent expenditures are measured at costs at the time the costs are incurred. Revaluations are made with sufficient regularity by external independent appraisers to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the period. The external independent appraiser uses sales comparison approach in arriving at the value of the properties. In this approach, the value of the properties is based on sales and listings of comparable properties. This is done by adjusting, the differences between the subject property and those actual sales and listings regarded as comparable. The properties used as bases of comparison are situated within the immediate vicinity or at a different floor levels of the same building. Comparison would be premised on factors such as location, size and physical attributes, selling terms, facilities offered and time element.

A gain or loss arising from a change in the fair value of investment property is recognized in profit or loss for the period in which it arises.

A transfer is made to investment property when there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. A transfer is made from investment property when and only when there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. A transfer between investment property, owner-occupied property and inventory does not change the carrying amount of the property transferred nor does it change the cost of that property for measurement or disclosure purposes.

Derecognition
Investment properties are derecognized when either they have been disposed of, or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement, disposal or cancellation of sale of an investment property is recognized in the separate statements of total comprehensive income in the year of retirement or disposal.

Impairment of Non-financial Assets
At each reporting date, the Company assesses whether there is any indication that any of its non-financial assets may have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

The recoverable amount of the non-financial asset is the higher of fair value less costs of disposal and value-in-use. 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 which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized as an expense.

When an impairment loss reverses subsequently, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized in prior years. A reversal of an impairment loss is recognized in profit or loss.

Equity
An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Distribution to the Company's shareholders is recognized as a liability in the Company's separate financial statements in the period in which the dividends are approved by the Company's Board of Directors.

Capital stock
Capital stock is classified as equity when there is no obligation to the transfer of cash or other assets. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds, net of tax.

Additional paid-in capital
Additional paid-in capital pertains to premium paid over the par value of shares.

Retained earnings
Retained earnings include all the accumulated income of the Company, dividends declared and share issuance costs. Retained earnings is net of amount offset from additional paid-in capital arising from the quasi-reorganization.

Treasury stock
The Company's equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in the separate statements of total comprehensive income on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in additional paid-in capital. Voting rights related to treasury shares are nullified for the Company and no dividends are allocated to them respectively. When the shares are retired, the capital stock account is reduced by its par value and the excess of cost over par value upon retirement is debited to additional paid-in capital when the shares were issued and to retained earnings for the remaining balance.

Employee Benefits

Short-term benefits
The Company recognizes a liability net of amounts already paid and an expense for services rendered by employees during the accounting period. Short-term benefits given by the Company to its employees include salaries and wages, social security contributions, short-term compensated absences, bonuses and non-monetary benefits.

Post-employment benefits
The Company's net obligation in respect of its defined benefit plan is calculated by estimating the amount of the future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of the defined benefit obligation (DBO) is performed on a periodic basis by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the DBO at the beginning of the annual period to the then net defined benefit liability (asset), taking into account any changes in the net defined liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to the defined benefit plan are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss.

The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Revenue Recognition

The Company primarily derives its real estate revenue from the sale of vertical real estate projects. 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 disclosures of material accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 28.

The Company derives its real estate revenue from sale of 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 the 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.

This is based on the monthly project accomplishment report prepared by the third-party surveyor as approved by the construction manager which integrates the surveys of performance to date of the construction activities for both sub-contracted and those that are fulfilled by the developer itself.

Revenue from sales of completed real estate projects is accounted for using the full accrual method.

Any excess of collections over the recognized receivables are included in the "Deposits and other current liabilities" account in the liabilities section of the separate statements of financial position.

If any of the criteria under the full accrual or percentage-of-completion method is not met, the deposit method is applied until all the conditions for recording a sale are met. Pending recognition of sale, cash received from buyers are presented under the "Deposits and other current liabilities" account in the liabilities section of the separate statements of financial position.

Cancellation of real estate sales
The Company reverses the previously recognized revenue and related costs.

Interest income
Interest income is recognized as it accrues using the effective interest method.

Dividend income
Dividend income is recognized when the Company's right to receive the payment is established.

Cost Recognition
The Company recognizes costs relating to satisfied performance obligations as these are incurred taking into consideration the contract fulfillment assets. These include costs of land, land development costs, building costs, professional fees, depreciation, permits and licenses and capitalized borrowing costs. These costs are allocated to the saleable area, with the portion allocable to the sold area being recognized as costs of sales while the portion allocable to the unsold area being recognized as part of real estate inventories.

Contract costs include all direct materials and labor costs and those indirect costs related to contract performance. Expected losses on contracts are recognized immediately when it is probable that the total contract costs will exceed total contract revenue. Changes in contract performance, contract conditions and estimated profitability, including those arising from contract penalty provisions, and final contract settlements which may result in revisions to estimated costs and gross margins are recognized in the year in which the changes are determined.

Expense Recognition

Expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase in a liability has arisen that can be measured reliably. Expenses are recognized in profit or loss on the basis of: (i) a direct association between the costs incurred and the earning of specific items of income; (ii) systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined; or (iii) immediately when an expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify or cease to qualify for recognition in the statements of separate financial position as an asset.

Expenses in the separate statements of total comprehensive income are presented using the function of expense method. General and administrative expenses are costs attributable to general, administrative and other business activities of the Company.

Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period in which they were incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs are capitalized from the commencement of the development work until the date of practical completion. The capitalization of borrowing costs is suspended if there are prolonged periods when development activity is interrupted. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recorded.

The capitalization rate is calculated as the weighted average of the borrowing costs applicable to the entity's outstanding borrowings during the period, excluding borrowings made specifically for the qualifying asset. This rate is then applied to the expenditures on the qualifying asset to determine the borrowing costs eligible for capitalization.

Leases

The Company as Lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;

- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the separate statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a material event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under PAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the separate statement of financial position.

The Company applies PAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property and Equipment' policy.

The Company as Lessor
The Company enters into lease agreements as a lessor with respect to some of its investment properties.

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

When a contract includes lease and non-lease components, the Company applies PFRS 15 to allocate the consideration under the contract to each component.

The Company as Sub-lessor
The Company is a sub-lessor (intermediate lessor) to one of its right-of-use assets.

An intermediate lessor classifies the sublease as a finance lease or an operating lease as follows:

- If the head lease is a short-term lease, the sublease is classified as an operating lease
- Otherwise, the sublease is classified by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset. A lease is classified as a finance lease if it transfers substantially all the risks and rewards from the right-of-use asset resulting from the head lease; otherwise, it is classified as an operating lease.

For subleases classified as a finance lease, the intermediate lessor derecognizes the right-of-use asset relating to the head lease that is transfers to the sublessee and recognizes the net investment in the sublease; any difference between the right-of-use assets and the investment in the finance sublease is recognized in profit or loss. At the commencement date, net investment in the finance lease is measured at an amount equal to the present value of the lease payments for the underlying right-of-use assets during the lease term. The lessor recognizes finance income over the lease term, based on a pattern reflecting a constant period rate of return on the lessor's net investment in the lease.

For subleases classified as operating lease, the intermediate lessor recognizes the lease income from operating leases on a straight-line basis over the lease term. The respective leased asset is included in the statement of financial position based on its nature.

Income Tax
Income tax expense for the period comprises current and deferred tax. Income tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The current income tax expense is calculated on the basis of the tax laws enacted at the reporting date. Management periodically evaluates positions in income tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized on temporary difference arising between the tax bases of assets and liabilities and their carrying amounts in the separate financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is d0etermined using tax rates (and laws) that have been enacted or substantively enacted at the reporting date and are expected to apply when related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax losses (net operating loss carryover or NOLCO) and unused tax credits (excess minimum corporate income tax or MCIT) to the extent that it is probable that future taxable profit will be available against which the temporary differences, unused tax losses and unused tax credits can be utilized. The Company reassesses at each reporting date the need to recognize a previously unrecognized deferred income tax asset.

Deferred income tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority and the same taxable entity.

Uncertainty over Income Tax Treatments
The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty is followed.

The Company considers whether it is probable that the relevant authority will accept each tax treatment, or group of tax treatments, that it used or plans to use in its income tax filing.

If the Company concludes that it is probable that a particular tax treatment is accepted, the Company determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment included in its income tax filings.

If the Company concludes that it is not probable that a particular tax treatment is accepted, the Company uses the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The decision should be based on which method provides better predictions of the resolution of the uncertainty.

Provisions and Contingencies
Provisions are recognized when the Company has a present obligation, either legal or constructive, as a result of a past event; when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and; when the amount of the obligation can be estimated reliably. When the Company expects reimbursement of some or all of the expenditure required to settle a provision, the entity recognizes a separate asset for the reimbursement only when it is virtually certain that reimbursement will be received when the obligation is settled.

The amount of the provision recognized is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. A provision is measured using the cash flows estimated to settle the present obligation; its carrying amount is the present value of those cash flows.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.
Contingent liabilities are not recognized because their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent liabilities are disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not recognized in the separate financial statements but are disclosed when an inflow of economic benefits is probable.

Related Party Relationships and Transactions

Related party relationship exists when one party has the ability to control, directly, or indirectly through one or more intermediaries, the other party or exercise material influence over the other party in making financial and operating decisions. Such relationship also exists between and/or among entities which are under common control with the reporting enterprise, or between, and/or among the reporting enterprise and its key management personnel, directors, or its shareholders. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Earnings per Share

Basic earnings per share

The Company computes its basic earnings per share by dividing net profit attributable to common equity holders of the Company by the weighted average number of common shares issued and outstanding during the period.

Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of common shares outstanding to assume conversion of all dilutive potential common shares.

Events After the Reporting Date

The Company identifies events after the reporting date as events that occurred after the reporting date but before the date the separate financial statements were authorized for issue. Any subsequent event that provides additional information about the Company's financial position at the reporting date is reflected in the separate financial statements. Non-adjusting subsequent events are disclosed in the notes to the separate financial statements when material.

28. Critical Accounting Judgments and Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a material risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Critical Accounting Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a material risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Revenue and cost recognition on real estate projects

The Company's revenue recognition and cost policies require 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 and construction contracts is recognized based on the percentage of completion (POC) are measured principally on the basis of the estimated completion of a physical proportion of the contract work. Apart from involving material estimates in determining the quantity of inputs such as materials, labor and equipment needed, the assessment process for the POC is complex and the estimated project development costs requires technical determination by management's specialists (project engineers).

Similarly, the commission is determined using the percentage of completion.

Provision for expected credit losses of trade receivables
The Company uses historical loss rates as input to assess credit risk characteristics. The Company determines the appropriate receivables groupings based on shared credit risk characteristics such as revenue type, collateral or type of customer. The historical loss rates are adjusted to reflect the expected future changes in the portfolio condition and performance based on economic conditions and indicators such as inflation and interest rates that are available as at the reporting date.

The assessment of the correlation between historical observed default rates, forecast economic conditions (inflation and interest rates) and ECLs is a material estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The information about the ECLs on the Company's trade receivables is disclosed in Notes 6 and 30.

Evaluation of net realizable value of real estate inventories
The Company adjusts the cost of its real estate inventories to net realizable value based on its assessment of the recoverability of the assets. In determining the recoverability of the assets, management considers whether those assets are damaged or if their selling prices have declined. Likewise, management also considers whether the estimated costs of completion or the estimated costs to be incurred to make the sale have increased. The amount and timing of recorded expenses for any period would differ if different judgments were made or different estimates were utilized.

Results of management's assessment disclosed that there is no need for provision for write-down of inventories as at December 31, 2024 and 2023.

Estimating useful lives of assets
The useful lives of assets are estimated based on the period over which the assets are expected to be available for use. The estimated useful lives of assets are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the Company's assets. In addition, the estimation of the useful lives is based on the Company's collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of assets would increase the recognized operating expenses and decrease non-current assets.

Post-employment and other employee benefits
The present value of the retirement obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of retirement obligations.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the retirement obligations. In determining the appropriate discount rate, the Company considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related retirement obligation.

Other key assumptions for retirement obligations are based in part on current market conditions. Additional information is disclosed in Note 17.

Retirement obligation as at December 31, 2024 and 2023 amounted to P76,019,988 and P67,780,803, respectively (see Note 17).

Estimating fair value of investment property
The Company obtained the services of an independent valuer who holds a recognized and relevant professional qualification and has recent experience in the location and category of the investment properties being valued. An independent valuation of the Company's investment properties was performed by appraisers to determine their fair values. The valuation was determined by reference to sales and listing of comparable properties.

Recoverability of deferred tax assets
The Company reviews the carrying amounts at each reporting date and reduces deferred tax assets to the extent that it may not be probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. The Company considers that it is impracticable to disclose with sufficient reliability the possible effects of sensitivities surrounding the utilization of deferred tax asset.

Total unrecognized deferred tax assets amounted to P264.22 million and P218.57 million as at 2024 and 2023, respectively (see Note 23).

Critical Accounting 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 separate financial statements:

Existence of a contract
The Company's primary document for a contract with a customer is a signed contract to sell. It has determined, however, that in cases wherein contract to sell are not signed by both parties, the combination of its other signed documentation such as reservation agreement, official receipts, buyers' computation sheets and invoices, 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.

Collectability
In evaluating whether collectability of an amount of consideration is probable, an entity considers the significance of the customer's initial payments in relation to the total contract price. Collectability is also assessed by considering factors such as past history with the customer, age and pricing of the property. Management regularly evaluates the historical cancellations and back-outs if it would still support its current threshold of customers' equity before commencing revenue recognition.

Revenue recognition method and measure of progress
The Company concluded that revenue for real estate sales 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 material 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. In addition, the Company requires a certain percentage of buyer's payments of total selling price (buyer's equity), to be collected as one of the criteria in order to initiate revenue recognition. Reaching this level of collection is an indication of buyer's continuing commitment and the probability that economic benefits will flow to the Company. The Company considers that the initial and continuing investments by the buyer of about 25% would demonstrate the buyer's commitment to pay.

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 to the customers.

Distinction between investment properties and owner-occupied properties and real estate inventories and held for development
The Company determines whether a property qualifies as investment property. In making this judgment, the Company considers whether the property generates cash flows largely independent of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to property but also to the other assets used in the production or supply process.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions cannot be sold separately at the reporting date, the property is accounted for as investment property only if an in material portion is held for use in the production or supply of goods or services or for administrative purposes. Judgment is applied in determining whether ancillary services are so material that a property does not qualify as investment property. The Company considers each property separately in making its judgment.

The Company determines that a property will also be classified as real estate inventory when it will be sold in the normal operating cycle or it will be treated as part of the Company's strategic land activities for development in the medium or long-term.

Contingencies
The Company is currently involved in various legal proceedings and tax assessments. Estimates of probable costs for the resolution of these claims has been developed in consultation with outside counsel handling the defense in these matters and is based upon an analysis of potential results. The Company currently does not believe these proceedings will have a material adverse effect on the financial position. It is possible, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the Company's strategies relating to these proceedings.

29. Fair Value Measurement

The fair values of the Company's financial instruments are equal to the carrying amounts in the separate statements of financial position as at December 31, 2024 and 2023.

Fair values have been determined for measurement and disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values are disclosed in the notes to the separate financial statements specific to that asset or liability.

The methods and assumptions used by the Company in estimating the fair value of the financial instruments are as follows:

Cash and cash equivalents and trade and other receivables – current portion carrying amounts approximate fair values due to the relatively short-term maturities of these items.

Trade and other receivables- non-current portion carrying amounts approximate their fair values as they are either priced using prevailing market rates or that the effect of discounting has been considered.

Financial assets at FVPL and FVOCI – these are investments in equity securities, fair value for quoted equity securities is based on quoted prices published in markets as of reporting dates.

Trade and other payables - the carrying values of trade and other payables approximate its fair value because of the short-term nature of these financial liabilities.

Loans payable – carrying amounts approximate their fair values as they are either priced using prevailing market rates or that the effect of discounting is not material.

The table below analyzes financial instruments measured at fair value at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorized:

December 31, 2024

	Level 1	Level 2	Level 3	Total
Equity investments:				
Financial assets at FVPL	**P6,750,000**	P-	P-	**P6,750,000**
Financial assets at FVOCI	**27,925,315**	-	-	**27,925,315**

December 31, 2023

	Level 1	Level 2	Level 3	Total
Equity investments:				
Financial assets at FVPL	P6,750,000	P-	P-	P6,750,000
Financial assets at FVOCI	35,197,203	-	-	35,197,203

30. Financial Risk Management Objective and Policies

The Company's activities expose it to a variety of financial risks: market risk, liquidity risk and credit risk. The Company's overall risk management program seeks to minimize potential adverse effects on the financial performance of the Company. The policies for managing specific risks are summarized below.

The BOD has overall responsibility for the establishment and oversight of the Company's risk management framework. It monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. Risk management policies and systems are reviewed regularly to reflect changes in market conditions.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Market risk

Foreign exchange risk
The Company undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise with respect to transactions denominated in US dollar. Foreign exchange risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the Company's functional currency. Material fluctuation in the exchange rates could materially affect the Company's financial position.

Foreign exchange risk exposure of the Company is limited to its cash and cash equivalents. Currently, the Company has a policy not to incur liabilities in foreign currency. Construction and supply contracts, which may have import components, are normally denominated in Philippine peso.

	2024		2023	
	US dollar Deposit	**Peso Equivalent**	US dollar Deposit	Peso Equivalent
Cash and cash equivalents	**$332,909**	**P19,313,377**	$328,389	P18,247,604

The closing rates applicable as at December 31, 2024 and 2023 are P58.01 and P55.57 to US$1, respectively.

The following table demonstrates the sensitivity to a reasonably possible change in the US Dollar exchange rate, with all other variables held constant, of the Company's income in 2024 and 2023. The percentage changes in rates have been determined based on the average market volatility in exchange rates, using standard deviation, in the previous 12 months at a 99% confidence level.

	+/-	Effect on Equity
2024	**0.19%**	**P36,118**
2023	0.19%	34,939

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The primary source of the Company's interest rate risk relates to its cash and cash equivalents, trade receivables and loans payable. The interest rates on cash and cash equivalents and is disclosed in Notes 3.

Cash and cash equivalents are short-term in nature and with the current interest rate level, any variation in the interest will not have a material impact on the profit or loss of the Company.

Management is responsible for monitoring the prevailing market-based interest rate and ensures that the mark-up charged on its borrowings are optimal and benchmarked against the rates charged by other creditor banks (see Note 15).

The following table illustrates the sensitivity of the Company's profit or loss to a reasonably possible change in interest rates of its cash and cash equivalents and loan with all other variables held constant.

	2024		2023	
	+/-%	Effect on Profit or Loss	+/-%	Effect on Profit or Loss
Cash in bank	**0.10%**	**P34,821**	0.16%	P439,002
Cash equivalents	**0.08%**	**7,103**	0.07%	6,214
Loans payable	**1.27%**	**(23,434,342)**	1.19%	(14,362,080)
		(P23,392,418)		(P13,916,864)

Price risk
Price risk is the risk that the fair value of the financial instrument particularly equity instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether caused by factors specific to an individual investment, its issuer or factors affecting all instruments traded in the market.

The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. The Company's Board of Directors reviews and approves all equity investment decisions.

At December 31, 2024, the impact of 2.72% increase/decrease in the price of listed equity securities, with all other variables held constant, would have been an increase/decrease of in the Company's total comprehensive income and equity for the year of 2024 - P176,995 and 2023 – P28,356. The Company's sensitivity analysis takes into account the historical performance of the stock market.

Liquidity risk
Liquidity risk refers to the risk in which the Company encounters difficulties in meeting its short-term obligations.

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Company maintains adequate highly liquid assets in the form of cash and cash equivalents to assure necessary liquidity.

The following tables detail the Company's remaining maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

		Contractual Obligation			
	Carrying Amount	Less than One Year	One to Five Years	More than Five Years	Total
2024			(In Thousand Pesos)		
Trade and other payables*	P265,724	P183,188	P79,630	P2,906	P265,724
Loans payable	1,841,919	1,059,210	956,334	-	2,015,544

2023					
Trade and other payables*	P101,047	P21,346	P72,288	P7,413	P101,047
Loans payable	1,201,860	860,845	416,765	-	1,277,610

excluding payables to government

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

The Company's credit risk is primarily attributable to its cash and cash equivalents, and trade and other receivables as disclosed in Notes 3 and 6, respectively. To manage credit risks, the Company maintains defined credit policies and monitors its exposure to credit risks on a continuous basis.

In respect of installments receivable from the sale of properties, credit risk is managed primarily through credit reviews and an analysis of receivables on a continuous basis. The Company also undertakes supplemental credit review procedures for certain installment payment structures. The Company's stringent customer requirements and policies in place contribute to low customer default. Customer payments are facilitated through various collection modes including the use of postdated checks and auto-debit arrangements. Exposure to bad debts is not material as title to real estate properties are not transferred to the buyers until full payment has been made and the requirement for remedial procedures is minimal given the profile of buyers.

Credit risk arising from rental income from leasing properties is primarily managed through a tenant selection process. Prospective tenants are evaluated on the basis of payment track record and other credit information. In accordance with the provisions of the lease contracts, the lessees are required to deposit with the Company security deposits and advance rentals which helps reduce the Company's credit risk exposure in case of defaults by the tenants. For existing tenants, the Company has put in place a monitoring and follow-up system. Receivables are aged and analyzed on a continuous basis to minimize credit risk associated with these receivables. Regular meetings with tenants are also undertaken to provide opportunities for counseling and further assessment of paying capacity.

Other financial assets are comprised of cash and cash equivalents excluding cash on hand, financial assets at FVPL and financial assets at FVOCI. The Company adheres to fixed limits and guidelines in its dealings with counterparty banks and its investment in financial instruments. Bank limits are established on the basis of an internal rating system that principally covers the areas of liquidity, capital adequacy and financial stability. The rating system likewise makes use of available international credit ratings. Given the high credit standing of its accredited counterparty banks, management does not expect any of these financial institutions to fail in meeting their obligations. Nevertheless, the Company closely monitors developments over counterparty banks and adjusts its exposure accordingly while adhering to pre-set limits.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at December 31 are as follows:

	2024	2023
Cash and cash equivalents excluding cash on hand	**P202,844,054**	P275,495,646
Trade and other receivables	**394,121,435**	581,424,673
	P596,965,489	P856,920,319

The credit quality of financial assets which are neither past due nor impaired is discussed below:

(a) Cash in banks and cash equivalents

The Company deposits its cash balance in reputable banks to minimize credit risk exposure amounting to P35,830,228 and P266,861,943 as at December 31, 2024 and 2023, respectively.

Cash deposits are considered to be of high grade.

For cash and cash equivalents, the Company applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. However, when there has been a material increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Company uses the ratings from publicly available sources to determine whether the debt instrument has materially increased in credit risk and to estimate ECLs.

(b) Trade and other receivables

Receivables amounting to P345.65 million and P353.84 million as of December 31, 2024 and 2023, respectively, were impaired and provided for. The allowance for doubtful accounts for receivables has been determined as follows:

	2024	2023
Trade receivables on sale of real estate	**P68,658,115**	P73,462,630
Trade receivables on lease	**7,034,694**	4,787,074
Advances to subsidiaries and associates	**237,135,099**	237,135,099
Advances	**862,891**	862,891
Other receivables	**31,963,409**	37,593,268
	P345,654,208	P353,840,962

b.1. *Trade receivables on real estate*

2024	Stage 1	Stage 2	Stage 3	Total
Trade receivables				
High grade	P183,970,406	P -	P -	P183,970,406
Sub-standard	-	2,274,286	-	2,274,286
Low grade	-	-	208,606,683	208,606,683
Individually impaired	-	-	10,633,871	10,633,871
	183,970,406	2,274,286	219,240,554	405,485,246
Provision				
High grade	1,453,872	-	-	1,453,872
Sub-standard	-	-	-	-
Low grade	-	-	56,570,372	56,570,372
Individually impaired	-	-	10,633,871	10,633,871
	1,453,872	-	67,204,243	68,658,115
	P182,516,534	P2,274,286	P152,036,311	P336,827,131

2023	Stage 1	Stage 2	Stage 3	Total
Trade receivables				
High grade	P215,548,097	P -	P -	P215,548,097
Sub-standard	-	10,953,547	-	10,953,547
Low grade	-	-	181,395,021	181,395,021
Individually impaired	-	-	95,130,085	95,130,085
	215,548,097	10,953,547	P276,525,106	P503,026,750

Provision				
High grade	P4,087,405	P -	P -	P4,087,405
Sub-standard	-	3,820,559	-	3,820,559
Low grade	-	-	9,532,005	9,532,005
Individually impaired	-	-	56,022,661	56,022,661
	4,087,405	3,820,559	65,554,666	73,462,630
	P211,460,692	P7,132,988	P210,970,440	P429,564,120

High grade exposures are loans that do not have greater-than-normal credit risk. The buyer has the apparent ability and willingness to satisfy his obligation in full and therefore no loss in ultimate collection is anticipated.

Sub-standard grade exposures are receivables that have normal credit risk and have past due above 30 days but below 90 days.

Low grade exposures are receivables that are past due date beyond 90 days and have approached greater-than-normal credit risk.

Individually impaired exposures are receivables that are past due beyond 90 days, have approached greater-than normal credit risk.

For trade receivables on sale of real estate, the Company applies a general approach in calculating ECLs. Under the general approach, ECLs are recognized in three (3) stages as follows:

- Stage 1: For credit exposures for which there has not been a material increase in credit risk since initial recognition and there is no default that occurred, a 12-month ECL is provided for credit losses that result from default events that are possible within the next 12 months.
- Stage 2: For credit exposures for which there has been a material increase in credit risk since initial recognition and there is still no default that occurred, a loss allowance equivalent to lifetime ECL is required for credit losses expected over the remaining life of the exposure.
- Stage 3: For credit exposures for which there has been a material increase in credit risk since initial recognition and for which an actual default has also occurred, a loss allowance equivalent to lifetime ECL is required for credit losses expected over the remaining life of the exposure.

b.2 For trade receivables on lease and other financial assets such as accrued receivable, receivable from related parties and advances to other companies, impairment provisions would be based on the assumption that the receivable is demanded at the reporting date and it would reflect the losses (if any) that would result from this. Since the receivables are collectible on demand, the contractual period is the very short period needed to transfer the cash once demanded. Discounting would have immaterial effect in the balances.

	2024			
	Lease	Advances to subsidiaries and associates	Advances	Other receivables
Gross amount	P29,571,731	P254,248,323	P90,808,449	P43,597,608
Provisions	7,034,694	237,135,099	862,891	31,963,409
Carrying Amount	P22,537,037	P17,113,224	P89,945,558	P11,634,199

	2023			
	Lease	Advances to subsidiaries and associates	Advances	Other receivables
Gross amount	P20,797,969	P256,837,286	P85,705,086	P68,898,544
Provisions	4,787,074	237,135,099	862,891	37,593,268
Carrying Amount	P16,010,895	P19,702,187	P84,842,195	P31,305,276

31. Capital Management

The Company manages its capital to ensure that the Company is able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance.

The capital structure of the Company consists of equity, which comprises of issued capital, reserves and retained earnings.

Management reviews the capital structure on a quarterly basis. As part of this review, management considers the cost of capital and the risks associated with it.

There were no changes in the Company's approach to capital management during the year.

The Company has capital requirements on their loans payable in which they shall maintain a maximum debt-to-equity ratio of 2:1 at all times. As at December 31, 2024 and 2023, the Company is within the requirement of the loan (see Note 15).

As part of the reforms of the Philippine Stock Exchange (PSE) to expand capital market and improve transparency among listed firms, PSE requires listed entities to maintain a minimum of ten percent (10%) of their issued and outstanding shares, exclusive of any treasury shares, held by the public. The Company has fully complied with this requirement in 2024 and 2023.

32. Supplementary Information Required by the Bureau of Internal Revenue (BIR)

The Bureau of Internal Revenue issued RR15-2010 and RR2-2014 on December 10, 2010 and February 3, 2014, respectively, which requires certain tax information to be disclosed in the notes to the separate financial statements. The Company presented the required supplementary tax information as a separate schedule attached to its annual income tax return.