

BUILDING
WITH PURPOSE

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Building with Purpose.

The abstract cubism pattern and intersecting lines evoke a modern philosophy of purposeful design—where form follows function, and every structure is conceived with a clear intent. This visual language reflects the company's unwavering commitment to innovation and preservation of long-standing partnerships. Rooted in trust, these relationships thrive on excellence, reliability, dedication, reciprocity, and a shared vision. Each project is meticulously crafted to serve a specific purpose, preferring tailored solutions over one-size-fits-all options.

VISION

A premium property development company
in the Philippines delivering superior value
to its customers.

MISSION

We are committed to providing individuals, families and businesses premium and upscale residential condominiums, offices, commercial spaces and leisure developments in the Philippines using best-of-class, grade-A materials, top-of-the-line fixtures, latest and state-of-the-art equipment and facilities.

We aspire to provide our shareholders a fair return for the use of their capital, for our customers an excellent value for their investments, and for our employees, a continuing employment opportunity and equitable compensation.

We neither believe in gains made by taking unfair advantage of others nor do we sacrifice long-term objectives for short-term profits. We value enduring relationships with our stakeholders.

We create spacious living in intimate communities, combining aesthetics with functionality while preserving the environment. We affirm our duties as a good corporate citizen. We commit to assist underprivileged sectors of society in improving the quality of their lives.

Message to Stockholders

**GERARDO DOMENICO
ANTONIO V. LANUZA**
Chairman of the Board



EDMUNDO C. MEDRANO
President



Dear Stockholders,

We are facing this new year with much eagerness and anticipation, as we embark not only on new projects, but new partnerships, all towards our goal of redefining luxury. But equally important is to reflect on our journey so far. Thus, our annual report's theme, BUILDING WITH PURPOSE, is also an invitation and a reminder for all of us to return to our core belief: the intention behind our properties and our projects is to showcase our commitment to quality and customer satisfaction.

Changes abound in the country's real estate industry today, but amid the transformation and challenges, we remain confident in our dedication to delivering quality in each of our projects, which is rooted in our deep understanding of the upscale market.

Global economic challenges have affected the local market, causing fluctuations, slow growth, and overall uncertainty. Despite these complications, gross revenue for 2024 was at ₱185.8 million, and our total assets have grown to ₱9.7 billion, up from ₱9.0 billion the previous year. All this points to the consistent demand and desirability our properties hold.

While reports point to oversupply in the real estate market in general, we are confident that we will not be affected, as we cater to a distinct and specific segment, a market that can be classified as a segment with inelastic demand. And as trends now point to the luxury real estate segment as an attractive long-term investment, PhilRealty is proud to be a pioneer in this space, with our diverse portfolio continuously evolving to meet the needs of our investors and customers. As the Parent Company continues to focus on high-value developments in the pipeline, we are positioned as a group for renewed growth.

With a more discerning market, we are also positive that through our product offerings, developed to exceed evolving demands and backed by our strategic initiatives, we can continue moving towards financial strength, success, and growth.

As we continue to navigate the changing real estate landscape, with your support, we are confident that we can further strengthen our position as a leader in the upscale market.

We are grateful for your unwavering trust in Philippine Realty and Holdings Corporation.

Financial Performance

REVIEW OF CONSOLIDATED COMPREHENSIVE INCOME FOR THE PERIOD ENDING 31 DECEMBER 2024 VS 31 DECEMBER 2023

SALES OF REAL ESTATE

Sales of real estate properties in 2024 amounted to only ₱54.3 million, as PhilRealty has almost fully sold its ready-for-occupancy residential condominium units for sale. It is likewise an indication of the attractiveness of the Company's units for sale.

₱54.3 M

CONSOLIDATED NET INCOME (LOSS) AFTER TAX

PhilRealty reported a net loss of ₱121.2 million for the year, which was an expected result given the Company's success in selling its inventory of units for sale. To this end, 2024 served as the year of the commencement of the construction of Unico, PhilRealty's new upscale residential tower project in Bonifacio Global City (BGC). During the pandemic years, your management chose to take a more prudent stance by deferring construction of new projects until a clearer landscape has emerged.

₱121.2 M

GENERAL AND ADMINISTRATIVE EXPENSES

General and Administrative expenses went down significantly to ₱259.7 million, compared to ₱307.7 million in 2023.

₱259.7 M

MANAGEMENT FEES

Income from management fees remained stable at ₱42.9 million, compared to ₱41.2 million in 2023. This represents an increase of 4%.

₱42.9 M

OTHER SOURCES OF INCOME

Other sources of income, including income from interest earned, commissions, and non-recurring income, contributed ₱207.8 million. This is lower than 2023's combined other sources of income of ₱445.8 million.

₱207.8 M

COST OF REAL ESTATE SOLD

The cost of condominium units in the One Balet compound and in Icon Plaza at Bonifacio Global City sold during the year was ₱34.0 million.

₱34 M

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

TOTAL ASSETS

As of 31 December 2024, the Group's total assets stood at ₱9.7 billion, representing an 8% increase over the previous year's ₱9.0 billion.

Current assets contributed to much of this growth, ending the year at ₱3.9 billion compared to the previous year's ₱3.2 billion, for an increase of 23%. Much of this can be attributed to a ₱532.1 million increase in prepayments and a ₱322.0 million increase in real estate inventories, which are directly attributable to the ongoing construction of the Company's Unico Residential Tower in BGC.

Total non-current assets remained about the same, compared to the previous year. However, trade and other receivables saw a significant reduction from ₱208 million in 2023 to just ₱68.7 million by the end of the year due to improved collection efforts. This reduction was compensated for by the increase in the value of investment properties by ₱163.0 million.

The continuing increase in total assets reflects the Company's ongoing strategic focus on strengthening its financial foundation.

₱9.7 B

With a sharpened focus on real estate development, your Company enters 2025 in a solid position to achieve future growth. This reinforces our long-term vision to deliver value to its stakeholders in the years to come.

TOTAL LIABILITIES

The total liabilities of PhilRealty increased by 35% in 2024, ending the year at ₱3.2 billion compared to ₱2.4 billion in 2023. This is largely explained by a ₱166.8 million increase in trade and other payables, as well as a ₱640.0 million increase in loans and notes payable, both due to the ongoing construction of the Company's Unico Residential Tower in BGC.

Current liabilities were up by 32% to ₱1.2 billion versus 2023's ₱0.9 billion, while non-current liabilities were up by 33% to ₱2.0 billion versus 2023's ₱1.5 billion.

The Company's strategic use of leverage is meant to support the ongoing development of the 40-storey Unico Residential Tower, which will bring upscale residential condominium units to the market, in the most preferred high-rise residential location in the country, the Bonifacio South District, BGC area.

TOTAL EQUITY

As of December 31, 2024, the Company's total equity stood at ₱6.5 billion, representing a 1.5% reduction compared to ₱6.6 billion at the end of 2023.

Capital stock and additional paid-in capital remained unchanged at ₱4.275 billion and ₱780.6 million respectively, while reserves saw a 3% reduction to ₱54.4 million from ₱56.2 million in 2023. Retained earnings fell 6.7% to ₱1.56 billion from ₱1.67 billion in 2023.

The slight decline in total equity in 2024 is explained by a dip in retained earnings and reserves, following a year of strategic investments and project development.

Despite this, your Company's equity position underscores the strength of its

financial structure. With a solid equity base coupled with low level of debt, your Company remains well-positioned to take on future challenges and additional leverage to take advantage of growth opportunities for the purpose of delivering long-term value to its shareholders.

KEY PERFORMANCE INDICATORS

Performance Indicators	31 December 2024	31 December 2023
Current Ratio	3.28	3.52
Quick Ratio	1.28	1.24
Solvency Ratio	3.03	3.78
Debt Ratio	0.33	0.26
Debt-to-Equity Ratio	0.49	0.36
Interest Coverage	0.09	3.53
Asset-to-Equity Ratio	1.49	1.36
Gross Profit Margin	39%	42%
Net Profit Margin	(65%)	39%
Return on Assets	(1%)	1%
Return on Equity	(2%)	2%
Price/Earnings Ratio	-11	11

CURRENT RATIO

PhilRealty's current ratio slightly went down to 3.28:1 compared to 3.52:1 at the end of 2023.

DEBT-TO-EQUITY RATIO

Consolidated debt-to-equity ratio stood at 0.49:1 by the end of 2024. While this represents an increase compared to the 0.36:1 ratio at the end of 2023, it still reflects the company's conservative capitalization and leveraging strategy, keeping debt at a low level compared to shareholders' equity.

ASSET-TO-EQUITY RATIO

The company's asset-to-equity ratio was at 1.49:1 in 2024, compared to 1.36:1 at the end of 2023.

EARNINGS PER SHARE

Earnings per share was at (₱0.01), from ₱0.01 per share in the previous year.

BOOK VALUE PER SHARE

The company's book value per share stood at ₱0.75 at the end of the year, compared to ₱0.76 at the end of 2023.

EDMUNDO C. MEDRANO
President



MESSAGE FROM THE PRESIDENT

We are currently in the midst of interesting but challenging times, as the real estate landscape continues to transform and evolve in tandem with changes in the global and local economy. PhilRealty has to move along with the changes, evolving too in the process, but remaining conscious of our legacy and the values we've long stood for.

Amidst the changing needs and desires of our niche market, we at PhilRealty remain committed to developing projects and communities that are not just elegant, but also purposeful and functional. Despite the changes around us, our goal remains clear: to build living spaces and communities that are innovative and sustainable, where residents can thrive in harmony with others.

This vision is important not only for our customers of today, but for the generations that will follow. We are conscious of the legacy that we speak of, and it is this understanding that inspires us to ensure that our spaces are

distinctive, exclusive, curated for personal luxury and sustainable.

As we look towards nature for inspiration, we seek to be ahead of the times through innovation and concern for sustainability. Seeing the rapid development in technology, and the value this adds to people's lifestyles, we are committed to investing in smart infrastructure and intelligent systems that will benefit our residents. These systems go beyond keeping our spaces safe and secure, but will also ensure that we live efficiently, conveniently, and sustainably.

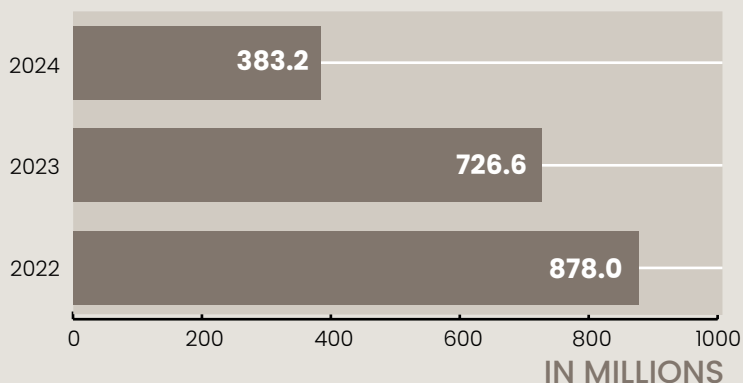
As we forge ahead, we continue to carry with us not just reminders of PhilRealty's long history and legacy, but also our Company's strong sense of purpose—to provide timeless and enduring living spaces. This serves as our North Star, guiding us as we pursue growth. Together with you, our partners, our stakeholders, and our valued customers, we are excited to continue building towards a purpose-driven and inspired future.

Financial Highlights

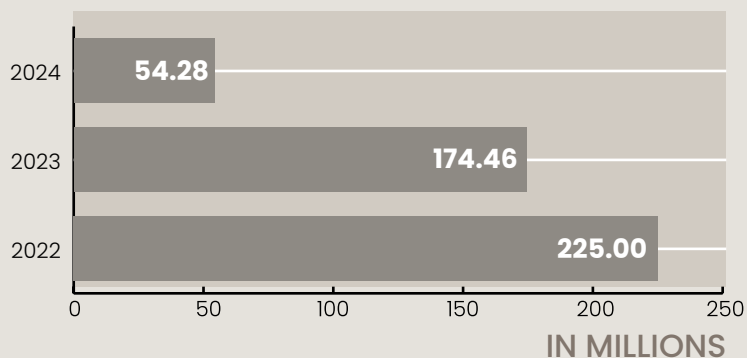


**GERARDO DOMENICO
ANTONIO V. LANUZA**
Chairman of the Board

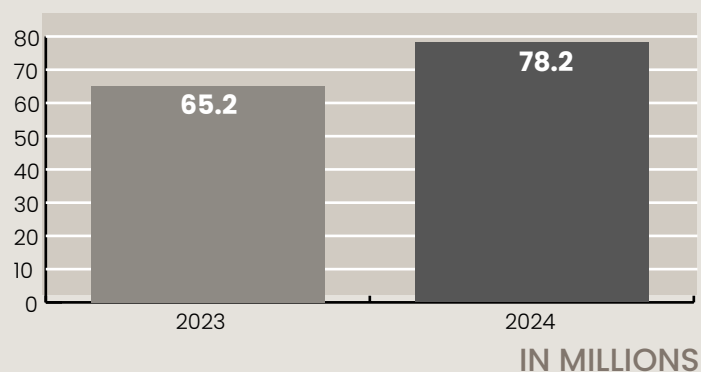
TOTAL REVENUES



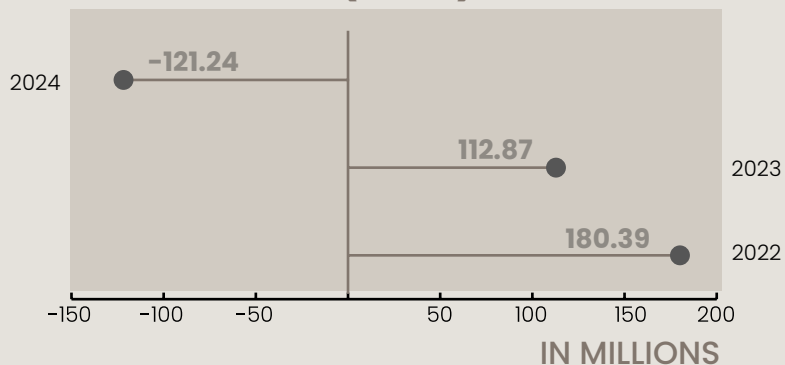
SALES OF REAL ESTATE



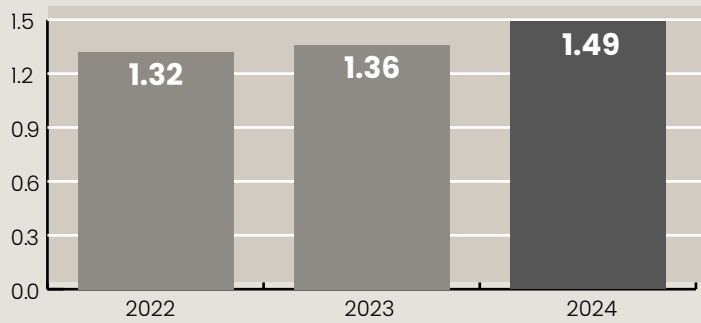
RENT INCOME



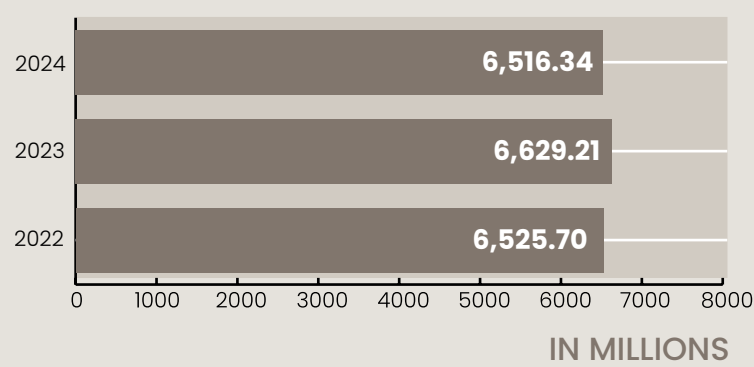
NET INCOME (LOSS) AFTER TAX



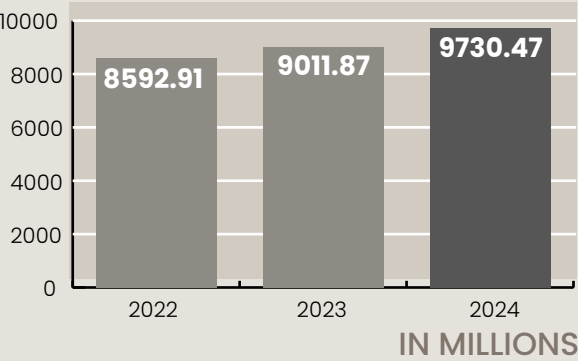
ASSET-TO-EQUITY



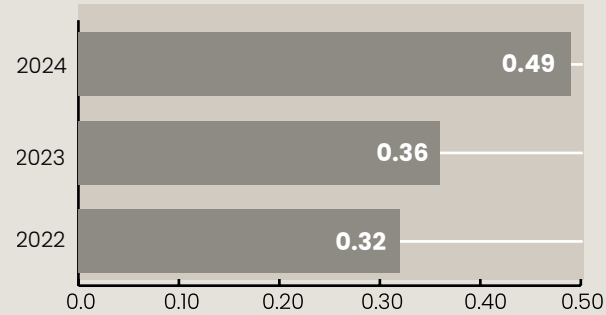
NET WORTH



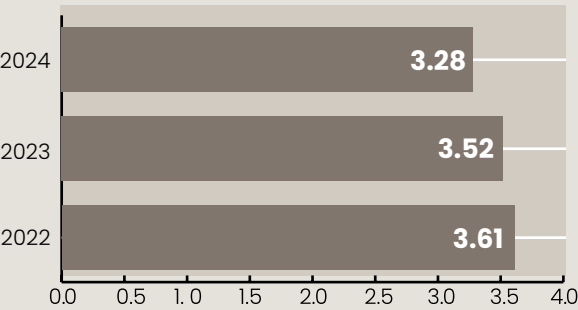
TOTAL ASSETS



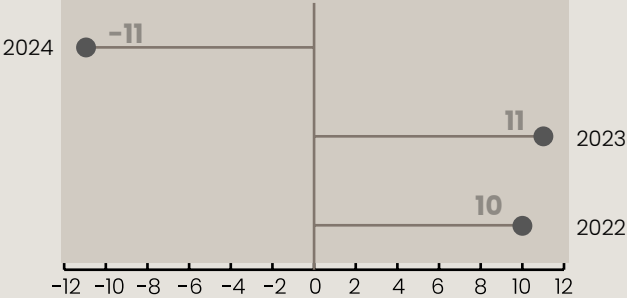
DEBT-TO-EQUITY



CURRENT RATIO



PRICE EARNINGS RATIO



Board of Directors



GERARDO O. LANUZA, JR.
Chairman Emeritus



ANTONIO O. OLBES
Vice Chairman Emeritus



**GERARDO DOMENICO
ANTONIO V. LANUZA**
Chairman of the Board



RENATO G. NUÑEZ
Vice Chairman and
Lead Independent Director



EDMUNDO C. MEDRANO
Director



GREGORY G. YANG*
Director



AMADOR C. BACANI
Director



ANDREW C. NG
Director



**CHIARA ROSARIO JULIA
V. LANUZA-PAREDES**
Director



ROSALINDA Y. BASAS**
Independent Director



ALFONSO MARTIN E. EIZMENDI
Independent Director



JOMARK O. AROLLADO
Independent Director

*Gregory G. Yang (Served as Director from Aug 2009 to May 2025)

**Rosalinda Y. Basas (Elected as Independent Director on May 2025 to Present)

MANAGEMENT COMMITTEE

**GERARDO DOMENICO
ANTONIO V. LANUZA**
Chairman of the Board

RICHARD NICHOLAS K. GO
VP and Head
Sales and Chief Sales Officer

MARISSA S. BONTOGAN
VP and Treasurer and
Risk Officer

CARLOS MIGUEL T. PACA
VP and Head
Business Development
and Investor Relations Officer

EDMUNDO C. MEDRANO
President



EDILYNDA G. ENRIQUEZ
Head
Human Resources

MARK ANTHONY M. RAMOS
VP and Controller and
Compliance Officer

ERWIN V. CIAR
VP and Head
Project Construction and
Management

ADELIN SUSAN C. CARAG
VP and Head
Property Management Services



AN OUTLOOK FOR GROWTH



GERARDO DOMENICO ANTONIO V. LANUZA
Chairman of the Board



EDMUNDO C. MEDRANO
President

PhilRealty's keen response to market challenges and its steadfast commitment to delivering enduring and distinctive projects is a showcase of its dedication to providing quality developments that are constantly rooted in the understanding of, and connection with, our stakeholders.

The past year has seen a mix of wins and challenges for the real estate

industry. Experts have reported that the sector is expected to see uneven recovery across its various segments. But amid the transformation happening within the industry, it is worth noting that hospitality, retail, and office spaces will recover and rebound strongly.

Residential markets are faced with short-term challenges at present due to uncertainties in the global economic, security and political fronts. However, experts are quick to point out that companies and property developers

who can pivot to meet tenant demands for innovation, sustainability, and adaptability have the strong potential to recover and thrive.

The trend appears to lean towards a focus on selling existing inventory, particularly in the luxury segments. "Those who invest in innovation, embrace sustainability, and adapt to changing market demands will be best positioned to thrive in a competitive and future-ready real estate landscape," Colliers Philippines reports.



Light and airy interiors in Unico, designed by renowned design company Studio Ong

New developments

For the luxury residential segment, the outlook appears positive, and experts see that the segment will remain an attractive investment for long-term investors, particularly in luxury properties located in central business districts, where we see more property diversification and resilience.

Districts like Bonifacio Global City are touted as examples of promising areas for growth thanks to the diverse property mix in the area. PhilRealty's latest upscale residential condominium project in BGC, Unico, is expected to soon be among BGC's premier addresses owing to its prime location along 24th Avenue, where its modern design and sophisticated amenities find a home in its outstanding location. Its proximity to some of the district's dining places that offer various gastronomic experiences, luxury retail outlets and premier offices and hotels are location attributes that discerning customers will be attracted to.

Featuring a design philosophy that emphasizes harmonious living environments, Unico is set to house not just residential units ranging from luxurious penthouses to stylish but functional apartments, but will also offer premium health and

wellness amenities such as a lap pool, jacuzzi, gym, studio, sauna, steam room, and hot and cold plunge.

By the end of 2024, key milestones in the basement construction, as well as the basement structure itself, were completed a full six months ahead of schedule. These included excavation and backfilling, footing and mat foundation works, and rebar installation. With construction progressing steadily, we are confident that on-time project completion will be achieved.

Strategic partnerships

To see our vision of delivering superior value through our developments means working with and consistently strengthening our relationships with our partners and stakeholders.

To create the harmonious designs we envisioned for Unico, PhilRealty is working with world-famous architects, best in class consultants, designers and contractors, all focused on a single



vision: to offer distinctive, enduring living spaces that seamlessly integrate luxury and comfort.

In 2023, among our previously reported milestones was the grant by Philippine Bank of Communications (PBCOM) of a ₱3.8 billion Term Loan to partially finance the construction of the Unico Residential Tower Project.

Arquitectonica, operating from both Miami, USA, and Hong Kong, serves as one of Unico's major consultants as the design architect, while Philippine firm Casas + Architects Inc. was appointed as architect of record. Sy^2 Associates offers their expertise as structural engineers for the project.

Among other partners of note for Unico are Langan International, ensuring the structure will be sound against natural calamities, principally earthquakes. Velvet Greens and Blooms Inc. has also been tapped to design the swimming pool and landscaping, creating luxurious and functional outdoor amenities. Studio Ong, who has been lauded for their design work for some of Manila's top dining concepts, has come on board as the interior designers for Unico.

Our ongoing partnerships with trusted financial institutions, PBCOM and Philippine National Bank (PNB), not only benefit the projects PhilRealty currently has in the pipeline, but also the residents already residing in our communities.

Our continuing engagements with these institutions further solidifies their trust, belief and confidence in the Company's strategic direction.

A wholly owned subsidiary, Three Corners Realty Corporation, has been incorporated. Currently, the transfer by PhilRealty of a property in BGC located at the corner of 6th Avenue and 25th Street in exchange for voting preferred shares is currently in the works. We warmly welcome this new subsidiary, which we expect to help diversify the Company's portfolio in line with the company's long-term plans for growth. This subsidiary is also expected to help strengthen our market presence and extend our reach, creating new avenues of revenue that will further ensure our long-term stability and growth.

Meanwhile, in the storied New Manila district of Quezon City, One Balete's



Natural elements abound in Unico, from wood to marble, in organic shapes inspired by nature



Clearing of Site



Progress of Bulk Excavation



Completion of Bulk Excavation



Lean Concreting



Rebar for Mat Foundation



Completion of Mat Foundation



Construction of Ground Floor and Basement Parking



Construction of Podium Parking and Amenity Floor



Podium and Amenity Floor

Unico: A Clear Path of Progress

The Unico Residential Tower Project has been making consistent progress, proceeding smoothly from site clearing to vertical construction. Major milestones—including bulk excavation, lean concreting, and mat foundation—were all completed on time. These were followed by the successful completion of the basement parking levels and the ground floor area, as well as the podium parking levels and the amenity floors.

Ahead of schedule, Unico is destined to become one of BGC's premier residential addresses, exemplifying PhilRealty's dedication to high-quality development and enduring value.

planned expansion is still foremost in the plans of the Company after the development of its Unico Residential Tower. With New Manila continuing to pride itself on the rich legacy that runs through its colorful and storied history, your Company is committed to eventually complete the full development of One Balet.

Current outlooks in the office space segment foresee a positive trend towards recovery this year. Among the properties we expect to see increased demand is Tektite Towers, one of Ortigas Center's premier addresses for business. The name itself is iconic and synonymous to prestige as home to emerging and established enterprises, being one of the pioneer developments in the Ortigas Central Business District.

Tourism also remains a potent force in the property market. El Retiro, located in the country's summer capital of Baguio, is a prime example of the versatility and adaptability of PhilRealty in the luxury residential market. El Retiro is a grand

heritage mansion which is not only a vacation home but also as a splendid event venue. Destination wedding trends have seen growth in "hometown" weddings—where couples opt for iconic opulent and elegant private residences, or ones that hold meaning as a place of significance in their youth. On the local front, Baguio City is among the top destinations, and El Retiro's popularity as a wedding venue has been noticeably on the rise.

These are exciting times for your Company with the numerous projects and opportunities on the horizon. With these developments, we are optimistic in PhilRealty's road to steady growth. Despite market fluctuations, the Company is steadfast in its commitment to pursuing and delivering long-term projects and developments, which are expected to drive revenues in the coming years. These high-value developments reflect the continued desirability of our properties that showcase the Company's dedication to quality, one that is constantly rooted in our commitment to our stakeholders and customers.

**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.

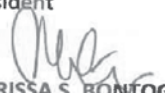
The Board of Directors is responsible for overseeing the Company's financial reporting process.

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

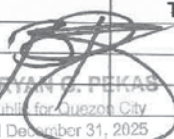

MARISSA S. BONTOGON
Vice President and Treasurer

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 C. PEKAS
Notary Public for Quezon City
Valid until December 31, 2025
Roll of Attorney No. 60393

COC NO. 157

PAGE NO. 29

BOOK NO. 21X

SHEET OF 20 25

1 Balete Drive corner N. Domingo Street, Barangay Kawit, District 4, Quezon City 1111
Tel. No.: (632) 8631-3179

JBP No. 491739 / 02 January 2025, Q.C.
Admin. Order No. 10095447, 01-02-2025, Marikina City
MCLE Compliance No. VII-0025903; 01-30-2023
603 EDQA Diamond Finance Bldg. Brgy. SMDP Cubao, Q.C.



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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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1229 Philippines
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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.



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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.



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- 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

CRA 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 AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024 AND 2023

	<i>Note</i>	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
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



PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024, 2023 AND 2022

	<i>Note</i>	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

	<i>Notes</i>	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						Non- controlling Interests (Note 27)	Total Equity
	Capital Stock (Note 25)	Paid-in Capital (Note 25)	Additional Paid-in Capital (Note 25)	Reserves (Note 26)	Retained Earnings	Treasury Stock (Note 25)		
Balance at January 1, 2022	P4,275,698,948	P780,630,029	P52,201,114	P1,368,606,555	P6,367,087,013	(P38,841,631)		P6,328,245,382
Comprehensive income (loss)	-	-	-	-	183,087,317	-	(2,698,827)	180,388,490
Net income (loss) for the year	-	-	-	13,329,548	-	-	-	13,329,548
Other comprehensive income for the year	-	-	-	-	3,711,779	-	-	3,711,779
Adjustments	-	-	-	-	-	-	-	-
Total comprehensive income (loss) for the year	-	-	-	13,329,548	186,799,096	-	(2,698,827)	197,429,817
Transaction with owners	22,500	-	-	-	-	-	-	22,500
Collection of subscription receivable	4,275,721,448	780,630,029	65,530,662	1,555,405,651	6,567,238,157	(41,540,458)		6,525,697,699
Balance at December 31, 2022								
Comprehensive income (loss)	-	-	-	-	112,880,755	-	(11,796)	112,868,959
Net income (loss) for the year	-	-	-	(9,400,124)	-	-	-	(9,400,124)
Other comprehensive loss for the year	-	-	-	46,784	-	-	-	46,784
Adjustments	-	-	-	-	-	-	-	-
Total comprehensive income (loss) for the year	-	-	-	(9,353,340)	112,880,755	-	(11,796)	103,515,619
Balance at December 31, 2023	P4,275,721,448	P780,630,029	P56,177,322	P1,668,286,406	P6,670,765,572	(P41,552,254)		P6,629,213,318
Comprehensive income (loss)	-	-	-	-	(121,235,533)	-	(3,859)	(121,239,392)
Net loss for the year	-	-	-	-	-	-	-	-
Other comprehensive income for the year	-	-	-	8,363,224	-	-	-	8,363,224
Total comprehensive income (loss) for the year	-	-	-	8,363,224	(121,235,533)	-	(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	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

	<i>Notes</i>	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)

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

	<i>Note</i>	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.

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED NOTES TO THE 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.



PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

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.

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES
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5. Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI)

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

	<i>Note</i>	For the Years Ended December 31, 2024 and 2023		
		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).



PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES
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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	P3,189,750	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



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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.



PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES
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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

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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.



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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

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES

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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).



PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES
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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).

PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES
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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).



PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES
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13. Trade and Other Payables

This account consists of:

	<i>Note</i>	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



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The loans and note payable are composed of the following:

	2024	2023
Payable within one year:		
<i>Parent Company</i>		
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
<i>Subsidiary</i>		
RCBC Savings Bank	-	159,255
	P984,428,257	P829,668,150
Payable after one year:		
<i>Parent Company</i>		
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.



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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
<i>Trade receivables</i>			
Ultimate Parent Company Greenhills Properties, Inc.			The receivables are secured with related units until full payment.
Sale of parking space	P -		
Collections during the year	-	P51,892,140	
<i>Other receivables</i>			
Affiliates			Other receivables are secured with related units until full payment.
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	
<i>Forward</i>			



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<i>Advances</i>				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	-	-		
<i>Key management personnel</i>				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	
<i>Trade receivables</i>				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		
<i>Other receivables</i>				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		
<i>Advances</i>				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	-	-		
<i>Key management personnel</i>				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).



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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.



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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



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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.

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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:

	<i>Note</i>	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:

	<i>Note</i>	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:

	<i>Note</i>	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

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	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

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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

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	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.

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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.



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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)



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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



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- 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.

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- 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.



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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.

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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.



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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.

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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 materially 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.



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- 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.



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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.



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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.



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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.



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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.

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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.



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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.

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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.



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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.



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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.



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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.



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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.



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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.



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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.



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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.

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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.



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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



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	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.



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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.

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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.

	Carrying Amount	Contractual Obligation			Total
		Less than One Year	One to Five Years	More than Five Years	
2024					
Trade and other payables*	P300,053	P217,517	(In Thousand Pesos)		P300,053
Loans and note payable	1,841,919	1,059,210	P79,630	P2,906	2,015,544
			956,334	-	
2023					
Trade and other payables*	P133,514	P53,813	(In Thousand Pesos)		P133,514
Loans and note payable	1,202,020	861,004	P72,289	P7,412	1,277,769
			416,765	-	

*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.



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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 materially 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



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(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.



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- 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.



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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:



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2024

	Parent Company	Subsidiaries					Intersegment adjustments	Consolidated
	Sale of Real Estate and Leasing	Property Management	Insurance Brokerage	Holding Company	Real Estate	Travel Services		
(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

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2024

	Parent Company	Subsidiaries					Intersegment adjustments	Consolidated	
		Sale of Real Estate and Leasing	Property Management	Insurance Brokerage	Holding Company	Real Estate			Travel Services
(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	



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	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 -	P220,880
Rental income	65,150	151	165	-	-	-	65,466
Intersegment sales	-	434	-	-	-	-	-
Total revenue	239,611	41,788	5,381	-	-	-	286,346
Real estate costs and expenses	422,081	45,858	5,051	61	-	107	472,724
Equity in net loss of an associate	-	-	-	-	-	-	1,799
Gross income (loss)	(182,470)	(4,070)	330	(61)	-	(107)	(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)	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	8,955,432
Investment in associates	100,930	-	-	-	-	-	56,437
Total assets	8,969,450	95,780	12,796	119	-	1,297	9,011,869
Segment liabilities	1,576,411	36,796	7,280	-	-	30,225	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	P2,382,656

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2023

	Parent Company	Subsidiaries					Intersegment adjustments	Consolidated
		Sale of Real Estate and Leasing	Property Management	Insurance Brokerage	Holding Company	Real Estate		
(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



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2022

	Parent Company	Subsidiaries						Intersegment adjustments	Consolidated
	Sale of Real Estate and Leasing	Property Management	Insurance Brokerage	Holding Company	Real estate	Travel Services			
(In Thousand Pesos)									
Revenue									
Revenue from contracts with customers	P224,999	P34,656	P5,567	P-	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

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2022

	Parent Company	Subsidiaries						Intersegment adjustments	Consolidated
		Sale of Real Estate and Leasing	Property Management	Insurance Brokerage	Holding Company	Real Estate	Travel Services		
(In Thousand Pesos)									
Segment additions to:									
Property and equipment	P1,546	P511	P36	P -	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 -	P -	P15,631
Impairment losses	P25,000	P2,589	P -	P -	P -	P -	P -	P -	P27,589



PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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,



PHILIPPINE REALTY AND HOLDINGS CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.



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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

Maceda Valencia & Co. is an independent member firm of Nexia International, a worldwide network of independent accounting and consulting firms. Nexia International does not accept any responsibility for the commission of any act, or omission to act by, or the liabilities of, any of its members. Membership of Nexia International, or associated umbrella organizations, does not constitute any partnership between members, and members do not accept any responsibility for the commission of any act, or omission to act by, or the liabilities of, other members.



"Annex A"

Reconciliation of Retained Earnings Available 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		
Unappropriated 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.

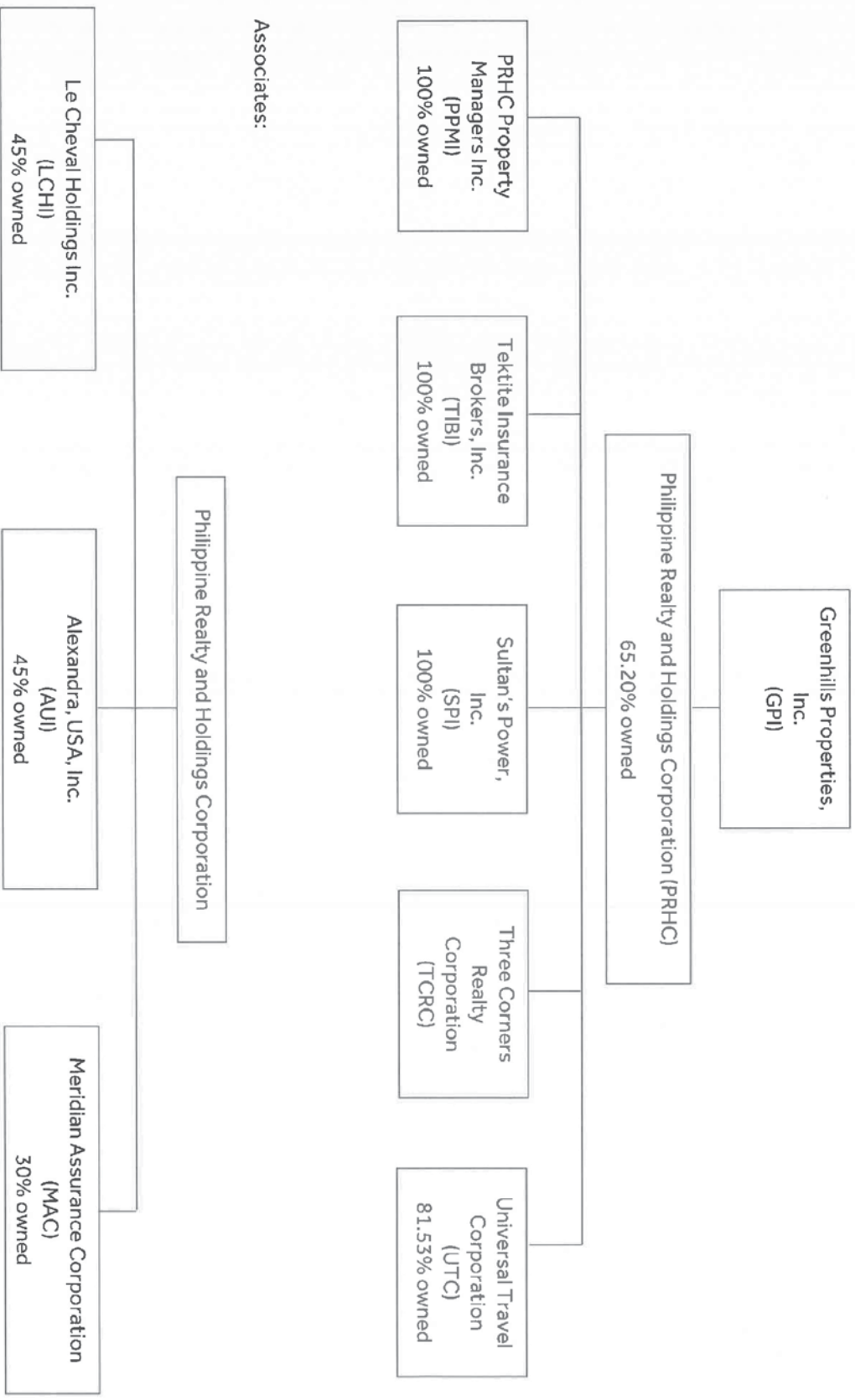
⁽⁶⁾ Net profit margin ratio is derived by dividing net profit with total revenue.

⁽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 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

- Include in this column each type of obligation authorized.
- This column is to be totalled to correspond to the related Statements of Financial Position caption.
- 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 filed	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

HEAD OFFICE

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LEGAL COUNSELS

Bernardo Placido Chan & Lasam Law Offices
Martinez Vergara Gonzales & Serrano Law Office
Pastelero Law Office
Picazo Buyco Tan Fider & Santos Law Offices
Somera Javeloza & Associates
Yabes & Yabes-Alvarez & Associates

BANKS

BDO Unibank, Inc.
Bank of the Philippine Islands
China Bank Savings Inc.
City Savings Bank Inc.
Maybank Philippines, Inc.
Metropolitan Bank and Trust Co.
Philippine Bank of Communications
Philippine National Bank
Rizal Commercial Banking Corporation
Security Bank Corporation
Union Bank of the Philippines

TRANSFER AGENT

Stock Transfer Service, Inc.

AUDITOR

Maceda Valencia & Co.

LISTING

Philippine Stock Exchange

MEMBER

Chamber of Real Estate & Builders' Associations, Inc.
The American Chamber of Commerce of the Philippines, Inc.



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